

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

STARRED QUESTION NO:166
ANSWERED ON:31.07.2003
SICK CENTRAL PUBLIC SECTOR UNDERTAKINGS
MAHESHWAR SINGH;NANDIPAKU VENKATASWAMY

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

- (a) whether the number of sick Central Public Sector Undertakings is growing year after year;
- (b) if so, the reasons thereof alongwith number of sick and loss incurring undertakings as on 30 June, 2003;
- (c) whether any restructuring of rehabilitation plan is being formulated to bail out the sick and ailing CPSUs; and
- (d) if so, details thereof ?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SUBODH MOHITE)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 166 FOR REPLY ON 31.7.2003 REGARDING CENTRAL PUBLIC SECTOR UNDERTAKINGS BY DR. N. VENKATASWAMY AND SHRI MAHESHWAR SINGH.

(a) to (d) : The number of sick industrial Central Public Sector Undertakings(CPSUs) registered with the Board for Industrial and Financial Reconstruction (BIFR) was 58 as on 31.12.1997 which increased to 68 as on 31.3.2003, till which period the information is available. As per Public Enterprises Survey 2001-02, which was laid in Parliament on 3.3.2003, 57 (including 2 which have been closed subsequently)of these 68 CPSUs had incurred losses during 2001-02, till which period the information in respect of profitability is available.

The reasons for sickness are enterprise specific. Generally the reasons include inherent problems of CPSUs taken over from the private sector, old and obsolete plant and machinery, outdated technology, surplus manpower, high interest burden, severe competition, resource crunch, low capacity utilization etc.

The Government policy on public sector is to restructure and revive potentially viable PSEs; to close down PSEs which cannot be revived; to bring down government equity in all non-strategic PSEs to 26% or lower, if necessary; and to fully protect interests of workers. In view of this, enterprise specific restructuring and rehabilitation measures are taken on case to case basis by the concerned administrative Ministry/Department, which is an ongoing process. The sick industrial CPSUs are referred to the BIFR for revival/rehabilitation. For other CPSUs, the concerned administrative Ministry/Department take similar rehabilitation measures in consultation with the Management and other stakeholders including workers. BIFR has sanctioned revival schemes in respect of 18 CPSUs as on 31.3.2003 till which period the information is available. List of these CPSUs is enclosed.

ENCLOSURE TO REPLY TO LOK SABHA STARRED QUESTION NO. 166 FOR 31.7.2003

List of CPSUs where Revival Schemes have been sanctioned by the BIFR

1. Heavy Engineering Corpn. Ltd.
2. Vignyan Industries Ltd.
3. British India Corpn. Ltd.
4. Braithwaite & Co. Ltd.
5. U.P. Drugs & Pharmaceuticals Ltd.
6. Bengal Chemicals & Pharmaceuticals Ltd.
- 7 NTC (APKK&Mahe) Ltd.

8. NTC (Gujarat) Ltd.
9. NTC (Maharashtra North) Ltd.
10. NTC (MP) Ltd.
11. NTC (WB A B & O) Ltd.
12. NTC (UP) Ltd.
13. NTC (South Maharashtra) Ltd.
14. Instrumentation Ltd.
15. NTC (DPR) Ltd.
16. Jessop & Co. Limited
17. Scooters India Limited (Declared `No longer sick`)
18. North Eastern Regional Marketing Corporation Ltd. (Declared `No longer sick`)