

**Press Information Bureau  
Government of India  
Ministry of Heavy Industries & Public Enterprises**

28-September-2016 14:58 IST

**Cabinet approves Closure of Hindustan Cables Limited, Kolkata**

The Union Cabinet under the Chairmanship of Prime Minister Shri Narendra Modi has given its approval for closure of Hindustan Cables Limited (HCL), Kolkata as per the provisions of the Companies Act, 1956/2013, Industrial Disputes Act, 1947 and other relevant Acts. The employees will be offered attractive VRS/ VSS Package at notional 2007 pay scales and other employees' related liabilities including payment of salary and wages from April 2015 till they are separated from the Company on VRS/VSS will be settled as well. The disposal of assets of company will be in terms of the guidelines of Department of Public Enterprises on time bound closure of sick/loss making Central Public Sector Enterprises (CPSEs) and disposal of movable and immovable assets.

Total cash infusion for closure of company will be Rs. 1309.90 crore and non-cash infusion of Rs. 3467.15 crore in the form of conversion into equity of Government of India's loan (including interest) outstanding as on 30.09.2016.

Secured creditors of HCL, Kolkata, led by SBI as consortium lenders to the company, have been generous in their support. The One Time Settlement (OTS) terms include complete waiver of interest and settle on principal amount of Rs. 305.63 crore in settlement of all pari-passu collateral held by them.

There is no production activity in the company since January 2003. The employees of the company are in 1997 pay scales. Due to non-payment of salary & wages, it is very difficult for the employees to survive and meet their immediate financial obligations. With the VRS/VSS package and clearance of other outstanding liabilities, the employees will come out of their present financial crisis. It will also help the employees in their post retirement rehabilitation. With the present time bound closure of the company, the valuable assets of the company will be available for other optimum utilization.

**Background:-**

HCL was established in the year 1952. It had four manufacturing units at Rupnarainpur (West Bengal), Hyderabad (Telengana), Naini (U.P.) and Narendrapur (West Bengal). Registered office of HCL is located at Kolkata. The company was set up to cater to the needs of Government-owned telecom companies BSNL and MTNL for manufacture of telecom cables. Due to rapid change in telecommunication technology (wire-line to wireless), the demand for telecom cables has been drastically reduced. Several attempts were made by Department of Heavy Industries for revival of the company but failed. Attempts to transfer HCL units to

Ministry of Defence/Department of Defence Production also did not yield results. The proposal for closure of the company has been made as per the recommendations of BIFR, BRPSE and the Roadmap approved by CCEA on 29.12.2014 for phasing out non-plan budgetary support to sick CPSEs.

The company is a BIFR referred company since 2002. Government of India's decision for closure of the company will be conveyed to BIFR for seeking their approval. The employees of the Company will be offered attractive VRS/VSS. Retrenchment process will also be followed as per Industrial Disputes Act 1947. OTS with secured creditors will be made to free the land assets of the Company. The other liabilities of the company including statutory liabilities arising during the process of closure of company will be taken care of as per the provisions of law and the aforesaid guidelines of Department of Public Enterprises.

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AKT/VBA/SH

HINDUSTAN CABLES LIMITED  
CORPORATE & REGD. OFFICE  
9, ELGIN ROAD  
KOLKATA 700 020

CORP/PERS/CLOSURE/2016/

1066

October 01, 2016

**Sub: Cabinet approval for closure of Hindustan Cables Limited (HCL)**

Reference may be made to the approval of Union Cabinet dated 28-09-2016 for closure of HCL as per the provision of Industrial Dispute Act 1947 and winding up of the company as per the provision of Companies Act 1956/ 2013.

The above decision of the Union Cabinet is hereby brought to the notice of all employees and other stakeholders of the company.

You are therefore requested to circulate this letter widely amongst the employees and operating Trade Unions / Associations and other stakeholders (if any) of your unit/ office for their information.

This is issued as per the instruction of CMD, HCL



(A.K. BOSE)  
Manager (P&A/L) & COFD

DGM (UH), RNPR      M(UH),HYD      M(UH), FOU,NAINI,  
M(TKP, COMM, MTW), C.O.,      M(CF & TKP), DELHI      M(MKTG & PIO),C.O.

NOTICE BOARD, C.O.

DM(P&A), CO, DM(F), CO, DM(T&C), CO      DM(V),CO      DM(MIS,HINDI),C.O.  
AM(F), CO, AM(E),CO, AM, CMD's SECT, AM, D(F)'s SECT.

CC: CMD

BY SPE

F. No. 1(13)/2003-PE-II (Vol.X)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Heavy Industry  
Udyog Bhavan

New Delhi-110023  
the 6<sup>th</sup> October, 2016

To

✓ The Chairman & Managing Director  
Hindustan Cables Limited  
9, Elgin Road  
Kolkata-700020

**Subject: Closure of Hindustan Cables Limited (HCL), Kolkata- regarding.**

Sir,

I am directed to say that Cabinet in its meeting held on 28.09.2016 considered the Note dated 23.09.2016 from Department of Heavy Industry on the above subject and approved the following:

Closure of Hindustan Cables Limited by relieving all the employees for implementation of approved Roadmap for closure of CPSEs under DHI. This would be achieved by offering attractive VRS/ VSS Package, retrenchment of employees not opting VRS/VSS under Industrial Disputes Act, 1947 (IDA), settlement of all employee related liabilities including payment of salary and wages from April 2015 till they are separated from the Company, paying off principal amount to the secured creditors for One Time Settlement (OTS) to free assets, settlement of liabilities of unsecured creditors, disposal of moveable and immovable assets as per the extant guidelines issued by Department of Public Enterprises, closure under the Companies Act and Industrial Dispute Act (IDA) and the provisions of other relevant Acts. For this purpose:

- 6484  
18-10-16
- (i) Infusion of funds of Rs.305.63 crore in the form of equity for completing One Time Settlement reached with secured creditors for full and final settlement of their claims (including discharging of Government Guarantees, if any) and freeing immovable and moveable assets from all charges/mortgages by the consortium of secured lenders so that these assets are free from encumbrances and can be disposed off by the Company.
  - (ii) Infusion of funds of Rs.469.32 crore as equity for offering VRS/VSS to existing employees of the company at notionally fixed pay in 2007 pay



scales and gratuity and leave encashment also in notional pay in 2007 pay scales, in relaxation of DPE guidelines inclusive of TA to employees for settling at Home Town or elsewhere in terms of DPE guidelines. In the event Hindustan Aeronautics Limited (HAL) takes over the Naini, Allahabad Unit of HCL, only the required amount for VRS/VSS will be drawn as per option exercised by employees or as per the terms and conditions of settlement of the takeover Scheme. The employees, if absorbed in HAL, will be regulated in accordance with the terms and conditions of transfer, which will protect their current emoluments. Employees not opting for VRS/VSS would be retrenched under the Industrial Dispute Act, 1947.

- (iii) Infusion of funds of Rs.279.98 crore in the form of equity for payment of salary/wages and other statutory dues of the employees from April 2015 till they are actually separated with three months period included for serving notice to employees under ID Act on the basis of actual pay drawn by the employees in 1997 pay scale and for payment of outstanding statutory dues to EPFO (Rs.75.81 crore) against the pending notice and also for payment to Watch and Ward Staff (Rs.65 lakh) engaged at all Units of HCL from 1.4.2015 to 30.09.2016.
- (iv) Infusion of Rs.8.66 crore in the form of equity on account of compensation to 108 casual workers as per ID Act, payment of arrears of salary to 94 casual workers in terms of orders of Hon'ble Hyderabad High Court and payment of arrears/revised VRS dues to 38 employees of HCL on court directions in the matter of HCL vs O. Munniswamy Reddy and others.
- (v) Infusion of Rs. 243.51 crore in the form of equity for settlement of liabilities of private and government unsecured lenders/creditors. The outstanding liabilities of unsecured creditors, if any, will be settled in terms of the provisions of law out of sale proceeds of assets of the Company.
- (vi) Incurring necessary expenditure by DHI, estimated to be Rs.2.80 crore and reimbursable from the Company, for defraying the expenses of the Core group to be constituted to complete all residual work of closure and hiring of a security agency at each of the locations to secure the assets of the Company till disposal as per the extant guidelines issued by Department of Public Enterprises on Time bound closure of sick/loss making CPSEs and disposal of movable and immovable assets.
- (vii) Conversion into equity of the existing Government of India's loan of Rs.3467.15 crore (projected) (Principal of Rs.1311.88 crore and Interest of Rs.2155.27 crore), as on 30.09.2016 (freezing the interest thereafter).

- (viii) Increase in the authorized share capital of the company from Rs. 450 crore to Rs. 6000 crore. A suitable part of proposed additional government investment in the Company will be made in the form of interest-free loan instead of equity in case the efforts to buyout the remaining 0.4% shares held by Canara Bank Mutual Fund at a negotiated price fail.
- (ix) To authorize DHI to dispose of assets of HCL in terms of the extant guidelines issued by Department of Public Enterprises on Time bound closure of sick/loss making CPSEs and disposal of movable and immovable assets.
- (x) To authorize DHI to approve re-allocation of funds within overall approval by CCEA for additional expenditure in connection with the closure of the Company, based on the recommendations of the Core Group and concurrence of the Integrated Finance.
- (ix) In principle' approval of Cabinet for transferring assets and remaining employees of only Naini Unit of HCL to a wholly owned subsidiary of HAL, a CPSE under Department of Defence Production, as per the terms and conditions of transfer agreed upon. If the takeover formalities are not completed within the three months of the VRS/VSS window period, the Department of Heavy Industry will go ahead with the normal route of closure for Naini Unit also.

3. In view of the above, you are requested to take appropriate action as approved by CCEA.

Yours faithfully,



(L.C. Ram)

Under Secretary to the Govt. of India  
Tel.23061098

Copy to:

1. Shri S.G.P. Verghese, Director Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
2. The Director of Audit Commerce, Works & Miscellaneous, I.P. Estate, New Delhi.
3. CCA, Department of Heavy Industry, Udyog Bhavan, New Delhi.
4. IFW, Department of Heavy Industry, Udyog Bhavan, New Delhi.

**HINDUSTAN CABLES LIMITED  
REGD. & CORPORATE OFFICE  
9, ELGIN ROAD, KOLKATA-20**

CORP/PERS/87/2016/1064

3rd October, 2016

**NOTICE**

**Sub : Opening of Voluntary Retirement Scheme/Voluntary Separation Scheme (VRS/VSS) for closure of the Company as per Union Cabinet approval dated 28.9.2016**

In view of the decision for closure of the Company, taken by Union Cabinet on 28.9.2016, the Department of Heavy Industry (DHI) has instructed the company to open Voluntary Retirement Scheme/Voluntary Separation Scheme (VRS/VSS). The VRS/VSS Scheme will remain open from 03.10.2016 to 31.10.2016. The same shall be governed as per provisions contained in the DPE's O.M. No. 2(32)/97-DPE (WC) dated 5.5.2000 received with O.M. No.2(32)/97-DPE(WC)/GL-I-VI dated 06.11.2001 and subsequent clarification/guidelines issued by the DPE.

On receipt of fund support from DHI, VRS/VSS compensation will be paid to the existing employees of the company at notionally fixed pay in 2007 pay scales and gratuity and leave encashment also in notional pay in 2007 pay scales, in relaxation of DPE guidelines inclusive of TA to employees for settling at Home Town or elsewhere in terms of DPE guidelines. Payment of pending salary/wages and other statutory dues including notice pay (wherever applicable) will be made in 1997 pay scale. VRS/VSS compensation will not be applicable to those who will be superannuating from the services of the company on 31.10.2016.

All the regular officers/non-officer employees on the Company's Pay Roll should forward their application for VRS/VSS in the approved form (enclosed) through their respective HODs/Unit Heads to the P&A Department of Corporate Office. The applications complete in all respects will be accepted up to the closing date i.e. 31.10.2016.

Those unwilling to opt for VRS/VSS will be liable for termination of service as per service rules (for officers) and termination/retrenchment under ID Act, 1947 (for non-officers).

The unit heads of Rupnarainpur, Hyderabad, Naini, TKP Division and Narendrapur will obtain vigilance clearance and No Demand Certificates in respect of all the employees of respective

*T. Roy*

units (officers and non-officers, wherever necessary) and endorse the same in respective VR form before forwarding to P&A Department of Corporate Office. Departmental heads in Corporate Office will do the above in respect of their subordinate employees.

*T. Roy*  
( T. ROY )  
JPO

NOTICE BOARD

To

DGM(UH)/Rupnarainpur

M(UH)/Hyderabad

M(UH)/FOU, Naini

M(TKP & CF)/Delhi M(TKP, COMM. & MTW)/KOL. M(P&A&L) and COFD M(MKTG&PIO)/CO

DM(P&A)/Kol.

DM(T&C)/Kol.

DM(V)/Kol.

DM(F)/KOL

DM(MIS/HINDI)/KOL

D(F)'s Secretariat CMD's Secretariat

CC : CVO

CC : CMD : for kind information please.

HINDUSTAN CABLES LIMITED

SUB : APPLICATION FOR GIVING OPTION FOR VOLUNTARY RETIREMENT SCHEME (VRS)/  
VOLUNTARY SEPARATION SCHEME (VSS)

To  
The Unit Head/Departmental Head  
Hindustan Cables Limited

03.10.2016

(Through Proper Channel)

Dear Sir,

I have gone through the notification no. CORP/PERS/87/2016/1064 dated 03.10.2016 detailing therein the Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) as applicable in respect of the Executive/Non-executive employees of the Company. I would like to inform you that I am interested to avail of the benefit under the scheme and the following particulars are given below in support of my application.

1. NAME (In capital) : \_\_\_\_\_
2. Staff No. : \_\_\_\_\_
3. Department : \_\_\_\_\_
4. Designation : \_\_\_\_\_
5. Date of Birth as recorded in  
the Company : \_\_\_\_\_
6. Date of joining in HCL  
In permanent cadre : \_\_\_\_\_
7. Address for communication : \_\_\_\_\_  
where the applicant needs to  
reside after his voluntary retirement \_\_\_\_\_
8. Mobile No. : \_\_\_\_\_
9. PAN : \_\_\_\_\_

\_\_\_\_\_  
Applicant's Signature with  
Staff No. and date

10. Bank Details :

a) Bank Name : \_\_\_\_\_  
b) Account Number : \_\_\_\_\_  
c) Type of Account :  
Savings/Current : \_\_\_\_\_  
d) IFSC Code : \_\_\_\_\_  
e) Aadhar Number : \_\_\_\_\_

11. E-mail : \_\_\_\_\_

12. Existing Basic pay on date : Basic \_\_\_\_\_  
Scale \_\_\_\_\_

13. a) Whether any Company's accommodation was provided. If so, mention the Qrs. No. : YES/NO  
Qrs.no. \_\_\_\_\_ Colony \_\_\_\_\_

b) Whether any House Building loan was given to the applicant. If so, please mention the outstanding Amount : YES/NO  
Amount drawn \_\_\_\_\_  
Year of Sanction \_\_\_\_\_  
Rs \_\_\_\_\_

14. Normal date of Retirement in the Company considering superannuation age at 58 years : \_\_\_\_\_

15. a) Mention the name(s) of the Nominee to receive VR Compensation in case of death of applicant : \_\_\_\_\_

b) Relationship with the Nominee(s): \_\_\_\_\_

I hereby declare that the information furnished above is true to the best of my knowledge and belief. It is further affirmed that this application is made to the Company with my full knowledge Voluntarily and I will be responsible for any inaccuracy in the above details provided. I was explained the implication of signing this form and I understood the same.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Place : \_\_\_\_\_

Staff No. \_\_\_\_\_

Designation \_\_\_\_\_

Unit \_\_\_\_\_



RECOMMENDATION OF THE CONTROLLING OFFICER

1. I, as a Departmental Head/Unit Head, hereby confirm that I have verified all the above details and recommend the application dated \_\_\_\_\_ of Sri/Smt \_\_\_\_\_ Staff No. \_\_\_\_\_ for consideration of Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS).
2. Vigilance Case pending or Contemplated against the Applicant as on date (write 'Yes' or 'No') : \_\_\_\_\_
3. Amount lying unadjusted against the applicant as on date : \_\_\_\_\_
4. List of Company owned assets lying with the applicant as on date : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Sanctioning Authority/Unit Head  
With date and stamp

**HINDUSTAN CABLES LIMITED  
REGD. & CORPORATE OFFICE  
9, ELGIN ROAD, KOLKATA-20**

CORP/PERS/87/2016

18<sup>th</sup> October, 2016

**Sub: Approval by Union Cabinet on 28.09.2016 - on transfer of assets and remaining employees of only Naini unit in case Naini, HCL is taken over by a subsidiary of Hindustan Aeronautics Limited (HAL).**

Undersigned has been directed to bring to the notice of all stakeholders of FOU, Naini unit - the enclosed DHI's letter F. no. 1(13)/2003-PE.II(Vol.X) dated 06.10.2016, conveying approval accorded by the Union Cabinet in it's meeting held on 28.09.2016, inter-alia, for closure of the Company.

Some provisions have been approved by the Union Cabinet only for the Naini unit of the Company. These are conveyed through the paragraphs (ii) and (xi) of the said DHI's letter dated 06.10.2016. As such, the said letter dated 06.10.2016 from DHI is brought to the notice of all employees and other stakeholders of HCL, Naini unit.

It is further clarified that in case any inconsistency arises between HCL's VRS/VSS notice no. CORP/PERS/87/2016/1064 dated 03.10.2016 and DHI's letter F. no. 1(13)/2003-PE.II(Vol.X) dated 06.10.2016 in respect of Naini unit - the approval accorded by the Union Cabinet as conveyed by DHI through it's letter dated 06.10.2016 will prevail.

M(UH)/FOU, Naini is instructed to take further needful action in this matter.

*Troy* 18/10  
(T.ROY) 2016  
JPO

Enclo : As above

To

M(UH)/FOU, Naini  
All Stakeholders of FOU, Naini, HCL  
Notice Board

CC: CMD : For Kind Information

*D/C*

**HINDUSTAN CABLES LIMITED  
CORPORATE OFFICE**

**CORP/PERS/64/2016/  
07<sup>th</sup> November, 2016**

Reference may please be made to the Notice No.CORP/PERS/87/2016/1064, dated 03.10.2016 wherein Voluntary Retirement Scheme/Voluntary Separation Scheme(VRS/VSS) for closure of the Company as per Union Cabinet's approval dated 28.09.2016 was conveyed to the all regular employees of the Company.

Various queries are being raised by different quarters regarding end beneficiary of the Compensation Package under VRS/VSS. Accordingly, it has been decided to clear all doubts regarding end beneficiary of such VRS/VSS Compensation package.

The VRS/VSS Compensation Scheme is applicable only to the regular employees of the Company who are forgoing their services due to unfortunate closure of the company, resulting permanent closing down of place of employment.

Under the said Compensation Scheme, a considerable amount is paid to an employee as Compensation besides his terminal benefits for accepting voluntary retirement. The amount is paid for not doing any work or rendering any service. It is paid in lieu of the employee himself leaving the services of the company and forgoing all his claims or rights in the same. It is a package deal of give and take. That is why in business world it is known as "Golden Handshake". The main purpose of paying this amount is to bring about a complete cessation of the jural relationship between the employer and the employee.

Therefore, such Compensation under VRS/VSS can not be extended to the regular employees who superannuate in normal course on & before the said date of release of all employees on VRS/VSS under closure of the company i.e., 31.01.2017(AN). The reason is simple that such employee was not compelled to leave the services of the company before superannuation and got opportunity to work full service tenure in the company till the date of attaining his age of superannuation.

:: 2 ::

Accordingly, this is clarified that those employees who have retired from the services of the company in the months of November/2016, December/2016 and January/2017 on attaining their age of superannuation would not be eligible to receive any form of VRS/VSS Compensation from the Company.

*T. Roy*  
( T. ROY )  
Consultant(TR)

To  
DGM(UH)/RNPR  
M(UH)/Hyd  
M(UH)/FOU, Naini

CC: M(P&A&L)

CC: CMD

04.11.2016

Sub: Approval of competent authority for acceptance of individual VR application

Reference is made to the VR notification No. CORP/PERS/87/2016/1064, dated 03.10.2016 issued by the company seeking VR application from the employees of the company.

In response to the above, following number of employees have submitted VR application from different units of the company:

1.	Rupnarainpur Unit	:	482
2.	Hyderabad Unit	:	402
3.	Naini Unit	:	56
4.	Corporate Office/ TKP/ Delhi /MTW	:	<u>81</u> 1021

Note:

1. VR applications of employees who will retire normally on attaining the age of superannuation during November, 2016, December, 2016 and January, 2017, are not being proposed for acceptance on VR, since they are not compelled to leave the services of the company before superannuation and got opportunity to work full service tenure in the company till the date of attaining their age of superannuation.
2. One VR applicant of Rupnarainpur Unit who has applied for VRS but expired subsequently before the date, is also not being proposed for VR in terms with DPE OM No. 2(36)/86-DPE (WC), dated 29.05.1992 (Point No. 10)(copy enclosed).

Approval may kindly be accorded for acceptance of VR application in respect of above 1021 employees, who are due to superannuate during February, 2017 onwards.

Submitted please.

*T.Roy*  
(T.ROY)  
J.P.O.

Encl. as above.

Shri A.K.Ghosh, AM

M(P&A/L) & COFD

*CMD/HCL*


*R.Dam*  
4/11/2016

HINDUSTAN CABLES LTD.  
CORPORATE & REGD. OFFICE  
9, ELGIN ROAD  
CALCUTTA 700 020

DP/VRS/96/1687

February 23, 1996

We have received a communication from Delhi Office issued by the Department of Heavy Industry (Coordination Section) on the subject of Voluntary Retirement Scheme for the employees of Public Enterprises, clarifying certain points, which is enclosed herewith for your information and necessary action.

  
(S.P. MUKERJEE)  
DIRECTOR (PERSONNEL)

Encl. as above.

CGM, RNPR, CGM, HYD, CGM, FOP

GM(P&A), RNPR, GM(P&A), HYD, GM(P&A), FOP

cc: CGM(P)

Copy to SGM(F)

① copy.

② policy file

③ Dem(P)/PHW

  
1996



DEPARTMENT OF HEAVY INDUSTRIES  
(CO-ORDINATION SECTION)

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Subject : Voluntary Retirement Scheme for the  
employees of Public Enterprises.

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A copy of DPE's O.M. No. 2(36)/85-DPE(WC) dated  
29th May, 1992 clarifying certain points in the context  
of the subject cited above is forwarded herewith for  
kind information and necessary action.

*P.K. Aggarwal*  
(P.K. Aggarwal)  
Deputy Director

*a*  
*Aggarwal*  
All Directors/Deputy Secretaries/Deputy Directors/  
Under Secretaries

Deptt. of H.I. U.O. No. 16(31)/91-Coord. dated 12.8.92

Copy to : JS(VA)/JS(PH)/JS(AKM)

*13.5.92*  
*1992*  
*13.5.92*  
(P.K. Aggarwal)  
Deputy Director

No. 2(36)/30-DPE(WG)  
Government of India  
Ministry of Industry  
Department of Public Enterprises

Public Enterprises Bhavan,  
Block No. 14, CDO Complex,  
Lodi Road, New Delhi-3.

Dated: May 29, 1992.

OFFICE MEMORANDUM

Subject: Voluntary Retirement for the employees of  
Public Enterprises.

Parameters on the basis of which Voluntary Retirement Scheme could be formulated by PSEs for their employees had been spelt out in BPE's OM of even number dated 5.10.1988 read with subsequent clarification dated 6.1.1989. However, there are certain points on which clarifications had been solicited by the PSEs as well as the Administrative Ministries. These have been examined in the Government. The points as well as the clarifications are given hereunder:

Points raised by PSEs/  
Administrative Ministries

Clarification

- 1) It has been envisaged in the OM dated 5.10.1988 that an employee who wishes to opt for voluntary retirement should have completed 10 years of service or 40 of age. Can this be relaxed?

- 1) The age limit and the number of years of service indicated in BPE's OM dated 5.10.88 read with subsequent OM dated 6.1.89 of 40 and 10 years of service could be varied by the individual PSEs with the prior approval of its Administrative Ministry having regard to its own peculiar circumstances. There is also no objection to the substitution of the word "OR" by the word "AND" as the case may be.

2/PM/H/192  
29/7/92

2555/4-1  
31.7.92

217 Sh. B. T.

Points raised by PSEs/  
Administrative Ministries

- 2) Can an employee who has attained the age of 57 years or more be permitted to opt for voluntary retirement?
- 3) Should notice period pay be paid in all cases?

Clarification

- 2) There is no age bar for an employee for opting for voluntary retirement if such a scheme has been adopted by the PSE.
- 3) If an application of an employee for voluntary retirement is accepted instantaneously & payment is arranged by the management on the same day, the concerned individual would be entitled to payment of ex-gratia as per the norms given in sub-paragraph (d) of paragraph 1 of the OM dated 5.10.88 along with the notice period pay. It is, however, clarified that payment of ex-gratia for service rendered or left over service before superannuation as well as the amount payable for the notice period should not exceed the basic pay plus DA, that would have been paid to the employee who has opted for voluntary retirement till the date of his superannuation. For example, if an employee opts for voluntary retirement a few months before the date of superannuation, say, at 57 years & 10 months the payment should be restricted to 2 months basic pay plus Dearness Allowance.

In circumstances where the management takes time to take a decision about the acceptance of an application submitted by the employee for voluntary retirement and allows the notice period to lapse or the individual concerned has drawn full salary during the notice period served by him, in these cases

Points raised by PoEs/  
Administrative Ministries

Clarification

- ✓ 4) Can the service rendered by an employee of the PSE in his previous organisation i.e. Govt. or another PSE be taken into account for the purpose of computing the ex-gratia amount payable to him under the voluntary retirement Scheme?

notice period pay would not be admissible as the individual has already drawn the salary during the notice period.

When an employee moves from one enterprise to another enterprise with the consent of the management of both the PSEs and the lending organisation has liquidated its liability towards CPP, gratuity, Earned Leave, Half Pay Leave by making lumpsum payment to the borrowing organisation in respect of the amount due to the concerned employee for the service rendered in the lending organisation in terms of BPZ's instructions dated 14.12.82, 25.1.88 and 23.6.88 only in these conditions the service rendered in the previous organisation would be taken into account for purposes of determination of ex-gratia under BPZ's instructions dated 5.10.88 and 6.1.89. If an individual does not satisfy any of these conditions or in that post has encashed any part of his retirement benefit say Gratuity or drawn cash equivalent of Earned Leave standing to his credit at the time of his movement from one enterprise to another enterprise, then his service in the borrowing organisation would be treated as de novo



and the previous service in the other organisation would not be counted.

A: For as Central Government employees or employees of other Governments are concerned, they are taken in the employment of the PSE on permanent absorption basis.

The employment of such a Govt. servant in the PSE is on ad-hoc basis and as such those employees are required to put in minimum qualifying service as per the Staff Regulations of the individual PSE for becoming eligible for payment of benefits like Gratuity, membership of Contributory Provident Fund, Annuity linked with LIO etc. There is no nexus between the service rendered under the Govt. vis-a-vis the service rendered in the PSE. Therefore, the Govt. service would not be taken into account by the PSEs while working out the ex-gratia payment of an employee who subsequently opts for voluntary retirement under the scheme formulated by the PSE.

5) Should there be any restriction on re-employment of an employee who has already availed of the benefit of VR from a PSE?

5) Since the employment in the Public Sector Enterprises is basically contractual in nature, the restrictions on employment or re-employment after receiving benefits from the VR Scheme have to be consistent with the provisions of Indian Contract Act. The management of PSEs which are operating the VR Scheme should exercise its own managerial discretion and prudence while deciding cases of the VR in respect of the employees who are younger in age and are still fit for rendering useful service. If they know that an employee has applied for a job in other PSE, in this situation the provisions of APZ's OM dated 14.12.82, 25.1.86 and 23.6.86 should be followed by the lending organisation and cash equivalent of gratuity, earned leave, Half Pay Leave standing to his credit, balance in the

Contributory Provident Fund should be transferred to the borrowing organisation and the benefits of VR Scheme should not be conceded. Each PSE, therefore, has to distinguish such cases themselves.

6) Should the post of an employee opting for voluntary retirement be abolished by the PSE.

Voluntary Retirement Scheme should be introduced only when there is surplus manpower. When an employee opts for VR the PSE should see that there is a net reduction in its staff strength taking all the posts together. It may not be possible to insist upon in all cases that the post of the employee who has opted for voluntary retirement has to be abolished. However, it may have to be ensured that net result of the Voluntary Retirement Scheme results in total reduction in manpower correspondingly.

7) Should VR Scheme be operated by a PSE for a limited period or it be retained on its Staff Regulations on a permanent basis?

Each PSE which wants to introduce Voluntary Retirement Scheme should take a conscious decision about the adoption of the Scheme after having identified surplus manpower or area or units which need re-vamping or closing. The VR Scheme need not have to be on the permanent statute book but the PSE should announce its introduction for a limited period, say, 3 to 6 months to generate the sense of urgency among the employees for availing of the benefits under the VR Scheme.

8) Should there be any restriction in settlement of travel expenses claimed by PSE employees under sub-clause (e) of para 1 of EP2's OM dated 5.10.88.

Travel expenses for settlement after Voluntary Retirement should be restricted to the normal place of residence/home town declared by the employee during the service period or the place where the children of the employee are settled. Frivolous claims to far fetched places like Andaman & Nicobar Islands should not be entertained.



