

**A SURVEY BASED DETAILED STUDY
ABOUT LOW PERFORMANCE ORGANIZATIONS
AMONG INDIAN CPSEs**

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Abstract:

Central Public Sector Enterprises were established in the country for the purpose of accelerating the economic growth and to meet the requirements of key sectors along with employment generation. A survey of Indian CPSEs was undertaken as a part of a research study. Based on this survey, a detailed study and analysis of sixteen loss making CPSEs from dissimilar cognate groups under manufacturing sector was taken up. Their performance on various performance parameters were analyzed in detail. For evaluating the factors which led to their poor performance, discussions were held with different stake holders of these companies and details were collected and based on this a questionnaire was prepared and again data was collected for further study and analysis. This paper, extracted out of this research study elaborate in detail about the poor-performance of these CPSEs and the reasons behind their failure.

Key words:

Performance, Failure, Central Public Sector Enterprise, CPSE

Growth of Indian CPSEs:

A total of 298 CPSEs existed during 2014-15. Among them only 235 were in operation and the remaining 63 were under construction (Public Enterprises Survey 2014-15) ^[1]. During 2018-19 the figure went up to 348, 249 and 99. Gross Revenue generated by all these CPSEs together reached Rs 2543370 crores with a Net profit Rs 142951 crores. In this period 178 CPSEs have contributed to the Net profit and the other 70 firms ended up with losses. (Public Enterprises Survey 2014-15) ^[2].

Factors behind Performance:

A lot of factors are there behind high and low performance of CPSEs. Financial performance resulting in losses and characteristics of sickness in different companies are different. There are historical reasons behind few of them.

Nature / Characteristics of CPSEs:

- CPSEs are identified with different sectors such as ‘Agriculture’, ‘Electricity’, ‘Manufacturing’, ‘Mining’, and ‘Services’.
- About 41% of total CPSEs are under Manufacturing sector which together contributed about 64.5% of total Turnover in 2014-15 – a very significant factor for this research work.
- CPSEs are grouped under ‘cognate’ groups based on their nature and similarity of operation / products under every sector.
- Different CPSEs are under the administrative control of different Ministries under Government of India
- Larger number of CPSEs are under Ministry of Heavy Industries and Ministry of Power.
- CPSEs are located all over India, higher concentration being in NCR, Bangalore and Kolkata.

Also, it is observed that there are few Indian CPSEs which are continuously performing well, at the same time few others are continuously producing losses. Few CPSEs could be turned around during the past few years where as few others continue to be sick.

Based on, above following sixteen loss-making industries were picked up for detailed analysis and study.

- (1) “Bengal Chemicals & Pharmaceuticals Ltd.” (2) “Bharat Pumps & Compressors Ltd.”
- (3) “Heavy Engineering Corporation” (4) “Hindustan Antibiotics Ltd.” (5) “Hindustan Newsprint Ltd.” (6) “Hindustan Paper Corporation Ltd.” (7) “Hindustan Photo Films Manufacturing Co. Ltd.” (8) “HMT Ltd.” (9) “HMT Bearings Ltd.” (10) “HMT Chinar Watches Ltd.” (11) “HMT Machine Tools Ltd.” (12) “HMT Watches Ltd.” (13)

“Indian Drugs & Pharmaceuticals Ltd.”(14) “Instrumentation Ltd.” (15)“Rajasthan Drugs & Pharmaceuticals Ltd.” (16)“Scooters India Ltd.”

Detailed Study and Analysis:

1.Bengal Chemicals & Pharmaceuticals Ltd. (BCPL):

Head Quarters : Kolkata, West Bengal.

Evolution : Established in April 1901. Bengal Chemical and Pharmaceutical Works Ltd. (BCPW), is the first Pharmaceutical Company of India. Acharya Prafulla Chandra Ray, “Father of Indian Chemistry”, is the founder of the company. Government of India took over the management of the company on 15-12-1977. Exactly on completion of 3 years, the company was nationalized. Later company assumed a new name “Bengal Chemicals & Pharmaceuticals Ltd” and got registered on 27-03-1981.

Manufacturing Units : 4 – Maniktala (Kolkata), Panihati (Pargana, West Bengal), Mumbai and Kanpur.

Activity / Products : Chemicals, Drugs, Pharmaceuticals and Home Products.

Four-year Digest (2011-15) :

Table 1- Four-year Digest– BCPL

Performance Factor - Rs in Lakhs	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	DNA	DNA	DNA	DNA	DNA	DNA	4571	2545	1583	4584
Networth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss(-)	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Net Profit	DNA	DNA	DNA	DNA	DNA	DNA	-1070	-4069	-3655	-1732

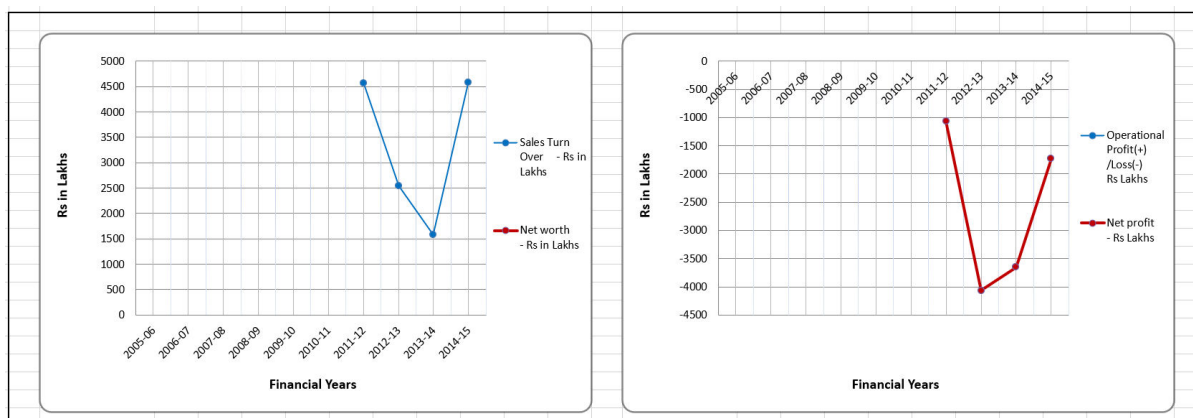


Fig 1 – Four-year Digest- BCPL

Table 1 details the performance of the company during the four-year period 2011-15. Fig 1 is the graphical representation of the same.

From the graphs it is observed that the company is continuously producing losses. As on 31st March 2015, Company's Net worth is completely eroded. During 2014-15 Company has achieved a Sales Turnover of Rs 4584 L with a Net Loss of Rs 1732 L.

