

# Lossmaking PSUs under govt's lens

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NEW DELHI

**T**he government is discussing the future of several money-losing public sector undertakings (PSUs) under the ministry of heavy industries, with options including the closure of these units being considered, two government officials privy to the development said.

The other options include restructuring and disinvestment of these companies, the officials said, requesting anonymity.

The discussions follow recent unsuccessful efforts to sell some of these loss-making entities.

Last year, the government approved the closure of Scooters India and Bharat Pump and Compressors Ltd. In 2015, the

government shut Tungabhadra Steel Products Ltd, followed by HMT Watches, HMT Chinar Watches, and HMT Bearing in 2016.

One of the officials cited above said the ministry has received suggestions during its discussions, and it is working on those.

"We are discussing all the options," he said.

The annual report of the department of public enterprises showed that there are 29 companies under the administrative control of the department of heavy industries, out of which 17 are still operating.

Among the operating companies, six are profitable, while 11 are running losses. Among the remaining 12, five were non-operational, and seven



HMT Ltd and HMT (International) Ltd are among profitable firms, according to the latest department of public enterprises report. MINT

# PSUs under ministry of heavy industries under govt scanner

FROM PAGE 1

- were shut down. Fourteen of the 29 companies are under liquidation.

- The profitable companies include Engineering Projects (India) Ltd, Braithwaite, Burn & Jessop Construction Ltd, HMT Ltd, HMT (International) Ltd, Richardson and Cruddas (1972) Ltd and Bridge & Roof Co. (India) Ltd, according to the annual report.

The loss-making entities include HMT Machine Tools, a subsidiary of HMT Ltd, Rajasthan Electronics and Instruments, Bharat Heavy Electricals Ltd (Bhel), NEPA, Hindustan Salts, Sambhar Salts, Andrew Yule and Co. Ltd, Heavy Engineering Corp. Ltd and Cement Corp. of India.

Queries emailed to the spokesperson for the ministry of heavy industries on Sunday afternoon didn't elicit a response till the time of publishing.

Mint reported on 8 February 2021 that India may consider selling stakes in Bhel, Mecon Ltd and Andrew Yule among other candidates.

Bhel is the largest entity under the ministry, with a gross asset value of ₹6,645 crore as of

31 March 2020.

In the December quarter, Bhel reported a profit of ₹14 crore against a loss of ₹231 crore in the year earlier.

Interestingly, the company is now venturing into a new segment, auto component manufacturing. It recently featured among the companies approved under the production-linked incentive (PLI) scheme for auto parts, rolled out by the ministry of heavy industries.

Stressing on the government's efforts to revive loss-

making state-run companies, the second official said, "It's a constant process. We keep looking at how to improve the companies which are running into losses."

The push for the future roadmap of the loss-making PSUs comes when the government has brought in the new public sector enterprise policy under which the strategic transfer of ownership of Air India has been completed after substantial efforts and delay.

For the next fiscal, the Centre has set a disinvestment target of ₹65,000 crore. The target for this fiscal has been slashed to ₹78,000 crore from the initial projection of ₹1.75 trillion.

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