

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1020
ANSWERED ON:28.07.2000
REHABILITATION OF DUNLOP INDIA
M.V.V.S MURTHI;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

- (a) whether the BiFR has asked Dunlop India Ltd., to submit a revised rehabilitation proposal within 15 days to IDBI or else face change of management;
- (b) if so, the details with the reasons therefor;
- (c) the details of the other directions issued by BIFR to Dunlop India Ltd.;
- (d) whether the Dunlop India Ltd. has submitted the revised proposal;
- (e) if so, the details thereof and the action taken thereon; and
- (f) if not, the action taken by Government against the Dunlop India Ltd. ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) The Board for Industrial and Financial Reconstruction (BiFR) has reported that the Bench of the BIFR had directed M/s Dunlop India Ltd. in the hearing held on 22.6.2000 to submit a revised rehabilitation scheme to the Operating Agency IDBI within 15 days, otherwise, the Bench would consider adoption of other measures listed in the Sick Industrial Companies (Special Provisions) Act, 1985 of revival of the company including change of management.

(c) The other directions of the Board of BIFR are, inter-alia, as under :

(i) The sale proceeds of the Aero tyres retained in a No Lien Account would be utilised for the rehabilitation of the company. Orders in this respect would be issued at an appropriate time;

(ii) The company would finalise a Memorandum of Understanding (MoU) with all the unions within one month which would, inter alia, provide for payment of all arrears, sacrifices, if any, to be made by the workers to be got quantified and rationalisation of workers. This would be valid for a period of at least 3 years. Copies of the MoU would be submitted to the Operating Agency (OA) and the Board. The OA would ensure that the financial impact arising out of the MoU would be incorporated in the scheme and the MoU would form part of the scheme to be sanctioned.

(iii) The company would settle the dues of OA including the fees and other charges.

(d) M/s Dunlop India Ltd, submitted their revised proposal to IDBI in compliance of directions of the Bench.

(e) and (f) The Operating Agency, IDBI were required to submit a report to BIFR. BIFR has reported that it has not received the report as yet.