

**Improvement in profitability fo PSUs**

133. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that out of the 276 Government companies/corporations, the networth of 88 PSUs has been completely eroded by their accumulated losses, which, reportedly, increased by Rs. 6700 crores, from Rs. 75,302 crores in 2003-04 to Rs. 82,002 crores in 2004-05;

(b) if so, the reasons therefore and the present status of each of these PSUs; and

(c) the steps being taken towards better asset utilization and improved management practices to help improve profitability of these PSUs?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) As per Comptroller and Auditor General (CAG) of India (Commercial) report No. 10 of 2006 out of 276 Government companies/corporations, the networth of 88 Government companies has been completely eroded by their accumulated losses, which as increased by Rs. 6700 crores, from Rs. 75,302 crores in 2003-04 to Rs. 82,002 crores in 2004-05.

(b) The reasons for losses vary from enterprise to enterprise. However, some of the common reasons as identified by Comptroller and Auditor General (CAG) are staff competition, slow growth, low productivity, inefficient management, inadequate emphasis on research and development, inadequate or un-focussed marketing, shortage of working capital etc. The status of each of these companies is at Appendix No. 9 of the report no. 10, 2006, of Comptroller and Auditor General (CAG) of India (Commercial), which is a public document and was placed in the Parliament on 19-5-06.

(c) Enterprise specific measures for revival/restructuring of CPSEs are taken by the concerned administrative Ministries/Departments and

management from time to time on case-to-case basis. The Government in December, 2004 also has set up a Board for Reconstruction of Public Sector Enterprises (BRPSE) for consideration of *inter alia*, restructuring/revival of sick and loss making CPSEs.

### **Revival of Public Sector Enterprises**

**134. SHRI C. PERUMAL:** Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Board of Reconstruction of Public Sector Enterprises has recommended revival of 30 public sector enterprises at a cost of Rs. 9740 crores;

(b) if so, the details thereof;

(c) whether any final decision has been taken in this regard;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

**THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV):** (a) and (b) The Board for Reconstruction of Public Sector Enterprises (BRPSE) has, till 30th June, 2006, given its recommendation in respect of 32 cases of PSEs envisaging fund/non-fund based assistance of about Rs. 11060 crores from Government of India, as per Statement (See below).

(c) to (e) The recommendation of the Board are advisory in nature. The Administrative ministries/departments process the recommendations of BRPSE for obtaining approval of the competent authority. Till 30th June, 2006, approval from the competent authority has been obtained in respect of 17 PSEs.