

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

UNSTARRED QUESTION NO:3471

ANSWERED ON:08.08.2017

Rebate to PSUs

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

(a) whether despite rebate in excise duty, custom duty and various other rebates and concessions, many public sector undertakings are running in losses;

(b) if so, the details thereof; and

(c) the details of the financial rebates and concessions provided to public sector undertakings during the last two years, public sector undertaking-wise?

**Answer**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
(SHRI BABUL SUPRIYO)

(a) & (b): The reasons for losses in Central Public Sector Enterprises (CPSE) vary from enterprise to enterprise. Some common reasons for losses/sickness in CPSEs are old and obsolete plant & machinery, outdated technology, low capacity utilization, low productivity, inefficient management, high interest burden, excess manpower, high cost of production, weak marketing strategies, lack of business plans, shortage of working capital, etc. A list of CPSEs which have incurred losses during 2015-16 is given in Annexure-A.

(c): As per information made available by Department of Revenue, indirect taxes levied on goods and services and are finally borne by the end users. However, there are certain concessions which are with reference to certain PSUs. For example:

(i) Kerosene imported by the Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd. and IBP Company Ltd. for ultimate sale through the Public Distribution system attracts nil custom duty.

(ii) Liquefied propane and butane mixture, liquefied propane, liquefied butane and liquefied Petroleum gases (LPG) imported by the Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. or Bharat Petroleum Corporation Ltd. for supply to household domestic consumers or to Non-Domestic Exempted Category (NDEC) customers attracts nil customs duty.

(iii) Subbed polyester base, imported by M/s Hindustan Photo Films manufacturing company Ltd. Udhagamandalam for the manufacture of medical or industrial X-ray films and graphic art films attracts nil customs duty.

(iv) Liquefied propane and Butane mixture, Liquefied propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to Non-Domestic Exempted Category (NDEC) customers by the Indian Oil Corporation Ltd., Hindustan Petroleum attracts nil rate of duty

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