F. No. PD-18/0001/2026-PD
Government of India
Ministry of Finance
Department of Public Enterprises
(Policy Division)

Public Enterprises Bhawan,
Block No.14, C.G.O Complex
Lodhi Road, New Delhi-110003
Dated: 16th June, 2026

OFFICE MEMORANDUM

Subject: - Consolidated guidelines on 'review of the performance of Navratna and Miniratna enterprises-grant/divestment of status thereof'-reg.

The undersigned is directed to refer to the Guidelines issued by Policy Division from time to time on 'review of the performance of Navratna and Miniratna enterprises-grant/divestment of status thereof' and to inform that these guidelines have been consolidated and enclosed for ease of reference.

2. This issues with the approval of Secretary, DPE.

Encl. as above

(Neeraj Verma)
Deputy Director
Tel. 011-24364192

To,

Administrative Ministries/Departments
of all the CPSEs

No. PD-18/0001/2026-PD
Government of India
Ministry of Finance
Department of Public Enterprises
(Policy Division)

Public Enterprises Bhawan
Block No. 14, CGO Complex
Lodhi Road, New Delhi-110003
Date: 16th June, 2026

OFFICE MEMORANDUM

Subject: Consolidated Guidelines on review of the performance of Navratna and Miniratna enterprises-grant/divestment of status thereof.

Reference:

1. **(DPE OM No. DPE/4(8)/2000-Fin.GL-XXXXIX dated 11th June, 2001)**
2. **(DPE OM No. DPE/3(2)/2001-Fin. dated 15.03.2002)**
3. **(DPE OM No. 18(24)/2003-GM-GL.67 dated 12.08.2005)**

The Department of Public Enterprises had earlier issued three above referred guidelines on review of the performance of Navratna and Miniratna enterprises-grant/divestment of status thereof. These guidelines have now been consolidated as under for ease of reference:

1. DPE OM No. DPE/4(8)/2000-Fin.GL-XXXXIX dated 11th June, 2001

Subject: review of the performance of Navratna and Miniratna enterprises-grant/divestment of status thereof.

In pursuance of the recommendations of the Parliamentary Standing Committee on Industry, the issue of performance of Navratna and Miniratna Central Public Sector Undertakings vis-à-vis divestment of their status or the need to grant the Navratna/Miniratna status to the new enterprises, as the case may be, were engaging the attention of the Government.

2. Consequently, the matter has been reviewed by the Government. It has now been decided that henceforth the review of performance of the Navratna and Miniratna enterprises and divestment of their status or grant of Navratna or Miniratna status, as the case may be, would be decided in the following manner.

(i) Apex Committee, headed by the Cabinet Secretary in the case of Navratna enterprises and Inter-Ministerial Committee headed by the Secretary, Department of Public Enterprises in the case of Miniratna enterprises would regularly review the performance of such companies.

(ii) A comprehensive review would be undertaken every three years by the above mentioned respective committees with regard to maintenance of the

Navratna/Miniratna status. The Apex Committee would lay down the format for such a review.

(iii) The Apex committee would also review the operations of Navratna/ Miniratna schemes every three years and would make recommendations in regard to further delegation of autonomy to these enterprises.

(iv) The recommendations of the Apex committee, if any, for divestment of the Navratna status would be put up to the Minister (Heavy Industries and Public Enterprises) for approval through the Minister in-charge of the administrative Ministry concerned. In case of any disagreement, the matter would be put up to the Cabinet.

(v) The recommendations of the divestment of Miniratna status would be dealt with by concerned administrative Ministry only.

(vi) Recommendations for accordance of Navratna status to a CPSU would ordinarily not be placed before the Cabinet. Based on the recommendations of the Apex Committee these would be placed before the Minister for Heavy Industries and Public Enterprises for taking a final decision. But as in (iv) above, in case of disagreement, the matter would be put up to the Cabinet.

