

Department of Public Enterprises

**Annual Report for 2020-21**

**And**

**Performance Budget for 2021-22**

2nd Gate, 7th Floor, Multi-storied Building,  
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**Department of Public Enterprises**  
**Annual Report for 2020-21 and Performance Budget** **for 2021-22**  
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**Department of Public Enterprises**  
**Annual Report for 2020-21 and Performance Budget** **for 2021-22**  
**Profile of Head of Department**

<b>Sl.No.</b>	<b>Post</b>	<b>Name</b>	<b>From</b>	<b>To</b>
<b>1</b>	Minister of Public Enterprises	Mr. Jagdish Shetter	20-08-2019	
<b>2</b>	Additional Chief Secretary to the Government	Mr. B.H. Anil Kumar, IAS	02-11-2020	

# **Organization chart of the Department of Public Enterprises (in Secretariat)**

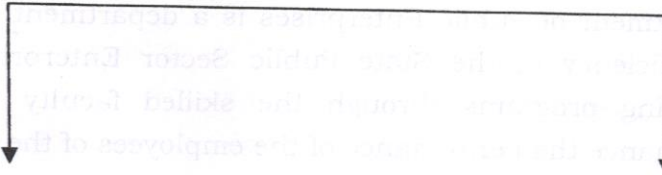
**Minister of Public Enterprises**



**Additional Chief Secretary to Government/Principal Secretary to Government/ Secretary Government**



**Deputy Secretary to Government**



**Under Secretary to Government**

**(Admin)**

**Under Secretary to Government**

**(Technical)**



**Section Officer (2) and Section Officer (3)**



**Section Officer (1)**



## **Introduction to the Department of Public Enterprises**

### **Annual Report for 2020-21 and Performance Budget for 2021-22**

Department of Public Enterprises play a significant role in the economic development of the state. 60 Public Sector Enterprises of the State which are within the purview of the Department are involved in various sectors like Manufacturing, Transportation, Energy, Agriculture, Water resources and also in the Social Service and Community development Sectors under control of 22 Administrative Departments. The Department of Public Enterprises works as the Nodal agency for these enterprises and is responsible for the issuance of Uniform Guidelines / Instructions / Orders to make government decisions applicable to all these enterprises.

The Department of Public Enterprises is a department which has evolved to improve the efficiency of the State Public Sector Enterprises. The department organizes training programs through the skilled faculty of the best training institutes to enhance the performance of the employees of the Enterprises.

The Department is responsible for the systematic evaluation of these Public Sector Enterprises and the strategic policy evaluation of the public sector from time to time. The Hon'ble Chief Minister's "Annual Ratna Award" is given to five successful organizations every year to encourage these State Public Sector Enterprises.

Department of Public Enterprises is presently headed by the Additional Chief Secretary to the Government.

### **The Department of Public Enterprises is entrusted with following duties and responsibilities in matters pertaining to working of State Public Sector Enterprises.**

1. All matters/subjects allocated vide Schedule IIA of Karnataka Government (Allocation of Business) Rules, 1977 and its amendments.
2. In terms of 72B of the Karnataka (Government Transaction of Business) Rules, 1977, all administrative Departments shall consult the Department of Public Enterprises on any proposal specified below, before soliciting the approval of the Cabinet or otherwise.
  - (i) Creation of New Corporation or Companies either wholly owned or partially financed by the State Government or by Public Sector Undertakings.
  - (ii) Participation by the State Government or a Public Sector Undertaking, other than the Karnataka State Industrial Investment and Development Corporation and the Karnataka State Financial Corporation, in providing Share Capital to a new or and existing Corporation or Company.



