F. No. DPE/3(4)/08-Fin.
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

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Public Enterprises Bhavan
Block No. 14, CGO Complex
Lodhi Road, New Delhi-110003

Dated: 12th September, 2014

OFFICE MEMORANDUM

Subject: Expenditure Management – Economy Measures and Rationalisation of Expenditure – Reg.

The undersigned is directed to refer to this Department's O.M. of even number dated 15th October 2013 extending the instructions of Department of Expenditure O.M. No.7(2)/E.Coord/13 dated 18th September 2013 mutatis mutandis to the Central Public Sector Enterprises (CPSEs). Attention is also drawn to DPE's O.M. No.11(2)/97-Fin. dated 22nd July 1997, O.M. No.22(1)/2009-GM dated 4th February 2010 and O.M. No. 16(11)/2008-GM dated 4th November 2008 (copies enclosed). Representations have been received from CPSEs that economy measures should be reviewed to enable Maharatna and Navratna CPSEs to exercise the enhanced powers delegated to them. The matter has been examined in consultation with Ministry of Finance, Department of Expenditure. It has been decided that:-

(i) Board of Maharatna and Navratna CPSEs may in relaxation of DoE O.M. No.7(2)/E.Coord./13 dated 18th September 2013 consider creation of below board level posts in terms of DPE O.M. No.22(1)/2009-GM dated 4th February 2010 and DPE O.M. No.11(2)/97-Fin. dated 22nd July 1997 respectively whenever such creation is considered necessary in the interest of industrial growth and business development as envisaged in their business plans on case to case basis.

(ii) Creation of posts by Navratna CPSEs at the level of E7 and above grades may be done after obtaining the approval of the administrative Ministries/Departments as provided in DPE O.M. No.16(11)/2008-GM dated 4th November 2008.

(iii) All other economy measures stated in DPE O.M. of even number dated 15th October 2013 will remain applicable to all CPSEs till further orders.

2. Concerned administrative Ministries are requested to issue suitable instructions to CPSEs under their administrative control for strict compliance.

3. This issues in pursuance of Department of Expenditure I.D. No.7(1)/E.Coord/2014 dated 14th August 2014 and O.M. No.80460/E.Coord/2014 dated 9th May 2014.

4. This issues with the approval of the Minister, HI&PE.

V.K. Jindal

(V.K. JINDAL)
DIRECTOR
Tel: 24362770
Fax: 24365842

Encl: As above.

To

1. Secretaries of all administrative Ministries/Departments.
2. Chief Executive of CPSEs.
3. Financial Advisors of all administrative Ministries/Departments.
4. C&AG of India, 10, Bahadur Shah Zafar Marg, New Delhi.
5. Department of Expenditure w.r.t. their I.D. No.7(1)/E.Coord/2014 dated 14th August 2014.

F. No. DPE/3(4)/08-Fin.
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan
Block No. 14, CGO Complex
Lodhi Road New Delhi-110003

Dated: 15th October, 2013

OFFICE MEMORANDUM

Sub : Expenditure Management – Economy Measures and Rationalization of Expenditure - regarding

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The undersigned is directed to enclose herewith Department of Expenditure OM No. 7(2)/E.Coord/13 dated 18th Sep. 2013 on the above subject and to say that the instructions contained therein are extended *mutatis mutandis* to the CPSEs.

2. CMDs of Schedule 'A' CPSEs (profit making with no accumulated losses and no budgetary support from the Government in the preceding three years and in the current year) will be deemed in Apex Level for the application of these instructions pertaining to domestic and foreign travel Guidelines regarding companion free ticket vide O. M. of even number dated 10.05.2013 stands withdrawn

4. Chief Executive Officers of the CPSEs will be responsible for ensuring the compliance of the measures outlined in this O M.

5. Wherever a relaxation from the extant instructions is necessary in the interest of industrial growth, business development and capacity building of the human resources as envisaged in their business plans, the same should be considered on a case - to - case basis with the approval of DPE/ Administrative Ministry.

6. All the administrative Ministries/Departments are requested to issue suitable instructions to CPSEs under their administrative control for strict compliance.

7 This issues in consultation with of IF Wing Ministry of HI & PE vide their Diary No 831/ Fin - III dated 01.10.2013

8 These instructions are issued with approval of Minister (HI & PE).

V.K. Jindal
(V. K. Jindal)
Director
Tel: 24362770

Encl. . As above
To

1. Secretaries of Administrative Ministries/Departments
2. Chief Executive of CPESs
3. Financial Advisors of the Administrative Ministries/Departments
4. C&AG of India, 10, Bahadur Shah Zafar Marg, New Delhi.
5. Department of Expenditure w.r.t. their OM. No. 7(2)/E.Coord/13 dated 18th Sep, 2013

No.7(2)/E.Coord/2013
Ministry of Finance
Department of Expenditure

New Delhi, the 18th September, 2013

OFFICE MEMORANDUM

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Sub: Expenditure Management - Economy Measures and Rationalization of Expenditure.

