

THIRD REPORT

COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(DEPARTMENT OF HEAVY INDUSTRY)

(Presented to Lok Sabha on 6.3.2020)



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- (i) Minutes of the 4th sitting of the Committee on Petitions held on 18.2.2020.

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COMPOSITION OF THE COMMITTEE ON PETITIONS

(2019-20)

Dr. Virendra Kumar - *Chairperson*

MEMBERS

2. Shri Anto Antony
3. Shri Sukhbir Singh Badal
4. Shri Harish Dwivedi
5. Shri P. Raveendranath Kumar
6. Shri P.K. Kunhalikutty
7. Dr. Sukanta Majumdar
8. Shri Sanjay Sadashivrao Mandlik
9. Smt. Anupriya Patel
10. Dr. Bharati Pravin Pawar
11. Shri V. Srinivas Prasad
12. Shri Brijendra Singh
13. Shri Sushil Kumar Singh
14. Shri Prabhubhai Nagarbhai Vasava
15. Shri Rajan Vichare

SECRETARIAT

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

THIRD REPORT OF THE COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Third Report (Seventeenth 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-Seventh Report (Sixteenth Lok Sabha) on the Representation received from Shri Madhuban Yadav and others and forwarded by Shri Ram Tahal Choudhary, M.P., Lok Sabha regarding non-payment of arrears to the retired employees of Heavy Engineering Corporation Limited (HECL) Ranchi.

2. The Committee considered and adopted the draft Third Report at their sitting held on 18 February, 2020.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

18 February, 2020

29 Magha, 1941 (Saka)

DR. VIRENDRA KUMAR,
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-SEVENTH REPORT ON THE REPRESENTATION RECEIVED FROM SHRI MADHUBAN YADAV AND OTHERS AND FORWARDED BY SHRI RAM TAHAL CHOUDHARY, M.P., LOK SABHA REGARDING NON-PAYMENT OF ARREARS TO THE RETIRED EMPLOYEES OF HEAVY ENGINEERING CORPORATION LIMITED (HECL) RANCHI.

The Committee on Petitions (Sixteenth Lok Sabha) presented their Fifty-Seventh Report to Lok Sabha on 18.12.2018 which had dealt with the Representation received from Shri Madhuban Yadav and others and forwarded by Shri Ram Tahal Choudhary, M.P., Lok Sabha regarding non-payment of arrears to the retired employees of Heavy Engineering Corporation Limited (HECL) Ranchi.

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 para 30 of the Report, the Committee had observed/recommended as follows :-

"The Committee note from the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the 1997 Wage Revision for the employees of HEC Limited was approved by the Government of India in the year 2008; which was communicated to the Company vide letter dated 18 September 2008. Consequently, the same was implemented vide Company's Circular No. 1 & 2 dated 14 October, 2008 and the revised pay was paid to all categories of employees of HEC Limited, viz., Workers, Non-Unionized Supervisors and Executives w.e.f., 18 September, 2008. But, as per the submissions made by the Ministry, the implementation of 1997

Wage Revision could not be effected from 1 January, 1997 owing to financial difficulties being faced by the Company and the Order dated 6 July, 2004 of the Board for Industrial & Financial Reconstruction (BIFR) for winding up of the Company."

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

"As regards the non-implementation of 1997 pay scales w.e.f., 01.01.1997 in HEC, the detailed submissions have been made vide this Department's reply of even reply dated 22.11.2017. However, the following facts are reiterated in this context:-

- (i) Pay revision in the Central Public Sector Enterprises (CPSE) is governed by the Guidelines issued by the Department of Public Enterprises (DPE) from time to time. As per DPE Guidelines dated 25.06.1999, the following are the guiding principal for pay revision in sick CPSEs:-*
 - (a) In respect of sick enterprises referred to the Board for Industrial & Financial Reconstruction (BIFR), revision of pay scales would be strictly in accordance with rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in these packages.*
 - (b) Presidential directives would be issued by all the administrative Ministries / Departments indicating these scales as a ceiling, as the actual payments would depend on the capacity to pay of the enterprises. The resources for meeting the increased obligation for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention. The Presidential directives would also cover Guidelines relating to dearness allowance and ceilings on perquisites.*
- (ii) HEC Limited being a CPSE is governed by the DPE Guidelines. The employees of HEC Limited were not eligible for pay revision of 1997 from 01.01.1997 as per the DPE Guidelines. However, with a view to boost the morale of employees and revive the Company's performance the Government approved pay revision as recommended by the Board for Reconstruction of Public Sector Enterprises (BRPSE). The wage/pay revision of 1997 was implemented with prospective effect from 18.09.2008 as per the approval of Cabinet, with one time relaxation of DPE Guidelines, as per the recommendation of BRPSE.*

- (iii) Consequent upon winding order issued by Board for industrial and Financial Reconstruction (BIFR) on 06.07.2004, HEC filed Writ Petition in Hon'ble Jharkhand High Court. As per the directives of Hon'ble Court, Revival of HEC was considered by Department of Heavy Industry (DHI) and proposal was sent to BRPSE.
- (iv) Some improvement in performance of the Company after implementation of revival package 2005 and other effort like introduction of productivity linked reward. However, profitability was marginal and financial condition was not strong enough to bear any major burden. For further improvement in performance of Company, Cabinet Committee on Economic Affairs (CCEA) approved the revival package 2008 on 04.09.2008. In the said Cabinet meeting, decision for the implementation of 1997 pay scale was taken and it was decided that revised salary shall be payable with prospective effect. Accordingly, wage revision 1997 for employees of Company with prospective effect i.e., 18.09.2008 was implemented."

6. In para 31 of the Report, the Committee had observed/recommended as follows :-

"The Committee further note that the discussion on the aspect of Wage Revision with the Trade Unions could be started only after improvement in performance of HEC Limited. In this regard, a Tripartite Memorandum of Settlement was signed on 27 November, 2006 with Hatia Project Workers' Union in the presence of the Labour Commissioner-cum-Conciliation Officer, Government of Jharkhand and simultaneously, a Bipartite Memorandum of Agreement was also signed on 27 November, 2006 between the Management of HEC Limited and five registered Trade Unions."