Performance History: BCPL was declared sick in 1993. In 1995, Board for Industrial & Financial Reconstruction (BIFR) approved and recommended a scheme for the revival of the company. Government accorded sanction for the revival package of Rs 490.60 crore in December 2006. Salient features of the package were:

- Cash support against non- Government dues.
- Wage revision burden.
- Restructuring of Debts.
- Capital Investments.
- Improved infrastructure for Marketing.
- Sales promotional initiatives.
- Implementation of VRS.

2. Bharat Pumps & Compressors Ltd. (BPCL):

Head Quarters : Naini, Allahabad (Prayagraj), Uttar Pradesh.

Evolution : Established in 1970 for import substitution, incorporated as a CPSE under the Ministry of Heavy Industries & Public Enterprises. Company was granted 'Miniratna' status in September 2010.

Manufacturing Units : 1

Activity / Products : (1) Sophisticated process pumps and compressors (2) High pressure seamless and CNG gas cylinders / cascades. BPCL has got API 7K license for manufacturing Slush Pump components.

Seven-year Digest (2008-15): Table 2 details the performance of the company during the seven-year period 2008-15. Fig 2 is the graphical representation of the same.

Table 2 - Seven-year Digest - BPCL

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	DNA	DNA	DNA	23636.4	27111.8	21021.3	15215.3	12902.3	14705.8	10223.5
Networth	DNA	DNA	DNA	9860.8	12405.6	13040.8	13167.7	10491.3	8923.5	3999.6
Operational Profit(+)/Loss(-)	DNA	DNA	DNA	5968.6	4993.7	2867.0	792.7	-1883.9	-583.9	-3471.6
Net Profit	DNA	DNA	DNA	1856.5	2565.0	952.9	-91.4	-2791.1	-524.3	-5503.8

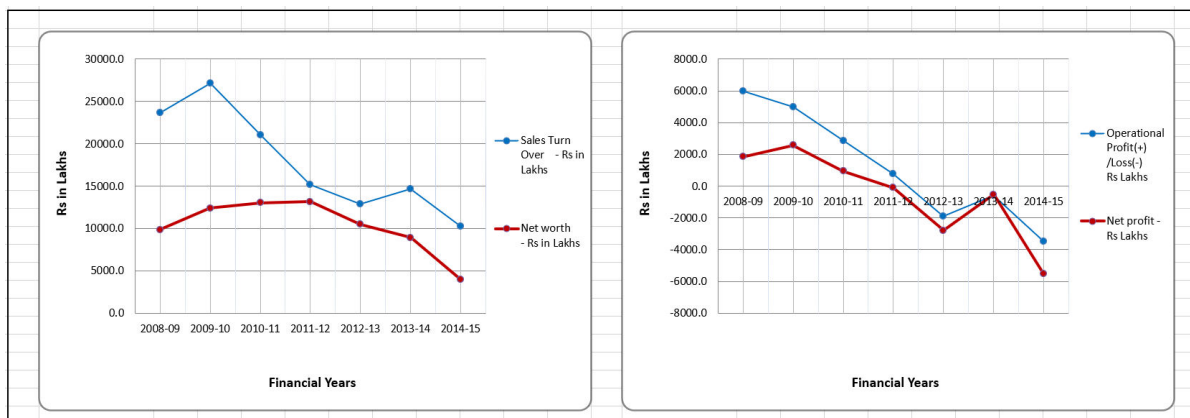


Fig 2 –Seven-year Digest - BPCL

From the graphs it is observed that the company is continuously performing poor. BPCL had been earlier referred to BIFR but could come out of the purview by February 2007. Thereafter company performed well for three years. Again, its performance started deteriorating. As on 31st March 2015, Company’s Net worth is below Rs 4000 L. During

2014-15 Company has achieved a Sales Turnover of Rs 10224 L with an operational profit of Rs (-) 3472 L.

3.Heavy Engineering Corporation Ltd. (HEC):

Head Quarters : Ranchi, Jharkhand.

Evolution : Incorporated as a CPSE under the Ministry of Heavy Industries & Public Enterprises on 31st on December 1958 for achieving self-sufficiency and self-reliance in heavy equipments and machinery required for core sector industries – Iron and Steel industry, Mining, Metallurgical and Engineering Industries.

Manufacturing Units : (1) “Heavy Machine Building Plant”. (2) “Heavy Machine Tools Plant”. (3) “Foundry Forge Plant”, all the 3 units at Ranchi. (4) Turnkey project division.

Activity / Products : (1) Material handling equipments like “Wagon”, “Tippers”, “EOT cranes”. (2) Heavy Machine Tools including “CNC Machine Tools” and SPMs. (3) Different “castings”, “forgings” and “rolls”. (4) Capital equipments for different sectors. (5) Undertaking Turn-key projects.

Ten-year Digest (2005-15): Table 3 details the performance of the company during the ten-year period 2005-15. Fig 3 is the graphical representation of the same.

Table 3 -Ten-year Digest – HEC

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	17818	30390	41292	45387	52813	68121	72523	74047	41167	39150
Networth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	-10580
Operational Profit(+)/Loss (-)	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	-13331	-16442
Net Profit	-86.89	286	417	1837	4427	3814	858	2038	29931	-24169

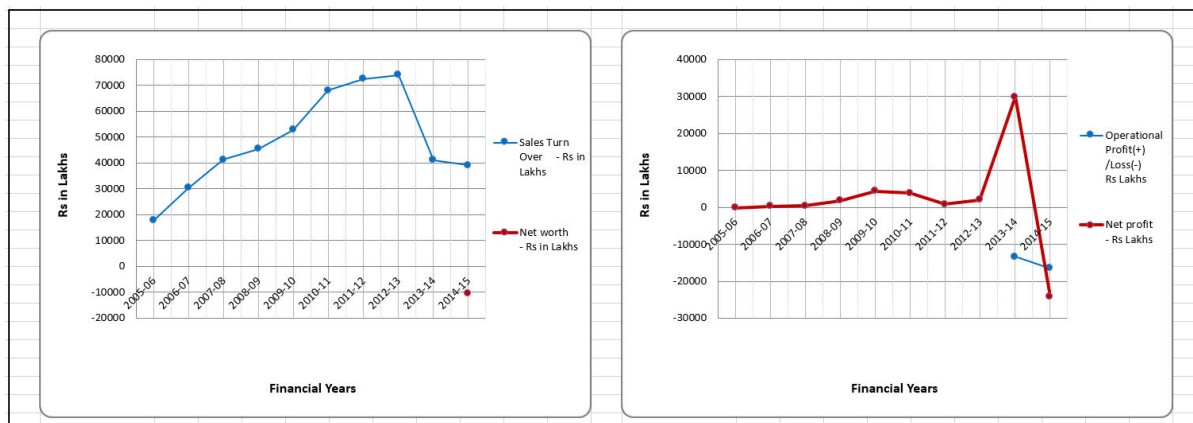


Fig. 3 -Ten-year Digest – HEC

From the graphs it is observed that the company is continuously performing poor. As on 31st March 2015, Company’s Net worth is completely eroded, Rs (-) 10580 L. During 2014-15 Company has achieved a Sales Turnover of Rs 39150 L with an operational profit of Rs (-) 16442 L. From the graphs it is observed that the company was continuously performing till 2013-14 with a Net profit of Rs 29931 Lakhs and the performance was negative during the next succeeding year.

