

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

STARRED QUESTION NO:93
ANSWERED ON:03.12.1999
LOSS MAKING PUBLIC SECTOR UNITS
SRIKANTA DATTA NARASIMHARAJA WADIYAR

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

- (a) Whether a large number of Public Sector Units (PSUs) in various States are incurring huge losses;
- (b) if so, the losses sustained by those units during the last three years, PSU-wise;
- (c) the reasons for incurring losses; and
- (d) the steps taken to improve the performance of these loss making PSUs?

Answer

The Minister of Heavy Industries & Public Enterprises Shri Manohar Joshi

- (a) to (d): A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 93 FOR REPLY ON 3.12.99 ON LOSS MAKING PUBLIC SECTOR UNITS BY SHRI S.D.N.R. WADIYAR.

- (a) Consolidated financial data is maintained with regard to Central Public Sector Undertakings (PSUs). Out of 236 operating PSUs as on 31.3.1998, the period upto which the latest information is available, 134 PSUs earned a profit of Rs. 20,266 crores, 100 PSUs incurred loss amounting to Rs. 6,541 crores and 2 enterprises neither earned profits nor incurred losses. Thus, the PSUs, as a whole, earned a net profit of Rs. 13,725 crores during 1997-98.
- (b) The PSU-wise details of losses are available at Statement 7B, Volume-I of the Public Enterprises Survey 1997-98, which was laid in the Parliament on 26.2.1999 and is a published document.
- (c) The reasons for losses are enterprise specific. However, some of the common reasons are obsolete plant and machinery, outdated technology, low capacity utilisation, excess manpower, increase in input costs, resource crunch, heavy interest burden, etc.
- (d) Enterprise specific measures are taken by the Government to improve the performance of the PSUs. Some of these include periodical review of performance of PSUs by the administrative Ministries, 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, etc.