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

"As regards the fulfillment of agreement as indicated above held between HEC and the Workers Union, it is stated that, in the Tripartite/Bipartite Agreement the issue of payment of arrear was dependent on the future performance of the Company which was again subject to the approval of the Government of India. The said Agreement states as follows:-

"The issue of payment of arrear from 01.01.1997 xxx will be discussed separately depending upon the future performance of the Company xxx this Memorandum of Settlement is subject to approval of Competent Authority (GoI) xxx"

As already indicated, the financial implication of wages revision was to be borne by the Company itself and not from Government subvention but the Company was not financially sound enough to pay the 1997 wages arrear.

As per DPE Guidelines 25.06.1999, resources for meeting the increased obligation for salaries and wages must be internally generated and must come from improved performance of CPSEs in terms of productivity and profitability and not from Government subvention. Being governed by DPE Guidelines, HEC was not in a position to implement the 1997 pay revision w.e.f., 01.01.1997. However, with a view to boost the morale of employees and revive the Company's performance, Government /CCEA vide its decision dated 04.09.2008 approved 1997 pay revision with prospective effect, i.e., from 18.09.2008, as one time relaxation of DPE Guidelines."

8. In para 32 of the Report, the Committee had observed/recommended as follows:-

"The Committee also take note of the fact that a Writ Petition No. 710 of 2012 was filed by Shri Lajji Prasad Sinha & Others in the High Court of Jharkhand at Ranchi praying for the payment of arrears for the Wage Revision of 1997. The Writ Petition was, however, disposed off by the Hon'ble High Court of Jharkhand on 21 February, 2012 treating the same as a Representation and also directing the Management of HEC Limited to decide the claims made by the Petitioners in accordance with the Law, Rules, Regulations, Policies and Government enforceable Orders within the period of six weeks from the date of the receipt of the copy of the said Order of the Hon'ble High Court. Accordingly, the Petitioners were heard by the then Director (Personnel), in person, on 3 April, 2012 and the order disposing of the case was issued on 6 April, 2012, wherein, it was mentioned that since 1997 Wage Revision was approved prospectively by the Government w.e.f., 18 September, 2008, no arrears had accrued to any employee, whether those who had separated from the employment of the Company prior to 18 September, 2008 or to those who were in service of the Company on 18 September, 2008."

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

"As regards compliance of order dated 21.02.2012 of High Court of Jharkhand, directing therewith HEC to consider and dispose of the representation (treating the petition as representation) of the petitioner, it is stated that same was disposed of by the Company vide its order dated 06.04.2012. The said representation of the petitioner was to be disposed of as per the Law/Rules/Regulations/Policies/Government orders, as per the court order dated 21.02.2012 and it was accordingly rightly disposed of by the Company

in the background of CCEA decision dated 04.09.2008, i.e., the Government decision/order applicable in the context. As per the said CCEA decision, the 1997 pay scale were approved prospectively by the Government, i.e., 18.09.2008 and hence Company did not agree to the request made by the Petitioner."

10. In para 33 of the Report, the Committee had observed/recommended as follows :-

"The Committee are not satisfied with the reasons given by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) for prospective implementation of 1997 Wage Revision which have been ascribed to financial difficulties being faced by HEC Limited and the Order dated 6 July, 2004 of the Board of Industrial and Financial Reconstruction (BIFR) for winding up of the Company in view of the fact that the Company incessantly earned 'Net Profit' of Rs.2.86 crore in the year 2006-07 which further rose to Rs.299.31 crore in the year 2013-14. As regards BIFR's order of winding up of the Company which was issued on 6 July, 2004 and forwarding the same to the High Court of Jharkhand, HEC Limited and the Department of Heavy Industry (DHI) had appealed to the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). However, since there was no Bench in AAIFR, HEC Limited had also filed a Writ Petition in the High Court of Jharkhand. Subsequently, as per the directive of Hon'ble High Court, revival of HEC Limited was considered by the DHI and a proposal was sent to the Board for Reconstruction of Public Sector Enterprises (BRPSE); which also recommended revival of HEC Limited, in terms of financial as well as organizational restructuring, in its meeting held on 7 October, 2005, which was eventually assented to by the Cabinet Committee on Economic Affairs (CCEA) on 15 December, 2005. On subsequent occasions as well, CCEA had approved revival/ relief packages for the Company on 4 September, 2008 and on 20 September, 2013, besides extending the Government's guarantee for Rs.253 crore till 31 March, 2017 and also sanctioning of loan of Rs.47.89 crore on 15 September, 2014 for meeting the expenditure on account of payment of employee-related Statutory Dues, etc."

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

"As regards the observations of the Committee that Company earned net profit of Rs. 2.86 crore in 2006-07, which further rose to Rs. 299.31 crore in the year 2013-14, it is stated that it has been clearly clarified in the reply dated 13.08.2018 of this Department that it is a notional profit, appearing on account of financial assistance and relief received from Government of Jharkhand (GoJ) and Government of India (GoI), i.e., this is not the operational profit of the Company.

The Company had incurred an operating loss of Rs. 151.74 crore in the year 2013-14. However, in the audited account of 2013-14, a Profit After Tax (PAT) of Rs. 299.31 crore has been reflected after taking into account (i) the relief in the form of waiver of liabilities and financial assistance received from Government of Jharkhand (GoJ) in view of transfer of land to GoJ as a part of revival package of 2005/ 2008 and (ii) grant of Rs. 182.43 crore received from Government of India (Gol) for payment of Capital Gains Tax.

During these years, Company had very marginal operational profit and was not in a financial position to absorb the burden of payment of arrear of 1997 wage revision, i.e., Company did not have sufficient internal resources to meet the additional expenditure to pay arrears in case of implementation of 1997 pay wage revision with retrospective effect, as per the DPE Guidelines.

