

**TWENTIETH REPORT**

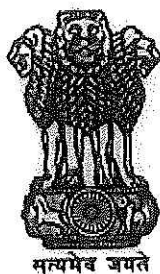
**COMMITTEE ON PETITIONS**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES**

**(DEPARTMENT OF HEAVY INDUSTRY)**

**(Presented to Lok Sabha on 22.3.2021)**



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## ANNEXURE

Minutes of the 16th sitting of the Committee held on 16.3.2021

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(i)

## COMPOSITION OF THE COMMITTEE ON PETITIONS

(2020-21)

Dr. Virendra Kumar - *Chairperson*

### MEMBERS

2. Shri Anto Antony
3. Shri Hanuman Beniwal
4. Dr. Sukanta Majumdar
5. Shri Sanjay Sadashivrao Mandlik
6. Smt. Anupriya Patel
7. Dr. Bharati Pravin Pawar
8. Shri P. Ravindhranath
9. Shri Brijendra Singh
10. Shri Sushil Kumar Singh
11. Shri Manoj Tiwari
12. Shri Prabhubhai Nagarbhai Vasava
13. Shri Rajan Vichare
14. Vacant
15. Vacant

### SECRETARIAT

1. Shri T.G. Chandrasekhar - Joint Secretary
2. Shri Raju Srivastava - Director
3. Shri G.C. Dobhal - Additional Director
4. Shri Anand Kumar Hansda - Assistant Executive Officer

# TWENTIETH REPORT OF THE COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

## INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Twentieth Report (Seventeenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Twenty-Second Report on the representation of Shri Ghanshyam Bairwa forwarded by Shri Om Birla, M.P., Lok Sabha and Smt. Meenakashi Borkar regarding non-payment of arrears of pension and full salary to the employees/retired employees of Instrumentation Limited (IL), Kota.

2. The Committee considered and adopted the draft Twentieth Report at their sitting held on 16 March, 2021.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

**NEW DELHI;**  
**16 March, 2021**

**DR. VIRENDRA KUMAR,**  
**Chairperson,**  
**Committee on Petitions.**

## REPORT

### **ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) IN THEIR TWENTY-SECOND REPORT ON THE REPRESENTATION RECEIVED FROM SHRI GHANSHYAM BAIRWA FORWARDED BY SHRI OM BIRLA, M.P., LOK SABHA AND SMT. MEENAKASHI BORKAR REGARDING NON-PAYMENT OF ARREARS OF PENSION AND FULL SALARY TO THE EMPLOYEES/RETIRED EMPLOYEES OF INSTRUMENTATION LIMITED (IL), KOTA.**

The Committee on Petitions (Sixteenth Lok Sabha) presented their Twenty-Second Report to Lok Sabha on 9 December, 2016 which had dealt with the representation received from Shri Ghanshyam Bairwa forwarded by Shri Om Birla, M.P., Lok Sabha and Smt. Meenakshi Borkar regarding non-payment of arrears of pension and full salary to the employees/retired employees of Instrumentation Limited (IL), Kota.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) were asked to implement the recommendations and requested to furnish their action taken notes thereon for further consideration of the Committee.
3. Action Taken Notes have been received from the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) *vide* their Office Memorandum No. F. No. 14(3)/2016-PE.VIII dated 15 February, 2021 in respect of observations/recommendations contained in the aforesaid Report.
4. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) are detailed in the succeeding paragraphs.
5. In paragraphs 23 to 37 of the Report, the Committee had observed/recommended as follows:-

*"The Committee note that Instrumentation Limited (IL) was set up in the year 1964 for the manufacturing of Process Control Instrumentation. The Company has been providing a wide range of Control & Instrumentation Systems. The present production range of the Company comprises of Switch Board Cabinet (SBC)*

Panels for Railways, Local Instrument Enclosure (LIE), Local Instrument Rack (LIR) Panels, Complete Control Systems for Thermal Power Plants, UPS systems, Precision Components for the Indian Defence, Liquid and Gas Analyzers Systems, High Performance Electronic Transmitters, Desk/Panel mounted Recorders and Controllers and other hardware Panels, Instrument Cabinet and Racks, Max-L/Max-XL Exchanges, Control Valves, Actuators, etc.

