

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

STARRED QUESTION NO:257

ANSWERED ON:18.08.2011

CLOSURE OF CPSEs

Singh Rajkumari Ratna;Sivakumar Alias J.K. Ritheesh Shri K.

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

- (a) whether several Central Public Sector Enterprises (CPSEs) in the country are either closed or on the verge of closure;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether the Government has formulated any scheme to revive these sick CPSEs;
- (d) if so, the details thereof and if not, the reasons therefore;
- (e) the number of employees rendered jobless or affected otherwise due to the closure of these CPSEs during the last three years and the current year; and
- (f) the steps taken/being taken by the Government for the rehabilitation of such employees?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) to (f): A statement is laid on the Table of the House.

Statement in reply to the Lok Sabha Starred Question No. 257 for reply on 18.08.2011 regarding Closure of CPSEs by Hon'ble Members Shri K. Shivakumar Alias J.K. Ritheesh and Shrimati Rajkumari Ratna Singh.

(a) & (b): As per information available in the Public Enterprises Survey (2009-10), (2008-09) and (2007-08) that were laid in the Parliament in successive years, only 5 Central Public Sector Enterprises (CPSEs) have been closed during the last three years as mentioned below (Table). Generally, the CPSEs are closed by the order of BIFR. Cases of CPSEs are referred to BIFR when their accumulated losses are equal to or more than their net worth. The list of CPSEs with negative / nil net worth as on 31.3.2011, are shown at Annex 1. The BIFR, in turn has sanctioned revival schemes in a large number of CPSEs.

Table

Sl. No. Year CPSE

1. 2009-10 Indian Oil Technologies Ltd.

2. 2008-09 Brushware Ltd.

3. 2007-08

(i) Pyrites Phosphates & Chemicals Ltd.

(ii) National Instruments Ltd.

(iii) Bharat Yantra Nigam Ltd.

(c) & (d): The Government has set up the Board for Reconstruction of Public Sector Enterprises (BRPSE) in December 2004 as an advisory body to advise the Government, inter alia, on the revival and restructuring of sick/loss making CPSEs. The concerned administrative Ministries / Departments of the CPSEs prepare proposals for revival of sick companies and refer them to BRPSE for recommendations and thereafter seek approval of the Government. Based on the recommendations of BRPSE the Government has approved the revival packages in respect of 42 CPSEs. The detail of these CPSEs is given at Annex 2.

(e) & (f): During the last three years, 122 employees ceased to be on the rolls of the 5 CPSEs mentioned above as they were closed. These employees were, however, given the full benefits of Voluntary Retirement Scheme (VRS) / Voluntary Separation Scheme (VSS). In order to provide a safety net, moreover, to such employees, the scheme of Counselling, Retraining & Redeployment (CRR) has been in existence for providing training in new skills, enabling them to be redeployed in self-employment and other activities.