

68

**COMMITTEE ON
GOVERNMENT ASSURANCES
(2017-2018)**

SIXTEENTH LOK SABHA

SIXTY-EIGHTH REPORT

REVIEW OF PENDING ASSURANCES
PERTAINING TO THE MINISTRY OF
HEAVY INDUSTRIES AND PUBLIC
ENTERPRISES (DEPARTMENT
OF HEAVY INDUSTRY)

Presented to Lok Sabha on 04 January, 2018



**LOK SABHA SECRETARIAT
NEW DELHI**

January, 2018/Pausa, 1939 (Saka)

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January, 2018/Pausa, 1939 (Saka)

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COMPOSITION OF THE COMMITTEE ON GOVERNMENT ASSURANCES*
(2017-2018)

Dr. Ramesh Pokhriyal "Nishank" — *Chairperson*

MEMBERS

2. Shri Rajendra Agrawal
3. Shri Anto Antony
4. Shri Tariq Anwar
5. Prof. (Dr.) Sugata Bose
6. Shri Naranbhai Bhikhabhai Kachhadiya
7. Shri P.K. Kunhalikutty
8. Shri Bahadur Singh Koli
9. Shri Prahlad Singh Patel
10. Shri A.T. Nana Patil
11. Shri C.R. Patil
12. Shri Sunil Kumar Singh
13. Shri K.C. Venugopal
14. Shri S.R. Vijayakumar
15. Vacant

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri U.B.S. Negi | — | <i>Joint Secretary</i> |
| 2. Shri P.C. Tripathy | — | <i>Director</i> |
| 3. Shri S.L. Singh | — | <i>Deputy Secretary</i> |

*The Committee has been re-constituted *w.e.f.* 01 September, 2015 *vide* Para No. 5800 of Lok Sabha Bulletin Part-II, dated 18 September, 2017.

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(2016-2017)

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9. Shri Prahlad Singh Patel
10. Shri A.T. Nana Patil
11. Shri C.R. Patil
12. Shri Taslimuddin
13. Shri K.C. Venugopal
14. Shri Vijay Kumar

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| 3. Shri S.L. Singh | — | <i>Deputy Secretary</i> |

* The Committee has been re-constituted *w.e.f.* 01 September, 2016 *vide* Para No. 4075 of Lok Sabha Bulletin Part-II dated 05 September, 2016.

** Nominated to the Committee *vide* Para No. 5328 of Lok Sabha Bulletin Part-II dated 30 May, 2017 *vice* Shri E. Ahamed expired on 01 February, 2017.

INTRODUCTION

I, the Chairperson of the Committee on Government Assurances (2017-2018), having been authorized by the Committee to submit the Report on their behalf, present this Sixty-Eight Report (16th Lok Sabha) of the Committee on Government Assurances.

2. The Committee (2016-2017) at their sitting held on 06 October, 2016 took oral evidence of the representatives of the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry) regarding pending Assurances upto the 05th Session of the 14th Lok Sabha to the 10th Session of the 15th Lok Sabha.

3. At their sitting held on 02 January, 2018 the Committee (2017-2018) considered and adopted their Sixty-Eighth Report.

4. The Minutes of the aforesaid sittings of the Committee form part of this Report.

5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI;
02 January, 2018

12 Pausa, 1939 (Saka)

DR. RAMESH POKHRIYAL "NISHANK"
Chairperson,
Committee on Government Assurances.

REPORT

I. INTRODUCTORY

The Committee on Government Assurances scrutinize the Assurances, promises, undertakings, etc., given by the Ministers from time to time on the floor of the House and report the extent to which such Assurances, promises, undertakings have been implemented. Once an Assurance has been given on the floor of the House, the same is required to be implemented within a period of three months. The Ministries/Departments of Government of India are under obligation to seek extension of time required beyond the prescribed period for fulfillment of the Assurance. Where a Ministry/Department are unable to implement an Assurance, that Ministry/Department are bound to request the Committee for dropping it. The Committee consider such requests and approve dropping, in case, they are convinced that grounds cited are justified. The Committee also examine whether the implementation of Assurances has taken place within the minimum time necessary for the purpose and the extent to which the Assurances have been implemented.

2. The Committee on Government Assurances (2009-10) took a policy decision to call the representatives of the various Ministries/Departments of the Government of India, in a phased manner, to review the pending Assurances, examine the reasons for pendency and analyze operation of the system prescribed in the Ministries/Departments for dealing with Assurances. The Committee also decided to consider the quality of Assurances implemented by the Government.

3. The Committee on Government Assurances (2014-2015) decided to follow the well established and time tested procedure of calling the representatives of the Ministries/Departments of Government of India, in a phased manner and review the pending Assurances. The Committee took a step further and decided to call the representatives of the Ministry of Parliamentary Affairs also as all the Assurances are implemented through them.

