

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

STARRED QUESTION NO:141
ANSWERED ON:27.02.2003
SICK CENTRAL PUBLIC SECTOR UNDERTAKINGS
ANANTA NAYAK;SURESH CHANDEL

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

- (a) whether number of sick Industrial units are increasing every year in Central Public Sector;
- (b) if so the details thereof alongwith reasons therefor;
- (c) the number and details of CPSUs found sick and running in losses as on date, PSU-wise;
- (d) whether the Government have taken any policy decision on selling these sick units or to close down or to revive them;
- (e) if so, details thereof, PSU-wise; and
- (f) if not, the reasons therefore?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 141 FOR REPLY ON 27.2.2003 ON SICK CENTRAL PUBLIC SECTOR UNDERTAKINGS BY S/SHRI ANANT NAYAK AND SURESH CHANDEL.

(a) to (f) : The number of sick industrial Central Public Sector Undertakings(CPSUs) registered with the Board for Industrial and Financial Reconstruction (BIFR) was 66 as on 31.3.1999 and 68 as on 31.12.2002, till which period the information is available. As per Public Enterprises Survey 2000-01, laid in Parliament on 7.3.2002, 60 of these 68 CPSUs had incurred losses during 2000-01, till which period the information in respect of profitability is available. The reasons for losses are enterprise specific. However, some common reasons include obsolete plant and machinery, outdated technology, depressed market conditions, high interest burden, high cost of production, surplus manpower, etc.

The present policy of the Government is to bring down Government equity in all non-strategic PSUs to 26 percent or lower if necessary; restructure and revive potentially viable PSUs; close down PSUs which can not be revived; and fully protect the interests of the workers. The cases of sick industrial CPSUs are considered by BIFR for formulation and sanction of revival/rehabilitation schemes on case to case basis, through quasi-judicial proceedings as per the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. As per available information as on 31.12.2002, BIFR has sanctioned revival scheme in respect of 19 CPSUs, out of which 2 CPSUs have been declared as 'No longer sick'.

BIFR has also recommended for winding up of 18 CPSUs as they have no potential of revival. The status of 68 CPSUs registered with BIFR along with profit/loss is given at Annexure I.

The list of sick industrial CPSUs which have been disinvested or are under the process of disinvestments as per Government policy is given at Annexure II.

Closure of a CPSU/unit is considered as the last option, when efforts for revival fail. List of CPSUs/units which have been closed is given at Annexure III.

ANNEXURE I TO THE STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION No. 141 for 27.2.2003 CP REGISTERED WITH BIFR AS ON 31.12.2002

