

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

UNSTARRED QUESTION NO:4538  
ANSWERED ON:20.12.2012  
SICK UNITS OF HMT  
Dias Dr. Charles;Rao Shri Sambasiva Rayapati

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

- (a) whether the Government is aware that Hindustan Machine Tools, a Public Sector Undertaking is struggling to survive and their employees are denied pay revision since 1995;
- (b) if so, the steps Government is going to take to revise the pay of employees of HMT factory at Kalamassery, Kerala, which is running in profit;
- (c) whether the Government has received any proposal from Board for Reconstruction of Public Sector Enterprises to revive HMT;
- (d) if so, the details thereof and the action taken to revive the sick units of HMT; and
- (e) the present status of subsidiaries under HMT particularly in Andhra Pradesh?

**Answer**

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

- (a): Yes, Madam. All HMT Group of Companies except HMT International Ltd., are chronically loss making companies. The 1997 pay revision could not be implemented as these loss making companies are not in a position to generate resources internally to bear the extra cost on account of such pay revision as required under the guidelines issued by Department of Public Enterprises (DPE) in this regard.
- (b): HMT factory at Kalamassery in Kerala is a unit of HMT Machine Tools Ltd. and the pay revision of the employees of a unit cannot be considered in isolation. Since HMT Machine Tools Ltd. is a loss making company and is not in a position to bear the extra cost through internal generation, it cannot adopt pay revision as per DPE guidelines.
- (c) & (d): Board for Reconstruction of Public Sector Enterprises (BRPSE) has recommended revival of HMT Ltd. As regards the other sick units of HMT Group companies, a revival plan has been mooted for HMT Bearings Ltd. and sent to BRPSE for its consideration and approval. As regards HMT Machine Tools Ltd., a consultant has been appointed to make recommendations for revival with a firmed up business plan or otherwise.
- (e): The subsidiaries or units of subsidiaries of HMT Ltd. located in Andhra Pradesh are HMT Machine Tools Ltd. & HMT Bearings Ltd. The status of these subsidiaries has been given in reply to parts (c) & (d).