

district. Two Letters of Intent have been issued and the remaining three applications were rejected.

(e) The details of concessions/incentives admissible to entrepreneurs for setting up industries in 'No Industry Districts', are given in the booklet on "incentives for industries in backward Areas (Central Government and Central Financial Institutes) April, 1984" read with this Ministry's Press Note No. 14/2/83-DBA-I dated 9.4.1985, copies of which are available in Parliament Library.

Performance of H.M.T. Ltd.

1701. SHRI H. B. PATIL : Will the Minister of INDUSTRY be pleased to state :

(a) whether there has been a decline in the performance of the HMT Ltd. during the last three years;

(b) if so, the extent thereof, year-wise;

(c) the production during 1985-86 as against the target fixed by the Government; and

(d) whether Government have identified the causes for the decline in the performance of the HMT and also steps taken to improve its working ?

THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES (PROF. K. K. TEWARY) :
(a) to (d). A statement is attached.

Statement Referred to in reply to parts (a) to (d) of Lok Sabha Unstarred Question No. 1701 for 29.7.1986

The figure of actual production, sales and profit (before tax) for the last three years are given below :

(Rs. in Crores)

Year	Production	Sales	Profit (before tax)
1983-84	307.42	323.01	32.53
1984-85	333.14	324.80	23.45
1985-86	360.29	362.88	8.00

The actual production during 1985-86 was Rs. 360.29 crores as against a target of Rs. 393.15 crores.

Unsatisfactory performance of the Machine Tools Division and Lamp Division, higher interest payments that the company had to bear during the last few years due to long gestation investments made in the Sixth Plan period, general revision in wages and dearness allowance and upward

revision of the Bonus Act limit and dearness allowance neutralization rates, particularly in 1985-86, were among the factors responsible for the fall in profitability. A plan has been drawn up for rehabilitation of the Lamp Division. In the Machine Tools Division, plant modernization and product diversification has already been taken up.