

Central Public Sector Enterprises

8.54 There were 244 Central Public Sector Enterprises (CPSEs) under the administrative control of various Ministries/Departments as on March 31, 2007, with a cumulative investment of Rs. 4,21,089 crore. The largest investment is in the "industrial sector" comprising electricity, manufacturing, mining and construction sectors, which is about 62.58 per cent of the total financial investment. There were 16.14 lakh (excluding casual workers and contract labour) persons employed in 244 CPSEs; nearly one-fourth of the employed persons were in the managerial and supervisory cadres. The major highlights of the CPSEs during 2006-07 are given in Table 8.16.

8.55 The growth in turnover of CPSEs in the manufacturing sector was 64.62 per cent, followed by services (18.91), mining (11.75), electricity (4.69) and agriculture (0.03) sectors. Out of the net profit of Rs. 81,550 crore earned during 2006-07, the profit of profit-making CPSEs (156) was Rs. 89,773 crore, the total loss of loss-making enterprises (59) stood at Rs. 8,223 crore.

8.56 As many as 44 CPSEs are listed on the stock exchanges of India. Market capitalization of all listed CPSEs as a percentage of market capitalization of BSE was 18.35 per cent as on March 31, 2007.

8.57 The Government has delegated enhanced financial and operational powers to the Navaratna, Miniratna and other profit-making public sector enterprises. Besides professionalizing the Board of Directors of CPSEs, the Government has issued

guidelines on corporate governance. The Board for Reconstruction of Public Sector Enterprises (BRPSE) has been established to advise the Government on revival of sick and loss-making enterprises. The BRPSE has made recommendations in 47 cases including two for closure till October 31, 2007. The proposals for revival of 26 CPSEs and closure of two have been approved. The total assistance approved by the Government up to December 2007 in this regard is Rs. 8,285 crore including Rs. 1,955 crore cash assistance and Rs. 6,330 crore non-cash assistance.

Table 8.16 Performance of CPSEs during 2006-07

Parameter	2005-06	2006-07	Change (per cent)
Cumulative investment (end-March) ^a	4,03,706	4,21,089	4.3
Total turnover	8,37,295	9,64,410	15.2
Net Profit	69,536	81,550	17.3
Declared dividend	22,886	26,805	17.1
Market capitalization (on 31.3.2007)		6,53,924	
Net worth	3,97,275	4,52,995	14.0
Corporate tax	27,585	38,435	39.3
Interest paid	23,708	27,069	14.2
Foreign exchange earnings	45,954	65,620	42.8
Contribution to Central Exchequer	1,25,456	1,47,635	17.7

Source: Department of Public Enterprises.

^a paid up capital + share application money pending allotment + long-term loans.