

SIXTY-SEVENTH REPORT

COMMITTEE ON PETITIONS

(SIXTEENTH LOK SABHA)

MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(DEPARTMENT OF HEAVY INDUSTRY)

(Presented to Lok Sabha on _____)



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ANNEXURE

- (i) Minutes of the 55th sitting of the Committee held on 7.2.2019.

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**COMPOSITION OF THE COMMITTEE ON PETITIONS
(2018-2019)**

Shri Bhagat Singh Koshyari -*Chairperson*

MEMBERS

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Dr. K. Gopal
7. Shri C.P. Joshi
8. Shri Chhedi Paswan
9. Shri Kamlesh Paswan
10. Shri Arjun Charan Sethi
11. Shri Kodikunnil Suresh
12. Shri Dinesh Trivedi
13. Shri Rajan Vichare
14. Shri Dharmendra Yadav
15. Vacant

SECRETARIAT

- | | | |
|----------------------------|---|---------------------|
| 1. Shri Shiv Kumar | - | Joint Secretary |
| 2. Shri Raju Srivastava | - | Director |
| 3. Shri G.C. Dobhal | - | Additional Director |
| 4. Shri Anand Kumar Hansda | - | Executive Assistant |

SIXTY-SEVENTH REPORT OF THE COMMITTEE ON PETITIONS

(SIXTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Sixty-Seventh Action Taken Report (Sixteenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the recommendations of the Committee on Petitions made in their Fifty-Third Report (Sixteenth Lok Sabha) on the Representation of S/Shri Ram Sharan Kantiwal and Mahender Singh regarding payment of salary to the employees of HMT Pinjore and to restart its Tractor Unit.

2. The Committee considered and adopted the draft Sixty-Seventh Action Taken Report at their sitting held on 7 February, 2019.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

7 February, 2019

18 Magha, 1940 (Saka)

**BHAGAT SINGH KOSHYARI,
Chairperson,
Committee on Petitions.**

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) IN THEIR FIFTY-THIRD REPORT ON THE REPRESENTATION RECEIVED FROM S/SHRI RAM SHARAN KANTIWAL AND MAHENDER SINGH REGARDING PAYMENT OF SALARY TO THE EMPLOYEES OF HMT PINJORE AND TO RESTART ITS TRACTOR UNIT.

The Committee on Petitions (Sixteenth Lok Sabha) presented their Fifty-Third Report to Lok Sabha on 3.8.2018 which had dealt with the Representation received from S/Shri Ram Sharan Kantiwal and Mahender Singh regarding payment of salary to the employees of HMT Pinjore and to restart its Tractor Unit.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) were asked to implement the recommendations and requested to furnish their action taken notes thereon for further consideration of the Committee.

3. Action Taken Notes have since been received from the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) in respect of all the observations/recommendations contained in the aforesaid Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) are detailed in the succeeding paragraphs.

4. In paras 34 and 35 of the Report, the Committee had observed/recommended as follows :-

"The Committee note from the submissions made by the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry) that HMT Limited, a Central Public Sector Enterprise under of the Government of India, was established at Bangalore in 1953 with the objective of producing Machine Tools required for building an industrial edifice for the country. HMT played a key role in laying the foundation for evolution of Engineering and Manufacturing Capabilities in the country. HMT Tractor Division was established in Pinjore, Haryana in 1971 to manufacture HMT Tractors. Performance of the Company started to decline in the '90s, in the post liberalization economic environment with rising costs, stiff competition from International players and availability of imported goods at cheaper rates. Several efforts were made in past to arrest the declining trend but they could not succeed to turn around. The profit making Tractor Business of HMT Limited was affected due to poor off-take, under-utilisation of capacity, working capital constraints, etc. The Committee also note that since continuation

in Tractor Business with its insignificant market share in the sector may not be a financially viable and sustainable option for HMT Limited, and hence it would be prudent to close the Tractor Business and focus on the core business activity of Machine Tools Manufacturing for Industrial Sector. The Company was provided a revival package in August, 2013. However, the Tractor Division could not revive itself due to various factors including rising costs, technology gap, market conditions, working capital constraints, etc. It degenerated substantially with mounting losses and pending dues towards salaries, Statutory Liabilities, outstanding dues of Suppliers and Service Providers as well as complete erosion of Working Capital. This led to gross insufficiency in business processes and affected physical and financial performance of the Company which resulted in huge accumulated losses."

