

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

UNSTARRED QUESTION NO:632
ANSWERED ON:24.07.2003
RECOMMENDATIONS OF BIFR ON BSCL
MAHBOOB ZAHEDI

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

to reply to Unstarred Question No.1544, dated February 27, 2003 and state:

- (a) whether the Government as per BIFR's order dated February 10,2003 has furnished the VRS before April 30,2003;
- (b) if so, whether the Government have already taken a decision to reduce BSCL's manpower for a joint venture;
- (c) if so, the number of manpower to be reduced;
- (d) whether there is no provision for the liabilities of the employees already working in BSCL has been reflected in the Annual Accounts of the company;
- (e) if so, whether the Government have issued directive that closure of BSCL should be weighed against the option of its disinvestment and a report with comparative data was to be furnished to DHG by May 9,2003 positively; and
- (f) if so, the facts thereof and the reason behind Government's intention for disinvestment, particularly when BIFR has not taken any decision so far?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SUBODH MOHITE)

- (a) BIFR had allowed the Government to pursue the course of disinvestment and submit the proposal to the Operating Agency (OA) by 30.4.2003. However, as the strategic partner could not be located, therefore, on the request of the Government, the BIFR has extended the time limit to 31.7.2003.
- (b) & (c) Reduction of manpower through VRS is a continuous process so as to reduce manpower cost and it has nothing to do with formation of Joint Venture.
- (d) All employee-related liabilities have been reflected in the Annual Accounts of the company.
- (e) The Government had sought information to compare the cost of disinvestment with the cost of closure.
- (f) The estimated cost of closure worked out to be more than the cost of disinvestment. The disinvestment of BSCL is being carried out with the permission from BIFR as a part of the broad policy of the Government to exit from non-strategic PSEs.