

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

STARRED QUESTION NO:150
ANSWERED ON:15.07.2004
LOSS MAKING PUBLIC ENTERPRISES
Singh Shri Dushyant

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

- (a) the details of loss making Public Enterprises in the Country, State-wise;
- (b) the losses incurred by these PSEs during the last three years as on date alongwith the reasons therefor, year-wise;
- (c) whether the Government has taken any steps to revamp the working of these PSEs so that they will not sustain any loss; and
- (d) if so, the details thereof ?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI SONTOSH MOHAN DEV)

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

Statement in reply to Lok Sabha Starred Question No. 150 for 15.7 .2004 regarding loss making public enterprises by Shri Dushyant Singh.

(a) and (b) : As per Public Enterprises Survey 2002-03, which was laid in the Parliament on 8.6.2004, there were 107 loss making Central Public Sector Undertakings(CPSUs) as on 31.3.2003, till which period the information is available. These loss making enterprises incurred a total loss of Rs. 10,944 crore, Rs. 8,918 crore and Rs. 10,575 crore during 2002-03, 2001-02 and 2000-01 respectively. The cumulative loss of the 107 loss making CPSUs during this three year period was Rs. 30,437 crore. The State-wise profit/loss of these 107 enterprises during the aforesaid three years is given at Appendix.

Reasons for losses are enterprise specific and include old/obsolete plant and machinery, outdated technology, low capacity utilization, surplus manpower, high interest burden, severe competition, poor marketing strategy, resource crunch, inadequate credit from the financial institutions etc.

(c) and (d) : Performance improvement is a continuous process. Enterprise specific measures for revamping are taken by the concerned administrative Ministry/Department and the management of CPSU from time to time. These steps include financial and business restructuring, infusion of fresh funds, formation of joint ventures, rationalisation of manpower, modernization of plant/machinery, upgradation of technology, diversification, improved marketing strategies, cost control measures etc.