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Ministry of Finance, Department of Expenditure has been issuing austerity instructions from time to time with a view to containing non-developmental expenditure and releasing additional resources for priority schemes. The last set of instructions was issued on 31st May 2012, 1st November 2012 and 14th November 2012. Such measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government. In the context of the current fiscal situation, there is a need to continue to rationalize expenditure and optimize available resources. With this objective, the following measures for fiscal prudence and economy will come into immediate effect:-

2.1 **Cut in Non-Plan expenditure:**

For the year 2013-2014, every Ministry/Department shall effect a mandatory **10% cut** in non-Plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States. No re-appropriation of funds to augment the Non-Plan heads of expenditure on which cuts have been imposed, shall be allowed during the current fiscal year.

2.2 Seminars and Conferences:

(i) Utmost economy shall be observed in organizing conferences/ Seminars/workshops. Only such conferences, workshops, seminars, etc. which are absolutely essential, should be held wherein also a 10% cut on budgetary allocations shall be effected.

(ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.

(iii) There will be a ban on holding of meetings and conferences at five star hotels.

2.3 Purchase of vehicles:

Purchase of vehicles is banned until further orders, except against condemned vehicles.

2.4 Domestic and Foreign Travel:

(i) All officers are to travel in economy class only for domestic travel, except officers in the Apex Scale who may travel in executive class. Officers may travel by entitled class for international travel, however officers in Apex scale may travel only by business class. In all cases of air travel, only the lowest fare air tickets of the entitled class are to be purchased/ procured. No companion free ticket on domestic/ international travel is to be availed of. The existing instructions regarding travel on Leave Travel Concession (LTC) would continue.

(ii) It would be the responsibility of the Secretary of each Ministry/Department to ensure that foreign travel is restricted to most necessary and unavoidable official engagements based on functional necessity, and that extant instructions are strictly followed.

(iii) Where travel is unavoidable, it will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of the delegation and the duration of visit will be kept to the absolute minimum.

(iv) Proposals for participation in study tours, workshops/ conferences/ seminars/presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

(v) Travel expenditure (including FTE) should be so regulated as to ensure that each Ministry remains within the allocated budget for the same. Re-appropriation proposals on this account would not be approved.

2.5 Creation of Posts:

(i) There will be a total ban on creation of Plan and Non-Plan posts.

(ii) Posts that have remained vacant for more than a year are not to be revived except under very rare and unavoidable circumstances and after seeking clearance of Department of Expenditure.

3. Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level:

3.1 Release of Grant-in-aid shall be strictly as per provisions contained in GFRs and in Department of Expenditure's OM No.7(1)/E.Coord/2012, dated 14.11.2012.

3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditions attached to such transfers (such as matching funding).

3.3 The State Governments are required to furnish monthly returns of Plan expenditure – Central, Centrally Sponsored or State Plan – to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.

3.4 The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. Balanced Pace of Expenditure:

4.1 As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates is reiterated. It may be emphasized here that the restriction of 33% and 15% expenditure ceiling is to be enforced both scheme-wise as well as for the Demands for Grant as a whole, subject to RE ceilings. Ministries/ Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly.

4.2 It is also considered desirable that in the last month of the year payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of the following:

(i) Advance payments to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.

(ii) Any loans or advances to Government servants etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.

(iii) Any other exceptional case with the approval of the Financial Advisor. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30th April of the following year for information.

4.3 Rush of expenditure on procurement should be avoided during the last quarter of the fiscal year and in particular the last month of the year so as to ensure that all procedures are complied with and there is no infructuous or wasteful expenditure. FA's are advised to specially monitor this aspect during their reviews.

5. No fresh financial commitments should be made on items which are not provided for in the budget approved by Parliament.

6. The instructions would also be applicable to autonomous bodies.

7. **Compliance**

Secretaries of the Ministries/Departments being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisors shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.

(R.S.Gujral)
Finance Secretary

All Secretaries to the Government of India

Copy to :
1. Cabinet Secretary
2. Principal Secretary to the Prime Minister
3. Secretary, Planning Commission
4. All the Financial Advisors

Turning selected public sector enterprises into global giants-grant of autonomy. (DPE O.M. No. DPE/11(2)/97-Fin. dated 22nd July, 1997)

CHAPTER IX
NAVRATNA/MINIRATNA STATUS OF PSUs

1. DPE/Guidelines/IX/1

Turning selected public sector enterprises into global giants—grant of autonomy.

