

**COMMITTEE ON PUBLIC
UNDERTAKINGS
(1982-83)**

(SEVENTH LOK SABHA)

FIFTY-FOURTH REPORT

ON

**Action taken by Government on the recom-
mendations contained in the Twenty-Eighth Report
of the Committee on Public Undertakings (Seventh
Lok Sabha)**

ON

HMT LTD.—TRACTORS DIVISION

(MINISTRY OF INDUSTRY—DEPARTMENT OF HEAVY
INDUSTRY)

4 NO. 1982



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(SEVENTH LOK SABHA)

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**COMMITTEE ON PUBLIC UNDERTAKINGS
(1982-83)**

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Dr. D. N. Gadhok—*Chief Financial Committee Officer*

Shri S. C. Gupta—*Senior Financial Committee Officer.*

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PUBLIC UNDERTAKINGS**

(1982-83)

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6. Shri Pratap Bhanu Sharma
7. Shri Satyendra Narain Sinha
8. Shri J. P. Mathur
9. Shri Syed Sibtey Razi

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Fifty-fourth Report on Action Taken by Government on the recommendations contained in the 28th Report of the Committee on Public Undertakings (Seventh Lok Sabha) on HMT Ltd.—Tractors Division (Ministry of Industry—Department of Heavy Industry).

2. The 28th Report of the Committee on Public Undertakings was presented to Lok Sabha on 24 December, 1981. Replies of Government to all the recommendations contained in the Report were received on 2 July, 1982. The Replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 5 October, 1982. The Report was finally adopted by the Committee on Public Undertakings on 8 October, 1982.

3. An analysis of the Action Taken by Government on the recommendations contained in the 28th Report of the Committee is given in Appendix.

NEW DELHI;
October 20, 1982.
Asvina 28, 1904 (Saka).

MADHUSUDAN VAIRALE,
Chairman,
Committee on Public Undertakings.

CHAPTER I

REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Twenty-Eighth Report (Seventh Lok Sabha) of the Committee on Public Undertakings on H.M.T. Ltd.—Tractors Division which was presented to Lok Sabha on 24 December, 1981.

2. Action Taken notes have been received from Government in respect of all the 10 recommendations contained in the Report. These have been categorised as follows:—

- (i) *Recommendations/Observations that have been accepted by Government:*

Serial Nos. 1 to 8

- (ii) *Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:*

Serial Nos. 9 and 10.

- (iii) *Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:*

NIL.

- (iv) *Recommendations/Observations in respect of which final replies of Government are still awaited:*

NIL.

The Committee will now deal with the action taken by Government on one of their recommendations.

NEED FOR IMPROVING PERFORMANCE OF HMT TRACTOR DIVISION

Recommendation No. 7

3. The Committee had observed that on the whole they received an impression that the cost of production of HMT tractors was very high on account of underutilisation of men and machines, large scale purchase of components from far and wide at high cost and heavy overheads. The expected rate of net return of 10.8 per cent on gross capital was yet to be realised. The Committee had desired a critical review of the position on

the basis of the study of the BICP in order to take timely steps to ensure that the tractors division of the HMT was put on a sound footing without recourse to frequent upward price revision.

4. In reply, the Government have stated that in some years in the past, utilisation of manpower and machines in HMT's tractor division was low. This was largely on account of factors like heavy powercuts, disruption and delay in the supply of critical bought-outs, depressed market demand for tractors owing to drought situation in the Northern States and labour strike. The strike, apart from general inflationary pressures in the economy and sales promotion on introduction of new tractor models, pushed up the overheads. These constraints, have, by now, been mostly overcome and with record production of tractors in 1981-82 utilisation of the installed capacity in HMT's tractor factory has gone up to 96 per cent.

5. It has been further stated by the Ministry that the study by the BICP, referred to by the Committee, was in respect of the entire tractor industry. However, following are some of the points on which HMT needs to pay closer attention in the light of the observations made by the BICP:—

- (i) Need to cut down material waste and machine shop rejection in respect of castings and forgings by modifying, if necessary, the design of cylinder head and gear box housing;
- (ii) Enforcement of more rigorous quality control measures by ensuring that all parts are fitted to the tractor by the time they roll out of the assembly line;
- (iii) Increasing the warranty period of the tractor in line with the steps taken in this connection by certain tractor manufacturers.

6. BICP has also identified the following areas for R&D work by the tractor industry in general:—

- (a) Simplification and standardisation of tractor parts by application of value engineering and evaluation of standard design by joint action of the tractor manufacturing units;
- (b) Introduction of direct injection diesel engines and better matching of fuel injection pump with engine;
- (c) Improvement of engine cooling;
- (d) Reduction of noise level of tractors;
- (e) Better design of air-cleaner to reduce oil pull-over;

- (f) Improvement of puddling performance of tractors to make them more suitable for wet land cultivation.

HMT has been advised to take suitable action on these points and to continue efforts for further improving the overall performance of HMT Tractor Division in the coming years.

7. The Committee hope that the action taken by the HMT Ltd. on the suggestions made by the Bureau of Industrial Costs and Prices as well as on the instructions issued by the Ministry in pursuance of the recommendations of the Committee would be monitored and reviewed periodically by the Ministry to ensure better overall performance of HMT Tractor Division.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1)

The HMT Ltd., incorporated as a machine tools enterprise in 1953, later diversified its products mainly to cover watches and tractors. As regards taking up production of tractors from the 70's, the Committee were informed that tractors being an item of vital interest in an important sector of the economy, i.e. agriculture, it was thought that it would be useful to have one public sector unit which could make contribution in controlling the prices and maintaining the quality through competition. The Committee's examination of the Tractors Division of the HMT, however, revealed that this objective is yet to be realised.

(Para 1 of Part II)

Reply of Government

The extent to which HMT has been able to realise the objectives referred to by the Committee can be assessed only by comparing the production, prices and quality of HMT Tractors with those of the other manufacturers in this line. The prices and quality of HMT tractors compare by and large favourably with those of the makes of most of the other manufacturers. Also, with technological improvements, HMT's production of tractors is steadily growing. The production of HMT tractors which was 8,105 in 1980-81, increased to 10,784 in 1981-82. The production target for HMT tractors in 1982-83, is 12,000. It is hoped that with higher levels of production, JIMT's contribution in this regard will be more effectively felt in the coming years.

