

WRITTEN ANSWERS TO STARRED QUESTIONS

Closure of PSUs in West Bengal

*301. SHRI AB ANI ROY: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government have recently announced closure of Public Sector Units in West Bengal;

(b) if so, the facts and the details thereof;

(c) whether the Trade Unionists of the Public Sector Units in West Bengal have criticised the decision of Government;

(d) if so, whether Government had not taken any revival steps in the past few years resulting in heavy losses; and

(e) if so, how Government propose to protect the interest of workers in those PSUs?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) With the permission of the Appropriate Government, 3 PSUs namely Bharat Process and Mechanical Engineers Ltd. (BPMEL), Weighbird India Ltd. (WIL) and Rehabilitation Industries Corporation (RIC) under the Department of Heavy Industry, located in West Bengal have been closed.

(c) and (d) It is the constant endeavour of Government to revive sick/loss making PSUs. Closure is resorted to when all efforts fail to revive the unit. BPMEL and WIL were sick units and their winding up orders were issued by BIFR. In case of RIC, Disinvestment Commission had recommended discontinuance of its operations. Before coming to any conclusion, the Government appointed an Expert Group in 1999 to re-examine the possibilities of revival of some unviable CPSUs including the above. The decision for closure was taken after considering the recommendations of the Expert Group and the past efforts at revival.

(e) In the interest of workers, the Government offers a Voluntary Separation Scheme (VSS) which is far more generous than the retrenchment

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compensation available under the Industrial Disputes Act. Alongwith the VSS, payment of past wages and statutory dues is also ensured. The Government has also put in place a scheme for counselling, retraining and redeployment of rationalised workers.

Profits of SAIL

*302. SHRISANTOSHBAGRODIA:

SHRIMATI AMBIKA SONI:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that profits of SAIL have declined;
- (b) whether the company needs to focus on its core activities to remain competitive in the market; and
- (c). the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRTPATHY): (a) Steel Authority of India Limited (SAIL) has cut down its losses from Rs. 1720 crores in 1999- 2000 to Rs. 729 crores (Prov.) in 2000-01, representing a reduction of about 58%.

(b) Yes, Sir.

(c) In February, 2000, Government of India approved a Financial and Business Restructuring package for SAIL with a view to increase its competitiveness and profitability. The package envisages SAIL divesting non-core/non-viable activities and concentrating on its core business. The non-core/non-viable units to be divested by conversion into joint venture include:

- Power Plants at BSL, DSP, RSP.
- Oxygen Plant-2 at Bhilai Steel Plant.
- Salem Steel Plant (SSP)
- Alloy Steels Plant (ASP)
- Visvesvaraya Iron and Steel Plant (VISP)
- Fertiliser Plant at Rourkela Steel Plant; and
- HSCO