The Common Minimum Programme of the Government states, inter-alia, that Government will identify public sector companies that have comparative advantages and support them in their drive to become global giants. In pursuance of these objectives, the Government have decided to grant the enhanced autonomy and delegation of powers subject to the guidelines mentioned below.

2. The Government has decided the following delegation of decision making authority to the Boards of PSEs:–

(i) To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

(ii) To enter into technology joint ventures or strategic alliances.

(iii) To obtain by purchase or other arrangements, technology and know-how.

(iv) To effect organizational restructuring including establishment of profit centers, opening of offices in India and aboard, creating new activity centers, etc.

(v) Creation and winding up of all posts including and up to those of non-Board level Directors i.e. Functional Directors who may have the same pay scales as that of Board level Directors, but who would not be members of the Board. All appointments up to this level would also be in the powers of the Boards and would include the power to effect internal transfers and redesignation of posts.

(vi) To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc.

(vii) To raise debt from the domestic capital markets and for borrowings from international market, which would be subject to the approval of RBI/Department of Economic Affairs as may be required and should be obtained through the administrative Ministry.

(viii) To establish financial joint ventures and wholly owned subsidiaries in India or abroad with the stipulation that the equity investment of the PSE should be limited to the following:

(1) Rs.200 crores in any one project

(2) 5 per cent of the net worth of the PSE in any one project

(3) 15 per cent of the net worth of the PSE in all joint ventures/subsidiaries put together.

3. While normally the investment would be done directly by the parent PSE, in cases where it proposes to invest through a subsidiary into another joint venture, and also provides the additional capital for this purpose, the stipulations incorporated in points (viii) – (2) & (3) above would be in the context of the parent company.

4. The existing decision making powers vested in various agencies would stand altered to give effect to the proposed delegation to the PSEs and the necessary changes in the rules, notification, instructions, articles/memoranda of association, etc. shall be carried out by the concerned Department where required.

5. The above would be subject to the following conditions and guidelines:-

a) The proposals must be presented to the Board of Directors in writing and reasonably well in advance, with an analysis of relevant factors and quantification of the anticipated results and benefits. Risk factors if any must be clearly brought out.

b) The Government Directors, the Financial Directors and the concerned Functional Director (s) must be present when major decisions are taken, especially when they pertain to investments, expenditure or organizational/capital restructuring.

c) The decisions on such proposals should preferably be unanimous.

d) In the event of any decision on important matters not being unanimous, a majority decision may be taken, but at least two thirds of the Directors should be present, including those mentioned above, when such a decision is taken. The objections, dissents, the reasons for over-ruling them and those for taking the decision should be recorded in writing and minuted.

e) No financial support or contingent liability on the part of the Government should be involved.

f) These PSEs will establish transparent and effective systems of internal monitoring, including the establishment of an Audit Committee of the Board with membership of non-official Directors.

g) All the proposals, where they pertain to capital expenditure, investment or other matters involving substantial financial or managerial commitments or where they would have a long term impact on the structure and functioning of the PSE, should be prepared by or with the assistance of professionals and experts and should be appraised, in suitable cases, by financial institutions or reputed professional organizations with expertise in the areas. The financial appraisal should also preferably be backed by an involvement of the appraising institutions through loans or equity participation.

h) The exercise of authority to enter into technology joint ventures and strategic alliances as referred to in para 2 (ii) above shall be in accordance with the Government guidelines as may be issued from, time to time.

i) The Boards of these PSEs should be restructured by inducting non-official Directors as the first step before the exercise of the enhanced delegation of authority, as indicated vide DPE's OM of even number dated the 22nd July, 1997.

j) These public sector enterprises shall not depend upon budgetary support or Government guarantees. The resources for implementing their programmes should come from their internal resources or through other sources, including the capital markets.

6. This grant of autonomy to the Boards of PSEs, as indicated above, is specific to the 9 enterprises identified by the Govt viz, BHEL, BPCL, HPCL, IOC, IPCL, NTPC, ONGC, SAIL and VSNL.

7. Administrative Ministries may please bring the contents of the Govt decision to the notice of these enterprises.

(DPE O.M. No. DPE/11(2)/97-Fin. dated 22nd July, 1997)

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No. 16(11)/2008-GM
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block No.14, CGO Complex,
Lodi Road, New Delhi-110003
Dated the 4th November, 2008

OFFICE MEMORANDUM

Subject: Creation of posts at Senior Management level in Central Public Sector Enterprises (CPSEs)

The undersigned is directed to refer to the subject mentioned above and to state that the Government has reviewed the procedure with regard to creation of posts at Senior Management level in the CPSEs in the context of revision of pay packages of CPSE executives on the basis of recommendations of 2nd Pay Revision Committee.