2. Government have advised HMT to keep the observations of the Committee in view and make concerted efforts to increase the production of tractors and bring about suitable technological improvements so as to achieve the twin objective of controlling prices and maintaining quality through competition in the coming years. The text of Department of Heavy Industry letter No. 19-2/81-MT, dt. 30-6-82 addressed to HMT Limited is reproduced below :

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2-81 MT dated the 30th June, 1982, from Shri M. P. Gupta, Under Secretary

to the Managing Director HMT Ltd. 36, Cunnigham Road, Bangalore—560052 regarding 28th Report of the Committee on HMT—Ltd.—Tractors Division. . .

I am directed to say that the Committee on Public Undertakings in their above-mentioned Report have observed as follows:—

“The HMT Ltd., incorporated as a machine tools enterprise in 1953 later diversified its products mainly to cover watches and tractors. As regards taking up production of tractors from the 70's, the Committee were informed that tractors being an item of vital interest in an important sector of the economy, i.e. agriculture, it was thought that it would be useful to have one public sector unit which could make contribution in controlling the prices and maintaining the quality through competition. The Committee's examination of the Tractors Division of the H.M.T., however, revealed that this objective is yet to be realised.

2. It has been noted that prices of HMT tractors, by and large, continue to be lower than those of the models of most other manufacturers. Government would, however, like HMT to keep in view the observations of the Committee and make concerted efforts to increase production of tractors and bring about suitable technological improvements so as to achieve the twin objective of controlling prices and maintaining quality through competition in coming years.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT, dated the 20-6-1982].

Recommendation (Serial No. 2)

Although the HMT took up assembly of tractors in May 1971 under a foreign collaboration, a detailed project report was submitted to Government only in June 1972 and it was approved in March 1974. The Committee have already dealt with the delays in approval of project proposal of public undertakings in their Twenty-seventh Report (1981-82). They hope that the project clearance procedure would be streamlined to ensure that normally decision on project proposals is taken within a period of six months.

(Para 2 of Part II)

Reply of Government

Government agree with the Committee that normally decision on project proposals should be taken within a period of six months. In pursuance of the Committee's recommendation on this subject contained in their Twenty-Seventh Report (1981-82), the matter has also been examined by the

Ministry of Finance (Department of Expenditure), who have issued fresh instructions to ensure this. The text of the instructions No. F.1(3)/PF-II/82 dated 31-3-1982 issued in this matter is (reproduced below) for ready reference.

Ministry of Finance (Department of Expenditure—Plan Finance Division), O.M. No. v(3)PF-II/82 dated the March 31, 1982 from Shri K. P. Geethakrishnan, Joint Secretary to All Ministries and Departments of Government of India Cabinet Secretariat/Prime Minister Office/Secretary Planning Commission/D.G., B.P.E., All Financial Advisers regarding expeditious clearance of project proposals.

It has been noticed by the Committee on Public Undertakings that a public sector project took 21 months for being sanctioned. While commenting upon the delay, the Committee suggested streamlining of the project clearance procedure in order to ensure expeditious scrutiny of project proposals, and observed that normally not more than six months should be taken to arrive at a decision on a project proposal of a public undertaking.

2. Attention is invited in this connection to the instructions issued for scrutiny of project proposals in this Ministry's O.M. No. F.3(1)-E(Coord)/76 dated 20-11-76. According to these instructions, the administrative Ministries are required to circulate the Feasibility Report/Memorandum for Expenditure Finance Committee for their comments. The appraising agencies were required to furnish their comments within a period of six weeks. In order to improve the procedure and to speed up investment decisions, instructions were again issued in this Ministry's O.M. No. F. 1(18)/PF-II/78 dated 23-11-78 according to which the period of six weeks for giving comments by the appraising agencies was reduced to 15 days in EFC cases and one month in PIB cases from the date of receipt of the Feasibility Report/EFC Memorandum. O.M. dated 20-11-1976 provides that if no comments are received within the stipulated period, it would be presumed that they have none to offer and the administrative Ministry/Department should process the proposal further in consultation with its Financial Adviser. Apparently, in the case pointed out by the Committee on Public Undertakings, the prescribed procedure was not followed. The appraising agencies and the administrative Ministries are again requested to follow the prescribed procedure and to ensure that the project proposals are processed expeditiously. It should be ensured that a project does not normally take more than six months to arrive at a decision. In order to ensure this, a monitoring system should be devised in each Ministry for watching the progress of individual projects. The appraising agencies in their turn, should also devise a system for keeping watch on the issue of comments within the prescribed period on every project proposal.

3. Ministries of Agriculture etc. are requested to note these instructions and also bring them to the attention of the public enterprises under them suitably.

4. The Hindi translation of this O.M. is being issued separately.

[Ministry of Industry—Department of Heavy Industry
No. 19-2/81-MT, dated the 30-6-1982]

Recommendation (Serial No. 3)

The HMT at present manufactures tractors in the horsepower ranges of 25, 35 and 58. The company introduced a 55 HP tractor (HMT Zetor 5711) in 1977-78 but abandoned it in 1980-81 after assembling mostly out of imported components and selling 2490 tractors and took up manufacture of 58 HP tractor (HMT Zetor 5911). The Committee do not appreciate frequent changes of models, which is bound to create serious repairs and maintenance problems for the users. They have, however, been informed that the change was attended by a technological upgradation which resulted in reduction of engine smoke rate, economy in specific fuel consumption and improvement in durability, safety and performance of the tractors. The Committee would nevertheless like the company to ensure that the users of the earlier model are not in any way handicapped in regard to repairs and maintenance atleast for a period of 10 years.