4. Hindustan Antibiotics Ltd. (HAL):

Head Quarters : Pimpri, Chinchwad, Pune, Maharashtra.

Evolution : Established in March 1954 with WHO / UNICEF assistance.

Manufacturing Units : 1, Pune.

Activity / Products : Manufacturing & Marketing of life saving Drugs at affordable prices. Antibiotics like Bulk Drugs Penicillin, Streptomycin and Gentamycin, new molecules viz. Hamycin and Aureofungin, IV Fluids, Agro Chemicals etc.

Three-year Digest (2012-15): Table 4 details the performance of the company during the three-year period 2012-15. Fig 4 is the graphical representation of the same.

From the graphs it is observed that the company was in red throughout the period. As on 31st March 2015, Company’s Net worth is completely eroded. During 2014-15 Company has achieved a Sales Turnover of Rs 1854 L only and resulted in a Net profit of Rs (-) 7055 L. Company is chronically sick.

Table 4 - Three-year Digest – HAL

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	DNA	DNA	DNA	DNA	DNA	DNA	DNA	5209	3011	1854
Net worth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss (-)	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Net Profit	DNA	DNA	DNA	DNA	DNA	DNA	DNA	-6937	-8423	-7055

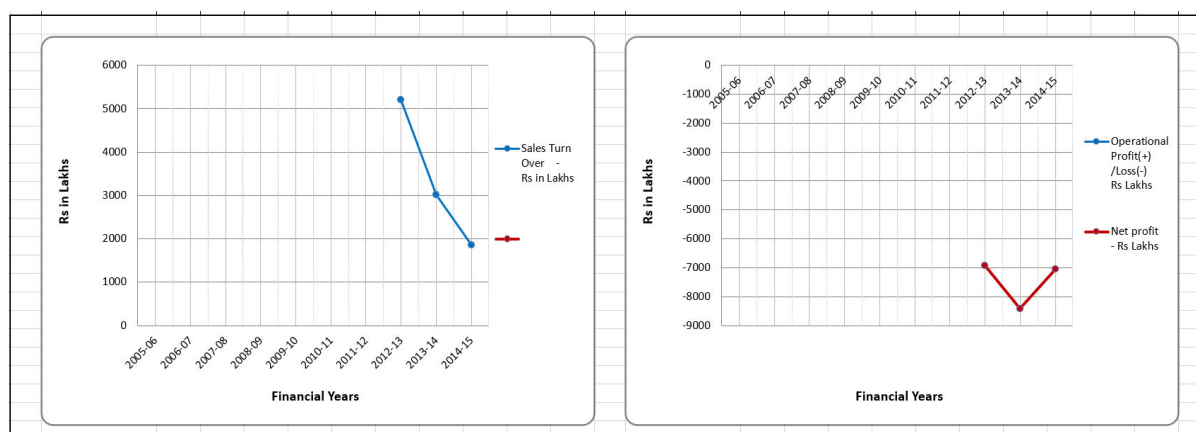


Fig.4 - Three-year Digest – HAL

Performance History : Due to acute shortage of working capital, company’s productivity is very low now. HAL has already defaulted statutory payments like PF, ESI and Gratuity. Dues are there against Income tax and Sales Tax too. Bankers have already declared company’s account as NPA. As directed by the Dept. of Pharmaceuticals, company has submitted a revival proposal which is under active consideration of the Government.

In Dec 2016, in order to help HAL to meet their outstanding liabilities, the Union Cabinet accorded approval for the sale of excess land held by the company as a first step for the closure of the company.

5. Hindustan Newsprint Ltd. (HNL):

Head Quarters : Newsprint Nagar, Kottayam, Kerala

Evolution : Kerala Newsprint Project (KNP), a unit of HPC, was taken over and registered as a CPSE on 7-6-1983.

Manufacturing Units : 1 - Newsprint Nagar, Kottayam, Kerala

Activity/Products : Standard Newsprint of different grades.

Ten-year Digest (2005-15):

Table 5 - Ten-year Digest – HNL

Performance Factor	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Production (MT)	11305	112565	116111	108005	100546	104911	102450	101597	101108	95739
Sales (MT)	112050	112565	116111	87476	120986	104911	101698	101597	98181	96662
Turnover - Lakhs	Rs 30300	31519	29861	29767	28439	30166	31504	32358	34562	34098



Fig. 5- Ten-year Digest – Production, Sales and Turn over - HNL

Table 5 details the performance (Production and Sales in MT, Turn over in Rs Lakhs) of the company during the ten-year period 2005-15. Fig 5 is the graphical representation of the same.

Till 2008-09, HNL was continuously running on profit. Later onwards, company’s performance deteriorated. As on 31st March 2015, its net worth got completely eroded. During 2014-15 Company has achieved a Sales Turnover of Rs 34098 L (a growth of 1.1 times) and ended up with losses. Company’s working capital has dropped down from Rs 61.9

crore in 2012-13 to 37.8 crore by the end of 2016-17. It is observed that the company's performance is poor.

No further details are available in the company's website.

6. Hindustan Paper Corporation Ltd. (HPC):

Head Quarters : Kolkata

Evolution : Incorporated as a CPSE on 29-5-1970. The purpose of registering the company was to establish new pulp & Newsprint Mills. HPC has three subsidiaries – "Hindustan Newsprint Limited", "Nagaland Pulp and Paper Co. Ltd" and "Mandya National Paper Mills" (closed on 5.9.2000). HPC is a Miniratna Schedule 'A' company.

Manufacturing Units : (1) "Nagaon Paper Mill" (NPM). (2) "Cachar Paper Mill" (CPM), both units located in Assam.

Activity/Products : Paper, Paperboards, Craft paper and Newsprint.

Six-year Digest (2007-13): Table 6 details the performance of the company (Production and Sales in MT and Turn over in Rs crores) during the six-year period 2007-13. Fig 6 is the graphical representation of the same.