- G -

9) Is pre-mature retirement and voluntary retirement the same thing?

9) The procedure for pre-mature retirement of employees has been laid in the CDA Rules. The model procedure for operating the pre-mature retirement scheme had been circulated by the B&I vide its OM No.15(29)/81-GM dated 4.2.88. Pre-mature retirement scheme is meant to weelout inefficient, corrupt and medically unfit officials if they had attained the age of 50 years or so. Voluntary retirement stands on a different footing. This scheme has to be operated by a PSE in the event of a decision having been taken by them to close down the unit or having identified surplus manpower. The Voluntary Retirement Scheme should also be distinguished from other administrative measures initiated by the PSEs like turn-around measures, redeployment of employees, updating technology, installation of new machines, adoption of new managerial tactics etc.

10) Can an employee who has submitted an application for VR be permitted to withdraw the same? What happens if the applicant employee dies before a decision is taken by the management on his application of V.R.?

An employee can be permitted to withdraw his application for voluntary retirement before the management notifies in writing to him about the decision to accept his application for VR. In the event of death of an employee during the notice period, action has not been completed on his application nor has notice period expired and as such the employee continues to be on the rolls of the PSE at the time of death. He would be, therefore, entitled to the benefits which are admissible in the event of death while in service and not under the VR Scheme notified by PE vide its OM dated 5.10.88 and 3.1.89.

All the administrative Ministries/Departments of the Government of India are requested to bring the foregoing to the notice of the Public Enterprises under their administrative control for their information and necessary action.

*Krishna Chandra*  
(Krishna Chandra)  
Joint Adviser, Deptt. of Public Enterprises,  
Tel: 4360841.

To

All Administrative Ministries/Departments of the Government of India.

Copy to :

1. Chief Executives of Public Enterprises.
2. Secretary, SCOPE, CGO Complex, Lodi Road, New Delhi.
3. Comptroller & Auditor General of India, New Delhi, 10 B.S. Jafar Hrg.
4. Secretary (PE), Joint Secy (M), J.A. (MOU), J.A. (S), DPE.
5. All Financial Advisers in the Administrative Ministries.
6. Additional Secretary, Insurance Division, Deptt. of Economic Affairs, Nirvachan Sadan, New Delhi.
7. Additional Secretary, Banking Division, Deptt. of Economic Affairs, Jeevan Deep Building, New Delhi.
8. Deptt. of Expenditure, E-II Branch, North Block New Delhi.
9. Dy. Comptroller & Auditor General - cum - Chairman Audit Board, C/o C.A.G. All Principal Directors of Commercial Audit & ex-officio Members of Audit Board and Principal Directors of Audit (Food), New Delhi.

*Krishna Chandra*  
(Krishna Chandra)  
Joint Adviser, Deptt. of Public Enterprises,  
Tel: 4360841.

**MOST IMMEDIATE**  
**BY SPEED POST**

No. 03/01/2017-PE-II  
Government of India  
Ministry of Heavy Industries and Public Enterprises  
Department of Heavy Industry  
(PE-II Section)  
\*\*\*\*\*

Udyog Bhavan, New Delhi-110011  
Dated: 24<sup>th</sup> January 2017

To

1. Shri S. Girish Kumar, Chairman Cum Managing Director,  
HMT Limited, HMT Bhavan, 56, Bellary Road, Bangalore, Karnataka
2. Shri M P Eswar, Chairman Cum Managing Director,  
Instrumentation Limited, Jhalawar Road, Kota (ILK) - PIN: 324005, Rajasthan
3. Shri B.M. Siva Shankar, Chairman cum Managing Director,  
Tungabhadra Steel Products Limited, Tungabhadra Dam, Distt. Bellary,  
Karnataka
4. Shri R.C. Sen, Hindustan Cables Limited, No 9, Elgin Road, Kolkata-700020

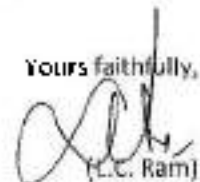
**Subject: Minutes of the meeting of CPSEs under closure held on 10.01.2017 at  
Udyog Bhavan, DHI - reg.**

Sir,

I am directed to forward here with a copy of the Minutes of the meeting of CPSEs under closure held on 10.01.2016 at Udyog Bhavan, DHI for necessary action to implement the respective Cabinet/CCEA decision on closure of the Company as per the DPE/DHI guidelines.

Encl: a/a.

Yours faithfully,



(L.C. Ram)

Under Secretary to the Govt. of India

**CC for kind information and necessary action To:**

**PS to JS(BJM) /PS to JS(VS) / Dir (VPS) /Dir (AK) /Dir(VS) /Dir(RP) /Dy. Sec.(AMM)  
Consultant(MK) (DHI)/Consultant (PK)/DPE.**

**Minutes of the meeting held on 10.01.2017 in Department of Heavy Industry to discuss various issues regarding the implementation of Cabinet/CCEA decision on closure of CPSEs (HCL/HMT Group of Companies/ILK/TSPL.**

A meeting was held on 10.01.2017 at 10.00 AM in the Room No. 172, Department of Heavy Industry, amongst the representatives of HCL, HMT, ILK and TSPL in the presence of officers of DHI to discuss various issues involve in the implementation of VRS in the CPSEs under closure. A list of participants is enclosed as **Annexure-1**.

2. JS (BJM) and JS (VS) both chaired the meeting and welcomed all the participants present in the meeting.
3. As both JS (BJM) and JS (VS) were called by SHI, Dir (VS) carried on the discussions.
4. To begin with, Dy. Secy. (AMM) circulated the DHI guidelines as recommended by the committee on VRS (DHI) to be followed for implementing VRS which includes method of calculation for VRS benefit. The details of VRS calculations, leave encashment, gratuity are enclosed as **Annexure -2**.
5. The representatives of HMT and TSPL informed that they have followed the DPE/DHI guidelines on VRS calculations, deducted income Tax from the VRS benefit as per IT Act and gratuity paid as per the gratuity rule with a maximum of Rs. 10.00 Lakhs. The annual increment has been paid as per the normal date of yearly increment. As per the rules for vacation of staff quarters, one month notice is given to vacate the quarters. If any of the occupants not vacates the quarters within the notice period, commercial rent shall be collected from the occupants
6. The representatives of HCL and ILK sought clarifications on various issues relating to VRS calculations and relieving of employees opting VRS. Their queries were deliberated and advice given to adopt DPE and DHI guidelines on VRS calculation and payment to be made to employees as per the cabinet approval. Anything not approved in the Cabinet/CCEA decision could not be considered. The issues raised and the advice given by DHI are summarized in **Annexure-3**.
9. Dir (VS) advised HCL to prepare a revised calculation sheet as per DPE/DHI guidelines and rectifying the errors pointed out by Dy. Secy (AMM) and submit the same by 13.01.2017 to this department for release of funds. The employees should be relieved immediately after settling their VRS dues and obtaining necessary undertakings. Further, one month notice should be given to the employees to vacate their staff quarters from the date of relieving on VRS.
10. Consultant (MK), DHI requested that all the concerned CPSEs should submit their policy on vacation of staff quarters to take up with Land Management Agency (LMA) for disposal of immovable assets.

11. JS (BJM) and JS (VS) advised that

- (i) All the CPSEs concerned must keep in mind that act of closing the sick company is top most priority of Government.
- (ii) The requirement of urgency must be kept in mind for time bound closure of the Company.
- (iii) In the process of closure, all statutory rules/DPE guidelines, standard practices should be followed.
- (iv) DHI will take all necessary action to release the funds within the notice period. In case fund not released within the notice period, the date of VRS can be extended with prior approval of DHI

Meeting ended with a vote of thanks to the chair and participants

**List of participants in the meeting held on 10.01.2017 at 10.00 AM in Department of Heavy Industry**

**HCL representatives**

1. Shri. A.K. Bose, Manager
2. Smt. Banani Chattopadhyay, Asst. Manager

**HMT Representatives**

1. Shri. Ram Prakash, Joint General Manager

**TSPL Representative :**

1. Shri P.S. Reddy, Sr. Consultant,

**ILK Representatives**

1. Shri M.P. Eswar, CMD
2. Shri. A. Muralidhar, Director (Production)

**DPE Representative:**

1. Shri Promod Kumar, Consultant, DPE

**DHI Representatives**

1. Shri Bhaskar Jyoti Mahanta, Joint Secretary
2. Shri Vishvajit Sahai, Joint Secretary
3. Shri V.P. Singh, Director
4. Smt. Vinita Srivastava, Director
5. Smt. Ritu Pande, Director
6. Shri A.M. Manichan, Dy. Secretary
7. Shri Manjit Kumar, Consultant



### Methodology for calculation of VRS Components

1. **Notional fixation of pay in 2007 scale as on 1.1.2007** is calculated by adding Basic pay as on 31.12.2006, DA as on 1.1.2007 (@ 78.2% ) and Fitment @ 30 % of the sum of both.
2. **Stage at which notional pay is fixed at relevant 2007 scale**  
After calculation of notional pay in 2007 scale as on 1.1.2007, the amount is rounded off to next multiple of 10 and this amount is the revised stage at 2007 relevant pay scale of the concerned employee.  
  
After fixing the notional pay in 2007 scale as on 1.1.2007, the next regular increment @ 3% (and rounding off to next multiple of 10) may be given (notionally) on due date.  
  
The subsequent annual increments (notionally) may be given on its anniversary @ 3% (and rounding off to next multiple of 10) for every year to arrive at basic pay as on the date of proposed release of employee on VRS.  
  
This basic pay + DA as on that date (as on 31.1.2017 @ 119.5%), is the total pay for the purpose of calculation of VRS components.
3. **One day pay for calculation of VRS Ex-gratia and leave encashment** =  $(BP + DA)$  divided by 30 days  
One day pay for calculation of gratuity =  $(BP + DA)$  divided by 26 days
4. **Calculation of VRS Ex- gratia**
  - (i) Gujarat method: 35 days of salary for completed service + 25 days of salary for remaining service
  - (ii) DHI method: 45 days of salary for completed service. An employee who has completed 30 years of service and having remaining service five or more years can get 60 months of pay as VRS compensation.

Whichever is higher of the above.

  - (iii) (i) and (ii) above will be subject to pay of remaining service till normal retirement.
5. **Calculation of Gratuity:** 15 days of pay X No of completed years. Period of 6 months and above will be treated as one year. Maximum gratuity period is 33 years and maximum amount permitted is Rs 10 lakhs.
6. **Calculation of encashment of leave:** Maximum of 300 days of EL. HPL can be considered for encashment subject to overall limit of 300 days. The shortfall in EL can be made up by HPL without commuting. Casual leave and Sick leave cannot be taken for encashment.
7. **Total VRS benefits:** VRS ex-gratia + Gratuity + leave encashment
8. **All other payments** like salary arrears etc. will be based on actual pay drawn by the employee and not on notionally fixed pay as on above.

## Clarifications sought during the meeting

Sr. No.	Clarifications sought	Advice of DHI
1.	Encashment of Leave.	As per DPE guidelines, maximum of 300 days of EL can be encashed. HPL can be considered for encashment subject to overall limit of 300 days. The shortfall in EL can be made up by adding number of HPL without commutation. Casual leave and sick leave not to be taken for encashment.
2.	Consideration of training period, if any, for calculation of VRS/VSS & Gratuity.	It should be as per company rules.
3.	Payment of TA/Settlement allowance to employees.	To follow the company rules for payment of TA/Settlement allowance to employees being relieved on VRS/VSS. However, no LTC is allowed.
4.	Pay fixation for different categories of employees.	<p><u>For the category of Workers and Supervisors cadre the procedure adopted is as follows:</u> Take 1997 pay scale basic as on 31.12.2006, add 78.2% DA, add fitment of 30 % of Basic plus DA and arrive at new basic as on 01.01.2007. From 01.01.2007 onwards, add annual increment of 3% on the date of increment &amp; in case of promotion, additional 3% increment on the date of promotion and arrive at notional basic as on the date of VRS / VSS applicability.</p> <p><u>For Officers cadre :</u> Take 1997 pay scale basic as on 31.12.2006, add 78.2% DA, add fitment of 30 % of Basic plus DA and arrive at new basic as on 01.01.2007. Fix the basic so arrived in the 2007 pay scale as per DPE guidelines. From 01.01.2007 onwards, give annual increment of 3% on the date of increment and in case of promotion additional 3% increment on the date of promotion and fix the basic in the promoted 2007 pay scale and arrive at notional basic as on the date of VRS/VSS applicability while fixing notional basic pay, stagnation increments to be given as per the DPE guidelines.</p> <p><u>Note:</u> Fitment benefit is uniform @ 30% for all categories of employees. (Annexure 2 also refers).</p>
5.	Eligibility of the employees superannuating during the notice period of VRS/VSS.	The employees superannuating during the notice period of 3 months from the date of closure of the VR scheme are not eligible for any VRS/ VSS. Such employees will be superannuated as per company's policy.
6.	If the existing Gratuity Ceiling as per Gratuity act 1972, is amended subsequently and made applicable from 01.01.2017.	The Gratuity payment under the VRS/VSS is based on 2007 notional pay scale. The maximum limit is Rs. 10 lakhs. No increase will be applicable.
7.	Reckoning of Notice period for the purpose of calculation of left over service for VRS ex-gratia payment.	Payment of ex-gratia for service rendered or left over service before superannuation as well as the amount payable for the notice period should not exceed the basic pay plus D.A. that would have been paid to the employee who has opted for voluntary retirement till the date of his superannuation.

8	Extension of initially opened VRS/ VSS Scheme.	The VRS / VSS Scheme cannot be extended under normal circumstances. However, scheme can be extended with the approval of DHI, in case funds not received by the end of notice period. The employees' relieving date is to be extended till the date of funds made available to the company by Govt.
9.	Relieving of employees before the notice period is over.	VRS/ VSS applications of such employees can be considered for waiver of remaining notice period subject to employee having service even beyond that period. Necessary undertaking to be obtained if VRS/VSS payment is not paid at the time of relieving.
10.	Relieving of Employees without paying VRS/VSS ex-gratia on their own request	Employees can be relieved in advance pending receipt of funds from Govt, on an undertaking from the VRS opting employees that the VRS settlement will be paid on receipt of the funds from the Government together with other employees.
11.	Payment of VRS/VSS ex-gratia to employees retained by the management as per need of the work.	The employees may be retained on contract basis after relieving them on VRS/VSS. However, retention of any regular employee beyond VRS period needs specific approval of DHI.
12.	If funds not received from Govt within the three months' notice period of VRS/VSS.	In case of funds not received by the end of notice period, the relieving of employees to be extended till the date of funds made available to the company.
13.	Consideration of the period of deputation from the CPSE to other organizations for calculation of VRS/VSS ex-gratia	The period of deputation to eligible organizations is to be considered for calculation of VRS/VSS subjected to having transferred PF, Gratuity and Leave contributions by the borrowing company to the parent company.
14.	Taking into account yearly increment for fixing the pay in 2007 notional pay scale for the period of deputation.	As if an employee on deputation is on lien with the parent company, yearly increment in fixing the employee in 2007 notional pay scale for the period of deputation is applicable.
15.	Transfer of employee from the Unit approved for closure to other unit not being closed	No such transfer is allowed unless specifically mentioned
16.	Requirement of essential staff for maintaining the Staff quarters and common buildings such as schools, post office etc.	A few employees of the company relieved on VRS/VSS may be retained on contract basis. However, retention of any regular employee beyond VRS period needs specific approval of DHI.
17.	Consideration of an increment given to employees for non-promotion for VRS calculations.	As per DPE guidelines, no such increment is allowed.

18.	Direction/advice sought from DHI on various demands of employees.	Cabinet decision already communicated. Co. should adhere to the cabinet decision and guidelines DPE.
19.	PFMS- Company required to make digital payments to employees and other stakeholders through PFMS.	Digital payment guidelines in vogue should be invariably followed.
20.	Notice period for vacation of staff quarters.	One month notice should be fixed for vacation of staff quarters from the date of relieving of employees on VRS by all CPSEs concerned.

Undertaking for payment of salary :

1. I agree for recovery any dues and advances, I owe to the Company including excess payments of whatever kind made to me, or other recoveries due from me like advances including from financing agencies (through the company), House Rent, Water and Electricity Charges, computer, mobile etc. entrusted to me but not returned and other miscellaneous recoveries from the amounts, including the Voluntary Retirement/Voluntary Separation compensation, payable to me.
2. I understand that all outstanding loans, advances, Interim Relief and recovery of any other dues including income tax recovery as per IT Act from the employees permitted to retire under the VRS/VSS shall be fully adjusted against the VRS/VSS Compensation / Ex-gratia payment payable under the Scheme.
3. I have provided clearance certificates from the respective department i.e. quarters, tools & plants, library, Co-operative credit society, etc. I have returned the identity card issued to me. I understand that unless all these are cleared no amount will be release.

Signature of the Employee

Staff No.

Date

To: Head of \_\_\_\_\_ Unit



Undertaking for obtaining VRS/VSS ex gratia :

1. I agree that the VRS/VSS compensation / ex-gratia, as well as Gratuity and Leave salary will be calculated as on date of relieving of the employee. This will be calculated on Basic Pay notionally fixed in 2007 Pay Scale and paid to the employees separated under VRS/VSS. I understand that this amount will not be recalculated under any circumstance in future nor will such relieved employees have any right or claim over the same on any future date.
2. I agree for recovery any dues and advances, I owe to the Company including excess payments of whatever kind made to me, or other recoveries due from me like advances including from financing agencies (through the company), House Rent, Water and Electricity Charges, computer, mobile etc. entrusted to me but not returned and other miscellaneous recoveries from the amounts, including the Voluntary Retirement/Voluntary Separation compensation, payable to me.
3. I accept that any overpayment of VRS dues will have to be returned at 10% interest to payee if errors are detected in VRS calculation.
4. I understand that once an employee avails himself of Voluntary Retirement/Voluntary Separation from the Company under the Scheme, he/she shall not take up employment in another PSU. If he/she desires to do so, he shall have to return the VRS/VSS compensation received by him to the Company.

Signature of the Employee

Staff No.

Date

To: Head of \_\_\_\_\_ Unit



हिन्दुस्तान केबल्स लिमिटेड

(भारत सरकार का उपक्रम)

पंजीकृत एवं नगम कार्यालय

9, एल्गिन रोड, कोलकाता-700 020, भारत



HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

REGISTERED & CORPORATE OFFICE  
9, ELGIN ROAD, KOLKATA-700 020, INDIA

FAX : 2281-3473, PHONES : 2281-7538, 2283-0423, 2283-2762  
email : cmdhclkol@gmail.com, WEBSITE : www.hindcables.gov.in

CORP/CMD/HCL/2017/50  
25<sup>th</sup> January, 2017.

RELEASE ORDER

This is for information of all concerned that as per the closure decision taken by the Union Cabinet on 28<sup>th</sup> September, 2016, all employees of the Company including casuals, contractor's labourers (but excluding private security guards) stand released w.e.f. 31<sup>st</sup> January, 2017 (A.N.). Accordingly, whosoever will attend workplace at HCL (without authority) on and after 1<sup>st</sup> February, 2017 may do so at their own cost, risk and peril.

Therefore, the Company will not be liable to pay salary/wages and other statutory dues to its employees on and from 1<sup>st</sup> February, 2017.

Pending salary/wages and other statutory dues including terminal dues will be paid in due course on completion of necessary formalities by the individual employees including estimation of personal income tax and other liabilities, if any by or on before 31<sup>st</sup> January, 2017.

Respective Unit Heads may take necessary action and intimate to all concerned/stakeholders.

( R. C. SEN )

CHAIRMAN & MANAGING DIRECTOR

NOTICE BOARD

ALL UNIT HEADS / DEPTT. HEADS OF HCL

ALL EMPLOYEES & STAKEHOLDERS OF HCL

Copy to Shri B J Mohanta, Joint Secretary, DHI for kind information please.



उत्तर प्रदेश UTTAR PRADESH

DL 941976

This **MANPOWER TRANSFER AGREEMENT** (this "Agreement"), dated the 30<sup>th</sup> day of January, 2017, is made

by and between

M/s Naini Aerospace Limited, a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) established under the Indian Companies Act, 2013 and having its registered office at 15/1, Cubbon Road, Bangalore, 560 001, (hereinafter referred to as "NAeL/Transferee", which expression shall unless repugnant to the context or meaning thereof mean and include its successors, permitted assigns and representatives) and represented by its representative, Mr. R. K. Mishra, Chief Executive Officer (CEO) authorized by Board resolution passed in the meeting held on 13.01.2017 FIRST PART;

*R. K. Mishra* *gaurish*

2/34

(2)

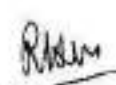
**And**

M/s Hindustan Cables Limited, a Public Sector Undertaking, under the Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry, incorporated under the Indian Companies Act, 1956 and having its registered office at 9, Elgin Road, Kolkata-700 020, (hereinafter referred to as "**HCL/Transferor**", which expression shall unless repugnant to the context or meaning thereof mean and include its successors, permitted assigns and representatives) and represented by its representative, Mr. R. C. Sen, Chairman & Managing Director (CMD) authorized by Board resolution passed in the meeting held on 08.12.2016 of SECOND PART.

The Transferor and the Transferee are hereinafter collectively referred to as the "**Parties**" and individually as "**Party**".

#### **RECITALS**

- A. WHEREAS**, NAeL is a wholly owned subsidiary of HAL incorporated, inter alia, to acquire the assets and manpower of HCL Naini Unit which will be engaged in the activities of Aerospace and Aeronautics; and HAL is a Navaratna Public Sector Undertaking under Ministry of Defence, Govt. of India, engaged in Design, Development, Manufacture, Repair & Overhaul of Aircraft, Helicopters, Aero engines, Avionics and Accessories.
- B. AND WHEREAS**, HCL, Naini is a Unit of Hindustan Cables Limited, a Government of India Undertaking, under the Ministry of Heavy Industries and Public Enterprises which was established for manufacturing Optical Fiber Cables and Polythene Insulated Jelly Filled Cables.
- C. AND WHEREAS**, NAeL and HCL have simultaneously entered into an Asset Purchase Agreement dated 30.01.2017 agreeing to purchase the identified assets located at the Naini Unit of HCL along with transfer of lease of land after taking necessary approvals as the Company was declared sick by Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated March 21, 2003 and BIFR has permitted HCL to transfer its Naini Unit to HAL vide its Order dated 29.11.2016.
- D. AND WHEREAS** Department of Heavy Industry (DHI) vide its OM File No. 1 (8)/2016-PE-II dated 14.12.2016 conveyed its approval for transfer of Land & Buildings (excluding 07 flats located at Allahabad) along with fittings and fixtures, of Naini Unit of HCL to HAL

(3)

Subsidiary at a nominal values on as-is where-is basis which is placed as **Annexure-A**.

- E. **AND WHEREAS** HCL and HAL have mutually agreed on the major terms of takeover of HCL Naini Unit by HAL Subsidiary vide letter No. CORP/CMD/Naini/2016/1270 dated 14.12.2016 of CMD, HCL, which was countersigned by D(HR), HAL with certain changes which is placed as **Annexure-B**.
- F. **AND WHEREAS** MoD vide letter No. 59011/8/2016-D (HAL-I) dated 27.12.2016 has granted in-principle approval for takeover of Naini Unit of HCL by establishing a wholly owned subsidiary of HAL which is placed as **Annexure-C**.
- G. **AND WHEREAS** Niti Ayog has vide OM No. M-13099/10/2016-DP dated 28.12.2016 has concurred to the proposal for the establishment of a wholly owned subsidiary of HAL to carry out business of manufacturing of Aeronautics/Aeronautical Products after takeover of identified assets and manpower of HCL, Naini unit which is placed as **Annexure-D**.
- H. **AND WHEREAS** HAL has incorporated a Subsidiary Company on 29.12.2016 as Naini Aerospace Limited and had requested HCL to perform its obligations as per the mutually agreed terms, including settlement/clearance of all the liabilities pertaining to Naini Unit of HCL. HCL has agreed to discharge all the liabilities including present, future & contingent in respect of its Naini Unit. In this regard, the understanding reached vide minutes of the meeting held on 20.01.2017 under the Chairmanship of Secretary, Defence Production is placed as **Annexure-E**.
- I. **AND WHEREAS** an Inter-Ministerial Committee consisting of JS (Aero) (as convener), JS DHI, CMD HCL, Chairman NAeL and CEO NAeL (As member Secretary) to oversee and resolve any issue which arise post takeover till the process of fulfillment of terms of transfer of manpower and assets, is completed and all the dues are cleared by HCL.
- J. **AND WHEREAS**, Naini Unit of HCL is currently having 125 employees and 13 Land Displaced Persons (LDPs) working with them who have not opted for Voluntary Retirement Scheme/Voluntary Separation Scheme (VRS/VSS), more appropriately mentioned in **Annexure F** appended hereto and forming a part hereof.

4/3+

(4)

**K. AND WHEREAS,** HCL desires to transfer and NAeL desires to take, directly, upon the terms and conditions hereinafter set forth, Manpower of Naini Unit of HCL.

**NOW, THEREFORE,** in consideration of the agreement and covenants set forth herein, each of the Parties agrees as follows:

**1. DEFINITION**

- (a) **"Applicable Law"** means any applicable national, state, local or other law, statute, regulations, rules, by laws, ordinances, constitution, principles of common law and includes notifications, guidelines, policies, directions, directives, judgment, decree and orders of any authority, statutory authority, court, tribunal or recognized stock exchange, and having the force of law;
- (b) **"Closing"** shall mean completion of the purchase of Assets as provided under the Asset Purchase Agreement by the payment of agreed consideration and transfer of title of Asset and transfer of Manpower under this Agreement.
- (c) **"Execution date"** shall mean the day on which this Agreement is signed by the last Party.
- (d) **"Employee (s)/Manpower"** shall mean the employees who shall be transferred pursuant to this Agreement and as listed in **Annexure-F** to this Agreement.

**2. INTERPRETATION**

2.1 In this Agreement, unless the context otherwise requires:

- (a) Words denoting the singular number shall include the plural and vice versa;
- (b) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (c) References to the word "include" or "including" shall be construed without limitation;
- (d) References to this Agreement or to any other agreement, deed or other instrument shall be construed as a reference to such agreement,



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deed, or other instrument as the same may from time to time be amended, varied or supplemented;

- (e) Reference to a section, paragraph or annexure is, unless indicated to the contrary, a reference to a section, paragraph or annexure of this Agreement.
  - (f) Words denoting a person shall include an individual, corporation, company, partnership, trust or other entity;
  - (g) References to the word "days" shall, unless otherwise indicated, mean calendar days;
  - (h) Terms defined elsewhere in this Agreement shall, unless otherwise indicated, have the meaning so ascribed to them;
  - (i) Law means common law, principles of equity, and laws made by parliament and regulations and other instruments under them, and considerations of any of them;
- 2.2 Time is of the essence in the performance of the respective obligations of the Parties. Without prejudice to the foregoing, if any time period specified herein is extended, such extended time shall also be of the essence.

### 3. TRANSFER OF MANPOWER

- 3.1 Subject to the terms and conditions of this Agreement, with effect from 01.02.2017 ("**Transfer Date**"), Transferor shall transfer to Transferee, and Transferee shall take from Transferor, the Manpower without any liability whether statutory or otherwise (past, present, contingent or future liability arising out of claims during service in Naini Unit of HCL), including but not limited to salary, dues, allowances, benefits, PF, gratuity, leave for the period prior to the Transfer Date.
- 3.2 On and from the Transfer Date, the Employees of Naini Unit of HCL employed in the conduct of its business shall cease to be its Employees and shall become Employees of NAeL. All such Employees shall on and from the Transfer Date, be deemed to be the Employees of NAeL governed by and entitled to the policies, regulation, benefits, schemes of NAeL which shall not be less favourable than those prevailing in HCL.



- 3.3 Within 30 days of the Transfer date, NAeL will provide written offer of continued appointment to the Employees transferred. The offer of continued appointment will be subject to execution of this Agreement and successful transfer of Manpower.

#### 4. TRANSFER PROCESS

- 4.1 The Transferor shall hand over the following documents/information to the Transferee, unless waived by the Transferee in writing, at the time of execution of this Agreement:
- (a) **A letter of confirmation** certifying that, all the liabilities, dues etc. in relation to the Manpower upto the Transfer Date have been paid and discharged.
  - (b) **A letter of confirmation** certifying that, on and after the Transfer Date, the Transferee will not become responsible for any liability or obligation of the Transferor related to the Manpower, which arose before the Transfer Date.
  - (c) **Transfer documents of the policies** owned by the Transferor for the benefit of Manpower in favour of the Transferee.
  - (d) **Salary Details:** A complete list of Manpower along with their date of joining, designation, basic pay, Dearness Allowances, other allowances, PF deposits, insurance coverage and other payroll details in **Annexure F**.
  - (e) **Employment Records:** The complete set of Manpower files with their offer letter, documents submitted by them at the time of joining (including resume), medical records, employment agreement, Confidentiality agreement, all appraisal documents, documents related to any complaints or disciplinary proceedings, details of assignments handled & currently engaged in and complete details of the salaries & benefits paid since the date of joining shall be handed over to the Transferee before Closing for an effective transfer of Manpower.
  - (f) **Undertaking:** An Undertaking signed by Manpower. The draft of the Undertaking shall be provided by the Transferee and a template is provided in **Annexure-G**.
  - (g) Transfer of funds relating to leave, gratuity, PF etc.

