Subject: Issue of deletion of turnaround Central Public Sector Enterprises (CPSEs) from the list of sick CPSEs (of BRPSE).

The performance of 'sick and loss making CPSEs' referred to BRPSE is monitored by Memorandum of Understanding (MoU) Task Force under 'Sick and Loss making CPSE's classification, until these are declared as turnaround CPSEs. There are certain CPSEs which have turnaround after implementation of revival packages sanctioned by the Government on the recommendations of BRPSE and have started posting profits.

2. BRPSE have recommended guidelines for declaring sick CPSEs as turnaround. Government has accepted these recommendations. Accordingly, following guidelines are issued for declaring sick and loss making CPSEs as turnaround:-

(i) Company which has shown profit in each of the three preceding accounting years and has a positive net worth after implementation of the revival package.

(ii) "Company" means a company which is in the list of sick CPSEs of BRPSE as per the definition in the Resolution constituting BRPSE.

(iii) Net profit is defined as profit after tax before prior period adjustments and extraordinary items, like sale of assets, etc and also excludes items like waivers/ concessions / subsidy / write-offs/grants received from Government/ banks/Financial Institutions, Creditors, etc. However, subsidy, if any, received by the CPSE as a part of the scheme administered by the Government will be considered for computing the profit.

(iv) Deletion will be as per the Public Enterprises Survey prepared by DPE yearly or on the basis of information furnished by such company which ever is earlier.
(v) The company should submit three years Annual Report of the company along with the re-stated Profit & Loss Account mentioned at 11(iii).

(vi) Material qualifications of auditors in their Audit Report on the company which shows a different financial performance than what was shown in the Annual Report will also be taken into consideration for determination of Net Profit.

3. It is requested that the same may kindly be brought to the notice of Public Sector Enterprises under the administrative control of your Ministries/Department.

4. This has the approval of Minister (HI & PE).

[V.K. Jindal]
Director

To

1. Secretaries of Administrative Ministries/Departments concerned with CPSEs
2. Chief Executive of all Central PSEs.