

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

UNSTARRED QUESTION NO:1691
ANSWERED ON:05.12.2005
INVESTMENT IN PSUS
Agarwal Shri Dharendra;Rana Shri Kashi Ram

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

- (a) whether the Government has formulated any policy regarding investment in Public Sector Undertakings (PSUs);
- (b) if so, the details thereof;
- (c) whether Public Sector Undertakings have been discouraged by the said policy; and
- (d) if so, the reaction of the Government thereto?

Answer

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

(a) & (b): The policy of the Government as contained in National Common Minimum Program is that Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. It also provides to devolve full managerial and commercial autonomy to successful, profit-making companies operating in a competitive environment. Further Public sector companies will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors. In pursuance of this policy, Government has recently delegated enhanced financial powers for investment in new projects, subsidiaries, joint venture etc. to Navratna, Mini-ratna Companies. Other profit making Central Public Sector Enterprises (CPSEs) have also been delegated enhanced powers for capital investment.

(c) & (d): Does not arise.