S. No. Name of CPSU Date of order Profit/Loss(-) (Rs. in Crore)

A. Revival Scheme sanctioned

1. Bengal Chemicals & Pharmaceuticals Ltd. 31.3.1995 -7.02

2. Bharat Wagon & Engg. Co. Limited 1.10.2002 -4.69

3. Braithwaite & Co. Ltd. 17.10.1995 1.74

4. British India Corpn. Ltd. 17.12.2002 -37.41

5. Heavy Engineering Corn. Ltd. 26.8.1996 - 189.26

6. Instrumentation Ltd. 23.12.1998 -34.52

7 Jessop & Co. Limited 20.9.2002 -48.77

8. NTC (APKK&Mahe.) Ltd. 7.2.2002 -92.55

9. NTC (DPR) Ltd. 22.2.2002 -58.48

10. NTC (Gujarat) Ltd 10.2.2002 -141.45

11. NTC (MN) Ltd. 1.10.2002 -207.67

12. NTC (MP) Ltd. 12.2.2002 -100.78

13. NTC (SM) Ltd. 1.10.2002 -188.24

14. NTC (UP) Ltd. 5.2.2002 -135.68

15. NTC (W. Bengal& Assam).Ltd. 15.2.2002 -129.72

16. U.P. Drugs & Pharma. Ltd. 12.7.2002 0.03

17. Vignyan Industries Ltd 9.5.1995 0.16

B. Winding Up Notice Issued

18. Bengal Immunity Ltd 1.12.2002 -15.41

19 Bharat Ophthalmic Glass Ltd 23.7.2002 -37.69

20. Bharat Pumps & Comp. Ltd 15.11.2001 -5.59

21. Hindustan Photofilms Mfg. CO. Ltd. 10.5.2000 -328.16

22. Indian Drugs & Phar. Ltd. 23.2.2001 -245.39

23. Indian Iron & Steel Co. Ltd. 19.9.2001 -187.31

24. National Jute Manufacturers Corporation Ltd. 23.2.2001 -320.74

25. Orissa Drugs & Chemicals Ltd. 11.4.2002 -0.97

26. Projects & Development India Limited 1.10.2002 -32.66

27. Richardson & Cruddas Ltd. 9.10.2002 -8.15

28. Trivani Structural Ltd 24.10.2002 -45.92

C. Winding up Recommended

29. Bharat Brakes & Valves Ltd 1.11.2002 -9.29

30. Bharat Gold Mines Ltd. 12.6.2000 -54.74

31. Bharat Process & Mechanical Engineers Ltd. 22.7.1996 -43.87

32. Bharat Refractories Ltd 1.6.2002 -53.36

33. Cawnpore Textiles Ltd. 19.1.1995 -13.98

34. Cycle Corporation of India 10.7.2000 -59.49

35. Elgin Mills Co. Ltd. 30.9.1994 -61.56

36. Hindustan Vegetable Oils Corporation Ltd) 7.12.2001 -19.44

37. Maharashtra Antibiotics & Pharma. Ltd 4.7.2000 -2.98

38. Mining & Allied Machinery Corp. Ltd. 29.6.2001 -230.72

39. National Bicycle Corpn. of India Ltd. 20.12.1993 -0.34

40. National Instruments Ltd. 1.10.2002 0.09

41. Pyrites Phosphates & Pharls. Ltd 20.11.2002 -108.30

42. Rayrolle Burn Ltd 13.7.2001 -4.96

43. Smith Stanistreet & Phar. Limited 3.12.2001 -9.78

44. Southern Pesticides Corporation Ltd. 1.11.2001 -6.09

45. Swadeshi Mining & Mfg. Co. Ltd. 1.7.1996 NA

46. Tannery & Footwear Corporation Limited 14.2.1995 -31.43

D. Dismissed as Non-maintainable

47. Bharat Coking Coal Ltd 3.4.2002 -1276.70

48. Bharat Immunological & Biologicals Corporation 2.4.1997 0.87

49. Central Coalfields Ltd. 29.11.2002 -792.90

50. Maharashtra Electros melt Ltd. 29.11.2002 -17.84

51. Manipur State Drugs & Pharmaceuticals Ltd . 17.11.1997 -1.67

52. Nagaland Pulp & Paper Co. 13.11.1995 -15.26

E. Draft Scheme Circulated

53. Cement Corporation of India Ltd. 12.6.1998 -230.76

54. Hindustan Fluorocarbons Limited 4.7.2001 -2.08

55. Tyre Corporation of India Ltd. 20.2.1997 -66.43

F. Under Inquiry

56. Biecco Lawrie Ltd. - -8.67

57. Birds, Jute & Exports Ltd. - -4.47

58. Eastern Coalfields Ltd. - -917.19

59. Hindustan Antibiotics Ltd - -4.98

60. Hindustan Cables Ltd - -71.41

61. Hindustan Salts Ltd. - -2.19

62. NEPA Ltd. - 4.86

63. Praga Tools Ltd. - -34.96

G. No longer Sick.

64. North Eastern Regional Agri. Marktg. Corpn. 20.8.2001 -1.20

65. Scooters India Ltd 1.7.2000 5.10

- H. Failed & Reopened
- 66. Burn Standard Co. Ltd. 14.9.2001 -45.22
- I. Remanded by AAIFR
- 67. Fertilizers Corpn. of India Ltd. 1.12.2002 -948.84
- J. Remanded by Court
- 68. Hindustan Fertilizer Corpn. Ltd. 1.12.2002 -1956.58

ANNEXURE I TO THE STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION No. 141 for 27.2.2003 LIST OF SICK INDUSTRIAL CPSUS DISINVESTED/UNDER THE PROCESS OF DISINVESTMENT

A. Name of sick industrial CPSUs disinvested

- 1. Paradeep Phosphates Limited

B. Names of sick industrial CPSUs under the process of disinvestment

- 1. Bharat Ophthalmic Glass Limited
- 2. Braithwaite & Company Limited
- 3. Burn Standard Company Limited
- 4. Hindustan Cables Limited
- 5. Hindustan Salts Limited
- 6. Instrumentation Limited
- 7 Jessop & Company Limited
- 8. National Instruments Limited
- 9. NEPA Limited
- 10. Tyre Corporation of India Limited.
- 11. Bharat Wagon & Engineering Company Limited
- 12. Hindustan Photofilms Manufacturing Company Limited
- 13. Richardson and Cruddas(1972) Limited

ANNEXURE III TO THE STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION No. 141 for 27.2.2003

LIST OF SICK INDUSTRIAL CPSUs CLOSED

- 1. Bharat Brakes and Valves Limited
- 2. Bharat Process & Mechanical Engineers Ltd.
- 3. Cycle Corporation of India
- 4. Mining & Allied Machinery Corporation Ltd.
- 6. National Bicycle Corporation of India Limited
- 7. Rehabilitation Industries Corporation
- 7. Southern Pesticides Ltd.
- 8. Tannery & Footwear Co. Limited
- 9. Weighbird India Limited
- 10. RBL Limited
- 11. Tangra Unit of Tyre Corporation of India
- 12. 4 Units of HMT Limited
- 13. 7 loss making Refractory Units/Fabrication Unit of Burn Standard Co. Limited
- 14. 31 Mills of NTC