

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:2382
ANSWERED ON:30.07.2002
LOSSES TO BHARAT GOLD MINES LIMITED
PUTTASWAMY GOWDA

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether the Bharat Gold Mines Limited is incurring losses every year;
- (b) if so, the losses incurred by BGML during the last three years, year-wise;
- (c) whether the Union Government have prepared any revival plan for BGML; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

(a) & (b) Yes, Sir. Bharat Gold Mines Limited (BGML) has been incurring losses almost since inception in 1972. The losses suffered by BGML during the last three years were as follows:

(Rs. in crore)

Year	Net loss
1998-1999	65.65
1999 - 2000	92.99
2000 - 2001	54.74

(c) & (d) BGML was referred to Board for Industrial and Financial Reconstruction (BIFR) in 1992 when its net worth got totally eroded. Over a period of 8 years, BIFR got several rehabilitation packages prepared through the Operating Agency i.e. Industrial Credit and Investment Corporation of India. None of these measures could, however, be feasible or viable. BIFR concluded in June, 2000 that BGML is not likely to make its net worth exceed its accumulated losses within a reasonable time while meeting all its financial obligations, and that the company as a result thereof is not likely to become viable in future. Therefore, BIFR decided that it is just, equitable and in public interest that BGML is wound up under section 20(1) of Sick Industrial Companies (Special Provisions) Act 1985. Subsequently, closure of the company was approved under Section 25(O) of Industrial Disputes Act, 1947 with effect from 1st March, 2001. However, the winding up / closure of BGML is sub-judice in the High Court of Karnataka