4. In pursuance of the *ibid* decision, the Committee on Government Assurances (2016-2017) called the representatives of the Ministry of Heavy Industries and Public Enterprises and the Ministry of Parliamentary Affairs to render clarifications with respect to delay in implementation of the Assurances given during the period from the 5th Session of the 14th Lok Sabha to the 10th Session of the 15th Lok Sabha. The Committee examined the following 07 Pending Assurances (Appendices-I to VII) pertaining to the Ministry at their sitting held on 06 October, 2016:—

S.No.	SQ/USQ No. dated	Subject
1.	USQ No. 3681 dated 18.08.2005	Revival of HCL (Appendix-I)

S.No.	SQ/USQ No. dated	Subject
2.	USQ No. 2694 dated 12.12.2005	Revival of Hindustan Cables Ltd. (Appendix-II)
3.	USQ No. 3462 dated 26.04.2007	Revival of HCL and BPCL (Appendix-III)
4.	USQ No. 2749 dated 23.07.2009	Hindustan Cables Limited (Appendix-IV)
5.	USQ No. 1267 dated 26.11.2009	Scrappage Scheme for Vehicle Owners
6.	USQ No. 4496 dated 03.05.2012	Outright Sale of TCIL (Appendix-VI)
7.	USQ No. 4522 dated 03.05.2012	Take Over of HCL Units (Appendix-VII)

5. The Extracts from Manual of Practice and Procedure in the Government of India, Ministry of Parliamentary Affairs laying guidelines on the definition of an Assurance, the time limit for its fulfillment, dropping/deletion and extension, the procedure for fulfillment etc., besides maintenance of Register of Assurances and periodical reviews to minimize delays in implementation of the Assurances are reproduced at Appendix-VIII.

6. During oral evidence reminding that the Ministries/Departments are required implement an Assurance within a period of 3 months, the Committee pointed out the delay in fulfilling the Assurances. The Committee enquired about the system of reviewing/monitoring implementation of the Assurances at any level in the Ministry and the details of meetings held in this regard. The Secretary, Department of Heavy Industry deposed before the Committee as under:—

"In our Department review of pending Assurances is done from time to time. Reviews are also undertaken at my level at stipulated time period. The specific details of the dates of reviews are not available with me right now. We have not set any regular period for review of pending Assurances, however, these are reviewed regularly every month at the level of Joint Secretary. At my level, reviews are undertaken after three months. Review of pending Assurances was done once before and the second time it was done when the sitting of the Committee has been called."

7. Subsequently, 5 Assurances mentioned at Sl. Nos. 1, 2, 3, 4 and 7 have since been dropped on 05.01.2017 and one Assurance at Sl. No. 6 has since been dropped on 06.04.2017.

Observations/Recommendations

8. The Committee note that out of 7 Assurances, pertaining to the Ministry, 5 Assurances mentioned at Sl. Nos. 1, 2, 3, 4 and 7 have since been dropped on 06.04.2017 while the remaining Assurance mentioned at Sl. No. 5 is pending for

more than seven and a half years. The inordinate delay in fulfillment of the Assurance certainly of seriousness and of lackadaisical approach of the Ministry in dealing with Assurances given by the Minister on the floor of House. It also reflects inadequate monitoring and follow-up action on the part of the Ministry. The analysis of the Status Notes of the Assurances reveals that the mechanism to deal with Assurances especially those involving other Ministries/Departments is far from effective. Since the utility and relevance of an Assurance are lost due to inordinate delay in fulfillment, the Committee recommend that the existing mechanism/system in the Ministry should be overhauled/streamlined so as to avoid an undue delay in fulfillment of Assurance. The Committee also desire that the Ministry should adopt a proactive approach and scale up level of coordination with other Ministries/Departments concerned for early/timely implementation of pending and future Assurances.

II. Review of Pending Assurances pertaining to the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry).

9. In the succeeding paragraphs, the Committee deal with the pending Assurances pertaining to the Ministry and examined by them.

A. Scrappage Scheme for Vehicle Owners

10. In reply to USQ No. 1267 dated 29.11.2009 regarding 'Scrappage Scheme for Vehicle Owners' (Appendix V), it was stated that the Society of Indian Automobile Manufacturers (SIAM) has submitted a proposal for modernization of Vehicle fleet with a view to giving impetus to the growth of the automotive sector and the bringing down the environmental pollution, improving road safety etc. The Scheme is aimed at providing the incentive to the vehicle owners on purchase of new vehicle. The matter has been considered in the Department and a group of officers under the Chairmanship of Director (Auto), Department of Heavy Industry associating NATRIP and the Ministry of Finance has been constituted to discuss threadbare the need and scope of having an incentive based scheme for replacement of old vehicles specifically in the Indian context and suggest specific contours for such a scheme.

11. Explaining the reasons for pendency of the Assurance, the Secretary, Heavy industry, deposed before the Committee during evidence as under:—

"The Assurance was whether the Government would consider disposal of vehicles which have outlived their lives. A Core Committee was created to consider disposal/replacement of such vehicles. When the matter was considered by the Core Committee, it was found that there was a need to form rules for the purpose like an incentive based scheme. The rules have to be made under the Rules of Motor Vehicles Act already in force. Then, we approached the Ministry of Road Transport and Highways and informed them that it has to be done from their side. After that the process was started by the Ministry of Road Transport and Highways. This is the reason why a representative of Ministry of Road Transport and Highways is present here. According to our information, they have introduced a process and put it on a public portal for taking public opinion. We have given our suggestions on that. They will take a final decision and form the rules once the rest of the suggestions are received.

12. While observing that the Assurance pertains to the year 2009 and involves a serious matter concerning environment, the Committee wondered as to why the Ministry is taking so much time to frame the rules when the Core Committee had already been constituted way back in December, 2012. In reply, the Secretary, Heavy Industry stated during evidence as under:—

"Sir, the Core Committee conducted sittings on this subject but later on it was found that changes in rules do not come under the purview of this Ministry. Along with this, one more development took place. A small demo unit for dismantling of old vehicles was being set up by our Ministry at Chennai. It has been conducting dismantling experiments as to how vehicles should be scrapped, how much money can be had from such scrappings etc., The scientific funding of this exercise has been under evaluation. Their Report has come and we are sharing it with the other Departments on the basis of which they are finalizing their decisions."

