

Ministry of Finance
Department of Public Enterprises
Monthly achievements in respect of DPE for the month of December, 2022

1. CAPEX targets:

The information relating to annual CAPEX targets of Rs. 6.62 lakh crores (budget estimates) and its achievement in respect of select CPSEs (having annual CAPEX target of ₹100 crores & above) and other government organizations up to the month of December, 2022 was submitted to PMO on 5th January, 2023. Against an estimated expenditure of Rs. 6.62 lakh crores (approx.), achievement is Rs. 4.50 lakh crores i.e. about 67.99% as on 31.12.2022, whereas this was Rs. 3.77 lakh crores only during last financial year 2021-22 as on 31.12.2021.

2. Governance of CPSEs:

The proposal of re-categorization of Numaligarh Refinery Limited (NRL) from Schedule 'B' to Schedule 'A' was considered in DPE and has been referred to Public Enterprises Selection Board (PESB) for their consideration & recommendation.

3. MoU Dashboard:

A total of 88 MoUs have been finalised through the MoU dashboard for FY 2022-23. Out of these, 82 MoUs have been e-signed by CPSEs by 31.12.2022.

4. Inter-Ministerial Meetings and CCEA/ Cabinet Notes:

- i. Six IMG/CMCDC meetings were held during the month.
- ii. Two draft Cabinet/ CCEA Notes of other Department received for comments were examined and comments furnished thereon to D/o Expenditure to obtain approval of Hon'ble FM on the consolidated comments of the M/o Finance.
- iii. DPE participated in the 6th round of India-UK FTA negotiations held in New Delhi.

5. Pay Revision and Wage Notification:

DPE issued guidelines vide OM no W-02/0027/2022-DPE (WC) dated 02.12.2022 for reimbursement of Rent/ Payment of HRA to Board level and below Board level executives, Non-Unionised Supervisors and CVO of CPSEs during their temporary stay (upto a maximum period of six months) in Guest Houses run by CPSE/ Central Government/ State Government/ Autonomous Organizations etc.

6. Events and Activities implemented:

In the second year of AKAM celebrations, DPE has asked select 75 CPSEs to organize 750 medical camps (with emphasis on Ayush) at their offices, production units, townships, etc.

7. Training programmes/workshops:

- i. Department of Public Enterprises organized one day Capacity Building Workshop for Navratna & select Miniratna CPSEs in collaboration with Capacity Building Commission (CBC) on 5th December, 2022 at SCOPE Complex, New Delhi. The programme was attended by CMDs/ MDs & Director HR of these CPSEs and also by Public Sector Insurance Companies viz. LIC, GIC etc.
- ii. DPE organized 1 training programme and 1 workshop during the month on issues related Corporate Branding in Digital Era and Public Grievance Management which were attended by 78 executives of CPSEs/SLPEs.
- iii. DPE organized a workshop on procurement by CPSEs from MSEs on 21st December, 2022 at New Delhi with the support of Ministry of Micro, Small & Medium Enterprises and in collaboration with SCOPE. The workshop was attended by more than 200 senior officials from 77 CPSEs and more than 50 invitees from various Industry associations, senior officers from DPE, Ministry of MSME and SCOPE. The technical sessions of the workshop were addressed by senior officials of Ministry of MSME, NIC, National SC/ST Hub, RBI and TReDS platforms with interactive presentations. Representatives of Industry Associations were also given the platform to present their views and raise their concerns. A specific interactive session with senior GeM officials was also conducted to address the problems being faced by CPSEs in operation of GeM portal.

8. Matters relating to procurement through GeM and MSMEs by CPSEs:

- i. Procurement by CPSEs from MSEs during the year 2021-22 was around 32% as against the mandated 25% of their total procurement. Procurement by CPSEs from MSEs has increased to 35.59% in the year 2022-23 (till December, 2022).
- ii. Continuous engagement with stakeholders ensured manifold increase in procurement by CPSEs from GeM, total procurement increased from Rs. 7,035 crores in 2020-21 to Rs. 45,970 crores in 2021-22. During the current financial, total procurement has already reached Rs. 55,618 crore (till December, 2022).

9. Mission Recruitment:

DPE follows up with the CPSEs for uploading of requisite information on ‘*Mission Recruitment*’ portal of DoPT. As per information made available by DoPT, 8,873 candidates from CPSEs have been included in the 3rd Trench of Rozgar Mela scheduled to be held in January, 2023. Cumulatively, 21,440 candidates from CPSEs have been recommended for recruitment.

10. Public Enterprises Survey:

The following reports were placed in the Parliament on 21st December, 2022.

