

Public sector units not in disarray: Sitharaman

FC CORRESPONDENT
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Defending the performance of public sector undertakings (PSUs) in the country, union finance minister Nirmala Sitharaman on Wednesday said that PSUs are not in disarray, but thriving under the current government.

The finance minister in a social media post on X (formerly Twitter) said that under the Modi-gov-



ernment, public sector undertakings (PSUs) are thriving, benefiting significantly from the culture of professionalism infused

in them along with increased operational freedom.

The finance minister also said that the government's focus on capital expenditure has led to substantial growth in the stock performance of PSUs, as the net worth of all central public sector enterprises (CPSEs) increased 82 per cent from ₹9.5 lakh crore as of March 2014, to ₹17.33 lakh crore as of 2022-23 fiscal.

"The greater alignment

of management incentives (through the sharpening of performance-linked incentives), capital management guidelines on dividends, buybacks, etc. And the calibration of the disinvestment strategy have helped improve the performance of the CPSEs and reposed investor confidence," she said.

"Due to better management of PSUs, their share prices have tremendously increased in the last three years," she added.

PSUs not in disarray, thriving under Modi regime: Sitharaman

'Net worth of CPSEs increased 82% in 9 years'

HARSH KUMAR

New Delhi, 8 May

Denouncing the claim by Congress leader Rahul Gandhi that central public sector enterprises (CPSEs) are being dismantled and are in disarray under the current government, Finance Minister Nirmala Sitharaman on Wednesday said the net worth of CPSEs increased by 82 per cent to ₹17.33 trillion at the end of FY23 compared to ₹9.5 trillion in FY14.

"Under the leadership of PM @narendramodi, PSUs are thriving, benefiting significantly from the culture of professionalism infused in them along with increased operational freedom. Modi gov't's focus on capital expenditure has also led to substantial growth in their stock performance," she said in a post on 'X'.

Sitharaman said the market capitalisation of 12 listed public sector banks (PSBs) surged 2.95 times in the past three years to touch ₹16.12 trillion as of March 31, 2024.

The finance minister attributed it to the initiatives undertaken by the Modi government, emphasising that the recovery of PSBs from the banking crisis that unfolded during the UPA era. She highlighted that gross non-performing assets in PSBs have declined to a decade-low of 3.2 per cent, while profits have reached record highs.

Sitharaman underscored the government's commitment to financial inclusion, ensuring access to formal banking services across the nation.

She argued that CPSEs, including previously neglected entities like Hindustan Aeronautics Limited (HAL), have experienced a resurgence under the Modi government.

"HAL's market valuation has skyrocketed by 1,370 per cent in just 4 years, rising from ₹17,398 crore in



The gov't's focus on capital expenditure has also led to substantial growth in their (MSME's) stock performance



NIRMALA SITHARAMAN
Finance Minister

2020 to ₹2.5 lakh crore as of May 7, 2024. HAL on 31st March 2024 announced its highest-ever revenue of more than ₹29,810 crore for FY 2023-24 and has a robust order book of over ₹94,000 crore," Sitharaman said, as she blamed the Congress for relying heavily on imports rather than empowering institutions like HAL.

Sitharaman said false claims are also made after people lost jobs due to disinvestment.

Citing the example of Air India, Sitharaman said the airline has seen significant growth in employment opportunities, with over 7,500 employees (both flying and ground staff) having joined the company since privatisation.

"It was a pre-condition of the government to the buyer that there would be no removal or retrenchment of employees for 1 year," she added.



Crude oil slips on rising US stockpiles

Crude oil prices fell in early Asian trade on Wednesday as industry data showed a pile up in both crude and fuel inventories in the US, a sign of weak demand, and cautious supply expectations emerged ahead of an OPEC+ policy meeting next month. Brent crude oil futures fell 30 cents, or 0.36 per cent, to \$82.86 a barrel by 0348 GMT. REUTERS

FM rebuts Rahul Gandhi, highlights HAL's 1,370% market value surge

Shishir Sinha

New Delhi

Finance Minister Nirmala Sitharaman on Wednesday said that the market valuation of Hindustan Aeronautics has surged over 1,300 per cent. She also said that post-disinvestment, erstwhile Central Public Sector Enterprises (CPSEs) are doing well.

She was responding to senior Congress leader Rahul Gandhi's remarks on CPSE, where he alleged that the Modi government has weakened CPSEs.