- 4.2 **Employees:** The Manpower shall be transferred to the Transferee after compliance of clause 4.1 above.

## 5. CONSEQUENCES OF TRANSFER

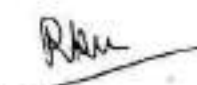

- 5.1 The Transferee will be responsible for the fulfilment and maintenance of the employee benefits plan from the Transfer Date. Transferor shall provide the gratuity calculation to the Transferee and transfer the ownership of the policy/fund created for gratuity payment. The Transferee will continue to employ the Manpower, in terms of Section 25FF of the Industrial Disputes Act, 1947, and the Transferee will ensure inter alia, that

- (i) The services of the Manpower shall not be or deemed to be interrupted by such transfer and the continuity of service shall be respected;
- (ii) The terms and conditions of service applicable to the Manpower after such transfer are not in any way less favourable to the Manpower than those applicable to them immediately before the transfer; and

- 5.2 The terms and conditions of employment of the Manpower shall continue to be the same as currently applicable to them; however, the Transferee shall have the authority to change the terms as and when required, which shall not be less favourable than those prevailing in HCL"

## 6. REPRESENTATIONS AND WARRANTIES OF TRANSFEROR

Transferor hereby, represents and warrants to Transferee, as of the Execution Date, that:

- 6.1 Transferor is a company duly organized under the laws of India and is the lawful employer of the Employees, and has the requisite power and authority to transfer the Employees.
- 6.2 Transferor has full power and authority to execute and deliver this Agreement, and to consummate the transactions contemplated hereby and to fully perform its obligations hereunder.
- 6.3 This Agreement has been duly and validly executed and delivered by Transferor and the same constitutes a valid and binding obligation of Transferor, enforceable against it in accordance with its terms.
-  

- 6.4 Transferor has full power and authority under its Memorandum and Articles of Association to execute, deliver, and perform this Agreement and has secured the necessary approvals, permissions or NOCs as required to complete this transfer of Manpower from the relevant authority(ies).
- 6.5 Transferor will bear the entire cost and expense of all Employees' claims for compensation or benefits arising out of employment and all taxes, levies and duties related to their employment, which is related to or arising out of employment of Employees on or before the Transfer Date.
- 6.6 All the liabilities arising out of the service, labour and other disputes in progress or pending regarding the transferred Employees shall be borne by the Transferor. Any liabilities arising out of such dispute which are raised after the Transfer Date but which pertains to time period prior to Transfer Date shall be borne by Transferor.
- 6.7 The Employees who have retired from the services of the Transferor on or before the Transfer Date and entitled to any benefits, rights and privileges shall be entitled to receive the same from the Transferor.
- 6.8 The Transferor represents that from the Transfer Date, Provident Fund, Gratuity Fund, Superannuation Fund, Accumulated leave fund, ESI or any other special fund created or existing for the benefit of Employees, all the rights of the Transferor in relation to those funds shall become those of the Transferee. In the event of any claim or loan on account of Provident Fund, ESI, Gratuity, Leave Encashment or on any account whatsoever in respect of any of the Employees, created before the Transfer Date, the Transferor shall pay and bear the same.
- 6.9 The Transferor agrees that all the policies taken by Transferor for the benefit of Employees, more clearly described under **Annexure-H**, shall be transferred to Transferee on or before Transfer Date.
- 6.10 The Transferor agree that all the disputes including court cases and arbitration matters in respect to the Naini Unit of HCL shall be continued, prosecuted, defended and enforced by the Transferor. However, if the Third Party makes NAL as party to any court proceeding or arbitration then the cost and expenses incurred in continuing, prosecuting, defending and enforcing court matters including arbitration matters by NAL shall be paid by the Transferor. If pursuant to any such court matters including arbitration matters any

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penalties, interest or monetary liability of any nature is required to be paid after Transfer Date, all such penalties, liabilities, interest payment etc. shall be paid and discharged by the Transferor.

- 6.11 The Transferor shall co-operate and provide all necessary assistance to the Transferee as required in fulfillment of the transaction contemplated under this Agreement i.e. transfer of Manpower from HCL to NAEI (hereinafter "**Transaction**").
- 6.12 The Transferor represents that it has disclosed and delivered all the information and documents required for performance of this Agreement to the Transferee. The Transferor also agrees that any liability arising on account of any non-disclosure or non-delivery of information or documents will be borne by the Transferor.

## **7. CONDITIONS TO TRANSFER**

The obligation of the Transferee to consummate the Transaction contemplated pursuant to this Agreement is subject to the satisfaction or written waiver by the Transferee, on or prior to the Transfer Date, of each of the following conditions:

- (a) Each of the representations and warranties of the Transferor made in this Agreement shall be true and correct, as of the Transfer Date as if made on such date.
- (b) No action challenging the legality of, or seeking to restrain, prohibit or materially modify, the Transaction provided for in this Agreement shall have been threatened or instituted and not settled or otherwise terminated.
- (c) The Transferor shall have complied with the requirements of Clause 4.

## **8. INDEMNIFICATION**

- 8.1 From and after the Execution Date, the Transferor agrees to indemnify and keep indemnified, defend and hold Transferee, its successors, assigns and their respective directors, officers, representatives, employees and agents, harmless from and against any and all losses, liabilities, claims, obligations, suits, actions, damages, costs settlements, proceedings, deficiencies, charges, interests, expenses (including, without limitation, legal fees and disbursements in connection therewith and interest chargeable

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thereon) (collectively, "**Claims**") that may be incurred or suffered by such persons resulting or arising from or related to, or incurred or suffered in connection with:

- (a) The Employees in respect of any action or matter arising prior to the Transfer Date including any action or matter arising after the Transfer Date but which pertains to any period prior to Transfer date, or
- (b) The failure of Transfer or to pay, perform and discharge its liabilities related to the Employees, or
- (c) Any breach in whole or in part of any representation, warranty, covenant or agreement made or obligation required to be performed by the Transferor under this Agreement.
- (d) Any breach or non-compliance with any statutes, ordinances, regulations, and other governmental requirements or judicial decree by the Transferor

8.2 If the Transferee receives notice of the assertion of any claim, the commencement of any suit, action or proceeding, or the imposition of any penalty by a third party in respect of the Manpower (a "**Third Party Claim**"), then the Transferee shall promptly provide the Transferor with written notice of the Third Party Claim, and the Transferee shall be indemnified by the Transferor. The failure by the Transferee to notify the Transferor of a Third Party Claim shall not relieve the Transferor of any indemnification responsibility under Clause 8.1 unless such failure materially prejudices the ability of the Transferor to defend such Third Party Claim.

8.3 In the event the Transferee is required to pay for such Claims as per Applicable Law arising from events stipulated in 8.1 then, the Transferee shall be entitled to serve a notice on the Transferor and for re-imbursement of payment towards such claims.

8.4 Any indemnifiable claim hereunder that is not a Third Party Claim shall be asserted by the Transferee by promptly delivering notice thereof to the Transferor. If Transferor does not respond to such notice within ten (10) days after its receipt, it shall have no further right to contest the validity of such Claim.







## 9. DISPUTE RESOLUTION

- 9.1 If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with or arising out of this Agreement, Parties shall promptly and in good faith negotiate with a view to its amicable resolution and settlement.
- 9.2 In the event no amicable resolution or settlement is reached within a period of thirty (30) days from the date on which the dispute or difference arose, such dispute or difference shall be referred by either Party for resolution to the Inter Ministerial Committee. In case Inter Ministerial Committee fails to resolve the dispute within 60 days of reference of the dispute, either party may refer the dispute for arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the Parties to the dispute, provided, however, any Party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator, unless the award provides otherwise. The arbitration proceedings shall be held in Bangalore. The Parties shall continue to perform their obligations under this Agreement while the arbitration proceedings are pending.

## 10. EXPENSES AND TAXES

- 10.1 Each Party will bear their own legal, accounting and other expenses incurred by such Party in connection with the negotiation, preparation and execution of this Agreement.
- 10.2 The Transferee shall be responsible for and shall pay any stamp duty payable in connection with the Transaction contemplated pursuant to this Agreement.
- 10.3 The Transferor shall be responsible for and shall pay any taxes payable as a result of the consummation of the Transaction contemplated in this Agreement.





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## 11. NOTICES

- 11.1 Any notice(s), communication(s), request(s) or instruction(s) contemplated, provided or required to be given hereunder by any Party hereto to the other shall be in writing in English, and shall be deemed sufficiently given if delivered personally; sent by facsimile transmission with confirmatory copies sent by recorded delivery service; or sent by recorded delivery services; the registered mail postage prepaid acknowledgment due;

**If to Transferor, then at**  
M/s Hindustan Cables Limited  
9, Elgin Road,  
Kolkata-700 020

Tel: 2281-7538, 2283-0423, 2283-2762  
Fax: 2281-3473  
E-mail: cmdhckol@gmail.com

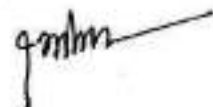
**If to Transferee, then at**  
M/s Naini Aerospace Limited  
UPSIDC Industrial area,  
P.O.: T.S.L, Naini,  
Allahabad-211010 (UP)

Tel : .....  
Fax: .....

or to such other address as may from time to time be designated by one Party and informed to the other Party in writing through prior notice.

- 11.2 All notice(s), communication(s), request(s) or instruction(s) as aforesaid, if delivered personally shall be deemed to have been received at the time of such delivery; if sent by facsimile transmission or recorded delivery service shall be deemed to have been received (48) forty-eight hours next after the same shall be proved to have been sent. Any communication given by Tele fax or mail shall be deemed to have been received on the business day following the date of transmission.





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## **12. GOVERNING LAW**

This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of India without regard to its principles of conflicts of laws. The Courts at Bangalore shall have exclusive jurisdiction over all disputes or differences arising out of this Agreement.

## **13. AMENDMENT**

Any amendment to the Agreement would be enforceable only if made in writing and duly signed by authorized representatives of the Parties hereto.

## **14. WAIVER**

Failure of either Party at any time to enforce any of the provisions of this Agreement shall not per se constitute a waiver by that Party of any such provisions nor in anyway affect the validity of the Agreement or any part hereof.

## **15. SEVERABILITY**


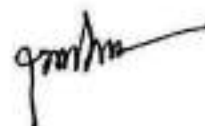
In the event that any one or more of the provisions contained in this Agreement, for any reason, shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or non-enforceability shall not affect any other provision of this Agreement. The Parties shall replace the invalid, illegal or unenforceable provision by such provision which they would, acting reasonably, have agreed upon, had Parties been aware of the invalidity, illegality or non-enforceability of the provision to be replaced.

## **16. NON ASSIGNMENT**

The rights and / or liabilities accruing to any Party under this Agreement shall not be assigned except with the written consent of the other Party and subject to such terms and conditions as may be mutually agreed upon.

## **17. CONFIDENTIALITY**

HCL agrees not to issue press releases or public announcements concerning the terms of this Agreement without the prior written

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approval of NAEI. The existence and terms of this Agreement are confidential and shall not be disclosed to a third party by any Party other than those agreed upon. However, this shall not restrict any statutory requirements under the Indian Law.

**18. FINAL AGREEMENT**

This Agreement supersedes all prior discussions, information, writings, memoranda and documents exchanged and agreements entered, if any, between the Parties with respect to the subject matter of this Agreement.

**19. CONFLICTS**

In the case of any discrepancy or conflict between the provisions of this Agreement and any other document executed pursuant to this Agreement, the provisions of this Agreement shall prevail.

**20. FURTHER ASSURANCES**

Each Party shall provide such further information and execute and deliver or cause to be executed and delivered, both before and after the date hereof, such further certificates, agreements and other documents and take such other actions, as may be reasonably necessary or appropriate to consummate or implement the Transaction contemplated hereby.

**21. BINDING NATURE**

Subject to the terms and conditions provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

**22. SPECIFIC ENFORCEMENT**

The Parties hereto agree that irreparable damage would occur in the event any provision of this Agreement is not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

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### 23. COUNTERPARTS

This Agreement may be executed in two counterparts, each of which will be deemed to be an original, and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THESE PRESENT ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN:

Signed and delivered by  
Mr. R. C. Sen,  
Chairman & Managing Director  
(Authorized Signatory for HCL)

*R C Sen*

Chairman & Managing Director  
Hindustan Cables Limited  
9, Elgin Road, Kolkata

In the presence of the following witnesses:

1. Name..... ANURAG AGARWAL  
Designation..... MANAGER (UNIT HEAD)  
Signature..... *[Signature]*
2. Name..... MANISH GUPTA  
Designation..... ASST. MANAGER  
Signature..... *[Signature]*

Signed and delivered by  
Mr. R. K. Mishra,  
Chief Executive Officer,  
(Authorized Signatory for M/s NAEL)

*R K Mishra*

Mr. R. K. MISHRA  
Chief Executive Officer  
National Aerospace Limited  
Bhadrachalam, Andhra Pradesh

In the presence of the following witnesses:

1. Name..... RAGHAVENDRA SINGH  
Designation..... DCM (BO)  
Signature..... *[Signature]*
2. Name..... JANARDAN VERMA  
Designation..... C.M. (COORDINATION)  
Signature..... *[Signature]*

HINDUSTAN CABLES LIMITED  
NAINI UNIT, ALLAHABAD

SALARY DETAILS OF 125 OFFICIALS AS ON JANUARY, 2017

Sl. No.	Staff No.	NAME	Designation	Date of Birth	Date of Joining in HCL	Date of Retirement	BASIC	PER PAY	Area Allow	SPL PAY
1	10153	BRJESH KUMAR GUPTA	Dy Mng (EDP)	6-Jul-1964	8-Sep-1990	31-Jul-2022	18250.00	2450.00	500.00	0.00
2	10164	MANISH GUPTA	ASST MANAGER	30-Jul-1968	23-Oct-1990	31-Jul-2026	15550.00	1400.00	500.00	0.00
3	10040	RAJESHVAR SINGH	ASST MANAGER	1-Sep-1963	6-Dec-1989	31-Aug-2021	15250.00	1500.00	500.00	0.00
4	10042	VIJENDRA NATH SINGH YADAV	ASST MANAGER	1-Jul-1964	6-Dec-1989	30-Jun-2022	15250.00	1500.00	500.00	0.00
5	10043	DEVENDRA SINGH	ASST MANAGER	18-Dec-1967	6-Dec-1989	31-Dec-2025	15250.00	1500.00	500.00	300.00
6	10059	RAJESH JAISWAL	ASST MANAGER	17-Nov-1963	7-Apr-1990	30-Nov-2021	15250.00	1500.00	500.00	0.00
7	10158	ANIL AWASTHI	ASST MANAGER	30-Jun-1967	5-Oct-1990	30-Jun-2025	15250.00	1500.00	500.00	0.00
8	10086	SHAH JAMAL QASIM	ASST MANAGER	15-Jul-1965	6-Apr-1990	31-Jul-2023	14950.00	1400.00	500.00	0.00
9	10023	RAJESH KUMAR	ASST MANAGER	30-Aug-1968	16-Aug-1989	31-Aug-2024	14650.00	900.00	500.00	0.00
10	10289	RAVI SHANKER MISHRA	ENGINEER	4-Jan-1971	20-Jul-1992	31-Jan-2029	12850.00	750.00	500.00	0.00
11	10291	ANIL KUMAR PANDEY	ENGINEER	2-May-1966	25-Jul-1992	31-May-2024	12850.00	750.00	500.00	0.00
12	10254	C. VENKAT RAMAN	OFFICER (A/S)	8-Jul-1963	2-Mar-1992	31-Jul-2021	12350.00	1250.00	600.00	165.00
13	10036	AWADHESH KUMAR PANDEY	FOREMAN	5-Jul-1966	1-Dec-1989	31-Jul-2024	9860.00	1806.00	0.00	92.00
14	10037	KHALILUR RAHMAN KHAN	FOREMAN	1-Jul-1967	1-Dec-1989	30-Jun-2025	9860.00	1806.00	0.00	0.00
15	10050	SATISH KUMAR DWIVEDI	FOREMAN	1-May-1968	26-Dec-1989	30-Apr-2028	9860.00	1806.00	0.00	0.00
16	10084	RAVINDRA SHARMA	FOREMAN	1-Jan-1965	28-May-1990	31-Dec-2022	9860.00	1806.00	0.00	59.00
17	10061	DEVENDRA KUMAR SINGH	CHIEF ASSTT.	8-Jul-1966	26-May-1990	31-Jul-2024	9860.00	1806.00	0.00	0.00
18	10082	MUKHTAR ALI	FOREMAN	10-Jul-1968	28-May-1990	31-Jul-2024	9860.00	1806.00	0.00	0.00
19	10094	BINOD KUMAR PAL	FOREMAN	15-Oct-1967	30-May-1990	31-Oct-2025	9860.00	1806.00	0.00	165.00
20	10099	SALIL KUMAR SRIVASTAVA	FOREMAN	15-Sep-1965	1-Jun-1990	30-Sep-2023	9860.00	1806.00	0.00	0.00
21	10106	RAKESH KUMAR SHUKLA	FOREMAN	25-Jun-1965	8-Jun-1990	30-Jun-2023	9860.00	1806.00	0.00	0.00
22	10131	ASHOK KUMAR	FOREMAN	6-Apr-1963	16-Aug-1990	30-Apr-2021	9860.00	1806.00	0.00	0.00
23	10204	DIGAMBER NATH DWIVEDI	FOREMAN	20-Jul-1966	28-Mar-1991	31-Jul-2024	9860.00	1806.00	0.00	0.00
24	10065	MASUDUZZAMAN	FOREMAN	8-Aug-1965	28-May-1990	31-Aug-2023	9860.00	1806.00	0.00	0.00
25	10132	RAJA RAM	FOREMAN	17-Aug-1963	16-Aug-1990	31-Aug-2021	9860.00	1616.00	0.00	0.00
26	10136	RAM NATH	FOREMAN	25-Nov-1963	17-Aug-1990	30-Nov-2021	9860.00	1616.00	0.00	85.00
27	10159	SHIVA KANT DWIVEDI	FOREMAN	15-Aug-1968	17-Oct-1990	31-Aug-2028	9860.00	1616.00	0.00	0.00
28	10175	OM PRAKASH SINGH	FOREMAN	15-Jul-1965	3-Jan-1991	31-Jul-2023	9860.00	1616.00	0.00	0.00
29	10176	ANIL KUMAR TRIPATHI	FOREMAN	2-Aug-1965	3-Jan-1991	31-Aug-2023	9860.00	1616.00	0.00	73.00
30	10177	VIPIN PRASAD SHAH	FOREMAN	5-Jan-1966	3-Jan-1991	31-Jan-2024	9860.00	1616.00	0.00	135.00
31	10178	ARVIND KUMAR SINGH	FOREMAN	1-Jul-1967	3-Jan-1991	30-Jun-2025	9860.00	1616.00	0.00	0.00
32	10179	VIJAY BAHADUR SINGH	FOREMAN	2-Jul-1967	3-Jan-1991	31-Jul-2025	9860.00	1616.00	0.00	67.00
33	10182	SARJU PRASAD	FOREMAN	1-Mar-1967	3-Jan-1991	28-Feb-2025	9860.00	1616.00	0.00	0.00
34	10183	ASHOK KUMAR SHUKLA	FOREMAN	1-Feb-1968	3-Jan-1991	31-Jan-2026	9860.00	1616.00	0.00	0.00
35	10185	PRABIR KUMAR DAS	CHIEF ASSTT.	11-Oct-1966	5-Jan-1991	31-Oct-2024	9860.00	1616.00	0.00	0.00
36	10186	ANANT MADHUSUDAN RAKHE	CHIEF ASSTT.	25-Nov-1964	5-Jan-1991	30-Nov-2022	9860.00	1616.00	0.00	0.00
37	10187	BITENDRA KUMAR SINGH	FOREMAN	11-Jul-1965	8-Jan-1991	31-Jul-2023	9860.00	1616.00	0.00	165.00
38	10189	MADAN MANDAL	FOREMAN	2-Nov-1969	8-Jan-1991	30-Nov-2027	9860.00	1616.00	0.00	0.00
39	10192	ANIL KUMAR SINGH	FOREMAN	10-Jul-1967	14-Jan-1991	31-Jul-2025	9860.00	1616.00	0.00	0.00
40	10193	SURESH CHANDRA	FOREMAN	30-Dec-1968	17-Jan-1991	31-Dec-2024	9860.00	1616.00	0.00	0.00
41	10203	DEEPAK MISHRA	FOREMAN	1-Jan-1967	25-Mar-1991	31-Dec-2024	9860.00	1616.00	0.00	0.00

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42	10203	GAJANAND	FOREMAN	1-Jul-1967	25-Mar-1991	30-Jun-2025	9860.00	1616.00	0.00	0.00
43	10211	VIJAY SHANKER PANDEY	FOREMAN	20-May-1968	11-May-1991	31-May-2024	9860.00	1616.00	0.00	135.00
44	10212	JAI PRAKASH NARAYAN SINGH	FOREMAN	1-Feb-1965	13-May-1991	28-Feb-2024	9860.00	1616.00	0.00	0.00
45	10237	RAKESH KUMAR SRIVASTAVA	FOREMAN	15-Nov-1969	28-Jul-1991	30-Nov-2024	9860.00	1616.00	0.00	0.00
46	10133	ASHOK KUMAR	FOREMAN	1-Sep-1967	16-Aug-1990	31-Aug-2025	9860.00	1426.00	0.00	0.00
47	10165	RAVINDRA KUMAR VERMA	CHIEF ASSTT.	1-Aug-1969	23-Oct-1990	31-Jul-2027	9860.00	1426.00	0.00	0.00
48	10220	MOHD. FIROZ KHAN	CHIEF FIL OPTR	22-Aug-1971	12-May-1991	31-Aug-2028	9860.00	1426.00	0.00	0.00
49	10221	NAWAL KISHOR TIWARI	CHIEF FIL OPTR	15-Feb-1968	4-Jun-1991	28-Feb-2026	9860.00	1426.00	0.00	0.00
50	10224	DASHRATH LAL	FOREMAN	28-Jul-1968	11-Jul-1991	31-Jul-2024	9860.00	1426.00	0.00	115.00
51	10225	RAMANAND PANDEY	FOREMAN	1-Jan-1967	11-Jul-1991	31-Dec-2024	9860.00	1426.00	0.00	0.00
52	10227	VIRENDRA KUMAR SINGH	FOREMAN	12-Jun-1967	11-Jul-1991	30-Jun-2025	9860.00	1426.00	0.00	0.00
53	10228	KAMALA SINGH	FOREMAN	1-Jul-1967	11-Jul-1991	30-Jun-2025	9860.00	1426.00	0.00	0.00
54	10229	DHARMENDRA KUMAR LOHIYA	FOREMAN	15-Sep-1967	11-Jul-1991	30-Sep-2025	9860.00	1426.00	0.00	0.00
55	10230	RAM SINGH	FOREMAN	3-Jan-1968	11-Jul-1991	31-Jan-2026	9860.00	1426.00	0.00	0.00
56	10231	RAM GOPAL	FOREMAN	16-Mar-1968	11-Jul-1991	31-Mar-2028	9860.00	1426.00	0.00	0.00
57	10232	PRANESH KUMAR MISHRA	FOREMAN	31-Dec-1968	11-Jul-1991	31-Dec-2027	9860.00	1426.00	0.00	0.00
58	10233	VINAY KUMAR SRIVASTAVA	FOREMAN	1-Jul-1970	11-Jul-1991	30-Jun-2028	9860.00	1426.00	0.00	0.00
59	10234	RAAMESHWAR NATH PANDEY	CHIEF ASSTT.	1-Mar-1967	16-Jul-1991	28-Feb-2025	9860.00	1426.00	0.00	155.00
60	10259	PUSHPENDRA SRIVASTAVA	FOREMAN	15-Jan-1967	8-Mar-1992	31-Jan-2025	9860.00	1236.00	0.00	0.00
61	10266	SHIV SHARAN	CH. STENO-HNDI	20-Oct-1963	17-Mar-1992	31-Oct-2021	9860.00	1236.00	0.00	0.00
62	10328	HARINATH	CHIEF ASSTT.	20-Aug-1970	20-May-1993	31-Aug-2028	9860.00	1046.00	0.00	0.00
63	10251	CHANDRIKA PRASAD	FOREMAN	15-Aug-1964	28-Feb-1992	31-Aug-2022	9860.00	1046.00	0.00	73.00
64	10253	TILAK CHANDRA	FOREMAN	14-Sep-1965	2-Mar-1992	30-Sep-2023	9860.00	1046.00	0.00	0.00
65	10258	GYANENDRA SINGH	FOREMAN	16-Dec-1967	3-Mar-1992	31-Dec-2025	9860.00	1046.00	0.00	165.00
66	10257	PRADEEP KUMAR PANDEY	FOREMAN	15-Aug-1969	3-Mar-1992	31-Aug-2027	9860.00	1046.00	0.00	0.00
67	10260	DEEPAK SAHNEY	FOREMAN	23-Mar-1967	8-Mar-1992	31-Mar-2025	9860.00	1046.00	0.00	0.00
68	10261	MAN SINGH	FOREMAN	1-Sep-1968	8-Mar-1992	31-Aug-2025	9860.00	1046.00	0.00	0.00
69	10263	LAL PRAKASH SINGH	FOREMAN	20-Dec-1967	12-Mar-1992	31-Aug-2026	9860.00	1046.00	0.00	0.00
70	10265	YASHWANT KUMAR SHARMA	FOREMAN	10-May-1967	14-Mar-1992	31-May-2025	9860.00	1046.00	0.00	0.00
71	10333	RAM SHARAN	CHIEF ASSTT.	1-May-1968	28-Jun-1993	30-Apr-2024	9860.00	1046.00	0.00	0.00
72	10337	KRISHNA KUMAR AGARWAL	CHIEF ASSTT.	9-Jun-1968	2-Jul-1993	30-Jun-2026	9860.00	1046.00	0.00	0.00
73	10341	VIRENDRA KUMAR GARG	CHIEF ASSTT.	16-Dec-1970	19-Aug-1993	31-Dec-2028	9860.00	1046.00	0.00	0.00
74	10350	RAJENDRA KUMAR	FOREMAN	11-Oct-1965	27-Aug-1993	31-Oct-2023	9860.00	1046.00	0.00	155.00
75	10361	VIMLA SHARMA	CHIEF ASSTT.	22-Jan-1969	19-Oct-1993	31-Jan-2027	9860.00	1046.00	0.00	0.00
76	10380	SANJEEV RATAN	CHIEF C.S.	7-Sep-1968	15-Feb-1994	30-Sep-2026	9860.00	1046.00	0.00	0.00
77	10255	GHAN SHYAM	FOREMAN	5-Mar-1967	2-Mar-1992	31-Mar-2025	9860.00	856.00	0.00	0.00
78	10322	DINESH KUMAR	FOREMAN	20-Jan-1970	2-May-1993	31-Jan-2028	9860.00	856.00	0.00	0.00
79	10323	MANMOHAN LAL	FOREMAN	2-Feb-1971	2-May-1993	28-Feb-2029	9860.00	856.00	0.00	0.00
80	10342	RAJENDRA KUMAR SHARMA	FOREMAN	3-May-1968	21-Aug-1993	31-May-2026	9860.00	856.00	0.00	155.00
81	10343	CHHEDI LAL	FOREMAN	29-Nov-1969	22-Aug-1993	30-Nov-2024	9860.00	856.00	0.00	0.00
82	10344	NAWAL KISHOR SINGH	FOREMAN	1-Dec-1967	22-Aug-1993	31-Dec-2025	9860.00	856.00	0.00	0.00
83	10345	RAJESH KUMAR PANDEY	FOREMAN	10-Jan-1968	22-Aug-1993	31-Jan-2026	9860.00	856.00	0.00	0.00
84	10346	MANOJ KUMAR DWIVEDI	FOREMAN	1-Jul-1970	23-Aug-1993	30-Jun-2028	9860.00	856.00	0.00	73.00
85	10347	SUBHASH SINGH	FOREMAN	1-Jan-1971	24-Aug-1993	31-Dec-2028	9860.00	856.00	0.00	0.00
86	10348	BIPIN BIHARI TIWARI	FOREMAN	14-Dec-1967	26-Aug-1993	31-Dec-2028	9860.00	856.00	0.00	155.00
87	10349	BABU LAL	FOREMAN	20-Nov-1968	26-Aug-1993	30-Nov-2028	9860.00	856.00	0.00	0.00
88	10353	DINESH SINGH	FOREMAN	12-Jun-1970	30-Aug-1993	30-Jun-2028	9860.00	856.00	0.00	0.00
89	10355	RAJENDRA PRASAD	FOREMAN	1-Jan-1964	4-Sep-1993	31-Dec-2021	9860.00	856.00	0.00	0.00

