

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

UNSTARRED QUESTION NO.1617
TO BE ANSWERED ON 02.07.2019

Closure of Private and Public Industries

1617: SHRIMATI RATHWA GITABEN VAJESINGBHAI:

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 along with 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 FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI ARVIND GANPAT SAWANT)

(a) to (c) : As per information in the Public Enterprises Survey 2017-18, laid before the both Houses of Parliament on 27.12.2018, two Central Public Sector Enterprises (CPSEs) CREDA-HPCL Biofuels Limited and Indian Oil-CREDA Biofuels Limited had to be closed during 2017-18 due to non-viable business operations. These are subsidiaries of HPCL and IOCL respectively. No employee was on the rolls of these CPSEs which were closed. The Department of Public Enterprises only maintains information of CPSEs. There were 71 CPSEs which incurred losses during 2017-18. The reasons for losses differ from CPSE to CPSE. However, 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. Proposals to restart closed or loss making CPSEs are dealt with by the concerned administrative Ministries / Departments and the management of their CPSEs.

(d): These CPSEs function under the administrative Ministries / Departments. All matters relating to revival / restructuring / disinvestment including closure of sick CPSEs and restarting of closed CPSEs / units of CPSEs or to making them profitable are dealt by their administrative Ministries / Departments on a case-to-case basis.

DPE issued guidelines dated 29.10.2015 on “Streamlining the mechanism for revival and restructuring of sick / incipient sick and weak Central Public Sector Enterprises: General principles and mechanism of restructuring”. As per the guidelines, the responsibility for addressing sickness of CPSEs lies with the administrative Ministries / Departments.