"The Committee do not accept the averments made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to the effect that on the one hand, the Government intend to revive HMT Limited by way of focusing on the core business activity of Machine Tools Manufacturing for the Industrial Sector, and on the other hand, not to continue with the Tractor Business due to various operational glitches. The Committee are dismayed to note that the reasons attributed to winding up of Tractor Business, viz., poor off-take, under-utilisation of capacity, Working Capital constraints, stiff competition from International Players, etc., could also be equally applicable in the case of Machine Tools Manufacturing Business. The Committee are of the considered opinion that with the advent of modern Business Environment and the propensity of users of Industrial Products to purchase durable products at relatively cheaper price, irrespective of its being produced in any part of the world, our Public Sector Enterprises have now to refashion their operations in a most professional manner with an eye on cost-cutting, aggressive marketing, durability of their products, etc. The Committee also feel that until and unless our Public Sector Enterprises start giving prominence to 'Technocracy' over 'Bureaucracy', the closing down of Public Sector Enterprises, one after the other, could not be averted. Notwithstanding the fact that revival of Machine Tools Manufacturing Business is a welcome step of the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), the Committee recommend that an Expert Group, consisting of renowned Technocrats, should be urgently constituted by the Government with a clear cut mandate to look into the prospects of revival of all the ailing Units of HMT Limited. The Committee urge the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take necessary action in this regard."

5. The Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) in their action taken reply, have submitted as follows:-

"The operation of HMT Tractor Division has been closed with the approval of Cabinet dated 27.10.2016."

HMT has the potential for playing a role in realization of "Make in India" and "Skill India" initiatives. It can be achieved through continued focus on the Machine Tools business. HMT currently has a market share of around 7% of domestic manufacture in its product range and plans to double it.

In so far as the Committee's recommendation for formation of an Expert Group consisting of renowned Technocrats, to look into the prospects of revival of all the ailing Units of HMT Limited is concerned, it is submitted that the Company has prepared a Modernization and Technology Upgradation Plan for HMT Machine Tools, which includes a Business Plan vetted by IIM Bangalore and a Technology Roadmap vetted by IIT Madras. Therefore, a Plan vetted by Experts is already in place and the Company is striving to meet its objectives within the resources generated by the Company."

6. In paras 36, 37 and 38 of the Report, the Committee had observed/recommended as follows :-

"The Committee find that due to severe financial crisis, HMT Limited is finding it difficult to manage its operations in the prevailing circumstances. Further, the Company is not in a position to make timely payments of salaries/wages and other Statutory dues to the Employees of HMT Tractor Unit, Pinjore since last several months. The Unit has virtually closed its operations due to financial crisis and other operational factors. The Government have recently decided to close down the three subsidiaries of HMT Limited namely, HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited by offering VRS/VSS to its Employees which is under implementation."

"The Committee also note that HMT Limited directly manages the Units that are manufacturing Tractors and Food Processing Machinery. While the salaries of the employees of the Tractor Unit, Pinjore are pending from August, 2014, other Statutory dues, terminal benefits to retired Employees were also pending since November, 2013. Similarly, the Salaries of the Employees of the Food Processing Machinery Unit, Aurangabad are pending from September, 2016 and the salaries of the employees of the Employees of the Machine Tool Unit, Pinjore are pending from September, 2015."

"The Committee are flabbergasted to find that not only there is a huge backlog in payment of salaries and other allowances to the Employees of various Units of HMT Limited, but also the 'Statutory Dues' of the retired Employees or those Employees who were forced to take retirement under Voluntary Retiring Scheme had not been released. The Committee could very well gauge the plight of all the employees and their families whose subsistence is in peril due to absence of any source of income, other than working in Public Sector Enterprise, that too, without any remuneration. The Committee find it paradoxical that on the macro level, the Union Government has been implementing various people-centric welfare

measures, viz., the Pradhan Mantri Mudra Yojana, Make in India, Stand Up India, National Health Protection Scheme - Ayushman Bharat - to provide hospitalization cover to over 10 crore poor and vulnerable families, etc., but, on the micro level, thousands of employees along with their families of Public Sector Undertakings - who in the past, shared the glory of one of the contributors in formulating a robust industrial base of the country - are made to suffer on the premise that due to financial constraints, the Public Sector Undertaking(s) are not able to release their pay and allowances and/or 'Statutory Dues'. The Committee, therefore, recommend that the Union Government should now take the initiative of working out a detailed Plan of giving a 'Special Financial Package' to all the Public Sector Undertakings, including all the subsidiaries of HMT Limited, to release the withheld Pay & Allowances along with the 'Statutory Dues' to all serving/retired employees prior to end of current Fiscal Year."