17/2/21

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90	10356	ISTYAK AHMAD	FOREMAN	1-Sep-1970	14-Sep-1993	31-Aug-2028	9650.00	856.00	0.00	0.00
91	10350	VILAY KUMAR SHARMA	CHIEF ASSTT	9-Jul-1968	19-Oct-1993	31-Jul-2026	8660.00	856.00	0.00	0.00
92	10336	DINESH CHANDRA MALIK	CHIEF ASSTT	30-May-1968	2-Jul-1993	31-May-2026	9660.00	666.00	0.00	0.00
93	10368	AWADHESH KUMAR SINGH	CHIEF STENO	1-Dec-1965	30-Dec-1993	30-Nov-2023	9660.00	666.00	0.00	0.00
94	10207	JITENDRA KUMAR	CH STENO-HINDI	1-Jul-1969	4-Apr-1991	30-Jun-2027	9670.00	666.00	0.00	310.00
95	10367	AMAR NATH	SR SUPER G-I	1-Jan-1965	6-Jan-1994	31-Dec-2022	9160.00	1006.00	0.00	0.00
96	10368	JAWAHAR LAL	SR SUPER G-I	21-Jul-1965	6-Jan-1994	31-Jul-2023	9160.00	1006.00	0.00	0.00
97	10369	BABU LAL GAUTAM	SR SUPER G-I	20-Jun-1968	6-Jan-1994	30-Jun-2028	9160.00	1006.00	0.00	0.00
98	10370	PURUSHOTTAM CHANDEL	SR SUPER G-I	20-May-1968	7-Jan-1994	31-May-2026	9160.00	1006.00	0.00	0.00
99	10371	MAHENDRA SINGH	SR SUPER G-I	3-Jul-1968	7-Jan-1994	31-Jul-2026	9160.00	1006.00	0.00	0.00
100	10374	SHIV PRAKASH	SR SUPER G-I	20-Aug-1967	11-Jan-1994	31-Aug-2025	9160.00	1006.00	0.00	0.00
101	10375	PACHAI LAL	SR SUPER G-I	5-Feb-1965	11-Jan-1994	28-Feb-2023	9160.00	1006.00	0.00	0.00
102	10376	PARAMAHAND	SR SUPER G-I	1-Aug-1968	13-Jan-1994	31-Jul-2024	9160.00	1006.00	0.00	0.00
103	10377	KAUSHAL KUMAR DIXIT	SR SUPER G-I	5-Aug-1971	13-Jan-1994	31-Aug-2029	9160.00	1006.00	0.00	0.00
104	10277	MOHD. GULAB	SR DRIVER GIV	5-Apr-1967	28-May-1992	30-Apr-2025	9160.00	836.00	0.00	0.00
105	10129	MOHD. SALAM	COOK GR-IV	12-May-1965	11-Aug-1990	31-May-2023	8980.00	826.00	0.00	0.00
106	10244	JAI NARAIN TIWARI	SR ASSTT	18-Dec-1964	8-Aug-1991	31-Dec-2022	8980.00	826.00	0.00	0.00
107	10217	SHAHID ALI	SR OPR-EDP G-I	2-Oct-1962	20-Jun-1991	31-Oct-2020	8980.00	826.00	0.00	0.00
108	10295	AMAR CHANDRA PRAJAPATI	SR ASSTT	20-Dec-1963	20-Aug-1992	31-Dec-2021	8660.00	866.00	0.00	0.00
109	10296	MANGALES KUMAR	SR ASSTT	1-Feb-1966	20-Aug-1992	31-Jan-2024	8660.00	866.00	0.00	115.00
110	10297	ANIRUDH KUMAR TIWARI	SR ASSTT	6-Aug-1972	20-Aug-1992	31-Aug-2030	8660.00	866.00	0.00	0.00
111	10319	PHOOL CHANDRA TIWARI	SR ASSTT	25-Aug-1962	2-May-1993	31-Aug-2020	8500.00	866.00	0.00	0.00
112	10320	DEO KUMAR ROY	SR WIREMAN-I	30-Sep-1965	2-May-1993	30-Sep-2023	8500.00	866.00	0.00	0.00
113	10102	HEM CHANDRA JOSHI	SR CLERK G-I	16-Jun-1968	1-Jun-1990	30-Jun-2026	8350.00	946.00	0.00	100.00
114	10025	ANUP KUMAR	JR OPR G-III	15-Jul-1970	31-Aug-1989	31-Jul-2028	8350.00	806.00	0.00	0.00
115	10049	MUNNA LAL	JR OPR G-III	30-Jul-1965	28-Dec-1989	31-Jul-2023	8350.00	806.00	0.00	0.00
116	10247	RAMA SHANKAR DWIVEDI	ASSTT. GR-II	28-Jun-1966	8-Aug-1991	30-Jun-2027	8350.00	806.00	0.00	0.00
117	10098	MANI SHANKER	SUB OPR G-III	5-May-1965	1-Jun-1990	31-May-2023	8350.00	866.00	0.00	0.00
118	10103	HARISH CHANDRA PRAJAPATI	SUB OPR G-III	10-Aug-1966	8-Aug-1991	31-Aug-2023	7930.00	666.00	0.00	0.00
119	10245	INDRA BAHADUR PAL	SUB OPR GR-III	5-Mar-1968	8-Aug-1991	31-Mar-2026	7930.00	666.00	0.00	0.00
120	10246	NEBBU LAL PAL	TECHNICIAN	8-Jul-1971	1-Jun-1990	31-Mar-2024	7630.00	666.00	0.00	0.00
121	10298	AMAR CHANDRA YADAV	SWEPPER G-III	11-Jun-1986	13-Jun-1992	30-Jun-2024	7380.00	666.00	0.00	0.00
122	10282	DURGESH NANDINI	SWEPPER GR-III	15-Oct-1971	6-Nov-1993	31-Oct-2029	7150.00	666.00	0.00	0.00
123	10362	RAJENDRA KUMAR	ASSTT. G-I	15-Apr-1974	13-Jun-1995	30-Apr-2032	7030.00	666.00	0.00	0.00
124	7707	HEMANT SINGH BORA	SUB OPR GR-II	11-Jun-1967	13-Jun-1992	30-Jun-2025	7030.00	666.00	0.00	0.00
125	10283	GANESH KUMAR					1249740.00	143868.00	7200.00	3012.00

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*Signature*

*Signature*

*Signature*

*Signature*

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**HINDUSTAN CABLES LIMITED**  
**NAINI UNIT**  
**ALLAHABAD**

Dated : 25.01.2017

LIST OF LAND DISPLACED PERSONS IN NAINI UNIT

Sl.No.	Name	Category	DOJ	Date of Birth	Date of Retirement	Basic	DA+FDA	Medical Allwn.	Lunch Subsidy	Emergenc y Alw	Gross Total	Remarks
1	Rakesh Kr. Singh	Skilled	Oct.1998	25.07.1972	31.07.2030	7109	2473	100	125	125	9932	-
2	Krishna Prasad	Skilled	Oct.1998	31.12.1968	31.12.2026	7109	2473	100	125	125	9932	-
3	Gulab Singh	Skilled	Oct.1998	05.03.1959	31.03.2017	7109	2473	100	125	125	9932	-
4	Virendra Kr. Singh	Skilled	Oct.1998	07.12.1961	31.12.2019	7109	2473	100	125	125	9932	-
5	Arun Kr. Singh	Skilled	Oct.1998	16.01.1962	31.01.2020	7109	2473	100	125	125	9932	-
6	Rameshwar Pd. Prajapati	Skilled	Oct.1998	10.08.1960	31.08.2018	7109	2473	100	125	125	9932	-
7	Mool Chandra	Semi-Skilled	Oct.1998	06.05.1964	31.05.2022	6341	2195	100	125	-	8761	-
8	Mani Shanker Prajapati	Semi-Skilled	Oct.1998	10.06.1974	30.06.2032	6341	2195	100	125	-	8761	-
9	Ram Sumar	Semi-Skilled	Oct.1998	30.07.1969	31.07.2027	6341	2195	100	125	-	8761	-
10	Ramesh Chandra	Semi-Skilled	Oct.1998	13.06.1967	30.06.2025	6341	2195	100	125	-	8761	-
11	Ram Deen	Semi-Skilled	Oct.1998	13.01.1963	31.01.2021	6341	2195	100	125	-	8761	-
12	Ajeet Singh	Semi-Skilled	Oct.1998	01.01.1973	31.12.2030	6341	2195	100	125	-	8761	-
13	Ram Lal	Semi-Skilled	Oct.1998	01.01.1963	31.12.2020	6341	2195	100	125	-	8761	-

Remarks: PF is deducted for all the above land displaced persons.

  
M(UH)

DM (M/P&A)

Officer (P&A)

22/1/17



**UNDERTAKING**

I, \_\_\_\_\_ Staff No./Employee ID No. \_\_\_\_\_, the undersigned, working in Hindustan Cables Limited (hereinafter referred to as 'the Company') at the Naini Unit, w.e.f. \_\_\_\_\_ and currently working as \_\_\_\_\_, acknowledge and agree as follows:

1. That the Government has decided to close down the Company. Consequently, the Company vide Notice No. CORP/PERS/87/2016/1064 dated 3<sup>rd</sup> October 2016 had notified opening of the Voluntary Retirement Scheme/Voluntary Separation Scheme (VRS/VSS) for the employees. From the said Notice, I have noted that those unwilling to opt for VRS/VSS will be liable for Termination of Service as per the Service Rules (for Officers) and Termination/Retrenchment under ID Act, 1947 (for non-Officers).
2. That however, in respect of the Naini Unit of the Company, I understand that it is proposed that a Subsidiary of Hindustan Aeronautics Limited (HAL) (hereinafter referred as the "HAL Subsidiary") will be purchasing the identified assets of the Naini Unit of the Company. Further, the manpower which does not opt for VRS/VSS is also proposed to be transferred to the HAL Subsidiary (hereinafter referred to as "transfer").
3. That I further understand in pursuance of the aforesaid proposal, the Government has decided that the employees of Naini Unit of the Company if transferred to the HAL Subsidiary, will be regulated in accordance with the terms & conditions of the transfer, which will protect current emoluments (i.e. in the 1997 Pay Scales) of the employees.
4. That I am aware that the last pay revision of employees of the Company was done during 2001 (1997 Pay Scales). In this connection, I understand that for the Pay Scale Revision effective from 01.01.07, in terms of the directives of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, the revised Pay Scales shall be adopted subject to the condition that the additional outgo by such revision for a period of 12 months should not result in more than 20% dip in Profit Before Tax (PBT) for the year 2007-08. However, on account of no production activity in the Company, it was not generating any Profit and the Pay Revision of 2007 was not implemented. I understand that in future also, Pay Revision in the HAL Subsidiary would be subject to fulfilment of the above said directive of the Department of Public Enterprises.

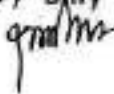
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5. On the transfer of my employment to the HAL Subsidiary, in terms of Section 25FF of the Industrial Disputes Act, 1947, I undertake that:
- a) I shall accept unconditionally the transfer of my employment to the HAL Subsidiary
  - b) I shall abide by the terms & conditions of employment, which will be notified by the HAL Subsidiary and which shall not be less favourable than the terms & conditions of the Naini Unit of the Company.
  - c) I shall agree that the HAL Subsidiary would pay me applicable remuneration only in the 1997 Pay Scales presently prevailing in the Company.
  - d) I understand that the HAL Subsidiary will have its own rules & regulations and I shall abide by them to continue my employment with the HAL Subsidiary.
  - e) I will not raise any demand/dispute in future for extending the Pay Scales, Allowances, Benefits, Perquisites, Incentives, etc., prevailing in the Parent Company i.e. HAL, to the employees of the HAL Subsidiary.
  - f) I understand that benefits like PF, Leave, Gratuity, etc., will be extended to me by the HAL Subsidiary as per the rules and regulations prevailing in the Naini Unit of the Company or as per the rules & regulations, which will be formulated by the HAL Subsidiary, and which would not be less favourable than the existing rules & regulations of the Company.
  - g) I shall undergo the necessary training/re-training/multi-skill training as required by the HAL Subsidiary to carry out the assigned jobs in the HAL Subsidiary at any location in India. I undertake to undergo training in Divisions of HAL to acquire skill, on deputation/assignment basis, if so nominated.
  - h) I will carry out all the assigned jobs entrusted to me in the HAL Subsidiary to my fullest capacity, devotion and potential.
  - i) I undertake to work at any place within the country, where the HAL Subsidiary would post/transfer/depute/assign me and I shall not be confined only to the Naini Unit.
  - j) I understand that payment of wages, allowances, etc. to me will be made by the HAL Subsidiary only from the date of





25/54

transfer to the HAL Subsidiary. I will raise no claim for the past period of my service in the Company, from HAL or the HAL Subsidiary, being not liable.

- j) I undertake not to litigate against the HAL Subsidiary for any issues pending with the Company or its Naini Unit in any court of Law. In case any court proceedings, etc. are pending, I undertake to settle/withdraw/close them forthwith before transfer to the Subsidiary Company.
  - k) I understand that all the dues, perquisites, claims of pay etc. during my service in Naini Unit prior to the transfer to the HAL Subsidiary are paid by the Company and no dues are pending as such. Hence, I undertake not to raise any such claim from HAL or the HAL Subsidiary regarding claims of pay, dues, perquisites etc., pertaining to the period of my service in the Company.
7. That I hereby release and forever discharge the HAL Subsidiary, its successors, administrators, assigns, affiliates and related companies, and their directors, officers and employees, individually or collectively, from all actions, causes of action, damages, claims, cross claims and demands whatsoever, (including all damage, loss and injury not now known or anticipated but which may arise in the future and all effects and consequences thereof), however and wherever arising, which I had, now have, or which I or my heirs, administrators and assigns or any of them hereafter can, shall or may have in respect of my employment by the Company or the transfer thereof.
8. That I, intending to be legally bound, hereby further agree and undertake to protect in strict confidence, and not to use or disclose, any and all information relating to the terms and the fact of this Undertaking.
9. That I hereby declare that I fully understand the terms of this Undertaking, have had the opportunity to obtain independent legal representation in connection with this Undertaking and that I voluntarily accept it for the purpose of making full and final the term of the transfer of my employment, and settlement of all claims, whether arising by force of contract or under applicable law from the HAL Subsidiary or the Company.
10. That I note, this Undertaking will come into force only on the execution of the Asset Purchase Agreement and the Manpower Transfer Agreement to effect the transfer of identified assets and manpower, respectively from Naini Unit of the Company to HAL

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Subsidiary and upon fulfilment of the mutually accepted terms and conditions stated therein.

**IN WITNESS WHEREOF** this undertaking has been executed before the undersigned witness by the undersigned on the \_\_\_\_ day of \_\_\_\_\_, 2016.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Staff No./Employee ID No.: \_\_\_\_\_

To,

\_\_\_\_\_

*Alan* *gentle*

27/37


**HINDUSTAN CABLES LIMITED**  
**NAINI UNIT**  
**ALLAHABAD**

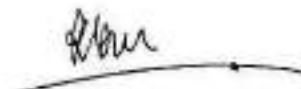
Sub: Details of Employees related policy

Sl.No.	Type of Policy & No.	Period	No.of Employees covered	Premium (Amount) Rs.	Paid upto
01.	GSLI Policy No.109114	Dec.2015 to Jan 2017	137	12148.50 p.m	Nov.2015
02.	GSLI Policy No. 109567	Dec.2015 to Jan.2017	24	2412.00 p.m	Nov,2015
03.	(*)Group Personal Accident Policy for Non-Officers No.311100/47/2016/26	10.03.16 to 09.03.17	1209	33550.00	08.03.2017
04.	(*)Group Personal Accident Policy for Officers No.311001/48/2016/7184	10.03.16 to 09.03.17	171	8799.00	08.03.2017
05.	Gratuity Policy No.116760		181	18946486.00 (Liability due)	31.03.2016

(\*) Policy taken by Corporate Office for company as a whole.

  
M(UH)

  
DM (M/PA).





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BY SPEED PRA

FILE NO. 1(8)/2016-PE-II  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Heavy Industry  
Udyog Bhawan, New Delhi-110011  
Dated : 14<sup>th</sup> December, 2016

**OFFICE MEMORANDUM**

**Subject : Transfer of Naini unit of HCL to a Subsidiary of HAL in pursuance of cabinet decision dated 28.09.2016- regarding.**

Reference: (a) MoD, DDP I.D. No. 59011/8/2016-D(HAL)-I dated 25.11.2016.  
(b) HAL letter No. HAL/CO/NAINI/16-17 dated 05.12.2016 addressed to CMD, HCL.

The undersigned is directed to convey the approval of BIFR vide their order dated 29.11.2016 (Para 2.8(i)) permitting "the company to transfer their NAINI unit to Ministry of Defence and HAL to ensure to take care of the workers who have not taken VRS and agreed to join HAL". A copy of the BIFR letter No. 505 /2002-bench-1 dated 30.11.2016 is enclosed.

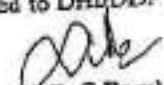
2. As indicated condition (a) by HAL vide their letter No. HAL/CO/Naini/16-17 dated 5.12.2016, the land and buildings (excluding 07 Nos. Flats located at Allahabad) along with fittings and fixtures of Naini unit will be transferred by HCL to HAL at a nominal value on as-is where-is basis. This has approval of competent authority.

3. Further, approval of competent authority is also conveyed for disposal of movable assets of Naini unit by HAL as under:

"Since HAL has said that they are not interested in taking over the movable assets, we may request HAL to take over and sale proceeds of movable assets be returned to HCL account. This sale can be done as per the DPE guidelines for closure of CPSEs".

Accordingly HAL/HAL subsidiary will take further action to dispose of the movable assets of Naini Unit on behalf of HCL. HCL will provide necessary assistance to HAL subsidiary in this regard.

4. As decided in the meeting held under the chairmanship of Secretary (Defence Production) on 09.12.2016, HCL and HAL will take further action to hand over/takeover on Naini unit within the timelines given in the Cabinet decision i.e. 31<sup>st</sup> Dec'2016, as per mutually agreed terms and conditions which may be finalized and forwarded to DHD/DDP for information at the earliest.

  
(L.C. Ram)  
Under Secretary to Govt  
Telephone No. 23061098

To:

Secretary to Govt. of India,  
(Attention: Shri Pradip Kumar, Under Secretary)  
Department of Defence Production,  
South Block, New Delhi-110001

Copy to:

1. CMD, HCL, Kolkata 2. CMD, HAL, Bengaluru.

**ANNEXURE-I**

**LIST OF PARTICIPANTS PRESENT IN THE MEETING TAKEN BY SECRETARY (DP) ON 20<sup>TH</sup> JANUARY, 2017 AT 1700 HRS. TO DISCUSS THE TRANSFER OF ASSETS AND MANPOWER OF HCL'S NAINI UNIT TO A WHOLLY OWNED SUBSIDIARY OF HAL.**

1. Shri A.K. Gupta, Secretary (DP)
2. Smt. Surina Rajan, AS (DP)
3. Shri Rajib Kumar Sen, EA
4. Shri Vishvajit Sahay, JS, DHI
5. Smt. Vinita Shrivastava, Director, DHI
6. Shri S.R. Agrawal, Director (Aaro)

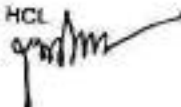
- In chair

**HAL**

1. Shri Suvama Raju, CMD
2. Shri V.M. Chamola, Director (HR)
3. Shri A.K. Tyagi, ED (HR)
4. Shri Mrigendra Singh, RM, Liaison Office, Delhi
5. Shri Ashok Tandon, Consultant

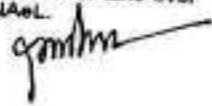
**HCL**

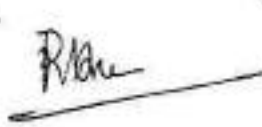
1. Shri R. C. Sen, CMD, HCL




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- e. Agreement of transfer of assets and manpower will be signed on 30<sup>th</sup> January 2017 at Delhi. The takeover will be effective from 01<sup>st</sup> Feb 2017.
  - f. All statutory dues will be cleared by HCL. Any litigation/dispute on non payment of dues will remain responsibility of HCL/DHI.
  - g. Any other liability arising out of non payment of dues of HCL Naini including any contingent liability and liability arising out of decision of any legal case against HCL will be the responsibility of HCL/DHI.
  - h. A regards, sale of movable assets of HCL Naini, as decided, a joint committee of NAeL and HCL will be constituted for necessary action. Expenditure incurred on removal of Plant and Machinery etc before its disposal will be adjusted against the proceeds on sale of items/scrap.
  - i. It was decided to setup an Inter-Ministerial committee consisting of JS(Aero) (as convener), JS(DHI), CMD HCL, Chairman NAeL and CEO NAeL (As member Secretary) to oversee and resolve any issue which may arise post takeover till the process is complete and all dues are cleared by HCL.
5. With above decisions and commitments of HCL/DHI, HAL was advised to take over the Naini Unit of HCL w.e.f. 01 Feb 2017 through its subsidiary i.e. NAeL.
6. The meeting ended with thanks to the Chair.





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**MINUTES OF THE MEETING (MoM) HELD ON 20<sup>TH</sup> JANUARY, 2017 UNDER THE CHAIRMANSHIP OF SECRETARY (DP) TO DISCUSS THE ISSUES RELATING TO TRANSFER OF ASSETS AND MANPOWER HCL'S NAINI UNIT TO A WHOLLY OWNED SUBSIDIARY OF HAL.**

A meeting under the chairmanship of Secretary (DP) was held on 20<sup>th</sup> Jan 2017 at 1700 hrs to discuss the issues related to transfer of assets and manpower of Naini Unit of HCL to a wholly owned subsidiary of HAL as per mandate of the Cabinet. The list of participants is at Annexure-I

2. At the outset, chairman welcomed the participants and reviewed the status of the process of transfer of assets and manpower to wholly owned subsidiary of HAL.

3. CMD HAL informed the following:-

- i. A wholly owned subsidiary of HAL, namely Naini Aerospace Ltd (NAEL) was incorporated on 29<sup>th</sup> December 2016, after approval of Niti Aayog and MOD.
- ii. The subsidiary company has passed necessary resolutions in its Board meeting on 13<sup>th</sup> January 2017, to takeover assets and manpower of Naini Unit of HCL.
- iii. The CEO and core team of the subsidiary had been appointed and positioned at Naini, Allahabad to progress the process of takeover.
- iv. HCL has not yet settled / cleared all the liabilities. The letter of Secretary (DHI) addressed to Secretary (DP) no.D.O.No.1 (8)/2016-PE-II (Vol-1) dated 11<sup>th</sup> January 2017 was referred in this regard.
- v. HCL has cleared dues of UPSIDC and has made part payments to Electricity Department and PF Authorities.
- vi. CMD HAL impressed that HCL should at least clear all Statutory and employee related dues besides the outstanding dues of Electricity department before takeover to enable operationalisation of the Subsidiary. These dues currently stand at Rs 88 Crore approximately.

4. Secretary (DP) reviewed the status of clearance of pending dues and after detailed deliberations, the following decisions were taken.

- a. Joint application for transfer of land lease and exemption for payment of transfer fee to be submitted to UPSIDC with original lease deeds before 25<sup>th</sup> January 2017, so that UPSIDC permits Naini Aerospace Ltd (NAEL) to use the assets.
- b. All electricity dues to be settled for both electricity connections (900 KVA and 25KVA) and NOC to be obtained by HCL by 25<sup>th</sup> January 2017.
- c. Employees dues, PF, Gratuity and Income tax etc., will be cleared by HCL by 25<sup>th</sup> January 2017 for the period up to 31<sup>st</sup> Dec 2016 and for the month of January 2017 by 30/31<sup>st</sup> January 2017, including that of 13 land displaced persons who have been directly employed by HCL Naini.
- d. 125 employees of HCL Naini Unit who have not opted for VRS will be transferred to NAEL. For remaining employees, the VRS will be settled by HCL/DHI at the earliest.

*[Signature]*

PTD

Restricted Circulation

Ministry of Defence  
Department of Defence Production  
D(HAL)

Subject:- Minutes of the meeting held on 20<sup>th</sup> Jan. 2017 under the Chairmanship of Secretary (DP) to discuss the issues relating to transfer of assets and manpower HCL's Naini unit to a wholly owned subsidiary of HAL

The undersigned is directed to enclose herewith a copy of minutes of a meeting held on 20.01.2017 under the chairpersonship of Secretary (DP) for information and compliance.

2. All concerned organization/office are therefore, requested to comply the decision pertaining to their relevant points contained in the minutes and to furnish a compliance report thereon to this Department at the earliest.

Encl: As above

(Pradip Kumar)  
Under Secretary to the Govt. of India  
2301208

- 1) Joint Secretary, DHI, M/o HI&PE, (Sh Vishvajit Sahay)
- 2) Smt. Vinita Srivastava, Director(DHI)
- 3) CMD, HAL, Bangalore
- 4) CMD, HCL, Kolkata

MoD ID No. 59011/8/2016-D(HAL-I) dated 24<sup>th</sup> Jan., 2017

Copy to:

1. PS to Secretary (DP)
2. PPS to AS (DP)
3. Sr. PPS to EA
4. PA to Director (Aero)

*[Signature]*



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M-13099/10/2016-DP  
NITI Aayog  
(DP Division)

Sansad Marg, New Delhi  
Dated 28<sup>th</sup> December, 2016

OFFICE MEMORANDUM

**Subject :** Setting up of a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) to carry out business of manufacturing of Aeronautics/Aeronautical Products after takeover of identified assets and manpower of Hindustan Cable Limited (HCL), Naini Unit.

Ministry of Defence, Department of Defence Production may kindly refer to their Office Memorandum No. 59011/8/2016/D(HAL-I) dated 20.12.2016 and O.M. of even no. dated 27<sup>th</sup> December, 2016 seeking NITI Aayog's concurrence on the subject mentioned above.

Keeping in view the instructions issued by the M/o Heavy Industry & public Enterprises, Department of Public enterprises in connection with exercise of delegated power for establishing financial joint ventures and wholly owned subsidiaries by the Boards of Maharatna and Miniratna Central Public Sector Enterprises (CPSEs) vide their Memorandum No 18(6)2016- MGMT dated 10<sup>th</sup> August 2016, NITI Aayog concurs the proposal.

This issues with the approval of CEO, NITI Aayog.

Shri Rajib Kumar Sen,  
Economic Adviser,  
Ministry of Defence  
Department of Defence Production,  
Sena Bhawan,  
New Delhi

(Vikram Singh Gaur)  
Joint Secretary (SC & DP)  
Tel. No. 2309 6347

Shri Economic Adviser  
335/E.A./2016  
28/12/2016

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D HAL

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No. 59011/8/2016-D(HAL-I)  
Government of India  
Ministry of Defence  
Department of Defence Production  
D(HAL)

Sena, Bhawan, New Delhi  
Dated: 28<sup>th</sup> December, 2016

To

The Chairman and Managing Director  
Hindustan Aeronautics Limited  
Cubbon Road  
Bangalore

Subject: Setting up of a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) to carry out business of manufacturing of Aeronautics/ Aeronautical Products after takeover of identified assets & manpower of Hindustan Cables Limited (HCL), Naini Unit.

Sir,

Please refer to your letter No. HAL/CO/Naini/16-17 dated 19.12.2016 on the above subject.

2. NITI Aayog has concurred to the proposal for the establishment of a wholly owned subsidiary of HAL. A copy of NITI Aayog's concurrence letter No.M-13099/10/2016-DP dated 28.12.2016 is also enclosed herewith.

Yours faithfully,

Encl: As above

Dir(HR) ✓  
cc: Adu (Comp Aff)

(S.R. Agrawal)  
Director(Aerospace)  
Tel: 011 23011587

ED(HR)  
28/12/16



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No. 59011/08/2016-D(HAL-I)  
Government of India  
Ministry of Defence  
Department of Defence Production  
D(HAL)

Sana Bhawan, New Delhi  
Dated: 27.12.2016

To


The Chairman  
HAL, Bangalore

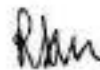
Subject: In principle approval of MoD on takeover of Naini Unit of HCL by HAL subsidiary.

Sir,

I am directed to refer to your letter dated 19<sup>th</sup> December, 2016 on the subject mentioned above and to convey 'in principle' approval of the competent authority to your proposal for takeover of Naini Unit of HCL by establishing a wholly owned subsidiary of HAL.

Yours faithfully,

  
(S.R. Agrawal)  
Director (Aerospace)  
Tel: 011 2301 1587



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हिन्दुस्तान केबल्स लिमिटेड

(भारत सरकार का उपक्रम)

संयुक्त एवं नैपुण्य

B, एमपीए रोड, कोलकाता-700 008, भारत



HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

REGISTERED &amp; CORPORATE OFFICE

4, EIGHTH ROAD, KOLKATA-700 008, INDIA

FAX: 2283-2473, 2283-2474, 2283-2475, 2283-2476

E-mail: hcl@hcl.co.in, hcl@hcl.co.uk, hcl@hcl.co.jp, www.hcl.co.in

CORP/CMD/Naini/2016-17-1

Date: 14.12.2016

The Chairman and Managing Director,  
Hindustan Aeronautics Limited  
Bangalore.

Dear Sir,

Sub: Terms and conditions for takeover of Naini unit of Hindustan Cables Limited (HCL) by subsidiary company of Hindustan Aeronautics Limited (HAL)

With reference to DHI O.M. No.1(8)/2016-PE-II, dated 14.12.2016, the following Major terms and conditions for takeover of Naini unit of Hindustan Cables Limited (HCL) by Subsidiary company of Hindustan Aeronautics Limited (HAL) were mutually agreed.