(DPE OM No. DPE/4(8)/2000-Fin.GL-XXXXIX dated 11th June, 2001)

****

2. **DPE OM No. DPE/3(2)/2001-Fin. dated 15.03.2002**

Subject: Review of performance of Navratna and Miniratna enterprises - grant/divestment of status thereof.

The undersigned is directed to refer to this Department's O.M. No. DPE-4(8)/2000-Fin. dated the 13th June, 2001 wherein the decision of the Government that the performance and status of the Navratna and Miniratna enterprises will be reviewed from time to time was communicated to all concerned.

2. It was also mentioned therein that the Apex Committee would lay down a format for such a review. A format for reviewing the performance of Navratna/Miniratna PSUs has since been drawn up and a copy of the same is enclosed (Annexure-I). Annexure II & III provide necessary procedure and guidelines for grant of Navratna status to the PSUs.

3. All the administrative Ministries/Departments are requested to advise the Navratna/Miniratna PSUs under their administrative control to complete the format at Annexure I and forward it to DPE through the administrative Ministry/Department latest by 15th April, 2002 so as to enable this Department to fix the performance review meetings.

4. The administrative Ministries/Departments may also indicate the specific cases, if any, of CPSUs under their administrative control which in their opinion need to be

granted enhanced status of Navratna. Such proposal(s) with specific details in the prescribed proforma may kindly be submitted by 31.3.2002 for consideration.

(DPE OM No. DPE/3(2)/2001-Fin. dated 15.03.2002)

****

3. **DPE OM No. 18(24)/2003-GM-GL.67 dated 12.08.2005**

Subject: Review of the performance of Navratna and Miniratna enterprises-grant/ divestment of status thereof.

The undersigned is directed to refer to this Department OM No. DPE/4(8)/2000-Fin GL-1000X dated 11.6.2001on the subject mentioned above wherein it was inter-alia decided that a comprehensive review would be undertaken by the Apex Committee with regard to maintenance of Navratra status.

2. In order to periodically review and recommend for expeditious conferment/ divestment of Navratna status on/of CPSEs, it has been decided to constitute a committee consisting of Secretary (DPE), Secretary (Planning Commission), Secretary (Expenditure) and Secretary of the administrative Ministry concerned with Secretary (DPE) as its convenor. This committee will assist the Apex Committee in faster decision-making.

(DPE OM No. 18(24)/2003-GM-GL.67 dated 12.08.2005)

****

ANNEXURE-I

Format for review of performance of Navratna / Miniratna PSUs

A. 1. Name of Public Sector Undertaking and the administrative Ministry:

B **Information to be submitted by the PSU.**

2. Mission/vision of PSU:
3. Strategy and Business Plan adopted for realization of goals as stated in the vision statement and objectives set
4 MOU rating for last 3 years.
5. When was the Board restructured after grant of Navratna / Miniratna status?
6. Present composition of the Board after its restructuring.
7. The number of Board meetings held (year wise, for last three years)
8. Give details (for last 3 years) on the extent of **Operational Autonomy** availed by the PSU.

Operational Autonomy granted	Availed by PE
1. **Monitoring of the performance by the Board** a) Transparent and effective system of internal monitoring as established in the PSU. b) Audit Committees set up. Specify terms of reference, field of operation, number of meetings held so far and important findings.. c) Other measures adopted for effective monitoring within the PSU, if any.	
2 **Steps taken for Technology upgradation:** a) R&D stage b) acquiring new technology through JVs or otherwise	
3. **Steps taken towards diversification of products/Product Mix**	

9. **Give details of delegation of decision making authority :**

Offered	Availed by PE
1. To incur capital expenditure on new projects, modernization, purchase of equipment etc: - Year wise investment on new projects, modernization, contribution of new products in turnover	
2. To enter into technology JVs or strategic alliance a) No. of JVs formed b) No. of strategic alliances made. c) the share of the PSU in the JV/strategic alliances (SAs) d) expected gains from JV/SAs	
3. Steps taken towards a) organsiational restructuring including establishment of cost & profit centers, b) New offices opened in India and abroad, c) New activity centers established, if any	
4. Creation and winding up of posts including and upto those of non-Board level Directors, Functional Directors. Posts created and abolished with their level may kindly be specified	
5. To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc.	
6. Wage negotiations effected	
7. Debt raised from the domestic capital markets(year wise amount).	
8 Borrowings from international markets, ECBs raised etc.(year wise amount).	
9. Joint Ventures and wholly owned subsidiaries established in India or abroad. The expected gains and objectives.	

