

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

STARRED QUESTION NO:473
ANSWERED ON:11.08.2014
SURVEY ON PSES
Rathwa Shri Ramsinh Patalyabhai

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

- (a) whether the Union Government has assessed the performance of the Public Sector Enterprises (PSEs) under its ambit and the State Government in the recent past and if so, the details thereof ;
- (b) whether the Union Government has asked all the States to share their experiences of managing PSEs and if so, the details thereof and reaction of various States thereto;
- (c) whether the Union Government proposes to conduct a fresh National Survey of the performance of State-level Public Enterprises in the country and if so, the details and the objectives thereof ; and
- (d) the steps taken by the Government to find viable means to revive and sustain loss making State-level Public Enterprises based on the outcome of the survey?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ANANT GEETE)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT

Statement refer to in Lok Sabha Starred Question No. 473 for reply on 11.08.2014 regarding Survey on PSEs asked by Hon'ble Member Shri Ramsinh Rathwa

(a): The Government of India has introduced the Memorandum of Understanding (MoU) mechanism in the year 1986. MoU is a mutually negotiated agreement between the management of the CPSEs and the Government of India/Holding Company. Under this agreement, the CPSE undertakes to achieve the targets set in the agreement. Evaluation of MoU of the CPSE is done at the end of the year on the basis of actual achievements vis-à-vis the MoU targets. CPSEs (Holding as well as Subsidiaries) are required to submit performance evaluation reports on the basis of audited data to Department of Public Enterprises and the Task Force of the Syndicate Group, after approval of the Board of CPSE and through the administrative Ministries/Departments. A description of MoUs evaluated during the last five years is as under:-

Item	2010-11	2011-12	2012-13	2013-14	2014-15
Total	198	197	196	197	207
MoUs					
Signed					
Evaluation	161	175	189+1	Due	Due on
Report	from	31st	August		
Submitted	31.8.2014	2015			

Provisional

A comparison of the MoU ratings secured by the CPSEs in the last 5 years is as under:-

Rating	2008-09	2009-10	2010-11	2011-12	2012-13
Excellent	47	73	67	76	75
V. Good	34	31	44	39	39
Good	25	20	24	33	37 + 1#
Fair	17	20	24	25	36
Poor	01	01	02	02	02

Provisional

No such assessment is done by the DPE for state government public sector enterprises.

(b): The Department of Public Enterprises (DPE) has shared best management practices like Memorandum of Understandings (MoU) System, Corporate Governance, Corporate Social Responsibility, etc., with States. As per information available from the State Government, nine States have adopted Memorandum of Understanding (MoU) system to improve the performance of State Level Public Enterprises (SLPEs).

(c) & (d): With the limited intent of collecting the data on SLPEs, the Chief Secretaries of States/UTs have been requested to advise their SLPEs to file data on line on financial and non-financial parameters on DPE web portal (www.dpe.nic.in) for the years 2010-11, 2011-12 and 2012-13.