

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:6377
ANSWERED ON:07.05.2003
DISINVESTMENT OF MODERN FOOD INDUSTRY
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Modern Food Industries Ltd. has become sick after disinvestment and is being referred to BIFR for liquidation/winding-up formalities;
- (b) if so, the facts thereof and the reasons adduced by the private management therefor;
- (c) whether the Government are satisfied with the reasons given by the Private Management;
- (d) if so, the details thereof; and
- (e) the land and property owned by the Modern Food Ltd. at the time of their transfer to the Private Management?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHR SHOURIE)

(a) to (d) Modern Food Industries (India) Limited (MFIL) was disinvested on 31.1.2000 with the transfer of 74% Government equity in favour of M/s Hindustan Lever Limited (HLL). During the period that MFIL was under Government control, the accumulated loss at the end of the financial year 1999-2000 resulted in the erosion of more than 50 percent of its net worth and therefore MFIL had filed a report with the Board for Industrial and Financial Reconstruction (BIFR) in accordance with Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 for declaring the company a sick industrial company and for determining measures for rehabilitation of the company under the Act. The BIFR directed the company to submit a rehabilitation package for revival of MFIL. In the revival plan submitted to BIFR, HLL did not ask for any relief or concession for revival of MFIL and, instead, indicated that with HLL's management and funding, MFIL would start generating profits from the year ending December 2004 and that the net worth of the company would become positive in the year ending December 2007. The BIFR, vide its order dated 5.3.2002, accepted the revival plan and took on record the Plan of Action submitted by the company for implementation by all concerned.

(e) Details of the land and property owned by MFIL at the time of its disinvestment are at Annexure.

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF LOK SABHA UNSTARRED QUESTION NO. 6377 FOR ANSWER 07.05.2003 BY SHRI SURESH RAMRAO JADHAV REGARDING DISINVESTMENT OF MODERN FOOD INDUSTRY.

Land and Property owned by Modern Food Industries (India) Limited at the time of disinvestment on 31.1.2000

S.No. Property/location Leasehold/Freehold

Bakery Units:

1 Ahmedabad	Leasehold
2 Bangalore	Freehold
3 Kolkata	Leasehold
4 Chandigarh	Freehold
5 Chennai	- do -
6 Cochin	- do -
7 Delhi - I	Leasehold
8 Delhi - II	- do -
9 Hyderabad	Freehold
10 Indore	Leasehold
11 Jaipur	- do -
12 Kanpur	- do -
13 Mumbai	- do -
14 Ranchi	- do -

Supplementary Nutritional Food (SNF) and other units

- 15 Bhagalpur - SNF Unit Leasehold
- 16 Delhi (Fruit Juice Bottling Plant) - SNF Unit - do -
- 17 Faridabad (Bottling plant) - SNF Unit Freehold
- 18 Faridabad (Roller Flour Mill) - SNF Unit - do -
- 19 Patna - SNF Unit Leasehold
- 20 Silchar (Incomplete project) - do -
- 21 Ujjain (oil mill) (closed) Freehold

Residential Flats

- 22 Bangalore (8 flats) Leasehold
- 23 Kolkata (5 flats) Freehold
- 24 Chennai (5 flats) Freehold
- 25 New Delhi (2 flats) Leasehold
- 26 Mumbai (6 flats) Freehold
- 27 Faridabad (32 flats) Freehold
- 28 Ujjain (64 flats) Freehold