

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

UNSTARRED QUESTION NO:1880
ANSWERED ON:10.08.2006
LOSS MAKING PSUS .
Reddy Shri Karunakara G.

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

- (a) The number of Public Sector Undertakings (PSUs) in operation under the administrative control of his Ministry;
- (b) The number of those undertakings which are running into losses during the last three years;
- (c) Whether the cumulative losses of these undertakings have surpassed the capital invested therein;
- (d) If so, the details thereof and the reasons therefor; and
- (e) The details of such undertakings and the Government's policy for their future operations?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

- (a) There are 34 operating Public Sector Enterprises (PSEs) under control of this Ministry.
- (b) As per financial results for the year 2005-06 (Prov.), there are eighteen PSEs which have incurred loss in last three consecutive years, i.e. 2003-04, 2004-05 and 2005-06 (Prov.)
- (c) As per the latest audited financial results for the year 2004-05, the accumulated losses of all of these undertakings have surpassed the investments in terms of equity capital.
- (d) & (e): The details are at Annex-I. The main reasons for losses are paucity of orders, shortage of working capital, excess manpower, increase in the cost inputs, obsolete plant and machinery etc. As per the policy laid down in the National Common Minimum Programme, while every effort will be made to modernize and restructure the sick PSEs, the chronically sick companies will be either sold off or closed after giving all worker their due and compensation. A Board for Reconstruction of Public Sector Enterprises (BRPSE) has been constituted to give recommendations on revival and future of the PSEs.