The major revival packages approved by the Gol were mostly in the form of non-cash i.e., adjustment/ waiver of loan, transfer of land to Government of Jharkhand (GoJ)/ Central Industrial Security Force (CISF) to settle liabilities/Government Guarantee, etc. The cash assistance was provided by the Gol for paying tax liability (Rs. 182.43 crore as per CCEA decision dated 20.09.2013) or for the payment of statutory dues (Rs. 47.89 crore as per CCEA decision dated 15.09.2014). Even in the Revival Package in 2008 also, Gol did not provide any cash assistance for the implementation of 1997 pay scale.

The Revival Packages approved by the Government mostly in the form of non-cash for liquidating various kinds of liabilities were intended to the improvement in the performance of the Company, considering its importance in the Capital Goods Sector. These financial interventions were made by the Government so as HEC may stand on its own as a revival Company.

As per the Government policy, the resources for meeting the increased obligations for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention and hence implementation of pay revision with retrospective effect is not covered under the policy of Government."

12. In para 34 of the Report, the Committee had observed/recommended as follows :-

"The Committee could very well gauge that the morale of the employees of the HEC would have been at its lowest ebb not only due to prospective implementation of 1997 Wage Revision, i.e., w.e.f., 18 September, 2008, but also owing to uncertain future of the Company coupled with the perilous aspect of subsistence without regular monetary receivables. As per the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), as many as 4572 employees consisting of

Executives, Supervisors and Workmen got separated from HEC Limited from the period between January, 1997 and September, 2008 on account of attaining the age of superannuation or otherwise. It is also an irrefutable fact that lower wages, primarily, due to inordinate delay in implementation of Wage Revision, at times, could vitiate the harmonious Industrial Relations and also affect the overall productivity of the Organization. The Committee, therefore, strongly recommend to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that an urgent, effective and time bound Action Plan be drawn up for implementation of 1997 Wage Revision with retrospective effect since 1 January, 1997 in respect of all categories of serving employees of HEC Limited and for payment of arrears accrued thereon, so that not only the morale of the employees of HECL is restored but also the functional and financial viability of the Company is guaranteed. 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."

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

"As regards the low morale of the employees of HEC, as observed by the Committee, it is stated that as per the DPE Guidelines, PSEs which did not make profit during the last 3 years may not be allowed to adopt the revision of scales with the approval of the Government. However, to induct new talents and retaining inducted personnel, required for marked change in work culture which was essential to achieve targets in future/ increasing the moral of the employees, CCEA in its decision dated 04.09.2008, approved the 1997 wage revision, as a onetime relaxation of DPE Guidelines.

As regards the implementation of 1997 wage revision with retrospective effect, it is reiterated that Pay revision in the Central Public Sector Enterprises (CPSEs) is governed by the Guidelines issued by the Department of Public Enterprises (DPE) from time to time. HEC is also bound to follow the said Guidelines of DPE on the issue of pay revision/ arrear.

Further, DPE Guidelines dated 17.08.2017, clearly states that the benefit of pay revision may be allowed only to employees of those CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of pay revision from their own resources without any budgetary support from the Government. Board of Directors (BoD) of company would consider the proposal of pay revision of all employees in CPSEs, keeping in mind the affordability and capacity of the CPSE to pay.

As per Cabinet approval, decision has been taken to implement the 1997 pay scale from prospective effect. Government has not granted pay revision with retrospective effect in

case of sick/ loss making CPSEs in DHI. There are a large number of Court cases pending in various High Courts across the country demanding similar reliefs. Considering the case of HEC Limited in isolation for implementation of pay revision with retrospective effect will have wide ranging financial implications and wide ramifications across the country. It will go against the stand of the Government in all such court cases pending in various courts.

In the past, Government had made financial interventions (mostly in the form of non-cash) to improve the health of the Company so that it can manage its financial liabilities on its own. However, Government may not have un-ending support to in the form of Revival Packages."

14. In para 35 of the Report, the Committee had observed/recommended as follows:-

"The Committee are also of the considered opinion that the harmonious and congenial relationship between the Management and Workers is the touchstone for purposeful working and peaceful existence of any Industrial Unit. Undoubtedly, a strained relationship between the Management and Workers is bound to impair the efficiency and smooth functioning of any Organization, especially, the one which is not financially viable and struggling for its survival. Obviously, the responsibility for creating a cordial atmosphere with a high 'Happiness Index' amongst employees in any Industrial Unit lies more on the Management than on the Workers. In spite of demarcated and distinct responsibilities assigned to Management and Workers, it is incumbent upon both the sides, with a far greater responsibility on the Management, to preserve and promote harmonious Industrial Relations in the larger interest of the Workers, Management, Company and the country as a whole. In this sequel, the Committee, further recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to ensure that the Tripartite Memorandum of Settlement and the Bipartite Memorandum of Agreement which was signed by the Management of HEC Limited and the Registered Workers'/ Trade Union(s) on 27 November, 2006 be followed in letter and spirit so that the workers/ employees of the HEC Limited remain faithful and loyal to the Company by putting in their all-out efforts in the direction of self-sustenance of the Company and ultimately channelizing their efforts towards a successful turnaround in its fortunes."

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

"As regards the implementation of Agreement made in November, 2006 between HEC and its Workers, it is stated that said agreement was dependent on the future

performance of the Company which was again subject to the approval of the Government of India, as already submitted.

Under the Company Act, 1956, HEC is a registered company and has a separate and distinct legal identity. Company is also an independent financial entity as per the Company Act and it has to manage its own affairs including payment of arrears, etc. All the affairs of the Company are managed as per the decisions made by the Board of Directors (BoD) from time to time and BoD takes all the decisions inter alia involving financial implications keeping in mind the affordability and capacity of the CPSE to pay.

