

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF PUBLIC ENTERPRISES

**LOK SABHA**

**UNSTARRED QUESTION No. 4090**

ANSWERED ON 28.03.2022

**Balance Sheet of CPSEs**

**4090. SHRI T.R. BAALU:**

Will the Minister of Finance be pleased to state:

- (a) whether the Government is aware that the revaluation of the land and real estate assets in the balance sheet is unlikely to change much for Central Public Sector Enterprises (CPSEs);
- (b) if so, the steps taken/proposed to be taken by the Government to increase the valuation of CPSEs in a sustainable manner;
- (c) whether the Government is planning to focus on improving the operational and financial performance of CPSEs; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

**THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KISHANRAO KARAD)**

(a) to (d): Companies including Central Public Enterprises (CPSEs) follow Accounting Standards in preparation and presentation of financial statements. As per the accounting standards, revaluation gain is not considered as profit earned in the normal course of business/operations and is also excluded in calculation of networth. Department of Public Enterprises (DPE) undertakes on annual basis, an exercise of target setting, performance evaluation & thereafter grading of CPSEs under MoU mechanism, for the purpose of improving the financial and operational performance of Central Public Enterprises (CPSEs). The financial & operational targets set under the said mechanism are broadly aspirational in nature and include parameters such as, Earning Per Share (EPS), market capitalization, operational profit ratio, assets turnover ratio, etc. Besides, DPE encourages CPSEs for their listing on stock exchanges which may unlock the true value of the company and promote better corporate governance due to various compliances required to be followed for SEBI and other regulators.

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