(Para 3 of Part II)

Reply of Government

HMT's Tractor Division, since its inception in 1971, has undertaken manufacture of four different tractor models, viz. 2511, 3511, 5711 and 5911. So far, only one model (5711) has been replaced by its improved version i.e. 5911, by way of technological upgradation. The percentage of common components between 5711 and 5911 models is 84 per cent of model 5911 by value. In terms of number, the uncommon components are only eighteen. HMT has suitable arrangements for making spares available to users of 5711 tractors by maintaining adequate stock of these parts, both imported and indigenous. Out of a total stock of spares, valued at about Rs. 10 lakhs, maintained for model 5711 tractors, the value of uncommon items is about Rs. 6 lakhs and this stock is replenished periodically in tune with market demand. In the case of Gear Box and Transmission Housing components, forgings are mostly common to both the models. Uncommon components are manufactured by machining the forgings differently. Such forgings for 5711 tractors have been developed indigenously and HMT has started their manufacture. With these arrangements, users of 5711 tractors are not likely to be handicapped in the matter of repairs and maintenance for a period of 10 years.

2. While it is necessary for tractor manufacturers like HMT to continue efforts to improve the quality and operational efficiency of tractors by way of technological upgradation, Government agree that users of earlier models should not be handicapped in regard to repairs and maintenance. Instructions have been issued to HMT vide Department of Heavy Industry letter No. 19-2/81-MT dated 30.6.82 (reproduced below) to ensure this.

Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81—MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36 Gunningham Road, Bangalore-560052 regarding 28th Report of the Committee on HMT Ltd.—Tractors Division.

I am directed to say that in their 28th Report (Recommendation No. 3) on HMT Tractor Division, the COPU have recommended that HMT should ensure that the users of HMT Zetor 5711 model tractors are not in any way handicapped in regard to their repairs and maintenance at least for a period of 10 years. It is observed from HMT's reply that arrangements have been made by them for making imported and indigenous parts of model 5711 tractors available to users of these tractors by maintaining sufficient stock of these parts with them and users of 5711 tractors will not in any way be handicapped in regard to repairs and maintenance for a period of 10 years.

2. Government have considered the matter and it has been decided to accept the recommendation of the Committee. While efforts may continue to be made by HMT to bring about technological improvements in different tractor models manufactured by the Company with a view to increasing their operational efficiency, steps should be taken at the same time to ensure that after modifications/replacement necessitate by technological upgradation, the users of earlier models are not handicapped in regard to repairs and maintenance during the period of normal life of such tractors.

[Ministry of Industry—Department of Heavy Industry No. 19-2-81-MT, dated the 30-6-1982].

Recommendation (Serial Nt. 4)

In view of the energy crisis created by the unprecedented increase in the petroleum prices, it is necessary to economise on the use of petroleum products. It is, therefore, disappointing to find that the specific fuel consumption of all the models of HMT tractors is the highest compared to that of the competitor's products except in the case of the 58 HP tractors. The Committee, therefore, suggest that concerted R&D efforts should be

directed towards making such modifications in the designs of these tractors as are possible to reduce the fuel consumption to a level least among the indigenous tractors in consultation with export organisations in the field.

(Para 4 of Part—II)

Reply of Government

Specific fuel consumption is no doubt an important consideration but it is not the only measure of performance of a tractor which can be designed with various parameters. One of the important parameters is the drawbar pull, that is, the capability of the tractor to pull the implements in the field and trolly on the road. The drawbar pull of HMT tractors is the best as is evident from the following:—

HP Range	Tractor Model	Drawbar pull (Max) in Kgs. at 15% slip
18 - 25 HP	HMT 2511	1840
	Harsha T25	960
	Swaraj	1240
	Eicher	1400
30 - 40 HP	HMT 3511	1950
	Swaraj 735	1600
	Escorts 335	1690
	MT 1035	1800
	International B275	1690

(SOURCE : Budni Test Reports)

2. Further, fuel consumption of similar tractors can be compared taking into consideration oil consumption oil consumed in terms of litre/hectare, that is, the quantity of diesel oil required for ploughing one hectare of land. In the case of HMT tractors of 25/35 HP range, the diesel oil consumption in terms of litre/hectare is lower than that of most models of other manufacturers as indicated below:—

Tractor Model	Diesel Oil consumed in Ltrs/hectare
HMT 2511	11.62
Harsha T25	8.86
Swaraj 724	13.94
Eicher	17.52
HMT 3511 (undertest)	22.61
Swaraj 735	18.13
Escorts 335	23.87
MF 1035	23.97
International B 275	29.98

(SOURCE : Budni Test Reports)

3. Even so, HMT are conscious of the need to further reduce fuel consumption in their tractors. They have identified suitable R&D programmes for this purpose and have already taken in hand preparation and testing of prototype of modified 2-cylinder and 3-cylinder engines designed for greater fuel efficiency. Commercial production of tractors fitted with such modified engines would be taken up soon after successful testing and verification of results in the field. The Company has been asked to intensify R&D efforts with a view to bringing down the fuel consumption of HMT tractors to a level least among indigenous tractors. The text of Department of Heavy Industries letter No. 19-2/81-MT, dated 30.6.82 addressed to HMT Limited is reproduced below:

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81-MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36 Gunningham Road, Bangalore-560052 regarding 28th Report of the Committee on HMT Ltd.-Tractors Division.]

I am directed to say that the Committee on Public Undertakings (COPU) in their above mentioned report have *inter-alia* recommended as follows:—

“In view of the energy crisis created by the unprecedented increase in the petroleum prices, it is necessary to economise on the use of petroleum products. It is, therefore, disappointing to find that the specific fuel consumption of all the models of H.M.T. tractors is the highest compared to that of the competitors products except in the case of the 58 HP tractor. The Committee therefore, suggest that concerted R&D efforts should be directed towards making such modifications in the designs of these tractors as are possible to reduce the fuel consumption to a level least among the indigenous tractors in consultation with expert organisations in the field.”

2. It has been noted that while the drawbar pull and the diesel oil consumption in terms of litre/hectare of HMT tractors compare favourably with those of the tractors of other manufacturers, in the case of specific fuel consumption, HMT tractors are at a disadvantage at present. It has also been noted that HMT has initiated several measures for bringing about greater fuel efficiency in these tractors. Government expect the Company to

intensify their R&D efforts with a view to reducing fuel consumption of HMT tractors to a level least indigenous tractors.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT, dated 30-6-1982].

