

Financial Performance of Central Public Sector Enterprises

1.1 Introduction

This Report presents the financial performance of government companies, statutory corporations and deemed government companies. The term Central Government Public Sector Enterprises (CPSE) encompasses the government owned companies set up under Company's Act, 1956 and statutory corporations set up under the statutes of the Parliament, where the audit is entrusted to Comptroller and Auditor General of India (CAG).

A **government company** is defined in section 617 of the Companies Act, 1956 as a company in which not less than fifty one *percent* of the paid-up share capital is held by central government, or by any state government or governments, or partly by the central government and partly by one or more state governments and it includes a company which is a subsidiary of a government company defined thus. Besides companies covered under Section 619 B of the Companies Act, 1956 are referred to in this Report as **deemed government companies**. Besides, Government of India sets up corporations under Special Acts of the Parliament which have been referred to as **Statutory Corporations**.

Government Company

A company in which not less than 51 per cent of paid-up share capital is held by GOI or by one or more state governments and includes subsidiary of a government company.

1.1.1 Mandate

Audit of government companies and deemed government companies is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Section 619 of the Companies Act, 1956 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 1956, the CAG appoints the Chartered Accountants (Statutory Auditors) as Auditors for companies and gives directions on the manner in which the accounts are to be audited, besides undertaking supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited by CAG.

The Acts governing Reserve Bank of India, Export-Import Bank of India, National Bank for Agricultural and Rural Development and National Housing Bank contain provisions whereby the Central Government can appoint the CAG, at any time as the auditor to examine and report upon the accounts of these Corporations. No such appointment was made during 2011-2012.

1.1.2 What does this Report contain

This Report gives an overall picture of the quality of financial reporting by government companies and corporations and appraisal of their performance as revealed by their accounts.

Impact of revision of accounts as well as significant comments issued as a result of supplementary audit of the financial statements of the Central Government Companies conducted by the CAG for the year 2011-12 (or earlier years as are finalised during the current year), and significant findings reported by the Statutory Auditors while certifying the financial statements of the CPSEs are given in this Report. The report also contains the impact of comments issued by the CAG on the financial statements of the Statutory Corporations where CAG is the sole auditor. Besides, a resume of the reports submitted by the Statutory Auditors in compliance with the directions issued to them by the CAG under Section 619(3)(a) of the Companies Act, 1956, is also given in this Report.

The Report also enumerates the adherence of CPSEs to the guidelines issued by the Department of Public Enterprises (DPE) on Corporate Governance, Corporate Social Responsibilities etc.

1.1.3 Number of CPSEs and deemed government companies

As on 31 March 2012, there were 481 CPSEs and deemed government companies under the audit Jurisdiction of the Comptroller and Auditor General of India. These include 338 Government Companies, 6 Statutory Corporations and 137 Deemed Government Companies. The overall coverage under this report and the nature of these CPSEs is indicated in the following table:

• Government Companies	338
• Deemed Government Companies	137
• Statutory Corporations	6
• Total CPSEs	481

Nature of the CPSE's	Total number of CPSEs	Number of CPSEs covered in the Report			Number of CPSEs not covered in the Report	
		Latest data 2011-12	Earlier data			Total
			2010-11	2009-10		
Government companies	338	278	16	3	297	41
Statutory corporations	6	6	-	-	6	-
Total companies/corporations	344	284	16	3	303	41
Deemed Government companies	137	115	2	2	119	18
Total	481	399	18	5	422	59

The details of new/ceased government companies/deemed government companies are given in **Appendix I**.

However, this Report does not include 59 companies (including 18 deemed government companies) whose accounts were in arrears for three years or more or were defunct/under liquidation or first account not received or first accounts were not due. These companies are identified by two asterisks(**) in **Appendix II**.

