

4. Ratna Status to CPSEs

Prelims Level: Industries - Textiles, E-commerce, Pharma, Service

Mains Level: GS-III Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.

Why in News?

- The criteria laid down by the Government for grant of Maharatna, Navratna and Miniratna status to Central Public Sector Enterprises (CPSEs) is given below:

Criteria for Grant of Maharatna status to CPSEs:

- Having Navratna status
- Listed on Indian stock exchange with minimum prescribed public shareholding under 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.

Criteria for Grant of Navratna Status to CPSEs:

- The CPSEs which are Miniratna I, Schedule 'A' and have obtained 'excellent' or 'very good' MOU rating in three of the last five years and having composite score of 60 or above in following six selected performance indicators are eligible to be considered for grant of Navratna status.
 - ✓ Net Profit to Net worth: 25
 - ✓ Manpower Cost to total Cost of Production or Cost of Services: 15
 - ✓ PBDIT to Capital employed: 15
 - ✓ PBIT to Turnover: 15
 - ✓ Earning Per Share: 10
 - ✓ Inter Sectoral Performance: 20

Criteria for grant of Miniratna status to CPSEs:

- **Miniratna Category-I status:** – 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.

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- **Miniratna Category-II status:** – 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.