Recommendation (Serial No. 5)

The Committee have been informed that prior to October, 1974 there was statutory control on the selling price of tractors and that thereafter upto February, 1979 prior approval of Government was necessary before any revision of price was effected by HMT. Government decided in March, 1979 that future price increase would be determined by the HMT itself. However, price surveillance and control on distribution and sale still exist in respect of three preferred makes of tractors viz. MF. 1035(35HP), TAFE-504 (50HP) produced by M/s. Tractors & Farm Equipment Ltd., Madras and Ford 3600(46HP) produced by M/s. Escorts Tractors Ltd., Faridabad. The Committee regret that despite the HMT being in the field of tractor manufacture for a decade now, none of its products could be said to belong to the 'preferred make' category. On the contrary there have been vast increases in the selling price of its products after the removal of statutory control on it, and such increases would certainly result in the prospective users shying away further from patronising the HMT. Whatever the reason for the removal of statutory control, the Committee feel strongly that ensuring the cost efficiency and reasonableness of the price charged by all the manufacturers is a must. The Committee learn that on a request of the Department of Heavy Industry, the Bureau of Industrial Costs and Prices (BICP) has undertaken a detailed examination of the tractor industry as a whole and that its report is under examination. The Committee would await the result of the examination.

(Para 5 of Part II)

Reply of Government

When the Price Surveillance Scheme for tractors was restricted to only three models, namely MF-1035, (35HP), Ford 3600 (46HP) and TAFE-504 (25HP); revision of price for that tractor required prior approval of Govt. The only tractor model HMT was producing at that time was Zetor 2511 (25HP); revision of price for that tractor required prior approval of Government. It was, therefore, not necessary to bring the HMT tractor under the Price Surveillance Scheme applicable to the three models in the HP ranges 35 to 50 mentioned above, which happened to be preferred makes in their respective horse power range and had an established name.

2. HMT released tractors of higher HP range (Models 5711/5911) in 1978. During the period 1977 to 1981 while HMT's market share in tractors of this HP range went up from zero to 7.3 percent, the market share

for Ford-3600 came down from 66.15 per cent in 1977 to 56.55 per cent in 1981, and that of TAFE-504 from 3.05 per cent to 0.03 per cent during the same period. In the case of tractors of 35 HP range, HMT brought out their own model-3511 in 1979. While HMT's share of the market in this HP range increased from zero in 1978 to 13.94 per cent in 1981, the market share of MF-1035 declined from 21.9 per cent in 1978 to 18.03 per cent in 1981. HMT tractors may not, therefore, be under-estimated in terms of market acceptability on the ground that they are not covered by the Price Surveillance Scheme.

3. HMT, being a public sector enterprise, has to exercise self-discipline in pricing its products. During the period 1974 to 1981 HMT's wage costs went up by 142 per cent and the cost of major inputs and components for tractors like plates and sheets, bars and rods, bolts and nuts, axles and wheels, starters, hoses, tyres, tubes etc. registered a sharp increase ranging between 83 per cent and 117 per cent. Increase in the price of HMT Zetor 2511 tractors, however, was only 73 per cent during the period as against 103 per cent in the case of Ford-3600 and 118 per cent for MF-1035.

4. The Committee have apprehended loss of potential customers by HMT owing to sharp increase in the price of its tractors. The foregoing analysis would show that increase in the selling price of HMT tractors cannot be considered excessive, nor has HMT suffered any loss in terms of market coverage. On the other hand, HMT has exercised considerable self-discipline in the fixation of prices of its tractors and has also steadily increased its market share.

5. As regards cost efficiency and reasonableness of prices of indigenous tractors, the report submitted by the Bureau of Industrial Costs and Prices (BICP) has been considered by Government. Examination of the report reveals that growth in tractor production in the country has, by and large, kept pace with demand, and that capacity utilisation of the industry has risen from 63 per cent in 1972-73 to 86 per cent in 1980-81. The report brings out the point that price increases of various models of tractors have been largely due to increase in the cost of inputs *i.e.* raw materials along with semi-finished and finished bought out components which account for by far, the major part of the total cost of production of tractors. BICP have *inter alia* recommended that there is no case for formal price control on tractors, as a rigid control system may only prevent innovation and improvements. BICP have also recommended that given a choice between a completely free and competitive system and some form of surveillance, the continuance of surveillance scheme is desirable so that tractor manufactures do not exploit any temporary situation of imbalance between demand and supply. Government agree with BICP that there is no necessity for statutory

control on the price of tractors. Government have also decided that the present scheme of price surveillance should continue and the matter be reviewed after a year.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT, dated the 30-6-1982].

Recommendation (Serial No. 6)

The Committee would refer to the price increases in regard to HMT tractor, Zector 2511. The statutory prices fixed by the Government in 1973 was Rs. 23,650 as against Rs. 27,720 for the comparable private sector tractor, Eicher 241. However, the prices of these tractors were stated to be Rs. 53,183 and Rs. 43,470 respectively as on 10th July, 1981. Thus the HMT tractor which was cheaper by Rs. 4100 in 1973 has become costlier by Rs. 9700. That this differential is on account of the indigenisation of the components of the HMT tractor does not convince the Committee. Despite the vast increase, the average selling price of the HMT tractor was always less than the average cost of production during the period 1975—80.

This clearly indicates cost inefficiency. The Committee are of the view that consistent with the objective with which the HMT was allowed to produce tractors, the selling price ought to be somewhat less than that of the comparative products of the competitors in the private sector.

(Para 6 of Part II)

Reply of Government

Comparison between any two models could appropriately be made when the models compared have similar features. HMT tractor, Zector 2511, has a number of additional features compared with Eicher 241. The latter has a single cylinder engine and is not fitted with electrical like battery, self-starter. Its performance in respect of hydraulics, speed, etc. is also not reported to be as good.

2. In 1973 the price of HMT Zector 2511 was lower because the imported packs used at that time were cheaper compared to the indigenous ones. If features and market acceptability had been the criteria in fixing prices at that time, HMT's Zector 2511 could have been priced substantially higher in 1973. This policy was not adopted as the imported packs were cheaper and the benefit was passed on to the users.