- (iii) Providing share capital exceeding Rupees fifty lakhs by the Karnataka State Industrial Investment and Development Corporation and the Karnataka State Financial Corporation to a new or an existing Corporation or Company.
  - (iv) Winding up, Amalgamation or such other major schemes of structural re-organization of Public Sector Undertakings.
  - (v) Increase in capital cost estimates of State owned Public Corporation, Companies, Enterprises and Projects. Where such increase is more than twenty percent or Rupee twenty five lakhs whichever is less.
3. (i) The DPE as an arm of the Government shall function as an overseeing, co-ordinating and monitoring authority in respect of matters relating to functioning of PSEs with a view to guide the PSEs in various issues. The Additional Chief Secretary/Principal Secretary/ Secretary, DPE or his nominee not below the rank of Deputy Secretary, shall be nominated unless otherwise specifically decided as director on each of the Boards of PSEs, provided that no individual shall be a director on more than ten companies at a given time. For this point, as per subsection no person nominated by this shall be a member of the board of directors of more than 10 companies (unless otherwise specified).
- (ii) Lay down, with the approval of Government general policy relating to privatization restructuring of PSEs.
  - (iii) Formulation of policy guidelines with DPE approval regarding financial management, wage settlement, Human Resources Development, Performance appraisals etc in the respect of PSEs.
  - (iv) Execution of MOUs between PSEs and DPE in addition to the performing the role of HPC, task force, implementation of MOUs, monitoring of all the PSEs.
  - (v) Review regularly the proceeding of Board Meeting and evaluate performance of PSEs.
  - (vi) Undertake every year-in-depth study of selected PSEs.
  - (vii) Function as interface between PSEs/Administrative Departments and other bodies like Legislature Committees, Indian Audit and Accounts Department, Departments of Government of India and other State Public Sector Enterprises etc.
  - (viii) The DPE shall be consulted by Administrative Departments on matters relating to:
    - Providing Proceedings of Board meeting, Amendments to memorandum and articles and Association.
    - Amalgamation of Board of Directors

- Issuing Guidelines to frame and review the Cadre and Recruitment Rules,
  - Amendments to Compassionate Ground Appointments
  - Permission for creation of new Posts.
  - Privatization/disinvestments/reorganization/rehabilitation proposals of PSEs.
  - Disbursement of bonus/gratuity.
  - Revision of pay scales.
  - Creation of Posts where minimum of scale is Rs. 4,700 and above(As per G.O. No: G.O. NO:DPAR 538 SA A SE 2007, Dated :13.03.2008)
  - Appointment of Official on contract basis.
  - Fixing of sitting fees for Directors of Boards.
  - Instructions of any new welfare measures/perquisites to officials/non-officials CEOs, Directors, other officials and employees.
  - Foreign Travel proposals of PSE Officials of all status.
- (ix) Function as a data bank in respect of PSEs regarding of candidates for executive posts/circulate among PSEs requirement of Public Enterprises Selection Board for Executive posts. DPE should be consulted in appointment of Board of Directors.
- (x) Bring out annual Survey Reports on the performance of PSEs and cause it to be placed before the State Legislature.
- (xi) Function as Secretariat for all State PSEs i.e. performing similar role of DPAR and Planning Departments for all Government Departments.
- (xii) Conduct regular training course for personnel of PSEs.
- (xiii) Any other duties that may be entrusted by Government from time to time.
4. The PSEs as a rule shall route their proposals to the DPE only through their respective Administrative Departments which shall in turn forward the proposals with their considered view/suggestions to DPE with the approval of Principal Secretary of the concerned Department.
5. In Schedule II of Karnataka Government (Allocation of Business) Rules, 1977 and in the Sl.No:16 of Schedule I , in terms of 72B of the Karnataka Government (Transaction of Business) Rules, 1977 and in the G.O. NO:DPAR 538 SA A SE 2007, Dated :13.03.2008 the matters relating to consultations by Administrative Departments with the Departments of Public Enterprises are specified.



6. It is mandatory that the Company /Boards/ Corporations to consult with the Departments of Public Enterprises regarding Amendment to Cadre and Recruitment Rules, payment of Dividend to the Government, forwarding Proceedings of the Board meeting, amendment to Memorandum of Association and Articles of Association, Amalgamation of the Board of Directors, Payment of Bonus / Ex gratia, Revision of pay, Appointment on Contract basis etc.
7. The State Public Sector Enterprises are to have an adequate, update and comprehensive Cadre and Recruitment Rules. In this regard vide G.O. DPE 26 ARU 2016 , Dated:24.10.2016 Department of Public Enterprises issued and given appropriate guidance. All The State Public Sector Enterprises are mandated to follow these Guidelines.



