

1. What is the difference between a Maharatna, Navratna, and Miniratna company? How the status does help these companies in their day-to-day working? (150 Words)

Answer:

- Various PSUs have been awarded additional financial autonomy. These are public sector companies that have comparative advantages, giving them greater autonomy to compete in the global market so as to "support them in their drive to become global giants".
- Financial autonomy was initially awarded to nine PSUs as Navratna status in 1997. In 2010, the government established the higher Maharatna category, which raises a company's investment ceiling from Rs. 1,000 crore to Rs. 5,000 crore. The Maharatna firms could now decide on investments of up to 15 per cent of their net worth in a project while the Navaratna companies could invest up to Rs. 1,000 crore or 15% of their net worth on a single project or 30% of their net worth in the whole year (not exceeding Rs. 1,000 crores).
- Miniratna have two tiers, while Miniratna I can invest up to Rs. 500 crore or equal to their net worth, whichever is lower; the Miniratna II can invest up to up to Rs. 300 crore or up to 50% of their net worth, whichever is lower.

Advantages:

- Granting of status allows company to hire more independent directors at subsequent stage, which increases its professionalism and frees it from bureaucratic setting.
- There is larger autonomy in day to day business and most decisions do not require ministry's pre-approval, which saves time and cost.
- Financial independence allows company to plan their investment in advance, as compared to a case where the company is required to seek approval each time and most decisions are taken by the time profit or returns have already exhausted.
- Granting status allows healthy competition among companies to do well and achieve better status and thus autonomy. this spirit helps in growth.

PRACTICE QUESTIONS

Answer the following Questions

1. Bring out the distinctive features of Gandhara, Mathura and Amravati schools of art that flourished towards the first century CE. (150 words)
2. The British in India wanted not only territorial conquest and control over revenues; they also felt that they had a cultural mission: to 'civilise the natives', change their customs and values. Critically discuss. (150 words)

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