3 The average selling price of the HMT tractor has no doubt been less than the average cost of production but this may not be attributed to cost inefficiency. The input costs were high because of the features inherent in the design of the tractor model, and the additional cost of inputs was not being fully recovered by way of increased selling prices. The excess of

average cost of production over the average selling price which was as high as Rs. 10241/- in 1976-77 has however come down to Rs. 1287/- in 1980-81.

4. In terms of prices and quality, HMT's various tractor models compare favourably with those of other manufacturers. Government, however, agree that efforts should be further intensified by the Company to ensure greater cost effectiveness, and that on a like-to-like basis, the objective should be that the prices of the HMT tractors are somewhat lower than those of the competitors in the private sector. The text of Department of Heavy Industry letter No. 19-2/81-MT, dated the 30.6.82 addressed to HMT is reproduced below:

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81-MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36 Gunningham Road, Bangalore-560052 regarding 23th Report of the Committee on HMT Ltd.- Tractor Division.]

I am directed to say that the Committee on Public Undertakings (COPU) in their above mentioned Report have *inter-alia* recommended as follows:—

“The Committee would refer to the price increases in regard to HMT tractor, Zetor 2511. The statutory price fixed by the Government in 1973 was Rs. 23,650 as against Rs. 27,720 for the comparable private sector tractor, Eicher 241. However, the prices of these tractors were stated to be Rs. 53,183 and Rs. 43,470 respectively as on 10th July, 1981. Thus the HMT tractor which was cheaper by Rs. 4100 in 1973 has become costlier by Rs. 9700. That this differential is on account of the indigenisation of the components of the HMT tractor does not convince the Committee. Despite the vast increase, the average selling price of HMT tractor was always less than the average cost of production during the period 1975—80. This clearly indicates cost inefficiency. The Committee are of the view that consistent with the objective with which the HMT was allowed to produce tractors, the selling price ought to be somewhat less than that of the comparative products of the competitors in the private sector.”

2. While it is noted that HMT's various tractor models compare favourably with those of other manufacturers in terms of price and quality, Government expect that efforts should be further intensified by the company to ensure greater cost effectiveness and that on a like-to-like basis the objective should be that prices of HMT tractors are somewhat lower than those of competitors in the private sector.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT, dated the 30-6-1982].

(Recommendation (Serial No. 7))

On the whole the Committee received an impression that the cost of production of HMT tractors was very high on account of underutilisation of men and machines, large-scale purchase of components from far and wide at high cost and heavy overheads. The percentage of value added to value of production is the least in tractors, of all the products of the HMT. There were heavy losses on the tractor division in the earlier years but only after obtaining complete freedom for price fixation the division had made overall profits during the year 1979-81. However, the expected rate of net return of 10.8 per cent on grosscapitals is yet to be released. The Committee would like a critical review of the position on the basis of the study of the BICP in order to take timely steps to ensure that the tractors division of the HMT is put on a sound footing without recourse to frequent upward price revision.

(in para 7 of Part II)

Reply of Government

In some years in the past, utilisation of manpower and machines in HMT's tractor division was low. This was largely on account of factors like heavy powercuts, disruption and delay in the supply of critical bought-outs, depressed market demand for tractors owing to drought situation in the northern States and labour strike. The strike, apart from general inflationary pressures in the economy and sales promotion on introduction of new tractor models, pushed up the overheads. These constraints have, by now, been mostly overcome and with record production of tractors in 1981-82 utilisation of the installed capacity in HMT's tractor factory has gone up to 96 per cent.

2. As for the point regarding large scale purchase of components, it may be appreciated that manufacture of tractors, by the very nature of the industry, involves procurement of a large number of bought-out components which are specialised items of production of different segments of the automobile industry. To name a few, these are: fuel injection pump, thermostat, piston, valve, filter, radiator, water pump, bearing, wheel rim, battery, lamp and electricals, paints and chemicals, tyres and tubes, etc. In house manufacture of all these components is ordinarily not taken up by any tractor manufacturer as the investment involved would be too high and the size of such a factory may well become unmanageable. Besides, the quantities of each of these components required for captive use would not enable the undertaking to secure economics of scale. HMT, like other tractor manufacturers, buys these items from their respective manufacturers. In line with the national policy for promoting growth of ancillaries and small scale industries, HMT has developed as many as 23 ancil-

laries and a number of small scale suppliers. It is true that compared with some of the other tractor manufacturers located in the industrial belts at Faridabad, Bombay and Madras, HMT has to buy materials from relatively more distant sources. The company, is, however, on the look out for opportunities for developing sources of supply close to the factory at Pinjore and has planned the setting up of more ancillaries in the coming years. The extent of HMT's in-house manufacturing activities also compares favourably with that of other tractor manufacturers in the country. While some of the manufacturers buy even engines for their tractors, HMT has set up its own facilities for manufacture, assembly and testing of engines.

3. The Committee have observed that out of all the products of HMT the percentage of value added to the value of production is the least in the case of tractors. Among the diverse products of HMT like tractors, machine tools, watches and lamps, comparison in terms of the percentage of value added to the value of production may not yield meaningful results as each of these products has its specialised production technology. For comparing the performance of HMT's tractor division with that of the company's other business groups, it would be better to adopt the criterion of "value added per employee". If the figures of value added per employee are taken into consideration, the tractor division would rank higher than other business groups of HMT like machine tools and lamps.

4. As for the Committee's observation that while HMT's tractor division suffered heavy losses in the earlier years, it earned profits in the years 1979 to 1981 after obtaining freedom for price fixation, it may be stated that owing to underutilisation of installed capacity for the reasons indicated earlier, the tractor division suffered losses till 1978-79. Subsequently, with increased utilisation of the installed capacity and diversification of the product-mix, the tractor division earned overall profits of Rs. 74 lakhs in 1979-80. In 1980-81 the profits amounted to Rs. 97 lakhs despite strike in that year but for which the performance would have been still better. The encouraging trend has been maintained in 1981-82; profit for the year has been provisionally estimated at Rs. 270 lakhs. Although HMT has been given freedom in the matter of price fixation, the company has exercised self-discipline in fixing the prices of its tractors having due regard to cost effectiveness and consumer interests. The figures furnished below would show how the selling prices of HMT tractors are, by and large,

lower than those of comparative products of manufacturers in the private sectors.