1. Takeover of HCL Naini unit by HAL Subsidiary would be through Itemized sale of Assets and transfer of Manpower to a subsidiary of HAL. The Land and building (excluding 07 Nos. Flats located at Alipore) along with fittings and fixtures of HCL Naini will be transferred to HAL Subsidiary at a nominal value on as-is where-is basis. The list of such assets along with the requisite documents will be furnished by HCL to HAL.
2. As for movable assets for HCL Naini unit are concern, it has been agreed that HAL subsidiary on formation, would sell the movable assets of HCL Naini on behalf of HCL, following the DPE guidelines for closure of CPSEs. The list of such movable assets will be submitted by HCL and jointly verified by HAL and HCL at the time of takeover. The proceeds of such sale would be remitted to HCL, Kolkata. It was also agreed that the nominee of HCL would be co-opted as a member of the committee for verification/sale/disposal of movable assets, by HAL subsidiary.
3. All liabilities, pertaining to Naini unit of HCL upto 31.12.2016 will be cleared/settled by HCL.
4. The immovable assets to be transferred to the HAL subsidiary would be free from any encumbrance/charge/liabilities. HCL would submit necessary documents in this regard to HAL.
5. All employees related liabilities/dues of Naini unit of HCL unit upto 31.12.2016 will be cleared/settled by HCL. All statutory and other benefits related to employees including

on the date of takeover/transfer, whichever is later.

*[Signature]*

*[Signature]*

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Gratuity, leave, P.F. etc. who are opted for HAL subsidiary will be transferred from HCL to HAL subsidiary for the period upto 31.12.2002.

6. HCL would inform the names of employees along with their names and brief particulars who would be transferred to HAL subsidiary. HCL will obtain to submit the "Undertaking" in this regard duly signed by each employee, as the format forwarded to HCL by HAL.

7. HCL would pass necessary resolutions in the Board and share holders meeting as per the Companies Act for the take-over of assets and manpower as above and communicate the same to HAL.

8. HCL and HAL subsidiary would jointly approach the UPSCDC who have leased the land to HCL unit of HCL for transfer of lease to HAL subsidiary and for waiver of the transfer fee. Both the companies would approach the UP State Govt. for waiver of applicable Stamp Duty.

9. It was also agreed that HCL would extend necessary cooperation to HAL subsidiary during/ after takeover while approaching various State/Central Govt./Local Bodies and institutions for seeking necessary approvals/permissions to start the business activities, if any.

You are requested to accept the above terms and conditions and convey your acceptance at the earliest. *as on the date of takeover / transfer, whichever is later.*

Thanking you,

Yours faithfully,

*[Signature]*  
(R.S. SEN)  
Chairman & Managing Director

The above conditions as amended above are acceptable.

*[Signature]*  
15/11/16

वी.एम. चमोला / V.M. CHAMOLA  
निदेशक (मानव संसाधन)  
Director (Human Resources)  
विद्युतमान संसाधन विभाग  
विद्युतमान संसाधन विभाग  
विद्युतमान संसाधन विभाग

*[Signature]*





उत्तर प्रदेश UTTAR PRADESH

This **ASSET PURCHASE AGREEMENT** (this "Agreement"), dated the 30th day of January, 2017, is made

by and between

M/s Naini Aerospace Limited, a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) established under the Indian Companies Act, 2013 and having its registered office at 15/1, Cubbon Road, Bangalore, 560 001, (hereinafter referred to as "**Purchaser/ NAeL**", which expression shall unless repugnant to the context or meaning thereof mean and include its successors, permitted assigns and representatives) and represented by its representative, Mr. R. K. Mishra, Chief Executive Officer (CEO) authorized by Board resolution passed in the meeting held on 13.01.2017 of FIRST PART;

And

251 20/01/14 100  
 क्रमांक तिथि मूल्य प्रयोजन रणनीति-ट  
 खरीदार मेसर्स न. ग. एरो स्पेस लि. राज. आ. क. ब. न. रोड बेंगलूर  
 (पिता धर्मता) द्वारा उन्मुखित हस्ताक्षर श्री आर. के. मिश्रा

लाइसेन्स नं० 487 अवधि 31 मार्च 01 सावित्री जायसवाल  
 स्टाम्प विक्रेता सीधानी कचेहरी-इलाहाबाद लाली पापुवा





M/s Hindustan Cables Limited, a Public Sector Undertaking, under the Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry, incorporated under the Indian Companies Act, 1956 and having its registered office at 9, Elgin Road, Kolkata-700 020, (hereinafter referred to as "**Seller/HCL**", which expression shall unless repugnant to the context or meaning thereof mean and include its successors, permitted assigns and representatives) and represented by its representative, Mr. R. C. Sen, Chairman & Managing Director (CMD) authorized by Board resolution passed in the meeting held on 08.12.2016 of SECOND PART.

The Seller and the Purchaser are hereinafter collectively referred to as the "**Parties**" and individually as "**Party**".

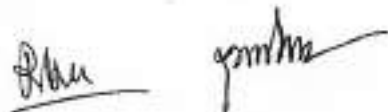
### RECITALS

- A. **WHEREAS**, NAeL is a wholly owned subsidiary of HAL incorporated, inter alia, to acquire the assets and manpower of HCL Naini Unit which will be engaged in the activities of Aerospace and Aeronautics; and HAL is a Navaratna Public Sector Undertaking under the Ministry of Defence, Govt. of India, engaged in Design, Development, Manufacture, Repair & Overhaul of Aircraft, Helicopters, Aero engines, Avionics and Accessories.
- B. **AND WHEREAS**, HCL, Naini is a Unit of Hindustan Cables Limited, a Government of India Undertaking, under the Ministry of Heavy Industries and Public Enterprises, which was established for manufacturing Optical Fiber Cables and Polythene Insulated Jelly Filled Cables.
- C. **AND WHEREAS** due to advent of wireless technology, the products of HCL became obsolete and the Company was declared sick by Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated March 21, 2003.
- D. **AND WHEREAS** the Ministry of Defence (**MoD**) vide its letter dated 28.01.2016 and 03.02.2016 requested HAL to examine feasibility of takeover of HCL Naini Unit. HAL vide its letter dated 17.02.2016 informed MoD that HAL proposes to consider the takeover of HCL Naini Unit subject to, inter alia, approval of its Board. HAL Board in its meeting held on 29.06.2016

accorded in-principle approval for takeover of HCL Naini Unit through itemized purchase of assets by a wholly owned Subsidiary of HAL subject to certain conditions. The Cabinet Committee also accorded in-principle approval on 28.09.2016 for takeover of HCL Naini Unit by a wholly owned Subsidiary of HAL. Subsequently, based on the Application of HCL, BIFR vide its order dated 29.11.2016 permitted HCL to transfer their Naini Unit to HAL, which is attached as **Annexure A**.

- E. **AND WHEREAS** Department of Heavy Industry (**DHI**) vide its OM File No. 1 (8)/2016-PE-II dated 14.12.2016 conveyed its approval for transfer of Land & Buildings (excluding 07 flats located at Allahabad) along with fittings and fixtures, of Naini Unit of HCL to HAL Subsidiary at a nominal value on as-is where-is basis. (**Annexure-B**)
- F. **AND WHEREAS** HCL and HAL have mutually agreed on the major terms of takeover of HCL Naini Unit by HAL Subsidiary vide letter No. CORP/CMD/Naini/2016/1270 dated 14.12.2016 of CMD, HCL, which was countersigned by D(HR), HAL with certain changes, which is attached as **Annexure-C**.
- G. **AND WHEREAS** MoD vide letter No. 59011/8/2016-D (HAL-I) dated 27.12.2016 has granted in-principle approval for takeover of Naini Unit of HCL by establishing a wholly owned subsidiary of HAL, which is attached as **Annexure-D**.
- H. **AND WHEREAS** Niti Ayog has vide OM No. M-13099/10/2016-DP dated 28.12.2016 has concurred to the proposal for the establishment of a wholly owned subsidiary of HAL to carry out business of manufacturing of Aeronautics/Aeronautical Products after takeover of identified assets and manpower of HCL, Naini unit, which is attached as **Annexure-E**.
- I. **AND WHEREAS** HAL has incorporated a Subsidiary Company on 29.12.2016 as Naini Aerospace Limited and had requested HCL to perform its obligations as per the mutually agreed terms, including settlement/clearance of all the liabilities pertaining to Naini Unit of HCL. HCL has agreed to discharge all the liabilities including present, future & contingent in respect of its Naini Unit. In this regard, the understanding reached vide minutes of the meeting held on 20.01.2017 under the





Chairmanship of Secretary, Defence Production is attached as **Annexure-F**.

- J. **AND WHEREAS** an Inter-Ministerial Committee was constituted consisting of JS (Aero) (as convener), JS DHI, CMD HCL, Chairman NAeL and CEO NAeL (as member Secretary) to oversee and resolve any issue which arise post takeover till the process of fulfillment of terms of transfer of manpower and assets, is completed and all the dues are cleared by HCL.
- K. **AND WHEREAS**, HCL is the owner/leaseholder of all the Assets located at Naini Unit, and HCL desires to sell, and NAeL desires to purchase, directly, upon the terms and conditions hereinafter set forth, Assets as listed in **Part-A of Annexure G** on payment of the Consideration.

**NOW, THEREFORE**, in accordance with the terms and conditions of the agreement as set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Parties agrees as follows:

#### 1. DEFINITION

- (a) **"Assets"** shall mean the assets owned by the Naini Unit of HCL at Naini, Allahabad, which would be purchased by NAeL and is more fully listed in **Part-A of Annexure G**.
- (b) **"Ancillary Agreements"** means:
- (i) The documents and agreements, including the Manpower Transfer Agreement, to be executed between the Execution Date and the Closing Date or on the Closing Date;
  - (ii) Other documents and agreements that are agreed in writing between the Parties, if any, to be executed on the Closing Date to consummate the transfer of assets; and
  - (iii) Any other agreement that is agreed in writing between the Parties to be an ancillary agreement for the purpose of this Agreement.



- Rider garden



The term "**Encumber**" shall be construed accordingly.

- (f) "**Execution date**" shall mean the day on which this Agreement is signed by the last Party.
- (g) "**Land**" shall mean the land wherein the Naini unit of HCL is located, the co-ordinates of which are stated in **Part B of Annexure G**.
- (h) "**Lenders**" shall mean the secured creditors of the Seller as provided in **Annexure H**.
- (i) "**Transactions**" shall mean the contemplated transactions under this agreement and other Ancillary Agreement namely:
  - (i) transfer of Assets from Seller to Purchaser;
  - (ii) transfer of manpower from Seller to Purchaser w.e.f. 01.02.2017;
  - (iii) transfer of lease of Land from the Seller to the Purchaser and duly approved by the UP State Industrial Development Corporation Limited (**UPSIDC**).

## 2. INTERPRETATION

2.1 In this Agreement, unless the context otherwise requires:

- (a) Words denoting the singular number shall include the plural and vice versa;
- (b) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (c) References to the word "include" or "including" shall be construed without limitation;
- (d) References to this Agreement or to any other agreement, deed or other instrument shall be construed as a reference to such agreement, deed, or other instrument as the same may from time to time be amended, varied or supplemented;

- (e) Terms defined elsewhere in this Agreement shall, unless otherwise indicated, have the meaning so ascribed to them;
- (f) Reference to a section, paragraph or annexure is, unless indicated to the contrary, a reference to a section, paragraph or annexure of this Agreement.
- (g) Words denoting a person shall include an individual, corporation, company, partnership, trust or other entity;
- (h) References to the word "days" shall, unless otherwise indicated, mean calendar days;
- (i) Law means common law, principles of equity, and laws made by parliament and regulations and other instruments under them, and considerations of any of them.

2.2 Time shall be of essence in the performance of the respective obligations of the Parties. Without prejudice to the foregoing, if any time period specified herein is extended, such extended time shall also be of the essence.

### **3. PURCHASE AND SALE OF ASSETS**

- 3.1 On Closing Date, subject to the terms and conditions of this Agreement, the Seller shall, sell, convey, transfer, assign and deliver to the Purchaser, and the Purchaser shall purchase from the Seller, the Assets, for the Consideration payable by the Purchaser to the Seller as set out in Clause 4 below with full legal and beneficial title, rights and interest in the Assets free and clear of any encumbrances, liens, charges and claims of every kind, nature or character.
- 3.2 The transfer of the Assets shall take place in terms of this Agreement, on the Closing Date and be effective therefrom. Notwithstanding the aforesaid, the Seller shall convey the possession and the right to use the Land to the Purchaser on which Naini Unit is located, upon the submission of all necessary documents to the UPSIDC for the purpose of transfer of lease and ensure that such conveyance of possession is in line with the existing lease agreement with UPSIDC and not in contravention thereof.



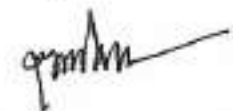
- 3.3 The Assets to be acquired by the Purchaser, pursuant to the terms of this Agreement is by way of sale of the Assets only and the Purchaser is in no way responsible for the liabilities in respect of the Assets for the period prior to the Closing Date. It is hereby clarified and agreed that all liabilities in respect of the Assets for the period prior to the Closing Date will be borne by the Seller if such liabilities arise before the Closing Date or on or after the Closing Date.

#### 4. CONSIDERATION

- 4.1 As sole and entire consideration for the purchase of the Assets, the Purchaser shall pay the Seller a nominal consideration i.e. Rs. 101/- (Rupees One Hundred and One only) (the "**Consideration**") to be paid by Draft No. 879846 dated 30.01.17 issued by ~~State Bank of India~~ drawn in favour of Hindustan Cables Limited, payable at Kolkata, by the Purchaser at the instance of the Seller.
- 4.2 The Seller undertakes that upon execution of this Agreement and prior to the payment of Consideration, it shall take all actions for completion of all transfer formalities/paperwork for the Assets.
- 4.3 For the avoidance of doubt, it is clarified that the Consideration forms the full and final payment to be paid or parted from the Purchaser to the Seller under this Agreement for the sale of the Assets and the consummation of the Transaction including the execution, or performance of Ancillary Agreements in order to give complete effect and force to this Agreement or any of the obligations contained in this Agreement. No further consideration shall be paid and/or be payable by the Purchaser to the Seller.
- 4.4 The Parties agree that the Consideration is exclusive of all applicable taxes, duties, surcharge, which may be levied in respect of transfer of each asset forming a part of the Assets.

#### 5. CONDITIONS PRECEDENT

- 5.1 Unless waived by the Purchaser in writing, the obligation of the Seller to sell the Assets and the obligation of the Purchaser to purchase the Assets on the Closing Date is subject to the fulfillment of the terms of this Clause by the Seller to the satisfaction of the Purchaser:

- (a) The Seller having obtained the consent through unanimous resolution of the Seller's Board of Directors (Board Meeting dated 08.12.2016) and the resolution of the Seller's shareholder (Shareholders' meeting (64<sup>th</sup> AGM) dated 27.12.2016) approving the transactions agreed in this Agreement and the Ancillary Agreements.
  - (b) The Seller having obtained from each of its Lenders which hold Encumbrances over the Assets an in-principle approval and 'No Objection Certificate' for the transfer of the Assets to the Purchaser as per the terms of this Agreement and ensuring that the existing charges are modified and filed with the concerned Registrar of Companies to reflect that each of the Lenders do not have any charge over the Assets;
  - (c) The Seller having obtained necessary approvals and submitted necessary documents to the UPSIDC and completed all the formalities to give effect to the transfer of lease of Land to the Purchaser;
  - (d) The Seller serves each employee with the Draft Manpower Transfer Agreement pursuant to which the employees consenting to be employed with the Purchaser shall consent and sign the "Letter of Undertaking". The Seller shall obtain the "Letter of Undertaking" from each of the consenting employees and shall hand it over to the Purchaser prior to Closing.
- 5.2 The Condition Precedent as stated in Clause 5.1 shall be performed on the Execution Date and shall take form of the Deliverables as stated in Clause 7.
- 5.3 Subject to the requirements of Applicable Law, upon receipt of a written request from the Seller, the Purchaser may, at its sole and absolute discretion, waive (in writing) on or before the Closing Date any of the Conditions Precedent, in whole or in part, conditionally or unconditionally, required to be fulfilled by Seller.



5.4 The obligation of the Purchaser to consummate the transaction contemplated pursuant to this Agreement is subject to the satisfaction or the written waiver by the Purchaser, on or prior to the Closing Date, of each of the following conditions:

- (a) Each of the representations and warranties of the Sellers made in this Agreement shall be true and correct, as of the Closing Date as if made on such date.
- (b) No action challenging the legality of, or seeking to restrain, prohibit or materially modify, the transaction provided for in this Agreement shall have been threatened or instituted and not settled or otherwise terminated.

## 6. CLOSING

- 6.1 The Closing of the purchase and sale of the Assets shall take place on 01.02.2017 (hereinafter referred to as the "**Closing Date**").
- 6.2 Notwithstanding the Closing Date, Closing shall be deemed to occur only upon completion of Transactions contemplated in this Agreement, to the satisfaction of the Purchaser. The actions and events contemplated by this Agreement shall be consummated on the Closing Date. On the Closing Date, Seller shall irrevocably sell, transfer, convey, assign, and/or deliver to the Purchaser free of Encumbrances, the Assets and the Purchaser shall acquire the Assets against payment of the Consideration, in the manner and pursuant to the terms and conditions of this Agreement.
- 6.3 From time to time following the Execution Date, the Seller shall execute and deliver, or cause to be executed and delivered to the Purchaser such additional instruments of conveyance and transfer as the Purchaser may reasonably request or as may be otherwise necessary to effectively convey or transfer to, and vest in, the Purchaser and put the Purchaser in possession of and/or control of any part of the Assets.
- 6.4 Transfer of Land, more fully described in Part B of Annexure-G, in the name of NAeL shall be completed upon approval of UPSIDC.

## 7. DELIVERIES

7.1 The Seller shall hand over the following documents/information to the Purchaser, unless waived by the Purchaser in writing, at the time of execution of this Agreement:

- (a) A **letter of confirmation** certifying that, there are no encumbrances on the Assets or any part thereof, along with other documents like Management Certificate, Satisfaction of Charge certificate from ROC, certificates from creditors including Banks.
- (b) A **letter of confirmation** certifying that, upon payment of the Consideration as per Clause 4.1, no further amount shall remain due and payable by the Purchaser to the Seller or to anyone else claiming through or on behalf of the Seller.
- (c) A **letter of confirmation** certifying that, upon payment of the Consideration as per Clause 4.1, the Purchaser will not be deemed to have assumed any liability or obligation of the Seller and that the Purchaser will not become responsible for any liability (past, present or contingent) or obligation of the Seller related to the Assets transferred under this Agreement.
- (d) A **letter of confirmation** certifying that, the lease deeds executed by the Seller with UPSIDC with respect to the Land have been surrendered to UPSIDC and all lease transfer formalities in favour of the Purchaser have been complied.
- (e) **Records:** The Seller has delivered all the records to the Purchaser, which the Purchaser acknowledges and shall deliver before the Closing Date any other record or information as may be required by the Purchaser.

Two handwritten signatures in black ink, one on the left and one on the right, both appearing to be cursive and stylized.



- 7.2 Upon completion of the aforesaid step, the Assets and the identified employees of the Seller shall be transferred to the Purchaser as per the Agreement and the Manpower Transfer Agreement, respectively.

## **8. REPRESENTATIONS AND WARRANTIES OF THE SELLER**

- 8.1 The Seller acknowledges and confirms that the Purchaser is entering into this Agreement in reliance of Seller's Warranty. The Seller hereby, represents and warrants to the Purchaser, as on the Execution Date, each of the statements set forth hereinafter is true and correct in all respects and shall continue to be true and correct through the Closing and thereafter:

- (i) The Seller is a company duly organized under the laws of India and is the absolute owner of the Assets, with good and valid title, and has the requisite power and authority to own and sell the Assets.
- (ii) The Seller has full power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby and to fully perform its obligations hereunder.
- (iii) This Agreement has been duly and validly executed and delivered by the Seller and the same constitutes a valid and binding obligation of the Seller, enforceable against it in accordance with its terms.
- (iv) There are no outstanding claims or charge or encumbrances on the Assets, whether direct, indirect, contingent, absolute, accrued or otherwise, nor does there exist any condition, fact or circumstance that will create such claim/ charge on the Assets.
- (v) On the Closing Date, the Purchaser will own and possess all rights, title and interest in and to the Assets, free and clear of any encumbrances. Seller agrees that no claim by any third party contesting the use or ownership of the Asset, is currently outstanding or is threatened, and, to the knowledge of the Seller and there are no reasonable

grounds for any such claim in future. Seller has not received any notice of, nor is aware of, any fact which indicates any conflict with any third party with respect to the Assets, nor received any claims against the Assets.

- (vi) By the purchase of the Assets under this Agreement and by paying the Consideration in accordance with Clause 4, the Purchaser shall not be deemed to have assumed and will not become responsible for any liability or obligation of the Seller to any creditor of the Seller whether pertaining to the Assets or otherwise. The Seller acknowledges that Purchaser is only purchasing identified assets of the Naini Unit of HCL and not taking over the Naini Unit of HCL as such. Hence, question of transfer of liability of Naini Unit of HCL to Purchaser does not arise in any way, nor Purchaser will be responsible for the same.
- (vii) **Annexure I** to this Agreement sets forth a list of all insurance policies (specifying the location, insured, insurer, amount of coverage, type of insurance and policy number etc.) maintained by the Seller relating to the Assets and all such policies are in full force and effect, all premiums with respect thereto covering all periods up to and including the Closing Date have been paid, and no notice of cancellation or termination has been received with respect to any such policy and such policies (i) are sufficient for compliance with all requirements of Law; (ii) are valid, outstanding and enforceable policies; (iii) provide reasonable and adequate insurance coverage for the Assets; (iv) will remain in full force and effect through the respective date set forth in **Annexure I**; (v) will not in any way be affected by, or terminate or lapse by reason of, the Transactions contemplated by this Agreement.
- (viii) Any claim amount received after the Execution Date with respect to any claim already filed with the Insurance Company under any of the insurance policies as specified under **Annexure I** shall be transferred to the Purchaser.
- (ix) The Seller warrants that all known liabilities have been disclosed to the Purchaser and will be discharged/settled by the Seller and the Seller ensures that delay/non-



payment of any such liability will not hinder operation of NAeL. Further, it is clarified that any liability not known to the Seller and discovered after the Closing Date by either Party shall be borne by the Seller.

- (x) Seller has full power and authority under its Memorandum and Articles of Association to execute, deliver, and perform this Agreement and has secured the necessary approvals, permissions or NOCs as required to complete the sale of Assets under this Agreement from the relevant authority(ies).
- (xv) The Seller has made available to the Purchaser all information, as sought for by the Purchaser. All information, which has been provided to the Purchaser relating to the Assets are true and accurate in all material respects and no material fact or facts have been omitted there from which would make such information misleading.
- (xvi) The Seller shall co-operate and provide all necessary assistance to the Purchaser as required in fulfillment of the Transaction contemplated under this Agreement.
- (xvii) The Seller shall deliver all the documents, receipts, licences, papers, certificates, deeds, correspondence, records, files, accounts, insurance policy papers, proof of premiums paid, letters etc. to the Purchaser which are necessary for fulfillment of the Transaction contemplated under this Agreement.
- (xviii) The Seller agrees that any dispute including court cases and arbitration matters pending before the Closing Date shall be continued, prosecuted, defended and enforced by the Seller. However, if the Third Party makes the Purchaser as Party to any court proceeding or arbitration pertaining to the period prior to Closing then the cost and expenses incurred in continuing, prosecuting, defending and enforcing court matters including arbitration matters by the Purchaser shall be paid by the Seller. If pursuant to any such court matters including arbitration matters any penalties, interest or monetary liability of any nature is required to be paid after the Closing Date, all such



penalties, liabilities, interest payment etc. shall be paid and discharged by the Seller.

- (xix) The Seller represents that it has disclosed and delivered all the information and documents required for Closing of this Agreement to the Purchaser. The Seller also agrees that any liability arising on account of any non-disclosure or non-delivery of information or documents will be borne by the Seller.

## 9. INDEMNIFICATION

- 9.1 From the Execution Date, the Seller agrees to indemnify and keep indemnified, defend and hold the Purchaser, its successors, assigns and their respective directors, officers, representatives, employees and agents, harmless from and against any and all losses, liabilities, claims, obligations, suits, actions, damages, costs, settlements, proceedings, deficiencies, charges, interests, expenses (including, without limitation, legal fees and disbursements in connection therewith and interest chargeable thereon) (collectively, "**Claims**") that may be incurred or suffered by such Persons resulting or arising from or related to, or incurred or suffered in connection with:
- (a) The Sellers' operation of its activities before the Closing, or
  - (b) The failure of the Seller to assume, pay, perform and discharge its liabilities, or
  - (c) Any breach in whole or in part of any representation, warranty, covenant or agreement made or obligation required to be performed by the Seller under this Agreement, or
  - (d) Any breach or non-compliance with any statutes, ordinances, regulations, and other governmental requirements or judicial decree by the Seller.
- 9.2 If the Purchaser receives notice of the assertion of any claim, the commencement of any suit, action or proceeding, or the imposition of any penalty or assessment by a third party in respect of the Assets (a "**Third Party Claim**"), then the

  
\_\_\_\_\_



  
\_\_\_\_\_

Purchaser shall promptly provide the Seller with written notice of the Third Party Claim, and the Purchaser shall be indemnified by the Seller. The failure by the Purchaser to notify the Seller of a Third Party Claim shall not relieve the Seller of any indemnification responsibility under Clause 9.1 unless such failure materially prejudices the ability of the Seller to defend such Third Party Claim.

- 9.3 In the event the Purchaser is required to pay for such Claims as per Applicable Law arising from events stipulated in 9.1 then, the Purchaser shall be entitled to serve a notice on the Seller and for re-imbursement of payment towards such Claims.
- 9.4 Any indemnifiable claim hereunder that is not a Third Party Claim shall be asserted by the Purchaser by promptly delivering notice thereof to the Seller. If the Seller does not respond to such notice within ten (10) days after its receipt, it shall have no further right to contest the validity of such claim.

## **10. ARBITRATION**

- 10.1 If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with or arising out of this Agreement, Parties shall promptly and in good faith negotiate with a view to its amicable resolution and settlement.
- 10.2 In the event no amicable resolution or settlement is reached within a period of thirty (30) days from the date of notice of dispute or difference, such dispute or difference shall be referred by either Party for resolution to the Inter Ministerial Committee. In case Inter Ministerial Committee fails to resolve the dispute within 60 days of reference of the dispute, either party may refer the dispute for arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the Parties to the dispute, provided, however, any Party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon



such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator, unless the award provides otherwise. The arbitration proceedings shall be held in Bangalore. The Parties shall continue to perform their obligations under this Agreement while the arbitration proceedings are pending.

## **11. EXPENSES AND TAXES**

- 11.1 Each Party will bear their own legal, accounting and other expenses incurred by such Party in connection with the negotiation, preparation and execution of this Agreement.
- 11.2 The Purchaser shall be responsible for and shall pay stamp duty, if any, payable in connection with the Transactions contemplated pursuant to this Agreement.
- 11.3 The Seller shall be responsible for and shall pay capital gains taxes, sales tax, income tax or any other taxes if payable as a result of the consummation of the Transactions contemplated in this Agreement.

## **12. NOTICES**

- 12.1 Any notice(s), communication(s), request(s) or instruction(s) contemplated, provided or required to be given hereunder by any Party hereto to the other shall be in writing in English, and shall be deemed sufficiently given if delivered personally; sent by facsimile transmission with confirmatory copies sent by recorded delivery service; or sent by recorded delivery services; the registered mail postage prepaid acknowledgment due;

If to Seller, then at  
M/s Hindustan Cables Limited  
9, Elgin Road,  
Kolkata-700 020  
Tel: 2281-7538, 2283-0423, 2283-2762  
Fax: 2281-3473  
E-mail: cmdhclkol@gmail.com

Two handwritten signatures are present at the bottom right of the page. The first signature is written in dark ink and appears to be 'R. K. S.' followed by a horizontal line. The second signature is also in dark ink and appears to be 'S. K. S.' followed by a horizontal line.

**If to Purchaser, then at**  
M/s Naini Aerospace Limited  
UPSIDC Industrial area,  
P.O.: T.S.L, Naini,  
Allahabad-211010 (UP)  
Tel: .....  
Fax: .....  
E-mail:.....

or to such other address as may from time to time be designated by one Party and informed to the other Party in writing through prior notice.

- 12.2 All notice(s), communication(s), request(s) or instruction(s) as aforesaid, if delivered personally shall be deemed to have been received at the time of such delivery; if sent by facsimile transmission or recorded delivery service shall be deemed to have been received (48) forty-eight hours next after the same shall be proved to have been sent. Any communication as detailed hereinabove given by Tele fax or mail shall be deemed to have been received on the business day following the date of transmission.

### **13. GOVERNING LAW**

This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of India without regard to its principles of conflicts of laws. The Courts at Bangalore shall have exclusive jurisdiction with respect to this Agreement.

### **14. AMENDMENT**

Any amendment to the Agreement would be enforceable only if made in writing and duly signed by authorized representatives of the Parties hereto.

**15. WAIVER**

Failure of either Party at any time to enforce any of the provisions of this Agreement shall not per se constitute a waiver by that Party of any such provisions nor in anyway affect the validity of the Agreement or any part hereof.

**16. SEVERABILITY**

In the event that any one or more of the provisions contained in this Agreement, for any reason, shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or non-enforceability shall not affect any other provision of this Agreement. The Parties shall replace the invalid, illegal or unenforceable provision by such provision which they would, acting reasonably, have agreed upon, had Parties been aware of the invalidity, illegality or non-enforceability of the provision to be replaced.

**17. NON ASSIGNMENT**

The rights and / or liabilities accruing to any Party under this Agreement shall not be assigned except with the written consent of the other Party and subject to such terms and conditions as may be mutually agreed upon.

**18. CONFIDENTIALITY**

The Seller agrees not to issue press releases or public announcements concerning the terms of this Agreement without the prior written approval of the Purchaser. The existence and terms of this Agreement are confidential and shall not be disclosed to a third party by any Party other than those agreed upon. However, this shall not restrict any statutory requirements under the Indian Law.

