

The government on Wednesday approved revised guidelines on time bound closure of sick and loss making central public sector enterprises and disposal of their movable and immovable assets.

The move is expected to reduce delays in implementation of closure plans for loss making [PSUs](#).

The decision was taken at a meeting of the [Union Cabinet](#) chaired by Prime Minister [Narendra Modi](#) here.

The guidelines accord first priority for utilisation of available land parcels of CPSEs under closure for affordable housing as per the relevant guidelines of [Ministry of Housing and Urban Affairs](#).

As per the new norms, the government has laid down a uniform policy to give workers VRS at 2007 notional pay scale irrespective of the pay scale in which they are working.

The new norms will replace the guidelines issued by the [Department of Public Enterprises](#) in September, 2016.

"These guidelines provide a broad framework for expeditious completion of various processes and procedures for closure of CPSEs by laying down important milestones in the closure process along with time-lines, outlining the responsibilities of the concerned Ministries/ Departments/ CPSE, etc, in the process," an official statement said.

The guidelines also provide for advance preparatory action to be taken by administrative ministry or department and CPSEs, preparation of closure proposal, settlement of statutory and other liabilities of the [CPSE](#) and modalities for disposal of movable and immovable assets of such CPSEs in a time bound manner.

"Since there are employees working in these CPSEs, Government decided that closure should not cause hardship to them and has now laid down a uniform policy to give workers VRS (voluntary retirement scheme) at 2007 notional pay scale irrespective of the pay scale in which they are working," the statement said.

The guidelines shall apply to all sick and loss making CPSEs where approval or in principle approval for closure has been obtained by the administrative ministry or department from the [Cabinet](#) Committee of Economic Affairs or Cabinet; or the process for obtaining the approval of the competent authority is underway after the administrative ministry or department has decided for the closure of the [CPSE](#).

"By assigning priority to affordable housing it would make available land parcels of sick and loss making CPSEs under closure for the government flagship programme of affordable housing being managed by Ministry of Housing and Urban Affairs," the statement said.