

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

UNSTARRED QUESTION NO:4302

ANSWERED ON:19.08.2010

LOSS MAKING PSUS

Rathwa Shri Ramsinhbhai Patalbhai;Sinh Dr. Sanjay;Yadav Shri M. Anjan Kumar

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

- (a) whether a number of Public Sector Undertakings (PSUs) which are running into losses;
- (b) if so, the details of those PSUs incurring losses during the last three years, year and PSU-wise;
- (c) the reasons for the loss;
- (d) whether any efforts are being made to turn the loss making PSUs into profitable ventures: and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a) & (b): As per Public Enterprises Survey (2008-09) that was laid in the Parliament on 25.2.2010, 38 Central Public Sector Enterprises (CPSEs) were incurring losses continuously for the last three years. The year and PSU-wise details of losses of these CPSEs are given at Annex.

(c): The reasons for the loss are manifold and enterprise specific. Some common problems faced by the sick and loss making CPSEs have been obsolete plant and machinery, outdated technology, lack of adequate investment, high interest burden, and weak marketing.

(d) & (e): The Government established the Board for Reconstruction of Public Sector Enterprises (BRPSE) in December, 2004 as an advisory body to address the task of strengthening, modernization, reviving and restructuring of sick and loss making CPSEs. The BRPSE has given its recommendations for revival of 59 CPSEs. Out of the 59 CPSEs, the Government have approved revival package of 39 CPSEs involving a total assistance of Rs.23581 crore (i.e. cash assistance of Rs.3287 crore and non-cash assistance of Rs.20294 crore). Among these 39 CPSEs, 20 CPSEs posted profit in 2008-09 and 15 CPSEs posted profit in 2007-08 & 2008-09; as many as 11 CPSEs, moreover, posted profit consecutively in 2006-07, 2007-08 and 2008-09.