

Merger and Acquisition decision by the Central PSUs.

In pursuance of the policy objective to make the public sector more efficient and competitive, Government have announced its decisions to grant autonomy and delegated powers from time to time on various issues for application in the Central PSUs in general and also specific delegated powers to the Navratna and Mini-Ratnas.

2. It is however, clarified that the delegated powers would not include the power to decide about merger and acquisition. The Central Government public enterprises must therefore take prior approval of the Government in regard to merger with and/or acquisition of any other business entities or major business activities and should not take decision at their own. This would be applicable to all the Central PSUs irrespective of their financial status or grant of Navratna/Miniratna status etc. Decisions on merger and/or acquisitions should not be interpreted as though such powers are within the autonomy given to the Navratnas/Miniratnas under the guidelines issued by the Govt.

3. Similarly, it is also clarified that the Navratna and Miniratna enterprises must follow the procedures detailed in the Government guidelines for investment of surplus funds as detailed in DPE OMs Nos.DPE/4(6)/94-Fin. dated 14.12.94 and 1.11.95. There is no separate dispensation available to any of the public enterprises in this regard (other than the PSEs in financial sector about which separate guidelines were issued, vide OM No. DPE/4(6)/94-Fin. dated 2.7.96) and these guidelines on investment of surplus funds are applicable to all the Central PSEs including the Navratna and Miniratna CPSEs.

4. Administrative Ministries may please bring the contents of the Govt. decisions to the notice of the Central PSUs under their administrative control.

(DPE OM No. 3(2)/2003-DPE(Fin.)/GL.XVI dated 11th February, 2003)