13. In this regard, the representative of the Ministry of Road Transport and Highways apprised the Committee during evidence as under:—

"Earlier a Committee was constituted in the Department of Heavy Industry. After that they took suggestions from some international experts and set up a unit in Chennai for scrapping of vehicles in an environmentally safe manner. After that since 2015, the Ministry of Road Transport and Highways started work on ascertaining the life of vehicles as per the legal regulations and even sponsored an expert body to do this work. On the basis of that Report, we uploaded a Concept Note for consultation with all the Ministries, citizens and industry. We received many suggestions. However, with the coming of GST, its basic structure had to be changed because new things are coming up in terms of changes in excise duties. In August, 2016 it was decided that the Committee of Secretaries will take a final decision in the Matter."

14. When the Committee specifically asked about the capacity and the deadline fixed for any vehicle in the Motor Vehicles Act, standards laid down for controlling the pollution levels and whether the Ministry does not have any specific and clear policy for the old vehicles plying and creating pollution, the representative of the Ministry of Road Transport and Highways deposed as under:—

"Sir, as far as Motor Vehicle Act is concerned, it has not set any age limit for vehicles. It gives power to the Government under Section 59 to set the age of some vehicles. For cars, the national permit is granted for 9 years. These provisions are made under Rules for Vehicles which ply more often. We do not have any scientific evaluation system to set any rules as to which vehicle is worth running/plying on roads. As told earlier a centre has been set up in Chennai. In the same way, some inspection and certification centres have also been set up to know the fitness of old vehicles and to ascertain as to whether a particular vehicle is worth running on the roads. Recently, in the Bill presented in the House for Amendment in Motor Vehicles Act, a provision has been laid. As far as scrapping is concerned, it has been decided that Committee of Secretaries will consider that matter. We have circulated a draft Note to 6-7

Ministries concerned. We will proceed further once we get the response from these Ministries."

15. The Committee pointed out the inordinate delay in the matter and further enquired as to whether any incentive based scheme for replacement of old vehicles is already in place. The Secretary, Heavy Industry responded as under:—

"Sir, the new Cabinet Note prepared by the Ministry of Road Transport and Highways comprises incentive scheme. It has been approved by the Committee of Secretaries."

16. To this, the representative of the Ministry of Road, Transport and Highways further explained as under:—

"Sir, the Concept Note submitted by us includes incentive in a different way. In that Note, incentive was by way of excise duty, by the Manufactures of Vehicles and by way of scrap value. After coming of GST, equations have changed."

17. On being specifically asked as to what impact GST will have on the incentive, the representative of the Ministry of Road Transport and Highways replied as under:—

"Sir, the way incentive is given is changed. Earlier, we were thinking of giving incentives through excise duty. Now there is a proposal to give direct incentive which we have placed before the Committee of Secretaries. In this way, the manner in which incentive is given is slightly different."

Observations/Recommendations

18. The Committee are constrained to note the Assurance given in reply to USQ No. 1267 dated 26.11.2009 regarding 'Scrappage Scheme for Vehicle Owners' still remains to be fulfilled even after a lapse of more than seven and a half years. The Committee were informed that initially the Ministry was not aware as to whether the rules in the matter were to be framed by them or by the Ministry of Road Transport and Highways. Later on, after a Core Committee in the matter was constituted in December, 2012 it was found that changes in rules come under the purview of the Ministry of Road Transport and highways and therefore, the task was entrusted to them. However, the Ministry of Road Transport and Highways are yet to finalise the rules. The Committee are distressed to note that there is lack of co-ordination between the Ministry of Heavy Industries and the Ministry of Road Transport and Highways which is the main reasons behind the inordinate delay in fulfillment of this Assurance. Besides, there is an apparent lack of seriousness in the approach of these two Ministries on the issue. The Committee were also informed by the representative of the Ministry of Road Transport and Highways that a Concept Note has been put on public domain by them for consultation with all Ministries/Departments, citizens and industry on the issue. However, with the coming of GST, its basic structure had to be changed and new things are coming up in terms of changes in excise duties. Subsequently, in August, 2016 it was decided that the Committee of Secretaries will take a final decision in the matter. Observing that the matter has been pending since 2009 and in view of the serious threat to the environment due to hazardous pollution caused by the old vehicles, the Committee

feel that the country badly needs an effective and contemporary scrappage scheme for vehicles. The Committee, therefore, direct that the Department of Heavy Industry should adopt a proactive approach and co-ordinate with the Ministry of Road Transport and Highways and other stakeholders on the issue to expedite the formaulation of scrappage scheme for vehicles and fulfill the Assurance without further delay.

NEW DELHI;
02 January, 2018
12 Pausha, 1939 (Saka)

DR. RAMESH POKHRIYAL "NISHANK"
Chairperson,
Committee on Government Assurances.

APPENDIX I

GOVERNMENT OF INDIA

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 3681

TO BE ANSWERED ON 18.08.2005

Revival of HCL

3681. SHRI JUAL ORAM:

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

(a) whether the Government has any proposal to revive the Hindustan Cable Ltd. (HCL);

(b) if so, whether the techno-viability study report of the revival of HCL has been prepared;

(c) if so, the details thereof; and

(d) the further action taken/proposed to be taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) to (d) HCL is a sick PSU registered with BIFR since November 2002. The Operating Agency (IDBI) prepared a Draft Rehabilitation Scheme (DRS) of Rs.1448 crore. The DRS was based on unrealistic assumptions relating to demand of Polythene Insulated Jelly Filled Cables.