- i. Public Enterprises Survey Report 2021-22-Annual Report on the Performance of Central Public Sector Enterprises (CPSEs) for the year 2021-22.
- ii. Report No. 27 of 2022, compiled by Comptroller and Auditor General pertaining to General Purpose Financial Reports of Central Public Sector Enterprises

(Commercial), for the year ended on 31.03.2021. A copy of the major Highlights is attached at Annexure 'A'.

- iii. Report No. 33 of 2022, compiled by Comptroller and Auditor General pertaining Compliance Audit Observations (Commercial) for the year ended on 31.03.2021. A copy of the major Highlights is attached at Annexure 'B'.

Highlights of Executive Summary Report No. 27 of 2022

The main audit recommendations in this report pertain to Corporate Governance, Disinvestment and MoU. The recommendations of the report are given below:

(A) Corporate Governance, Audit Recommends that:

1. The Administrative Ministries / Departments may ensure submission of quarterly compliance reports by listed CPSEs as prescribed in DPE/ SEBI guidelines/ regulations. Audit recommends that Board of Directors of the listed CPSEs should also ensure compliance with these guidelines / regulations and the Act to bring in better transparency and accountability in the functioning of CPSEs.

[Para 3.16, of Report No.27]

(B) Disinvestment Process, Audit recommends that:

1. Department of Economic affairs may fix Budget Estimates realistically after taking inputs from DIPAM as to the targets achievable during the year. This would enable realistic projection of receipts from disinvestment during the year and an efficient and effective budgeting process.

[Para 4.4, Report No.27]

2. DIPAM may strengthen its post-disinvestment evaluation of merchant bankers' performance, which will help in designing more effective plan of future disinvestment events. DIPAM may also ensure that self-appraisal is duly obtained from the Merchant bankers and appropriately enforced.

[Para 4.6.2.2, Report No.27]

3. Considering the fact that Minority Stake Sales (IPO and Offer for sale) transactions are affected by dynamic market conditions and were taking a very long time after approval, DIPAM may consider prescribing timelines for completing the disinvestment after approval from Cabinet Committee on Economic Affairs to ensure that there are no procedural delays e.g. in appointment of intermediaries etc.

[Para 4.6.2.5 Report No.27]

4. Steps may be taken to expeditiously finalize the process of issue of duplicate shares and dematerialization of shares, towards sale of enemy shares within a specified timeframe.

[Para 4.9.1, Report No.27]

(C) Analysis of Memorandum of Understanding, Audit recommends that:

1. Target fixed for MoU should be realistic, growth oriented and aspirational as per the MoU guidelines.

[Para 5.7.2.3 Report No.27]

2. While deviating the parameters from MoU guidelines for fixing the targets, detail justification may be recorded.

[Para 5.7.2.3, Report No.27]

3. For better target and to enhance participation from SC/ST and women MSMEs, the concerned Administrative Ministries/ CPSEs/ DPE may coordinate with Ministry of MSMEs to obtain up to date data of such MSMEs and to effectively publicize procurement activities among such MSMEs.

[Para 5.7.2.4, Report No.27]

4. The MoU guidelines may provide for specific timeline for evaluation of MoU performance and holding of meeting of PNC and IMC so that MoU parameters & targets setting and evaluation may be done timely.

[Para 5.7.4.2, Report No.27]

Highlights of Executive Summary Report No. 33 of 2022

1. The report contains **26 individual observations relating to 23 Central Public Sector Enterprise (CPSEs) under 7 Ministries/Departments** which have further grouped under three Clusters namely, **Energy, Industry and Infrastructure**.
2. Total financial implication of individual Audit observations is ₹ 4,068.64 Crore.
3. Individual Audit observations in this Report are broadly of the following nature:
 - Non-compliance with rules, directives, procedure, terms and conditions of the contract etc. involving ₹3499.17 crore in 11 Audit paragraphs.
 - Non-safeguarding of financial interest of organisations involving ₹71.09 crore in 5 Audit paragraphs.
 - Defective/deficient planning involving ₹296.73 crore in 7 Audit paragraphs.
 - Inadequate/deficient monitoring involving ₹201.65 crore in 3 Audit paragraphs.
4. The Report contains a Chapter on “Recoveries & corrections/ rectifications” by CPSEs at the instance of Audit. The Chapter contains two paragraphs viz. (a) recoveries/savings of ₹209.90 crore made by 13 CPSEs at the instance of Audit, and (b) corrections/rectifications carried out by one CPSE at the instance of Audit.

It is mentioned that any action to remove or settle the objections or observations or recommendations contained in these reports is taken by the concerned administrative Ministry/Department directly and DPE has no role in that exercise.
