

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

UNSTARRED QUESTION NO:1612
ANSWERED ON:31.07.2003
OBSERVATIONS OF C AG ON LOSS MAKING PSUS
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Comptroller And Auditor General of India has criticized 97 public sector units whose losses have increased by 33.8 percent from losses in 1999-2000 to losses in 2000-2001; and

(b) if so, the steps being taken to streamline the working of loss making units to make them viable?

Answer

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

(a): 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, the accumulated losses in 97 PSUs has increased from Rs.45,527 crore in 1999-2000 to Rs.60,996 crore in 2001-02 (i.e. by 33.98%) .

(b): 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 networth 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.