

# **PUBLIC ENTERPRISES SURVEY 2013-2014 VOLUME-I**

## **ANNUAL REPORT** on the performance of **Central Public Sector Enterprises**



GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF PUBLIC ENTERPRISES  
NEW DELHI



मंत्री, भारी उद्योग एवं लोक उद्यम  
भारत सरकार, नई दिल्ली - 110011  
Minister of Heavy Industries & Public Enterprises  
Government of India, Udyog Bhavan,  
New Delhi - 110011

## Foreword



ANANT G. GEETE

The Public Enterprises Survey, annual document of the Ministry of Heavy Industries & Public Enterprises, Government of India, reviews the developments in the Central Public Sector Enterprises, including their subsidiaries, over the previous 12 months and summarizes the performance on major financial and economic parameters. This document is presented to both the Houses of Parliament during Budget Session.

2. The Public Enterprises Survey 2013-14 in the 54<sup>th</sup> is the Series, that commenced in 1960-61. It covers the performance of Central Public Sector Enterprises (CPSEs) with detailed statistical data about different aspects of the Public Enterprises given in Volume-I. Enterprise wise and sectoral / cognate Group wise overview has been presented in Volume-II.

3. As on 31.3.2014, there were 290 Central Public Sector Enterprises consisting of 234 operating CPSEs and 56 CPSEs under construction. The aggregate turnover of 234 operating CPSEs during 2013-14 stood at Rs.20,61,866 crore as compared to Rs.19,45,814 crore of 230 operating CPSEs in the previous year. Aggregate net profit reported by the 234 CPSEs is Rs. 1,29,109 crore in 2013-14 as against Rs. 1,14,981 crore reported in the year 2012-13, thus recording a growth rate of 12.29% in 2013-14. The profit of profit making CPSEs grew from Rs. 1,43,543 crore to Rs. 1,49,164 crore registering a growth of 3.92 per cent. The losses of loss making CPSEs declined from Rs. 28,562 crore to Rs. 20,055 crore during the same period. During the year 2013-14, the number of profit making CPSEs have increased to 163 as against 151 CPSEs in previous year and the number of loss making CPSEs have decreased from 78 to 71 during the same period.

4. Total paid up capital in 290 CPSEs as on 31.3.2014 stood at Rs. 1,98,722 crore compared to Rs 1,81,889 crore as on 31.3.2013 (277 CPSEs). Total investment (equity plus long term loans) in all CPSEs stood at Rs 9,92,971 crore as on 31.3.2014 compared to Rs 8,45,334 crore as on 31.3.2013, recording a growth of 17.46%. The pattern of financial investment in CPSEs during 2013-14 is dispersed in sectors namely services (51.21%), electricity (23.77%) manufacturing (16.22%), and mining (6.28%). Financial investment in mining, manufacturing, services and electricity during 2013-14 grew by 26.67 per cent, 20.10 per cent, 18.04 per cent and 11.20 per cent respectively. Amongst the listed companies on the stock exchanges, the CPSEs are important choice of financial investment for both global and domestic investors.

5. This document would be useful for policymakers, economists, analysts, business practitioners, government agencies, students, researchers, media, and all those interested in the developments in the Indian economy.

6. I congratulate the Department of Public Enterprises for bringing out this comprehensive survey on the performance of Central Public Sector Enterprises.

  
(ANANT G. GEETE)

February, 2015  
New Delhi



राज्य मंत्री, भारी उद्योग एवं लोक उद्यम मंत्रालय  
भारत सरकार, नई दिल्ली - 110011  
Minister of State for Heavy Industries & Public Enterprises  
Government of India, Udyog Bhavan,  
New Delhi - 110011

## Preface



G. M. SIDDESHWARA

The Estimates Committee (2<sup>nd</sup> Lok Sabha), in their 73rd Report (1959-60) had recommended that in addition to the annual report of each of the public enterprise laid on the Table of both the Houses of Parliament, a separate comprehensive report should be submitted to the Parliament indicating the Government's total appraisal of the working of public enterprises.

2. The first Annual Report (Public Enterprises Survey) was, accordingly, presented in the Parliament in 1960-61 giving a consolidated picture of the performance of the Central Public Sector Enterprises (CPSEs). The present survey, Public Enterprises Survey (2013-14), is the 54th in the series.

3. Our CPSEs have a unique place amongst the State Owned Enterprises (SOEs) of the world and have been so recognized. Many of the 234 operating CPSEs are the leading companies of India. CPSEs are, moreover, spread over the length and breadth of the country, fulfilling various macro-economic objectives and are complex organizations dealing with wide stream of technology, market and services and employ a large workforce.