7. The Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) in their action taken reply, have submitted as follows:-

"As per the Cabinet decision, the Company closed the operation of Tractor Unit, Pinjore. All the employee related dues of HMT Tractor Division have been settled."

"The Committee are informed that there are no dues pending in respect of employees of Tractor Division and Food Processing Machinery Division of HMT Limited. In fact, the Food Processing Unit has turned around and recorded operational profit in the year 2017-2018.

As on date the salaries of employees of HMT Machine Tools Unit, Pinjore, has been paid up to January 2018 and further dues are also expected to be paid shortly.

It may be mentioned that the company needs to generate the resources to meet the costs and pay salaries of its employees out of its normal business operations."

"The Company is making efforts to clear the outstanding terminal benefits and statutory dues of employees of all of its Units.

All the employee related dues of HMT Tractor Division, HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings have been settled except 146 employees of Ranibagh unit of HMT Watches Limited who did not opt for VRS and have moved the Hon'ble High Court against the closure decision.

The salaries in some units of HMT MT Limited is upto date. However, there is some backlog of salaries in the units of HMT Machine Tool at Bangalore, Pinjore and Ajmer. Ultimately the company needs to generate the necessary resources

out of its business operations to meet its cost including employees salary and dues.

No 'Special Financial Package', for CPSEs is under consideration of Government. Department of Public Enterprises is the nodal department for all the Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs. DPE has framed the guidelines related with the CPSEs under closure where under VRS/VSS has been made attractive as a policy in that irrespective of the pay scale in which the CPSE is operating, the employees are offered VRS/VSS package at 2007 notional pay scale. Closure has been made time bound so that the dues etc. of the employees can be expeditiously paid.

Further, NITI Aayog reviews the status and viability of CPSEs. They have accordingly, made recommendation for continuance, closure or disinvestment of CPSEs."

8. In paras 39, 40 and 41 of the Report, the Committee had observed/recommended as follows :-

"The Committee on Petitions, Lok Sabha have been receiving various Petitions/Representations from individuals, Associations, etc., working in various Public Sector Enterprises, alleging arbitrary decision of the Top Management in closing down the operations of the Company on the grounds of post liberalization economic environment, rising costs, obsolete manufacturing processes, stiff competition from International Companies, availability of imported goods at cheaper rates, etc., due to which their Salaries/Allowances and/or other Statutory Dues have not been paid/released."

"On the other hand, while making submissions before the Committee, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) invariably claims that a series of 'Revival Packages', with different nomenclature along with sale of non-core assets, had been formulated and implemented with a view to putting a new lease of life to the Public Sector Undertakings. However since all the efforts of the Union Government could not attain the intended objective of systematic revival, scores of Public Enterprises had been closed down and the employees were retrenched/granted the option of availing Voluntary Retirement. The Top Management of the Public Undertaking(s) often exhibit their inability before the Committee during oral evidence and/or informal discussion during Study Visits to release the withheld Pay & Allowances and other Statutory Dues of the employees due to non-release bailout package by the Union Government."

"As the Committee could understand from the submissions made by various Ministries/Departments concerned of the Union Government from time-to-time, the common quotient of the entire fiasco concerning the present state of affairs of Public Sector Undertaking(s) is that the majority of Companies have not been

able to reconfigure themselves with the rapidly changing business environment, thereby, unwillingly allowing the Public Sector(s) to become an unviable proposition. After painstakingly examining the entire sequence, spread over the last three decades, the Committee strongly recommend the Union Government to undertake an original time bound Comprehensive Study to assess the overall performance and requirements of Public Sector Undertakings in the country with a view to making them commercially viable; an engine of growth and a major employment generator. For this purpose, the Committee urge the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to furnish the following details inter alia reflecting an overview of the Public Sector Undertakings:-