**19. Final Agreement**

This Agreement supersedes all prior discussions, information, writings, memoranda and documents exchanged and agreements entered, if any, between the Parties with respect to the subject matter of this Agreement.





**20. Conflicts**

In the case of any discrepancy or conflict between the provisions of this Agreement and any other document executed pursuant to this Agreement, the provisions of this Agreement shall prevail.

**21. Further Assurances**

Each Party shall provide such further information and execute and deliver or cause to be executed and delivered, both before and after the date hereof, such further certificates, agreements and other documents and take such other actions, as may be reasonably necessary or appropriate to consummate or implement the Transactions contemplated hereby.

**22. Binding Nature**

Subject to the terms and conditions provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

**23. Specific Enforcement**

The Parties hereto agree that irreparable damage would occur in the event any provision of this Agreement is not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

**24. COUNTERPARTS**

This Agreement may be executed in two counterparts, each of which will be deemed to be an original, and all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THESE PRESENT ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN:**


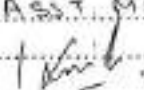
 

Signed and delivered by  
Mr. R. C. Sen,  
Chairman & Managing Director  
(Authorized Signatory for HCL)

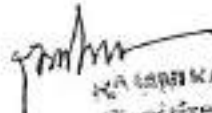


Chairman & Managing Director  
Hindustan Cables Limited  
9, Elgin Road, Kolkata



In the presence of the following witnesses:

1. Name ANURAG AGARWAL  
Designation MANAGER (UNIT HEAD)  
Signature 
2. Name MANISH GUPTA  
Designation ASST. MANAGER  
Signature 

Signed and delivered by  
Mr. R. K. Mishra,  
Chief Executive Officer,  
(Authorized Signatory for M/s NAEL)

  
R. K. MISHRA  
Chief Executive Officer  
Main Aeronautical Unit  
Main Aeronautical Unit

In the presence of the following witnesses:

1. Name RAGHAVENDRA SINGH  
Designation DCM (BD)  
Signature 
2. Name JANARDAN VERMA  
Designation CM (COORDINATION)  
Signature 

**SPEED-POST**

505/2002

नास्त सख्त

आर्थिक और वित्तीय पुनर्निर्माण बोर्ड

21 वीं मजिल, जवाहर व्यापार भवन

1, टॉलरेंस मार्ग,

नई दिल्ली- 110001

दिनांक 30.11.2016

23701211

MA No: 99, 282, 283, 3204 325 मृ 2016

संलग्न सूची के अनुसार

विषय

M/S Hindustan Cables Ltd

के नामित मापला संख्या

505/2002

शेखर

मुझे दिनांक 29.11.2016 की हस्ताक्षरित आदेशों की शीर्षक प्रति आपको सूचना  
इस अवसर पर जारी की जा रही है कि निम्नलिखित कार्य निम्नलिखित रूप में है।



भवदीय

अंजित

(सजिन सरकार)

F.N. 1 (14)/2002-PE-II Wm-10

For forwarded to CMD HCL for n/a bus.

CMD; HCL  
Kolkata

Amu

gdm

13/12/16  
L.C. RAMS  
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**BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION**

**MISC. APPLICATION NO. 99, 282, 283, 320 & 325 of 2016**  
**in CASE NO. 505/2002 :- M/S. HINDUSTAN CABLES LTD.**

**SUMMARY RECORD OF PROCEEDINGS OF THE HEARING HELD ON**  
**29.11.2016 BEFORE THE BENCH CONSISTING OF SHRI G.V.K.RAJU,**  
**CHAIRMAN AND SHRI MADNESH KUMAR MISHRA, MEMBER**

**BENCH-I****Present****Name & Designation of the**  
**Representatives S/Shri**

M/s Hindustan Cables Ltd  
 (Applicant : MA 282,283 & 325/16)

Vivek Sibal, Advocate  
 R.C.Sen, CMD  
 K.K.Singh, Manager (CF/TKP)  
 Sourabh Gupta, Advocate  
 Puneet Yadav, Advocate  
 A.K.Chouhan, DM(TKP)

The Commissioner,  
 Central Excise & Service Tax  
 (Applicant : MA No. 99/2016)

Absent

BOB (Applicant : MA No. 320/2016)

Arun Patpatia, Officer  
 Priyadarshini Verma, Advocate

SBI (OA)

D.N.Mathur, AGM

BOI

Priyadarshini Verma, Advocate

UTI

Oliver Minj, Relationship Manager

LIC

Sirjivan Lal, AAO(Legal)

IFCI

Mohinder Prakash, AGM

Govt. of West Bengal(GOWB)  
 Chief Secretary, GOWB  
 WBIDC  
 Resident Commissioner, GOWB

Parma Nand, OSD

ARCIL

Dhananjay S.Achrekar, Sr. VP

DIT(R)

D.R.Jain, Advocate





1.1 In the hearing held on 21.3.2003, M/s Hindustan Cables Ltd (HCL) was declared a sick industrial company in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as 'SICA'). State Bank of India (SBI) was appointed as Operating Agency (OA) u/s 17(3) of the Act to formulate a draft rehabilitation scheme (DRS).

1.2 The Commissioner, Central Excise & Service Tax, Bolpur Commissionerate filed MA No. 99/2016 requesting the Board to allow the application for waiver of serving other parties the copy of application for registering the claim by the Central Excise & Service Tax, Bolpur.

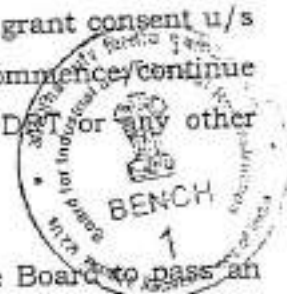
1.3 The company filed MA No. 282/2016 requesting the Board to fix a date for early hearing in the aforesaid matter in view of the urgency and high stakes involved and pass an order allowing the company to exit from the Board.

1.4 The company filed MA No. 283/2016 requesting the Board to fix a date for early hearing in the aforesaid matter in view of the urgency and high stakes involved and exempt the applicant from MA for the Financial Year 2017-18 as per calculation attached as Annexure-B of the present application.

1.5 In the hearing held on 16.11.2016, Hon'ble Member, Shri R.K.Parmar, recused himself from this case due to conflict of interest. Accordingly, the Hon'ble Chairman adjourned the hearing due to lack of quorum and directed that the next date of hearing will be intimated separately in due course.

1.6 BOB filed MA No. 320/2016 requesting the Board to grant consent u/s 22(1) of SICA, 1985 to the Applicant i.e. BOB to commence/continue proceedings against the company and the guarantors in Debt or any other competent court of law.

1.7 The company filed MA No. 325/2016 requesting the Board to pass an order granting permission to the applicant company to transfer the Naini Unit of the applicant company to the M/o Defence.



2.1 In today's hearing (29.11.2016), the Bench first took up MA No.325/2016. The ld advocate representing the company stated that there are two units and one unit is located in Naini, Allahabad. A decision has been taken by the Union Cabinet in its meeting held on 28.9.2016 to close the reference company by relieving all its employees. The Cabinet has also approved in principle for transferring assets and remaining employees of only Naini unit of the company to a wholly owned subsidiary of HAL, a CPSE under the Deptt. of Defence Production as per the terms and conditions agreed upon. The decision taken by the Cabinet has been informed vide Deptt. of Heavy Industries letter dt.14.10.2016. He submitted that transfer of Naini Unit to M/o Defence will ensure protection of employment of 183 workers of Naini unit. The workers working in the other units of the company have opted for VRS. He requested before the Bench to grant permission to the company to transfer the Naini unit to M/o Defence.

2.2 The Bench then took up MA No. 320/2016. The ld advocate representing BOB (applicant) submitted that they have their dues outstanding against the company to the tune of Rs. 46.00 crore and they are the unsecured creditors. She sought permission to execute the decree already obtained. The ld advocate representing the company submitted that dues will be cleared by the company to the extent of 1/3<sup>rd</sup> of their principal amount. In response, the representative of BOB stated that it is a very meagre amount for settlement because it will tantamount to Rs. 1.00 crore (approx.) against their principal amount of Rs. 3.00 crores, when their total dues are Rs. 46.00 crore.

2.3 The Bench then took up MA No. 282/2016. The ld advocate representing the company (applicant) requested before the Bench to exempt the company from MAT for 2017-18. He then requested to direct the Income Tax to consider for exemption from MAT in favour of the company. The ld advocate of Income Tax Deptt. submitted that they have no objection to consider the proposal of the company for exempting the company from MAT on merit.





2.4 The Bench then took up MA No. 283/2016. The ld advocate representing the company (applicant) requested before the Board to exit the company from the BIFR. He then requested Board may atleast consider to serve notice of this MA to all the parties, seeking comments thereon.

2.5 The Bench then took up MA No. 99/2016. The Bench observed that no representative from Central Excise and Service Tax is present to press their MA.

2.6 The ld advocate representing DIT(R) stated that their dues outstanding against the company are Rs. 2.12 crore.

2.7 The representative of IOB, IFCI, UTI and BOI, submitted that their dues have been settled by the company.

2.8 Having considered the submissions made in the hearing and material on record the Bench observed that no representative present in the hearing have raised any objection on transfer of the Naini unit of the company to M/o Defence. The Bench further observed that the workers working in the other units have opted for VRS and a few workers/employees have agreed to join HAL. Accordingly, the Bench issued the following directions:-

- (i) MA No. 325/2016 is hereby disposed off permitting the company to transfer their Naini unit to M/o Defence and HAL to ensure to take care of the workers who have not taken VRS and agreed to join HAL.
- (ii) MA No. 320/2016 is hereby disposed off directing BOB to send a proposal to the company for mutual settlement of their dues.
- (iii) MA No. 282/2016 is hereby disposed off directing Income Tax Deptt. to consider to exempt the company from MAT for the FY 2017-18.
- (iv) In MA No. 283/2016, the company to serve a copy of the MA to all the parties concerned within a period of one week. All the concerned parties, especially the OA (SBI) to file reply thereupon, within a further period of two weeks.



*Nil*

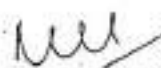
*him*

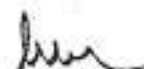
*Ram*

*gaur*

- (v) In MA No. 99/2016, the Central Excise & Service Tax Deptt. to serve a copy of their MA to all the concerned persons within a period of one week. All the concerned parties to file reply there upon within a further period of two weeks.
- (vi) The next hearing in MA No. 283/2016 and 99/2016 is fixed on 23.01.2017.



  
(MADNESH KUMAR MISHRA)  
MEMBER

  
(G.V.K. RAJU)  
CHAIRMAN

DATE OF ISSUE

30 NOV 2016





Case No. 505/2002 - M/s. Hindustan Cables Ltd.

1. Managing Director,  
M/s. Hindustan Cables Ltd.,  
9, Elgin Road,  
Kolkata 700 020  
(Fax No. 033-2404414 & 2471657)
2. Secretary,  
Industries Deptt.,  
Govt. of Andhra Pradesh,  
Hyderabad
3. Secretary,  
Industries Deptt.,  
Govt. of Uttar Pradesh,  
Sachivalaya,  
Lucknow
4. Secretary,  
Industries Deptt.,  
Govt. of West Bengal,  
Writers' Bldg.,  
Calcutta
5. Chairman & M.D.,  
State Bank of India,  
Central Office,  
Madam Cama Place,  
Mumbai
6. The Regional Director  
ESIC Regional Office,  
ESI Corporation  
Rajendra Place  
New Delhi-110 008.
7. The Central Provident Fund  
Commissioner,  
HUDCO Vishala,  
14, Bhikaji Cama Place,  
New Delhi 110 066
8. Chairman & M.D.,  
Bank of India,  
Express Tower,  
Nariman Point,  
Mumbai 400 021
9. Chairman & M.D.,  
State Bank of Saurashtra,  
Head Office,  
Bhavnagar 364 001
10. General Manager,  
Unit Trust of India,  
13, Sir Vithaldas Thackersay Marg,  
Mumbai 400 020
11. General Manager,  
LIC,  
Central Office,  
"Yogakshema",  
Jeevan Bima Marg,  
Mumbai 400 020
12. Chairman & M.D.,  
IFCI,  
IFCI Tower,  
61, Nehru Place,  
New Delhi 110 019
13. President,  
Hindustan Cables Workers Union (INTUC),  
345, New Colony, P.O. Hindustan Cables,  
Distt. Burdwan 713 335  
(West Bengal)



*[Handwritten signatures]*

14. President,  
Hindustan Cables Employees  
Union (HMS),  
182 Hindustan Cables Colony,  
P.O. Hindustan Cables,  
Distt. Burdwan 713 335

15. President,  
Hindustan Cables Labour Union  
(AITUC),  
Qrt NO.-B 2/91, Sector-I,  
P.O. Hindustan Cables  
Distt. Burdwan 713 335 (West Bengal)

16. President,  
Hindustan Cables Shramik Sangh  
(CITU), Baramuri,  
P.O. Hindustan Cables,  
Distt. Burdwan 713 335

17. President  
HCL Employees Union,  
P.O. Hindustan Cables,  
Hyderabad 500 051

18. President,  
Hindustan Cables Shramik Sangh,  
C/o Hindustan Cables Ltd.,  
UPSIDC Industrial Area,  
Naini, Allahabad 211 010

19. Secretary  
Deptt. of Heavy Industry  
Ministry of Industry  
Udyog Bhavan  
New Delhi

20. Hindustan Cables Officers' Association,  
Bungalow No. D-10,  
P.O. Hindustan Cables,  
Dist. Burdwan 713335  
(West Bengal)

COPY FOR INFORMATION TO:-

1. DGM,  
State Bank of India,  
SAM Branch, 2<sup>nd</sup> Floor, 'Jeevan Dee',  
LIC Bldg, 8, Parliament Street,  
New Delhi 110 001

2. AGM,  
Bank of India,  
Zonal Office,  
Tower 1, Level 5,  
Jeevan Bharti Bldg.,  
124, Connaught Circus,  
New Delhi 110 001

3. Manager,  
State Bank of Saurashtra,  
C-37, Atma Ram House,  
Opp. Odeon Cinema,  
Connaught Place,  
New Delhi 110 001

21. HCL Officers' Association,  
9, Elgin Road,  
Kolkata 700 020

22. Hindustan Cables Officers' Association,  
P.O. Hindustan Cables,  
Hyderabad 500 051



*Handwritten signature*

*Handwritten signature*

23. HCL SC & ST  
Employees Committee  
HCL, Hyderabad 500 051  
(Fax No. 040-7121419)
24. Hindustan Cables Ltd.  
Men's Union,  
AI/289, New Colony,  
P.O. Hindustan Cables,  
Distt. Burdwan 713 335
25. Hindustan Cables Ltd.  
Karmachari Sangh,  
Bo/113, Old Colony,  
P.O. Hindustan Cables,  
Distt. Burdwan 713 335
26. The President,  
Akhil Bharat Anusuchit Jati/  
Jan-Jati Karmachari Parishad,  
Qtrs.No.324, New Colony,  
P.O. Hindustan Cables,  
Dist. Burdwan - 713 335,  
West Bengal.
27. Bank of Baroda  
Zonal Office  
Bank of Baroda Building  
18, Sansad Marg  
New Delhi-110 001.
28. Chief Secretary  
Govt of Andhra Pradesh  
Hyderabad - 500 022
29. Resident Commissioner  
Govt. of Andhra Pradesh  
Andhra Bhawan  
1, Ashoka Road, New Delhi
30. Chief Secretary  
Govt. of Uttar Pradesh  
Shastri Bhawan, Lucknow
31. Resident Commissioner  
Govt. of Uttar Pradesh  
401, Amba Deep Bldg.  
14, KG Marg, New Delhi
32. The Chief Secretary  
Govt of West Bengal  
Writers Building  
Kolkata
33. The Chairman & M.D.,  
WBIDC,  
5, Council House Street,  
2nd & 3rd Floor,  
Calcutta 700 001
34. The Resident Commissioner  
Govt. of West Bengal  
A/2 State Emporium Building  
B.K.S. Marg, New Delhi
35. The Managing Director,  
U.P. Power Corporation Ltd.  
(UPPCL), Shakti Bhawan  
Lucknow (U.P.)
36. M/s. Asset Reconstruction Co. (India) Ltd  
(ARCIL), The Ruby, 10<sup>th</sup> Floor  
29, Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400 028
37. Resident,  
Hindustan Cables Officers Assoc.  
c/o Hindustan Cables Ltd.,  
UPSIDC Industrial Area,  
Naini, Allahabad 211 010
38. The CMD  
EMC LTD  
139-B, B.T. Road,  
P.O. Kamarhati  
Kolkata - 700 058



*Adm*

*gmh*



9  
39. Dte. of Income Tax (Recovery)  
DIT(R), Mayur Bhawan  
Connaught Place, New Delhi.  
(MA-333/2013)

40. Addl. Central PF Commissioner  
EPFO, DK Block, Sector II  
Salt Lake City  
Karunamoyee, Kolkata -700 091

41. The Regional PF Commr  
Sub Regional Office  
Red Cross Road, City Centre  
PO Durgapur-713 2160  
Dist Burdwan, W.Bengal

42. The Secretary  
Defence Production  
M/o Defence  
132-C, South Block  
New Delhi



43. The Commissioner  
Central Excise & Service Tax  
Bolpur Commissionerate  
Nanor Chandidas Road, Sian  
Bolpur, Distt- Birbhum  
Pin-731 204  
W.Bengal

*gdm*

*gdm*



Annexure - B

MU-1  
BY SPEED Post

FILE NO. 1(8)/2016-PE-II  
 Government of India  
 Ministry of Heavy Industries & Public Enterprises  
 Department of Heavy Industry  
 Udyog Bhawan, New Delhi-110011  
 Dated : 14<sup>th</sup> December, 2016

OFFICE MEMORANDUM

Subject : Transfer of Naini unit of HCL to a Subsidiary of HAL in pursuance of cabinet decision dated 28.09.2016- regarding.

Reference: (a) MoD, DDP LD. No. 59011/8/2016-D(HAL)-I dated 25.11.2016.  
 (b) HAL letter No. HAL/CO/NAINI/16-17 dated 05.12.2016 addressed to CMD, HCL.

The undersigned is directed to convey the approval of BIFR vide their order dated 29.11.2016 (Para 2.8(i)) permitting "the company to transfer their NAINI unit to Ministry of Defence and HAL to ensure to take care of the workers who have not taken VRS and agreed to join HAL". A copy of the BIFR letter No. 505 /2002-bench-1 dated 30.11.2016 is enclosed.

2. As indicated condition (a) by HAL vide their letter No. HAL/CO/Naini/16-17 dated 5.12.2016, the land and buildings (excluding 07 Nos. Flats located at Allahabad) along with fittings and fixtures of Naini unit will be transferred by HCL to HAL at a nominal value on as-is where-is basis. This has approval of competent authority.

3. Further, approval of competent authority is also conveyed for disposal of movable assets of Naini unit by HAL as under:

"Since HAL has said that they are not interested in taking over the movable assets, we may request HAL to take over and sale proceeds of movable assets be returned to HCL account. This sale can be done as per the DPE guidelines for closure of CPSEs".

Accordingly HAL/HAL subsidiary will take further action to dispose of the movable assets of Naini Unit on behalf of HCL. HCL will provide necessary assistance to HAL subsidiary in this regard.

4. As decided in the meeting held under the chairmanship of Secretary (Defence Production) on 09.12.2016, HCL and HAL will take further action to hand over/takeover on Naini unit within the timelines given in the Cabinet decision i.e. 31<sup>st</sup> Dec'2016, as per mutually agreed terms and conditions which may be finalized and forwarded to DHI/DDP for information at the earliest.

  
 (L.C. Ram)

o/c Under Secretary to Govt  
 Telephone No. 23061098

To:

Secretary to Govt. of India,  
 (Attention: Shri Pradip Kumar, Under Secretary)  
 Department of Defence Production,  
 South Block, New Delhi-110001

Copy to:

1. CMD, HCL, Kolkata 2. CMD, HAL, Bengaluru.





## हिन्दुस्तान केबल्स लिमिटेड

(भारत सरकार का उपक्रम)

पंजीकृत एवं निगम कार्यालय

9, इलमीन रोड, कोलकाता-700 020, भारत



## HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

REGISTERED &amp; CORPORATE OFFICE

9, ELGIN ROAD, KOLKATA-700 020, INDIA

FAX : 2281-3473, PHONES : 2281-7539, 2283-0423, 2283-2762

email : cmclclcol@gmail.com, WEBSITE : www.hindcables.gov.in

CORP/CMD/Naini/2016

Date: 14.12.2016

The Chairman and Managing Director,  
Hindustan Aeronautics Limited  
Bangalore.

Dear Sir,

Sub: Terms and conditions for takeover of Naini unit of Hindustan Cables Limited (HCL) by  
Subsidiary company of Hindustan Aeronautics Limited (HAL)

With reference to DHI O.M. No.1(8)/2016-PE-II, dated 14.12.2016, the following  
Major terms and conditions for takeover of Naini unit of Hindustan Cables Limited (HCL) by  
Subsidiary company of Hindustan Aeronautics Limited (HAL) were mutually agreed.

1. Takeover of HCL Naini unit by HAL Subsidiary would be through itemized sale of Assets and transfer of Manpower to a subsidiary of HAL. The Land and building (excluding 07 Nos. Flats located at Allahabad) along with Fittings and fixtures of HCL Naini will be transferred to HAL subsidiary at a nominal value on as-is where-is basis. The list of such assets along with the requisite documents will be furnished by HCL to HAL.
2. As for movable assets for HCL Naini unit are concern, it has been agreed that HAL subsidiary on formation, would sell the movable assets of HCL Naini on behalf of HCL, following the DPE guidelines for closure of CPSEs. The list of such movable assets will be submitted by HCL and jointly verified by HAL and HCL at the time of takeover. The proceeds of such sale would be remitted to HCL, Kolkata. It was also agreed that the nominee of HCL would be co-opted as a member of the committee for verification/sale/disposal of movable assets, by HAL subsidiary.
3. All liabilities, pertaining to Naini unit of HCL upto 31.12.2016<sup>(x)</sup> will be cleared/settled by HCL.
4. The Immovable assets to be transferred to the HAL subsidiary would be free from any encumbrance/charge/liabilities. HCL would submit necessary documents in this regard to HAL.
5. All employees related liabilities/dues of Naini unit of HCL unit upto 31.12.2016<sup>(x)</sup> will be cleared/settled by HCL. All statutory and other benefits related to employees including

or the date of takeover/transfer, whichever is later.

*[Signature]*

*[Signature]*



2. Corresponding terms:

Gratuity, leave, PF etc. who are likely to join HAL subsidiary will be transferred from HCL to HAL subsidiary for the period upto 31.12.2016.

6. HCL would inform the number of employees along with their names and brief particulars who would be transferred to HAL subsidiary. HCL will obtain & submit the "Undertaking" in this regard duly signed by each employee, in the format forwarded to HCL by HAL.

7. HCL would pass necessary resolutions in the Board and Share Holders meeting as per the Companies Act, for the sale/transfer of assets and manpower as above and communicate the same to HAL.

8. HCL and HAL Subsidiary would jointly approach the UPSIDC, who have leased the land to Naini unit of HCL for transfer of lease to HAL Subsidiary and for waiver of the transfer fee. Both the companies would approach the UP State Govt. for waiver of applicable Stamp Duty.

9. It was also agreed that HCL would extend necessary cooperation to HAL subsidiary during/ after takeover while approaching various State/Central Govt./Local Bodies and institutions for seeking necessary approvals/clearances to start the business activities, if any.

You are requested to accept the above terms and conditions and convey your acceptance at the earliest. *or the date of Takeover / Transfer, whichever is later.*

Thanking you, *& of HCL Naini, who have not opted for VRS,*

Yours faithfully,

*PSA*

*[Signature]*  
(R.C. SEN)  
Chairman & Managing Director

*The above conditions as amended above are acceptable.*

*[Signature]*  
15/11/16

वी.एम. चमोला/V.M. CHAMOLA  
निदेशक (मानव संसाधन)  
Director (Human Resources)  
विद्युत उपकरण निगम लि. मे.  
एन.ए. रोड, नैनिताला, मे.  
201301

*[Signature]* *[Signature]*

No. 59011/08/2016-D(HAL-I)  
Government of India  
Ministry of Defence  
Department of Defence Production  
D(HAL)

Sépa Bhawan, New Delhi  
Dated: 27.12.2016

To

The Chairman  
HAL, Bangalore

Subject: In principle approval of MoD on takeover of Naini Unit of HCL by HAL subsidiary.

Sir,

I am directed to refer to your letter dated 19<sup>th</sup> December, 2016 on the subject mentioned above and to convey 'in principle' approval of the competent authority to your proposal for takeover of Naini Unit of HCL by establishing a wholly owned subsidiary of HAL.

Yours faithfully,



(S.R. Agrawal)  
Director (Aerospace)  
Tel: 011 2301 1587





No. 59011/8/2016-D(HAL-I)  
Government of India  
Ministry of Defence  
Department of Defence Production  
D(HAL)

Sena, Bhawan, New Delhi  
Dated: 28<sup>th</sup> December, 2016

To

The Chairman and Managing Director  
Hindustan Aeronautics Limited  
Cubbon Road  
Bangalore

Subject: Setting up of a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) to carry out business of manufacturing of Aeronautics/ Aeronautical Products after takeover of identified assets & manpower of Hindustan Cables Limited (HCL), Naini Unit.


Sir,

Please refer to your letter No. HAL/CO/Naini/16-17 dated 19.12.2016 on the above subject.

2. NITI Aayog has concurred to the proposal for the establishment of a wholly owned subsidiary of HAL. A copy of NITI Aayog's concurrence letter No.M-13099/10/2016-DP dated 28.12.2016 is also enclosed herewith.

Encl: As above

Yours faithfully,

  
(S.R. Agrawal)  
Director(Aerospace)  
Tel: 011 23011587

Dir(HAL) ✓  
cc: Adv (Comp Aff)

FD(HAL)  
28/12/16



29/12/2016 5:17 PM FAX  
29/12/2016 2:46 PM FAX

D HAL

0002  
0001

M-13099/10/2016-DP  
NITI Aayog  
(DP Division)

Sansad Marg, New Delhi  
Dated 28<sup>th</sup> December, 2016

OFFICE MEMORANDUM


**Subject :** Setting up of a wholly owned subsidiary of Hindustan Aeronautics Limited (HAL) to carry out business of manufacturing of Aeronautics/Aeronautical Products after takeover of identified assets and manpower of Hindustan Cables Limited (HCL), Naini Unit.

Ministry of Defence, Department of Defence Production may kindly refer to their Office Memorandum No. 59011/8/2016/D(HAL-I) dated 20.12.2016 and O.M. of even no. dated 27<sup>th</sup> December, 2016 seeking NITI Aayog's concurrence on the subject mentioned above.

Keeping in view the instructions issued by the M/o Heavy Industry & public Enterprises, Department of Public enterprises in connection with exercise of delegated power for establishing financial joint ventures and wholly owned subsidiaries by the Boards of Maharatna and Miniratna Central Public Sector Enterprises (CPSEs) vide their Memorandum No 18(6)2016- MGMT dated 10<sup>th</sup> August 2016, NITI Aayog concurs the proposal.

This issues with the approval of CEO, NITI Aayog.

Shri Rajib Kumar Sen,  
Economic Adviser,  
Ministry of Defence  
Department of Defence Production,  
Sena Bhawan,  
New Delhi

  
(Vikram Singh Gaur)  
Joint Secretary (SC & DP)  
Tel. No. 2309 6747

Office of Economic Adviser  
By 335/E.A./2016  
28/12/2016



Restricted Circulation

Ministry of Defence  
Department of Defence Production  
D(HAL)

Subject:- Minutes of the meeting held on 20<sup>th</sup> Jan. 2017 under the Chairmanship of Secretary (DP) to discuss the issues relating to transfer of assets and manpower HCL's Naini unit to a wholly owned subsidiary of HAL

The undersigned is directed to enclose herewith a copy of minutes of a meeting held on 20.01.2017 under the chairpersonship of Secretary (DP) for information and compliance.

2. All concerned organization/office are therefore, requested to comply the decision pertaining to their relevant points contained in the minutes and to furnish a compliance report thereon to this Department at the earliest.

