

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

UNSTARRED QUESTION NO:4450  
ANSWERED ON:26.08.2004  
DIVISION OF PUBLIC SECTOR INDUSTRIES  
Nitish Kumar Shri ;Suman Shri Ramji Lal

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

- (a) whether a group of Ministers was constituted under the Chairmanship of the Deputy Chairman of the Planning Commission in recent past had divided the public sector industries into five categories keeping in view their economic condition;
- (b) If so, the details and the basis of categorisation thereof;
- (c) the reasons for this categorisation ; and
- (d) the policy adopted by the Government after obtaining relevant information regarding these categories?

**Answer**

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

(a) to (c) : A Group of Ministers (GoM) was constituted on 9.2.2000 under the Chairmanship of the Deputy Chairman, Planning Commission to consider and recommend inter alia in the matter of payment of wages, salaries and outstanding statutory dues of employees in Central Public Sector Units (CPSUs). GoM grouped CPSUs into four categories keeping in view their financial capacity to pay outstanding statutory dues and salary/wages of their employees as under:

Category A : Profit making PSUs having capacity to pay but could not clear the dues for various reasons including legal hurdles.

Category B : Loss making CPSUs capable of generating adequate operating surplus to clear the outstanding dues in a phased manner on their own.

Category C : CPSUs which can clear the outstanding dues by sale of their surplus assets.

Category D : CPSUs which have neither operating surplus nor surplus assets for sale and require budgetary support in view of their acute financial condition to enable them to clear the outstanding dues.

One CPSU whose liquidation process was subjudice was not categorized. The above categorization was meant to help in formulation of action plan for liquidation of employees` dues in respective CPSUs.

(d): GoM recommendations were accepted by the Government and time schedule of liquidation of statutory and salary/wages dues of employees was drawn up by the Government and necessary guidelines were issued to all concerned in the matter.