

# Navratna Companies

The Government of India allows greater financial autonomy to certain Central Public Sector Enterprises. These companies are known as Navratna Companies. Overall, the CPSE is categorized into:

- Maharatna companies
- Navratna companies
- Miniratna companies

Navratna Companies have the freedom to invest an amount of up to ₹1,000 crores without requiring explicit government approval. They may even invest 15% of their net worth on a particular project or 30% of their net worth during the whole year, but without exceeding the ₹1,000 crores limit. Due to the greater autonomy, the Navratna companies enjoy comparative advantages when competing in the global market.

## List of Navratna Companies in India 2022

At present, there are 14 Navratna companies officially recognized by the government of India. Here is the complete list of Navratna companies in India:

List of 14 Navratna Companies in India	
Serial No.	Company Name
1	Shipping Corporation of India (SCI)
2	Hindustan Aeronautics Limited (HAL)
3	Rashtriya Ispat Nigam Limited (RINL)
4	Engineers India Limited (EIL)

5	National Mineral Development Corporation (NMDC)
6	Bharat Electronics Limited (BHEL)
7	National Buildings Construction Corporation (NBCC)
8	Oil India Limited (OIL)
9	Mahanagar Telephone Nigam Limited (MTNL)
10	Container Corporation of India (CONCOR)
11	National Aluminium Company (NALCO)
12	Rural Electrification Corporation (REC)
13	NLC India Limited (NLCIL)
14	Power Finance Corporation (PFC)

### Navratna Companies Criteria

Initially, the government awarded Navratna company status to only nine PSUs. These companies were all part of the Central Public Sector Enterprises, Government of India. Till 2022, the total number of companies with Navratna status is 14. For a PSU to be included in this list, it must fulfil the Navratna Companies criteria, which include the conditions mentioned below:

- The company must achieve a score of at least 60 out of 100 in the parameters: net worth, net profit, the total cost of production, total manpower cost, cost of services, capital employed, and PBDIT (Profit Before Depreciation, Interest, and Taxes).
- The company must have the status of a Miniratna.
- There should be four independent board directors in the company.

## Navratna Company of India - Benefits for Investment

Navratnas of India enjoy certain benefits for investment. Once a company has fulfilled its eligibility criteria for becoming a Navratna, it can get some investment benefits. The government offers these companies investment benefits to help them compete globally. Here are the investment benefits for Navratna companies:

- Navratna companies in India can invest up to 15% or ₹1,000 crores of their total net worth on a single project.
- These companies can invest up to 30% of their net worth in a year.
- The investment limit of ₹1,000 crores shall not be exceeded.

## Difference Between Maharatna and Navratna Companies

In India, the Central and Public Sector Undertakings (CPSUs) are divided into several categories. Maharatna companies and Navratna companies are two of them. Here is the difference between these two types of CPSUs:

Maharatna Companies	Navratna Companies
The company must have an average annual net profit of more than ₹5,000 crores.	The company can invest an amount of up to ₹1,000 crores.
The average annual turnover of the company must be ₹25,000 crores.	The company may invest 30% of its net worth during the year without exceeding the ₹1,000 crores limit.
There is no higher level above Maharatna company.	A Navratna company can be turned into a Maharatna company.

## Navratna Companies in India - Details

Navratna companies have certain investment benefits in India. Due to their financial autonomy, these companies enjoy an advantageous edge when competing in the global market. Here is a brief overview of the 14 Navratna companies:

- **Bharat Electronics Limited (BHEL)** - BHEL is a government-owned defence and aerospace electronics company that deals in Weapon Systems, Radars, Electronic Voting Machines, etc.
- **Engineers India Limited (EIL)** - EIL provides a varied range of engineering consultancy & EPC services in various areas, such as petroleum refining, mining & metallurgy, etc.
- **National Buildings Construction Corporation (NBCC)** - NBCC is a blue-chip Navratna company that operates in the segments of real estate development, Project Management Consultancy (PMC), and Engineering, Procurement & Construction (EPC).
- **Hindustan Aeronautics Limited (HAL)** - HAL is one of the world's largest and oldest defence and aerospace manufacturers.
- **Container Corporation of India (CONCOR)** - This PSU manages various core functions for Indian Railways, including warehouse operator, cargo carrier, terminal operator, and MMLP operation.
- **Mahanagar Telephone Nigam Limited (MTNL)** - MTNL is a popular Navratna company. It is a telecommunications service provider that provides services for fixed-line telephones, WLL, etc.
- **National Aluminium Company (NALCO)** - NALCO operates in metal, power, and mining. It is among the largest integrated Bauxite-Alumina-Aluminium-Power Complex in India.
- **Rashtriya Ispat Nigam Limited (RINL)** - RINL is a leading steel producer in the country and operates a steel plant located in Visakhapatnam. The company produces 7.3 million tonnes of steel per annum.
- **NLC India Limited (NLC)** - NLC is one of the Navratna companies that operate in Tamil Nadu and Rajasthan and is concerned with the production of Lignite from opencast mines in these areas.
- **Oil India Limited (OIL)** - OIL works in the production of crude oil, natural gas, and liquid petroleum gas. It is also responsible for the transportation of crude oil around the nation.
- **National Mineral Development Corporation (NMDC)** - NMDC is involved in mineral production. It explores limestone, copper, gypsum, diamond, etc. NMDC is also India's biggest producer and exporter of iron ore.
- **Rural Electrification Corporation (REC)** - REC is a public Infrastructure Finance Company that finances power projects across India and is one of the Navratna companies in India.
- **Shipping Corporation of India (SCI)** - SCI is concerned with the operation and management of vessels servicing along national and international lines.
- **Power Finance Corporation Ltd.** - Power Finance Corporation Ltd. is one of the leading public sector financial institutions and a non-banking financial company providing fund and non-fund-based support for developing the Indian power sector.