

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:3375
ANSWERED ON:06.08.2002
DISINVESTMENT OF HMT
SULTAN SALAHUDDIN OWAISI

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether HMT Limited has notified preliminary bids for selling controlling stakes in four of its six subsidiaries through newspapers;
- (b) if so, the details thereof;
- (c) the names of subsidiaries for which bids have been notified;
- (d) the total stakes likely to be sold by HMT from its subsidiaries;
- (e) the total earning likely to be derived by HMT;
- (f) the number of Units of HMT showing profits; and
- (g) the detailed plan chalked out by Government for the employees of HMT after its sale?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) to (d): Yes, Sir. HMT has invited Expression of Interest from the prospective bidders for its four subsidiaries viz., HMT Machine Tools Limited, HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited for disinvestment/joint venture upto 74%.

(e): The total earnings from this disinvestment/joint venture in respect of the four subsidiaries cannot be determined at this stage as only Expression of Interest is being sought at present from interested parties.

(f): The Tractor business of HMT Ltd. has been making profits for the last two years. Apart from this, HMT (International) Limited and HMT Bearings Limited, the two Subsidiaries are also making profits. The details of profits earned/losses incurred by HMT and its subsidiaries for the last two years are as follows:

(Rs./crore)

2000-2001 2001-2002 @

HMT Limited	24.41	5.93
HMT Machine Tools Limited	-96.17	-76.13
HMT Watches Limited	-59.18	-100.95
HMT Chinar Watches Limited	-7.95	-9.70
HMT (International) Limited	0.37	0.84
HMT Bearings Limited	2.21	1.17

@ = Provisional subject to audit

(g): Necessary clauses would be incorporated in the Shareholders Agreement to safeguard the interest of the employees as per the Government guidelines.