HP Range	Model	Selling Price as on 10-7-1981
		(Rupees)
25	HMT Zector 2511	53,183.00
	Swaraj 724	54,558.00
	Harsha T 24	59,496.00
35	Eacorts 345	60,933.00
	HMT 3511	61,003.00
	Swaraj 735	61,747.00
	IH-B 275	62,640.00
	MF 1035	69,857.00
	MF 1035 (Deluxe)	76,699.00
40 & above	Kirloskar 4006-K (43 HP)	81,123.00
	HMT Zector 5911 (58 HP)	81,278.00
	Ford-3600 (46 HP)	83,020.00

Besides, the Bureau of Industrial Costs and Prices (BICP), while examining, on the basis of a sample study, the selling prices of various tractor manufacturers, have observed in their report presented in 1981 that the price of HMT tractors were lower than even the fair prices estimated by the BICP.

5. As regards rate of return on the capital invested in HMT's tractor project it may be mentioned that the expected rate of return envisaged in the DPR in terms of net profit after tax is 10.8 per cent; the corresponding figure in terms of profit before tax works out to 19.53 per cent. In a multi-unit enterprise like HMT where tax is assessed at the corporate level based on the overall performance of the company, rate of return based on profit before tax would be a more meaningful indicator of the performance at the unit level. On this basis, as against the expected rate of return of 19.53 per cent in the tractor division, the actuals were 16.34 per cent in 1979-80 and 19.23 per cent in 1980-81. With record production in 1981-82, the rate of return is expected to be substantially higher; provisionally estimated now at 25.35 per cent.

6. The study by the BICP referred to by the Committee was in respect of the entire tractor industry. As the foregoing analysis would show, HMT's tractor division had already registered significant improvement in its

performance. However, following are some of the points on which HMT needs to pay closer attention in the light of the observations made by the BICP:—

- (i) Need to cut down material waste and machine shop rejection in respect of castings and forgings by modifying, if necessary, the design of cylinderhead and gear box housing;
- (ii) Enforcement of more rigorous quality control measures by ensuring that all parts are fitted to the tractor by the time they roll out of the assembly line;
- (iii) Increasing the warranty period of the tractor in line with the steps taken in this connection by certain tractor manufacturers.

BICP has also identified the following areas for R&D work by the tractor industry in general:—

- (a) Simplification and standardisation of tractor parts by application of value engineering and evaluation of standard design by joint action of the tractor manufacturing units;
- (b) Introduction of direct injection diesel engines and better matching of fuel injection pump with engine;
- (c) Improvement of engine cooling;
- (d) Reduction of noise level of tractors;
- (e) Better design of air-cleaner to reduce oil pull-over;
- (f) Improvement of puddling performance of tractors to make them more suitable for wet land cultivation

HMT has been advised to take suitable action in these directions. The text of Department of Heavy Industry Letter No. 19-2/81-MT, dt. 30.6.82 addressed to HMT Limited is reproduced below.

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81-MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36 Gunningham Road, Bangalore-560052 regarding 28th Report of the Committee on HMT Ltd.-Tractors Division.]

I am directed to say that in Recommendation No.7 contained in the above-mentioned Report, the Committee on Public Undertakings have desired a critical review of the position on the basis of BICP's study of the tractor industry in order to take timely steps to ensure that the tractor division of HMT is put on a sound footing without recourse to frequent upward price revision.

2. In the light of the observations made by the BICP, following are some of the points on which HMT need to pay closer attention:

- (i) Need to cut down material waste and machine shop rejection in respect of castings and forgings by modifying, if necessary, the design of cylinder-head and gear box housing;
- (ii) Enforcement of more rigorous quality control measures by ensuring that all parts are fitted to the tractors by the time they roll out of the assembly line;
- (iii) Increasing the warranty period of the tractor in line with the steps taken in this connection by certain tractor manufacturers.

3. BICP has also indentified the following areas for R&D work by the tractor industry in general:—

- (a) Simplification and standardisation of tractor parts by application of value engineering and evaluation of standard design by joint action of the tractor manufacturing units;
- (b) Introduction of direct injection diesel engines and better matching of fuel injection pump with engine;
- (c) Improvement of engine cooling;
- (d) Reduction of noise level of tractors;
- (e) Better design of air-cleaner to reduce oil pull-over;
- (f) Improvement of puddling performance of tractors to make them more suitable for wet land cultivation.

4. You are requested to take suitable action on the points mentioned above and continue your efforts for further improving the overall performance of HMT Tractor Division in the coming years:

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT,
dated the 30-6-1982].

Recommendation (Serial No. 8)

In order to improve upon the productivity of labour the Committee desire that an incentive system should be devised linking wages including DA, bonus to productivity and introduced as early as possible.

(Para 8 of Part II)

Reply of Government

Two schemes linking bonus to productivity are already in operation in HMT. Under the Monthly Incentive Scheme, direct workmen earn incentive in proportion to their output measured in terms of standard hours. Indirect employees also get incentive payment linked to the quantum

of production during the month. Besides, profit sharing bonus has also been linked to profits and allocable surpluses which are functions of productivity.

Government accept the Committee's recommendation that the total package of remuneration including incentive payments should be linked to productivity. Instructions have been issued to public sector undertakings including HMT to ensure that wage settlements in future are effectively linked to productivity. The text of Department of Heavy Industry letter No. 19-2/81-MT dated 30.6.82 addressed to HMT is reproduced below:

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81-MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36 Gunningham Road, Bangalore-560052 regarding 28th Report of the Committee on HMT Ltd.-Tractors Division.]

I am directed to say that the Committee on Public Undertakings (COPU) in their above mentioned report have recommended that in order to improve upon productivity of labour an incentive system should be devised to link wages including DA and bonus to productivity and introduced as early as possible. Government have accepted this recommendation.