IIT Kharagpur was also commissioned to conduct a technical study of HCL which submitted its report in November, 2004. The technical study report recommended diversification in related and unrelated products. The report also recommended additional cash infusion of Rs.195 crores in addition to the Rs.1448 crores suggested in the DRS. The report had mentioned the names of the alternative products without conducting any study on issues related to feasibility and marketability of the recommended products.

In the absence of any appropriate recommendation, no decision could be taken.

The company has now engaged M/s. Tata Consultancy Services Ltd. for a detailed techno economic study. The report, after examination, will be placed before the Board for Reconstruction of Public Sector Enterprises (BRPSE) for advice. A final decision regarding the company will be taken on the basis of the recommendation of the BRPSE.

APPENDIX II

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 2694
TO BE ANSWERED ON 12.12.2005

Revival of Hindustan Cables Ltd.

2694. SHRI AJAY CHAKRABORTY:

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

(a) whether the Government is actively considering to revive the Hindustan Cables Ltd. (HCL);

(b) if so, the details thereof;

(c) whether the Government has taken any step to protect the interests of the employees who might get affected due to revival;

(d) if so, the details thereof; and

(e) the likely time by which the revival process would be completed?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF WATER RESOURCES (SHRI SONTOSH MOHAN DEV): (a) to (e) Hindustan Cables Ltd. (HCL) was referred to the BIFR in 2002. The Operating Agency appointed by the BIFR has since submitted a report on restructuring of HCL. Subsequently studies by IIT Kharagpur and Tata Consultancy Services (TCS) have also been conducted.

A proposal regarding the future of HCL has been prepared on the basis of all the above mentioned reports and has been placed before the Board for Reconstruction of Public Sector Enterprises (BRPSE). The recommendation of the BRPSE is awaited. The Government will take a decision on the future of HCL after the recommendations of the BRPSE are available. However, interest of the employees of the company will be protected as per extant laws and relevant instructions on the subject.

APPENDIX III

GOVERNMENT OF INDIA

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 3462

TO BE ANSWERED ON 26.04.2007

Revival of HCL and BPCL

3462. SHRI VIJOY KRISHNA:

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

(a) whether Hindustan Cables Ltd. (HCL) and Bharat Pumps & Compressors Ltd. (BPCL) have turned sick and referred to the Board for Reconstruction of Public Sector Enterprises (BRPSE) for their revival;

(b) if so, the details thereof;

(c) the reasons for the sickness of the respective PSUs; and

(d) the current status of their revival proposals?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH): (a) Hindustan Cables Limited (HCL) is sick and is under reference to Board for Industrial and Financial Reconstruction (BIFR). A proposal for its revival is under consideration of Board for Reconstruction of Public Sector Enterprises (BRPSE).

Bharat Pumps & Compressors Limited (BPCL) was sick and was referred to BRPSE in 2005. The Government, on the basis of the recommendation of BRPSE, sanctioned the revival plan. BPCL was discharged from the purview of Sick Industrial Companies (Special Provision) Act by BIFR on 06.02.2007 and is now no longer a sick company.

(b) to (d) The proposal for future of HCL was submitted to BRPSE on 07.11.2005, which came up for consideration on 11.09.2006. BRPSE recommended that a further holistic study of HCL, unit-wise & company as a whole, should be commissioned through IIT, Kharagpur. IIT, Kharagpur has been entrusted the study on 17th January 2007 accordingly with the request to submit its report within four months. Hindustan Cables Limited (HCL) became sick, *inter alia*, because there was sharp drop in demand for its main product *i.e.* Poly Insulated Jelly Filled (PIJF) Cables due to technological changes. Also the cost of production of one unit of PIJF Cables by HCL is presently more than the price offered by BSNL/MTNL, the main customer of the product.

APPENDIX IV

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA UNSTARRED QUESTION NO. 2749
TO BE ANSWERED ON 23.07.2009

Hindustan Cables Limited

2749. SHRI PRABODH PANDA:
SHRI TATHAGATA SATPATHY:
SHRI GURUDAS DASGUPTA:

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

- (a) the status of Hindustan Cables Ltd. (HCL) situated in West Bengal;
- (b) whether the Indian Institute of Technology (IIT), Kharagpur and Tata Consultancy Services (TCS) were engaged by HCL to conduct study for restructuring the sick company;
- (c) if so, the details thereof;
- (d) whether any report has been submitted by them;
- (e) if so, the salient features thereof along with the reaction of the Government thereto; and
- (f) the other steps being taken by the Government for revival of HCL?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV): (a) Hindustan Cables Ltd. (HCL), referred to BIFR in 2002 was declared sick in March, 2003. BRPSE has on 9.1.2008 recommended Joint Venture Partnership either with Public or Private Enterprises, failing which, a complete disinvestment.

(b) Yes, Madam.