Till 2008-09, HPC was continuously operating with Margin. Since then the performance started deteriorating. The most critical factor was shortage of bamboo, the basic input raw material. Capacity utilization of CPM dropped to 50%. When this problem was solved, another critical issue came up, shortage of coal. Underutilization of plant capacity resulting in low productivity of the company led to financial crisis, salary deferment, non-payment of bills, non-remittance of statutory payments etc. Slowly company's working capital and Net worth got eroded.

During 2012-13 Company has achieved a Sales Turnover of Rs 59545 L only and ended up with losses. It is observed that the company's performance is poor.

No further details are available in the company's website.

From Newspaper reports it is learnt that liquidation process of two units of HPC has been already initiated which is leading to the conclusion that revival of this corporation is not under consideration by the Government of India.

Table 6 - Six-year Digest - HPC

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Prod (MT)	211746	175020	166639	154783	180262	138963
Sales (MT)	213224	175091	148473	167634	175424	138012
Turn Over (Rs in Cr)	773.77	710.81	579.4	657.05	724.82	595.45

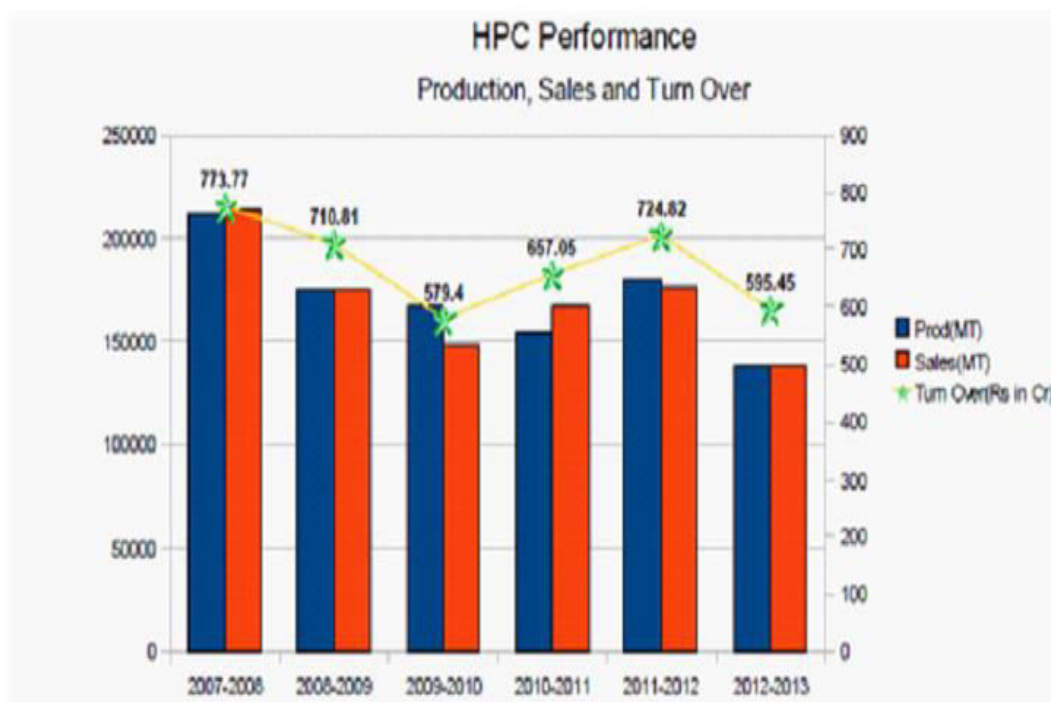


Fig. 6 - Six-year Digest – Production, Sales and Turnover – HPC.

7. Hindustan Photo Films Manufacturing Company Ltd. (HPF):

Head Quarters : Ootacamund, Nilgiris, Tamil Nadu

Evolution : Incorporated on 30th November 1960 as a CPSE under Ministry of Heavy Industries. The purpose of establishing the company was to take the nation to self-reliance with respect to requirements in the field of photo sensitive products.

Manufacturing Units : 2 – Indunagar at Ootacamund and the other at Ambattur, Chennai.

Activity/Products : Photo sensitized goods, “Medical X-ray”, “Industrial X-ray”, “Graphic Arts” and “Black and White Film products”.

Performance History : In the whole of South East Asia, Hindustan Photo Films Manufacturing Company Ltd. was the only company producing “Photo sensitized products”. No other company even possessed the knowhow for production of “Medical X-ray”, “Industrial X-ray”, and “Graphic Arts” to those international standards that HPF was offering to customers.

HPF commenced commercial production during 1967. Since 1992- 93, operating results were that of continuous losses. Net worth got completely eroded by the end of 1994. Basic cause was the product / technology obsolescence in the wake of rapid development of digital technologies in Photography. Company’s operation was unviable. HPF had to be referred to BIFR by 1995 and was declared sick by BIFR during 1996. 20 years have passed. The entire employees of HPF stand relieved from the rolls of the company with effect from 30th June 2016 or earlier in different phases. The unfortunate journey from 1996 to 2016 is detailed below.

- 30th Jan 2003 – BIFR recommended winding up of HPF.
- AAIFR upheld the decision of BIFR
- 27th June 2005 - Stay against the order issued by BIFR / AAIFR was granted by the Hon’ble High Court of Madras.
- Efforts were taken for the revival of HPF but failed.
- 28th June 2013 - BRPSE proposed for introducing VRS at 2007 notional scale in HPF as prelude to the closure of the company.
- 28th Feb 2014 – Proposed VRS package was approved by CCEA. CCEA also directed to proceed with actions for the closure of the company.
- 466 employees availed the benefits of the scheme. 167 employees were not ready to fall in line.
- Since then Government had taken the burden of salaries and wages, statutory payments etc.
- 2014, GoI again approve the proposal of persuading the remaining employees too for availing VRS benefits with a direction to initiate further steps for the closure of the company.

- Petition for winding up of the company under SICA was filed in the Hon'ble High Court of Madras.
- 29th August 2016 - Matter was heard. Hon'ble High Court endorsed the order released by BIFR for winding up of the company under SICA.
- Company is under liquidation w.e.f. 24th January 2017.

The entire employees stand relieved from the rolls of the Company with effect from 30th June 2016 or earlier in different phases. Two executives from another CPSE have been deputed to take care of the security and protection of the assets of the company and to oversee other legal formalities until the assets, liabilities and books of records are taken over by the Official Liquidator. Take-over of the Company by the Official Liquidator is awaited.

8. HMT Ltd. (HMT):

Head Quarters : Bangalore, Karnataka.

