

29 November, 1999

RAJYA SABHA

Losses in PSUs.

40. SHRI RAMDAS AGARWAL: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) how many PSUs were running into losses during the last three years till October, 1999;

(b) what are the details thereof indicating the amount of losses of each PSU working under his Ministry; and

(c) what steps Government have taken, so far, to minimise the losses of such PSUs?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI RAMJI BHAI KATHIRIA): (a) and (b) During 1995-96, 1996-97 and 1997-98, the period for which the information is available, 102, 104 and 100 PSUs respectively have incurred losses. The details of information in regard to name of the CPSUs and losses therein, including those which are under the administrative control of the Department of Heavy Industries in the Ministry of Heavy Industries and Public Enterprises, are available at Statement 7B, of the Public Enterprises Survey volume-I 1997-98, which was laid in the Parliament on 26.2.99.

(c) Enterprise specific measures are taken by the Government to improve the performance of the PSUs. Some of these include periodical review of performance of PSUs, grant of operational freedom, professionalisation of PSU boards, technology upgradation, diversification and change of product mix, modernisation of plant and machineries, inventory and cost control, business and financial restructuring, rationalisation of manpower, etc.

Revival of Sick PSEs

41. SHRI RAJNATH SINGH 'SURYA': Will the Minister HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that most of the PSEs in his Ministry are either sick or loss making.

(b) if so, details of such PSEs, the category-wise;

(c) how many of them have been recommended each for revival and for winding up; and

(d) the details of revival plan for sick PSEs, if any?

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

(c) and (d) Revival plans have been sanctioned by BIFR in case of 11 PSEs involving fresh infusion of funds to the extent of Rs. 616 Cr. and financial restructuring of Rs. 2063 Cr. as per unit-wise details given in the Statement (see below). In case of 8 PSEs, BIFR at one stage or the other reached the conclusion that company was non-viable and expressed preliminary/final view regarding winding up. Disinvestment Commission have recommended discontinuance of operations in case of Rehabilitation Industries Corporation Ltd. (RIC). An Expert group has been constituted by the Government to examine the possibility of revival of some of these PSUs. BIFR has since sanctioned and circulated the revival scheme in case of National Instruments Ltd. (NIL) on 15.11.1999.

Statement

Units where BIFR has sanctioned schemes

(Rs. in Crs.)							
S. No.	PSU	Date of Sanction of Scheme by BIFR	Man-power	Cost of Revival*			
				Fresh infusion of funds	Write-off by Govt.	Conversion of loan in to equity/debenture	Guarantees agreed
1.	Braithwaite & Co., Calcutta	10/96	3316	26.68	84.85	59.61	35.00
2.	Bharat Brakes & Valves Ltd., Calcutta	1/96	442	6.27	16.29	4.05	2.70
3.	Bharat Pumps & Compressors Ltd., Allahabad	9/95	1740	15.75	53.91	26.78	56.09

*GOI Contrifaction

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1	2	3	4	5	6	7	8
4.	Triveni Structurals Ltd., Allahabad	9/95	1380	29.22	30.48	9.78	48.26
5.	Richardson & Cruddas, Ltd. Bombay	11/95	1510	--	97.91	35.04	46.54
6.	Heavy Engg. Corpn., Ranchi	8/96	10526	252.00	272.10	99.41	253.00
7.	Scooter India Ltd., Lucknow	9/96	2028	22.45	593.59	27.22	18.54
8.	Reyroll Burn Ltd., Calcutta	9/96	242	4.13	0.21	2.15	4.43
9.	Jessop & Co. Ltd., Calcutta	9/97	4329	43.00	119.98	21.11	70.68
10.	Instrumentation Ltd., Kota	3/99	2977	66.00	17.00	25.98	25.00
11.	Burn Standard Co. Ltd., Calcutta	4/99	9099	150.00	329.64	135.72	65.00
TOTAL			37589	615.50	1615.96	446.85	625.24

Performance of PSUs

42. SHRIMATI JAYAPRADA NAHATA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that majority of the public sector undertakings and co-operative institutions, both consumers and others, are not being run to cause public good but are running into losses and some of the Ministries like Chemicals and Fertilizers have decided to review their performance;

(b) if so, the details of the PSUs that are running into losses, along with the reasons therefor; and

(c) the steps taken to improve their working?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI RAMJI BHAI KATHIRIA): (a) No, Sir. Central PSUs, as a whole, have earned a net profit of Rs. 13,725 crores during 1997-98, the period for which information