(c) to (f) Technical Study conducted by IIT, Kharagpur in November, 2004 envisaged capital investment of Rs. 1,643 crore for revival of the company. The TCS turn around strategy of August, 2005 brought out detailed implications of adopting one of the three strategies, namely maintaining of *Status Quo*, Closure and Revival. These reports were considered by the Board for Reconstruction of Public Sector Enterprises (BRPSE) on 11.09.2006 when it was desired that a fresh detailed,

comprehensive and holistic study through IIT, Kharagpur be commissioned. The Report, accordingly, received from IIT, Kharagpur was considered by the BRPSE on 9.1.2008. BRPSE recommended Joint Venture Partnership either with Public or Private Enterprises, failing which, a complete disinvestment. Views of Central Public Sector Enterprises, which have synergies with HCL, were called for in June,2008 and thereafter an advertisement was published in August,2008 seeking Expression of Interest from interested Public Sector Enterprises. In response to this advertisement, a few proposals received from Central Public Sector Enterprises are under examination for possible JV formation.

APPENDIX V

GOVERNMENT OF INDIA

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 1267

TO BE ANSWERED ON 26.11.2009

Scrappage Scheme for Vehicle Owners

1267. SHRI MADHU GOUD YASKHI:

SHRI B.B. PATIL:

SHRI EKNATH M. GAIKWAD:

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

(a) whether Society of Indian Automobile Manufacturers (SIAM) has requested the Union Government to introduce Scrappage Scheme for all types of vehicle owners on the lines of European countries;

(b) if so, the details in this regard; and

(c) the response of the Government thereto?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV): (a) to (c) The Society of Indian Automobile Manufacturers (SIAM) has submitted a proposal for modernization of vehicle fleet with a view to give impetus to growth of the automotive sector and to bring down the environmental pollution, improve road safety etc. The scheme is aimed at providing incentive to the vehicle owners on purchase of new vehicle. The matter has been considered in the Department and a group of officers under the chairmanship of Director (Auto), Department of Heavy Industry associating NATRIP and the Ministry of Finance has been constituted to discuss threadbare the need and scope of having an incentive based scheme for replacement of old vehicles specifically in the Indian context and suggest specific contours for such a scheme.

APPENDIX VI

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 4496
TO BE ANSWERED ON 03.05.2012

Outright Sale of TCIL

4496. SHRIGURUDAS DASGUPTA:

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

(a) whether the Government has decided to do an outright sale of the Tyre Corporation of India Ltd., (TCIL), a sick Public Sector Undertaking based in West Bengal; and

(b) if so, the details thereof and the steps taken/being taken by the Government in this regard?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL): (a) Yes, Madam.

(b): The Government in November, 2008 approved that Tyre Corporation of India Limited be disinvested through outright sale after cleaning the balance sheet.

An Inter Ministerial Group has been constituted under the Department of Disinvestment to facilitate the process of disinvestment.

APPENDIX VII

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

LOK SABHA UNSTARRED QUESTION NO. 4522
TO BE ANSWERED ON 03.05.2012

Take over of HCL Units

4522. SHRI PRABODH PANDA:

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

(a) whether the Government proposes to revive the units of Hindustan Cables Ltd. (HCL);

(b) if so, the details thereof, unit-wise;

(c) whether the workers would be retained if the said units are taken over by other Agencies/Boards; and

(d) the time by which the take over process would be completed and the units would start production?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL): (a) to (d) Ordnance Factory, Board (OFB), under the Department of Defence production have shown interest in taking over all the units of Hindustan Cables Limited (HCL). A inter-departmental Committee constituted by the Department of Defence Production has recently submitted its report to Department of Defence Production. A final view on the proposal is to be received from Department of Defence Production.

APPENDIX VIII

(Vide para 5 of the Report)

Extracts from Manual of Practice and Procedure in the Government of India, Ministry of Parliamentary Affairs, New Delhi

Definition	<p>8.1 During the course of reply given to a question or a discussion, if a Minister gives an undertaking which involves further action on the part of the Government in reporting back to the House, it is called an 'assurance'. Standard list of such expressions which normally constitute assurances and as approved by the Committees on Government Assurances of the Lok Sabha and the Rajya Sabha, is given at <i>Annex 3</i>. As assurances are required to be implemented within a specified time limit, care should be taken by all concerned while drafting replies to the questions to restrict the use of these expressions only to those occasions when it is clearly intended to give an assurance in these terms.</p> <p>8.2 When an assurance is given by a Minister or when the Presiding Officer directs the Government to furnish information to the House, it is extracted by the Ministry of Parliamentary Affairs from the relevant proceedings and communicated to the department concerned normally within 10 working days of the date on which it is given.</p>
Deletion from the list of assurances	<p>8.3.1 If the administrative department has any objection to treating such a statement as an assurance or finds that it would not be in the public interest to fulfil it, it may write to the Lok/Rajya Sabha Secretariat direct with a copy to the Ministry of Parliamentary Affairs within a week of the receipt of such communication for getting it deleted from the list of assurances. Such action will require prior approval of the Minister.</p> <p>8.3.2 Departments should make request for dropping of assurances immediately on receipt of statement of assurances from the Ministry of Parliamentary Affairs and only in rare cases where they are fully convinced that the assurances could not be implemented under any circumstances and there is no option left with them but to make a request for dropping. Such requests should have the approval of their Minister and this fact should be indicated in their communication containing the request. If such a request is made towards the end of the stipulated period of three months, then it should invariably be accompanied with</p>

