

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

UNSTARRED QUESTION NO:524
ANSWERED ON:14.07.2014
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 Undertakings (PSUs) in the core and strategic areas;
- (b) if so, the details thereof along with the steps taken by the Government in this regard;
- (c) whether the Government proposes to extend more autonomy to PSUs and if so, the details thereof; and
- (d) whether the Government proposes to stop disinvestment of the profit making PSUs and if so, the details of the policy in this regard?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PON. RADHAKRISHNAN)

(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, Transportation, etc. Over the years, 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 critical areas such as capital expenditure, investment in joint ventures/subsidiaries, human resources management and entering technology joint ventures or strategic alliances.

(d) As per the present disinvestment policy of the Government, unlisted CPSEs with no accumulated losses and having earned net profit in three consecutive preceding years are to be listed and already listed profitable CPSEs (not meeting mandatory shareholding requirement of 10%) are to be made compliant by 'Offer for Sale' by Government or by the CPSEs through issue of fresh shares or a combination of both. In all cases of disinvestment, the Government would retain at least 51% equity and management control.