2. It is noted that schemes linking bonus to productivity are already in operation in HMT.

3. In regard to linking wages to productivity, instructions have been issued to Public Sector Undertakings including HMT *vide* this Department letter No. 7-5/82-Coord., dated 15.2.1982. While negotiating with labour unions wage settlement in future, care should be taken to ensure that the total package of remuneration including incentive payments is suitably linked to productivity.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-MT, dated the 30-6-1982].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

(Recommendations (Serial No. 9))

While on the one hand the manufacturing operations are largely assembly of bought out components, on the other, sales are almost entirely through the sale agents. The commission paid to the dealers ranged from Rs. 1900 to Rs. 3000 per tractor. Thus middlemen derive the benefit of manufacture of tractors by HMT. The sales mainly took place in Punjab, Haryana and U.P. HMT did not appear to have worked out the economics or organising direct sales and servicing facilities instead of making sales through the dealers. The Committee recommended that at least on an experimental basis HMT should organise forthwith sales and servicing on its own in some areas and gradually extend to other areas. The Committee would also like the HMT to manufacture components by itself or through its own ancillaries developed in the peripheries of its factory as much as possible.

(Para 9 of Part II)

Reply of Government

Manufacture of tractors, by the very nature of the industry, involves procurement of a large number of bought-out components which are specialised items of different segments of the automobile industry. To name a few, these are fuel injection pump, thermostat, piston, bearing, filter, radiator, water pump, wheel rim, air cleaner, battery, lamp and electricals, paints and chemicals and tyres and tubes. It is the normal practice for tractor manufacturers all over the world to procure many of these as bought-out components because in-house manufacture of all these components is likely to be uneconomical. In line with this practice and in accordance with the national policy of promoting growth of ancillaries and small scale industries HMT has developed 23 ancillary industries and about 400 small scale suppliers. Several more ancillaries are being planned and the Company is already on the look out for establishing ancillaries close to the factory at Pinjore.

2. As for the point regarding sales and servicing of tractors through dealers, it may be mentioned that this again is the normal practice followed in the tractor industry. The comparative picture of the commission allowed to dealers by HMT *vis-a-vis* other manufacturers recorded in paragraph 40 of the Committee's report would show that the scale adopted by HMT is quite modest. The commission ranging between Rs. 1900 and Rs 3000 per tractor, is the total payment out of which the

dealer has to incur expenditure on pre-sales services, financing and stocking of tractors, as well as after-sales services which include initial installation, three free servicings etc. For this purpose, the dealer has to maintain a suitable establishment with show-room, spare parts store and work-shop for tractor servicing.

3. Since tractors are sold to farmers in rural areas spread over the entire country, it is necessary to have a large net-work of sales and servicing centres. Handling of this work by HMT direct may not be convenient nor economical. The cost involved in rendering the service direct has been estimated to be higher than what HMT is currently paying as commission to the agents. In view of this, it may not be desirable for the company to undertake sales and servicing of tractors direct.

[Ministry of Industry—Department of Heavy Industry No. 19-2/81-M1, dated 30-6-1982].

Recommendation (Serial No. 10)

In terms of turnover the machine tools, watches and tractors of the HMT accounted for Rs. 62.53 crores, Rs. 75.03 crores and Rs. 42.38 crores respectively in 1980-81. In terms of profits these accounted for Rs. 2.93 crores, Rs. 19.08 crores and Rs. 0.97 crore respectively. Having regard to the need to diversify and step up production of machine tools and explore the possibility of augmenting exports to other developing countries, the Committee feel strongly that production of watches and tractors could be organised in two different enterprises leaving the HMT to concentrate on its primary function of development and production of machine tools. This deserves serious consideration by Government.

(Para 10 of Part II)

Reply of Government

Underlying the Committee's recommendation is their impression, based on figures for 1980-81 of HMT's turnover and profits in machine tools, watches and tractors, that HMT's main activity now is in watches rather than machine tools. From the figures for 1981-82, which are now available and are furnished below, it would, however, be noticed that far from being any decline in HMT's interest in machine tools, they accounted for the largest segment of the company's turnover.

Production in 1981-82

(Rs. in crores)

Machine Tools	96.69
Watches	94.21
Tractors	52.71

Profits from machine tools have also increased substantially to Rs. 12.05 crores in 1981-82 from Rs. 2.93 crores only in the previous year. (Accounts for the year 1981-82 are under audit; the figures are, therefore, provisional). In terms of the size of work-force too, machine tools represent by far the major activity of HMT. Of a total of 27,000 employees of the company, machine tools account for 15,000, watches 6,600, and rest of the products including tractors the remaining 5,400. It is also necessary to appreciate the background in which HMT came to have a diversified product range.

2. The task of setting up the first watch factory in the country was given to HMT having regard to its expertise in precision technology. HMT's involvement in watch manufacture in turn has also contributed greatly to the general corporate technological pool and its capability in micro precision machining and tool making. These capabilities have since been meshed with machine tool technology to accelerate progress towards evolution of a new range of micro precision tools required not only in the watch industry but also in light engineering mass production industries in general. As a result of close involvement in watch making, HMT has also developed manufacture of horological machinery and its machine tool capability is now being further enhanced with the inclusion of several types of tool room machinery and micro precision special purpose machine tools. In the next stage of mutual complementarity between watches and machine tools would come precision measuring instruments which would have watch related production technology and machine tool related markets and application technology. Besides, electronics and computer aided design and manufacture are the technologies which would be dominating machine tools as well as watches and measuring instruments in the near future. In view of considerable inter-dependence among machine tools, watches and instruments, common electronic facility for development of these activities can be evolved with distinct advantages which would be lost if the organisation were to be split up.

3. Manufacture of tractors was similarly taken up by HMT by way of product diversification because of compatibility of production technology with that of machine tools. There has been considerable interaction in technology between tractors and machine tools as a result of which HMT is now not only designing and manufacturing machine tools required for tractors and automobile production but has also undertaken technological upgradation of tractors. As a measure of vertical integration within the tractor group, HMT proposes to undertake production of fuel injection equipment which would also serve to create additional capabilities in the machine tool group.