Snapshot of CPSEs

(Government Companies and Statutory Corporations)

Number of CPSEs	344
CPSEs covered in this chapter	303
Paid up capital (303 CPSEs)	₹ 2,53,519 crore
Long term Loans (303 CPSEs)	₹ 6,27,368 crore
Market capitalisation (44 listed government companies)	₹ 12,56,013 crore
Net profit (191 CPSEs)	₹ 1,27,021 crore
Net loss (96 CPSEs)	₹ 30,307 crore
Dividend declared (112 CPSEs)	₹ 42,671 crore
Value of production (303 CPSEs)	₹ 12,30,126 crore
Total Assets (303 CPSEs)	₹ 26,54,439 crore
Net worth (303 CPSEs)	₹ 9,74,437 crore

1.2 Investment in government companies and corporations

The equity investment in 303 government companies and corporations at the end of 2011-12 and loans is given in the following table. Some government companies and corporations had also contributed to the investment in these CPSEs. The details are given below:

(₹ in crore)

Sources	As on 31 March 2012			As on 31 March 2011		
	Equity	Long term Loans	Total	Equity	Long term Loans	Total
1. Central Government	204417	61410	265827	189995	60524	250519
2. Central Government Companies/ Corporations	17467	30430	47897	16040	29002	45042
3. State Governments/ State Government Companies/ Corporations	16370	4802	21172	13944	5773	19717
4. Financial Institutions/ Others	15265	530726	545991	14752	446684	461436
Total	253519	627368	880887	234731	541983	776714
Percentage of Central Government to total	80.63	9.79	30.18	80.94	11.17	32.25

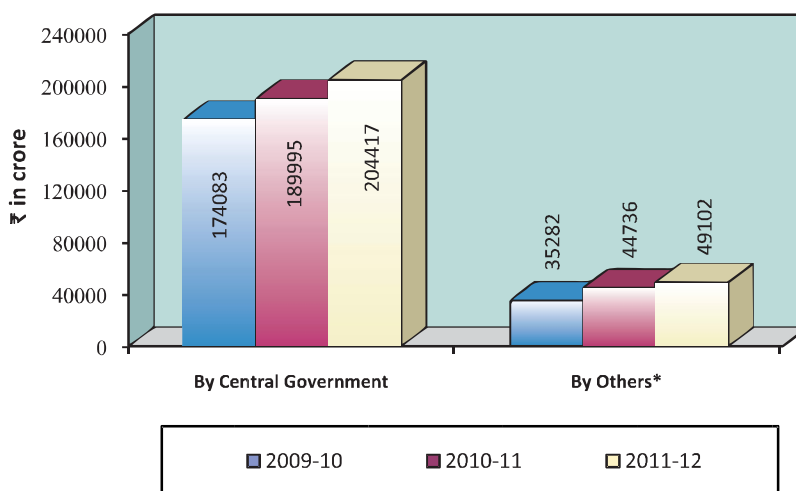
Ministry/Department wise details of equity held and loans extended by the Government of India, state governments and central/state government companies and corporations and others to central government companies are given at **Appendix III**.

1.2.1 Equity investment

During 2011-12, the investment in equity of these government companies and corporations registered a net increase of ₹ 18,788 crore. Government of India invested ₹ 14,842 crore in 2011-12 in equity of CPSEs.

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Equity investment in Government Companies and Corporations



Details of significant Investments made by the Central Government during 2011-12 in the paid up capital of the CPSEs is detailed below:

Name of the CPSEs	Name of the Ministry	Amount (₹ in crore)
Statutory Corporations		
National Highways Authority of India	Road Transport and Highways	9,590
Government Companies		
Bharatiya Nabhikiya Vidyut Nigam Ltd.	Atomic energy	875
Delhi Metro Rail Corporation Limited	Urban development	759
Bangalore Metro Rail Corporation Ltd.	Urban development	601
Others		3,017
Total		14,842

- ❖ During the year 2011-12, National Buildings Construction Corporation Limited (NBCC) issued fully paid bonus shares amounting ₹ 30 crore. The Government of India holds 100% of the equity in the Company. The Government approved for divestment of 10% of total paid up equity of NBCC out of its holding through Initial Public Offering (IPO) in the domestic market. This will lead to NBCC listing its shares in the Stock Exchanges.

- ❖ During the year 2011-12, the Government of India realised ₹13,894.05 crore against a budgeted receipt of ₹ 40,000 crores on disinvestment. The disinvestment proceeds were from sale of minority shareholding of its shares in respect of following two CPSEs.

