

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF PUBLIC ENTERPRISES

LOK SABHA

UNSTARRED QUESTION No. 3812

TO BE ANSWERED ON 16.07.2019

Strengthening of PSUs

3812. DR. RAMAPATI RAM TRIPATHI:

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

- (a) whether the Government proposes to strengthen important and strategic Public Sector Undertakings (PSUs);
- (b) if so, the details thereof and the steps taken by the Government in this regard;
- (c) whether the Government proposes to give more autonomy to PSUs;
- (d) if so, the details thereof;
- (e) whether the Government proposes to stop disinvestment of profit earning PSUs; and
- (f) if so, the policy guidelines in this regard?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(SHRI ARVIND GANPAT SAWANT)

(a) & (b): As on 31<sup>st</sup> March, 2018, there were 339 Central Public Sector Enterprises (CPSEs) in the country, a number of which are in various important sectors of the economy such as Coal, Mining, Steel, Oil, Power, Defence, Atomic Energy, Railways, Shipping, etc. Over the years, Government has taken many steps to strengthen CPSEs, which include, (i) introduction of Maharatna, Navratna and Miniratna schemes envisaging delegation of financial and operational powers to Boards of such CPSEs, (ii) thrust on performance improvement through regular evaluation under the Memorandum of Understanding (MoU) mechanism, (iii) professionalization of Boards of CPSEs and strengthening corporate governance framework, and (iv) listing of CPSEs, etc.

(c) & (d): The Government has already 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, entering technology joint ventures or strategic alliances, raising of debts, etc. Presently, there is no proposal under the consideration of Department of Public Enterprises to further enhance the powers delegated to such CPSEs.

(e) & (f): The Government has been using a variety of instruments/ modes of disinvestment including Initial Public Offer, Offer For Sale, buybacks, Strategic Disinvestment, Merger & Acquisition and Exchange Traded Fund. NITI Aayog has been mandated to identify CPSEs for strategic disinvestment. For this purpose, NITI Aayog has classified CPSEs into "high priority" and "low priority", based on (a) national security (b) sovereign functions at arm's length, and (c) market imperfections and public purpose. The CPSEs falling under "low priority" are covered for strategic disinvestment. Profitability of CPSEs is not the relevant criterion for this purpose.

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