Encl: As above

(Pradip Kumar)  
Under Secretary to the Govt. of India  
23012084

- 1) Joint Secretary, DHI, M/o HI&PE, (Sh Vishvajit Sahay)
- 2) Smt. Vinita Srivastava, Director(DHI)
- 3) CMD, HAL, Bangalore
- 4) CMD, HCL, Kolkata

MoD ID No. 59011/8/2016-D(HAL-I) dated 24<sup>th</sup> Jan., 2017

Copy to:

1. PS to Secretary (DP)
2. PPS to AS (DP)
3. Sr. PPS to EA
4. PA to Director (Aero)



00002

**MINUTES OF THE MEETING (MoM) HELD ON 20<sup>TH</sup> JANUARY, 2017 UNDER THE CHAIRMANSHIP OF SECRETARY (DP) TO DISCUSS THE ISSUES RELATING TO TRANSFER OF ASSETS AND MANPOWER HCL'S NAINI UNIT TO A WHOLLY OWNED SUBSIDIARY OF HAL.**

A meeting under the chairmanship of Secretary (DP) was held on 20<sup>th</sup> Jan 2017 at 1700 hrs to discuss the issues related to transfer of assets and manpower of Naini Unit of HCL to a wholly owned subsidiary of HAL as per mandate of the Cabinet. The list of participants is at Annexure-I

2. At the outset, chairman welcomed the participants and reviewed the status of the process of transfer of assets and manpower to wholly owned subsidiary of HAL.
3. CMD HAL informed the following:-
  - i. A wholly owned subsidiary of HAL, namely Naini Aerospace Ltd (NAeL) was incorporated on 29<sup>th</sup> December 2016, after approval of Niti Aayog and MOD.
  - ii. The subsidiary company has passed necessary resolutions in its Board meeting on 13<sup>th</sup> January 2017, to takeover assets and manpower of Naini Unit of HCL.
  - iii. The CEO and core team of the subsidiary had been appointed and positioned at Naini, Allahabad to progress the process of takeover.
  - iv. HCL has not yet settled / cleared all the liabilities. The letter of Secretary (DHI) addressed to Secretary (DP) no.D.O.No.1 (8)/2016-PE-II (Vol-1) dated 11th January 2017 was referred in this regard.
  - v. HCL has cleared dues of UPSIDC and has made part payments to Electricity Department and PF Authorities.
  - vi. CMD HAL impressed that HCL should at least clear all Statutory and employee related dues besides the outstanding dues of Electricity department before takeover to enable operationalisation of the Subsidiary. These dues currently stand at Rs 68 Crore approximately.
4. Secretary (DP) reviewed the status of clearance of pending dues and after detailed deliberations, the following decisions were taken,
  - a. Joint application for transfer of land lease and exemption for payment of transfer fee to be submitted to UPSIDC with original lease deeds before 25<sup>th</sup> January 2017, so that UPSIDC permits Naini Aerospace Ltd (NAeL) to use the assets.
  - b. All electricity dues to be settled for both electricity connections (900 KVA and 25KVA) and NOC to be obtained by HCL by 25<sup>th</sup> January 2017.
  - c. Employees dues, PF, Gratuity and Income tax etc., will be cleared by HCL by 25<sup>th</sup> January 2017 for the period up to 31<sup>st</sup> Dec 2016 and for the month of January 2017 by 30/31<sup>st</sup> January 2017, including that of 13 land displaced persons who have been directly employed by HCL Naini.
  - d. 125 employees of HCL Naini Unit who have not opted for VRS will be transferred to NAeL. For remaining employees, the VRS will be settled by HCL/DHI at the earliest.

*Ram*

*garm*  
PTO



ANNEXURE-ILIST OF PARTICIPANTS PRESENT IN THE MEETING TAKEN BY SECRETARY (DP) ON 20<sup>TH</sup> JANUARY, 2017 AT 1700 HRS. TO DISCUSS THE TRANSFER OF ASSETS AND MANPOWER OF HCL'S NAINI UNIT TO A WHOLLY OWNED SUBSIDIARY OF HAL.

1. Shri A.K. Gupta, Secretary (DP)
  2. Smt. Surina Rajan, AS (DP)
  3. Shri Rajib Kumar Sen, EA
  4. Shri Vishvajit Sahay, JS, DHI
  5. Smt. Vinita Srivastava, Director, DHI
  6. Shri S.R. Agrawal, Director (Aero)
- In chair

HAL

1. Shri Suvama Raju, CMD
2. Shri V.M. Chamola, Director (HR)
3. Shri A.K. Tyagi, ED (HR)
4. Shri Mrigendra Singh, RM, Liaison Office, Delhi
5. Shri Ashok Tandon, Consultant

HCL

1. Shri R. C. Sen, CMD, HCL



ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017PART A:(I) Building:

S.N.	Nomenclature of Building	Building Area (Sq.M)	Activity of the Building	Year of Construction	Consideration Paid (in Rs.)
<u>Buildings inside the Factory premises</u>					
1.	Cycle/Scooter Stand	625	Parking	1988	2.00
2.	Entrance Gate Complex	570	Security, Time office & Dispensary	--do--	2.00
3.	O.F. Cable Production Building	4490	Production	--do--	5.00
4.	Fibre Production Building	2000	Production	--do--	5.00
5.	PDH Hanger	555	Production	--do--	3.00
6.	A.C. Plant Building	560	Production	--do--	2.00
7.	Raw Material Store	380	Store	--do--	3.00
8.	Pump House & Tube Well Building	200	Water Supply	--do--	2.00
9.	PUF Cable Production Bldg.	3325	Production	--do--	5.00
10.	Compressed Air & Chilled Water Plant Building	290	Production	--do--	2.00
11.	Finish Cable Store Shed	180	Store	--do--	2.00
12.	Sub Station Building	1030	Electric Supply	--do--	3.00
13.	D.G. Set Building	440	Electric Supply	--do--	2.00
14.	U.G.R. & Over Head tank	310	Water Storage	--do--	2.00

Continued...

Remarks: For location of Buildings "General Layout Plan of Factory" Attached as ANNEXURE J may please be referred.

(Representative of NAI.)  
Transferee

(Representative of HCL)  
Transferor

ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PART A:**

**(I) Building:**

S.N.	Nomenclature of Building	Building Area (Sq.M)	Activity of the Building	Year of Construction	Consideration Paid (In Rs.)
<u>Admn. and CFC Complex</u>					
1.	Administrative Building	1200	Office Block	1988	5.00
2.	Canteen Building	340	Canteen	--do--	2.00
3.	R&D Building	310	R&D	Before 1986	1.00
4.	NIDC Building	150	Office	--Do--	1.00
5.	Hostel	340	Office	--Do--	1.00
6.	Pump House	35	Water Supply	--Do--	1.00
<b>Total:</b>					<b>51.00</b>

Remarks: Sl. No. 1 & 2 above are located at "General Layout Plan of Factory" Attached as ANNEXURE I  
Sl. No. 3 to 6 above are located in CFC Complex

(Representative of NAEL)  
Transferee

(Representative of HCL)  
Transferor

*[Signature]*

*[Signature]*

ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PART A : (II) OTHER ASSETS:**

**(1) Water supply & sanitation:**

Sl. No.	Nomenclature of Area	Capacity	Purpose for which deployed	Purchase/ commissioning year	Make	Consideration Paid (in Rs.)
1.	Raw water supply	Reservoir Capacity 2*225KL + Overhead Tank	Raw water supply through underground Bore well lifting by submersible pump (Not available). Underground Pipelines.	1989-90		6.00
2.	Potable water supply Underground Bore well	1 HP	Potable water supply through underground Bore well lifting by submersible pump			1.00
3.	Fire Hydrants (Not in working condition)	Reservoir Capacity 2*225KL.	21 No. of Hydrants working on Pressurised by pump. Fire hydrant pipe line infrastructure laid for handling of 2800 LPM of water.	1989-90	Installed by Subhash projects Ltd.	3.00
4.	Effluent treatment facility	2100 cu.m. /year  3 cu.m. /year  100 cu.m. /year  4 cu.m. /year	Rinse Water (PH 4-5 , Fluoride 1mg /Ltr)  Spent Acid (PH 4-6, HF 1% , HNO3 5%)  Scrubber Water (PH 9, Cl 20,000 mg /Ltr)  Degreasing Solution (1.5% Mucaso)			4.00
5.	Drainage		Available as per requirement			2.00
6.	Sever Lines		Available as per requirement			2.00
7.	Sewage treatment facility		Available as per requirement			2.00
<b>Total:</b>						<b>20.00</b>

(Representative of NAL)  
Transferee

(Representative of HCL)  
Transferor






ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PART A : (II) OTHER ASSETS:**

**(2) Electrical Installation:**

Sl. No.	Item	Capacity	Purpose of which deployed	Purchase / Commissioning Year	Make	Consideration Paid (in Rs.)
1.	Control Panel (HT)	33KV HT	To manage incoming HT power	1989-90	Siemens	1.00
2.	Control Panel (LT)	440 V LT	To manage outgoing LT power	1989-90	Do	1.00
3.	Capacitor bank	100 KVar	Used for PF correction	1989-90	Usha	1.00
4.	Control Panel (AMF)	110V AMF Panel	To manage power to control circuitry	1989-90	Bhartia Cutler Hammer	1.00
5.	D.G. Set (Engine & Alternator)	1000 KVA, 415V, 1392 Amps, KTA 3067G	Standby power supply to the plant	1989-90	Kirloskar Cummins	4.00
6.	D.G. Set (Engine & Alternator)	180 KVA, 415V, 250 Amps, 1500 RPM, NT 743G	Standby power supply to the plant	1989-90	Do	2.00
7.	D.G. Set (Engine part only)	5 KVA, 220V	To supply power to Official L/F	1989-90	Do	1.00
8.	D.G. Set (Engine part only)	1000 KVA, 415V, 1392 Amps, KTA 3067G	Standby power supply to the plant	1989-90	Kirloskar Cummins	1.00
9.	Control Panel (D.G. Set)	440 V DG Panel	To manage DG power	1989-90	Subhtec/English Electric	1.00
10.	Diesel storage tank	1	Diesel oil Storage	1989-90	30 KL	1.00
11.	Diesel storage tank	2	-do-	1989-90	Do	1.00

Continued...

(Representative of NACL)  
Transferee

(Representative of HCL)  
Transferor




ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PART A : (II) OTHER ASSETS:**

**(2) Electrical Installation:**

Sl. No.	Item	Capacity	Purpose of which deployed	Purchase / Commissioning Year	Make	Consideration Paid (in Rs.)
12.	EOT Crane	5 tons Capacity	Shifting & Lifting	1989-90	Hercules Mech. Works	1.00
13.	IR/ER Electrification	Zodiac power control	Provide Light & Fan to the Factory	1989-90	Zodiac power control	1.00
14.	Power Cable/Power distribution system AC MCC-12	2x3 1/2 core 240 mm <sup>2</sup>	Provide Light & Fan to the Factory	1989-90	Gloster	0.50
15.	FDV	-do-	Provide Light & Fan to the Factory	1989-90	Gloster	0.50
16.	AC MCC-11	2x3 1/2 core 180 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
17.	Fire fighting	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
18.	CFC R&D	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
19.	AHU MDB-9	2x3 1/2 core 180 mm	Do	1989-90	Gloster	0.50
20.	Air compressor	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
21.	Pump house	2x3 1/2 core 180 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
22.	ACC MCC-10	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
23.	Main lighting	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
24.	UPS-1	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
25.	UPS-2	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
26.	MDB-4 fibre	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
27.	MDB-6 workshop	2x3 1/2 core 180 mm <sup>2</sup>	Do	1989-90	Gloster	0.50

Continued...

(Representative of NAEL)  
Transferee

(Representative of HCL)  
Transferor



ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PART A : (II) OTHER ASSETS:**

**(2) Electrical Installation:**

Sl. No.	Item	Capacity	Purpose of which deployed	Purchase/ Commissioning Year	Make	Consideration Paid (in Rs.)
28.	DG Auxiliary supply	2x3 1/2 core 180 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
29.	Main lighting	2x3 1/2 core 30 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
30.	Stranding	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
31.	MDB-7 Draw tower	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
32.	MDB-6 AC AHU	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
33.	MDB-7 MCVD	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
34.	Exhaust for UPS	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
35.	Extrusion	2x3 1/2 core 50 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
36.	Lighting	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
37.	PIJF MDB-1	2x3 1/2 core 240 mm <sup>2</sup>	Do	1989-90	Gloster	0.50
38.	PIJF MDB-2	2x3 1/2 core 240 mm <sup>2</sup>	Do	1999-00	Gloster	0.50
39.	PIJF MDB-3	2x3 1/2 core 240 mm <sup>2</sup>	Do	1999-00	Gloster	0.50
<b>Total:</b>						<b>30.00</b>

(Representative of NAeL)  
Transferee

(Representative of MCL)  
Transferor

ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PARTB:**

**Lease Land:**

Sl. No.	Nomenclature of Area	Area	Activity of Area	Plot No.	Present Annual Lease Rent (Rs.)
1.	Factory (90 Yrs. Lease Period commences from 8 <sup>th</sup> July 1987)	39.63 Acres (1,60,380.48 Sq. M)	Factory & Administrative Building	A-4, A-5, A-7, C-33, C-58 to C-61, C-63 to C-65, J1, J2 park & portion of 80' wide Road no.3	3962.95
2.	Township (90 Yrs. Lease Period commences from 8 <sup>th</sup> July 1987)	10.01 Acres (40523.44 Sq. M)	Open Land as no Township could be developed	Plot no. E-8, E-9, E-10	1001.32
3.	CFC Area (90 Yrs. Lease Period commences from 28 <sup>th</sup> Nov. 1997)	2.98 Acres (12,054.5 Sq. M)	Office & R&D	D-9/1	297.85
Total:		52.62 Acres (2,12,958.42 Sq.M)	Total:		5262.12

**Remarks:** Lease rent has been paid up to 31.03.2017 by HCLNaini

(Representative of NAEL)  
Transferee

(Representative of HCL)  
Transferor



हिन्दुस्तान केबल्स लिमिटेड  
(भारत सरकार का उपक्रम)  
तन्तु प्रकाश इकाई  
**HINDUSTAN CABLES LIMITED**  
(A Govt. of India Undertaking)  
FIBRE OPTICS UNIT



फोन : 2687756 - 57 - 59  
फैक्स : 0532-2687751

यू.पी.एस.आई.डी.सी.  
औद्योगिक क्षेत्र  
डाक-टी.एस.एल., नैनी  
इलाहाबाद-211010 (3080)

Ph. : 2687756 - 57 - 59  
Fax : 0532-2687751  
GRAM : HICAB  
E-mail : hclfou@yahoo.com  
UPSIDC Industrial Area,  
P.O. : T.S.L., Naini  
Allahabad-211 010 (U.P.)

## ANNEXURE H

### List of Lenders


A. Dues against all the following Lenders have been already been completely liquidated:

1. State Bank of India
2. Bank of India
3. Indian Overseas Bank
4. IFCI
5. UTI/LIC

B. GOI Loan:

Has been Fully Converted into equity

For Hindustan Cables limited

  
29/1/17  
(Anurag Agarwal)  
Manager (Unit Head)

11/06/2017 - I

### Particulars of Insurance Policies

HCL/FOU/Naini/Allahabad

	(1) ADMIN	(2) FACTORY
LOCATION	NAINI,ALLAHABAD	NAINI,ALLAHABAD
INSURED	HINDUSTAN CABLES LTD	HINDUSTAN CABLES LTD
Insurer	M/s ORIENTAL INSURANCE CO.KOLKATA	M/s ORIENTAL INSURANCE CO.KOLKATA
AMOUNT OF COVERAGE (Sum Insured)	Rs. 69,02,599.00 (Fire) Rs. 4,00,065.00 (Burglary)	Rs. 9,49,68,495.00 (Fire) Rs. 6,83,81,958.00 (Burglary)
TYPE OF INSURANCE	FIRE,EARTH QUAKE,STFI,& BURGLARY	FIRE,EARTH QUAKE,STFI,& BURGLARY
POLICY No.	311800/11/2016/450 (FIRE) VALID UP TO 31-01-2017 311800/48/2016/564 (BURGLARY) VALID UP TO 31/01/2017	311800/11/2016/542 (FIRE) VALID UP TO 29-03-2017 311800/48/2016/644 (BURGLARY) VALID UP TO 29/03/2017
PREMIUM AMT. PAID	Rs. 2371 + 252 = 2623.00 (Fire + Burg)	Rs. 72,604 + 8613 = 81,217.00 (Fire + Burg)
	Premium Amt.Rs. 2,584.00 Paid for Renewal.	

(3) Money insurance policy :

POLICY No. : 224303/48/2017/782  
VALID UP TO : 27/10/2017  
TYPE OF POLICY : MONEY INSURANCE POLICY  
INSURER : THE ORIENTAL INSURANCE CO.LTD NAINI,ALLAHABAD  
INSURED AMOUNT : CASH IN SAFE / BOX Rs. 1,50,000/-  
CASH IN TRANSIT (P/M) Rs. 30,000/-  
PREMIUM AMOUNT : Rs. 2,104.00

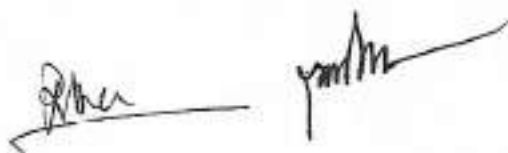
*Ramesh*      *gandhi*

## LETTER OF CONFIRMATION

### (Subject: Asset Purchase Agreement & Manpower Transfer Agreement)

We, M/s. Hindustan Cables Limited, having its Registered Office at 9, Elgin Road, Kolkata-700 020 through its Authorized Signatory Mr. RC. Sen, Chairman & Managing Director (CMD) (Hereinafter referred to as **HCL/Seller** or **HCL /Transferor** ) do hereby confirm the following to Naini Aerospace Limited ( hereinafter referred to as **NAeL/Purchaser** or **NAeL/Transferee**):

- a) That there are no encumbrances on the Assets or any part thereof. HCL/Seller is herewith providing the Management Certificate and No Objection Certificates from Creditors including Banks related to the Assets transferred to the NAeL/Purchaser through the Asset Purchase Agreement.
- b) That there is no charge created or registered with ROC in respect of Assets of HCL Naini being transferred to NAeL.
- c) That HCL/Seller is in receipt of Consideration as per Clause 4.1 of the Asset Purchase Agreement and no further amount shall remain due and payable by the NAeL/Purchaser to HCL/Seller or to anyone else claiming through or on behalf of HCL/Seller.
- d) That HCL/Seller is in receipt of Consideration as per Clause 4.1 of the Asset Purchase Agreement and the NAeL/Purchaser will not be deemed to have assumed any liability or obligation of the HCL/Seller and that the NAeL/Purchaser will not become responsible for any liability (past, present or contingent) or obligation of the HCL/Seller related to the Assets transferred under the Asset Purchase Agreement.
- e) That the Lease Deeds executed by the HCL/Seller with UPSIDC with respect to the Land have been surrendered to UPSIDC and all Lease Transfer formalities in favour of the NAeL/Purchaser have been complied with, including the application for waiver of Transfer Fee and Stamp Duty.

Two handwritten signatures are present at the bottom right of the document. The signature on the left is written in dark ink and appears to be 'RC Sen'. The signature on the right is also in dark ink and is more stylized, possibly belonging to a representative of Naini Aerospace Limited.



- f) That the HCL/Seller has delivered all the records (related to Assets, Land & Manpower) to the NAeL/Purchaser, which the NAeL/Purchaser acknowledges and shall deliver before the Closing Date any other record or information as may be required by the Purchaser.
- g) That, all the liabilities, dues etc. in relation to the Manpower transferred to NAeL through the Manpower Transfer Agreement upto the Transfer Date (1.2.2017) have been paid and discharged.
- h) That on or after the Transfer Date (1.2.2017), the Transferee/NAeL will not become responsible for any liability or obligation of the HCL /Transferor related to the Manpower, which arose before the Transfer Date.
- i) That HCL has paid all the premiums up to the Closing Date/Transfer Date of all the Policies relating to Assets, Land & Manpower.
- j) That HCL has transferred funds relating to leave, gratuity, PF etc. in the name of NAeL.
- k) HCL/Transferor has transferred the **Policies** owned by the Transferor/HCL relating to Assets, Land & Manpower, in favour of the NAeL/Transferee. HCL/Transferor is herewith providing the documents evidencing the transfer of the Policies.

Out of the abovementioned conditions those remaining to be fulfilled on the Execution Date will be completed expeditiously but not later than one (1) year from the Execution Date. However, in case of any unforeseen reason is the period gets delayed for completion of any of the above conditions HCL will seek further extension.

Dated: 30.01.2017

For Hindustan Cables Limited

(R. C. Sen)

Chairman & Managing Director





00-0) R/W NO-1

NO-2

X = +00  
Y = -193.00

X = +114.85  
Y = -189.875

134.88 M

183.0 M

X = +117.50  
Y = +0.00

140 M

X = +0.00

X = +0.50

X = +1.00

*R. Brown*

*g. m.*

**Subject:** Land at HCL Naini Transferred to NAeL  
**From:** anurag agarawal (anurag\_ald1@yahoo.com)  
**To:** bhowmikak\_hd@yahoo.com;  
**Date:** Wednesday, April 12, 2017 9:52 PM

PFA document regarding transfer of land at HCL Naini to NAeL. Please take permission of CMD/HCL & then forward the same to NBCC Delhi.

From  
UH(AA) HCL Naini

---

### Attachments

- Details of Land Transferred to NAeL wef 1st Feb. 2017.jpg (3.67MB)



ASSETS TRANSFERRED TO NAINI AEROSPACE LIMITED w.e.f. 01.02.2017

**PARTB:**

**Lease Land:**

Sl. No.	Nomenclature of Area	Area	Activity of Area	Plot No.	Present Annual Lease Rent (Rs.)
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2.	Township (90 Yrs. Lease Period commences from 8 <sup>th</sup> July 1987)	10.01 Acres (40523.44 Sq. M)	Open Land as no Township could be developed	Plot no. E-8, E-9, E-10	1001.32
3.	CFC Area (90 Yrs. Lease Period commences from 28 <sup>th</sup> Nov. 1997)	2.98 Acres (12,054.5 Sq. M)	Office & R&D	D-9/1	297.85
Total:		52.62 Acres (2,12,958.42 Sq.M)		Total:	5262.12

Remarks: Lease rent has been paid up to 31.03.2017 by HCLNaini

(Representative of NAeL)  
Transferee

(Representative of HCL)  
Transferor

हिन्दुस्तान केबल्स लिमिटेड

(भारत सरकार का उपक्रम)

पंजीकृत एवं नगम कार्यालय

9, एल्गिन रोड, कोलकाता-700 020, भारत



HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

REGISTERED & CORPORATE OFFICE

9, ELGIN ROAD, KOLKATA-700 020, INDIA

FAX : 2281-3473, PHONES : 2281-7538, 2283-0423, 2283-2762  
email : cmdhclkol@gmail.com, WEBSITE : www.hindcables.gov.in

CORP/CMD/HCL/2017

31<sup>st</sup> January, 2017

**CLOSURE OF HINDUSTAN CABLES LIMITED**

Pursuant to the decision taken by the Union Cabinet in its meeting held on 28.09.2016 for closure of Hindustan Cables Limited (HCL) under Industrial Disputes Act 1947 and pursuant to DPE guideline for time bound closure of sick CPSEs vide OM no. DPE/5(1)/2014-Fin.(Part) dated 07.09.2016 and pursuant to adoption of Cabinet decision for closure by the Board of Directors of HCL in its 337th meeting held on 10.10.2016, the Company has released all of its employees including casual and others from its all establishments at different locations w.e.f. 31.01.2017.

It is informed to all concerned that all establishments of HCL at different locations stand permanently closed with effect from 31.01.2017 under the relevant provisions of the Industrial Disputes Act, 1947. Accordingly, it is clarified that HCL ceases to be an employer w.e.f. 31.01.2017.

All employees and stakeholders may please take note of the above.

( R. C. SEN )

**CHAIRMAN & MANAGING DIRECTOR**

**NOTICE BOARD**

**ALL UNIT HEADS / DEPTT. HEADS OF HCL**

**ALL EMPLOYEES & STAKEHOLDERS OF HCL**

Copy to Shri B J Mohanta, Joint Secretary, DHI for kind information please.



Speed Post, Most Urgent

No. L-51016/05/2017-IR (PG)  
Government of India  
Ministry of Labour & Employment

\*\*\*\*\*

Shram Shakti Bhawan  
Rafi Marg, New Delhi-110001  
Dated:- 8<sup>th</sup> June, 2017

To,

Chairman & Managing Director,  
Hindustan Cables Ltd.,  
9, Elgin Road, Kolkata-700020 (West Bengal).

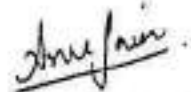
[Kind attention: Shri R.C. Sen]

Subject: - Application for Closure of Rupnarainpur Unit of Hindustan Cables Ltd.  
under Sec 25(O) of Industrial Disputes Act, 1947-regarding.

Sir,

I am directed to refer to Hindustan Cables Ltd.'s application dated 14.03.2017 on the above subject and to enclose herewith a copy of Order dated 31/05/2017 passed by Shri Rajeev Arora, Joint Secretary (Industrial Relations) for necessary action.

Yours faithfully,



(Anu Jain)  
Deputy Director  
Tele: 011- 23473115

*Advisor, HCL*

Copy to:-

1. Chief Labour Commissioner (C), Shram Shakti Bhawan, New Delhi- 110001.
2. The Deputy Chief Labour Commissioner (Central), 19/1, Apcar garden, Asansol-04 (West Bengal). You are requested to inform all concerned unions/workmen/persons.
3. PS to JS (RA)
4. Worker Union (list attached)

Worker Union(s)

(1) Shri Prabir Chatterjee, General Secretary,  
Hindustan Cables Ltd. Men's Union,  
A 1/289 New Colony,  
P.O. Hindustan Cables, Distt.- Burdwan(W.B)  
Pin-713335

(2) Shri Kanjan Sen, Secretary,  
Hindustan Cables's Ex-Officers' Association,  
28/20 Dhakuria Station Road, Kolkata-700031

(3) Shri Subhasis Ghar, General Secretary  
Hindustan Cables Ltd. Karmachari Sangh,  
P.O. Hindustan Cables, Distt.- Burdwan(W.B)  
Pin-713335

**No. L-51016/05/2017-IR (PG)**  
**Government of India**  
**Ministry of Labour and Employment**  
**Shram Shakti Bhawan, Rafi Marg, New Delhi**

**Short Recital of the Case**

The Hindustan Cables Limited, Rupnarainpur Unit, District Burdwan (WB) [in short the HCL Rupnarainpur] through its Chairman and Managing Director sent an application dated 14.03.2017 in Form QA under section 25-O(1) of the Industrial Disputes Act, 1947 (14 of 1947), addressed to the Secretary, Government of India, Ministry of Labour and Employment, Rafi Marg, New Delhi, requesting for the permission of closure of its establishment/undertaking, namely Hindustan Cables Limited, Rupnarainpur Unit, Dist. Burdwan (WB).

2. The application has been examined and kept on record. In the said application, it is stated inter-alia that the reasons stated for proposed closure of the above undertaking / unit in the said application are as follows:-

Hindustan Cables Limited (HCL) was established in the year 1952 and it was the pioneer in the field of manufacturing of telecom cables in the country to cater to the need of the erstwhile Department of Telecommunication (DOT). It had 4 manufacturing units at Rupnarainpur (WB), Hyderabad (Telengna), Naini (U.P) and Narendrapur (WB). Registered office and corporate office of HCL is located at Kolkata. The company's 99.6% equity shares are held in the name of President of India and the remaining 0.4% by Canara Bank Mutual Fund. Due to advent of the wireless technology in the country, the marketability of the product gradually became obsolete and from the year 2006, all the production activities in the company having its units at Rupnarainpur (West Bengal), Hyderabad (Telengna) and Naini, Allahabad (Uttar Pradesh) had to be stalled. Various measures including financial restructuring of the company was made by the Government of India, which ultimately could not work out due to total obsolescence of the products as a worldwide phenomenon. As stated in the application, the company was registered under the Board for Industrial and Financial Reconstruction (BIFR) in 2002 (Case



*h*



No. 505/2002). Thereafter, BIFR declared the Company as a Sick Company in March, 2003.

3. There is no internal generation of fund in the company and employees are paid salary / wages and statutory dues by the interest bearing non-plan loan from Government of India. Union Cabinet in its meeting held on 28.09.2016, has approved closure of the company by offering VRS/VSS (scheme), etc. to its employees. The scheme of VRS was introduced and there was complete response to the said scheme from all the employees and as such all employees have been relieved from the company on 31.01.2017.

4. Further more, the applicant company has submitted that efforts were made for revival of the ailing undertaking by way of conducting studies on revival / restructuring of HCL viz. Draft Rehabilitation Scheme (DRS) prepared by the Operating Agency (OA), State Bank of India (SBI). Technical study by IIT/ Kharagpur - 1st phase, revival and restructuring study made by Tata Consultancy Services and again the second time by IIT / Kharagpur - 2<sup>nd</sup> phase, in order to ensure long term visibility and sustainability of the company. However, ultimately implementation of the proposals did not materialise.

5. There was also a proposal for takeover of physical assets including the employees of HCL by Ordinance Factory Board (OFB) under the Department of Defence Production, Ministry of Defence, Govt. of India in February, 2013, which, however, did not materialise.

6. In compliance with the provision of sub-section (2) of section 25-O of the Industrial Disputes Act, 1947, representatives of the management / applicant and the workmen / trade unions were given opportunity of being heard. Accordingly, a notice was issued upon the management of HCL, Rupnarainpur with a copy to the concerned unions for necessary hearing in the matter fixed on 24.05.2017 at Shram Shakti Bhawan, Rafi Marg, New Delhi. The management of HCL, Rupnarainpur and the representatives of Unions operating in the undertaking attended the hearing as scheduled. The management representative Sh. R.C. Sen, Chairman and Managing Director, submitted that all employees of the undertaking have been relieved from the establishment as on 31/01/2017.



