

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

UNSTARRED QUESTION NO:1655

ANSWERED ON:23.08.2007

REVIVAL PACKAGES FOR PSUs

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

- (a) the details of profit making Central Public Sector Undertakings (PSUs) in the country as on date, State-wise;
- (b) the reasons for incurring losses by these undertakings;
- (c) whether the Government has any proposal to revive all the loss making undertakings;
- (d) if so, the details thereof along with the financial packages sanctioned by the Government so far for each undertaking in the country;
- (e) if not, the reasons therefor; and
- (f) the steps taken/proposed to be taken by the Government in this regard?

Answer

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

(a): A list showing State-wise details of Central Public Sector Enterprises (CPSEs) making profit for last 3 years as per Public Enterprises Survey 2005-06 is furnished in Annex-I.

(b): Reasons for losses/sickness are manifold and may vary from unit to unit. However, some common problems faced/ being faced by sick and loss making CPSEs include old and obsolete plant and machinery, outdated technology, low capacity utilization, excess manpower, weak marketing strategies, stiff competition, reluctance of financial institutions to provide funds for revival/rehabilitation, heavy interest burden, high input cost, resource crunch, erosion of net worth due to continuous losses and inherent problems of sick taken over enterprises.

(c): As per policy contained in National Common Minimum Programme (NCMP) "Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. While every effort will be made to modernize and restructure sick public sector companies and revive sick industry, chronically loss-making companies will either be sold-off, or closed, after all workers have got their legitimate dues and compensation." A Board for Reconstruction of Public Sector Enterprises (BRPSE) has been constituted to make recommendations inter-alia on the revivability and future of the sick/loss making CPSEs.

(d) to (f): Based on the recommendations of the BRPSE, Government have approved revival plan for 26 CPSEs and closure of one CPSE, namely, Bharat Ophthalmic Glass Ltd. till date. Amount of Cash and Non-cash assistance approved in revival plans for these 26 CPSEs is furnished in Annex-II. imposed on disposal of land by the respective State Governments at the time of establishment of the PSEs.