



Annual Public Enterprises Survey

Why in News

Recently, the **60th Public Enterprises (PE) Survey 2019-20** was released by the [Department of Public Enterprises \(DPE\)](#), Ministry of Finance.

- It is the **single largest source of information on [Central Public Sector Enterprises \(CPSEs\)](#)** and acts as a basis for informed policy making.
- The government has **reallocated the Department of Public Enterprises (DPE) to the finance ministry from the ministry of heavy industries.**

Key Points

▪ About Public Enterprises (PE) Survey:

- PE Survey is a **100% enumeration of the CPSE universe**. It captures essential statistical data for all CPSEs on various financial and physical parameters.
- PE Survey divides CPSEs into **five sectors** namely:
 - Agriculture,
 - Mining & Exploration,
 - Manufacturing, Processing & Generation,
 - Services,
 - Enterprises Under Construction.
- The Department of Public Enterprises (DPE) started bringing out the Public Enterprises Survey from the financial year **1960-61 on the recommendations of the [Estimates Committee](#)** of the **2nd Lok Sabha, 73rd report (1959-60)**.

▪ About DPE And CPSEs:

- DPE is the **nodal department** for all the Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs.
- According to DPE, **CPSEs mean those Government companies, besides Statutory Corporations, wherein more than 50% of the share in equity is held by the Central Government.**
 - The subsidiaries of these companies, if registered in India, are also categorized as CPSEs.
 - It does not cover departmentally run public enterprises, banking institutions and insurance companies.
- CPSEs are classified into 3 categories namely **Maharatna, Navratna and Miniratna**.
 - Presently, there are **10 Maharatna, 14 Navratna and 74 Miniratna CPSEs**.

Classification of CPSEs

Category	Launch	Criteria	Examples
Maharatna	<ul style="list-style-type: none"> ○ Maharatna Scheme was introduced for CPSEs in May, 2010, in order to empower mega CPSEs to expand their operations and emerge as global giants. 	<ul style="list-style-type: none"> ○ Having Navratna status. ○ Listed on Indian stock exchange with minimum prescribed public shareholding under Securities and Exchange Board of India (SEBI) regulations. ○ An average annual turnover of more than Rs. 25,000 crore during the last 3 years. ○ An average annual net worth of more than Rs. 15,000 crore during the last 3 years. ○ An average annual net profit after tax of more than Rs. 5,000 crore during the last 3 years. ○ Should have significant global presence/international operations. 	<ul style="list-style-type: none"> ○ Bharat Heavy Electricals Limited, Bharat Petroleum Corporation Limited, Coal India Limited, GAIL (India) Limited, etc.
Navratna	<ul style="list-style-type: none"> ○ Navratna Scheme was introduced in 1997 in order to identify CPSEs that enjoy comparative advantages in their respective sectors and to support them in their drive to become global players. 	<ul style="list-style-type: none"> ○ The Miniratna Category – I and Schedule ‘A’ CPSEs, which have obtained ‘excellent’ or ‘very good’ rating under the Memorandum of Understanding system in three of the last five years, and have composite score of 60 or above in the six selected performance parameters, namely, <ul style="list-style-type: none"> ○ Net profit to net worth. ○ Manpower cost to total cost of production/services. ○ Profit before depreciation, interest and taxes to capital employed. ○ Profit before interest and taxes to turnover. ○ Earning per share. ○ Inter-sectoral performance. 	<ul style="list-style-type: none"> ○ Bharat Electronics Limited, Hindustan Aeronautics Limited, etc.
Miniratna	<ul style="list-style-type: none"> ○ Miniratna scheme was introduced in 1997 in pursuance of the policy objective to make the public sector more efficient and competitive and to grant enhanced autonomy and delegation of powers to the profit-making public sector enterprises. 	<ul style="list-style-type: none"> ○ Miniratna Category-I: The CPSEs which have made profit in the last three years continuously, pre-tax profit is Rs.30 crores or more in at least one of the three years and have a positive net worth are eligible to be considered for grant of Miniratna-I status. ○ Miniratna Category-II: The CPSEs which have made profit for the last three years continuously and have a positive net worth are eligible to be considered for grant of Miniratna-II status. ○ Miniratna CPSEs should have not defaulted in the repayment of loans/interest payment on any loans due to the Government. ○ Miniratna CPSEs shall not depend upon budgetary support or Government guarantees. 	<ul style="list-style-type: none"> ○ Category-I: Airports Authority of India, Antrix Corporation Limited, etc. ○ Category-II: Artificial Limbs Manufacturing Corporation of India, Bharat Pumps & Compressors Limited, etc.

▪ **Role of Central Public Sector Enterprises:**

- CPSEs in India have a **twin objective of commercial efficiency and social responsibility.**
 - Besides **contributing to the Government income**, they discharge social obligations through their **Corporate Social Responsibility (CSR)** activities.
- The idea of CPSEs was conceived to **eradicate the accumulated problems of:**
 - Unemployment,
 - Rural-urban disparity,
 - Inter-regional and inter-class disparities,
 - Technological backwardness.
- CPSEs envisage to develop the public sector as an instrument for **self-reliant economic growth.**
- **Before India got independence**, it had only a few CPSEs.
 - These included the **Railways, Post and Telegraph, Port trusts, Ordnance factories**, etc.

- Most CPSEs were **set up after independence** when the **private sector had limited capacity for large capital intensive enterprises.**
- **Challenge:** The challenge for these enterprises arises out of the need for them to **ensure a reasonable return on investment, while discharging their constitutional and social obligations.**
- **Atmanirbhar Bharat Abhiyaan - Contribution by CPSEs:**
 - The CPSEs have taken a range of initiatives as part of the [Atmanirbhar Bharat Abhiyaan](#) towards meeting the Government of **India's 'self-reliant India' agenda.**
 - The initiatives include policy reforms, strategic partnerships, administrative actions, operational realignment and capacity building.
 - The initiatives by the CPSEs can be divided under **five broad categories** as shown below:
 - **Enhancing local capacity** to support Government's larger strategic objectives.
 - **Promotion of cooperation between CPSEs** to explore synergies.
 - Providing a **platform for greater participation of domestic firms/MSMEs.**
 - **Rationalising import dependency** to ensure long term sustainability.
 - **Development of indigenous technology** and promoting technology transfer to CPSEs.

Source: PIB

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