

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1305
TO BE ANSWERED ON 04.12.2014

Revival of loss making PSUs

1305. SHRI HUSAIN DALWAI:

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

- (a) whether the Government has decided to shut down HMT watches, if so, the reasons therefor;
- (b) the details of the losses suffered by the PSU during last ten years;
- (c) the details of the factors responsible for these losses;
- (d) whether the Board for Reconstruction of PSUs recommended for its revival; and
- (e) if so, why the decision to close it down has been taken?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a): No Sir.

(b): As on 31.03.2014, the company recorded a cumulative loss of Rs. 2252.22 Crores. Details of year wise losses during the past 10 years:

Year	Loss (Rs. In lakhs)
2004-05	-13453
2005-06	-7600
2006-07	-19581
2007-08	-14695
2008-09	-16405
2009-10	-16835
2010-11	-25374
2011-12	-22404
2012-13	-24247
2013-14	-23307

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(c): Factors responsible for these losses are as follows:

- i. High salaries & wages cost and high interest
- ii. Continued concentration on production of mechanical watches as the major infrastructure had been tooled up for the same even though, the market had shifted to quartz watches from mechanical watches
- iii. Low value addition
- iv. Inability to pay creditors resulted in the disruption of supply chain
- v. Reduced production resulted in non-supply of watches to trade which led to non-viability of operation of Redistribution Stockists, wholesalers and retailers, who defaulted on payment to HMT Watches Ltd.
- vi. Not undertaking product promotion activities.
- vii. Failure in technological & style modifications.

(d): Yes Sir, the Board for Reconstruction of PSUs recommended for the revival of HMT Watches Ltd. in the year 2006.

(e): Not applicable.
