

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

UNSTARRED QUESTION NO:2366

ANSWERED ON:13.03.2006

ASSISTANCE TO HINDUSTAN CABLES LTD. AND BHRAT HEAVY PLATES AND VESSELS LTD.

Annayagari Shri Sai Prathap

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

(a) whether the Government of Andhra Pradesh has approached the Union Government for assistance to Hindustan Cables Ltd.(HCL) and Bharat Heavy Plates and Vessels Ltd., Visakhapatnam; and

(b) if so, the response of the Government thereto and the time by which the assistance would be released?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Government of Andhra Pradesh had requested for release of some orders for supply of material on M/s. Hindustan Cables Ltd. (HCL) so that operation of the company could be started. Department of Telecom placed orders for the supply of 10 LCKM of PIJF cables on HCL alongwith 50% advance amount, but M/s. HCL could not supply the cables as per their acceptance and commitment, inter-alia, for want of working capital. Department of Telecommunication have expressed their inability to place further orders for PIJF cables on HCL. Based on the three reports on HCL viz Draft Rehabilitation Scheme (DRS) by SBI, report of IIT Kharagpur and report by Tata Consultancy Services (TCS) a proposal on the future of HCL has been placed before the Board for Reconstruction of Public Sector Enterprises (BRPSE) for their recommendation in the matter.

Further, in the case of Bharat Heavy Plate & Vessels (BHPV), Government of Andhra Pradesh has requested for revival of the company. In their request, the State Government has suggested the following four measures for revival of BHPV:-

(i) GOI counter guarantee for Rs.130 crore.

(ii) Merger of BHPV with BHEL

(iii) Wage revision of the employees of BHPV

(iv) Orders on nomination basis for BHPV

Government of India has been making efforts for revival of the company and a revival package based on study of Consultants has been submitted to the BRPSE. After receipt of their recommendations, Government will take a decision in the matter.