The Committee also note that IL has its Registered Office and Headquarters at Kota (Rajasthan). Its manufacturing Plants are located in Kota for DDC, Electronics Instruments and Telecom products and at Palakkad (Kerala) for Control Valves, Actuators, etc. Both the manufacturing Plants are accredited with ISO 9001:2008 Series Certification.

The Committee further note that both the Units of IL situated at Kota and Palakkad were doing brisk business till early, 1990, i.e., during the pre-liberalisation period. However, after liberalisation of the Economy, the Collaborators of IL, Kota became their Competitors. Subsequently, due to inability of IL, Kota to meet the demands of their Vendors, the Unit started showing losses and on 4.10.1993, it was referred to the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies Act (SICA), 1985 and subsequently, it was declared as a 'Sick' Unit in January, 1994. Despite revival packages, the Kota Unit failed to revive and now, it is on the verge of closure. On the other hand, the Palakkad Unit of IL is self-reliant and financially viable.

The Committee have been given to understand that IL has entered into a number of new Memorandum of Understandings (MoUs) tie-up under Make in India, Skill India and Digital India Initiatives. However, the Department of Heavy Industry, looking into the past performance and losses incurred by the Company, had given an opportunity to the State Government of Rajasthan to take over IL, Kota and to the State Government of Kerala to take over IL, Palakkad. The State Government of Rajasthan has not agreed to take over IL, Kota, whereas, the State Government of Kerala agreed to take over IL, Palakkad - subject to assessment of assets and liabilities.

The Committee have also been apprised by the Ministry of Heavy Industry & Public Enterprises (Department of Heavy Industry) that on 10.3.2015, IL has requested the Ministry for giving a financial support to the tune of Rs. 285.35 crore for fulfilling various statutory liabilities. A CCEA note to give salary support from 1.4.2014 to 31.3.2015 was, accordingly, initiated. The PMO vide their letter dated 14.12.2015 returned the CCEA note seeking approval for salary support to IL with a remark to

the Department of Heavy Industry to submit proposal for restructuring/closure of IL, within the next two months.

While examining the instant Representation forwarded by Shri Om Birla, M.P., the Committee painstakingly went through the extensive deliberations they had with the Ministry of Heavy Industry & Public Enterprises (Department of Heavy Industry). The Committee are also aware of the fact that when any Public Sector Enterprise does not show any symptom of revival, the only option left with the Government is either to close down the said entity or alternately, go in for painstaking circuitous path of restructuring. In the case of IL, Kota, how far the revival prescriptions were formulated and thereafter implemented by the Government would be eloquently elaborated in the succeeding observations/recommendations. Nevertheless, in this context, the Committee would like to categorically point out that the advice of PMO to the Department of Heavy Industry was not confined to submission of proposal for 'closure' of IL but for 'restructuring/closure' of IL.

Further in the matter, the Committee cannot restrict themselves to put in instance the success story of revival of the Gujarat State Fertilizers & Chemicals (GSFC) Limited, available on their website, which goes as follows:-

"It is rightly said that you need to take one step backwards if you want to stride forward and this adage equally applied to GSFC and the phase between 1999-2002 was a phase of one step backwards which in fact facilitated endless strides forward. GSFC never ever then looked back. The period between 1999 and 2001 was a phase where it was veering on the brink of a cash crunch. This phase of GSFC was attributed to many reasons. To name a few are increased energy costs, technical hiccups and delayed commissioning of new Ammonia plant after a gestation period of eight years and resultant increased project cost, excess outflow of interest, etc. This new Ammonia plant continued with technical snags which could stabilize only by end of 2003. The liquidity problems further compounded due to expansion of DAP capacity at Sikka (1999-2003) which required infusion of Rs. 180 crore. The Government of India also recovered subsidy amounting to Rs. 375 crore. The drought during this period further depressed prices and demand for all products. There was also a shortage of gas that resulted into use of costly LSHS and Naphtha. The margins in Melamine and Caprolactam, GSFC's blue chip products, were low in this period due to depressed industrial demand internationally.



