

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

**RAJYA SABHA**  
**\*STARRED QUESTION NO. 64**  
**TO BE ANSWERED ON 10.12.2013**

**Settlement of dues of SSI units by M/s. Instrumentation Limited, Kota**

\*64. SHRI JAI PRAKASH NARAYAN SINGH:

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

- (a) whether Prime Minister Office (PMO) has received a large number of representations against officers of M/s. Instrumentation Limited, Kota, a Public Sector Undertaking (PSU) alleging cheating, fraud and duping of large number of SSI units by withholding their payments for more than three years;
- (b) if so, the details thereof;
- (c) what action has been taken on these representations; and
- (d) whether any direction has been issued to the said PSU for early settlement of dues to SSI units and if not, the reasons therefor?

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

(a) to (d): A statement is laid on the Table of the House.

**Statement referred to in reply to Rajya Sabha Starred Question No. \*64 regarding settlement of dues of SSI units by M/s. Instrumentation Limited, Kota for answer on 10.12.2013, asked by Shri Jai Prakash Narayan Singh.**

(a) and (b):

PMO had forwarded copies of the following four representations to my Ministry for action as appropriate:

- 1) A letter dated 12/7/2013 from Shri Sanjay Dhotre, MP, Lok Sabha pointing out that a fraud is being perpetrated in the matter of payment of dues to 35 SSI units and requesting the matter be probed, order issued for release of payment to M/s Capital Electrical Limited (CEL) and the financial affairs of the company be gone into.;
- 2) A letter dated 22/7/2013 from Shri Jai Prakash Narayan Singh, MP, Rajya Sabha inter alia urging that an enquiry by CVC be instituted against erring officers of IL Kota for gross violation, fraud, cheating and forgery by not adhering to the terms and conditions of purchase orders, that the financial position be gone through by CAG to find out as to why it is showing its inability to release payments inspite of receiving financial package;
- 3) A letter dated 4/9/2013 from Shri Sanjay Dhotre, MP, Lok Sabha, referring to his earlier letter dated 12/7/2013 and requesting that instructions be issued to the Minister concerned to intervene in order to release payment to the SSI units; and
- 4) A letter dated 9/9/2013 from Shri Jai Prakash Narayan Singh, MP, Rajya Sabha inviting attention to his earlier letter dated 22/7/2013 and requesting that a probe through CVC/CAG be ordered to look into the matter so that the money of SSI units is released immediately.

(c) and (d)

References regarding delayed payment/non-payment to SSIs, when brought to the notice of the Department of Heavy Industry, were viewed seriously and the Department has been pursuing the issue with the management of IL for a speedy redressal. The Department has also issued written instructions to the management on 15.3.2013 to look into the matter of payment of outstanding dues to SSI units and settle the same as expeditiously as possible. As a result of the Department's efforts the outstanding of SSI units of Rs. 14.5 crore as on 07.03.2013 has come down to Rs. 1.6 crore as on 04.12.2013.

It may be pointed out at the outset that Instrumentation Ltd is a sick Company under reference to the Board for Industrial and Financial Reconstruction (BIFR) and though a Modified Revival Scheme was sanctioned for the Company in 2009/2010, the Scheme has not yet been fully implemented and the Company has been facing a critical financial crisis and acute shortage of funds. Some of the Company's major orders also got cancelled or are under arbitration because of which the Company's working capital has been blocked thereby further aggravating the financial crunch. At present, even statutory liabilities are not being timely paid resulting in severe defaults. Delayed/non-payment to SSIs is on account of severe liquidity crunch faced by the Company.

It is also added in this context that besides pending payment to SSI units, the Company has to pay approx. Rs. 20 crore to various suppliers other than SSI units as well. The Company has informed that its officers have not indulged in any fraud while procuring goods from the SSI units, and while procuring the goods they had followed all purchase procedures of the Company and they are committed to meet all due payments in a phased manner on availability of funds. As non-payment/delayed payment to the SSI units has been on account of the difficult financial position of the Company, no action against any officers of the Company is considered appropriate.