

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF PUBLIC ENTERPRISES**

**LOK SABHA
UNSTARRED QUESTION NO. 1611
TO BE ANSWERED ON THE 13th FEBRUARY, 2023**

Performance of PSUs

No. 1611. SHRI GNANATHIRAVIAM S.:

SHRI RAMDAS C. TADAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government makes a regular assessment of performances of Central Public Sector Undertakings (CPSUs);
- (b) if so, the details thereof along with the parameters used to measure/rate the performance of the CPSUs;
- (c) the details of financial assistance being given to revive the CPSUs presently;
- (d) the number of loss making CPSUs and the total amount of losses incurred by these CPSUs during the last three years and the reasons therefor; and
- (e) the number of CPSUs with negative net worth and their consolidated net worth and the steps taken/proposed to be taken by the Government to deal with such CPSUs?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KISHANRAO KARAD)**

(a) & (b) Department of Public Enterprises (DPE) evaluates the performance of Central Public Sector Enterprises (CPSEs) on annual basis as per the extant guidelines of DPE on Memorandum of Understanding (MoU) framework. MoU is an agreement between the management of the CPSEs and its Administrative Ministry/ Department wherein annual targets are fixed for certain financial and non-financial parameters. Evaluation of the performance of the CPSE against these targets is done at the end of the financial year. Financial Parameters include 'Revenue from Operations'; EBITDA as percentage of revenue; return on networth; return on capital employed; asset turnover ratio; capital expenditure; total return to shareholders. Non-financial parameters include physical outputs, procurement from GeM; procurement from MSEs.

(c) Government has notified in February, 2021 the New Public Sector Enterprise ("PSE") Policy under which the public sector commercial enterprises have been classified as Strategic and Non-Strategic Sectors. In Strategic Sectors, bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained

under Government control. The remaining enterprises in a strategic sector, will be considered for privatisation or merger or subsidiarization with another PSE or for closure. PSEs in Non-Strategic Sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure.

(d) & (e) As per the information available in Public Enterprises Survey, the number of loss making CPSEs and the total loss incurred by the CPSEs for the period FY 2019-20 to FY 2021-22 is given below:

Financial Year	No. of loss making CPSEs	Amount of Loss (₹ in Crore)
2019-20	84	44,817
2020-21	77	31,058
2021-22	59	14,586

There are 25 operating CPSEs with negative net worth having total consolidated net worth of ₹ (-)36847.80 crore as on 31.03.2022. The CPSEs function under the administrative control of respective Ministries/Departments. The profitability of CPSEs depends on various factors that include demand and supply of finished goods and raw materials, prevailing market conditions, increase/decrease in revenue, increase/decrease in expenses, stock valuation, etc.
