

Revival of sick PSUs

1894. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be please to state:

- (a) whether it is a fact that a large number of PSUs in his Ministry are either chronically sick or are on the verge of sickness;
- (b) if so, whether it is also a fact that many are facing the risk of being closed down;
- (c) how many have been identified for being converted into joint venture and what is the progress made, so far; and
- (d) what steps are being taken to revive the remaining sick industries?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) Out of 48 operating PSUs under the administrative control of the Department of Heavy Industry, 16 PSUs made profit and 32 made losses in 1998-99. 26 PSUs are sick and referred to Board for Industrial and Financial Reconstruction (BIFR).

(c) Government have given 'in principle' approval for conversion of 24 PSUs under the administrative control of the Department of Heavy Industry into Joint Venture companies with offer of equity upto 74% to the joint venture partner. Consultants/Merchant Bankers have been appointed in the case of 18 PSUs for eating Joint Venture Partners. The Belting Division of Andrew Yule & Company Limited has been converted into a Joint Venture Company.

(d) Revival plans have been sanctioned by BIFR in case of 12 PSUs involving fresh infusion of funds to the extent of Rs. 616 crore and financial restructuring of Rs. 2063 crore. An Expert Group has been constituted by the Government to examine the possibility of revival of some of the sick PSUs where Voluntary Separation Scheme was introduced. The Group has submitted its report. Government is to take a decision on these recommendations and communicate these to BIFR/High Court as the case may be.