The turnaround story of the Company began from FY 2003-2004. Under able leadership and timely intervention of Hon. Chief Minister Shri Narendra Modi in taking certain bold policy decisions, the Company could work on the strategies to enhance its productivity, bring down costs through technical innovations and improved management information systems. The revival measures were fully supported by the Government of Gujarat and the Company was given complete autonomy to roll back to the track. Finally the major factors that brought the Company out of red were improvement in the Operational Efficiency, Reducing cost of Sales, Regenerating confidence in Suppliers & Customers, Moral boosting of employees, strategizing foray in the global market, consolidating through further Expansions, focusing on ideal product mix to insulate performance from downtrends, etc.

The Government of Gujarat provided the proactive support to GSFC, which brought out a scheme of deferred sales tax of an amount up to Rs. 45 Crores per year for five years, thus improving the Company's cash flow position. Another important breakthrough was the increased availability of natural gas in Gujarat, from GAIL, GSPC and Gujarat Gas, which substituted costly Naphtha and LSHS.

All these measures finally resulted into GSFC becoming a financially strong, profitable and stable Company. Coming out of Corporate Debt Restructuring (CDR), GSFC approached the CDR Cell, this time to accelerate the debt repayment. The debt, which was scheduled to be completely paid by 2013, was re-paid in 2006."

The aforementioned success story of revival of the Gujarat State Fertilizers & Chemicals involves the following notable and path breaking decisions taken by the then Government of Gujarat:-

- Working out strategies to enhance the production of GSFC.
- Improving upon the management information systems.
- Giving complete autonomy to the Company.
- Improvement in the Operational Efficiency, reducing cost of sales, regenerating confidence in the suppliers and customers.
- Moral boosting of the employees of GSFC.
- Strategizing foray in the global market and consolidating through further expansions.
- Focusing on ideal product mix to insulate performance.

Juxtaposition of the steps taken by the, then, Government of Gujarat in reviving the GSFC with the efforts made by the Government of India in the form of introducing various stimulus packages, infusion of funds, convergence with other financially viable Public Sector Undertaking(s), etc., for reviving the Instrumentation Limited, Kota, the Committee are of the opinion that merely introduction of rehabilitation scheme or package of concessions would not assure successful revival of a sick unit like the Instrumentation Limited, Kota until and unless some effective out of the box options are explored. While going into the minute details of the success story of the GSFC, which is, perhaps, based on five broad strategies, namely; (i) Human Resource; (ii) Financial; (iii) Marketing; (iv) Production/Operation; and (v) Corporate Planning, the Committee are of the considered opinion that a well-calibrated restructuring mechanism for the revival of the Instrumentation Limited needs be put in place by the Union Government in the right earnest.

Since the incidence of industrial sickness is growing in the country during the last decade, not only causing a drain on the exchequer but, as seen in this case also, giving rise to a question of subsistence for the employees and their family members, the Committee, therefore, strongly recommend that the Union Government should make efforts to replicate the success story of the GSFC in the case of Instrumentation Limited also. For this purpose, the Committee feel that an Expert Committee should be constituted to undertake a comprehensive study for the revival/restructuring of the Instrumentation Limited, Kota. If need be, the said Expert Group should also interact with the officials concerned of the Government of Gujarat for obtaining a first-hand and factual account of the various initiatives taken by them that contributed in reviving their State Public Sector Undertaking under the steward leadership of our present Hon'ble Prime Minister. The Committee would like the Union Government to take the necessary action on these lines and apprise the Committee accordingly within three months of presentation of this Report to the House and for this purpose, if necessary, the matter should be taken up at the highest possible level.

The Committee have observed that the following initiatives, in consultation with the various stakeholders, were taken by the Ministry of Heavy Industry & Public Enterprise (Department of Heavy Industry), from time-to-time, for the revival/restructuring of the IL, Kota:-

- (i) In the Board for Industrial and Financial Reconstruction (BIFR) sanctioned Modified Revival Scheme (MRS 10) implemented from 23 February, 2010, fund generation was provided through the sale of surplus assets available at Jaipur, i.e., Malviya Nagar and Sitapura lands of approx. 12.99 acres. However, even after five years from the

sanctioning of MRS 10, the sale of IL assets at Jaipur has not been materialised due to non-receipt of necessary approvals from the BIFR.