- (i) Total number of Public Sector Undertakings in the country.
- (ii) Total Employees working in these Public Sector Undertakings.
- (iii) Total Employees retired from these Public Sector Undertakings on attaining the age of superannuation during the last 10 years and are in receipt of any monthly financial assistance as Pension, etc.
- (iv) Total Public Sector Undertakings declared Sick by the Board for Industrial and Financial Reconstruction (BIFR) during the last five years.
- (v) Total number of Employees who had sought Voluntary Retirement from Public Sector Undertakings during the last five years.
- (vi) Total Public Sector Undertakings where there is backlog in the payment of salaries, allowances and other statutory dues to the serving/retired Employees.
- (vii) Total amount of outstanding dues on account of salary, allowances and other statutory obligations which the Public Sector Undertakings had to pay to its serving/retired Employees.
- (viii) Total amount of Revival Package(s) extended to Public Sector Undertakings by the Union Government during the last five years."

9. The Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) in their action taken reply, have submitted as follows:-

"All closure decisions are taken with the approval of Cabinet/Cabinet Committee on Economic Affairs (CCEA) as the competent authority.

As far as Department of Heavy Industry is concerned, 07 CPSEs/Units are under closure which have been approved by the Cabinet/CCEA and all the applicable

dues, closure compensation and other terminal benefits has been settled, except in some cases which are in courts."

"Companies are registered under the Companies Act with a separate legal identity. The Companies have to manage their operations as independent entities under the guidance and supervision of the duly constituted Board of Directors, as per the provisions of the Companies Act. It is primarily the responsibility of the companies to manage the salary, statutory dues and terminal benefits of its employees. The Govt. of India is the promoter and majority shareholder in the Company. It undertakes the appointment of CMD/MD and Directors on the Board of the Company.

There is no policy of the Government to provide bailout package to CPSEs to enable release of salaries and statutory dues of employees."

"Department of Public Enterprises is the nodal department for all the Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. NITI Aayog reviews the status and viability of CPSEs and makes recommendation for continuance, closure or disinvestment of CPSEs.

On the basis of information available in Public Enterprises Survey 2016-17 following is stated:-

Sl. No.	Particulars	Reply
i	Total number of Public Sector Undertakings in the country.	331 as on 31.03.2017
ii	Total Employees working in these Public Sector Undertakings.	11.31 lakh (excluding contractual and casual/daily rated worker) in 2016-17
iii	Total Employees retired from these Public Sector Undertakings on attaining the age of superannuation during the last 10 years and are in receipt of any monthly financial assistance as Pension, etc.	DPE does not maintain any data regarding Salary/Wage/Pay Allowances/Outstanding Dues of Employees in CPSEs. Action may be taken in regard to maintain a consolidated data as this aspect and may be uploaded in the website.
iv	Total Public Sector Undertakings declared Sick by the Board for Industrial and Financial Reconstruction (BIFR) during the last five years.	BIFR has been dissolved by the Government and National Company Law Appellate Tribunal (NCLAT) has been established under the Company Act.2013 w.e.f 01.06.2016. All proceedings relating to Arbitration, Compromise, arrangements and reconstruction and winding up of companies

		shall be disposed off by the National Company Law Tribunal. However, as per available information in Public Enterprises Survey for the year 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 laid in the Parliament in respective years, the total number of sick CPSEs registered with BIFR was 65 as on 31.03.2016 and out of the 65 sick CPSEs, 2 Sick CPSEs were registered with BIFR during the last five years and the Balance 63 sick CPSEs were registered before that period.
v	Total number of Employees who had sought Voluntary Retirement from Public Sector Undertakings during the last five years.	DPE has informed that 12,450 employees of CPSEs have opted for VRS during last five years, i.e., from 2012-13 to 2016-17, upto which period information is available.
vi	Total Public Sector Undertakings where there is backlog in the payment of salaries, allowances and other statutory dues to the serving/retired Employees.	Such data is not centrally maintained.
vii	Total amount of outstanding dues on account of salary, allowances and other statutory obligations which the Public Sector Undertakings had to pay to its serving/retired Employees.	
viii	Total amount of Revival Package(s) extended to Public Sector Undertakings by the Union Government during the last five years.	CPSEs function under the administrative control of concerned Ministries/ Departments and all matters relating to CPSEs including revival/ restructuring are dealt by the concerned administrative Ministry/ Department on a case-to-case basis. So far DHI is concerned, during the last five years an amount of Rs.3005.85 crore toward revival package for NEPA Limited, HMT Limited and Richardson and Cruddas Limited has been approved.