Government of India being major share holder of the Company functions only as a promoter and does not interfere in its day to day affairs of running or in the decisions of BoD of the Company. Government ensures that HEC follow the ethics of all the related/ applicable policy of Government of India, i.e., Company Act, Labour Act, etc.

As per the Government policy, the resources for meeting the increased obligations for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention.

As far as HEC is concerned, it is stated that it is a sick company and has been incurring continuous losses since 2013-14. It is not in a financial position to absorb the financial burden of paying arrear arising out of the implementation of 1997 wages revision from retrospective date. The Company is even facing difficulties in payment of regular salary and terminal benefits to its employees due to its precarious financial position.

In view of the above instructions of DPE/Government policy, this Department may consider the proposal of Company for pay revision/ arrears etc., only in case, it becomes in a position to afford the financial obligations arising consequent on the pay revision."

16. In para 36 of the Report, the Committee had observed/recommended as follows :-

"The Committee note from the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the 2007 Wage Revision to the employees of the HEC Limited had been implemented w.e.f., 9 July, 2011 and that of Arrears w.e.f., 1 January, 2009. However, the Committee are constrained to note that due to implementation of 1997 Wage Revision w.e.f., 18 September, 2008, the worst sufferers happened to be the employees who retired on attaining the age of superannuation between the period from 1 January, 1997 and 17 September, 2008 and therefore as they have been devoid of their arrears accrued in respect of their pension which is their legitimate right. The Committee, therefore, strongly recommend the

Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take necessary steps in respect of making payments of arrears following the 1997 Wage Revision to all categories of retired employees of HEC Limited, as they have no other source of income. 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."

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

"As regards the recommendation of the Committee to take necessary steps by the Department for making payment of arrears with retrospective effect, it is reiterated that DPE Guidelines dated 17.08.2017, clearly states that the benefit of pay revision may be allowed only to employees of those CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of pay revision from their own resources without any budgetary support from the Government. BoD of Company would consider the proposal of pay revision of all employees in CPSEs, keeping in mind the affordability and capacity of the CPSE to pay.

As per the Government policy, the resources for meeting the increased obligations for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention.

As far as HEC is concerned, it is stated that it is a sick company and has been incurring continuous losses since 2013-14. It is not in a financial position to absorb the financial burden of paying arrear arising out of the implementation of 1997 wages revision from retrospective date. The Company is facing difficulties in payment of regular salary and terminal benefits to its employees due to its precarious financial position.

The implementation of wage revision in HEC, with retrospective effect from 01.01.1997 with the support of Gol would be in-contravention of its policy and DPE Guidelines and will have wide ranging ramifications all over the country, especially in loss making CPSEs. There are a large number of court cases/ Writ Petitions filed in various Courts. It may affect the stand taken by the Department in such cases."

18. In para 37 of the Report, the Committee had observed/recommended as follows :-

"The Committee note from the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that on the persistent requests of the representatives of the retired employees and the Trade Union(s) of the Company for the

payment of the 1997 Wage Revision arrears from the period 1 January, 1997 till 17 September, 2008, thereby, involving Rs. 160 crore and around 7356 persons, the case was taken up with the Department of Heavy Industry by the management of HEC Limited. However, the proposal was not approved by the Department."

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

"As regards the non-approval of the request of the Company for providing additional grant of Rs. 160 crore by the Department for the payment of wages arrear it is stated that the said proposal was only forwarded by the CMD, HEC and did not have approval of the BoD, HEC. The said proposal of the Company was duly considered by the Department in the background of CCEA decision dated 04.09.2008 which inter alia had agreed 1997 wage revision only from retrospective effect. Hence, the decision of the Department was in consonance with the policy and decision of the Cabinet."

20. In para 38 of the Report, the Committee had observed/recommended as follows:-

"Subsequently, a proposal was put up to the Board of Directors of HEC Limited in its meeting held on 25 June, 2013 for sending a request to Department of Heavy Industry for placing the matter before Cabinet Committee on Economic Affairs (CCEA) for consideration. However, the proposal was not approved by the Board seemingly on the grounds that a demand like this, if agreed to, would have a spiral effect on a large number of Public Sector Undertakings."

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

"As regards the non-approval of the proposal by the BoD, HEC for making request to this Department for placing the matter before CCEA for consideration of implementation of 1997 wage revision with retrospective effect, it is stated that the Government/ Department being major share holder of the Company functions only as a promoter and does not interfere in its day to day affairs of running or in the decisions of BoD of the Company.

Under the Company Act, 1956, HEC is a registered Company and has a separate and distinct legal identity. Company is also an independent financial entity as per the Company Act and it has to manage its own affairs including payment of arrears, etc. All the affairs of the Company are managed as per the decisions made by the Board of

Directors (BoD) from time to time and BoD takes all the decisions inter alia involving financial implications keeping in mind the affordability and capacity of the CPSE to pay."

22. In para 39 of the Report, the Committee had observed/recommended as follows:-

"The Committee do not agree with the averments made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that the proposal for Special Grant of Rs. 160 crore for the payment of arrears for the period from 1 January, 1997 to 17 September, 2008 was not placed before the CCEA by the Board of Directors of HEC Limited, despite the fact that earlier on three occasions, i.e., 24 November, 2011, 31 March, 2011 and 30 July, 2012, the then Chairman-cum-Managing Director (CMD) of the HEC Limited had requested to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) for special grant of Rs. 160 crore. The Committee are astonished to observe that the decision for not placing the matter before the CCEA on the grounds that it would have a spiral effect on large number of PSUs, is taken at the Board level meeting of a lone Company and, therefore, could not be regarded as a policy decision. The Committee, therefore, strongly urge upon the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to consider the earlier requests made by the former CMDs and take immediate steps to get the same approved by the Board of Directors, HEC Limited and, thereafter, be placed before the CCEA for release of special grant of Rs. 160 crore to the HEC Limited so that Statutory Dues/ Arrears for the period 1 January, 1997 till 17 September, 2008 may be paid to the retired employees of the Company. 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."

