

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

UNSTARRED QUESTION NO:2803
ANSWERED ON:23.07.2009
TYRE CORPORATION OF INDIA LIMITED
Das Gupta Shri Gurudas

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

- (a) whether the Government had approved the strategic sale of Tyre Corporation of India Ltd., in 2007;
- (b) if so, the details thereof;
- (c) whether the sale process of the company has not yet started;
- (d) if so, the details and reasons therefor;
- (e) whether the Government proposes to provide any financial restructuring package for the revival of the company; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a)to(f): Yes, Madam. The financial restructuring package for revival of TCIL and its disinvestment through outright sale after strengthening the balance sheet was approved by the Government on 06.11.2008. The details of the approved financial revival package are as under:-

- i. Conversion of Government loan amount of Rs.202.86 crore (as on 31st March, 2008) into equity.
- ii. Reduction of the equity from 296.31 crore to Rs.29.63 crore against accumulated losses.
- iii. Waiver of outstanding interest of Rs.547.09 crore (as on 31st March, 2008) on the Government loan and freezing of interest thereon beyond 31.03.2008.
- iv. Waiver of unpaid guarantee fee including penal fee of Rs.1.82 crore for the period 1999-2000 to 2007-08.

The company is currently under the purview of BIFR. The disinvestment of TCIL can be undertaken once the company is discharged from BIFR. Efforts to bring the Company out of the purview of the BIFR are on.