### **Department of Public Enterprises Overview**

As a part of its on-going scheme, the Department of Public Enterprises continues to implement the following schemes:

#### **Training of officers/officials working in State Public Sector Undertakings:**

From time to time, various training programs are conducted for the officers and employees working in the Public Sector Enterprises to improve their competency in technical, administrative, financial and human resources. The Department of Public Enterprises has decided to conduct on-line training to Officers and employees of various Public Sector Enterprises in the backdrop of Covid-19 pandemic. Till the end of February-2021 a total of 11 On-Line Training Programs have been completed and 328 persons have undergone training.

#### **Chief Minister's Ratna Award:**

In order to appreciate, recognize & motivate PSEs to optimise their productivity and services, the following five best performing enterprises were awarded the Annual **Chief Minister's Ratna Award** during 2020-21:

1. Karnataka State Minerals Corporation Ltd.
2. Hatti Gold Mines Company Ltd.
3. Karnataka Silk Industries Corporation Ltd.
4. Karanataka State Beverages Corporation Ltd.
5. Marketing Consultants & Agencies Ltd

This award consists of cash Award, an Appreciation Certificate and a memento.

#### **Evaluation of Public Sector Enterprises:**

Continuous reform is necessary to prepare public enterprises to cope with the changing economic scenario. Therefore, the state government is taking steps to evaluate the performance of public enterprises in order to identify deep rooted concepts that prevent public enterprises from operating profitably and self-sustainably. In the wake of the Covid-19 pandemic, evaluations of Public Sector Enterprise for the year 2020-21 have not been carried out, due to cuts in departmental grants.

## Department of Public Enterprises

### Department of Public Enterprises Budget Overview for the Year 2020-21

#### Department of Public Enterprises State Sector Plans

##### 1. Hon'ble Chief Minister Annual Ratna Award and Evaluation

A	Name of plan Scheme and implementation year	Department of Public Enterprises Hon'ble Chief Minister Annual Ratna Award and Evaluation
B	Head of Account	3451-00-091-0-01-015(Subsidiary Expenses)
C	Amount of Budget Allocation	Rs.50.00 lakhs
D	State Share	100%
E	Purpose of Plan Scheme	<p>The Award of a Chief Minister's "Annual Ratna Award" to recognize and promote well-functioning and profitable public enterprises for three consecutive years.</p> <p>To enhance the efficiency and effectiveness of public enterprises and optimize their productivity to organize the system and structure, the department sponsors Evaluation of PSU's from reputed organizations to enable the loss making PSU's to move towards profit.</p>
F	Results of Plan Schemes and No. of Beneficiaries.(The result that can be measured at the end of the year)	<p>During the year 2020-21 five selected companies were awarded a Chief Minister's Annual Ratna award consists cash prize of Rs.10.00 lakhs each.</p> <p>Evaluation of Public Sector Enterprises for the year 2020-21 have not been carried out.</p>

##### G. Financial Achievement(Expenditure Rs.in lakhs)

Head of Account 2020-21	Accounts 2019-20	Budget Allocation for the year 2020-21	Revised Estimate 2020-21	Estimated Expenditure
3451-00-091-0-01-015(Subsidiary Expenses)	190.00	200.00	50.00	50.00



**H. Physical Achievement( Numbers in Units)**

2019-20		2020-21		Number of Audit pharas
Target	Achievement	Target	Achievement	
10+5	10+5	5	5	Nil

**2. Training Programmes for Public Enterprises Officers/Employees**

A	Name of plan Scheme and implementation year	Training Programmes for Public Enterprises Officers/Employees
B	Head of Account	3451-00-091-0-02-059(Other Expenses)
C	Amount of Budget Allocation	Rs. 50.00 lakhs
D	State Share	100%
E	Purpose of Plan Scheme	To improve knowledge and skill, the department also conducts management development and training programmes to the officers and officials working in the PSE's which aim at improving the performance in the areas of productivity, marketing, finance, human resources, administration, industrial regulations, environment and ecology, industrial safety etc, through various recognized institutions.
F	Results of Plan Schemes and Number of Beneficiaries. (The result that can be measured at the end of the year)	During the year 2020-21 a total of 11 online training programs conducting for the officers/ staff working in the public sector.