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

"As regards the observation of the Committee on the aspect of non-placing the matter of payment of arrear before the CCEA by the BoD, HEC, despite the fact that on earlier occasion the then CMD, HEC had requested DHI for seeking special grant for the purpose, it is stated that all the affairs of the Company are managed as per the Company Act as well as delegation of power to various authorities of the Company.

Since BoD, HEC is over and above CMD, HEC, it can reconsider any decision taken by the CMD and may take on its view/ decision on any of the issue/ affair of the Company. Further, BoD, HEC does not have the power to place any proposal before the CCEA for consideration; instead it can only refer the matter to the Department for consideration.

As regards the recommendation of the Committee to consider the request of the then CMD for releasing special grant of Rs. 160 crore for the payment of arrear, it is stated that the said matter has already been considered by the Department and was not agreed to in the light of CCEA decision/ Government policy."

24. In para 40 of the Report, the Committee had observed/recommended as follows:-

"From the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), the Committee note that, over the years, the performance of the HEC Limited has declined and ultimately the Company was declared as a 'Sick Unit' due to various reasons, viz., old and out-dated Plant and Machinery, excess Manpower, under-utilization of Capacity, Working Capital constraints, etc. Consequently, in order to revitalize the Company, HEC Limited had prepared a Modernization-cum-Revival plan with the help of MECON Limited [formerly known as Metallurgical & Engineering Consultants (India) Limited] and accordingly, a multi Member 'Committee of Experts' headed by Dr. V. K. Saraswat, Member, NITI Aayog was set up on 26 July, 2016 for appraisal of the Modernization Plan of HECL and viability of its business Plan. Dr. Saraswat Committee has submitted its Report and has strongly recommended for the revival of the Company. In this regard, the Committee further note that based on the recommendations of Dr. Saraswat Committee, the Company has submitted its Modernization-cum-Revival Plan which is under active consideration of the Government. A draft Proposal has been prepared and circulated for Inter-Ministerial Consultation."

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

"As regards the reports of the Dr. Saraswat Committee recommending revival of the Company, it is stated that the recommendations of the Committee have been noted by the Department. As a part of the first phase of the implementation of recommendations of Dr. Saraswat Committee, Cabinet in its meeting dated 31.03.2017, permitted HEC for return of 675.43 acres of land to the State Government of Jharkhand (GoJ) for raising Rs.742.98 crore to liquidate the employees related statutory dues and other liabilities on the Company to help the company in its efforts of revival. Further, on the direction of Core Group of Secretaries (CGD), this Department had made interaction with the Department of Atomic Energy (DAE), DRDO and NITI Aayog so as to optimally leverage on the assets and operations of the Company and it was recommended to CGD to transfer of HEC from DHI to DAE on "as is where is" basis. Subsequently, Atomic Energy Commission (AEC) had accorded "In Principal" approval for transfer of administrative control of HEC from DHI to DAE, with the recommendation to constitute a Group/

Committee led by DAE, which will include all the stake-holders like, ISRO, DRDO, Ministry of Steel, Ministry of Coal, Ministry of Mines, Ministry of Railways and Department of Heavy Industry, in order to evaluate modernization-revival of HEC and make recommendation for further consideration of the AEC. Accordingly, a high level Committee has been constituted with the approval by Cabinet Secretariat and said Committee has held two meetings to consider the issue further for transfer of HEC to Department of Atomic Energy."

26. In para 41 of the Report, the Committee had observed/recommended as follows:-

"In this regard, the Committee are of the considered opinion that merely formulating Modernization-cum-Revival Plan and a piecemeal approach by the Government in regard to the findings and implementation of recommendations of Dr. Saraswat Committee would not serve the intended purpose. The Committee are pained to note that after obtaining Technical Appraisal from Dr. Saraswat Committee in respect of Revival Plan, which had also strongly recommended for the revival of the Company, no concrete action has, so far, been taken by the Government, except for preparation and circulation of the draft Proposal in this regard for Inter-Ministerial Consultation. As the Revival Plan is not time bound in nature and its implementation without a time-bound programme would make the entire exercise redundant, the Committee recommended the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take this Modernization-cum-Revival Plan in right perspective and to make all necessary efforts to co-ordinate with all the concerned Ministries/Departments/Agencies so that it could be approved by the Government & implemented in right earnest and result oriented manner. 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."

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

"As regards the time bound implementation of the recommendations of the Saraswat Committee, it is reiterated that the recommendation/ observation of the said Committee on the modernization-cum-revival of HEC have been noted by the Department. Further, as a part of its implementation, CCEA has already approved raising Rs.742.98 crore (in lieu of transfer of land to GoJ) to liquidate the employees related statutory dues and other liabilities on the Company to help the company in its efforts of revival.

Department had already made interaction with the Department of Atomic Energy (DAE), DRDO and NITI Aayog so as to optimally leverage on the assets and operations of the Company.

As already submitted, Atomic Energy Commission (AEC) had accorded "In Principal" approval for transfer of administrative control of HEC from DHI to DAE, with the recommendation to constitute a Group/ Committee led by DAE, which will include all the stake-holders like, ISRO, DRDO, Ministry of Steel, Ministry of Coal, Ministry of Mines, Ministry of Railways and Department of Heavy Industry, in order to evaluate modernization-revival of HEC and make recommendation for further consideration of the AEC. Accordingly, a high level Committee has been constituted with the approval by Cabinet Secretariat to consider the issue further for transfer of HEC to Department of Atomic Energy."

