

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

UNSTARRED QUESTION NO:2664  
ANSWERED ON:09.12.2014  
REVIVAL OF SICK CPSES  
Tharoor Dr. Shashi

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

- (a) whether the Government has introduced measures for early identification of sickness in Central Public Sector Enterprises (CPSEs) and for timely intervention before their net worth is completely eroded;
- (b) if so, the details thereof;
- (c) whether there are inordinate delays in approval of schemes for revival of sick CPSEs and further delay in their implementation due to the absence of guidelines prescribing time bound action and measures to be undertaken; and
- (d) if so, whether the Government would consider introducing a single legislation which would lay down procedures and guidelines for the revival and closure of CPSEs and other enterprises?

**Answer**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
(SHRI G.M.SIDDESHWARA)

(a) & (b): Yes, Madam. A Central Public Sector Enterprise (CPSE) is considered as a 'sick', if it has accumulated losses in any financial year equal to 50% or more of its average networth during 4 years immediately preceding such financial year. Further, a CPSE is considered as an 'incipient sick', if it is incurring losses for two consecutive years.

(c) & (d): Madam, guidelines have been issued advising Administrative Ministries/ Departments of sick CPSEs to process the recommendations on reconstruction of CPSE and obtain the approval of the competent Authority within a time schedule of 8 weeks, failing which, to inform the Cabinet/Cabinet Committee on Economic Affairs of the reasons for delay and seek extension of time for submission of proposal.