- (ii) The BIFR, in its hearing dated, 29 October, 2014 had directed the Company to submit a "Credit Worthy Revival Plan", which was submitted by the Company on 5 January, 2015. The Revival Plan proposes the following funds for clearing dues and meeting the working capital requirements:-
- (a) One time support of Rs.300 crore;
  - (b) Receipt of approximately Rs.300 crore from DHI through divesting 51% equity share in REIL; and
  - (c) Receipt of approximately Rs.109 crore as sale proceeds from the sale of surplus Jaipur land.
- (iii) The Instrumentation Limited received, on demand, a total of Rs.19.70 crore as interest free mobilization advance from the BHEL for its technological upgradation and diversification programme upto 31 March, 2016. An amount of Rs.13.55 crore has already liquidated by the IL through the supplies made to the BHEL against their orders. An amount of Rs.6.14 crore is pending as on 1 April, 2016 to be liquidated in the year 2016-17.
- (iv) Interest free advance of Rs.25 crore from the BHEL to the ILK at the beginning of each year for the next three years beginning from 2008-09. This advance was decided to be adjusted during the same year against the supplies to be made as per the BHEL orders. Interest Free Advance of Rs.25 crore each for consecutive 3 years, i.e., 2009-10, 2010-11 and 2011-12 has been provided by the BHEL which was also adjusted against bills raised in respective years.
- (v) Continuance of existing Government Guarantee of Rs.25 crore along with exemption of guarantee fee from the date of approval of revival package for a period of five years or Joint Venture (JV) formation, whichever is earlier.
- (vi) Writing-off of the Government of India loan of Rs.246.10 crore as on 31 December, 2008. The loan of Rs.246.10 crore has been written-off in the financial year 2009-10 vide sanction letter dated 31 March, 2010.

- (vii) Waiver of entire outstanding interest of Rs.258.26 crore as on 31 December, 2008 on account of the GOI plan and non-plan loans and freezing of interest thereon beyond 31 December, 2008.
- (viii) Winding up of three Shell Companies, namely (i) The IL Power Electronics Limited (ILPEL), Jaipur; (ii) The Instrumentation Digital Control Limited, Kota (IDCL); and (iii) The Instrumentation Control Valves Limited, Palakkad (ICVL).
- (ix) The sale proceeds from the sale of IL's land at Jaipur were envisaged in year 2009-10. An amount of Rs.100 crore. was expected from the sale of IL land at Jaipur at market rate in the year 2009-10. However, when the matter was taken up with the State Government of Rajasthan, they had not agreed to allow the conversion of land of the Company at Jaipur without fee/conversion charges. The matter had been vigorously taken up with the Government of Rajasthan in line with the BIFR's directives and subsequently, a decision of the Government of Rajasthan vide their letter 19 March, 2013 was communicated to the BIFR. In the letter, the Government of Rajasthan had indicated their inability to comply with the BIFR directives.
- (x) Based on the Government of Rajasthan letter dated 19 March, 2013, the Company filed MA-301 dated 30 May, 2013 with the BIFR seeking necessary directives for conversion of land of the Company at Jaipur from industrial to commercial use without fee/conversion charges at the earliest as 3 years had already elapsed since sanction of scheme.
- (xi) MA-301 was heard in the BIFR on 10 June, 2013 and the BIFR vide their communication dated 20 June, 2013 categorically directed the Government of Rajasthan to grant relief as per the Sanctioned Scheme, and allow conversion of land located in Kota and Jaipur within a period of 60 days and submit the compliance report to the Board. However, in spite of repeated follow up at various levels in the Government of Rajasthan, and intervention of the DHI, the Government of Rajasthan did not grant permission for conversion of land. The approval for conversion of land use at Jaipur could not be granted by the Government of Rajasthan even after 4 years of the sanctioning of the scheme, which has delayed the generation of funds.