4. From a single-product, single-unit undertaking HMT has grown into a multi-product, multi-unit complex. Its product range now includes

not only machine tools, watches and tractors, but also lamps, printing presses, dairy machinery, lamp making machines and special purpose machines. The different products of HMT are coming together more and more in terms of basic technologies such as electronics, laser, ultrasonics, etc. These emerging basic technologies would have an all pervading application in the near future and would, therefore, require careful in-house nurturing. HMT's R & D programmes lay emphasis on adoption of these technologies and envisages effective measures in this direction on the strength of its diverse product base. But for complementary support which comes from different product groups, individual product groups of the company would not afford such basic R & D. The single greatest strength of HMT is the wide base of technological competence acquired through its different product lines. In course of time diverse technologies have come together in HMT to enhance the mutual capacities of the different product lines.

5. A capital intensive industry like machine tools, vulnerable to the vagaries of recession, needs support from other complementary activities for the purpose of imparting greater strength and stability to the machine tool industry itself. Over the years, HMT has, therefore, consciously developed a diversified product range. This has not only enhance technological competence but has also contributed greatly to the building up of the nearly one and a half times of its paid up capital. Over the years, the company has developed considerable strength to mobilise internal resources and has not been seeking financial assistance for its programmes from the Government in recent years. HMT's corporate plan for the next five years, now under formulation, envisages capital investment of over Rs. 200 crores, which the company is hopeful of meeting without recourse to budgetary support, from the Government. If HMT were to be reorganised into different enterprises, not only would there be a setback to its technological competence but its financial strength would also be greatly impaired.

6. The Committee has rightly emphasised the need for diversification and expansion of production and export of machine tools. HMT, in tune with the needs of the time, has registered an impressive increase in the production of machine tools not only in overall terms but also in its variety. In the last five years, its machine tool production has doubled. Starting with production of simple lathes, HMT has now the capability of manufacturing, with its own design, a number of sophisticated machine tools. Some of these of major current significance, are the following:—

Front Chucker
B-32 Super-cut Lathe

Vikram Centre Lathe
PL 20 Centre Lathe
SBC Slant Based Copying Lathe
T-40 Column Drill
G-18 Heavy Duty Grinder
SBMC Slant Bed Lathe
NHCNC Centre Lathe
MITRNC Milling Machine
VMC Vertical Machining Centre
TMC Turrent Machining Centre
EDM Electro-discharge Machine
FFL-40 Flow Forming Lathe

Further R&D efforts are now in full swing in HMT to develop the following machine tools:--

Horizontal Machine Centre
Electronic Die-sinking Machine
Size 2 with DC Drive
Low Pressure Die Casting Machine
Horizontal Boring Machine CNC
Horizontal spindle Surface Grinding Machine
Grindall
Universal Grinding Machine
Dup'ex Grinding Machine
Tool Room Lathe
Precision Press
Wire-cut EDM
CNC Grinding Machine
Precision Chucking Machine NC
CNC Turret Punch Press
High Speed Turning Machine
Size 3 Milling Machine New Design

7. The company, through its wholly owned subsidiary, HMT (International) Ltd., has also made considerable headway in developing markets abroad not only for its products but also for project consultancy. It is currently engaged in setting up a Rs. 75 crores Machine Tool Complex in Nigeria. Other countries to which HMT's machine tools are exported include USA, USSR, Australia, France, West Germany, Switzerland, Czechoslovakia, Holland, Algeria, Iraq, Indonesia and Ceylon.

8. The Company is now well poised for further growth in production, product diversification as well as export of machine tools. Government expect HMT to intensify their efforts in these directions. The key to

HMT's success and possibilities of further growth in machine tools, however, lies in its corporate strength and capabilities to which the company's inter-related product groups provide the requisite support. As mentioned earlier, the different products of HMT are coming together more and more in terms of basic technology. The Company, on the basis of its diversified product range, has developed considerable strength in terms of technology, skills and finance. Splitting up of the Company into different enterprises would lead to avoidable fragmentation of its basic strength and defeat the very objective of accelerating the development of machine tools.

9. In view of these considerations, Government, while agreeing with the Committee on the need for intensification of efforts for further diversification and expansion of production and export of machine tools, are of the view that it would not be advisable to split up HMT.

10. In regard to the need for further diversification and export of machine tools HMT has been advised suitable *vide* the Department of Heavy Industry letter No. 19-2/81-MT, dated 30-6-1982. (reproduced below)

[Ministry of Industry (Department of Heavy Industry) letter No. 19-2/81-MT dated the 30th June, 1982 from Shri M. P. Gupta, Under Secretary to the Managing Director, HMT Ltd., 36, Cunningham Road, Bangalore-560052 regarding 28th Report of the Committee on HMT Ltd.-Tractors Division.]

I am directed to say that Committee on Public Undertakings (COPU) in their above mentioned Report have emphasized the need to diversify and step up production of machine tools and explore the possibility of augmenting exports to other countries. Government agrees with the observation of the Committee, HMT is, therefore, advised to further intensify their efforts to diversify and expand the production of machine tools. HMT should also make a more concerted drive in the coming years so that the export of machine tools is accelerated.

[Ministry of Industry-Department of Heavy Industry No. 19-2/81-MT, dated the 30-6-1982]

CHAPTER IV

**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMIT-
TEE:**

—Nil—

CHAPTER V

**RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES
OF GOVERNMENT ARE STILL AWAITED:**

—Nil—

NEW DELHI:
October 20, 1982

Asvina, 28, 1904 (Saka)

MADHUSUDAN VAIRALE,
Chairman,
Committee on Public Undertakings.

APPENDIX

(Vide Para 3 of Introduction)

Analysis of action taken by Government on the recommendations contained in the Twenty-Eighth Report of the Committee on Public Undertakings.

(Seventh Lok Sabha)

I. Total number of recommendations made	10
II. Recommendations that have been accepted by Government (vide recommendations at S. Nos. 1-8)	8
Percentage to total	80%
III. Recommendations which the Committee do not desire to pursue in view of Government's reply (vide recommendations at S. Nos. 9 & 10)	2
Percentage to total	20%
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee	Nil
V. Recommendations in respect of which final replies of Government are still awaited	Nil