28. In para 42 of the Report, the Committee had observed/recommended as follows:-

"The Committee take note of the fact that as a part of the First Phase of the implementation of recommendations of Dr. Saraswat Committee, Cabinet in its meeting dated 31 March, 2017, permitted HEC Limited for return of 675.43 acres of land to State Government of Jharkhand for raising Rs. 742.98 crore to liquidate the employees-related Statutory Dues and other liabilities on the Company to help the Company in its efforts of revival. In this regard, the Committee further note that the Company has, so far, received more than Rs. 400 crore from the State Government of Jharkhand. On this count, the Committee are of the considered view that the process of monetization of land not currently in use by the HEC Limited through transfer of land to the State Government of Jharkhand, which would have raised Rs. 742.98 crore, should have been taken up expeditiously and the money could have been utilised for liquidation of employee related Statutory Dues, viz., Gratuity, PF, Leave Encashment and other retirement benefits to the superannuated employees. Though, Rs. 400 crore received from the Government of Jharkhand, so far, has been utilised by the HEC Limited to liquidate other liabilities, the Committee strongly recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take immediate necessary measures to impress up on the State Government of Jharkhand for payment of remaining amount and also to ensure that it must be utilised for payment of arrears on account of 1997 Wage Revision, w.e.f., 1 January, 1997 for the superannuated employees of the Company. 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."

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

"As regards the realization of Rs. 742.98 crore by the Company from the Government of Jharkhand in view of transfer of land as per CCEA decision dated 31.03.2017, it is stated

that as per the inputs received from the Company Rs. 679.57 crore has already been received by the Company and it has been consistently making efforts with the GoJ for the releasing of balance amount. Company has not reported the Department any such impediment for the implementation of the said Cabinet decision. The fund realization is commensurate to the land transferred to the GoJ, requiring various time taking administrative formalities/ measures.

The fund received from GoJ has been utilized by the Company for the specific purpose in consonance with the said Cabinet decision and employees admitted liabilities have been given due importance in the scheme of disbursements.

The Cabinet in its decision dated 13.03.2017 had approved the purpose of utilization of the fund receivable from GoJ and the funds cannot be disbursed for the purpose other than specified in the said Cabinet decision."

OBSERVATIONS/RECOMMENDATIONS

Expeditious implementation of 1997 Wage Revision with retrospective effect since 1 January, 1997 and payment of arrears to the employees of HEC Limited, Ranchi

30. Expressing concern over the plight of the employees of the HEC Limited, Ranchi, the Committee had pointed out that the morale of the employees of the HEC was at its lowest ebb not only due to prospective implementation of 1997 Wage Revision, i.e., w.e.f., 18 September, 2008, but also owing to uncertain future of the Company coupled with the perilous aspect of subsistence without regular monetary receivables. As per the submissions made by the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), the Committee had noted that as many as 4572 employees consisting of Executives, Supervisors and Workmen got separated from HEC Limited from the period between January, 1997 and September, 2008 on account of attaining the age of superannuation or otherwise. The Committee were also apprehensive of the lower wages, primarily, due to inordinate delay in implementation of Wage Revision which could vitiate the harmonious Industrial Relations and also affect the overall productivity of the Organization. The Committee, therefore, had strongly recommended to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) that an urgent, effective and time bound Action Plan be drawn up for implementation of 1997 Wage Revision with retrospective effect since 1 January, 1997 in respect of all categories of serving employees of HEC Limited and for payment of arrears accrued thereon, so that not only the morale of the employees of HECL is restored but also the functional and financial viability of the Company is guaranteed.

31. In response to the Committee's above recommendation, the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry), in their action taken reply, have submitted that as per the Department of Public Enterprises (DPE) Guidelines, Public Sector Enterprises (PSEs) which did not make profit during the last 3 years may not be allowed to adopt the revision of scales with the approval of the Government. However, to induct new talents and retaining inducted personnel required for marked change in work culture which was essential to achieve targets in future/increasing the morale of the employees, Cabinet Committee on Economic Affairs (CCEA), in its decision dated 4 September, 2008, approved the 1997 wage revision, as a one-time relaxation of DPE Guidelines. Further, as regards the implementation of 1997 Wage Revision with retrospective effect, the Ministry have further submitted that Pay Revision in the Central

Public Sector Enterprises (CPSEs) is governed by the Guidelines issued by the DPE from time to time and HEC is also bound to follow the said Guidelines of DPE. In this connection, the Ministry have also stated that as per DPE Guidelines dated 17 August, 2017, the benefit of pay revision may be allowed only to employees of those CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of pay revision from their own resources without any budgetary support from the Government. However, the Board of Directors (BoD) of Company would consider the proposal of pay revision of all employees in CPSEs, keeping in mind the affordability and capacity of the CPSE to pay. The Ministry have further stated that as per Cabinet approval, decision has been taken to implement the 1997 pay scale from prospective effect and the Government has not granted pay revision with retrospective effect in case of sick/loss making CPSEs in DHI. Besides, the Ministry have informed the Committee that there are a large number of Court Cases pending in various High Courts across the country demanding similar reliefs and in view of this, considering the case of HEC Limited in isolation for implementation of pay revision with retrospective effect would have wide ranging financial implications and wide ramifications across the country and will go against the stand of the Government in all such cases pending in various Courts. The Ministry have further informed the Committee that in the past, the Government had made financial interventions (mostly in the form of non-cash) to improve the health of the Company so that it can manage its financial liabilities on its own, however, the Government may not have un-ending support to in the form of revival packages.

32. The Committee are constrained to note that the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry) have not apprised the Committee about the details of the Action Plan on the aspect of implementation of 1997 Wage Revision with retrospective effect since 1 January, 1997 in respect of all categories of serving employees of HEC Limited and for payment of arrears accrued thereon. The Committee are not satisfied with the averments made by the Ministry in regard to the implementation of 1997 Wage Revision, as on one hand the Committee on Economic Affairs (CCEA) in its meeting dated 4 September, 2008, approved the 1997 Wage Revision, as a onetime relaxation of DPE Guidelines, and on the other hand, using the DPE Guidelines on the issue of pay revision/ arrear as a pretext, the Ministry are still reluctant in implementing the 1997 Wage Revision with retrospective effect. The Committee, therefore, reiterate its earlier recommendation that the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) should draw up an effective and time bound Action Plan

up for implementation of 1997 Wage Revision with retrospective effect since 1 January, 1997 in respect of all categories of serving employees of HEC Limited and for payment of arrears accrued thereon in an expeditious manner without any further delay, so as to boost the morale of the employees of HECL along with the functional viability and financial health of the Company. The Committee would like to be apprised of the concrete and conclusive action taken in this regard, within three months of presentation of this Report to the House.

