

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

UNSTARRED QUESTION NO:416
ANSWERED ON:25.02.2000
HMT, AJMER .
RASA SINGH RAWAT

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

e:

- (a) the efforts being made by the Government to upgrade, revive and expand Ajmer Unit of Hindustan Machine Tools and to make it capable of earning profits;
- (b) the reasons for which this unit has been incurring losses;
- (c) the number of employees of the said unit who have been made to retire under the Voluntary Retirement Scheme;
- (d) whether all retirement benefits were provided to them;
- (e) if not, the reasons therefor;
- (f) whether the Government have received any representations from the different organisations in this regard; and (g) if so, the action taken by the government thereon?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(DR. VALLABHBHAI KATHIRIA)

(a) A turnaround plan of HMT envisaging financial, organisational and manpower restructuring for making it more competitive in the present environment is under consideration. This plan would improve profitability of the Company including that of its Ajmer Unit.

(b) The main reasons for losses of Ajmer Unit are as under:

q The product line of this Unit consists mainly of Grinding Machines which are in a highly competitive market, both domestic/global.

- The market itself has been sluggish - Surplus manpower resulting in high personnel costs. - High interest burden

(c) The number of employees of Ajmer Unit who opted for Voluntary Retirement Scheme (VRS) since October, 1992 is 249.

(d) Ex.gratia, gratuity, provident fund, leave encashment, etc. in respect of employees of Ajmer Unit who opted for VRS have since been paid. Amount payable on account of notional pay revision w.e.f. 1.1.1992 has not been paid to any employee of the Company, serving or retired.

(e)to(g): Representations have been received on the issue of non-payment of arrears of pay on account of notional pay revision w.e.f. 1.1.1992. However, payment of arrears of pay on account of notional pay revision w.e.f. 1.1.1992 has been deferred till the financial position of the Company improves, as agreed to by the employees.