

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

STARRED QUESTION NO:387
ANSWERED ON:22.04.2010
MODERNISATION OF PSUS
Choudhary Shri Harish;Sharma Shri Jagdish

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

- (a) the total number of Public Sector Undertakings (PSUs) in the country at present which have become sick;
- (b) the number of PSUs which are running in losses during the last three years and the extent of their losses;
- (c) whether loan or any other liability is also pending against the said PSUs;
- (d) if so, the details thereof;
- (e) whether any action plan has been initiated for modernisation of PSUs incurring losses or those on the verge of incurring losses; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI VILASRAO DESHMUKH)

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

statement in reply to Lok Sabha Starred Question No.387 scheduled for 22-04-2010, regarding Modernisation of PSUs by Hon'ble Members S/Shri Jagdish Sharma and Shri Harish Chaudhary.

(a): As per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a loss making unit is considered 'sick' if the industrial company is registered for not less than five years at the end of any financial year and its accumulated losses are equal to or have exceeded their net worth. As per this definition, there were 64 sick Central Public Sector Enterprises (CPSEs) as on 31-03-2009 (Annex-I).

However, according to the Government Resolution, constituting Board for Reconstruction of Public Sector Enterprises (BRPSE), a company is considered 'sick' if it has accumulated losses in any financial year equal to 50% or more of its average net worth during 4 years immediately preceding such financial year and /or a company which is a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Based on this definition, there were 73 sick CPSEs as on 31-03-2009 (Annex-II).

(b) to (d): There were 38 Central Public Sector Enterprises (CPSEs), which were incurring losses continuously during the last 3 years. The combined loss of these CPSEs stood at Rs.4,303 crore, Rs.3,679 crore and Rs.4,075 crore during 2008-09, 2007-08 and 2006-07 respectively. An amount equal to Rs.21,687 crore was pending, for repayment as long term loans against these CPSEs as on 31.3.2009. CPSEs wise details of losses during the past three years, and the long term loans pending against them is given at Annex-III.

(e) & (f): The number of loss making CPSEs has been continuously declining over the years. It came down from 105 CPSEs in 2002-03 to 54 in 2008-09. It is the concerned administrative Ministries which take steps for upgradation and modernization of Central Public Sector Enterprises (CPSEs) on a case to case basis. The Government constituted the BRPSE in 2004 to advise the Government for strengthening, modernization, revival and restructuring of public sector enterprises on proposals submitted by the administrative Ministries / Departments controlling these CPSEs. Out of these 38 cases incurring losses continuously during the last three years, the BRPSE has considered and recommended the cases of 27 CPSEs for revival / restructuring (Annex-IV). The remaining cases are with the concerned administrative Ministries.