

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

UNSTARRED QUESTION NO:581

ANSWERED ON:03.03.2005

REVIVAL OF CCI

Barman Shri Hiten;Baxla Shri Joachim;Bose Shri Subrata

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

- (a) whether Cement Corporation of India (CCI) has been incurring losses;
- (b) if so, the amount of losses incurred during each of the last three years alongwith the reasons therefor;
- (c) whether the Government propose to revive Cement Corporation of India;
- (d) if so, the details thereof and the amount earmarked for revival of the company; and
- (e) the time by which the revival of the company is likely to be completed?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI SONTOSH MOHAN DEV)

(a) Yes, Sir.

(b) The net losses for each of the last three years are given hereunder:

(Rs. in crores)

Year Net Loss

2001-02	(-)215.33
2002-03	(-)215.36
2003-04	(-)80.95

(# = After prior period adjustment of Rs.126.27 crore mainly on account of lower interest provisioning.)

The main reasons for losses are obsolete plants and technology, high cost of production and stiff competition being faced by the company.

(c) to (e) CCI has been declared sick on 8th August 1996 by the Board for Industrial and Financial Reconstruction (BIFR). BIFR vide its letter dated 11.11.2004 has directed Industrial Finance Corporation of India (IFCI), the Operating Agency (OA) to prepare and submit Draft Rehabilitation Scheme (DRS) in respect of CCI. The decision regarding revival of CCI is dependent on receipt of the DRS from the IFCI.