

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

UNSTARRED QUESTION NO:2346
ANSWERED ON:17.08.2006
MERGER OF SICK PSUS .
Chowdhury Shri Bansagopal

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

- (a) Whether the Government proposes to rehabilitate the sick Public Sector Undertakings (PSUs) by merging with other PSUs;
- (b) If so, the details thereof; and
- (c) The time by which these PSUs are likely to be merged?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) and (b) The policy of Government on public sector has been stipulated in the National Common Minimum Programme (NCMP) which advocates a strong and effective public sector whose social objectives are met by its commercial functioning. While every effort will be made to modernise and restructure sick public sector companies and revive sick industry, chronically loss-making companies will either be sold-off or closed after all workers have got their legitimate dues and compensation. Merging of one sick CPSE with another CPSE is also one of the options considered for revival. Government has since approved merger of Indian Iron and Steel Company Ltd. (IISCO) with Steel Authority of India Ltd.

(SAIL) and merger of Praga Tools Ltd. with Hindustan Machine Tools Ltd.

(c) The merger of IISCO with SAIL has already been given effect to.