

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2374
ANSWERED ON:17.08.2006
REVIVAL OF HMTS .
Khaire Shri Chandrakant Bhaurao

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

- (a) Whether all the units of the Hindustan Machine Tools (HMTs) are incurring losses for the past several years;
- (b) If so, the details of losses incurred during each of the last three years;
- (c) The details of the financial assistance provided to the HMT during the last three years; and
- (d) The steps taken or proposed to be taken for revival of HMT?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Most of the HMT group of companies are incurring losses for the past several years. Details of profit/losses incurred in respect of HMT Ltd. & its subsidiaries during the last three years are as under:

(Rupees in crores)

Name of Company	2003-04	2004-05	2005-06
HMT Ltd.	-7.19	18.50	12.74
HMT (International) Ltd.	0.13	0.07	0.23
HMT Machine Tools Ltd.	-119.08	-73.80	-13.59
HMT Watches Ltd.	-134.81	-73.80	-74.71
HMT Chinar Watches Ltd.	-21.92	-25.23	-29.08
HMT Bearings Ltd.	-9.58	-10.38	-0.65
Praga Tools Ltd.	16.04	-34.39	-7.02
Provisional - Subject to audit.			

(c) : The Financial assistance provided by Government of India to HMT Ltd. & its subsidiaries during the last three years is as under:

Year	Rupees in crores
2003-04	226.34
2004-05	162.70
2005-06	129.56

(d): HMT Ltd. & its subsidiaries have formulated comprehensive revival/restructuring plans to address the specific issues related to high operational cost due to dispersed and vertically integrated manufacturing facilities, high cost of man power vis-À-vis turnover levels achieved, product & process constraints, high level of borrowings. The proposed revival/restructuring plans aim to address the above issues through organizational financial restructuring, rationalization of manpower, upgradation of plant & machinery etc. & partnership with renowned overseas manufacturers. Revival plans of HMT group of companies are at various stages of consideration by the Government and implementation where approved by the Government.