

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF PUBLIC ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No.4414
TO BE ANSWERED ON 08.01.2019

Closure of Private and Public Industries

4414: SHRI RAMSINH RATHWA:

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

- (a) the number of private and public industries closed in the country and the number of industries incurring losses during the last one year alongwith the reasons therefor;
- (b) whether the Government has received any proposals to restart these industries or to make them profitable, if so, the details thereof and the action taken on the said proposals;
- (c) the details and the number of people whose employment got directly or indirectly affected due to closing of such industries; and
- (d) the corrective steps taken by the Government to make such industries profitable and to restart the closed industries?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI BABUL SUPRIYO)

(a) to (c) : As per information available in Public Enterprises Survey 2017-18, laid in both the houses of Parliament on 27.12.2018, two Central Public Sector Enterprises (CPSEs) i.e. CREDA-HPCL Biofuels Limited, Indian Oil-CREDA Biofuels Limited have been closed during the year 2017-18 and no employee is working on the rolls of these CPSEs. The Department of Public Enterprises does not maintain information of private companies. There were 71 CPSEs which incurred losses during the year 2017-18. The reasons for losses differ from CPSE to CPSE. However, some common problems faced by loss making CPSEs include obsolete plants and machinery, heavy interest burden, resource crunch, low capacity utilization, low productivity, surplus manpower, high input cost, non-remunerative prices etc. The proposals to restart closed down CPSEs or making loss incurring CPSEs profitable is dealt with by the concerned administrative Ministries/Departments and the management of concerned CPSEs.

(d): Steps are taken by Government to revive loss making CPSEs in terms of (a) financial restructuring such as, conversion of loan into equity, waiver of loan and interest including penal interest, Government guarantee for raising loans, grant of moratorium on payment of interest/loan, (b): business restructuring, such as, formation of joint ventures, merger with another PSE, modernization and improved marketing strategies, human resources management and entering into technology joint ventures or strategic alliances etc.
