

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:5969

ANSWERED ON:31.08.2001

SICK PUBLIC SECTOR UNDERTAKINGS

NARESH KUMAR PUGLIA;SAHIB SINGH VERMA;SANGEETA KUMARI SINGH DEO;SHIVRAJ SINGH CHOUHAN;V.
VETRISILVAN

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

- (a) the details of public sector undertakings declared sick during each of the last three years, State-wise.
- (b) whether one of the main reasons for these undertakings going sick is due to mismanagement by senior officials;
- (c) if so, the details thereof and action taken against those guilty officials; and
- (d) the steps taken/proposed to be taken to revive these public sector undertakings?

Answer

THE MINISTER OF STATE (HI&PE) DR. VALLABHBHAI KATHIRIA

(a) Since 1998, 10 CPSUs have been declared sick and referred to Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial (Special Provisions) Companies Act. Details of these CPSUs are given in the Annexure.

(b) to (d): The reasons for sickness are enterprise specific. However, some of the common reasons for sickness include inherited sickness in case of taken over units from the private sector, obsolete plant and machinery, outdated technology, low capacity utilisation, excess manpower, resource crunch and erosion of net worth due to continuous losses, lack of credit worthiness, heavy interest burden, weak marketing strategies as well as managerial problems etc.

It is the constant endeavor of the Government to revive and turn around such units which are potentially viable. Under the present arrangements, BIFR decides the viability and sanctions rehabilitation plans for revival of sick industrial PSUs. The concerned administrative Ministries / Departments also explore options and devise the final course of action, as necessary, on case to case basis.

The remedial measures undertaken by the Govt. for revival / rehabilitation include periodical reviews by administrative ministries / Departments, technology upgradation, diversification and change in product mix, financial and business restructuring, rationalisation of manpower, modernisation of plants, inventory and cost control, improved marketing strategies, as well as professionalisation of management and restructuring of Board of the PSU, etc.

ANNEXURE

State wise list of Central PSUs declared sick since 1998 and registered with BIFR.

Sl.No.	State	Year of Reference	Name of the CPSU	Status with BIFR	Profit / Loss
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(Rs.Crores)

1. Andhra Pr 1998 PRAGA TOOLS LTD. Under Enquiry -29.11
2. Bihar 2001 BHARAT WAGON & ENGG. CO. LTD. Under Enquiry -10.77
3. Bihar 1999 PYRITES, PHOSPHATES & CHEMICALS LTD. Under Enquiry -70.18
4. Bihar 2001 BHARAT COKING COAL LTD. Under Enquiry -692.32

5. Delhi 1999 HINDUSTAN VEGETABLE OILS
CORPN. LTD. Under Enquiry -6.50

6. Madhya Pradesh 1998 NEPA LTD. Under Enquiry 5.68

7. Rajasthan 2000 HINDUSTAN SALTS LTD. Under Enquiry -2.91

8. Uttar Pradesh 1998 BHARAT IMMUNOLOGICAL &
BIOLOGICALS CORP. LTD. Draft Scheme Circulated 0.04

9. West Bengal 1999 BIRDS, JUTE & EXPORTS LTD. Under Enquiry -4.46

10. West Bengal 2000 EASTERN COALFIELDS LTD. Under Enquiry -728.23