Evolution : HMT, India's premier Engineering conglomerate, was incorporated as Hindustan Machine Tools Ltd, a CPSE, under the Ministry of Heavy Industries, in the year 1953. The basic objective was "To manufacture mother machines to build modern industrial India". First Prime Minister of India, Pandit Jawaharlal Nehru used to refer HMT as "Jewel of the Nation". Later company diversified into many other products such as Bearings, CNC Systems, Die Casting Machines, Metal Forming Presses, Plastic Processing Machines, Printing Machines, Tractors, Watches etc. Organizational restructuring of HMT took place in 2000. Based on the nature of business/products, five subsidiaries were formed viz. (1) HMT Chinar Watches. (2) HMT Bearings. (3) HMT (I) (4) HMT Machine Tools Ltd. (5) HMT Watches under the ambit of the holding company HMT Limited.

Manufacturing Units : 14 – Machine Tool unit, CNC unit, Watch unit in Bangalore, Watch unit in Tumkur. Machine Tool unit in Pinjore, Tractor unit in Pinjore. Machine Tool unit in Kalamassery, Kochi, Two Machine Tool units in Hyderabad, Tractor unit in Hyderabad, Machine Tool unit in Ajmeer, Dairy Machinery unit in Aurangabad, Watch unit in Ranibagh, Watch unit in Srinagar.

Products / Activities : Design and manufacture of different types of Machine Tools including CNC, reconditioning and refurbishing of Machines, Job orders for components,

sub-assemblies and completely assembled products, Watches, Printing Machines, Tractors, Food processing Machineries, Bearings etc. Execution of Turnkey Projects.

Ten-year Digest (2005-15): Table 7 details the performance of the company during the ten-year period 2005-15. Fig 7 are the graphical representation of the same.

Table 7 - Ten-year Digest – HMT

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	24833	22729	17108	16098	19164	20086	16112	10095	7971	6155
Net worth	DNA	86181	81897	74986	69724	61800	53581	39043	113838	35562
Operational Profit(+)/Loss(-)	900	3639	-4466	-5664	-3323	-16	735	-4135	12016	-8174
Net Profit	1327	5430	-4467	-6898	-5291	-7924	-8220	-14538	10582	-10010

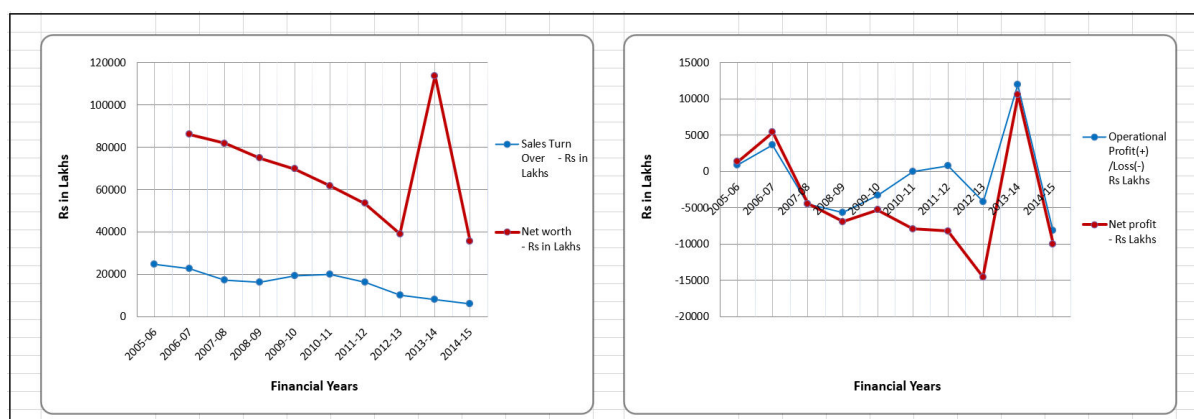


Fig. 7 - Ten-year Digest – HMT

From the graphs it is observed that the company’s performance is continuously deteriorating, and its Net worth is completely eroded.

Performance History: HMT was sanctioned a revival package in 2013-14. But the company ended up with a loss of Rs 97 crore in the very next year. There after too it is continuously producing losses.

In Jan 2016, CCEA accorded approval for closure of three subsidiaries, “HMT Bearings”, “HMT Chinar Watches” and “HMT Watches”. Similarly, in Nov 2016 approval was accorded by CCEA for the closure of Tractor division too along with restructuring of the Balance Sheet – (1) Reduction of paid-up capital equivalent to the amount of accumulated

losses of Tractor Division - Rs. 848.49 Crore out of Rs. 1204.09 crore. (2) Writing off loans - Rs. 72.02 crore. (3) Waiver of accrued interest - Rs. 18.56 crore. Required budgetary support also has been sanctioned for payment of our standing salary and other statutory payments and also for VRS package at 2007 scale.

HMT Machine Tools still commands a very strong brand image.

9. HMT Bearings Ltd. (HMT B):

HMT Bearings Ltd., located at Hyderabad, formerly known as Indo Nippon Precision Bearings Ltd. was registered as a fully owned subsidiary of HMT Ltd in Dec 1978 and manufactures ball and roller bearings. During 2009-10, HMT Bearings' net loss stood at Rs 15.31 crore and had manpower strength of 80.

In Aug 2011, Minister for Heavy Industries and Public Enterprises, Government of India, in a written reply, announced in Lok Sabha that Government had initiated the process for disinvestment of the company.

During 2014-15, this Subsidiary achieved Sales of Rs 1034 Lakhs registering a downward trend. Production stood at Rs 1013 Lakhs, a drop of 28.7% from that of previous year. The year ended with a Profit Before Tax of (-) 809 Lakhs. CCEA has approved closure of this subsidiary of HMT in Jan 2016. Consequently, all the employees are relieved on VRS.

10. HMT Chinar Watches Ltd. (HMT CW):

HMT established its second Watch Factory at Srinagar for manufacturing hand wound watches. This unit was registered as a fully owned subsidiary of HMT Ltd in 2000. This Subsidiary achieved sales of Rs 11 Lakhs during 2014-15 and the production was NIL. The Subsidiary ended up with a loss of Rs 9.51 crore. CCEA has approved closure of this subsidiary of HMT in Jan 2016. Consequently, all the employees are relieved on VRS.

11. HMT Machine Tools Ltd. (HMT MTL):

Head Quarters : Bangalore, Karnataka.

Evolution : Incorporated as Hindustan Machine Tools Ltd (HMT), a CPSE, under the Ministry of Heavy Industries, in the year 1953. Incorporated as a wholly owned subsidiary of HMT Ltd., in 2000.

Manufacturing Units : 6

Products/Activities : Machine Tools & Printing Machines, Reconditioning and refurbishing of Machines, Job orders for components, sub-assemblies and completely assembled products, Projects etc.

Ten-year Digest (2005-15): Table 8 details the performance of the company during the ten-year period 2005-15. Fig.8 is the graphical representation of the same.

