

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2239
ANSWERED ON:22.08.2013
BURN STANDARD COMPANY LTD
Chowdhury Shri Bansagopal

Will the Minister of RAILWAYS be pleased to state:

- (a) the present status of progress made in the revival of Burn Standard Company Ltd.(BSCL) and also in view of the recommendations of Board for Industrial and Financial Reconstruction (BIFR);
- (b) the present status of implementation of the orders dated 28 February, 2002 and 21 January, 2003 passed by the Hon'ble High Court of Calcutta regarding BSCL;
- (c) the present status of total liabilities as considered to be paid to the workers /employees of the BSCL along with the steps taken/being taken by the Railways in this regard;
- (d) whether such employees-related liabilities are likely to be disposed of in the manner it had been done in some other public sector companies e.g. Bengal Chemicals and Pharmaceuticals Ltd., Instrumentation Ltd., Hindustan Cables Ltd. etc.;
- (e) if so, the details thereof and if not, the reasons therefor;
- (f) the total assets of the BSCL including the land valuation with total area of land thereunder; (g) whether any units of the BSCL has been transferred/amalgamated with other company/ unit and if so, the details thereof and the reasons therefor; and (h) the other steps taken/being taken by the Railways in this regard and to protect the interests of the workers/employees of the BSCL?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI ADHIR RANJAN CHOWDHURY)

(a) to (h): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF UNSTARRED QUESTION NO. 2239 BY SHRI BANSA GOPAL CHOWDHURY TO BE ANSWERED IN LOK SABHA ON 22.08.2013 REGARDING BURN STANDARD COMPANY LTD.

(a) The financial restructuring of the company as communicated vide Govt of India order dated 06.08.10 has been implemented. The company is already in the process of judicious utilization of funds released for replacement of outdated plant and machinery. Draft Rehabilitation Scheme containing the details of the Revival Scheme has been placed by the operating agency (OA) before the Hon'ble Board for Industrial & Financial Reconstruction (BIFR).

(b) The orders dated 28 February 2002 and 21 January 2003 passed by High Court of Calcutta regarding BSCL mention that any Draft Rehabilitation Scheme to be considered in future should take into account the revision of pay scales to 1997 level. As per GOI orders dated 06.08.10, 1997 pay scales have already been implemented in BSCL and the same has also been indicated in the Draft Rehabilitation Scheme submitted to BIFR.

(c) The employees' liability has been factored on the projected profitability in the Draft Rehabilitation Scheme (DRS) presently before the Hon'ble BIFR Bench.

(d) & (e): The Rehabilitation Scheme approved by BIFR for Burn Standard Co., taking into account the financial condition of the Company will form the basis for the Company to discharge its liabilities.

(f) Details of the properties presently held by BSCL, as informed by the Company, are appended. The present book value of land including the revaluated value is Rs.434.80 Crs.

(g) The erstwhile company's Refractory Unit at Salem has been transferred to SAIL Refractory Company Ltd. under the Administrative Control of Ministry of Steel w.e.f. 16.12.2011 as per Order of Government of India and subsequent approval of Hon'ble BIFR Bench.

(h) Railways has taken all round efforts by releasing sufficient number of Wagon Orders and fund support for replacement of outdated plant and machinery to increase the overall productivity of the Company.