

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF PUBLIC ENTERPRISES

LOK SABHA

STARRED QUESTION No. *262
TO BE ANSWERED ON 21st March, 2017

Revival of Closed PSUs/Industrial Units

***262. Shri Syama Charan Gupta:**

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

- (a) whether the Government has any scheme or action plan to protect sick public sector undertakings and for revival/ rejuvenation of PSUs/industrial units which have been closed down;
- (b) if so, the details thereof indicating the details of the PSUs/industrial units where revival plan is being implemented, State and location-wise including Naini in Allahabad;
- (c) the action taken by the Government to provide means of livelihood to the workers employed in the sick/closed down PSUs/industrial units including in Naini, Allahabad; and
- (d) whether the rising dues of the workers in these units is leading to unrest among the workers and if so, the corrective steps being taken by the Government in this regard?

ANSWER

**THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI ANANT G. GEETE)**

(a) to (d): A statement is laid on the Table of the House.

* * *

**Statement referred to in Lok Sabha Starred Question No.*262 for reply on 21.3.2017 on
“Revival of Closed PSUs/Industrial Units”**

(a) & (b): Central Public Sector Enterprises (CPSEs) function under the administrative control of various Ministries/Departments. The concerned administrative Ministry/ Department is responsible for revival/rejuvenation of sick CPSEs/Units including those located in Naini, Allahabad which have been closed down.

Department of Public Enterprises (DPE) deals with policy issues applicable to CPSEs. DPE, as a nodal Department of CPSEs has, inter alia, issued guidelines for revival and restructuring of sick/incipient sick and weak CPSEs on 29.10.2015 which are administered and implemented by the administrative Ministries/Departments in respect of CPSEs functioning under their control. As per the guidelines issued on 29.10.2015, the concerned administrative Ministries/ Departments are responsible to monitor the performance of the CPSEs and take remedial steps by formulating revival/restructuring/ disinvestment/closure plans for CPSEs and after obtaining the approval of competent authority, implement the plans.

As far as the Department of Heavy Industry (DHI) is concerned, it has been undertaking appraisal of the status of each CPSE on case to case basis and the ones having profitability potential are supported to improve their performance while the chronically sick and loss making companies are closed down with attractive compensation to the employees. The details of approvals of the Government in respect of CPSEs under the administrative control of Department of Heavy Industry are given in Annex-I.

(c): The interests of the employees are kept in view by the administrative Ministry/Department while formulating revival/restructuring plans which include provision of VRS, settlement of employee related dues, statutory dues, etc. The guidelines issued by DPE for time bound closure of CPSEs on 07.9.2016, inter alia, provides for payment of VRS at 2007 notional pay scale. Further, the Counselling, Retraining & Redeployment (CRR) Scheme of the Government provides opportunities of self/wage employment to the employees or their dependents separated under Voluntary Retirement Scheme (VRS)/ Voluntary Separation Scheme (VSS) or retrenched due to closure/restructuring of the CPSEs. The Scheme aims at providing short duration skill development/ entrepreneurship development training programmes to equip the beneficiaries for self/ wage employment.

(d): DPE does not maintain the data centrally on the dues of the workers in these units. As far as dues of workers in CPSEs/ units under DHI are concerned, the details are at Annex-II. DPE has no information on unrest among the workers due to their dues. However, there are no reports of labour unrest in the CPSEs/Units under closure functioning under DHI.

Annex-I referred to in part (a)&(b) in reply to Lok Sabha Starred Question No.262 for reply on 21.3.2017

PART A:

Status of closure of CPSEs

S. No.	Name of CPSEs	Date of Decision	Current Status
1.	HMT Bearings Ltd.	06.01.2016	All employees of the these companies have been relieved through VRS/VSS except 146 employees of Ranibagh Unit of HMT Watches Ltd. who moved to High Court and obtained stay on closure of the company. Matter is subjudice.
2.	HMT Watches Ltd.		
3.	HMT Chinar Watches Ltd.		
4.	Tungabhadra Steel Products Ltd.	22.12.2015	VRS completed with all employees relieved and dues settled.
5.	Hindustan Cables Ltd.	28.09.2016	All employees of HCL (except 125 employees of Naini Unit, Allahabad) relieved on VRS. Naini Unit has been transferred to HAL with 125 employees.
6.	Hindustan Photo Films Mfg. Co. Ltd.	28-02-2014	466 employees have been relieved through VRS and 167 employees are still on the rolls of the company. The matter of appointment of Official Liquidator was last heard on 1 st and 2 nd March, 2017 in the Hon'ble High Court of Madras. Matter is subjudice.
7.	HMT Ltd. (Tractor Division)	27.10.2016	Government has approved closure of HMT Tractor Division of HMT Ltd. with attractive VRS / VSS package at 2007 notional pay scales to its employees. An Amount of Rs.303.68 Cr. has been released to the company on 19.1.2017 for VRS/VSS purpose. An additional fund amounting to Rs.240 Cr. was released to the company on 10.2.2017 for VRS/VSS.
8.	Instrumentation Ltd. (Kota Unit)	30.11.2016	Government has approved closure of Kota Unit of Instrumentation Ltd. with attractive VRS/VSS package at 2007 notional pay scales to employees of Kota Unit of Instrumentation Ltd. including the payment of pending salary, statutory dues etc., which amounts to approximately Rs.438 crore. Accordingly, VRS/VSS for Kota Unit's employees has been opened on 8 th December, 2016 upto 18 th March, 2017.