- (xii) Thereafter, the Company filed MA-431 with the BIFR and prayed for necessary directives to the Government of Rajasthan to allow conversion of land at Jaipur from Industrial use to Commercial use with fee/conversion charges to be paid from sale proceeds through an Asset Sale Committee.
- (xiii) In a high level meeting on 4 April, 2014 held at the Secretariat, Jaipur, it was agreed that the Government of Rajasthan will give sale proceeds of the IL Jaipur land as soft Loan for 10 acre of land which had been given in exchange of land of the IL, Kota. For 0.59 acre of land, the IL will have ownership rights. Based on the above decision by the Government of Rajasthan, RIICO filed the Affidavit to the BIFR Bench on 16 April, 2014. In the BIFR hearing on 29 October, 2014, the BIFR directed and gave consent to start the sale process through Asset Sale Committee with the Joint Secretary, DHI as Chairman of the Committee.
- (xiv) In the BIFR hearing of date 12 January, 2015, the DHI, sought further extension of six months to take up the activity, as they were in the process of deciding the future of the Company. Further meeting of the BIFR could not take place after July, 2015.

A careful scrutiny of the working capital requirements of the Instrumentation Limited, Kota brings out the fact that though the attempts to revive the Company had started from the year, 2010 onwards, the various formulations made by the Government in this direction have miserably failed to achieve the desired results. Furthermore, the Committee are pained to note that the three pronged strategy, viz., (i) extending of one-time financial support to the IL, Kota; (ii) release of approximately Rs. 300 crore by the Department of Heavy Industry by way of divesting 51% equity share in the REIL; and (iii) release of approximately Rs. 109 crore as sale proceeds from the surplus Jaipur land, which was conceived and put into action by the Government remain still inconclusive and are mired in technical intricacies. The Committee, therefore, strongly recommend that a very serious appraisal needs to be adopted by the Ministry, by co-opting all the stakeholders, including the State Government of Rajasthan for meeting the one-time working capital requirements of the Instrumentation Limited, Kota. The Committee hope that the Ministry would now re-draw its strategy of chalking out a time-bound 'activity map' for accomplishing the objective of reviving the Instrumentation Limited, Kota before the end of this fiscal year. The Committee would like to be apprised of the outcome of renewed strategy worked out by the Ministry of Heavy Industry & Public Enterprises (Department of Heavy Industry) for the purpose.

The Committee note that, as on 1 April, 2016, the total number of employees working at various Units of the Instrumentation Limited is 849. [Kota Complex - 546 (Officers - 158, Supervisors - 284 & Workers - 104) and Palakkad Unit - 303 (Officers - 35, Supervisors - 124 & Workers - 144)] and a total of 157 employees will be retiring in the financial year 2015-16. The Committee also note the Company has not been able to make payment of PF to the retired employees from December 2010 to June 2015, which is approximately Rs.50 crore. The Company, on its own, is unable to clear the PF liability and also not in position to deposit statutory dues in future also without outside support. The Committee has also been informed by the Ministry that as on 31 March, 2016, the pending dues in respect of employees are Rs. 353.97 crore and other liabilities are to the tune of Rs. 565.69 crore.

The Committee are also given to understand that with a view to revive/restructure the Instrumentation Limited, Kota, a Modified Revival Scheme (MRS 10) was approved by the CCEA on 23 February, 2009 and the MRS 10 was sanctioned by the BIFR on 25 February, 2010. The MRS-10 specifies implementation of 1997 pay revision with effect from 1 January, 1997. The Company had also fixed notional pay scale of all employees from 1 January, 1997, which is effective from 23 March, 2009 as per the decision of CCEA. However, in the proposal, there was no mention of paying the wage arrears from January, 1997 - February, 2009 submitted by Union representatives to the BIFR at that time and accordingly, no provision made for the payment of this pay revision arrears in the BIFR sanctioned MRS-10. Hence considering this position, the payment of wage revision arrears for the period January, 1997 to February, 2009 is not applicable as per the CCEA approval dated 13 February, 2009 included in the MRS-10.