4. The Survey incorporates audited financial and other data for the year 2013-14. Many CPSEs (52) that had forwarded provisional figures in respect of their balance sheet and profit and loss accounts of the year 2012-13, have now duly furnished their audited data for the year 2012-13. Consequently the aggregate figures presented in the Survey of 2012-13, to that extent, have got revised and the same has been presented in the report.

5. The Department of Public Enterprises acknowledges the cooperation extended by all the Ministries / Departments (Government of India) and their respective CPSEs in providing financial and other data for the preparation of the Survey (2013-14). I also take this opportunity to place on record the efforts put in by Secretary, Department of Public Enterprises and all officers & staff of the Department in preparing this Survey.

(G. M. SIDDESHWARA)

February, 2015

New Delhi



## Introduction



K. D. Tripathi, IAS  
*Secretary*

The Department of Public Enterprises (DPE) under the Ministry of Heavy Industries and Public Enterprises is the nodal Department in the Government of India to provide, inter-alia, an overview on the financial and physical performance of Central Public Sector Enterprises (CPSEs). The Public Enterprises (PE) Survey is a consolidated report on the performance of all CPSEs and is being prepared as per the recommendations of the Estimates Committee (2nd Lok Sabha). The Estimate Committee, in their 73rd Report (1959-60), had recommended that in addition to the individual annual report of each enterprise laid on the Table of both the Houses of Parliament, a separate comprehensive report should be submitted to the Parliament indicating Government's total appraisal of the working of Public Enterprise. Accordingly, the first "Annual Report" (Public Enterprises Survey) was prepared by the erstwhile Bureau of Public Enterprises (now Department of Public Enterprises) in 1960-61 giving a consolidated picture of the performance of the Central Public Sector Enterprises. The Public Enterprises Survey is laid in the Parliament every year.

2. Public Enterprises Survey covers besides statutory corporations, those Government Companies wherein more than 50% equity is held by the Central Government. The subsidiaries of these companies wherein any CPSE has more than 50% equity is also categorised as CPSEs for the purpose of Survey, if registered in India. The Survey, does not cover departmentally run public enterprises, banking institutions, and insurance companies. The present Public Enterprises Survey (2013-14) is based on the Revised Schedule VI and contains mainly the audited financial data for the three years i.e. 2011-12, 2012-13 and 2013-14. The basic data for the Public Enterprises Survey has been furnished by CPSEs on line in the detailed data sheet/questionnaire developed by the Department. The data so compiled have been furthermore analyzed and presented in two separate volumes (i.e. Volume I & II).

3. While Volume-I contains the macro appraisal of the performance of CPSEs at the aggregate level in terms of the physical and the financial parameters, Volume-II contains enterprise-wise and cognate group-wise data for the three years of 2013-14, 2012-13 and 2011-12. Enterprise-wise data/report consists of summarized balance sheet, summarized profit / loss account, important financial ratios and management issues and analysis of performance of each of the CPSEs.

4. There were altogether 290 CPSEs (excluding 7 Insurance Companies) falling within the scope of the Survey 2013-14 (as on 31.3.2014) as against 277 CPSEs in 2012-13 (as on 31.3.2013).

5. Nineteen (19) new public sector enterprises, namely Goa Antibiotics & Pharmaceuticals Ltd., TCIL Lakhnadone Toll Road Ltd., Odisha Infrapower Ltd., Cheyur Infra Ltd., Tanda Transmission Ltd., Ballabgarh-GN Transmission Ltd., Vizag Transmission Ltd., Kolkata Metro Rail Corporation Ltd., Unchahar Transmission Ltd., Punjab Logistic Infrastructure Ltd., SJVN Thermal Pvt. Ltd., HPCL Rajasthan Refinery Ltd., Oil India International Ltd., NPCIL -Indian Oil Nuclear Energy Corporation Ltd., MAMC Ltd., Indo Cat Pvt. Ltd., Solar Entergy Corporation of India, Railway Energy Management Company Ltd. and NPCIL-NALCO Power Company Ltd. have been added to the list of CPSEs as per the information received from the concerned administrative Ministry/Department.



6. Among the newly established CPSEs, Solar Entergy Corporation of India and Goa Antibiotics & Pharmaceuticals Ltd., under the administrative control of Ministry of New & Renewable Energy and Ministry of Health & Family Welfare respectively have become operative and Bharat Broadband Network Ltd., Biotechnology Industry Research Assistance Council, CONCOR Air Ltd., and RITES Infrastructure Services Ltd., which were shown as 'under construction' in the PE Survey 2012-13 have also become operative during 2013-14.

