

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3517

ANSWERED ON:20.08.2004

SICK COMPANIES IN GUJARAT

Chowdhury Shri Adhir Ranjan;Nishad Shri Mahendra Prasad

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Public Ltd. companies viz Gujarat Telephone Cables and Gujarat Optical Communication Ltd. having their Regd. offices at Chharodi Farm, Tal. Sanand; and village Iyawa, Taluka Sanand, Distt. Ahmedabad have become sick;

(b) if so, the manner in which the Government proposes to safeguard the interests of the investors who had invested crores of rupees in the shares of the said companies;

(c) whether there is any proposal to take over these two sick companies by other companies in the field; and

(d) if so, the details thereof?

Answer

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) M/s Gujarat Telephone Cables Ltd. has made a reference to Board for Industrial and Financial Reconstruction (BIFR) to declare it as Sick Company under the provisions of Sick Industries Companies (Special Provisions) Act, 1985. The company has not yet been declared as sick.

M/s Gujarat Optical Communications Ltd. has not made any such reference to the BIFR, as according to the company it is not necessary.

(b) The Scheme for financial reconstruction to be approved by the BIFR may provide for protection of shareholders' interests as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

(c) & (d) The companies are not yet declared as Sick Companies. Government are not aware if there is any proposal for take over of these two sick companies by other companies.