

Study for restructuring of HCL

1868. SHRI SYED AZEEZ PASHA:
SHRI R.C. SINGH:

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

(a) whether it is a fact that the Indian Institute of Technology (IIT), Kharagpur and Tata Consultancy Services (TCS) were engaged by Hindustan Cables Ltd. (HCL) to conduct study for restructuring the sick company;

(b) if so, the details thereof;

(c) whether they have submitted the report and recommendations; and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV): (a) and (b) Yes, Sir. In furtherance to the Draft Rehabilitation Study (DRS) on revival of Hindustan Cables Ltd. (HCL) prepared by the State Bank of India, the Operating Agency appointed by the Board of Industrial and Financial Reconstruction (BIFR), a technical study was conducted by IIT, Khargpur in November, 2004. Subsequently, Tata Consultancy Services (TCS) was appointed in for conducting a detailed turnaround strategy for HCL.

(c) and (d) The technical study conducted by IIT, Khargpur suggested capital investment of Rs. 1643 crore for revival of HCL. The TCS turn around strategy examined three options *viz.* Status Quo, Closure and Revival. Status Quo option involved annual recurring expenditure of Rs. 80 crore. Cost of closure was stipulated at Rs. 1296.87 crore. Revival, even with certain concessions, restructuring and large scale Voluntary Retirement, in the view of TCS, was not possible.

Reports of SBI, IIT and TCS were considered by the Board for Reconstruction of Public Sector Enterprises (BRPSE) on 11.09.2006 when it was desired that since these studies did not present an integrated approach on HCL, a fresh detailed, comprehensive, holistic study through IIT, Khargpur be conducted. Report, accordingly, received from IIT, Khargpur was considered by the BRPSE on 9.1.2008 when it was recommended for Joint Venture partnership either with Public or Private Enterprises failing which a complete disinvestment. Based on the recommendations of the BRPSE, 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 expansion of interest from interested Public Sector Enterprises. Further action is under process.

Steps for check on ragging

1869. SHRI KALRAJ MISHRA: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state: