

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 888**  
**TO BE ANSWERED ON 13.08.2013**

**Violation of payment terms by M/s Instrumentation Limited, Kota**

888. SHRI JAI PRAKASH NARAYAN SINGH:

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

- (a) whether it is a fact that Government has received representations from SSI units complaining against M/s Instrumentation Limited, Kota for not adhering to payment terms for supply of cables;
- (b) if so, the action taken against the management of M/s IL, Kota for violation of payment terms;
- (c) whether there is diversion and misutilisation of funds by M/s IL, Kota during the last three years; and
- (d) if so, what steps are being taken to wind up the PSU and clear outstanding dues to SSI units immediately?

**ANSWER**

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

(a): Yes. This Department has received some representations complaining of non-adherence of payment terms for supply of cables by Instrumentation Limited.

(b): Owing to sickness and time & cost overrun due to partial implementation of the Modified Revival Scheme of the Company, it has been facing a critical financial crisis and acute shortage of funds. Some of the 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. Since non-payment is on account of severe liquidity crunch, no action is contemplated against management of the Company.

(c) & (d): There is no deliberate diversion of funds, but, the critical funds requirements which are mandatory in nature are being addressed on priority. All out efforts have been made to make all due payments subject to availability of funds.

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