

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

UNSTARRED QUESTION NO:3587
ANSWERED ON:04.08.2014
PACKAGE FOR HCL
Reddy Shri Ponguleti Srinivasa

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

- (a) whether the Hindustan Cables Limited (HCL) is facing a severe financial crunch;
- (b) if so, whether the Government has released any non-plan budgetary support to HCL to sustain it;
- (c) whether the Government has issued any direction to the Minister, of Communications and Information Technology to release some orders for manufacture of cables by HCL and if so, the details thereof; and
- (d) the other steps taken by the Government to revive HCL?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI PON. RADHAKRISHNAN)

- (a) Yes, Madam. The Company is facing severe financial crunch since 2003-04.
- (b) Yes, Madam. The Cabinet in its meeting held on 27.1.1999 approved a Package of Assistance together with Financial Restructuring for Company, in which Non-Plan budgetary support in the form of equity of Rs. 75 crores towards partial reimbursement of cash losses was included. Due to financial difficulties from 2003, the Government has been providing salary support every six months to the employees of HCL.
- (c) Production in the all units has been stopped since 2003 and thereafter no order has been received from Department of Telecommunication.
- (d) A revival proposal of the company through takeover by the Ordnance Factory Board, Department of Defence Production, Ministry of Defence is under active consideration.