OBSERVATIONS/RECOMMENDATIONS

Urgent formulation of a Comprehensive Revival Plan for all the ailing Subsidiaries/Units of HMT Limited

10. Keeping in view the advent of modern Business Environment and the propensity of users of Industrial Products to purchase durable products at relatively cheaper price, irrespective of its being produced in any part of the world, the Committee had opined that the Country's Public Sector Enterprises have now to refashion their operations in a most professional manner with an eye on cost-cutting, aggressive marketing, durability of their products, etc. The Committee were also alarmed while pointing out that until and unless the Public Sector Enterprises start giving prominence to 'Technocracy' over 'Bureaucracy', the closing down of Public Sector Enterprises, one after the other, could not be averted. In this regard, the Committee had recommended the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) to take necessary action urgently to constitute an Expert Group, consisting of renowned Technocrats, with a clear cut mandate to look into the prospects of revival of all the ailing Units of HMT Limited. In response thereto, the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) have opaquely spelt out that the Company has prepared a Modernization and Technology Up-gradation Plan for HMT Machine Tools, which includes a Business Plan vetted by IIM Bangalore and a Technology Roadmap vetted by IIT Madras and is striving to meet its objectives within the resources generated by the Company. The Committee are constrained to note that the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) has neither apprised the Committee about the details of the said Modernization and Technology Up-gradation Plan in respect of HMT Machine Tools Limited nor given specific contours of the Revival Plan in respect of other ailing Subsidiaries/Units of HMT Limited. The Committee are pained to note that other ailing Subsidiaries/Units of HMT Limited such as HMT International Limited, Praga Tools Limited, etc., have been overlooked as far as

their revival trajectory is concerned. As regards the Modernization and Technology Up-gradation Plan for HMT Machine Tools Limited, the Committee find that the said Plan is not inclusive and appears to be laden with piecemeal approach of the Government. Instead of addressing the problems of HMT Limited as an Organization, any Subsidiary/Unit-wise Modernization and Technology Up-gradation or Revival Plan would only further delay in achieving the desired objectives. Such segregation of the various Subsidiaries/Units of HMT Limited for the purpose of revival will adversely impact the welfare of workers and sustenance of the Company as a whole. In the considered view of the Committee, the Revival Plan should be comprehensive for all the ailing Subsidiaries/Units of HMT Limited. The Committee, therefore, reiterate its earlier recommendation to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the Ministry should take all necessary steps to constitute an Expert Group, consisting of renowned Technocrats for looking into prospects of revival and formulating a Comprehensive Revival Plan for all the remaining ailing Subsidiaries/Units of HMT Limited. The Committee would like to be apprised of the concrete action taken in this regard, within three months of presentation of this Report to the House.

Time bound implementation of Modernization and Technology Up-gradation Plan for HMT Machine Tools.

11. The Committee are perturbed to note that no specific time frame has been prescribed for completion and effective implementation of the Modernization and Technology Up-gradation Plan for HMT Machine Tools owing to which there is a likelihood of the Plan going astray and ultimately not achieving the intended objectives. Considering the said Modernization and Technology Up-gradation Plan for HMT Machine Tools as a step in right direction, the Committee wish to once again recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to work out specific time lines for each and every activities contained in the Modernization and Technology Up-gradation Plan so

that the turnaround of HMT Machine Tools becomes visible at the earliest. The Committee would like to be apprised of the concrete action taken in this regard, within three months of presentation of this Report to the House.