**G. Financial Achievement (Expenditure Rs.in lakhs)**

Head of Account 2020-21	Accounts 2019-20	Budget Allocation for the year 2020-21	Revised Estimate 2020-21	Estimated Expenditure
3451-00-091-0-02-059(Other Expenses)	100.23	100.00	50.00	50.00



**H. Physical Achievement ( Numbers in Units)**

2019-20		2020-21		Number of Audit pharas
Target	Achievement	Target	Achievement	
11	11	11	11	Nil

**Report of Performance Budget for the year 2021-22****Details of the On Going Plan Schemes for the year 2021-22**

Sl.No.	Plan Head of Account and components	Purpose	Amount of allocated Plan Schemes 2021-22(Rs.in lakhs)	
			Financial	Physical
1	Bureau of Public Enterprises HOA-3451-00-091- 0-01-015 1. State level Evaluation Study of Public Enterprises	Evaluation of Public Enterprises	35.46	Evaluation of Selected Public Enterprises(Numbers in Unit)
	2. Hon'ble Chief Minister Annual Ratna Award Program	Awards	50.00	State level Award for best performing public enterprises(Numbers in unit)
	Total		85.46	
2.	Dis-investment and capital Public enterprises Reforms HOA: 3451-00-091- 0-02-059 Training Programmes for Public Enterprises Officers/officials	Training Programmes	50.00	Training Programmes for Public Enterprises all cader Officers/officials
	Total		50.00	
	Grand Total		135.46	

### **Details of grant expenditure provided in the Budget for 2020-21**

Department of Public Enterprises has been allocated an amount of Rs.100.00 lakhs for the year 2020-21 and steps are taken to utilize the same.

#### **Department of Public Enterprises (HOA: 3451-00-091-0-01-015):**

##### **1) State Level Public Enterprises Evaluation Study Program**

Continuous reform is necessary to prepare public enterprises to cope with the changing economic scenario. Therefore, the state government is taking steps to evaluate the performance of public enterprises in order to identify deep rooted concepts that prevent public enterprises from operating profitably and self-sustainably. In the wake of the Covid-19 pandemic, evaluation of Public Sector Enterprise for the year 2020-21 have not been carried out, due to cuts in departmental grants.

##### **2) Chief Minister's Ratna Award for public enterprises**

In order to appreciate, recognize & motivate PSEs to optimise their productivity and services, the following five best performing enterprises were awarded the Annual **Chief Minister's Ratna Award** during 2020-21. The award includes a cash prize, prize money and Memento. In the wake of the covid-19 pandemic in the year 2020-21, the amount of the cash prize of the award has been limited to Rs.10.00 laksh.

Karnataka State Minerals Corporation Ltd.

Hatti Gold Mines Company Ltd.

Karnataka Silk Industries Corporation Ltd.

Karnataka State Beverages Corporation Ltd.

Marketing Consultants & Agencies Ltd

#### **Dis-investment and capital Public enterprises Reforms(HOA: 3451-00-091-0-02-059):**

Various training programs are conducted for the officers/officials working in the Public Sector Enterprises to improve the competency in technical, administrative, financial and human resources. In the year 2020-21 a total of 11 On-Line Training Programs have been completed and 328 persons have undergone training.-



**As a part of on-going scheme, the Department of Public Enterprises continues to implement the following schemes during 2021-22.**

**Training of officers/officials working in State Public Sector Undertakings:**

Trainings will be imparted in areas like Technical, Administrative, Financial, Human Resources Management, Good to Great success stories and other subjects to officers/officials of Public Sector Enterprises. During 2021-22 as per the prevailing situation, Online/Offline Training programme will be conducted for the officers/officials working in various State Public Sector Enterprises.

**Chief Minister's Ratna Award:**

In order to appreciate, recognize & motivate, the best performing enterprises will be given the Annual Chief Minister's Ratna Award during 2021-22. This award consists cash Award and an Appreciation Certificate. This will motivate the Public Sector Enterprises to further improve their performance.

**Evaluation of PSUs:**

The Department of Public Enterprises carries out Evaluation studies of State Public Sector Enterprises for assessing their performance, development and overall progress. In addition to profit making the studies are aimed at healthy growth of the enterprises from time to time. Every year evaluation of certain selected Public Sector Enterprises is being taken up. During 2021-22 as per the allocation of grants, suitable Public Sector Enterprises will be evaluated under this programme.



