

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

LOK SABHA
UNSTARRED QUESTION NO. 07
TO BE ANSWERED ON 07.07.2014

Package for Sick PSUs

7. MOHAMMED FAIZAL:

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

- (a) whether the Government has provided any financial assistance/package for Hindustan Machine Tools unit in Kerala;
- (b) if so, the details thereof along with its status at present;
- (c) whether the funds allocated for this purpose has been released; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI PON. RADHAKRISHNAN)**

(a): Yes Madam. The Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 28.2.2014 has approved the financial assistance / package to Hindustan Machine Tools Ltd., Bangalore including a unit in Kerala.

(b): The details are as follows:-

- i) An amount of Rs. 75 crore as non-plan loan for working capital purposes.
- ii) Implementation of 1997 pay revision from the date of approval with one time relaxation of the Department of Public Enterprises (DPE) guidelines.
- iii) Provision of non-plan loan of Rs. 61.04 crore at seven percent interest per annum spread over two years [Rs. 29.34 crore for the first year (2014-15) and Rs.31.70 crore for the second year (2015-16)] towards additional impact of implementation of 1997 pay revision.
- iv) Empowering the Board of the company to increase the age of retirement from 58 to 60 years to the extent of 10 percent of the employees retiring in any year in relaxation of DPE guidelines. Guidelines, in this regard, would be formulated.
- v) Extension of time for a period of 5 years would be required for the utilisation of the unspent balance available with the company under technology acquisition and upgradation fund sanctioned during the earlier revival plan and extension of time for a period of three years for utilisation of unspent balance of Rs.2.63 crore for training and re-training.
- vi) Waiver of interest on Government of India loan for Rs.38.58 crore (calculated upto 31.3.2014).

(c) and (d): No funds have been allocated separately for this purpose. However, efforts are being made to release the funds within the budget provision for the year 2014-15.