Effective implementation of Tripartite Memorandum of Settlement and the Bipartite Memorandum of Agreement between the Management of HEC Limited and the Registered Workers'/Trade Union(s)

33. Emphasizing on a far greater responsibility on the Management than the Workers, to create, preserve and promote harmonious Industrial Relations and a cordial atmosphere with a high 'Happiness Index' amongst employees, the Committee had recommended the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to ensure that the Tripartite Memorandum of Settlement and the Bipartite Memorandum of Agreement which was signed by the Management of HEC Limited and the Registered Workers'/Trade Union(s) on 27 November, 2006 be followed in letter and spirit so that the workers/employees of the HEC Limited remain faithful and loyal to the Company by putting in their all-out efforts in the direction of self-sustenance of the Company and ultimately channelizing their efforts towards a successful turnaround in its fortunes.

34. The Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry), in their action taken reply, have submitted that the implementation of Agreement made in November, 2006 between HEC and its Workers, was dependent on the future performance of the Company which was again subject to the approval of the Government of India. The Ministry have further submitted that under the Companies Act, 1956, HEC is a Registered Company, having a separate and distinct legal identity, and is also an independent financial entity which has to manage its own affairs including payment of arrears, etc., and all the affairs of the Company are managed as per the decisions made by the Board of Directors (BoD) from time to time including the ones involving financial implications keeping in mind the affordability and capacity of the CPSE to pay. On the role of Government, the Ministry have clarified that Government of India, being major share holder of the Company, functions only as a promoter and does

not interfere in its day-to-day affairs of running or in the decisions of BoD of the Company. However, it ensures that HEC follow the ethics of all the related/applicable policies of Government of India, i.e., the Companies Act, Labour Act, etc. In this connection, the Ministry have further stated that as per the Government policy, the resources for meeting the increased obligations for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention. As far as HEC is concerned, the Ministry have also informed that it is a sick Company which has been incurring continuous losses since 2013-14 and is not in a financial position to absorb the financial burden of paying arrear arising out of the implementation of 1997 Wages Revision from retrospective date. The Ministry have further informed that the Company is even facing difficulties in payment of regular salary and terminal benefits to its employees due to its precarious financial position however, in view of the instructions of DPE/Government policy, the Department may consider the proposal of Company for pay revision/ arrears etc., only in case, it becomes in a position to afford the financial obligations arising consequent on the pay revision.

35. The Committee are unhappy with the submissions made by the Ministry which, on one hand, specify that the implementation of Agreement made in November, 2006 between HEC and its Workers, was dependent on the future performance of the Company which was again subject to the approval of the Government of India and on the other hand, put forth a caveat that the Government of India, being major share holder of the Company, functions only as a promoter and does not interfere in its day to day affairs of running or in the decisions of BoD of the Company. In this connection, the Committee are of the view that since the implementation of Agreement made in November, 2006 between the HEC and its Workers was subject to the approval of the Government of India, the Government, also being the major share holder of the Company, cannot shy away from ensuring the implementation of the above said Agreement. Therefore, while reiterating their earlier recommendation, the Committee hope and trust that the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) would ensure that the Tripartite Memorandum of Settlement and the Bipartite Memorandum of Agreement which was signed by the Management of HEC Limited and the Registered Workers'/Trade Union(s) on 27 November, 2006 be followed in letter and spirit so that the workers/employees of the HEC Limited remain faithful and loyal to the Company. The Committee

would like to be apprised of the desired necessary action taken in this regard, within three months of presentation of this Report to the House.

Expeditious Payment of 1997 Wage Revision arrears with retrospective effect since 1 January, to the retired employees of HEC Limited, Ranchi

36. While noting that due to implementation of 1997 Wage Revision, w.e.f., 18 September, 2008, the worst sufferers happened to be the employees who retired on attaining the age of superannuation between the period from 1 January, 1997 and 17 September, 2008 and, therefore, as they have been devoid of their arrears accrued in respect of their pension which is their legitimate right, the Committee had recommended the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take necessary steps in respect of making payments of arrears following the 1997 Wage Revision to all categories of retired employees of HEC Limited, as they have no other source of income.

37. In response to the above recommendation of the Committee, the Ministry of Heavy Industries & Public Enterprise (Department of Heavy Industry), in their action taken reply, have reiterated that as per DPE Guidelines dated 17 August, 2017 which stipulates that the benefit of pay revision could be allowed only to employees of those CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of pay revision from their own resources without any budgetary support from the Government. However, the Board of Directors of the Company would consider the proposal of pay revision of all the employees in CPSEs, keeping in mind the affordability and capacity of the CPSE to pay. The Ministry have also informed that as per the Government policy, the resources for meeting the increased obligations for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention. As far as HEC is concerned, it is a sick Company and has been incurring continuous losses since 2013-14 and is not in a financial position to absorb the financial burden of paying arrears arising out of the implementation of 1997 Wage Revision from retrospective date. The Ministry have further informed that the Company is facing difficulties in payment of regular salary and terminal benefits to its employees due to its precarious financial position. In this connection, the Ministry have submitted before the Committee that the implementation of wage revision in HEC, with retrospective effect from 1 January, 1997 with the support of Government of India would be in contravention of its policy and DPE Guidelines and

would have wide ranging ramifications all over the country, especially in loss making CPSEs.

