

Public Sector Enterprises

Good Morning Students,

This lesson is for class 9th for the subject of 'Commercial Studies'. The topic for today is 'Public Sector Enterprises and types of Public Sector Enterprises' which is covered in chapter 9 titled "Public Sector Enterprises" of your book.

This lesson is being submitted to you on 15.07.24.

All the students now please open page number 62 of your book and listen carefully.

Public Sector Enterprises:-

All the industrial and commercial enterprises which are owned and controlled by the central and/or state government are known as Public Enterprises.

Public Sector Enterprise has been defined as "An undertaking that is owned by a national, state or local government, supplies services or goods at price, and is operated on a more or less self-supporting basis".

Features of Public Sector Enterprises:-

1. State (Government) Ownership.
2. State Control.
3. Government Financing
4. Service Motive
5. Public Accountability

for explanation refer to page 62-63 of your book.

Forms of Public sector Enterprises:-
Public sector enterprises may be organised in any of the following forms:-

1. Departmental Undertakings.
2. Statutory/Public Corporations
3. Government Companies.

1. Departmental Undertakings:-

A departmental undertaking is organised, financed and controlled in much the same way as any other government department. It may be run either by the Central Government or by a State Government. It is managed by the government officials under the supervision of the head of the department concerned. The undertaking is under the overall and ultimate control of a minister who is responsible to the parliament. Some examples of departmental undertakings are: post and Telegraph department, The Integral Coach Factory, Precision Instruments Factory and U.P. Cement factory.

Features of Departmental Undertaking are:-

- (i) It is established by a minister of the Central or State Government. The undertaking is a major part of the department attached to a particular ministry.
- (ii) It is a part of the government establishment and has no separate entity distinct from the government.

- (iii) It is financed by annual appropriations from the government budget. All its earnings are paid into the treasury.
- (iv) It is subject to the same budget, accounting and audit controls as are applicable to other government departments.
- (v) It is under the direct control of the departmental head who is accountable to the concerned minister.
- (vi) It is managed by officials and civil servants drawn from the concerned ministry. The officials are also all government servants.
- (vii) It can be sued only through the procedure by which suits against the government can be filed.

Statutory/Public Corporations:-

A statutory corporation as a public corporation is a body corporate set up under a special Act of the parliament or of the state legislature. It is known as a statutory corporation because it is created by a statute. The statute defines its objects, powers and functions. It is an autonomous body fully financed by the government. Some examples of statutory corporations are Reserve Bank of India, Life Insurance Corporation of India, and Central Warehousing Corporation.

Features of Statutory Corporations:-

1. Formation.

2. Seperate legal Entity.
3. Ownership
4. Management
5. Service Motive
6. Own Staff
7. Financial Autonomy
8. Public Accountability

For explanation refer to page 66.

Before going further, let's take a short break. Write the answers of the following questions during the break.

1. What are Public Enterprises?
2. Explain two features of Departmental Undertakings.
3. What are Statutory Corporations?

Government Companies:

A government company is a company in which not less than 51 percent of the paid up share capital is held by the Central Government or by one or more State Governments or jointly by the Central and State Governments. It is formed and registered under the Companies Act, 1956, which contains special provisions relating to government companies. Some of the examples of government companies are: Hindustan Insecticides Ltd; Hindustan Cables Ltd; Indian Drugs and Pharmaceuticals Ltd; Indian Oil

Corporation and State Trading Corporation of India.

Features of Government Company are:-

1. Incorporation.
2. Separate legal Entity.
3. Ownership.
4. Management.
5. Own Staff.
6. Financial Autonomy.
7. Accountability.

For explanation refer to page 68 of your book.

For Difference between Departmental Undertakings, Government Company and Public Corporation refer to page 70 of your book.

With this, I am ending my topic here. Write the answers of the following questions in your note-books.

1. Explain the features of Statutory Corporations.
2. Explain the difference between Government Company and Departmental Undertakings.

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