

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:912

ANSWERED ON:08.08.2013

PAYMENTS BY INSTRUMENTATION LTD

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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether M/s. Instrumentation Ltd. (IL) are engaged in unfair trade practices by arbitrarily withholding payments of Small Scale Industries (SSIs) engaged in manufacturing of cables;
- (b) if so, the details thereof;
- (c) whether according to term of purchase orders placed on cable manufacturers, the payment conditions were on 'Back to Back' basis i.e. to release the payments on receipt of the same from clients;
- (d) if so, the reasons for violating the terms and conditions of purchase orders by IL resulting into financial hardship to cable manufacturers; and
- (e) the steps IL have taken so far to release the payment of SSI units manufacturers of cable forthwith?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

- (a)& (b): No. Owing to sickness and time & cost overrun due to partial implementation of the Modified Revival Scheme of the Company, it has been facing a critical financial crisis and acute shortage of funds. There is no deliberate diversion of funds, but, the critical fund requirements which are mandatory in nature are being addressed on priority.
- (c) & (d): There are terms and conditions in some Purchase Orders for back to back payment to suppliers; however, as explained at (a), above payments could not be released due to acute shortage of funds.
- (e): All out efforts have been made to make all due payments subject to availability of funds.