38. The Committee are constrained to note that the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) have neither apprised the Committee about the necessary steps taken nor the requisite measures proposed to be taken by the Ministry in respect of making payments of arrears following the 1997 Wage Revision to all categories of retired employees of HEC Limited. The Committee, therefore, strongly reiterate their earlier recommendation and urge the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take necessary steps expeditiously in regard to making payments of arrears following the 1997 Wage Revision to all categories of retired employees of HEC Limited. The Committee would like to be apprised of the concrete and conclusive action taken in this regard, within three months of presentation of this Report to the House.

Reconsideration of Special Grant for payment of 1997 Wage Revision arrears with retrospective effect to the retired employees of HEC Limited, Ranchi

39. While noting that the proposal for Special Grant of Rs. 160 crore for the payment of arrears for the period from 1 January, 1997 to 17 September, 2008 was not placed before the CCEA by the Board of Directors of HEC Limited, despite the fact that earlier on three occasions, i.e., 24 November, 2011, 31 March, 2011 and 30 July, 2012, the then Chairman-cum-Managing Director (CMD) of the HEC Limited had requested to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) for special grant of Rs. 160 crore, the Committee had recommended the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to consider the earlier requests made by the former CMDs and take immediate steps to get the same approved by the Board of Directors, HEC Limited and, thereafter, be placed before the CCEA for release of special grant of Rs. 160 crore to the HEC Limited so that Statutory Dues/ Arrears for the period 1 January, 1997 till 17 September, 2008 may be paid to the retired employees of the Company.

40. As regards the aspect of non-placing the matter of payment of arrear before the CCEA by the BoD, HEC, despite the fact that on earlier occasion, the then CMD, HEC had requested DHI for seeking special grant for the purpose, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken reply, have

submitted that all the affairs of the Company are managed as per the Company Act as well as delegation of power to various Authorities of the Company. The Ministry have further submitted that since BoD, HEC is over and above CMD of HEC, it can reconsider any decision taken by the CMD and may take a conscious decision on any of the issue/ affair of the Company.

41. Expressing dismay on the fact that the request of the then CMD, HEC Limited for releasing Special Grant of Rs. 160 crore for the payment of arrears, which was however not agreed to by the Department of Heavy Industry in the light of CCEA decision/ Government policy, the Committee once again strongly urge the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to reconsider the earlier requests made by the former CMDs and take immediate steps to get the same approved by the Board of Directors, HEC Limited and, thereafter, be placed before the CCEA for release of Special Grant of Rs. 160 crore to the HEC Limited so that Statutory Dues/ Arrears for the period 1 January, 1997 till 17 September, 2008 may be paid to the retired employees of the Company. The Committee would like to be apprised of the concrete and conclusive action taken in this regard, within three months of presentation of this Report to the House.

Early and time bound implementation of Modernization-cum-Revival Plan for HEC Limited.

42. As the Modernization-cum-Revival Plan in respect of the HEC Limited was not time bound in nature, the Committee had recommended the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to take this Modernization-cum-Revival Plan in right perspective and to make all necessary efforts to co-ordinate with all the Ministries/Departments/Agencies concerned so that it could be approved by the Government and implemented in right earnest and in a result oriented manner.

43. In pursuance of the Committee's above recommendation, the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), in their action taken reply, have submitted that as a part of its implementation, CCEA has already approved raising Rs.742.98 crore (*in lieu of transfer of land to GoJ*) to liquidate the employees related statutory dues and other liabilities on the Company to help the Company in its efforts of revival. In this connection, the Ministry have also informed that the Department had already made interaction with the Department of Atomic Energy (DAE), DRDO and

NITI Aayog so as to optimally leverage on the assets and operations of the Company. The Atomic Energy Commission (AEC) had accorded "In Principal" approval for transfer of administrative control of HEC from DHI to DAE, with the recommendation to constitute a Group/Committee led by DAE, which will include all the stake-holders like, ISRO, DRDO, Ministry of Steel, Ministry of Coal, Ministry of Mines, Ministry of Railways and Department of Heavy Industry with a view to evaluating the modernization-revival of HEC and make recommendation for further consideration of the AEC.

44. On this count, the Committee are happy to note that there is some headway towards the implementation of the Modernization-cum-Revival Plan in respect of the HEC Limited as per the recommendations of Dr. Saraswat Committee. However, in this regard, the Committee recommend the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) to liaise with all the stake-holders such as, ISRO, DRDO, Ministry of Steel, Ministry of Coal, Ministry of Mines, Ministry of Railways and Department of Heavy Industry for an early and time bound transfer of HEC to the Department of Atomic Energy. The Committee would like to be apprised of the progress made in this regard, within three months of presentation of this Report to the House.

NEW DELHI;

DR. VIRENDRA KUMAR,
Chairperson,
Committee on Petitions.

18 February, 2020

29 Magha, 1941 (Saka)

**MINUTES OF THE FOURTH SITTING OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

The Committee met on Tuesday, 18 February, 2020 from 1100 hrs. to 1230 hrs. in Committee Room No.1, Block 'A', Parliament House Annexe Extension, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS

2. Shri Anto Antony
3. Shri Harish Dwivedi
4. Dr. Sukanta Majumdar
5. Smt. Anupriya Patel
6. Shri Brijendra Singh
7. Shri Sushil Kumar Singh
8. Shri Prabhubhai Nagarbhai Vasava

SECRETARIAT

1. Shri T. G. Chandrasekhar - Joint Secretary
2. Shri Raju Srivastava - Director

WITNESSES

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

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

(i)

(ii)

(iii)

Action Taken Report on the action taken by the Government on the recommendations of the Committee on Petitions (Sixteenth Lok Sabha) made in their Fifty-Seventh Report on the Representation of Shri Madhuban Yadav and others and forwarded by Shri Ram Tahal Choudhary, M.P., Lok Sabha regarding non-payment of arrears to the retired employees of Heavy Engineering Corporation Limited (HECL) Ranchi; and

(iv)

10. 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 finalise the Draft Reports and present the same to the House.

11.

12. A copy of the verbatim of the proceedings of the sitting of the Committee has been kept.

The Committee, then, adjourned.

Does not pertain to this Report.