Expeditious release of Pay & Allowances and 'Statutory Dues' to the serving/retired employees of HMT Limited and other Public Sector Undertakings

12. While observing a huge backlog in the payment of salaries and other allowances to the Employees of various Subsidiaries/Units of HMT Limited and also non-release of the 'Statutory Dues' of the retired Employees or those Employees who were forced to take retirement under Voluntary Retirement Scheme, the Committee had gauged the plight of employees and their families whose subsistence was in peril due to absence of alternate source of income other than working in the Public Sector Enterprise, that too, without any remuneration and therefore, recommended that the Union Government should take the initiative of working out a detailed Plan of giving a 'Special Financial Package' to all the Public Sector Undertakings, including all the subsidiaries of HMT Limited, to release the withheld Pay & Allowances along with the 'Statutory Dues' to all serving/retired employees prior to end of current Fiscal Year. In response thereto, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their Action taken Replies, have informed the Committee that all the employee-related dues of HMT Tractor Division, HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings have been settled except 146 employees of Ranibagh Unit of HMT Watches Limited who did not opt for VRS and have moved the Hon'ble High Court against the decision of closure of the Entity. The Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) have further informed that the salaries in some of the Units of HMT Limited is up to date, however, there is some backlog of salaries in the Units of HMT Machine Tool at Bangalore, Pinjore and Ajmer. Appreciating the efforts of the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) in respect of settlement/payment of backlog Salary and

Allowances, the Committee further hope that the 'Statutory Dues' of the remaining 146 employees of Ranibagh Unit of HMT Watches Limited would also be cleared as soon as orders of the Hon'ble High Court against the closure decision is pronounced. However, at the same time, the Committee are dismayed to note that a portion of Salary and Allowances in the Units of HMT Machine Tool at Bangalore, Pinjore and Ajmer is still to be released which does not augur well as far as the motivational aspects of the employees are concerned. The Committee therefore, recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to make sincere efforts to clear the backlog of Salary and Allowances in the remaining three Units of HMT Machine Tool at Bangalore, Pinjore and Ajmer, and also in respect of other Public Sector Undertakings at the earliest and apprise the Committee of the action taken in this regard within three months of presentation of this Report to the House.

13. The Committee had also urged the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to consider a 'Special Financial Package' to all the Public Sector Undertakings to release the withheld Pay & Allowances along with the 'Statutory Dues' to all serving/retired employees prior to end of current Fiscal Year. However, the Committee are dismayed to note that there is no proposal for a 'Special Financial Package' under the consideration of the Government for the Central Public Sector Enterprises (CPSE) and also, there is no Policy of the Government to provide any 'Bailout Package' to the CPSEs to ensure the release of Salary and Statutory Dues to the employees. The Committee also do not accept the logic extended by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to the effect that the Companies are registered under the Companies Act with a separate legal identity and they have to manage their operations as independent Entities under the guidance and supervision of the duly constituted Board of Directors, as per the provisions of the Companies Act and therefore, it is primarily the responsibility of the Companies to manage the Salary, Statutory Dues and

Terminal Benefits of its employees. The Committee, therefore, once again recommend that while co-ordinating with all the Departments/Organizations/ Agencies involved, particularly, in respect of taking financial decision on CPSEs, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) should chalk out a detailed Plan of giving a 'Special Financial Package' to all the Public Sector Undertakings to release the withheld Pay & Allowances along with the 'Statutory Dues' to all serving/retired employees at the earliest. The Committee would like to be apprised of the concrete action taken in this regard, within three months of presentation of this Report to the House.

An Overview of the Public Sector Enterprises

14. In response to the Committee's recommendation to undertake an original time bound Comprehensive Study to assess the overall performance and requirements of all the Public Sector Undertakings in the country with a view to making them commercially viable; an engine of growth and a major employment generator, the Committee are informed that the Department of Public Enterprises(DPE), being the nodal Department for all the CPSEs, formulates policy pertaining to CPSEs and lays down, in particular, policy Guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. The Committee also note that as on 31.3.2017, the total number of Public Sector Undertakings (PSUs) in the country is 331 and the total number of employees working in these PSUs is 11.31 lakh (*excluding contractual and casual/daily rated worker*) in the year 2016-17. The Committee further note that, as on 31.3.2016, the total number of sick CPSEs registered with the Board for Industrial and Financial Reconstruction (BIFR) was 65, out of which, 2 Sick CPSEs were registered with the BIFR during the last five years and the balance 63 sick CPSEs were registered before that period. Besides, on the aspect of total amount of Revival Package(s) extended to PSUs by the Union Government during the last five years, the Ministry has submitted before the Committee that CPSEs function under the administrative control of concerned Ministries/

Departments and all matters relating to CPSEs including revival/restructuring are dealt with by the concerned administrative Ministry/Department on a case-to-case basis and an amount of Rs. 3005.85 crore towards Revival Package for NEPA Limited, HMT Limited and Richardson and Cruddas Limited has been approved, during the last five years.