2. It has been decided that CPSEs (including Navratna and Miniratna CPSEs) will not create any posts at the level of E7 to E9 without the approval of the concerned Administrative Ministry/Department who will have to satisfy themselves about the urgent and unavoidable need for creation of such posts. In the case of creation of Board equivalent posts whose incumbents are not members of the Board, the procedure laid down for creation of board level posts will be applicable for all CPSEs including Navratna and Miniratna CPSEs.

3. The above instructions will come into force with immediate effect and until further orders. Managements of CPSEs may be directed to follow the above instructions.

G. Ramachandran

(G Ramachandran)
Director
Tel : 2436-3066

To

All Administrative Ministries/Departments (Secretaries by name) o/c

Copy to:- Chief Executives of all CPSEs

Issued all Chief Executives of CPSEs.

5.11.2008

No. 22(1)/2009-GM
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Block No. 14, CGO Complex,
Lodi Road, New Delhi – 10003
Dated the 4th February, 2010

OFFICE MEMORANDUM

Subject: Introduction of "Maharatna" Scheme for Central Public Sector Enterprises (CPSEs)

The undersigned is directed to state that the Government has decided to introduce "Maharatna" Scheme in order to empower mega CPSEs to expand their operations and emerge as global giants.

2. The salient features of the scheme outlining the eligibility and procedure for grant/divestment of "Maharatna" status, delegation of powers to "Maharatna" CPSEs as well as review of their performance is enclosed.

3. The concerned Administrative Ministries/Departments are requested to take note of the above decision of the Government.

4/2/2010
(Kailash Bhandari)
Assistant Director
Tel : 2436-6247

Encl : As stated above

To Secretaries of all administrative Ministries/Departments

Guidelines on Maharatna Scheme for Central Public Sector Enterprises (CPSEs)

1. Objective

The objective of the Maharatna Scheme is to delegate enhanced powers to the Boards of identified large sized Navratna CPSEs so as to facilitate expansion of their operations, both in domestic as well as global markets.

2. Eligibility criteria for grant of Maharatna status

The CPSEs fulfilling the following criteria are eligible to be considered for grant of Maharatna status:-

a) Having Navratna status
b) Listed on Indian stock exchange, with minimum prescribed public shareholding under SEBI regulations
c) An average annual turnover during the last 3 years of more than Rs.25,000 crore
d) An average annual net worth during the last 3 years of more than Rs.15,000 crore
e) An average annual net profit after tax during the last 3 years of more than Rs.5,000 crore
f) Significant global presence or international operations.

3. Procedure for grant of Maharatna status

3.1 The procedure for grant of Maharatna status is similar to that for the grant of Navratna status. Accordingly, the proposal(s) for grant of Maharatna status should be initiated by the concerned Administrative Ministries/Departments (after approval of their Financial Advisers and Ministers-in-charge) to the Department of Public Enterprises (DPE). DPE would process the proposal(s) for consideration of the Inter-Ministerial Committee (IMC). The composition of the IMC is as under:

(i) Secretary, Department of Public Enterprises	Chairman
(ii) Secretary, Department of Expenditure	Member
(iii) Secretary, Planning Commission	Member
(iv) Secretary of the concerned Administrative Ministry/ Department	Member

3.2 After the consideration by the IMC, the proposal would be processed for consideration of the Apex Committee headed by the Cabinet Secretary. The composition of the Apex Committee is as under:

(i) Cabinet Secretary	Chairman
(ii) Secretary, Department of Public Enterprises	Member-Secretary
(iii) Secretary, Department of Expenditure	Member
(iv) Secretary, Planning Commission	Member
(v) Secretary of the concerned Administrative Ministry/ Department.	Member

3.3 The recommendations of the Apex Committee for grant of Maharatna status would be placed before the Minister (HI&PE) for a decision.

4. <u>Delegation of powers to Maharatna CPSEs</u>

4.1 The boards of Maharatna CPSEs have been delegated the following powers.

(i) To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

(ii) To enter into technology joint ventures or strategic alliances.

(iii) To obtain by purchase or other arrangements, technology and know-how.

(iv) To effect organizational restructuring including establishment of profit centers, opening of offices in India/aboard, creating new activity centers, etc.

