

Govt pushes depts for PSU closure after poor progress

Sidhartha@timesofindia.com

New Delhi: Years after the Modi govt cleared the closure of 40-odd unviable public sector companies, just one has “shut down”, prompting govt to push ministries to move ahead instead of sitting on the plans.

So far, just Rajasthan Drugs and Pharmaceuticals has “shut down”, by virtue of the state govt agreeing to take it over. “The ministries concerned and the department of public enterprises have been asked to move ahead with the closure of these PSUs,” an official privy to the discussions told TOI.

The move follows a recent review of the status of PSU sale and closure after the fiasco with IDBI Bank, where govt abandoned the process after five years as the two bids were below reserve price.

While there is a clear-cut roadmap on how to close

COS ON CLOSURE LIST

- Bharat Immunologicals & Biologicals
- Bharat Pumps & Compressors
- Birds Jute & Exports
- HHEC
- Hindustan Cables
- Hindustan Fluorocarbons
- HMT Watches
- IDPL
- Scooters India
- STCL

Source: DPE

down the unviable and loss-making PSUs, which have little relevance today, ministries have not moved. In June 2018 itself, the Union cabinet had cleared the guidelines. “The guidelines give first priority for utilisation of land of CPSEs under closure for affordable housing as per the relevant guidelines of ministry of housing and urban affairs (MoHUA). Since there are employees working in these CPSEs, govt decided that closure should not cause hardship

to them and has now laid down a uniform policy to give workers VRS at 2007 notional pay scale, irrespective of the pay scale in which they are working,” an official statement issued eight years ago had said.

But, the bureaucracy clearly has not moved on it. So, there are instances of land not being transferred or employee dues not being settled for years, despite a clear intent from govt as the cabinet had also endorsed the plan. “It’s time ministries moved instead of letting govt bleed,” said a senior official.

The Public Enterprises Survey, brought out by the department of public enterprises, said at the end of 2024-25, the last report period, of the 475 central PSUs, 75 were on the list for closure, liquidation, or were non-operating, compared with 72 in the previous year and 26 in 2020-21. It said govt has approved two dozen for closure.