**INFORMATION OF 60 PUBLIC SECTOR ENTERPRISES WITHIN THE PURVIEW  
OF DEPARTMENT OF PUBLIC ENTERPRISES**

**PROFIT MAKING PUBLIC SECTOR ENTERPRISES:**

Sl.No.	PSEs
1.	Karnataka State Minerals Corporation Ltd.
2.	Karnataka Power Transmission Corporation Ltd.
3.	Karnataka Rural Infrastructure Development Ltd.
4.	Karnataka Soaps & Detergents Ltd.
5.	Karnataka Food and Civil Supplies Corporation Ltd.
6.	Hutti Gold Mines Company Ltd.
7.	Karnataka Silk Industries Corporation Ltd.
8.	Karnataka Forest Development Corporation Ltd.
9.	Karnataka Police Housing & Infrastructure Development Corporation Ltd.
10.	Karnataka State Beverages Corporation Ltd.
11.	Marketing Communication & Advertising Ltd.
12.	Cauveri Neeravari Nigam Ltd.
13.	Karnataka State Small Industries Development Corporation Ltd.
14.	Mysore Sales International Ltd.
15.	The Mysore Electrical Industries Ltd.
16.	Karnataka Electronics Development Corporation. Ltd.
17.	Jungle Lodges and Resorts Ltd.
18.	Karnataka State Warehousing Corporation Ltd.
19.	Mysore Paints and Varnish Ltd.
20.	Karnataka State Handicrafts Development Corporation Ltd.
21.	Karnataka Fisheries Development Corporation Ltd.
22.	Karnataka State Forest Industries Corporation Ltd.
23.	D. Devraj Urs Truck Terminals Ltd.
24.	Karnataka State Pulses Abhivrudhi Mandali Ltd.
25.	Karnataka State Agricultural Produce Processing & Export Corporation Ltd.
26.	Shree Kanteerava Studios Ltd.
27.	Karnataka State Textile Infrastructure Development Corporation Ltd.
28.	Karnataka State Tourism Development Corporation Ltd.
29.	Mangalore Electricity Supply Company Ltd.
30.	Karnataka State Seeds Corporation. Ltd.

31.	Karnataka Power Corporation Ltd.
32.	Bangalore Electricity Supply Company Ltd.
33.	Karnataka State Industrial & Infrastructure Development Corporation Ltd.
34.	Karnataka State Financial Corporation Ltd.
35.	Dr. Babu Jagjeevan Ram Leather Industries Development Corporation Ltd. (LIDKAR)
36.	Chamundeswari Electricity Supply Company Ltd.
37.	Karnataka Sheep & Wool Development Corporation Ltd.

**PUBLIC SECTOR ENTERPRISES UNDER LOSS:**

Sl.No.	PSEs
1.	Karnataka State Road Transport Corporation Ltd.
2.	Karnataka Cashew Development Corporation Ltd.
3.	N.G.E.F.(Hubli)Ltd..
4.	Karnataka Neeravari Nigam Ltd.
5.	Mysore Paper Mills Ltd.
6.	Mysore Sugar Company Ltd.
7.	North West Karnataka Road Transport Corporation Ltd.
8.	Krishna Bhagya Jala Nigama Ltd.
9.	Rajiv Gandhi Rural Housing Corporation Ltd.
10.	Karnataka State Coir Development Corporation Ltd.
11.	Karnataka Vidyuth Karkhane Ltd.
12.	Karnataka Handloom Development Corporation Ltd.
13.	North East Karnataka Road Transport Corporation
14.	Hubli Electricity Supply Company Ltd
15.	Bangalore Metropolitan Transport Corporation Ltd.
16.	Gulbarga Electricity Supply Company Ltd.
17.	Karnataka Compost Development Corporation Ltd.
18.	Karnataka Road Development Corporation Ltd.



**SOCIAL SECTOR ENTERPRISES:**

Sl.No.	PSEs
1.	Dr. B.R. Ambedkar Development Corporation Ltd.
2.	D. Devraj Urs Backward Classes Development Corporation Ltd.
3.	Karnataka Maharshi Valmiki Scheduled Tribe Development Corporation Ltd.
4.	Karnataka Women's Development Corporation Ltd
5.	Karnataka Minorities Development Corporation Ltd.

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