(v) To create below board level posts upto E-9 level and to wind up all below board level posts. The Boards of Directors will have powers to make all appointments, effect internal transfers and re-designation of all below board level posts.

(vi) To structure and implement schemes relating to personnel and human resource management and training.

(vii) To raise debt from the domestic capital markets and from international market, the latter being subject to the approval of RBI/Department of Economic Affairs, as may be required, and should be obtained through the administrative Ministry.

(viii) To make equity investment to establish financial joint ventures and wholly owned subsidiaries and undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE, <u>limited to Rs.5,000 crore</u> in one project. The overall ceiling on such investments in all projects put together will not exceed 30% of the net worth of the concerned CPSE. While normally the investment would be done directly by the parent CPSE, in cases where it proposes to invest through a subsidiary into another joint venture, and also provide the additional capital for this purpose, the above stipulations would be in the context of the parent company.

(ix) The Board of Directors shall have the powers for mergers and acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE and (b) the Cabinet Committee on Economic Affairs (CCEA) would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions should be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

(x) CMD is empowered to approve business tours abroad of functional Directors upto 5 days duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry.

(xi) Holding companies are empowered to transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will only be in respect of subsidiaries set up by the holding company under the powers delegated to Navratna/Maharatna CPSEs and further to the proviso that:

a. the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government, and
b. such Maharatna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

4.2 The exercise of Maharatna powers would be subject to the same conditions and guidelines as laid down by the Government in respect of Navratna CPSEs from time to time. These conditions and guidelines as they stand on date are as under.

a) The Boards of these CPSEs should be restructured by inducting requisite number of non-official Directors as per SEBI guidelines, subject to a minimum of four.

b) All the proposals, whether they pertain to capital expenditure, investment or other matters involving substantial financial or managerial commitments or where they are likely to have a long term impact on the structure and functioning of the CPSE, should be prepared by or with the assistance of professionals and experts and should be appraised, in suitable cases, by financial institutions or reputed professional organizations with expertise in the area. The financial appraisal should also preferably be backed by an involvement of the appraising institution through loans or equity participation.

c) The proposals must be presented to the Board of Directors in writing and reasonably well in advance, with an analysis of relevant factors and quantification of the anticipated results and benefits. Risk factors, if any, must be clearly brought out.

d) All the Government Director(s), the Financial Director and the concerned Functional Director (s) must be present when major decisions are taken, especially when they pertain to investments, expenditure or organizational/capital restructuring and exercise of Navratna/Maharatna powers.

e) The decisions on proposals listed in para above should preferably be unanimous. In the event of any decision on such matters not being unanimous, a majority decision may be taken, but at least two thirds of the Directors should be present. In addition, all the Government Director(s), the Financial Director and the concerned Functional Director (s) should invariably be present when such decisions are taken. The objections, dissents, the reasons for over-ruling them and those for taking the decision should be recorded in writing and minuted.

f) No financial support or contingent liability on the part of the Government should be involved. These CPSEs shall not depend upon budgetary support or Government guarantees. The resources for implementing their programmes should come from their internal resources or through other sources, including capital markets. However, budgetary support to implement Government sponsored projects of national interest and Government sponsored Research & Development projects will not disqualify CPSEs from retaining their Maharatna status and for such projects, investment decisions will be taken by the Government and not by the concerned CPSE. Further, wherever Government guarantee is required under the standard stipulations of external donor agencies, the same may be obtained from the Ministry of Finance through the administrative Ministry and such Government guarantee shall not affect Maharatna status.

g) These CPSEs will establish transparent and effective systems of internal monitoring, including the establishment of an Audit Committee of the Board with membership of non-official Directors.

h) The exercise of authority to enter into technology joint ventures and strategic alliances shall be in accordance with Government guidelines as may be issued from time to time.

i) These CPSEs shall follow the highest standards of Corporate Governance and Corporate Social Responsibility applicable to CPSEs.

5. <u>Review of performance of Maharatna CPSEs</u>

The performance of Maharatna CPSEs would be reviewed annually by the Inter-Ministerial Committee, and thereafter by the Apex Committee headed by the Cabinet Secretary which will recommend continuation/divestment of Maharatna status. The review will focus on the eligibility of Maharatna CPSEs vis-à-vis the criteria laid down for grant of Maharatna status in para 2 above, and their performance during the previous year(s).

6. **Divestment of Maharatna status**

In case, the Apex Committee recommends divestment of Maharatna status of a CPSE, such a recommendation would be placed before the Minister (HI & PE) for a decision.

7. The Department of Public Enterprises may issue suitable clarifications and make modifications to the Maharatna scheme in order to ensure smooth implementation of the scheme.

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