

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

UNSTARRED QUESTION NO:6371

ANSWERED ON:05.05.2015

PROFIT MAKING PSUS

Raghavan Shri M. K.

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

- (a) whether there is a decrease in the turnover and profits of the existing profit making companies including the Mini Ratna Companies in the country;
- (b) if so, the details thereof, State and company-wise; and
- (c) the steps/measures taken by the Government to modernise these companies and make them self reliant for steady growth in turnovers and profits?

Answer

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

(a) & (b): As per information available in Public Enterprises Survey 2013-14, which was laid in the Parliament on 26.02.2015, there were 163 profit-making Central Public Sector Enterprises (CPSEs) including profit making Mini Ratna CPSEs in the country. The turnover of these CPSEs has increased from Rs.16,87,160 crore in 2012-13 to Rs. 17,94,382 crore in 2013-14 and profit of these CPSEs has also increased from Rs.1,36,406 crore in 2012-13 to Rs.1,49,164 crore in 2013-14.

(c): The Memorandum of Understanding (MoU) system is a tool of performance evaluation of CPSEs. It is a mutually negotiated agreement between the management Of the CPSEs and its Administrative Ministry/Department wherein annual targets are fixed for different financial and non-financial parameters. Evaluation of the performance of the CPSEs against these targets is done at the end of the financial year. The increase in profitability is dependent upon general economic conditions, performances of the CPSEs etc. Achievement of targets is dependent on the sectoral business environment and CPSEs performance which is periodically reviewed by concerned administrative Ministries/ Departments.