

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

UNSTARRED QUESTION NO:4886
ANSWERED ON:23.12.2014
STRENGTHENING OF PSUS
Rajesh Shri M. B.

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

- (a) whether the Government proposes to strengthen Public Sector Undertaking in the core and strategic areas;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to infuse fresh capital and technology in core PSUs;
- (d) whether the Government is likely to stop disinvestment of profit making PSUs; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a) and (b) : There were 277 Central Public Sector Enterprises (CPSEs) in the country as on 31st March, 2013 operating in various sectors of the economy including core and strategic areas such as Coal, Mining; Steel, Oil, Power, Defence, Atomic Energy, Railways, etc.

The Government has taken a number of steps to strengthen CPSEs which include

- (i) introduction of Maharatna, Navratna and Miniratna schemes envisaging delegation of financial and operational powers to the Boards of such CPSEs,
- (ii) thrust on performance improvement through the Memorandum of Understanding mechanism,
- (iii) professionalization of Boards of CPSEs,
- (iv) listing of CPSEs, etc.

(c) The Government has already delegated financial and operational powers to the Boards of Maharatna, Navratna and Miniratna CPSEs in the areas of capital expenditure, investment in joint ventures/subsidiaries, entering technology joint ventures or strategic alliances, raising of debts, etc.

(d) and (e) : As per the present disinvestment policy of the Government, all unlisted CPSEs having positive net worth, with no accumulated losses and having earned net profit in three preceding consecutive years are to be listed and already listed profitable CPSEs (not meeting mandatory public shareholding) are to be made compliant, by public offering out of Government shareholding or issue of fresh equity by the concerned CPSEs or a combination of both. All cases of disinvestment are to be decided on a case by case basis and the Government will retain at least 51% equity and management control in all cases of disinvestment through public offerings.