*[Handwritten signature]*

There were only 2 casual workers in Rupnarainpur Unit as on 31/01/2017 who has already been paid retrenchment compensation as per the ID Act, 1947. Further the physical and financial performance of HCL during the last 10 years is as given below:

(₹ In Lakh)

Year	Turnover	Profit/Loss(-)
2005-06	685	(-) 29,528
2006-07	223	(-) 31,065
2007-08	208	(-) 43,498
2008-09	123	(-) 44,535
2009-10	36	(-) 45,932
2010-11	19	(-) 60,739
2011-12	0	(-) 64,827
2012-13	7	(-) 88,505
2013-14	0	(-) 78,188
2014-15	0	(-) 93,299
2015-16(Prov.)	0	(-)109,339

7. The representative of management further submitted that HCL made continuous profit till 1994-95 and paid dividend to the Govt. of India but due to severe competition HCL started making losses. The following efforts were made by the management and Govt. of India to revive the ailing company:-

- (i) Entire net worth of HCL was eroded during the year ending 31/03/2000 and was referred to BIFR during July, 2002 (Reg No. 505/2002) and the Company was declared sick during March, 2003 under the Sick Industrial Companies (Special Provisions) Act, 1985.
- (ii) The Operating Agency IDBI prepared a draft rehabilitation scheme of ₹1,448 crore which was based on unrealistic assumptions, therefore IIT-Kharagpur and Tata Consultancy Services (TCS) were engaged by HCL to conduct a technical study and submitted its report recommending



*[Handwritten signature]*

therein additional cash infusion of ₹195 crore in addition to the ₹ 1,448 crore suggested in the DRS. BRPSE recommended a further holistic study of HCL Unit-wise and Company as a whole should be commissioned through IIT- Kharagpur. Based on said study, BRPSE recommended joint venture partnership either with Public Sector or Private Enterprises, failing which a complete disinvestment. Efforts were made in this regard but were not successful.

In view of the above submission, there is no option available with the management other than to close the HCL, Rupnarainpur Unit.

8. The Office bearers of the Hindustan Cables Limited Mens Union (Reg No. 18283), Burdwan has given written submissions wherein it is stated inter-alia that contribution of PFs of the employees has not been paid, revision of wages due from 1<sup>st</sup> January 1997 was done later on but arrear of wages accrued there on has not been paid to the workers. Pay revision affected from 1<sup>st</sup> January 2007 has not been considered but it is made effective only to the workmen who had opted VRS. The said union has also submitted that, before the application of closure is decided, the issue of pay revision and other payments due to the workmen may be considered by the Government. There are so many dues of workmen pending with the HCL, Rupnarainpur Unit like EL encashment, etc. which should also be settled before the issue of closure is decided.

9. Hindustan Cables Ex-Officers Association, Kolkata has also made written submissions wherein summarily following issues are raised:

- (i) Non payment of arrear arising out of pay scales revision of 1992 and 1997.
- (ii) Corresponding PF dues and
- (iii) Gratuity.

### FINDINGS

10. I have intensively gone through the records and papers available on the file and considered the submission made by the management of HCL, Rupnarainpur and the unions operating in the company / undertaking. I am of the considered



*Rw*

view that for the disposal of the application, the following issues need to be decided by the Government of India:

- (i) Whether the application submitted by the HCL, Rupnarainpur unit under sub-section (1) of section 25-O of the Industrial Disputes Act, 1947 and Rule 76 C(1) of the Industrial Disputes (Central) Rules 1957 for closure of the undertaking is legal, just and proper?
- (ii) If permission for closure is given to the HCL, Rupnarainpur unit by the Government of India, what relief the workmen employed therein are entitled to?

11. In order to answer the above issues, it is necessary at this stage to go through the relevant provisions of Industrial Disputes Act, 1947 and Central Rules, 1957.

As regards the first issue, the application has to be analysed in view of section 25-O of the Industrial Disputes Act, 1947, which lays down the procedure for closing down an undertaking. An employer who intends to close down a unit can submit an application in the prescribed manner. He is required to state the reasons for the intended closure of the undertaking. Admittedly, such an application was submitted. Further, clause (2) of section 25-O reads as under:-

*"Where an application for permission has been made under sub-section (1), the appropriate Government, after making such enquiry as it thinks fit and after giving a reasonable opportunity of being heard to the employer, the workmen and persons interested in such closure may, having regard to the genuineness and adequacy of the reasons stated by the employer, the interests of the general public and all other relevant factors, by order and for reasons to be recorded in writing, grant or refuse to grant such permission and a copy of such order shall be communicated to the employer and the workmen."*

It is obvious, from a perusal of the above quoted provision, that the Government of India has to take a decision after making such an enquiry as it thinks fit and after giving a reasonable opportunity of being heard to the employer, the workmen and persons interested and taking into account the other factors specified therein, as to whether the permission should be granted or refused.



*Ru*



In the case of **Britannia Industries LTD vs Maharashtra General Kamagar Union**, (2009) 3 Mah L J 968 (FB). The Hon'ble High Court of Judicature at Bombay has observed the following while interpreting the Section 25 -O of the Industrial Disputes Act, 1947:

*"The provisions of section 25-O have to be read and construed while keeping in mind two rudiments; Firstly, that to carry on or close a business is a fundamental right of an individual. However, this right can be controlled by specific reasonable restrictions or due safeguards. Secondly, the Industrial Law is primarily intended to create industrial harmony and ensure production and working of industrial units to aid and help the national economy. The scheme of section 25-O proceeds on this premise and is an attempt to secure a balance between the interest and rights of an employer on the one hand and the workmen on the other, without tilting the balance in favour or against a particular interest. One may be free to exercise the right to close a unit but this freedom is regulated by a twin restriction viz. the reasons for closure should be genuine and bonafide and the right could be exercised only in conformity with the provisions of section 25-O."*

As already noticed, it has been found as a fact that the HCL has been incurring losses since 2005-2006 continuously and its net worth has been negative, which indicates that the undertaking has not been showing any sign of recovery besides a number of efforts made by the undertaking as well as by the Government of India, Department of Heavy Industry, New Delhi. As discussed in above paragraphs that the company was referred to BIFR and thereafter rehabilitation scheme was proposed to BIFR but could not become successful.

Efforts were also made for making joint venture with Public Sector Undertaking or Private Enterprises but that also failed.

12. Having heard the arguments and perusing the documents / records submitted by the parties in the matter during the hearing held on 24.05.2017, I am of the considered opinion that the present application has sufficient merit to consider the case of closure of HCL, Rupnarainpur Unit due to the following reasons:-



(i) Due to advent of the wireless technology in the country, the marketability of the product manufactured in the unit gradually became obsolete. Thus non-up gradation of technology with the pace of time led to total obsolescence of the products of Company, which made the company unviable;

(ii) The financial performance of the HCL deteriorated since 1995 onwards and the company has been incurring huge losses;

(iii) The efforts were made to revive the unit by way of revival package, however, in spite of infusion of funds the HCL, Rupnarainpur Unit could not be revived. The losses and liabilities of the unit continuously increased. Production activities of the unit have been stalled since 2006;

(iv) Due to its deteriorated performance, the undertaking was not in a position to make payment of various statutory and non-statutory dues; and

(v) The company has a negative net worth which sounds loud and clear the position that the company is in deep financial difficulty.

13. From the above discussion, it is obvious that the establishment of HCL, Rupnarainpur is beyond revival and the management has no alternative other than to close down the above said undertaking.

The above reasons are in consonance with the principles settled by the Hon'ble Punjab-Haryana High Court in the case of **Bhartiya Steel Company Ltd. vs. State of Haryana**, 1998, Lab IC 464.

14. Furthermore, in the case of **Orissa Textile And Steel Ltd. vs. State of Orissa** And Ors. 2002 (1) SCR 309, the Constitution bench of Hon'ble Supreme Court of India has examined the constitutional validity of section 25-O of the ID Act and made the following observations:-

*"It is section 25-O which gives the power to grant or refuse permission. It would be impossible to enumerate or set out in Section 25-O all different contingencies or situations which may arise in actual practice. Each case would have to be decided on its own facts and on the basis of circumstances prevailing at the relevant time."*



*[Handwritten signature]*

*All that can be set out, in the Section, are guidelines. These have been set out in amended Section 25-O"*

15. As regards the second issue relating to the relief to the workmen engaged in the above undertaking, the workmen are entitled for all statutory dues such as unpaid wages, gratuity, etc.

16. After considering all the relevant facts particularly the genuineness and adequacy of the reasons assigned by the employer for closure after giving an opportunity to the trade unions, I am of the considered opinion that the present application has sufficient merit to grant permission of closure of HCL, Rupnarainpur due to reasons specified above.

**ORDER**

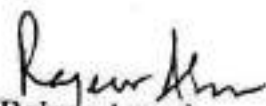
17. In view of the above upshot, the permission of closure of said undertaking is hereby accorded with immediate effect subject to following conditions:-

1. That the applicant/ Management of HCL, Rupnarainpur shall pay all statutory dues such as unpaid wages, gratuity, leave wages, etc. to the workmen.
2. The applicant/ Management of HCL, Rupnarainpur shall pay retrenchment compensation to the retrenched workmen which shall be equivalent to 15 days average pay for every completed year of continuous service or part thereof in excess of six months as per the provisions of Industrial Disputes Act, 1947.

Let a copy of this order be communicated to the Applicant / Employer and the Trade Unions.

Given under my hand and seal on this 31<sup>st</sup> day of May, 2017.



  
(Rajeev Arora)  
Joint Secretary (IR)

Speed Post, Most Urgent

No. L-51016/04/2017-IR (PG)  
Government of India  
Ministry of Labour & Employment  
\*\*\*\*\*

Shram Shakti Bhawan  
Rafi Marg, New Delhi-110001  
Dated:- 8<sup>th</sup> June, 2017

To,

Chairman & Managing Director,  
Hindustan Cables Ltd.,  
9, Elgin Road, Kolkata-700020 (West Bengal).

[Kind attention: Shri R.C. Sen]

Subject: - Application for Closure of Hyderabad Unit of Hindustan Cables Ltd.  
under Sec 25(O) of Industrial Disputes Act, 1947-regarding.

Sir,

I am directed to refer to Hindustan Cables Ltd.'s application dated 14.03.2017 on the above subject and to enclose herewith a copy of Order dated 31/05/2017 passed by Shri Rajeev Arora, Joint Secretary (Industrial Relations) for necessary action.

Yours faithfully,

  
(Anu Jain)

Deputy Director  
Tele: 011- 23473115

  
3/6/17

O/C



Copy to:-

- 8-6-2017
1. Chief Labour Commissioner (C), Shram Shakti Bhawan, New Delhi- 110001.
  2. The Regional Labour Commissioner (Central), ATI Campus, Vidyanagar, Hyderabad-500007. You are requested to inform all concerned unions/workmen/persons..
  3. PS to JS (RA) - *Compld 31.5.17*  
*8/6/17*
  4. Worker Union (list attached)

Worker Union(s)

(1) Shri D. Sanjeeva Reddy, President,  
Hindustan Cables Ltd. Employees Union,  
P.O. Hindustan Cables, Hyderabad-500051  
Grams: HICABLES

(2) Shri N. Bhupal Reddy, President,  
Hindustan Cables Casual Workers Union,  
P.O. Hindustan Cables, Hyderabad-500051

No. L-51016/04/2017-IR (PG)  
Government of India  
Ministry of Labour and Employment  
Shram Shakti Bhawan, Rafi Marg, New Delhi

Short Recital of the Case

The Hindustan Cables Limited, Hyderabad Unit, [hereinafter referred to as HCL, Hyderabad] through its Chairman and Managing Director sent an application dated 14.03.2017 in Form QA under section 25-O (1) of the Industrial Disputes Act, 1947 (14 of 1947), addressed to the Secretary, Government of India, Ministry of Labour and Employment, Rafi Marg, New Delhi, requesting for the permission of closure of its establishment/undertaking, namely Hindustan Cables Limited, Hyderabad Unit.

2. The application has been examined and kept on record. In the said application, it is stated inter-alia that the reasons stated for proposed closure of the above undertaking / unit in the said application are as follows:-

Hindustan Cables Limited (HCL) was established in the year 1952 and it was the pioneer in the field of manufacturing of telecom cables in the country to cater to the need of the erstwhile Department of Telecommunication (DOT). It had 4 manufacturing units at Rupnarainpur (WB), Hyderabad (Telengna), Naini (U.P) and Narendrapur (WB). Registered office and corporate office of HCL is located at Kolkata. The company's 99.6% equity shares are held in the name of President of India and the remaining 0.4% by Canara Bank Mutual Fund. Due to advent of the wireless technology in the country, the marketability of the product gradually became obsolete and from the year 2006, all the production activities in the company having its units at Rupnarainpur (WB), Hyderabad (Telengna) and Naini, Allahabad (Uttar Pradesh) had to be stalled. Various measures including financial restructuring of the company was made by the Government of India, which ultimately could not work out due to total obsolescence of the products as a worldwide phenomenon. As stated in the application, the company was registered under the Board for Industrial and Financial Reconstruction (BIFR) in 2002 (Case No. 505/2002). Thereafter, BIFR declared the Company as a Sick Company in March, 2003.



3. There is no internal generation of fund in the company and employees are paid salary / wages and statutory dues by the interest bearing non-plan loan from Government of India. Union Cabinet in its meeting held on 28.09.2016, has approved closure of the company by offering VRS/VSS (scheme), etc. to its employees. The scheme of VRS was introduced and there was complete response to the said scheme from all the employees and as such all employees have been relieved from the company on 31.01.2017.

4. Further more, the applicant company has submitted that efforts were made for revival of the ailing undertaking by way of conducting studies on revival / restructuring of HCL viz. Draft Rehabilitation Scheme (DRS) prepared by the Operating Agency (OA), State Bank of India (SBI). Technical study by IIT / Kharagpur - 1st phase, revival and restructuring study made by Tata Consultancy Services and again the second time by IIT / Kharagpur - 2<sup>nd</sup> phase, in order to ensure long term visibility and sustainability of the company. However, ultimately implementation of the proposals did not materialise.

5. There was also a proposal for takeover of physical assets including the employees of HCL by Ordnance Factory Board (OFB) under the Department of Defence Production, Ministry of Defence, Govt. of India in February, 2013, which, however, did not materialise.

6. In compliance with the provision of sub-section (2) of section 25-O of the Industrial Disputes Act, 1947, representatives of the management / applicant and the workmen / trade unions were given opportunity of being heard. Accordingly, a notice was issued upon the management of HCL, Hyderabad with a copy to the concerned unions for necessary hearing in the matter fixed on 24.05.2017 at Shram Shakti Bhawan, Rafi Marg, New Delhi. The management of HCL, Hyderabad and the representatives of Unions operating in the undertaking attended the hearing as scheduled. The management representative Sh. R.C. Sen, Chairman and Managing Director, submitted that all employees of the undertaking have been relieved from establishment as on 31/01/2017.

Further the physical and financial performance of HCL during the last 10 years is given below:



*[Handwritten signature]*



(₹ In Lakh)

Year	Turnover	Profit/Loss(-)
2005-06	685	(-) 29,528
2006-07	223	(-) 31,065
2007-08	208	(-) 43,498
2008-09	123	(-) 44,535
2009-10	36	(-) 45,932
2010-11	19	(-) 60,739
2011-12	0	(-) 64,827
2012-13	7	(-) 88,505
2013-14	0	(-) 78,188
2014-15	0	(-) 93,299
2015-16(Prov.)	0	(-) 109,339

7. The representative of management further submitted that HCL made continuous profit till 1994-95 and paid dividend to the Govt. of India but due to severe competition HCL started making losses. The following efforts were made by the management and Govt. of India to revive the ailing company:-

- (i) Entire net worth of HCL was eroded during the year ending 31/03/2000 and was referred to BIFR during July, 2002 (Reg No. 505/2002) and the Company was declared sick during March, 2003 under the Sick Industrial Companies (Special Provisions) Act, 1985.
- (ii) The Operating Agency IDBI prepared a draft rehabilitation scheme of ₹1,448 crore which was based on unrealistic assumptions, therefore IIT-Kharagpur and Tata Consultancy Services (TCS) were engaged by HCL to conduct a technical study and submitted its report recommending therein additional cash infusion of ₹195 crore in addition to the ₹ 1,448 crore suggested in the DRS. BRPSE recommended a further holistic study of HCL Unit-wise and Company as a whole should be commissioned through IIT- Kharagpur. Based on said study, BRPSE recommended joint venture partnership either with Public Sector or



Private Enterprises, failing which a complete disinvestment. Efforts were made in this regard but were not successful.

In view of the above submission, there is no option available with the management other than to close the HCL, Hyderabad Unit.

8. The Office bearers of the Hindustan Cables Limited Union (Reg No. A-115), Hyderabad has given written submissions wherein it is stated inter-alia that payment of arrears arising out of revision of pay scale in 1997 should be made to the workmen of the company as Sh. O.Muni Swamy Reddy and 37 employees paid recently as per court order. The union further stated that since company is being closed, two months wages should be paid as retirement medical expenses on humanitarian ground and casual service of casual labour should be added in the total service for calculation of VRS compensation on humanitarian grounds. Besides other statutory dues should also be paid to the workmen of the company. The union further submitted that the employees staying in township may be allowed to pay nominal rents from April, 2017 and ownership of residential quarters of HCL township may be transferred to all the workmen presently occupying residential quarters in the township.

9. Hindustan Cables Casual Workers Union, Hyderabad (Reg No. A-1058/1985) has made written submission vide its letter dated 24.05.2017 in stating inter-alia that some of our casual workers were taken as permanent employees in the year 1988 and the management of HCL has given assurance that the remaining casual workers will be taken into company rolls but the said assurance was ignored by these subsequent unit heads. Therefore the union requested that benefits of VRS/VSS (scheme) may please be extended to the casual workers on par with regular employees. The Union further stated that the payment of gratuity and leave encashment dues should be paid to all the casual workers immediately.

#### FINDINGS



10. I have intensively gone through the records and papers available on the file and considered the submission made by the management of HCL, Hyderabad and the

*[Handwritten signature]*

trade unions operating in the company / undertaking. I am of the considered view that for the disposal of the application, the following issues need to be decided by the Government of India:

- (i) Whether the application submitted by the HCL, Hyderabad unit under sub-section (1) of section 25-O of the Industrial Disputes Act, 1947 and Rule 76 C(1) of the Industrial Disputes (Central) Rules 1957 for closure of the undertaking is legal, just and proper?
- (ii) If permission for closure is given to the HCL, Hyderabad unit by the Government of India, what relief the workmen employed therein are entitled to?

11. In order to answer the above issues, it is necessary at this stage to go through the relevant provisions of Industrial Disputes Act, 1947 and Central Rules, 1957. As regards the first issue, the application has to be analysed in view of section 25-O of the Industrial Disputes Act, 1947, applies here which lays down the procedure for closing down an undertaking. An employer who intends to close down a unit can submit an application in the prescribed manner. He is required to state the reasons for the intended closure of the undertaking. Admittedly, such an application was submitted. Further, clause (2) of section 25-O reads as under:-

*"Where an application for permission has been made under sub-section (1), the appropriate Government, after making such enquiry as it thinks fit and after giving a reasonable opportunity of being heard to the employer, the workmen and persons interested in such closure may, having regard to the genuineness and adequacy of the reasons stated by the employer, the interests of the general public and all other relevant factors, by order and for reasons to be recorded in writing, grant or refuse to grant such permission and a copy of such order shall be communicated to the employer and the workmen."*

It is obvious, from a perusal of the above quoted provision, that the Government of India has to take a decision after making such an enquiry as it thinks fit and after giving a reasonable opportunity of being heard to the employer, the workmen and



*hu*

persons interested and taking into account the other factors specified therein, as to whether the permission should be granted or refused.

In the case of **Britannia Industries LTD vs Maharashtra General Kamagar Union**, (2009) 3 Mah L J 968 (FB). The Hon'ble High Court of Judicature at Bombay has observed the following while interpreting the Section 25 -O of the Industrial Disputes Act, 1947:

*"The provisions of section 25-O have to be read and construed while keeping in mind two rudiments; Firstly, that to carry on or close a business is a fundamental right of an individual. However, this right can be controlled by specific reasonable restrictions or due safeguards. Secondly, the Industrial Law is primarily intended to create industrial harmony and ensure production and working of industrial units to aid and help the national economy. The scheme of section 25-O proceeds on this premise and is an attempt to secure a balance between the interest and rights of an employer on the one hand and the workmen on the other, without tilting the balance in favour or against a particular interest. One may be free to exercise the right to close a unit but this freedom is regulated by a twin restriction viz the reasons for closure should be genuine and bonafide and the right could be exercised only in conformity with the provisions of section 25-O."*

As already noticed, it has been found as a fact that the HCL has been incurring losses since 2005-2006 continuously and its net worth has been negative, which indicates that the undertaking has not been showing any sign of recovery besides a number of efforts made by the undertaking as well as by the Government of India, Department of Heavy Industry, New Delhi. As discussed in above paragraphs, that the company was referred to BIFR and thereafter rehabilitation scheme was proposed to BIFR but could not become successful.

Efforts were also made for making joint venture with Public Sector Undertaking or Private Enterprises but that also failed.



Having heard the arguments and perusing the documents / records submitted by the parties in the matter during the hearing held on 24.05.2017, I am of the

*[Handwritten signature]*



considered opinion that the present application has sufficient merit to consider the case of closure of HCL, Hyderabad Unit due to the following reasons:-

- (i) Due to advent of the wireless technology in the country, the marketability of the product manufactured in the unit gradually became obsolete. Thus non-up gradation of technology with the pace of time led to total obsolescence of the products of Company, which made the company unviable;
- (ii) The financial performance of the HCL deteriorated since 1995 onwards and the company has been incurring huge losses;
- (iii) The efforts were made to revive the unit by way of revival package, however, in spite of infusion of funds the HCL, Hyderabad Unit could not be revived. The losses and liabilities of the unit continuously increased. Production activities of the unit have been stalled since 2006;
- (iv) Due to its deteriorated performance, the undertaking was not in a position to make payment of various statutory and non-statutory dues; and
- (v) The company has a negative net worth which sounds loud and clear the position that the company is in deep financial difficulty.

13. From the above discussion, it is obvious that the establishment of HCL, Hyderabad is beyond revival and the management has no alternative other than to close down the above said undertaking.

The above reasons are in consonance with the principles settled by the Hon'ble Punjab-Haryana High Court in the case of *Bhartiya Steel Company Ltd. vs. State of Haryana*, 1998, Lab IC 464.

14. Furthermore, in the case of *Orissa Textile And Steel Ltd. vs. State of Orissa And Ors.* 2002 (1) SCR 309, the Constitution bench of Hon'ble Supreme Court of India has examined the constitutional validity of section 25-O of the ID Act and made the following observations:-

*Section 25-O which gives the power to grant or refuse permission. It would be impossible to enumerate or set out in Section 25-O all different contingencies or*



*hu*

*situations which may arise in actual practice. Each case would have to be decided on its own facts and on the basis of circumstances prevailing at the relevant time. All that can be set out, in the Section, are guidelines. These have been set out in amended Section 25-O"*

15. As regards the second issue relating to the relief to the workmen engaged in the above undertaking, the workmen are entitled for all statutory dues such as unpaid wages, gratuity, etc.

16. After considering all the relevant facts particularly the genuineness and adequacy of the reasons assigned by the employer for closure after giving an opportunity to the trade unions, I am of the considered opinion that the present application has sufficient merit to grant permission of closure of HCL, Hyderabad due to reasons specified above.

#### ORDER

17. In view of the above upshot, the permission of closure of said undertaking is hereby accorded with immediate effect subject to following conditions:-

1. That the applicant/ Management of HCL, Hyderabad shall pay all statutory dues such as unpaid wages, gratuity, leave wages, etc. to the workmen.
2. The applicant/ Management of HCL, Hyderabad shall pay retrenchment compensation to the retrenched workmen which shall be equivalent to 15 days average pay for every completed year of continuous service or part thereof in excess of six months as per the provisions of Industrial Disputes Act, 1947.

Let a copy of this order be communicated to the Applicant / Employer and the Trade Unions.



Under my hand and seal on this 31<sup>st</sup> day of May, 2017.

  
(Rajeev Arora)  
Joint Secretary (IR)

**HINDUSTAN CABLES LIMITED**  
**REGD. & CORPORATE OFFICE**  
**1/315, Gariahat Road (Jodhpur Park), Kolkata : 700 068.**

CORP/HCL/2019/106  
December 17, 2019

**OFFICE ORDER**

As instructed by the Competent Authority, all Consultants and Advisers are hereby advised the followings:

- 1) Record of attendance for all to be maintained by the Administrative Section and for the same an appropriate Attendance Register be introduced at the earliest.
- 2) Any unauthorized absence/absence beyond the terms and conditions for engagement will be liable for deduction of consultancy/advisory fees, as appropriate.
- 3) Consultants/Advisers who are heading a section or the Company/any of its units shall have to take prior approval of CMD for any absence and/or for going out of station.
- 4) Consultants/Advisers other than those mentioned in Sl.No. 3 above – prior approval of absence will have to be taken from HoC (with intimation to CMD) after recommendation from concerned Head of the Section/Unit.

This order is issued keeping in view that in normal juncture Consultants/Advisers are contractually not eligible for any absence from duty or leave with pay.

  
17/12/19

(A.K. Bose)  
Adviser (HoC)

**NOTICE BOARD**

Unit Head (RNPR), Unit Head (HYD), Unit Head (Allahabad)  
Consultant (RB)/New Delhi

**Copy to -**

Adviser Finance

CMD/HCL

HINDUSTAN CABLES LIMITED  
REGD. & CORPORATE OFFICE  
KOLKATA

OFFICE ORDER

Ref: CORP/PERS/2019-20/ 14 2

17.01.2020

It is observed from records that, Shri Santosh Kumar Pal, Consultant (SKP) submitted application dated 24.12.2019 for his absence only for a day (i.e. 26.12.2019), though thereafter, he has not joined the office till date. No formal intimation has yet been received in this regard by the Company from Shri Pal or his family members, for official recordings of the reasons for his such prolonged absence.

In such a situation, all concerned are hereby advised that, in case Shri Pal intends to join office after his such prolonged absence, he can be allowed to do so, Only if, so permitted by the Competent Authority on receipt of Shri Pal's written explanation for the absence along with necessary supporting documents, as may be applicable.

This is issued with approval of the Competent Authority.



(T.Roy)  
Consultant

Notice Board at Corporate Office, Kolkata

CC:

1. CMD, HCL
- ✓ 2. Adviser (HoC)
3. Finance Adviser





cmdhcl kolkata &lt;cmdhclkol@gmail.com&gt;

**Status of employees**

1 message

Tue, Mar 2, 2021 at 3:08 PM

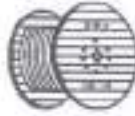
Sonia Kapoor <sonia.kapoor@nic.in>  
To: cmdhclkol <cmdhclkol@gmail.com>

Sir,

As per discussions held in SOM dated 10.02.2020, SHI ordered that the employees details provided by the CPSEs under closure, is required to be Nil by the end of February, 2021. The status will be reviewed by SHI in SOM to be held on 8th March, 2021. The reason for retaining the employees may be explained to SHI during the review meeting. The status of employees in CPSEs under closure may be send with signature of CMD to Corporate Cell at [mailto:vkumar.mv@nic.in | vkumar.mv@nic.in ] and [mailto:sonia.kapoor@nic.in | sonia.kapoor@nic.in ] on 1st March, 2021.

PS to Vijay Kumar,  
Joint Director

हिन्दुस्थान केबल्स लिमिटेड  
(भारत सरकार का उपक्रम)  
नेगम कार्यालय  
फ्लैट नं J-0, गल्फ लिंक एपार्टमेंट  
50, चण्डीतला लेन, कोलकाता 700040



HINDUSTAN CABLES LIMITED  
(A Govt. of India Undertaking)  
CORPORATE OFFICE  
Flat No. J-0, Golf Link Apartment  
50, Chanditala Lane,  
Kolkata 700040.

CIN - L31300WB1952GOI020560

Email: [hindustancablesltd.kolkata@gmail.com](mailto:hindustancablesltd.kolkata@gmail.com)

Website : [www.hindcables.net](http://www.hindcables.net)

CORP/CMD/HCL/2021

Date: 31.03.2021

Pursuant to the decision of the Union Cabinet at its meeting held on 28.09.2016 it was decided that the to close down Hindustan Cables Limited under Industrial Disputes Act 1947. Further to this the activities of the Company was carried out by a team of consultants who were contractually engaged to complete the pending activities relating to closure of the establishment. All contractual and outsourced functionaries engaged by the Company at its different establishments and locations are released with effect from 31.03.2021.

A small group of consultants "Closure Group of HCL" will function under the control of Director (Personnel) Anderw Yule and Company.

All Consultants/ Unit Heads / Advisers of the Company may take note of the above for necessary action at their end and intimate to all concerned stakeholders.

  
(K. Mohan)  
Chairman and Managing Director

#### NOTICE BOARD

All Consultants, Unit Heads, Advisers of HCL

All Security service providers engaged by HCL .

All security personnel employed by security service providers for HCL work.

All stakeholders of HCL

Copy to :

Department of Heavy Industry (DHI), New Delhi

# **HINDUSTAN CABLES LIMITED**

Details of employees of CPSEs (operational/ Closure/ Liquidation / Non-Operational) under DHI as on 01.04.2021

Name of CPSEs	Present status of CPSEs. (Operational/Closure/Liquidation / Non-Operational)	Employees (In numbers)			Remarks
		Regular	Contractual	Outsourced	
HINDUSTAN CABLES LIMITED	Under closure and non-operational.  Trying to complete the formalities for liquidation / winding up as directed by the Union Cabinet.	Nil	Nil	Nil	NA

For Hindustan Cables Limited

Yours faithfully,

  
(K. Mohan)  
Chairman and Managing Director  
(Additional Charge)

Place : Kolkata

Date: 31.03.2021