

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

LOK SABHA
UNSTARRED QUESTION NO.536
TO BE ANSWERED ON 19.12.2017

Closure of Sick PSUs

536. SHRI C.S. PUTTA RAJU:

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

- (a) whether it is a fact that the Government is planning to shut down a number of sick PSUs;
- (b) if so, the details and number of PSUs being shut down along with the reasons therefor;
- (c) whether the Government has taken any steps to re-employ the employees of PSUs shut down in the past; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)**

(a) & (b): The Department of Heavy Industry (DHI) undertakes appraisals of each loss-making Central Public Sector Enterprises (CPSEs) wherein the CPSEs having the potential for turn-around are revived and those found chronically sick are disinvested or closed down after payment of attractive Voluntary Retirement Scheme (VRS)/ Voluntary Separation Scheme (VSS) and due compensation to employees. As per this practice, Government has decided to close down six CPSEs under DHI namely Hindustan Photo Films Mfg. Co. Ltd. (HPF), Hindustan Cables Ltd. (HCL), Tungabhadra Steel Products Ltd. (TSPL), HMT Watches Ltd., HMT Chinar Watches Ltd. and HMT Bearings Ltd. In addition, Government has also decided to close down Kota Unit of Instrumentation Ltd. and Tractor Division of HMT Ltd. under DHI. These CPSEs / units were suffering with sickness due to a number of factors including poor order book, shortage of working capital, surplus manpower, obsolete plant and machinery and difficulty to adjust to changing market conditions. Employees of these CPSEs / units have been offered attractive VRS / VSS at 2007 notional pay scale.

(c) & (d): At present, DHI is not implementing any such scheme.