The Committee are totally dissatisfied by the efforts made so far by the Ministry of Heavy Industry & Public Enterprise (Department of Heavy Industry) and various other stakeholders in view of the fact that on the one hand, the accumulated dues pending for settlement in the Instrumentation Limited has now reached to a whopping Rs. 919.66 crore and on the other, the serving employees are not getting their salaries and allowances. It is also a sorry state of affairs that a Company is even not able to fulfill its statutory obligations like depositing the employers' share in the Provident Fund - which make it a case in instance of a gross violation of rules and regulations in this regard on the part of the Instrumentation Limited. The Committee are, therefore, of the considered view that formulation of any Modified Revival Scheme would have a limited impact in containing the perennial financial crisis of the Instrumentation Limited unless a multi-layered mechanism inter alia containing workable strategy of human Resource, finance, finding synergies in marketing, and production/operation is put

*in place, simultaneously. The Committee, therefore, again strongly recommend that the Government should re-draw their priorities vis-a-vis revival of the Instrumentation Limited, Kota, whereby, the settlement of dues of serving/retired employees as well as compliance of statutory obligations are given the foremost priority."*

6. The Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken replies, have submitted as under:-

*"The Union Cabinet on 30.11.2016 approved the closure of the Kota Unit of Instrumentation Limited and gave 'in-principle' approval for the transfer of Palakkad Unit of Instrumentation Limited to the Government of Kerala (GoK).*

*The Government sanctioned budgetary support for VRS/VSS salary and dues, bank borrowings, sundry creditors, taxes and other liabilities.*

*In pursuance of the decision of the Union Cabinet, the Kota Unit of Instrumentation Limited closed on 18.04.2017 after relieving 408 employees of Kota Unit by offering them VRS/VSS and paying all their statutory dues and liabilities. For this purpose, an amount of Rs. 584.57 crore was released to IL Kota Unit, out of which an amount of Rs. 134.53 crore has been utilised for settlement of VRS/VSS dues and Rs. 289.75 crore utilised for settlement of other employees related statutory dues and liabilities. The Department has cleared the dues of the employees of the Kota Unit by April, 2017. However, the final settlement of 07 employees against whom CBI cases are pending have been kept separately as a Fixed Deposit."*

## OBSERVATIONS/RECOMMENDATIONS

### Conveying of factual information to the Committee vis-à-vis closure of the Instrumentation Limited, Kota

7. The Committee, while examining the instant representation of Shri Ghanshyam Bairwa forwarded by Shri Om Birla, M.P., Lok Sabha and Smt. Meenakshi Borkar, had underscored the growing incidences of industrial sickness in the country during the last decade, which not only caused a drain on the exchequer but, as seen in the instant case also, giving rise to a question of subsistence for the employees and their family members. The Committee had, therefore, strongly recommended that the Union Government should make efforts to replicate the success story of the Gujarat State Fertilizers & Chemicals (GFSC) Limited in the case of Instrumentation Limited also. For this purpose, the Committee had also suggested that an Expert Committee should be constituted to undertake a comprehensive study for the revival/restructuring of the Instrumentation Limited, Kota and if need be, the said Expert Group should also interact with the officials concerned of the Government of Gujarat for obtaining a first-hand and factual account of the various initiatives taken by them that contributed in reviving their State Public Sector Undertaking under the steward leadership of our present Hon'ble Prime Minister. The Committee had suggested the Union Government to take necessary action on these lines and if necessary, to take up the matter at the highest possible level.

8. Based on the information furnished by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken replies, the Committee note of the fact that the Union Cabinet had approved the closure of the Kota Unit of Instrumentation Limited and gave 'in-principle' approval for the transfer of Palakkad Unit of Instrumentation Limited to the Government of Kerala (GoK) on



30.11.2016 and in pursuance of the decision of the Union Cabinet, the Kota Unit of Instrumentation Limited was closed on 18.4.2017. As a matter of fact, the Committee on Petitions had presented their 22nd Report on the instant representation of Shri Ghanshyam Bairwa forwarded by Shri Om Birla, M.P., Lok Sabha and Smt. Meenakshi Borkar regarding non-payment of arrears of pension and full salary to the employees/retired employees of Instrumentation Limited (IL), Kota on 9.12.2016.