From the graphs it is observed that the company is continuously performing losses. As on 31st March 2015, Company's Net worth is totally eroded, Rs (-) 39247 L. During 2014-15 Company has achieved a Sales Turnover of Rs 18859 L (a drop of 22% within a span of ten years) with an operational profit of Rs (-) 10326 L. During the ten period, it is observed that the Sales Turnover is hovering between Rs 20000L and the operational losses have gone up by 2.3 times. HMT MTL which was sanctioned a revival package of Rs 881 crore in 2006 have helped the company to come out of red with a positive Net worth of Rs 8056 L as on 31st March 2006, but resulted in a Net profit of Rs (-) Rs 4050 L, in the very next year 2007-08. Thereafter too it has never come out of loss. Again, the company received a revival package of Rs 271 crore in Feb 2014. Still the company could not come out of sickness.

Performance in the year 2012-13 appears to be the best during the span of ten years.

Table 8 - Ten-year Digest – HMT MTL

Performance Factor (Rs in Lakhs)	2005- 06	2006- 07	2007- 08	2008- 09	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15
Sales Turn Over	24218	25661	26521	20060	20962	21068	24046	23623	17525	18859
Net worth	-59008	8056	5773	2691	-1887	-11191	-15801	-20166	-25432	-39247
Operational Profit(+)/Loss (-)	-4457	-9651	-3461	-4694	-1929	-8045	-3791	-2162	-2675	-10326
Net Profit	-656	-14978	-4050	-3717	-4580	-9306	-4614	-4365	-5266	-13494

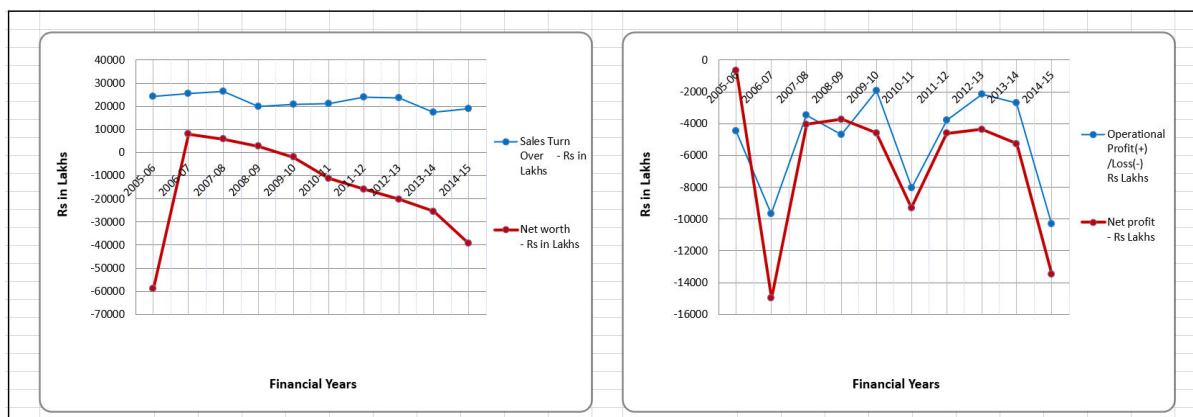


Fig. 8 - Ten-year Digest – HMT MTL

12. HMT Watches Ltd. (HMT W):

Head Quarters : Bangalore, Karnataka.

Evolution : Incorporated as Hindustan Machine Tools Ltd, a CPSE, under the Ministry of Heavy Industries, in the year 1953. Incorporated as a wholly owned subsidiary of HMT Ltd., in 2000.

Manufacturing Units: 3 – Bangalore and Tumkur in Karnataka and Srinagar in Kashmir.

Products/Activities: Watches – Hand wound, automatic and Quartz in different models.

Eight-year Digest (2007-15): Table 9 details the performance of the company during the ten-year period 2007-15. Fig 9 is the graphical representation of the same.

Table 9 - Eight-year Digest – HMT Watches Ltd.

Performance Factor - Rs in Lakhs	2005- 06	2006- 07	2007- 08	2008- 09	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15
Sales Turn Over - Rs in Lakhs	DNA	DNA	1514	1352	1054	882	1024	1106	812	844
Net worth - Rs in Lakhs	DNA	DNA	-96063	-112405	-129240	-154614	-177000	-201266	-224573	-250561
Operational Profit(+) /Loss(-) Rs Lakhs	DNA	DNA	-5816	-6401	-5774	-12576	-6716	-6424	-5359	-6346
Net profit - Rs Lakhs	DNA	DNA	-14695	-16405	-16835	-25374	-22404	-24247	-23307	-25920

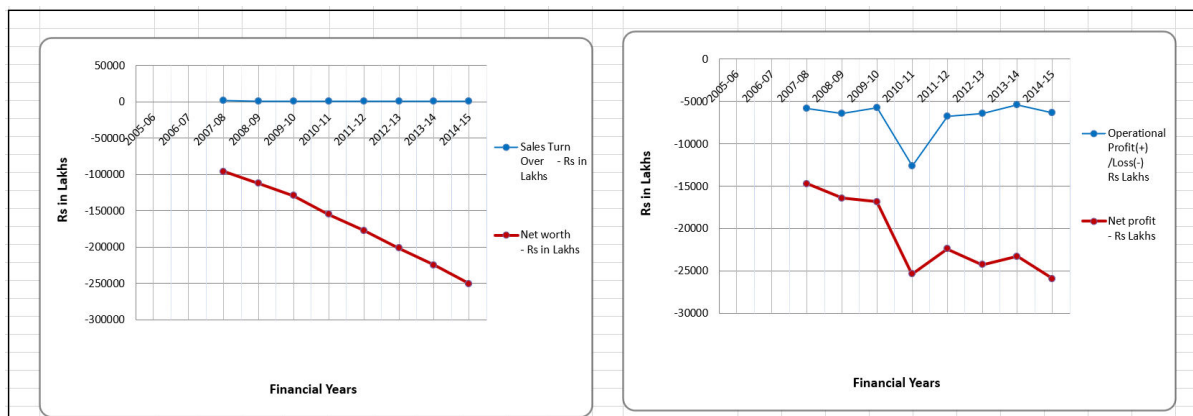


Fig. 9 - Eight-year Digest – HMT Watches Ltd.

From the graphs it is observed that the company is continuously performing poor. As on 31st March 2015, Company’s Net worth is totally eroded, Rs (-) 250561 L. During 2014-15 Company has achieved a Sales Turnover of Rs 844 L only and ended up in heavy losses. Losses increased from Rs 14695 Lakhs to Rs. 25920 Lakhs.