	<p>a request for extension of time. The department should continue to seek extension of time till a decision of the Committee on Government Assurances is received by them. Copy of the above communications should be simultaneously endorsed to the Ministry of Parliamentary Affairs.</p>
Time limit for fulfilling an Assurance	<p>8.4.1 An Assurance given in either House is required to be fulfilled within a period of three months from the date of the Assurance. This time limit has to be strictly observed.</p>
Extension of time for fulfilling an Assurance.	<p>8.4.2 If the department finds that it is not possible to fulfil the Assurance within the stipulated period of three months or within the period of extension already granted, it may seek further extension of time direct from the respective Committee on Government Assurances under intimation to the Ministry of Parliamentary Affairs as soon as the need for such extension becomes apparent, indicating the reasons for delay and the probable additional time required. Such a Communication should be issued with the approval of the Minister.</p>
Register of Assurances.	<p>8.5.1 The particulars of every Assurance will be entered by the Parliament Unit of the department Concerned in a register as at <i>Annex 4</i> after which the Assurance will be passed on to the concerned section.</p> <p>8.5.2 Even ahead of the receipt of communication from the Ministry of Parliamentary Affairs, the section concerned should taken prompt action to fulfil such Assurances and keep a watch thereon in a register as at <i>Annex 5</i>.</p> <p>8.5.3 The registers referred to in paras 8.5.1 and 8.5.2 will be maintained separately for the Lok Sabha and the Rajya Sabha Assurances, entries therein being made session wise.</p>
Role of Section Officer and Branch Officer.	<p>8.6.1 The Section Officer incharge of the concerned section will:</p> <p>(a) scrutinise the registers once a week;</p> <p>(b) ensure that necessary follow-up action is taken without any delay whatsoever;</p> <p>(c) submit the registers to the branch officer every fortnight if the House concerned is in session and once a month otherwise, drawing his special attention to Assurances which are not likely to be implemented within the period of three months; and</p> <p>(d) review of pending Assurances should be undertaken periodically at the highest level in order to minimise the delay in implementing the Assurances.</p>

Procedure for fulfillment of an Assurance.	<p>8.6.2 The branch officer will likewise keep his higher officer and Minister informed of the progress made in the implementation of Assurances, drawing their special attention to the causes of delay.</p> <p>8.7.1 Every effort should be made to fulfil the Assurance within the prescribed period. In case only part of the information is available and collection of the remaining information would involve considerable time, an implementation report containing the available information should be supplied to the Ministry of Parliamentary Affairs in part scrutinize of the Assurance, within the prescribed time limit. However, efforts should continue to be made for expeditious collection of the remaining information for complete implementation of the Assurance at the earliest.</p> <p>8.7.2 Information to be supplied in partial or complete fulfillment of an Assurance should be approved by the Minister concerned and 15 copies thereof (bilingual) in the prescribed proforma as at <i>Annex 6</i>, together with its enclosures, along with one copy each in Hindi and English duly authenticated by the officer forwarding the implementation report, should be sent to the Ministry of Parliamentary Affairs. If, however, the information being furnished is in response to an Assurance given in reply to a question etc., asked for by more than one member, an additional copy of the completed proforma (both in Hindi and English) should be furnished in respect of each additional member. A copy of this communication should be endorsed to the Parliament Unit for completing column 7 of its register.</p> <p>8.7.3 The implementation reports should be sent to the Ministry of the Parliamentary Affairs and not be the Lok/Rajya Sabha Secretariat. No advance copies of the implementation reports are to be endorsed to the Lok/Rajya Sabha Secretariat either.</p>
Laying of the implementation report on the Table of the House.	<p>8.8 The Ministry of Parliamentary Affairs, after a scrutiny of the implementation report, will arrange to lay it on the Table of the House concerned. A copy of the statement, as laid on the Table, will be forwarded by the Ministry of Parliamentary Affairs to the member as well as the department concerned. The Parliament Unit of the department concerned and the concerned section will, on the basis of this statement, make a suitable entry in their registers.</p>
Obligation to lay a paper on the Table of the House <i>vis-a-vis</i> Assurance	<p>8.9 Where there is an obligation to lay any paper (rule/order/notification, etc.) on the Table of the House and for which an Assurance has also been given, it will be laid on the Table, in the first instance, in fulfillment of the obligation, independent of the Assurance given. After this is done, a report in formal</p>

on the same subject.	implementation of the Assurance indicating the date on which the paper was laid on the Table will be sent to the Ministry of Parliamentary Affairs in the prescribed proforma (<i>Annex 6</i>). in the manner already described in para 8.7.2.
Committees on Government Assurances LSR 323,324 RSR211-A.	8.10 Each House of the Parliament has a Committee on Government Assurances nominated by the Speaker/Chairman. It scrutinized the implementation reports and the time taken in the scrutinized of Government Assurances and focuses attention on the delays and other significant aspects, if any, pertaining to them. Instructions issued by the Ministry of Parliamentary Affairs from time to time are to be followed strictly.
Reports of the Committees on Government Assurances.	8.11 The department will, in consultation with the Ministry of Parliamentary Affairs, scrutinize the reports of these two committees for remedial action wherever called for.
Effect on assurances on dissolution of the Lok Sabha.	8.12 On dissolution of the Lok Sabha, all Assurances, promises or undertakings pending implementation are scrutinized by the new Committee on Government Assurances for selection of such of them as are of considerable public importance. The Committee then submits a report to the Lok Sabha with a specific recommendation regarding the assurances to be dropped or retained for implementation by the Government.

MINUTES

COMMITTEE ON GOVERNMENT ASSURANCES (2016-2017)

(SIXTEENTH LOK SABHA)

SECOND SITTING

(06.10.2016)

The Committee sat from 1500 hours to 1700 hours in Committee Room "B", Parliament House Annexe, New Delhi.