"Rahul Gandhi maliciously attacked Hindustan Aeronautics Ltd. Contrary to his claims, under PM Narendra Modi, HAL's market valuation has skyrocketed by 1370 per cent in merely 4 years, rising to ₹2.5 lakh crore as of May 7 from ₹17,398 crore in 2020," she said in a post on social media platform X. HAL has earned highest-ever revenue of more than ₹29,810 crore for FY24 and has a robust order book of over ₹94,000 crore. "These figures hardly suggest a 'weakening' institution but rather one experiencing significant fortification," she said.

She alleged it was the Congress that left India crippled, relying heavily on imports rather than empowering our own institutions like HAL —Historically, she said, the Congress has



FM Nirmala Sitharaman

shown a lack of faith in our nation's scientists and engineers, fostering a dependency on imports that branded India as the world's largest arms importer for many years.

"It is only under PM Modi that we see a significant shift—turning India from an import-dependent country to one that's now proudly stepping into the role of an arms exporter. The increased defence spending and aim of achieving 'Atmanirbharta' in Defence has fuelled the growth of PSUs like BEL, HAL, Mazagon Dock, etc. In FY23-24 alone, India has reported arms exports worth ₹21,000 crore," she said.

PSU DISINVESTMENTS

On disinvestment, she countered the allegation that people lost jobs. In the case of Air India, it was a pre-condition of the govt to the buyer that there would be no removal or retrenchment of employees for

one year. Also, even after 1 year, there will be a voluntary retirement offer before retrenchment on terms no less favourable than maximum benefits. PF and gratuity benefits were also offered as per laws. After a transparent disinvestment, there has been a notable improvement in operations, she said.

Since privatisation, Air India has employed nearly 7,500 new employees (both flying and ground staff). The company is set to acquire 470 aircraft from Boeing and Airbus for its fleet expansion at an estimated cost of \$70 billion.

The Finance Minister said a similar turnaround has happened in Neelachal Ispat Nigam Ltd post-privatisation. The plant started operations within three months of acquisition (October 2022). The production of blast furnace was ramped up to full capacity of 1.1 MTPA within 6 months. The coke plant was repaired and started production in September 2023. A plan is being worked out for expansion from 1 MTPA to 4.8 MTPA. Not only have the operations improved, but the employees have also benefitted from the disinvestment. Unpaid employee dues of ₹387.08 crore were paid to them. So, "all claims of the INC and Rahul Gandhi with respect to PSUs fall flat...," she said.

● 'HIGHER CAPEX, BETTER CAPITAL MANAGEMENT'

225% jump in m-cap of PSUs in three years: FM



FE BUREAU
New Delhi, May 8

THE COMBINED MARKET capitalisation of 81 listed Public Sector Undertakings (PSUs), including banks and insurance companies, has grown by 225% in the last three years, aided by the government's higher capital expenditure, better capital management and professionalism, finance minister Nirmala Sitharaman said on Wednesday.

In a rebuttal to Congress and Rahul Gandhi's claim that PSUs are being "dismantled" and are in disarray under the Modi government, in a post on 'X', Sitharaman said the facts reveal a very different picture.

PSUs, which suffered and were neglected by the Congress-led UPA government, such as Hindustan Aeronautics Limited (HAL), have seen a resurgence under the Modi government, she said.

"HAL's market valuation has skyrocketed by 1,370% in merely 4 years, rising from ₹17,398 crore in 2020 to ₹2.5 trillion as of May 7, 2024. HAL, on 31st March 2024, announced its highest-ever revenue of more than ₹29,810 crore for FY24

NIRMALA SITHARAMAN,
FINANCE MINISTER

CONTRARY TO @RAHULGANDHI'S CLAIM, IT WAS THE CONGRESS PARTY THAT LEFT INDIA CRIPPLED, RELYING HEAVILY ON IMPORTS RATHER THAN EMPOWERING OUR OWN INSTITUTIONS LIKE HAL

and has a robust order book of over ₹94,000 crore. These figures hardly suggest a "weakening" institution but rather one experiencing significant fortification," Sitharaman wrote. "Contrary to @RahulGandhi's claim, it was the Congress party that left India crippled, relying heavily on imports rather than empowering our own institutions like HAL."

Total market cap of all 81 listed PSUs (62 CPSEs, 12 PSBs, 3 Public Sector Insurance Companies and IDBI Bank) has grown by 225%, she said.

Returns by Nifty CPSE of nearly 78.8% have significantly outpaced NIFTY 500 (27.4%) and NIFTY 50 (22.5%). Market Cap of 12 listed PSBs has increased 2.95 times (195%) from ₹5.45 trillion as of March 31, 2021 to ₹16.12 trillion as of March 31, 2024.

