

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

UNSTARRED QUESTION NO:3532
ANSWERED ON:15.12.2011
DUES OF RETIRED EMPLOYEES OF HEC
Namdhari Shri Inder Singh

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

- (a) whether the Government is aware that thousands of retired employees of Heavy Engineering Corporation (HEC) are agitating for their arrear of pay revision from 1997 up to 2008;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government to pay the said employees their genuine dues?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a): The 1997 pay revision was implemented in HEC with prospective effect from 18.9.2008. Retired employees of HEC, through their associations, have been asking for implementation of pay revision from 1.1.1997 and payment of arrears thereon.

(b): HEC was a chronically sick company and the BIFR in its order dated 6.7.2004 had recommended winding up of the Company under Section 20(1) of SICA, 1985. The order of the BIFR was challenged in the Jharkhand High Court and a revival plan was subsequently approved by the Government of India and the State Government. In terms of the revival package recommended by the BRPSE Government of India has provided Rs. 102 cr to the Company and waived outstanding loans of the company totaling to Rs. 1101 cr.

The 1997 pay revision was implemented with prospective effect by the Company as it did not fulfil the criteria for implementation of pay revision w.e.f. 1.1.1997.

The company is still having accumulated losses of Rs. 903.20 cr and its net worth is negative and is not in position to meet the financial burden of implementation of pay revision w.e.f. 1.1.1997.

(c): In view of the above, the question of payment of arrears on account of 1997 pay revision to the employees of HEC does not arise.