

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

UNSTARRED QUESTION NO:1587  
ANSWERED ON:31.07.2003  
PERFORMANCE OF CPSUS  
IQBAL AHMED SARADGI

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

- (a) whether the Comptroller & Auditor General of India has given a dismal picture of the performance of Central Public Sector Undertakings;
- (b) if so, whether only few PSUs have made profits during 2001-02 and number of public sector undertakings going in losses every year;
- (c) if so, the main reasons of the losses suffered by these public undertakings;
- (d) the details of the suggestions made by the CAG in its report of these Central PSUs; and
- (e) the extent to which the Government are hopeful that all these public sector undertakings would be earning profits during 2003-04?

**Answer**

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

- (a)&(b) According to Report of the C&AG of India for the year ended March, 2002 Union Government (Commercial), Public Sector Undertakings(PSUs), Review of Accounts, No.1 of 2003, which was placed in both the Houses of Parliament on 24.4.2003, 139 PSUs earned profit while 120 PSUs suffered losses during the year 2001-02.The C&AG Report pertaining to a particular year speaks of performance of PSUs during the year and is duly placed in Parliament in the Budget Session every year.
- (c) Reasons for losses are enterprise specific. Generally the reasons include inherent problems of enterprises taken over from the private sector, old and obsolete plant and machinery, outdated technology, surplus manpower, high interest burden, severe competition, low capacity utilisation, resource crunch, etc.
- (d) Various areas in which performance of PSUs is lacking have been pointed out in the C&AG Report.
- (e) Enterprise specific measures are taken by the concerned administrative Ministries / Departments in consultation with the management of the PSUs and other stakeholders including workers for revival/rehabilitation of sick/loss making PSUs.Some of the common steps taken in this regard include referring continuously loss making PSUs whose network has become negative to the Board for Industrial and Financial Reconstruction(BIFR)for formulation of rehabilitation/revival scheme, periodical review of the performance of the PSUs by the concerned administrative Ministries/Departments, business and financial restructuring, infusion of fresh funds, upgradation of technology, improved marketing strategies, purchase preference, cost control measures, manpower rationalization etc.