9. The Committee are dissatisfied to note that the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) did not bother to intimate the Committee neither about the decision taken by the Union Cabinet in regard to the closure of the Kota Unit of Instrumentation Limited on 30.11.2016 nor about the final closure of the Company on 18.4.2017, even after a lapse of almost four years since the presentation of the 22nd Report by the Committee on Petitions. The Committee are of the considered view that condonation of such lapse on the part of the Ministry is not justifiable. The Committee, therefore, would like to advise the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the Committee must be immediately apprised of such important decision(s) or any significant development(s) taking place which is/are relevant to the observations/recommendations made by the Committee in their Report(s). The Committee expect from the Ministry that such lapse would not recur in future.

*Reviewing of the case including fulfilling of working capital requirements before the closure of the Instrumentation Limited, Kota*

10. Upon careful scrutiny of the working capital requirements of the Instrumentation Limited, Kota, which brings out the fact that though the attempts to revive the Company had started since the year 2010, the Committee had observed that various formulations made by the Government in this direction miserably failed to achieve the desired results. Furthermore, the Committee were pained to note that

the three pronged strategy, viz., (i) extending of one-time financial support to the Instrumentation Limited, Kota; (ii) release of approximately Rs. 300 crore by the Department of Heavy Industry by way of divesting 51% equity share in the Rajasthan Electronics and Instruments Limited (REIL); and (iii) release of approximately Rs. 109 crore as sale proceeds from the surplus Jaipur land, which was conceived and put into action by the Government remained inconclusive and was mired in technical intricacies. The Committee had, therefore, strongly recommended that a serious appraisal needs to be adopted by the Ministry, by co-opting all the stakeholders, including the State Government of Rajasthan for meeting the one-time working capital requirements of the Instrumentation Limited, Kota. The Committee had suggested the Ministry to re-draw its strategy of chalking out a time-bound 'activity map' for accomplishing the objective of reviving the Instrumentation Limited, Kota.

11. Notwithstanding the fact that Kota Unit of Instrumentation Limited was closed down on 18.4.2017, the Committee would like to be apprised of the information as to whether any serious effort/ attempt was made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to know about the interest of the State Government of Rajasthan in taking over the Instrumentation Limited, Kota as a last resort or towards fulfilling its working capital requirements for its revival. In this connection, the Committee would further like to be apprised of fact as to whether closure of the Instrumentation Limited, Kota *vis-à-vis* its financial status and viability was reviewed/examined by the NITI Aayog for their appraisal/ recommendation, before the final decision on its closure was taken by the Union Cabinet on 30.11.2016. The Committee would like to await the details with the facts on the above aspects including the observations/recommendations of the NITI Aayog in the matter.

**Expeditious payment of statutory liabilities and release of dues to the VRS/VSS relieved employees of the Instrumentation Limited, Kota.**

12. The Committee had expressed their dissatisfaction towards the efforts made by the Ministry of Heavy Industry & Public Enterprise (Department of Heavy Industry) and various other stakeholders in discharging the statutory liabilities and releasing the dues to the employees/retired employees of the Instrumentation Limited, in view of the fact that on the one hand, the accumulated dues pending for settlement in the Instrumentation Limited had reached to a whopping Rs. 919.66 crore and on the other, the serving employees were not getting their salaries and allowances. The Committee were pained to note that the Company was even not been able to fulfil its statutory obligations like depositing the employers' share in the Provident Fund - which make it a case in instance of a gross violation of rules and regulations on the part of the Instrumentation Limited. The Committee had, therefore, suggested that formulation of any Modified Revival Scheme would have a limited impact in containing the perennial financial crisis of the Instrumentation Limited unless a multi-layered mechanism *inter alia* containing workable strategy of human resource, finance, finding synergies in marketing, and production/operation is put in place and had strongly recommended that the Government should re-draw their priorities *vis-à-vis* revival of the Instrumentation Limited, Kota, whereby, the settlement of dues of serving/retired employees as well as compliance of statutory obligations are given the foremost priority.

