

Govt readies list of sick PSUs

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NEW DELHI

72-13

THE government has for the first time officially carved out a list of sick public sector units in a move aimed at determining the future course of action for these financially troubled units.

The department of public enterprises — the nodal body for policy formulation for state-owned firms — has listed 46 central public sector enterprises as sick and loss making, said a government official. Another 26 subsidiaries of these firms are also included in the list. These include National Aviation Co, National Textile Corp, British India Corp, Cement Corporation of India, Indian Drug and Pharmaceuticals, Konkan Railways Corp and MECON. "The exercise is a part of the government's strategy to track and rate their performance on a regular basis. We will now look at devising a plan of action for such chronically ill companies," the official added.

The list was prepared as part of the Centre's revised format for categorising central public sector units on the basis of their performance and respective field of operation. The new classification, which broadens the existing grouping of firms into 12 categories, will be made applicable from the year 2011-12.

The move is expected to speed up the Centre's decisions on the future of these loss making entities — either for their revival and restructuring or strategic stake sales.

The department of public enterprises has been working out suitable strategies for such firms, as envisaged in the UPA's commitment to reviving sick PSUs. Based on their financial results of 2008-09, the department has referred over 70 firms to the Board for Reconstruction of Public Sector Enterprises. The government so far has approved an assistance of ₹15,253 crore for 55 sick PSUs. Recently, the DPE also gave absolute authority to the administrative ministries to deal with smaller loss-making units, allowing them to wind up or go for strategic sales.

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