7. During 2013-14, 6 enterprises got closed or merged with other CPSEs such as State Farms Corporation of India Ltd. merged with National Seeds Corporation with approval of Cabinet on 26.12.2013, NTPC Hydro Ltd. merged with NTPC Ltd. by the order of Ministry of Corporate Affairs order dated 26.11.2013, Darbhanga Motihari Transmission Co. Ltd. transferred to Essel Infraprojects Ltd, on 10.12.2013., Purulia & Khargpur Transmission Co. Ltd. transferred to Sterlite Grid Ltd. on 09.12.2013, RAPP Transmission Co. Ltd. transferred to Sterlite Grid Ltd. on 12.03.2014 and Patran Transmission Co. Ltd. transferred to Techno Electric and Engineering Co. Ltd. on 13.11.2013.

8. During 2013-14, Ministry of Environment & Forests has been renamed to Ministry of Environment, Forests and Climate Change and Ennore Port Ltd. has been renamed to Kamaraja Port Ltd. respectively.

9. The 11 CPSEs such as Bharat Heavy Plate & Vessels Ltd., Bharat Immunological & Biologicals Corporation Ltd., Birds Jute & Exports Ltd., British India Corporation Ltd., Hindustan Cables Ltd., Hindustan Photofilms Manufacturing Co. Ltd., HMT Chinara Watches Ltd., HMT Watches Ltd., Hooghly Printing Co. Ltd., IDPL (Tamilnadu) Ltd., Triveni Structural Ltd., and Tyre Corporation of India Ltd. did not furnish data relating to financial year 2013-14, till the cut-off-date of receiving information for this Survey Report. Therefore, in these cases the figures as available in the last Survey 2012-13 have been retained.

10. The data in respect of 49 CPSEs have been considered as provisional in 2013-14 as these CPSEs could not submit the audited annual accounts. A list of these CPSEs is shown at Appendix V, at the end of this Volume.

11. The status of 297 enterprises (including 7 Insurance Companies) discussed in this Survey, is shown below:

Sl.No.	Categories	Total Enterprises (As on 31.3.2014)
1.	Operating Enterprises	234
2.	Enterprises which are yet to commence commercial operation	56
3.	Insurance Companies	7
	Total	297

12. Ministry/Department-wise, sectorial / group-wise and state-wise (as per their Registered Offices), separate lists of CPSEs are given in the Appendices I, II and III respectively at the end of this Volume.

13. I express my gratitude to all the Ministries/Departments for making available the relevant information relating to CPSEs, such as Pricing Policy, Disinvestment Policy and proposals for Restructuring of CPSEs etc. The co-operation extended by all the CPSEs in submission of requisite data to the Department is also acknowledged.

14. The timely completion of the survey has been the result of the efforts put in by all the officers and staff of the Department and the Public Enterprises Division of NIC (Government of India). The overall supervision in this endeavor was provided by Shri Manoranjan Kumar, Adviser, Department of Public Enterprises.

15. The Survey is available on DPE's website [www.dpe.nic.in](http://www.dpe.nic.in). Suggestions to further improve the Public Enterprises Survey are welcome, and may be sent at the email: [pesurvey@nic.in](mailto:pesurvey@nic.in).

  
(K. D. TRIPATHI)

February, 2015

New Delhi

# CONTENTS

Chapters	Page No.
Foreword .....	i
Preface .....	iii
Introduction.....	v-vi
<b>Chapter 1. Performance Overview 2013-14</b>	<b>1-56</b>
Macro View on CPSEs .....	1
Turnover of CPSEs .....	7
Aggregate Profit / Loss Accounts of CPSEs.....	11
Indian Economy and CPSEs.....	18
Value Addition by CPSEs.....	18
Components of Net Value Addition and Their Growth .....	19
Contribution to the Central Exchequer.....	20
Subsidies Received by CPSEs.....	21
Employment in CPSEs.....	21
Aggregate Balance Sheet (2011-12 to 2013-14) .....	22
Investment Pattern in Terms of Gross Block .....	23
Financial Investment in CPSEs .....	25
Marketing Capitalisation in Listed CPSEs.....	26
Government & Disinvestment in CPSEs.....	28
Memorandum of Understanding in CPSEs.....	28
Revival of Sick CPSEs.....	29
Corporate Governance in CPSEs.....	30
Voluntary Retirement in CPSEs.....	30
Financial Ratios of CPSEs (Box 4) .....	32
<b>Chapter 2. Investment in Central Public Sector Enterprises</b>	<b>57-64</b>
Growth in real Investment/Gross Block as on 31.3.2014.....	57
Growth in Financial Investment as on 31.3.2014 .....	57
Sources of Financial Investment .....	59
Plan Investment in CPSEs .....	61
Internal Resources of CPSEs .....	62
Pattern of Investment .....	62
Top Ten Enterprises in Terms of Gross Block .....	63
State-wise Distribution of Gross Block (Investment) .....	64
<b>Chapter 3. Pricing Policy in CPSEs</b>	<b>65-83</b>
Pricing Policy of CPSEs .....	65

