

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF PUBLIC ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 5969

TO BE ANSWERED ON 30.03.2026

Inactive Public Sector Undertakings

5969. Com. Selvaraj V:
Shri Subbarayan K:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Sixteenth Finance Commission and the latest Public Enterprises Survey have reported some 383 Government run firms across the country that do nothing for decades, but not officially shut down, if so, the details thereof;

(b) whether it is also a fact that various Finance Commissions earlier too have mentioned about the inactive Public Sector Undertakings (PSUs) owned by State or Centre and recommended for immediate closure to reduce fiscal strain; and

(c) if so, the details of such PSUs, State-wise and the Government's decision thereon?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The Sixteenth Finance Commission, in its report for the award period FY 2026-31, has mentioned that as of 31st March 2023, there are 308 State Public Sector Enterprises (SPSEs) that have ceased to carry out their operations and are classified as inactive (Paragraph 2.47, 15.7, 15.31). Further, citing the Public Enterprise Survey 2023-24, the Commission has also reported that 72 Central Public Sector Enterprises (CPSEs) had been rendered unproductive as of 31st March 2024 (Paragraph 2.47, 15.32). As per information provided by Administrative Ministries/Departments in the latest Public Enterprises (PE) Survey 2024-25, the number of inoperative Central Public Sector Enterprises (CPSEs) as per the latest Public Enterprises Survey 2024-2025 is 75, including 17 CPSEs which are Under Liquidation, 24 CPSEs Under Closure and 34 CPSEs under Non-operating.

(b) & (c) Earlier Finance Commissions (1st FC to 15th FC) touched upon the matter relating to public sector undertakings. The 16th Finance Commission in Para 15.18 of its report mentioned that "Various Finance Commissions (FCs) in the past have recognised and reiterated the need

to review SPSE performance and undertake reform measures to enhance public sector enterprise (PSE) efficiency. As far back as 1978, FC-7 had called for the need to improve the financial health and accountability of PSEs. FCs ranging from FC-7 to FC-14 made several key observations and recommendations for SPSEs. These recommendations include ensuring that SPSEs at least cover their operating costs, maintain proforma commercial accounts to enhance cost efficiency and improve their financial sustainability. FCs in past emphasised structural reforms, such as restructuring of SPSEs -particularly of electricity boards and transport undertakings. FCs have also recommended rationalising of subsidies, merging of similar PSEs and downsizing through measures like the Voluntary Retirement Scheme, among others.” However, it has been observed that no FC explicitly recommended “immediate closure” of inactive PSUs.

State-wise list of SPSEs is not maintained by Union Government as it is a subject matter of respective States. The details of 75 CPSEs which are under Liquidation (17), Closure (24) and Non- Operating (34) are available as Appendix VIII to the Public Enterprise Survey 2024-25 <https://www.dpe.gov.in/static/uploads/2025/12/59f1e4e0304212412539aa93f4a91056.pdf>.