13. Indian Drugs & Pharmaceuticals Ltd. (IDPL):

Head Quarters : Registered Office - Dundaheera, Gurgaon. Head Office - SCOPE Complex, Lodhi Road, New Delhi.

Evolution : Incorporated as a CPSE in April 1961.

Manufacturing Units : Dundaheera, Gurgaon, Rishikesh, Uttarakhand, Hyderabad.

Subsidiary companies : “IDPL (Tamil Nadu) Ltd”. Chennai, “BDOCL” (“Bihar Drugs & Organic Chemicals Ltd”).).

Joint venture : “ODCL” (“Orrisa Drugs & Chemicals Ltd”).).

Activity/Products : Manufacturing and Marketing of various lifesaving drugs. Presently, IDPL is manufacturing nearly 111 products.

Four-year Digest (2011-15): Table 10 details the performance of the company during the four-year period 2011-15. Fig 13 is the graphical representation of the same.

Table 10 - Ten-year Digest – IDPL

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	DNA	DNA	DNA	DNA	DNA	DNA	5069	5947	6018	6350
Net worth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss(-)	DNA	DNA	DNA	DNA	DNA	DNA	-791	-395	-225	380
Net Profit	DNA	DNA	DNA	DNA	DNA	DNA	-251	-17321	-17156	-16800

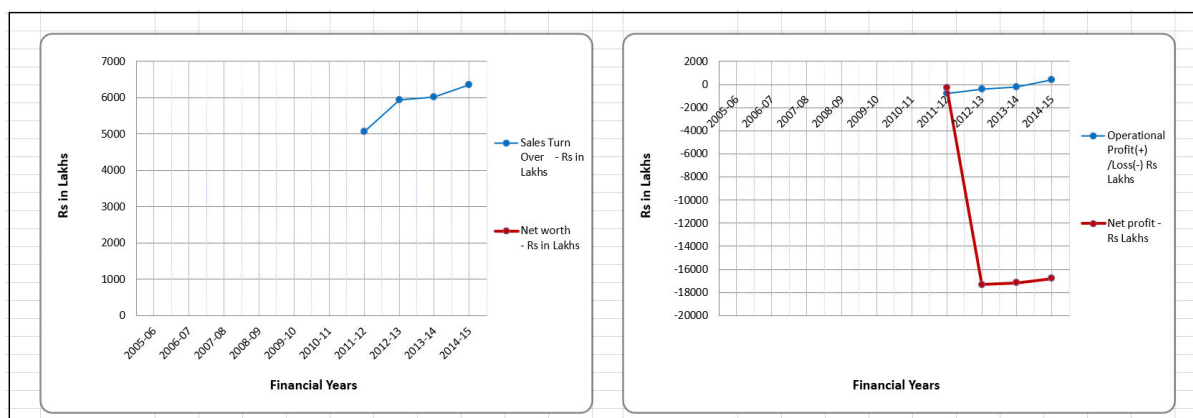


Fig. 10 - Ten-year Digest – IDPL

From the graphs it is observed that the company was continuously performing poor and its Net worth is completely eroded.

14. Instrumentation Limited (IL):

Head Quarters : Kota Rajasthan.

Evolution : Incorporated as a CPSE, under the Ministry of Heavy Industries, in the year 1964. The purpose of establishing the company was to address the ever-increasing requirements of Control & Instrumentation devices in core industrial sectors.

Manufacturing Units : 3- Kota and Jaipur in Rajasthan. Palakkad in Kerala.

Subsidiary : REIL (Rajasthan Electronics and Instruments Ltd.).

Products / Activities : Digital Control System, Telecom Products, Railway Signalling Products, Control Valves/Actuators.

Ten-year Digest (2005-15): Table 11 details the performance of the company during the ten-year period 2005-15. Fig 11 is the graphical representation of the same.

Table 11 - Ten-year Digest – Instrumentation Ltd.

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	22053	22873	24723	25351	32826	25015	19028	16824	37159	38293
Net worth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss (-)	-2029	-2316	-2864	-6291	-3895	-3021	-6782	-5370	-4881	-5891
Net Profit	-2451	-2780	-3336	-6888	-3336	-3656	-6769	-5409	-6275	-13524

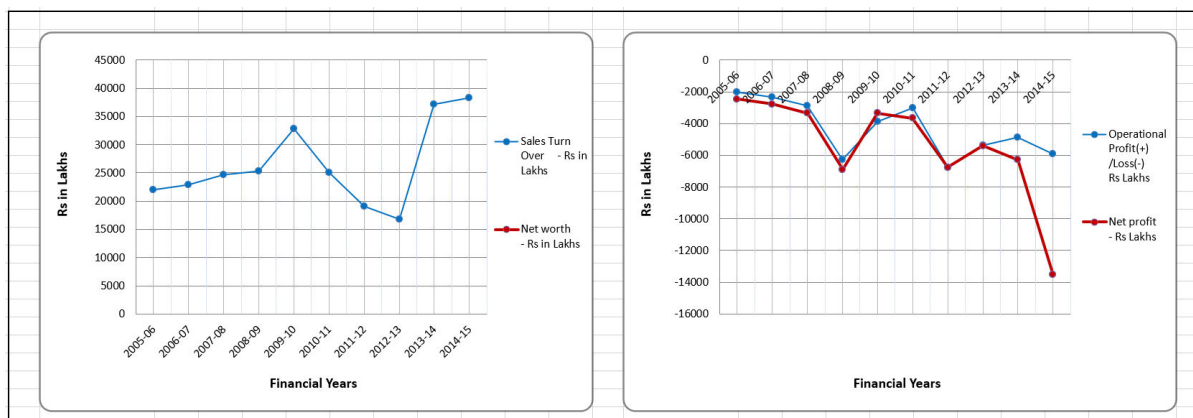


Fig. 11 - Ten-year Digest – Instrumentation Ltd.

From the graphs it is observed that the company is continuously performing poor. From 2005-06 to 2009-10, Sales Turnover was showing increasing trend, then a sudden fall, then again started showing an increasing trend from the year 2009-10 onwards. But operational loss is indicating continuous increasing trend. As on 31st March 2015, Company's Net worth is completely eroded. During 2014-15 Company has achieved a Sales Turnover of Rs38293L with an operational profit of Rs (-)5891L.

15. Rajasthan Drugs & Pharmaceuticals Ltd. (RDPL):

Head Quarters : VKI Area, Jaipur, Rajasthan.

Evolution : Incorporated in November 1978 as a joint venture by GoI and state Government of Rajasthan. Company is schedule 'M' Compliant.

Manufacturing Units : 1 - VKI Area, Jaipur (Rajasthan).

