

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

UNSTARRED QUESTION NO:1655
ANSWERED ON:05.12.2005
CATEGORIZATION OF PSUS
Mandal Shri Sanat Kumar

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

- (a) whether the Public Sector Undertakings (PSUs) have been categorized;
- (b) if so, the basis and the reasons for categorization therefor; and
- (c) the extent to which the categorization has improved the functioning of the PSUs?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI SONTOSH MOHAN DEV)

(a) & (b) : Public Sector Enterprises (PSEs) have been categorized into four schedules, viz., Schedule 'A', 'B', 'C' and 'D'. Categorization of PSEs in different Schedules is being done on the basis of their importance to the economy, complexities of problems and taking into consideration various quantitative, qualitative and other factors such as capital employed, turnover, profit, level of technology, competition from other sectors, location, image, etc. Categorisation of PSEs is required for selection and appointment of Board level executives, deciding the pay scales and other perks of Chief Executives, functional Directors and other executives, deciding eligibility of PSEs for granting Navratna status, etc.

(c) Improvement in performance of a PSE is dependent upon a wide range of factors including technology, processes, market conditions, status of economy, competitiveness, etc. as well as contribution of the top management.