

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2861
ANSWERED ON:26.11.2010
DISINVESTMENT TO BAIL OUT ECONOMY
Lal Shri Pakauri

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have plans to implement stringent measures pertaining to financial discipline in those public sector undertakings which are leading to losses;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to bail out public sector undertakings through the assistance of financial institutions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(S.S. PALANIMANICKAM)

(a) & (b) The Government has not issued any general Guidelines specifically relating to financial discipline in loss making Central Public Sector Enterprises (CPSEs). The concerned administrative Ministry/Department and Board of the CPSE are empowered to take appropriate measures for maintaining financial discipline for controlling losses. However, Government has issued guidelines relating to austerity measures to be adopted by CPSEs including loss making CPSEs from time to time.

(c) The Government established the Board for Reconstruction of Public Sector Enterprises (BRPSE) in December, 2004 to advise the Government for strengthening, modernization, revival and restructuring of CPSEs. The Administrative Ministry concerned with the CPSE prepares proposal for revival of sick companies on case to case basis and refers them to BRPSE for its recommendation. On the recommendation of BRPSE, Government have approved revival of 40 CPSEs at a total assistance of ` 23591 crore (cash assistance of ` 3276 crore and non-cash assistance of ` 20315 crore in the form of waivers/write offs of loans etc.)