PRESENT

Dr. Ramesh Pokhriyal 'Nishank' — *Chairperson*

MEMBERS

2. Shri Rajendra Agrwal
3. Shri E. Ahamed
4. Shri Anto Antony
5. Shri Tariq Anwar
6. Shri Naran Bhai Kachhadia
7. Shri Bahadur Singh Koli
8. Shri Prahlad Singh Patel
9. Shri Sunil Kumar Singh
10. Shri Taslimuddin
11. Shri K.C. Venugopal
12. Shri S.R. Vijay Kumar

SECRETARIAT

- | | | |
|----------------------|---|-----------------------------|
| 1. Shri R.S. Kambo | — | <i>Additional Secretary</i> |
| 2. Shri J.M. Baisakh | — | <i>Director</i> |
| 3. Shri S.L. Singh | — | <i>Deputy Secretary</i> |

WITNESSES

MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DEPARTMENT OF HEAVY INDUSTRY)

- | | | |
|-------------------------|---|-----------------|
| 1. Shri Girish Shankar | — | Secretary |
| 2. Shri Vishvajit Sahay | — | Joint Secretary |

3. Shri Bhaskar Jyoti Mahanta — Joint Secretary
 4. Smt. Vinita Srivastava — Director
 5. Shri Pravin L. Agrawal — Director

*** **

MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

Shri Abhay Damle — Joint Secretary

MINISTRY OF PARLIAMENTARY AFFAIRS

1. Shri A. Manoharan — Director
 2. Shri Mukesh Kumar — Under Secretary

At the outset the Chairperson welcomed the Member to the sitting of the Committee and apprised them regarding the day's agenda.

*** **

(The witnesses were called in)

2. The Committee then took oral evidence of the representatives of the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises and Department of Heavy Industry) regarding Pending Assurances. The Committee reviewed all the six Assurances of the Department of Public Enterprises and all the seven Assurances of the Department of Heavy Industry as mentioned below:—

*** **

Department of Heavy Industry

II. Revival of HCL and BPCL

- (i) USQ No. 3681 dated 18.08.2005 regarding 'Revival of HCL'. (Sl. No. 1)
 (ii) USQ No. 2694 dated 12.12.2005 regarding 'Revival of Hindustan Cables Limited'. (Sl. No. 2)
 (iii) USQ No. 3462 dated 26.04.2007 regarding 'Revival of HCL and BPCL'. (Sl. No. 3)
 (iv) USQ No. 2749 dated 23.07.2009 regarding 'Hindustan Cables Limited'. (Sl. No. 4)
 (v) USQ No. 4522 dated 03.05.2012 regarding 'Take Over of HCL Units'. (Sl. No. 7)

The Committee were informed that all the above five Assurances concern with a company called Hindustan Cables Limited (HCL). HCL is a sick PSU registered with BIFR since November, 2002. The Company engaged M/S Tata Consultancy Services Limited (TCSL) for a detailed techno economic study. Their report was to be placed before the Board for Reconstruction of Public Sector Enterprises (BRPSE) for advice

as the final decision regarding the company was to be taken on the basis of recommendation of BRPSE. When the Report of TCSL was placed before the BRPSE, they decided that there is a need for a re-review of the subject and hence it should be given to an expert on the subject. IIT Kharagpur was commissioned to conduct a technical study of HCL and it submitted its report in November, 2004. The Report received from IIT Kharagpur was considered by the BRPSE on 09.01.2008 BRPSE recommended for Joint Venture partnership either with public sector or private sector enterprises, falling which a complete disinvestment would be carried out. The Ministry further informed that in between one of their statutory creditors, IFCI, announced taking over of their land under Surface Act with the the result that no private company was ready for a joint venture with them. The Ministry also informed the Committee that efforts made for locating appropriate JV partners could not achieve results. The Ordnance Factory Board of Department of Defence Production, Ministry of Defence did show interest intakeover of HCL. But, when the proposal was about to go before that Cabinet, the Defence Ministry stated that it would not be possible for OFB to take over HCL and revive the Units. The Ministry further informed that at the same time, Cabinet in its meeting held on 29.12.2014 accorded in principle approval for closure of 5 CPSEs including HCL. In this process while preparing a Cabinet Note for closure of HCL, the Ministry of Defence dated 17.08.2016 came up with another proposal to takeover only one of 3 units of HCL. *i.e.* Naini Unit by HAL, a public sector undertaking under Department of Defence Production. A final decision in the matter will be taken after due diligence process. The Ministry contended that as they realized that the matter is getting significantly delayed, they took the approval of the Cabinet for the closure of the company. The Ministry further submitted that in between the VRS period, if HAL brings any concrete proposal to takeover Naini Unit then they propose to handover that Unit to HAL and will close the remaining Units. A Cabinet Note for closure of HCL is approved by the Cabinet and the same has been received by Department of Heavy Industry. The Ministry further informed the Committee that they have sent their recommendation and the decision of the Cabinet to the Ministry of Parliamentary Affairs to be laid on the Table of the House. The Committee expressed disappointment over the fact that the Assurances could not be implemented after delays ranging from four to eleven years. The Committee directed the Ministry to be diligent in dealing with Assurances in future.

