

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:2472  
ANSWERED ON:10.03.2011  
CORRUPTION IN PSUS  
Mahendrasinh Shri Chauhan ;Rama Devi Smt.

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether many Public Sector Undertakings (PSUs) are unable to achieve desired results due to inefficient management and corrupt practices;
- (b) if so, the details thereof;
- (c) whether the Government has reviewed the functioning of higher officials in PSU's;
- (d) if so, the details thereof during the last three years;
- (e) the action taken by the Government thereon; and
- (f) the success achieved by the Government in this regard ?

**Answer**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI A. SAI PRATHAP)

- (a) & (b) There is no adequate evidence to support such a generalized statement.
- (c) to (f) Annual target setting of PSUs at the beginning of the year and their performance evaluation at the end of the year is done by Department of Public Enterprises through the system of Memorandum of Understanding (MoU). MoU is a mutually negotiated agreement between the management of the PSUs and the Government of India. Under this agreement, the enterprise undertakes to achieve the targets set in the agreement at the beginning of the year. The objective of the MoU system is to improve the performances of public sector enterprises by increasing autonomy and accountability of the management.

The MoU system has become robust in last couple of years. The performance of MoU system in last 3 years is as under:

Year	Total MoU signing CPSEs	Total CPSEs	Excellent	Very Good	Fair	Poor
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2009-10	197	144	74	29	20	20	01
2008-09	144	125	47	35	25	17	01
2007-08	144	112	55	34	15	8	-