

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

UNSTARRED QUESTION NO:2738
ANSWERED ON:23.07.2009
AUTO COMPONENT DEVELOPMENT FUND FOR REVIVAL OF SICK PSES
Khairi Shri Chandrakant Bhaurao

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

- (a) Whether the Government is planning to set up an Auto Component Development Fund for revival of sick Public Sector Enterprises (PSEs)
- (b) if so, the details thereof; and
- (c) the names of sick PSEs likely to benefit from any such scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a)&(b): No Madam. However, the Department had suggested for setting up of an Auto Component Development Fund with a corpus of Rs.1000 crore for helping modernization of the auto-component industry through a system of Interest Subsidy on loans on purchase of new plant and equipment. It was proposed that the fund would offset the loss incurred on interest earnings by financial institution by way of reimbursing them for the difference in interest. In the suggested scheme, there was no proposal for renewal of sick PSEs. Further, no funds have been allocated for the purpose in the Budget 2009-10.

(c): Question does not arise.