13. As per the averments made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken reply, the Committee note that subsequent to the approval on closure of the Instrumentation Limited, Kota, the Union Government had sanctioned budgetary support for VRS/VSS salary and dues, bank borrowings, sundry creditors, taxes and other liabilities. The Committee further note that a total of 408 employees of the Kota Unit were relieved by offering them VRS/VSS and paying their statutory dues and liabilities and for this purpose, an amount of Rs. 584.57 crore was released to

Instrumentation Limited, Kota Unit, out of which an amount of Rs. 134.53 crore was utilised for settlement of VRS/VSS dues and Rs. 289.75 crore for settlement of other employees related statutory dues and liabilities. In this connection, the Committee are informed by the Ministry of Heavy Industries & Public Enterprises that the Department of Heavy Industry has cleared the dues of the employees of the Instrumentation Limited, Kota Unit by April, 2017, however, the final settlement of 07 employees, against whom CBI cases are pending, has been kept separately as a Fixed Deposit.

14. The Committee, while examining the instant representation, had noted that as on 31.3.2016, the total accumulated dues pending for settlement in the Instrumentation Limited had reached to a whopping Rs. 919.66 crore, out of which pending dues in respect of employees were Rs. 353.97 crore and other liabilities were to the tune of Rs. 565.69 crore. However, on one hand, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken reply, have informed that dues of the employees of the Instrumentation Limited, Kota Unit have already been cleared by April, 2017 and on the other, only an amount of Rs. 584.57 crore was released to Instrumentation Limited, Kota Unit for payment of their statutory dues and liabilities towards the VRS/VSS relieved employees. Further, the Ministry have not provided specific details of deposits in respect of the employers' share in the Provident Fund of the employees. The Committee, therefore, recommend that the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) should ensure that all the payments towards the statutory dues and liabilities of the Instrumentation Limited, Kota be expeditiously made to all the VRS/VSS relieved employees. The Committee would like to await the specific details of the necessary action and the updated status in this regard.

NEW DELHI;

16 March, 2021

DR. VIRENDRA KUMAR,  
Chairperson,  
Committee on Petitions

**MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE ON PETITIONS  
(SEVENTEENTH LOK SABHA)**

The Committee met on Tuesday, 16 March, 2021 from 1500 hrs. to 1730 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

Dr. Virendra Kumar - Chairperson

**MEMBERS**

2. Shri Brijendra Singh
3. Shri Sushil Kumar Singh
4. Dr. Bharati Pravin Pawar
5. Shri Prabhubhai Nagarbhai Vasava

**SECRETARIAT**

1. Shri T.G. Chandrashekhar - Joint Secretary
2. Shri Raju Srivastava - Director

**WITNESSES**

XXX                      XXX                      XXX

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

3.	XXX	XXX	XXX
4.	XXX	XXX	XXX
5.	XXX	XXX	XXX
6.	XXX	XXX	XXX
7.	XXX	XXX	XXX
8.	XXX	XXX	XXX
9.	XXX	XXX	XXX
10.	XXX	XXX	XXX
11.	XXX	XXX	XXX

12. The Committee then considered the following three Draft Action Taken Reports:-

(i) Draft Action Taken Report on the action taken by the Government on the recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Twenty-Second Report on the representation of Shri Ghanshyam Bairwa forwarded by Shri Om Birla, M.P., Lok Sabha and Smt. Meenakashi Borkar regarding non-payment of arrears of pension and full salary to the employees/retired employees of Instrumentation Limited (IL), Kota.

(ii)	XXX	XXX	XXX
(iii)	XXX	XXX	XXX

13. After detailed discussion, the Committee adopted the above mentioned three Draft Action Taken Reports without any modification(s). The Committee also authorised the Chairperson to finalise the Draft Reports and present the same to the House.

14.	XXX	XXX	XXX
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15. A copy of the verbatim record of the proceedings of the sitting of the Committee has been kept.

The Committee, then, adjourned.

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XXX Does not pertain to this Report.