Activity / Products : Manufacturing and marketing of various lifesaving and other essential drugs - Tablets, Capsules, Liquids, Powder & Ophthalmic. Total number of products – 190 under different therapeutic groups.

Four-year Digest (2011-15): Table 12 details the performance of the company during the four-year period 2011-15. Fig 12 is the graphical representation of the same.

Table 12 - Ten-year Digest – RDPL

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	DNA	DNA	DNA	DNA	8535.5	8067.4	8271.9	8567.3	4350.6	2490.0
Net worth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss(-)	DNA	DNA	DNA	DNA	118.52	150.07	174.59	77.49	-1943.5	DNA
Net Profit	DNA	DNA	DNA	DNA	99.15	119.86	144.77	79.87	-1939.7	DNA

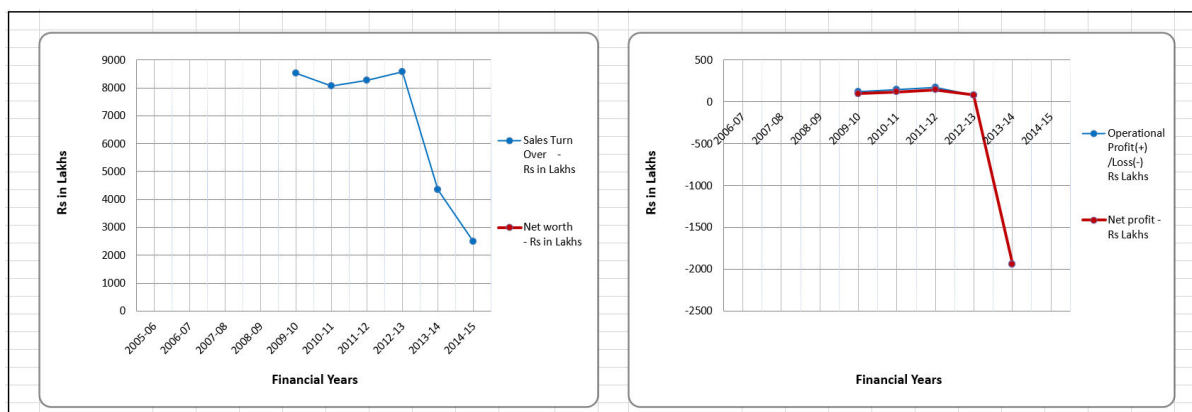


Fig. 12 - Ten-year Digest – RDPL

From the graphs it is observed that the company is continuously deteriorating in its performance.

In Dec 2016, in order to help RDPL to meet their outstanding liabilities, the Union Cabinet accorded approval for the sale of surplus land held by the company as a first step for the closure of the company.

16. Scooters India Ltd. (SIL):

Head Quarters : Lucknow, Uttar Pradesh

Evolution : Incorporated in 1972. An ISO 9001:2000 Company

Manufacturing Units : one

Products / Activities : Design and development, manufacturing and marketing of 2 and 3-wheelers. Various models of three wheelers are “Vikram 450D(HB)”, “Vikram 450D(STG)”, “Vikram 1000 CG”, “Vikram 1500 CG”, “Vikram 750D(AC)”, “Vikram Load Carrier”, “Vikram EV”.

Ten-year Digest (2005-15): Table 13 details the performance of the company during the ten-year period 2005-15. Fig 16 is the graphical representation of the same.

Table 13 - Ten-year Digest – SIL

Performance Factor (Rs in Lakhs)	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales Turn Over	16169	17416	13455	11325	13862	16298	21196	19342	18929	15834
Net worth	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Operational Profit(+)/Loss(-)	190	-1038	-2243	-2774	-2789	-1711	-1677	-600	1360	1109
Net Profit/Loss	156	-2250	-2248	-2765	-2801	-1711	-1677	-600	1360	1109

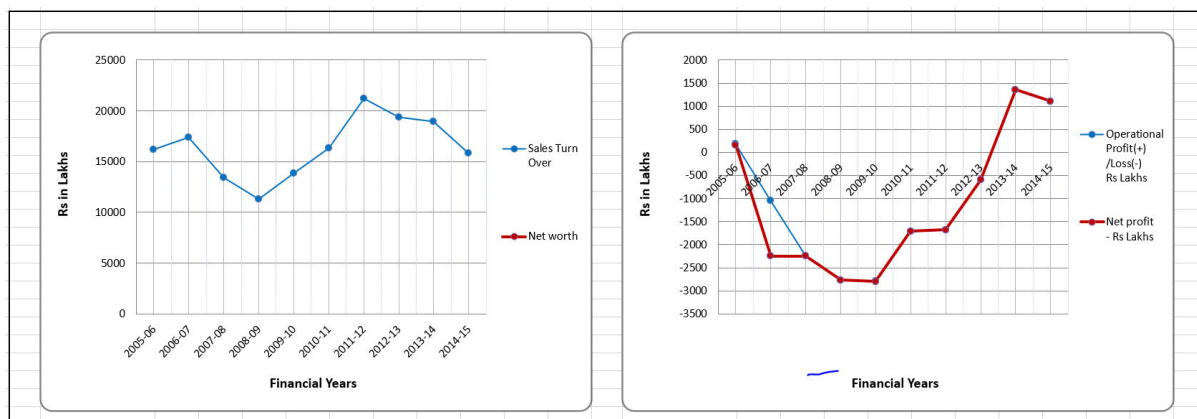


Fig.13- Ten-year Digest – SIL

From the graphs it is observed that the company was continuously performing poor till 2008-09 and thereafter started improving year by year up to 2011-12. Again, the sales performance started declining and reached the level of Rs 15834 L. In terms of profit the company was

running in losses till 2012-13. In the succeeding two years Company has produced a Net profit Rs 1360 Lakhs and Rs 1109 L respectively.

Secret behind this spectacular achievement are (1) Selection of optimal product mix leading higher return, at the same time considering market dynamics too increasing market share. This resulted in 4% improvement in performance. (2) Material expenses were reduced by 4% through better materials management system. (3) Reduced rejection and other power savings initiatives which led to reduced power consumption by 3%. (4) Improved capacity utilization by introducing several measures including offering leave encashment benefit etc. to employees.

Another development was that in Feb 2013, approval for another revival scheme of Rs. 201.96 crore. Package proposed (1) infusion of additional funds, (2) conversion of plan & non plan loan into equity, (3) waiver of interest. These were incorporated in the annual accounts for the year ended on 31-03-2013.

Conclusion:

The detailed study and analysis of sick CPSEs quite clearly shows that even if the Government has succeeded in helping them with its revival packages, there are cases where the revival packages have failed to deliver expected outcome. The failure on the part of the Government in such cases is manifold.

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