

'Maharatna' status to Power Finance Corporation

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In news— Recently, Govt. of India accorded 'Maharatna' status to the state-owned Power Finance Corporation Ltd (PFC).

What are its effects on PFC?

- An order to this effect was **issued by the Department of Public Enterprises, under the Ministry of Finance.**
- With the status of Maharatna, the PFC would get **greater operational and financial autonomy.**
- The grant of 'Maharatna' status to PFC will impart enhanced powers to the PFC Board while taking financial decisions.
- The Board of a **'Maharatna' CPSE can make equity investments to undertake financial joint ventures and wholly-owned subsidiaries and undertake mergers and acquisitions in India and abroad,** subject to a ceiling of 15% of the Net Worth of the concerned CPSE, limited to Rs.5,000 crore in one project.
- **The Board can also structure and implement schemes** relating to personnel and Human Resource Management and Training.
- They can also **enter into technology Joint Ventures** or other strategic alliances among others.
- The enhanced powers that come with Maharatna Status will also help PFC in pushing the Government's agenda of funding under the National Infrastructure Pipeline, national commitment of 40% green energy by 2030.
- It will also enable effective monitoring and implementation of the New Revamped Distribution Sector Scheme with an outlay of more than Rs.3 Lakh crore.

Power Finance Corporation Ltd (PFC)-

- **Incorporated in 1986**, PFC is the **largest Infrastructure Finance Company today**, exclusively dedicated to the Power Sector.
- It is under the **administrative control of the Ministry of Power**.
- PFC was conferred the **title of a 'Navratna CPSE' in June, 2007** and was classified as an Infrastructure Finance Company by the RBI on 28th July, 2010.
- It is designated as a **nodal agency for** development of Integrated Power Development Scheme(IPDS), Ultra Mega Power Projects (UMPPs) and bid process coordinator for Independent Transmission Projects (ITPs)
- The company also has the mechanism of rating different state power utilities on their performance.

Criteria for grant of Maharatna status to CPSEs-

- Having Navratna status
- Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations
- An average annual turnover of more than Rs. 25,000 crore during the last 3 years
- An average annual net worth of more than Rs. 15,000 crore during the last 3 years
- An average annual net profit after tax of more than Rs. 5,000 crore during the last 3 years
- Should have significant global presence/international operations.

Maharatna CPSEs-

1. Bharat Heavy Electricals Limited.
2. Bharat Petroleum Corporation Limited.
3. Coal India Limited.
4. GAIL (India) Limited.
5. Hindustan Petroleum Corporation Limited.
6. Indian Oil Corporation Limited.
7. NTPC Limited.

8. Oil & Natural Gas Corporation Limited.
9. Power Grid Corporation of India Limited.
10. Steel Authority of India Limited.