PART B:

Strategic Disinvestment of CPSEs:

Government, on 27.10.2016, has given in principle approval for strategic disinvestment/ merger of CPSEs under DHI as per below:

- (i) 100% disinvestment of Bridge & Roof Co. Ltd., Scooters India Ltd. (Lucknow), and Bharat Pumps & Compressors Ltd. (Naini, Allahabad)
- (ii) Disinvestment of 100% shareholding of the concerned CPSE in Hindustan Newsprints Ltd. to strategic buyer through two stage auction process.
- (iii) Units of Cement Corporation of India Ltd. to be disinvested where it is legally permissible to strategic buyer through two stage auction process.
- (iv) Merger of Engineering Projects (India) Ltd. with similarly placed CPSEs.

Annex-II referred to in part (d) in reply to Lok Sabha Starred Question No.262 for reply on 21.3.2017

Status of the dues in r/o CPSEs under closure

S. No.	Name of CPSEs	Current Status
1.	HMT Bearings Ltd.	All employees of the these companies have been relived through VRS/VSS except 146 employees of Ranibagh Unit of HMT Watches Ltd. who moved to High Court and obtained stay on closure of the company. Matter is subjudice. An amount of Rs. 427. 81 crore was approved by the Cabinet Committee on Economic Affairs (CCEA) towards VRS / VSS out of which, Rs. 381.24 crore has been released so far. Further, HMT Watches Ltd. has sought funds from DHI for payment of salary for the period from January, 2016 to March, 2017 of Rs.19.00 cr. (for 815 employees relived between January to June, 2016 - Rs.10.70 crore and for 146 employees of Watch Factory Ranibagh who did not opt for VRS – 8.30 crore). In this regard, company has been asked to explore alternate measures including sale proceeds of movable assets to arrange at their own.
2.	HMT Watches Ltd.	
3.	HMT Chinar Watches Ltd.	
4.	Tungabhadra Steel Products Ltd.	VRS completed with all employees relived and all dues settled.
5.	Hindustan Cables Ltd.	All employees of HCL (except 125 employees of Naini Unit, Allahabad) have opted for VRS. Naini Unit has been transferred to HAL with 125 employees. Amount of Rs. 250.98 crore has been released for VRS / VSS. Dues have been settled in all cases except 21 cases due to technical reasons.
6.	Hindustan Photo Films Mfg. Co. Ltd.	466 employees have been relived through VRS and 167 employees are still on the rolls of the company. Matter is subjudice.
7.	HMT Ltd. (Tractor Division)	849 employees out 1001 have been relived on VRS/VSS. An Amount of Rs.303.68 Cr. has been released to the company on 19.1.2017 for VRS/VSS purpose. An additional fund amounting to Rs.240 Cr. was released to the company on 10.2.2017 for VRS/VSS and the balance amount which is still to be released is Rs.175.04 Cr. Employee representatives have filed writ petition v/s Union of India, DHI and HMT Ltd. challenging order on closure of tractor unit. Hearing was held on 3.3.2017 and was adjourned to 20.3.2017. Ministry of Labour & Employment accorded permission of closure of units of Tractor

		Division. 152 employees did not opt for VRS/VSS and approached High Court against closure decision. High Court has granted stay against closure.
S. No.	Name of CPSEs	Current Status
8.	Instrumentation Ltd. (Kota Unit)	VRS/VSS for Kota Unit's employees has been opened on 8 th December, 2016 upto 18 th March, 2017. Government has approved an amount of Rs. 438 cr. approximately for the purpose of payment of pending salary, statutory dues etc. of its employees, which amounts to approximately Rs.438 crore. Further action to release the amount would be initiated when VRS/VSS is closed.