10. **Financial data / indicators:**

(Rs. in crores)

Sl. No.	Particulars					
		1996-97 (base year)	1997-98	1998-99	1999-00	2000-01
1.	Turnover					
2.	Operating expenses					
3.	PBIT					
3 A.	PBDIT					
4.	Net Profit(NP)					
5.	Capital Employed(CE)					
6.	Networth(NW)					
7.	Internal resources generation					
8.	Foreign Exchange Earnings (FEE)					
9	Mobilisation of funds:					
a.	Domestic sources					
b.	International sources					
10.	Ratios:					
a.	PBDIT to CE					
a1	PBIT to Turnover					
b.	NP to NW					
c.	Turnover to CE					
d.	FEE to turnover					
e.	Debt to equity					
f.	Investment in JV to NW					

11(a). Details of new projects and investment decisions taken by the Board after its restructuring.

11(b). Number of major projects under implementation along with their cost/time overrun, if any.

(12) Capacity utilization as a % of total capacity during last three years (year wise). In case of service sector PSUs the indicator may be suitably modified as Occupancy rate in the case of Hotel sector, disbursement / recovery rate of loans in case of financial sector, availability of lines in case of Power sector etc.

(13) Foreign Exchange Earnings (FEE) as a ratio of Turnover during the previous three years (year wise); **or**

In respect of the PSUs where there is no scope for FEE, an indicator reflecting the 'Social Burden' giving following information, during last 3 years (year wise), :-

i) Projects / Services rendered on social rather than economic considerations.
ii) SC / ST / other special categories recruitment as a % of total recruitment.
iii) Total expenditure on development of peripheral / adopted villages and that spent on National calamities / disasters / other social service activities.

C Response on qualitative factors as perceived by the PSU

1. Do you think that 'Board is professionalised, if no, which areas need to be represented on the Board.
2. Please specify

(a) To what extent the Govt has given financial autonomy

Great Extent	Significant Extent	Moderate Extent	Less Extent	Least extent
☐	☐	☐	☐	☐

(b) To what extent the Govt has given operational autonomy

Great Extent	Significant Extent	Moderate Extent	Less Extent	Least extent
☐	☐	☐	☐	☐

3. How the Board is accountable for their decision making. To what extent the accountability is commensurate with the enhanced autonomy
4. Please list the impediments or constraints, if any, in the efforts to become global competitive.
5. To make the PSU globally competitive, what suggestions would you like to make.
6. Do you think that current level of autonomy and delegation should be continued, if so, please give the justification for retaining Navratna status and the benefits that had accrued with this status?
7. Do you think that further delegation of powers and autonomy is required? If yes, specify the areas and the justifications

D The Composite Score for the PSU (as per Annexure II)

Note : The terms used here will have the same meaning as used in the Public Enterprises Survey.

ANNEXURE II

FORMAT FOR GRANT OF NAVRATNA STATUS

Eligibility

The PSUs which are **Miniratna I, Schedule 'A'** and have obtained 'excellent' or 'very good' **MOU rating** in three of the last five years are eligible.