III. USQ No. 1267 dated 26.11.2009 regarding 'Scrappage Scheme for Vehicle Owners' (Sl. No. 05)

The Ministry informed that a Core Committee was created to consider the disposal/replacement of vehicles which have outnumbered their lives. The Core Committee found that there is a need and scope of incentive based scheme for replacement of old vehicles. The Ministry further informed that initially they were not enlightened as to who should deal with the subject and later they approached the Ministry of Road Transport and Highways after which the process was started by the Ministry of Road Transport and Highways. The Committee were apprised that the Ministry of Road Transport and Highways have considered the matter and put it on a public portal for recommendations. The representative of the Ministry of Road Transport and Highways informed that as soon as they will receive the

recommendations, they will take a final decision and make the rules. Since the Assurance pertains to the year 2009, the Committee enquired about the inability to set up the rules in that year only. The Ministry responded that earlier there was a thought that the rules making task in the matter would be undertaken by their own Ministry. Later on, it was found that change in rules doesn't come under the purview of this Ministry. The Committee were further informed that separately a small demo unit for dismantling of old vehicles has also been set up by the Ministry of Heavy Industries and Public Enterprises at Chennai which has been conducting dismantling experiments. The scientific findings of this exercise have been under evaluation. The aspect of formal policy regulation will be looked after by the Ministry of Road Transport and Highways. The Committee were also informed by the representatives of the Ministry of Road Transport and Highways that a concept was not circulated by them. However, with the coming of GST, its basic structure had to be changed as new things are coming up in terms of changes in excise duties. In August, 2016, it was decided that the Committee of Secretaries will take a final decision in the matter. Observing that the matter has been pending since 2009, the Committee directed the Ministry to ensure inter-Ministerial co-ordination and bring a scheme as early as possible and fulfil the Assurance in tune with the needs of the policy paradigm of the Government in this regard.

IV. USQ No. 4496 dated 03.05.2012 regarding 'Outright Sale of TCIL' (Sl. No. 6)

The Committee were informed that in November, 2008, the Government approved that Tyre Corporation of India Limited (TCIL) be disinvested through outright sale after clearing the balance sheet. An inter-Ministerial Group has been constituted under the Department of Disinvestment to facilitate the process of disinvestment. In between, in West Bengal, Calcutta High Court ordered for winding up of one of the Units of the Ministry (Kalyani Unit) and appointed an official liquidator. The Ministry filed an appeal in the Calcutta High Court for stay on the judgement on the ground that the Creditors would be paid from the proceeds of disinvestment. The Court *vide* its judgement dated 07.08.2014 dismissed the petition. In pursuance of Calcutta High Court order, the official liquidator has sealed the office premises of TCIL. Thus, the process of disinvestment undertaken by the Government was discontinued and liquidation of the company is under progress under the supervision of Calcutta High Court. The Committee observed that an inordinate length of time has been taken by the Ministry and directed the Ministry to submit a report mentioning all the above circumstances so that a final decision can be taken by the Committee on the Assurance.

4. A verbatim record of the proceedings has been kept.

The Committee, then adjourned.

STATEMENT OF PENDING ASSURANCES OF THE MINISTRY OF HEAVY
INDUSTRIES AND PUBLIC ENTERPRISES (DEPARTMENT OF HEAVY
INDUSTRY) (FROM 5TH SESSION OF 14TH LOK SABHA TO
10TH SESSION OF 15TH LOK SABHA)

Sl.No.	SQ/USQ No. dated	Subject
1.	USQ No. 3681 dated 18.08.2005	Revival of HCL
2.	USQ No. 2694 dated 12.12.2005	Revival of Hindustan Cables Ltd.
3.	USQ No. 3462 dated 26.04.2007	Revival of HCL and BPCL
4.	USQ No. 2749 dated 23.07.2009	Hindustan Cables Limited
5.	USQ No. 1267 dated 26.11.2009	Scrappage Scheme for Vehicle Owners
6.	USQ No. 4496 dated 03.05.2012	Outright Sale of TCIL
7.	USQ No. 4522 dated 03.05.2012	Take Over of HCL Units

MINUTES

THIRD SITTING

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON GOVERNMENT ASSURANCES (2017-18) HELD ON 02 JANUARY, 2018 IN CHAIRPERSON'S CHAMBER ROOM NO. '133', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hours to 1545 hours on Tuesday, 02nd January, 2018.

PRESENT

Dr. Ramesh Pokhriyal 'Nishank' — *Chairperson*

MEMBERS

2. Shri Rajendra Agrawal
3. Shri Anto Antony
4. Shri Naran Bhai Kachhadia
5. Shri Prahlad Singh Patel
6. Shri C.R. Patil
7. Shri Sunil Kumar Singh

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri U.B.S. Negi | — | <i>Joint Secretary</i> |
| 2. Shri P.C. Tripathy | — | <i>Director</i> |
| 3. Shri S.L. Singh | — | <i>Deputy Secretary</i> |

At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them regarding the day's agenda. Thereafter, the Committee considered and adopted the following six Draft Reports without any amendment:

- (i) Draft 67th Report regarding Review of Pending Assurances pertaining to the Ministry of Rural Development (Department of Rural Development).
- (ii) Draft 68th Report regarding Review of Pending Assurances pertaining to the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry).
- (iii) Draft 69th Report regarding requests for dropping of Assurances (Acceded to).

- (iv) Draft 70th Report regarding requests for dropping of Assurances (Not Acceded to)
- (v) Draft 71st Report regarding requests for dropping of Assurances (Acceded to)
- (vi) Draft 72nd Report regarding requests for dropping of Assurances (Not Acceded to)

2. The Committee also authorized the Chairperson to present the Reports during the current session of the Lok Sabha.

The Committee, then adjourned.