Notably, 15 CPSEs have experienced an impressive CAGR ranging from 76% to 100%, reflecting substantial value appreciation and investor confidence. Additionally, 25 CPSEs have demonstrated strong growth with a CAGR ranging between 51% to 75%, while 28 CPSEs have shown steady expansion within the range of 26% to 50%.

Similarly, said the minister, the Modi government's initiatives have helped the PSBs to recover from the banking crisis created by the UPA. Gross NPAs in PSBs have fallen to decadal lows of 3.2% and profits are at record highs, even as the push to financial inclusion brings formal banking to every corner of the country.

She also said false claims also were made with respect to people losing jobs after disinvestment. Post-privatisation, Air India has seen significant growth in employment opportunities, with over 7,500 new employees (both flying and ground staff) having joined the company since privatisation, Sitharaman said.

FM: State-run Cos Thriving Under PM Modi's Leadership

GOING STRONG Says total market cap of 81 listed PSUs grew 225% in last 3 yrs

New Delhi: Finance minister Nirjala Sitharaman on Wednesday said the government's focus on capital expenditure and infrastructure development has directly benefited state-run companies and led to substantial growth in their stock performance.

Public sector undertakings or PSUs, are thriving under the leadership of Prime Minister Narendra Modi, benefiting significantly from the culture of professionalism infused in them along with increased operational freedom, Sitharaman said in a post on social media platform X.

"Due to better management of PSUs, their share prices have tremendously increased in last three years," she said, adding that the total market cap of all 81 listed PSUs (62 CPSEs, 12 PSBs, three public sector insurance companies and IDBI Bank) has grown by 225% in the last three years.

Sitharaman noted that the net worth of all central public sector enterprises (CPSEs) increased 82% from ₹9.5 lakh crore as of March 2014, to ₹17.33 lakh crore as of 2022-23 fiscal.

"The greater alignment of management incentives (through the sharp-

ening of performance-linked incentives), capital management guidelines on dividends, buybacks, etc, and the calibration of the disinvestment strategy have helped improve the performance of the CPSEs and reposed investor confidence," she said in her post.

The finance minister observed that 15 CPSEs have experienced an impressive compounded annual growth rate (CAGR) ranging from 76% to 100%, reflecting substantial value appreciation and investor confidence.

"Additionally, 25 CPSEs have demonstrated strong growth with CAGR ranging between 51% to 75%, while 28 CPSEs have shown steady expansion within the range of 26% to 50%," she said, adding that the market cap of 12 listed public sector banks (PSBs) has increased 2.95 times (195%) from ₹ 5.45 lakh crore (as of March 31, 2021) to ₹16.12 lakh crore (as of March 31, 2024).

The finance minister argued that PSUs have suffered under the Congress-led UPA government. "PSUs that were previously neglected under the UPA government, such as Hindustan Aeronautics (HAL), have seen a resurgence under the Modi government," she claimed.

Giving a comparative analysis of the performance of PSU stocks under former Prime Minister Atal Bihari Bajpayee-led NDA government, via-a-vis the 10 year (2004-09) of UPA rule, she said during 1999-2004 (NDA): PSU index soared over 300%, vastly outperforming the BSE Sensex's 70% gain.

During 2004-09 (UPA I), the PSU index rose by 60%, but this was only half the growth rate of the Sensex. During 2009-14 (UPA II), the PSU index declined by 6% while the benchmark surged by 73%.

FM said the increased defence spending and aim of achieving 'Atmanirbharta' in defence has fuelled the growth of PSUs like Bharat Electronics Ltd (BEL), HAL, and Mazagon Dock.



दमण: खुदाई में गैसलाइन टूटने से लगी आग, बुलडोजर जलकर खाक

दमण| संघप्रदेश दमण के दिलीप नगर में गैसलाइन के लिए जेसीबी खुदाई कर रही थी, तभी गैसलाइन टूटने से आग लग गई, जिससे भगदड़ मच गई। घटना की सूचना तुरंत दमण फायर और गैस कंपनी को देने के बाद गैस लाइन बंद कर आग पर काबू पाया गया।

हालांकि, तब तक खुदाई कर रही जेसीबी भी आग की चपेट में आ चुकी थी। मिली जानकारी के अनुसार दमण के दिलीपनगर की गली नं 1 में विकासीय कार्य चल रहे हैं। बुधवार को जेसीबी के जरिए सड़क की खुदाई



कर गटर के लिए पाइपलाइन बिछाने का काम चल रहा था। तभी दोपहर के समय चालक ने जेसीबी के फ्रॉन्ट से सड़क के नीचे से गुजरने वाली गैस लाइन टूट गई।