

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

STARRED QUESTION NO:9

ANSWERED ON:02.07.2009

LOSS MAKING PSUS

Das Gupta Shri Gurudas; Thomas Shri P. T.

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

(a) the number of Public Sector Enterprises in the country incurring losses for the last three years alongwith the details of losses suffered by them, State wise; and

(b) the turn around action plan prepared by the Government for improving their performance?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI VILASRAO DESHMUKH)

(a) and (b): A statement is laid on the Table of the House.

Statement in reply to Lok Sab ha Starred Question No. 9 for reply on 2.7.2009 regarding loss-making PSUs by Hon`ble Members S/Shri Gurudas Dasgupta and P.T. Thomas.

(a): As per Public Enterprises Survey 2007-08, which was laid in the Parliament on 25.2.2009, there were 39 Central Public Sector Enterprises(CPSEs),incurring losses for the last three years, that is, 2005-06, 2006-07 and 2007-08. The State wise details of these CPSEs (as per their Registered Offices) along with the losses suffered by each of them during the three years are given at Annex.

(b): The Government constituted the Board for Reconstruction of Public Sector Enterprises(BRPSE) in December, 2004, inter alia,for examination of the cases for revival/restructuring of CPSEs and to make appropriate recommendations to the Government. The administrative Ministries/Departments first identify the sick enterprises and subsequently submit comprehensive revival proposal to the BRPSE for consideration and for making suitable recommendations.

Performance improvement of CPSEs is a continuous process; enterprise specific measures for their turn around are taken by the concerned administrative Ministries/Departments and the CPSEs. This, inter alia, includes (a) financial restructuring such as conversion of loan into equity, waiver of loan and interest including penal interest, Government guarantee for raising loans, grant of moratorium on payment of interest/loan, (b) business restructuring, such as, formation of joint ventures, merger with another PSE, modernization and improved marketing strategies, etc.