

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

UNSTARRED QUESTION NO:4566  
ANSWERED ON:03.05.2012  
PERFORMANCE OF PSUS  
Annayyagari Shri Sai Prathap

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

- (a) whether the Government has reviewed the performance of Public Sector Undertakings (PSUs) during the last three years;
- (b) if so, the details thereof including the targets set and achieved during the said period;
- (c) the details of the plan formulated to improve the performance of the sick PSUs and to achieved the set target; and
- (d) the details of action taken/ proposed to be taken in this regard?

**Answer**

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) & (b): The performance of Public Sector Undertakings (PSUs) is reviewed/evaluated by Government of India through Memorandum of Understanding (MoU) System. MoU is a mutually negotiated agreement between the management of the PSUs and Government of India and involves goal setting and performance evaluation of PSUs on an annual basis. Under the MoU System, the performance of PSUs is measured against targets on a five point scale (Excellent, Very Good, Good, Fair and Poor) in terms of their achievement against the targets laid down for various financial and non-financiat performance parameters. The performance of PSUs during last three years is as follows.

Year	Excellent					Very Good					Good					Fair					Poor					Total No. of PSUs Evaluated				
2010-11	67	44	24	24	2	161																								
2009-10	73	31	20	20	1	145																								
2008-09	47	35	25	17	1	125																								

(c): The Government constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) in December 2004 as an advisory body to advise the Government on strategies, measures and schemes for strengthening, modernization, reviving, and restructuring of PSUs. The administrative Ministry / Department of the concerned PSUs is responsible for preparing a comprehensive package for revival/rehabilitation, or closure of the loss making PSUs, after due consultations with ail the stakeholders, and refer it to BRPSE for its recommendations. Thereafter, approval of the Competent Authority is obtained and the decisions implemented.

(d): Based on the recommendations of BRPSE, Government have approved revival of 43 PSUs envisaging total assistance of Rs. 25,908.26 crores (cash assistance of Rs. 4,312.92 crores in the form of infusion of funds and non-cash assistance of Rs. 21,595.34 crores in the form of waivers/write offs of interest/loans, etc.) from Government of India