

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

UNSTARRED QUESTION NO:1753  
ANSWERED ON:16.07.2009  
DECREASE IN PRODUCTION OF CPSUS  
Reddy Shri Magunta Srinivasulu

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

- (a) whether the production in many Central Public Sector Undertakings has decreased and the losses incurred by them have gone up;
- (b) if so, the details thereof and the reasons therefore;
- (c) whether the Government has identified some CPSUs and instruct them to show profits and grow their production;
- (d) if so, the CPSUs identified so far;
- (e) whether any financial support has also been given to them; and
- (f) if so, details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(SHRI ARUN YADAV)

(a) and (b): As per Public Enterprises Survey (2007-08), which was laid in the Parliament on 25.2.2009, 56 Central Public Sector Enterprises (CPSEs) recorded decrease in their production in terms of turnover during 2007-08 as compared to 2006-07. The losses in respect of 15 CPSEs out of these 56 CPSEs also went up during this period. The details of these 15 CPSEs are given at Annex. I.

The reasons for increase in losses are enterprise specific. However, some common reasons include high input costs, outdated technology, high overhead cost, resource crunch, low capacity utilization, interest burden and weak marketing strategies etc.

(c) to (f): The Government has identified 64 CPSEs as sick, which have been referred to the Board for Reconstruction of Public Sector Enterprises (BRPSE), that was set up in December, 2004 for the revival/restructuring of sick and loss making CPSEs. The BRPSE has made recommendations in respect of 54 CPSEs for revival and closure of two. Out of these, the Government has approved revival of 35 CPSEs and closure of two. The details of these enterprises along with cash and non-cash assistance approved for them are given at Annex. II.