

[13 August, 2001]

RAJYA SABHA

(c) whether Government are also considering to close the loss making PSUs; and

(d) if so, the names of the PSUs to be closed during the year 2001-2002?

**THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA):** (a) and (b) The Govt. has formulated a VRS to help Central PSUs to rationalise their surplus manpower. Keeping the interest of workers, it is designed to give a generous *ex-gratia* payment. It is, however, voluntary and no specific jobs can be targetted.

(c) and (d) It is the endeavour of Government to make all efforts for revival/rehabilitation of sick/loss making PSUs. Closure is resorted to only when all efforts for revival fail.

#### **Issue of bonds by HMT**

**2324. SHRI RUMANDLA RAMACHANDRAIAH:** Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Hindustan Machines Tools (HMT) has decided to issue bonds for launching a voluntary retirement scheme as a part of organizational restructuring plan to turn the company around;

(b) if so, the main proposals prepared by the company on VRS;

(c) the other plans of restructuring the HMT;

(d) whether Government have accepted the restructuring plan of HMT; and

(e) if so, by when final shape of restructuring will take place?

**THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA):** (a) and (b) Yes, Sir. As part of manpower rationalization, the turnaround plan approved by the Government envisaged issue of Government guaranteed bonds to the extent of Rs. 469 crores for VRS for retiring 6947 employees for the years 2000-2001 and 2001-2002 with 50% interest subsidy by the Government on the above amount. Bonds for Rs. 310 crores have already been issued in the first tranche.

(c) to (e) Besides manpower rationalisation, the turnaround plan envisaged organizational restructuring under which subsidiaries viz. HMT Machine Tools Limited and HMT Watches Limited have been formed from the machine tools and watch business groups. The Srinagar Watch Factory has been constituted into another subsidiary viz. HMT Chinara Watches Limited. The tractor business group continues with the holding company. Five unviable units were also identified for closure of which four units have already been closed. The company has also been financially restructured through infusion of equity, conversion of loan into equity and waiver of interest. Joint Venture formation has also been envisaged in the turnaround plan.

**Consent to draft scheme of BOGL**

2325. SHRIMATI CHANDRA KALA PANDEY: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government have given their consent to the draft scheme of BOGL as circulated by OA/BIFR;

(b) if not, the reasons therefor;

(c) the status of revival scheme sanctioned by BIFR for National Instruments Limited; and

(d) the action taken by Government to expedite the implementation of the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) In a joint meeting arranged by Operating Agency viz. IDBI on March 16, 2001, the Government had conveyed 'in principle' support for revival of the Company through financial restructuring and fresh infusion of funds. BIFR has not yet circulated a draft rehabilitation scheme.

(c) and (d) The Government has already sanctioned fresh infusion of funds for capital expenditure amounting to Rs. 2 crore, Rs. 16.98 crore for Voluntary Retirement Scheme (VRS), and Government guarantee to the tune of Rs. 4.50 crore for working capital. Assets Sale Committee (ASC) constituted by BIFR is undertaking disposal of surplus land to raise Rs. 13.47 crore as per BIFR scheme. One plot has already been sold for Rs. 4.68 crore.