

Five state-run firms to get higher Maharatna status

The centre has decided to confer within a month the status of 'Maharatna' - a newly rolled-out grade for public sector enterprises - on at least five companies, giving them more leeway in financial and policymaking matters.

'Our department will come out with a new label, Maharatna, within a month. It will be the highest honour, higher than the Navaratna,' Department of Public Enterprises (DPE) Secretary Bhaskar Chatterjee said at a function here Sunday.

The proposal is now with the union cabinet, which is likely to approve it in a month.

Chatterjee said the companies provisionally shortlisted are Steel Authority of India Ltd (SAIL), Oil and Natural Gas Corp (ONGC), Indian Oil Corp (IOC), NTPC (formerly National Thermal Power Corp) and Coal India Ltd (CIL).

All five enjoy the Navaratna status now.

However, CIL will have to wait for the distinction till it gets itself listed on the stock exchanges.

The yardstick for being declared 'Maharatna' will be the company's financial base and performance -- a turnover of Rs.15,000 crore for three consecutive years and a consistent record of profitability, Chatterjee said.

The board of a 'Maharatna' company will have more autonomy, with powers to decide on investment up to Rs.5,000 crore in India and abroad without waiting for the government nod.

'The company need not come to the ministry before taking high-level decisions like those on investment up to Rs.5,000 crore. But the amount should not be more than one-third of the company's net worth,' the officials said on the sidelines of the 34th Foundation Day function of CIL.

Navaratna companies have the freedom to take policy decisions on investments up to Rs.1,000 crore on their own.

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