

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3925
ANSWERED ON 04.04.2025

TAKING OVER OF INSTRUMENTATION LIMITED, PALAKKAD

3925. DR. JOHN BRITTAS:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

(a) whether Instrumentation Ltd, Palakkad was set up in about 566.30 acres of land acquired by Government of Kerala itself and assigned free of cost to M/s Instrumentation Ltd;

(b) if so, whether Government will agree to revisit its decision regarding demanding of land value from the State as a condition precedent for permitting taking over of the Palakkad unit by Government of Kerala which is also contrary to the tripartite Memorandum of Understanding (MoU) executed on 16.11.2018 wherein no such condition has been stipulated; and

(c) if not, the rationale behind making such a demand for land value?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a) to (c): The Union Cabinet approved on 30.11.2016 the closure of the Kota Unit of Instrumentation Limited and accorded 'in principle' approval for the transfer of Palakkad Unit of Instrumentation Limited to the Government of Kerala (GoK). The GoK constituted a High Level Committee headed by the Chief Secretary of the GoK to work out the modalities of the transfer, Ministry of Heavy Industries was represented on the Committee. Based on its deliberations, a tripartite Memorandum of Understanding (MoU) was signed by Government of India, Ministry of Heavy Industries (MHI), Government of Kerala, Department of Industry and Instrumentation Limited on 16.11.2018 defining the modalities of transfer of Palakkad Unit to the Government of Kerala as a 'going concern' with the approval of the competent authority.

After signing of the MoU, while the required assessment of Net Asset Value (NAV) of the Palakkad Unit was underway, it was learnt that the High Level Committee had not taken into consideration the value of land owned by Palakkad Unit, measuring 566.30 acres, which was assigned on registry to Instrumentation Limited, Kota for the establishment of Precision Instrumentation Project at Pudukkottai Kerala under the Rules of Assignment of Government Land for Industrial Purposes dated 30.03.1964, which has material bearing on the transfer modalities. The value of this land owned by Instrumentation Limited has not yet been assessed.