'Composite Score' of performance to be 60 or above

In order to review the performance of the PSU, a composite score based on its performance for the last three years would be calculated. For calculation of composite score, 6 performance indicators have been identified based on their general applicability to the PSUs. The performance indicators have been chosen so as to capture the performance of PSUs irrespective of their belonging to manufacturing sector or services sector. The 6 identified performance indicators are:-

		(Maximum Weight) **100**
1.	Net Profit to Networth	25
2.	Manpower Cost to total Cost of Production or Cost of Services	15
3.	PBDIT to Capital employed	15
4.	PBIT to Turnover	15
5.	Earning Per Share	10
6.	Inter Sectoral Performance	20

In order to assess the performance of the PSU as per the above indicators and provide score on uniform basis, 'Evaluation Scale' for each of these 6 performance indicators have been devised. In respect of these indicators, corresponding to each indicator, categories have been designed so as to provide score in between the maximum score. The provision for grant of negative score have also been made. These categories for each of the performance indicators have been devised after taking into consideration the performance data for the PSUs particularly for the last three years.

For Inter Sectoral performance, it is considered that within sector, performance may be based on the net profit to net worth in % age. The ranking of the PSUs within the sector can be attempted and based on the rank of the PSU, a score can be calculated. Top ranking five PSUs can be given score of 20, 16, 12, 8, and 4 respectively. Zero score would be given to other PSUs having rank below provided where the value of Net Profit to Net worth ratio is positive. However a negative score of '-4' would be given to those PSUs having negative ratio. The 'Evaluation Scale' fixed is given in the enclosed Evaluation Sheet **(Annexure-III).**

To calculate the composite score for a PSU as per the above indicators and the Evaluation Scale , the performance indicator which is the simple average of the corresponding data of the PSU for the last 3 years would be considered and the score would be provided as per the Evaluation Scale. The sum of the scores for each of the performance indicators would constitute the composite score of the PSU.

The cases where the Composite Score is 60 or above, would be placed before the Apex Committee for their consideration and recommendations. A minimum limit of 60 has been kept after taking into consideration the actual 'Composite Score' obtained by the PSUs particularly the Navratna PSUs. The limit of 60 is considered as a realistic level.

ANNEXURE III

EVALUATION SHEET

		Scores									
Sr. No	**A**	**25 ***	**20**	**15**	**10**	**5**	**-5**	**-10**	**-15**	**-20**	**-25**
I	**Net Profit To Net Worth (%)**	**>=20**	**>=15 and <20**	**>=10 and <15**	**>=5 and <10**	**>=0 and <5**	**>=-5 and <0**	**>=-10 and <-5**	**>=-15 and <-10**	**>=-20 and <-15**	**>-20**

Sr. No	**B**	**15**	**12**	**9**	**6**	**3**	**-3**	**-6**	**-9**	**-12**	**-15**
II	**Total Manpower Cost to Total Cost of Production (%) ****	**<=5**	**>5 and <=8**	**>8 and <=11**	**>11 and <=14**	**>14 and <=17**	**>17 and <=20**	**>20 and <= 23**	**>23 and <=25**	**>25 and <=28**	**>28**
III	**PBDIT to Capital Employed (%)**	**>=20**	**>=15 and <20**	**>=10 and <15**	**>=5 and <10**	**>=0 and <5**	**>=-5 and <0**	**>=-10 and <-5**	**>=-15 and <-10**	**>=-20 and <-15**	**>-20**
IV	**PBIT to Turnover (%)**	**>=25**	**>=20 and <25**	**>=10 and <20**	**>=5 and <10**	**>=0 and <5**	**>=-5 and <0**	**>=-10 and <-5**	**>=-20 and <-10**	**>=-25 and <-20**	**>-25**

>= Greater than or equal to > Greater than < Less than <= Less than or equal to

* The limit to be adjusted (and replaced) in the cases where regulatory authority has fixed an upper limit.

** Cost of services in case of service organization.

Sr. No	C	Scores									
		10	8	6	4	2	0	-2			
VI	Earning Per Share (Rs.)	>=30	>=20 and <30	>=10 and <20	>=5 and <10	>=0 and <5	>=-5 and <0	>=-10 and <-5			
	D	20	16	12	8	4	0	-4			
VII	Inter Sectoral Performance Rank NP to NW based on 1999-00 data ----------→	I	II	III	IV	V	VI and onwards but value is +ve.	If the value is -ve			

>= Greater than or equal to > Greater than < Less than <= Less than or equal to