

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

UNSTARRED QUESTION NO:6319  
ANSWERED ON:05.05.2015  
OPERATIONAL FLEXIBILITY TO CPSES  
Ering Shri Ninong;Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether the Government has decided to come out with fresh guidelines for Central Public Sector Enterprises (CPSEs) to enable them to have greater operational flexibility in achieving annual targets;
- (b) if so, the details thereof;
- (c) whether most of the Central Public Sector units particularly `Maharatnas` and `Navratnas` were unable to achieve the targets during 2014-15; and
- (d) if so, the reasons therefor and the extent to which the new guidelines are likely to help CPSEs to achieve the targets within the time-frame?

**Answer**

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

(a) and (b): The annual targets for different financial and non-financial parameters for Central Public Sector Enterprises (CPSEs) are fixed in their Memorandum of Understanding (MoU) which is a mutually negotiated agreement between the management of CPSEs and the concerned administrative Ministry. Further, the Government has 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, human resources management, etc.

(c) and (d): As per extant MOU guidelines, the performance of MOU signing CPSEs (including Maharatna and Navratna CPSEs) is evaluated on the basis of the audited results.