

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:164
ANSWERED ON:20.11.2000
CLOSURE OF BHARAT GOLD MINES
ANANDRAO ADSUL;CHANDRAKANT BHAURAO KHAIRE;SUNIL KHAN

Will the Minister of MINES be pleased to state:

- (a) whether the Government propose to close down the Bharat Gold Mines Ltd.;
- (b) if so, the reasons therefor;
- (c) whether any request for the revival of the same has been received by the Government; and
- (d) if so, the details thereof and action taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI JAYSINGRAO GAIKWAD PATIL)

(a) to (d): Bharat Gold Mines Limited (BGML), a Public Sector Undertaking under the administrative control of the Ministry of Mines was referred to the Board for Industrial and Financial Reconstruction (BIFR) in 1992. The BIFR has passed the final order on 12.6.2000 concluding that the company is not likely to make its net worth exceed its accumulated losses within a reasonable time while meeting its financial obligations and hence not likely to be viable in future. Therefore, it is just, equitable and in public interest to wind up BGML under section 20(1) of Sick Industrial Companies (Special Provisions) Act, 1985. BIFR has forwarded its opinion to the Registrar, Karnataka High Court for necessary action.

The officers and the workers submitted a rehabilitation/revival package in January, 2000 to BIFR, copy of which was received by the Government in March 2000. The rehabilitation package inter-alia envisaged increased annual gold production from the level of 400 Kg to 1077 Kg by operating 3 mines with fewer workers. The rehabilitation package was not based on ground realities and the means of finance constituted entirely of assistance from the Government of India and envisaged relief, sacrifices and concessions from the Government of India and the State Governments. The BIFR did not find it worthwhile to accept the rehabilitation package.