

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

UNSTARRED QUESTION NO:4205

ANSWERED ON:21.04.2005

LOSS MAKING CPSUs

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

- (a) the names of the Central Public Undertakings constantly incurring losses for the last three years;
- (b) whether the Government has made any study to find out the reasons for their running in losses;
- (c) if so, the findings thereof;
- (d) the steps taken by the Government for restructuring of loss making CPSUs for their turn around; and
- (e) the names of the Central Public Sector Undertakings closed during the said period?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI SONTOSH MOHAN DEV)

(a) : The information is given in Statement 7 B of the Public Enterprises Survey 2002-03 which was laid in the Parliament on 8.6.2004 and is a published document.

(b) and (c) : The Public Enterprises Survey which is laid in the Parliament every year contains analysis of reasons of losses which include inherent problems of the taken over CPSEs, old plants and machinery, outdated technology, high interest burden, resource crunch, high input costs, stiff competition, low capacity utilization, weak marketing strategies etc. Similar observations have been made in the Audit Reports of the Comptroller and Auditor General of India (Commercial).

(d) : Enterprise specific need based measures are taken by the concerned administrative Ministries/Departments/CPSE from time to time. As per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 the sick industrial CPSEs are referred to the Board for Industrial and Financial Reconstruction for framing suitable revival schemes. The National Common Minimum Programme stipulates that every effort will be made to modernize and restructure sick public sector companies and revive sick industry. A Board for Reconstruction of Public Sector Enterprises has been set up to consider the cases of sick and loss making CPSEs and to make recommendations to the Government in this regard.

(e) : As per available information, establishments of 15 CPSEs namely Bharat Brakes and Valves Limited, Bharat Gold Mines Limited, Bharat Process and Mechanical Engineers. Ltd., Canwopore Textiles Limited, Cycle Corporation of India Ltd., The Elgin Mills Company Limited, Indian Road Construction Corporation Limited, Mining & Allied Machinery Corpn. Ltd., National Bicycle Corp. of India Ltd., Rehabilitation Industries Corporation Limited, RBL Limited, Southern Pesticides Corporation Limited, Tannery & Footwear Corporation of India Ltd., Tea Trading Corporation of India Limited and Weighbird India Limited had been closed upto 31.3.2003. In addition, Mandya National Paper Mills Limited has been wound up.