15. The Committee are pained to note that as on 31.3.2016, though 65 CPSEs have been registered with the BIFR (*now National Company Law Appellate Tribunal, w.e.f., 1.6.2016*), a meagre amount of Rs. 3005.85 crore has been approved as Revival Package in respect of only the three CPSEs. The Committee therefore, strongly recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to expedite the release of the said amount to the three CPSEs, *viz.*, NEPA Limited, HMT Limited and Richardson and Cruddas Limited. The Committee, also wish to reiterate their earlier recommendation to undertake an original time bound Comprehensive Study to assess the overall performance and requirements of Public Sector Undertakings in the country with a view to making them commercially viable; an engine of growth and a major employment generator thereby effecting a successful turnaround in their fortunes. The Committee would like to be apprised of the action taken in this regard, within three months of presentation of this Report to the House.

On-line Comprehensive Central Data containing details of Salary/Wage/Pay Allowances/Outstanding Dues of retired/serving Employees in CPSEs

16. The Committee are surprised to note from the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the data regarding retired employees of the PSUs on attaining the age of superannuation who are in receipt of any monthly financial assistance as Pension, etc., are not maintained by the Government. The Committee are further dismayed to note that the data containing the details of backlog in the payment of Salary,

Allowances and other 'Statutory Dues' to the serving/retired Employees and the total amount of outstanding dues on account of salary, allowances and other statutory obligations which the PSUs had to pay to its serving/retired Employees, are not centrally maintained.

17. In this regard, the Committee strongly recommend that Ministry of Heavy Industries & Public Enterprises should ensure that Department of Heavy Industry - in co-ordination with the Department of Public Enterprises (DPE) which is the nodal Department for all the CPSEs - should maintain a Comprehensive Central Data consisting of all the relevant details, viz., Salary, Pay & Allowances, Outstanding Dues in the form of Pension or any other financial assistance of Employees in all the CPSEs and also to publish the same on the Ministry's website, which could also be conveniently accessed, online, by the beneficiaries/ stakeholders. The Committee would like to be apprised of the concrete action taken in this regard, within three months of presentation of this Report to the House.

NEW DELHI;
7 February, 2019
18 Magha, 1940 (Saka)

BHAGAT SINGH KOSHYARI,
Chairperson,
Committee on Petitions.

**MINUTES OF THE FIFTY-FIFTH SITTING OF THE COMMITTEE ON PETITIONS
(SIXTEENTH LOK SABHA)**

The Committee met on Thursday, 7 February, 2019 from 1530 hrs. to 1630 hrs. in Committee Room No.2, Block-A, Parliament House Annexe Extension Building, New Delhi.

PRESENT

Shri Bhagat Singh Koshyari - Chairperson

MEMBERS

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Shri Chhedi Paswan
7. Shri Dinesh Trivedi
8. Shri Rajan Vichare

SECRETARIAT

1. Shri Shiv Kumar - Joint Secretary
2. Shri Raju Srivastava - Director
3. Shri G. C. Dobhal - Additional Director

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee, thereafter, took up for consideration the following Draft Reports :-

- | | | | |
|-------|------|------|------|
| (i) | XXXX | XXXX | XXXX |
| (ii) | XXXX | XXXX | XXXX |
| (iii) | XXXX | XXXX | XXXX |

- (iv) Action Taken Report on the Action Taken by the Government on the recommendations made by the Committee on Petitions (Sixteenth Lok Sabha) in their Fifty-Third Report on the Representation of S/Shri Ram Sharan Kantiwal and Mahender Singh regarding payment of salary to the employees of HMT, Pinjore and to restart its Tractor Unit.

4. After discussing the above mentioned Draft Reports in detail, the Committee adopted all the four Reports without any modification(s). The Committee also authorised the Chairperson to finalize the Draft Reports and present the same to the House in the current Budget Session.

5. XXXX XXXX XXXX

The Committee, then, adjourned.
