

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

STARRED QUESTION NO:6

ANSWERED ON:22.11.2012

SICK LOSS MAKING CPSES

Anandan Shri K.Murugeshan;Angadi Shri Suresh Chanabasappa

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

- (a) the details of the Central Public Sector Enterprises (CPSEs) identified by the Government as sick/loss making CPSEs during the last three years and the current year;
- (b) whether the Government has taken any steps for transforming those sick CPSEs into profit-making enterprises;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the number of employees rendered jobless or affected otherwise due to the closure or sickness of CPSEs during the last three years and the current year; and
- (e) the steps taken by the Government for their rehabilitation?

Answer

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

(a) to (e): A statement is laid on the table of the house.

Statement referred to in reply to Lok Sabha Starred Question No. 6 asked by Shri Ssjresh Angadi and Shri M. Anandan on `Sick/Loss Making CPSEs` to be answered on 22.11.2012

(a): As per the Govt. of India Resolution dated 6th December, 2004, constituting Board for Reconstruction of Public Sector Enterprises (BRPSE), a Central Public Sector Enterprise (CPSE) is considered sick if it has accumulated losses in any financial year equal to 50% or more of its average net worth during 4 years immediately preceding such financial year and/or a CPSE which is a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). As per information available in the Public Enterprises Survey 2008-09, 2009-10 and 2010-11, which were laid in the Parliament in successive years, and based on the above definition, there were 73 sick CPSEs in 2008-09, 69 sick CPSEs in 2009-10 and 63 sick CPSEs in 2010-11. In addition, Hotel Corporation of India Ltd. is incurring losses continuously for the last three years as on 31.3.2011.

(b) & (c): The concerned administrative Ministries/Departments of the CPSEs take various steps including financial restructuring, business restructuring, infusion of funds for expansion/modernization/manpower rationalization, payment of liabilities, etc. for transforming these CPSEs into profit making CPSEs. Further, the Government of India established the Board for Reconstruction of Public Sector Enterprises (BRPSE) in December, 2004 for advising the Government for strengthening, modernizing, reviving, and restructuring of CPSEs. The concerned administrative Ministries/ Departments of the CPSEs prepare proposals for revival/rehabilitation of sick companies on a case to case basis and refer them to BRPSE through Department of Public Enterprises for its recommendations and thereafter for approval of the Government.

Based on the recommendations of BRPSE, the Government approved revival of 27 CPSEs, out of 64 sick CPSEs as on 31.3.2011, envisaging a total assistance of Rs. 19,910 crores (cash assistance of Rs. 4,166 crores in the form of infusion of funds and non-cash assistance of Rs. 15,744 crores in the form of waivers/write offs of interest/loans, conversion of loans into equity, etc.) from Government of India. Performance of these 27 CPSEs during last three years is given in Annex.

(d) & (e): Details of the number of employees rendered jobless or affected otherwise due to sickness/closure of CPSEs is not maintained centrally.