Pricing Strategy of CPSEs .....	66
Coal .....	67
Petroleum and Gas .....	69
PDS Kerosene and Domestic LPG .....	70
Under Recoveries of OMCs .....	71
Electric Power .....	73
Steel .....	74
Fertilizers .....	75
Telecommunications .....	79
Civil Aviation .....	79
Pharmaceuticals .....	80
Agriculture Products .....	80
<b>Chapter 4. Productivity in Public Enterprises</b> .....	<b>84-122</b>
Capacity Utilization in CPSEs .....	84
Inventories Management in CPSEs .....	97
Energy Conservation in CPSEs .....	113
<b>Chapter 5. International Operations of CPSEs</b> .....	<b>123-139</b>
Foreign Exchange Earnings .....	123
Foreign Exchange Expenditure/Utilization .....	124
International Finance and Investment .....	126
Foreign Investment by CPSEs .....	126
<b>Chapter 6. Organisational structure and HRM</b> .....	<b>140-154</b>
Organisational Structure of CPSEs .....	140
Appointment of Functional Directors of CPSEs .....	140
Corporate Governance and CPSEs .....	142
Wage & Salary Policy and Manpower Rationalisation in CPSEs .....	143
Voluntary Retirement Scheme (VRS) .....	145
Scheme of Counselling, Retraining and Redeployment (CRR) .....	146
Employment under Reserved Categories .....	147
<b>Chapter 7. Delegation of enhanced financial powers to CPSEs</b> .....	<b>155-160</b>
Maharatna Scheme.....	155
Navratna Scheme .....	155
Miniratna Scheme .....	158
Other profit making CPSEs .....	159
<b>Chapter 8. Memorandum of Understanding System in CPSEs</b> .....	<b>161-164</b>
Aims and objectives of MoU System in CPSEs .....	161
MoU System & Process .....	162

	MoU Methodology .....	162
	MoU ratings of CPSEs .....	163
<b>Chapter 9.</b>	<b>Research &amp; Development</b>	<b>165-189</b>
	Coal .....	165
	Electricity .....	167
	Crude Oil .....	170
	Petroleum .....	173
	Other Minerals and Metals .....	175
	Steel .....	178
	Fertilizers .....	180
	Heavy Engineering .....	182
	Medium & Light Engineering .....	183
	Transportation Equipment .....	184
	Consumer Goods .....	187
<b>Chapter 10.</b>	<b>Mega &amp; Major projects under implementation</b>	<b>190-205</b>
	Atomic Energy .....	190
	Civil Aviation .....	191
	Coal .....	191
	Steel .....	193
	Petrochemicals .....	194
	Petroleum .....	194
	Power .....	198
	Railway .....	203
	Shipping & Ports .....	204
	Telecommunication .....	205
<b>Chapter 11.</b>	<b>CPSEs Under Construction</b>	<b>206-217</b>
	Under Construction CPSEs .....	206
<b>Chapter 12.</b>	<b>Revival &amp; Restructuring of Sick/ Loss Making CPSEs</b>	<b>218-236</b>
	Reasons for Losses and Sickness in CPSEs .....	218
	Sick Industrial Companies (Special Provision) Act, 1985 (SICA) .....	219
	Strategies for Revival / Restructuring of sick CPSEs .....	220
	Board for Reconstruction of Public Sector Enterprises (BRPSE) .....	221
	Performance of Sick CPSEs .....	222
	Turn Around of Sick CPSEs .....	223
<b>Chapter 13.</b>	<b>Disinvestment &amp; Listing on Stock Exchanges</b>	<b>237-244</b>
	Disinvestment Commission .....	237
	Department of Disinvestment .....	237
	Evolution of Disinvestment Policy .....	237



Disinvestment in CPSEs in 2013-14 .....	239
Special National Investment Fund .....	240
<b>Chapter 14. Performance of Public Sector Insurance Companies</b> .....	<b>245-251</b>
Life Insurance Corporation of India (LIC) .....	245
Aam Admi Bima Yojna .....	246
Non-Life Insurance Companies .....	247
National Insurance Company Ltd.....	247
New India Assurance Company Ltd.....	248
Oriental Insurance Company Ltd.....	248
United India Insurance Company Ltd.....	248
General Insurance Corporation of India (GIC)	249
Agriculture Insurance Company of India Ltd. (AICIL)	250
 <b>ANNEXES</b>	
I. Performance of Operating CPSEs at Constant Prices (2004-05).....	42
II. Performance of Operating CPSEs in Dollars.....	43
III. Holding Companies & Their Subsidiaries .....	44
IV. Performance of Major Operating CPSEs with Annual Turnover .....	50
V. CPSEs-wise Profit / Loss, Investment & Accumulated losses .....	51
<b>Statements and Appendices .....</b>	<b>S1-S185</b>