

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

UNSTARRED QUESTION NO:5537
ANSWERED ON:28.04.2015
STRENGTHENING OF PSUS
Panda Shri Baijayant "Jay"

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

- (a) whether the Government is considering to set up a single holding company for all Central Public Sector Enterprises (CPSEs);
- (b) if so, the details thereof; and
- (c) the steps being taken to restructure CPSEs in order to make them more efficient and increase the accountability?

Answer

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

(a) and (b): The Government has not taken any decision with regard to formation of a single holding company for all Central Public Sector Enterprises (CPSEs).

(c): The Government has already delegated financial and operational powers to the Boards of Maharatna, Navratna and Miniratna CPSEs to, inter-alia, (i) incur capital expenditure on purchase of new items or for replacement without any monetary ceiling (within prescribed limits for Miniratna CPSEs), (ii) enter into technology joint ventures or strategic alliances, (iii) obtain by purchase or other arrangements, technology and know-how, (iv) establish financial joint ventures and wholly owned subsidiaries in India or abroad within prescribed limits, etc. The Boards of Maharatna and Navratna CPSEs have also been empowered to effect organizational restructuring including establishment of profit centers, opening of offices in India and abroad, creating new activity centers, etc. As a measure of enhancing accountability of management of CPSEs, the system of Memorandum of Understanding (MoU) is being implemented. The MoU is a mutually negotiated agreement between the management of CPSEs and the concerned administrative Ministry wherein annual targets are fixed for different financial and non-financial parameters at the beginning of the year and performance against these targets is evaluated at the end of the year.