Name of the CPSEs	Percentage of shares disinvested	Face value of the shares (₹ in crore)	Amount realised by Government (₹ in crore)
Oil and Natural Gas Corporation Ltd.	4.91	210.21	12,749.50
Power Finance Corporation Ltd (PFC)	5.00	57.39	1,144.55
Total			13,894.05

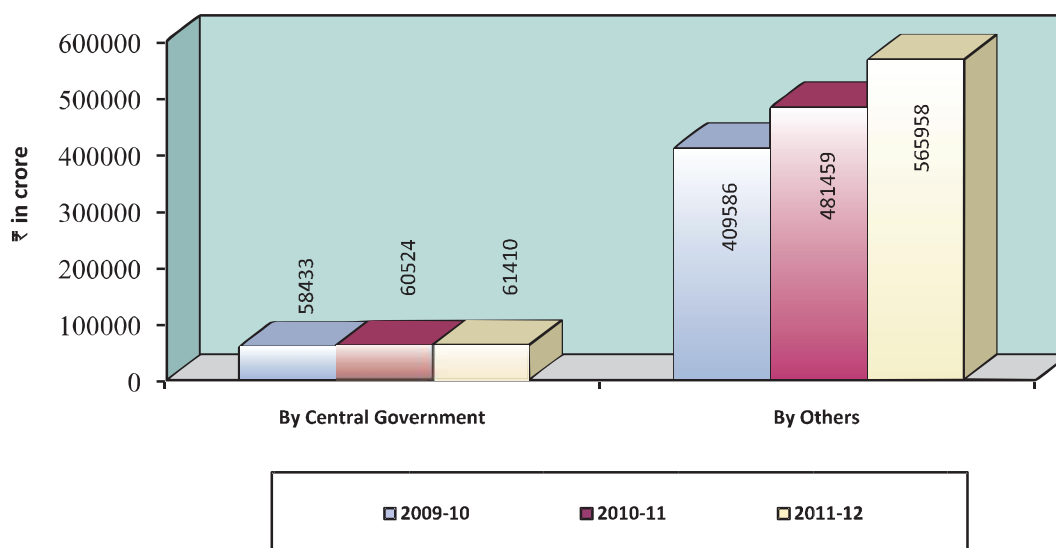
Further, ₹ 152.60 crore was received due to redemption of preference shares as detailed below:

Sl No	Name of the CPSE	Amount (₹ in crore)
1	Rashtriya Ispat Nigam Limited	100.00
2	Cochin Shipyard Limited	40.00
3	Mecon Limited	12.60
	Total	152.60

1.2.2 Loans given to government companies and corporations

During 2011-12, the long term loans to the government companies and corporations registered a net increase of ₹ 85,385 crore .

Long term loans given to Government Companies and Corporations



- ❖ The total long term loans outstanding in 303 companies/corporations from all sources as on 31 March 2012 was ₹ 6,27,368 crore. The analysis of positive and negative coverage of total assets to their long term loans during 2011-12, is given in following table.

	Positive coverage				Negative coverage			
	No. of CPSE	Long term loan	Assets	Percentage of assets to loans	No. of CPSE	Long term loan	Assets	Percentage of assets to loans
		₹ in crore				₹ in crore		
Statutory Corporation	4	39377	248393	630.81				
Listed Companies	32	359297	1233286	343.25	2	5405	676	12.51
Unlisted Companies	100	206661	589112	285.06	22	16627	1411	8.49
Total	136	605335	2070791		24	22032	2087	

24 CPSEs, including 2 listed companies had more loans than their total assets. There were 143 CPSE (including 2 statutory corporations) which did not have any long term loans.

- ❖ Interest coverage ratio is used to determine how easily a company can pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the more the company is burdened by debt expense. An interest coverage ratio below 1 indicates the company is not generating sufficient revenues to satisfy interest expenses. The details of positive and negative interest coverage ratio for the period 2009-10 to 2011-12, is summarised below:

Year	Interest	Earnings before interest and tax (EBIT)	No. of CPSEs*	No. of CPSEs having interest cover ratio more than 1	No. of CPSEs having interest cover ratio less than 1
	₹ in crore				
Statutory Corporations					
2009-10	2844	4357	4	3	1
2010-11	3813	5033	4	2	2
2011-12	6143	6586	4	2	2
Listed Government Companies					
2009-10	19292	118852	33	25	8
2010-11	24021	97756	32	26	6
2011-12	33098	98919	34	23	11
Unlisted Government Companies					
2009-10	12422	33767	125	56	69
2010-11	14047	30246	129	56	73
2011-12	15441	29925	122	49	73

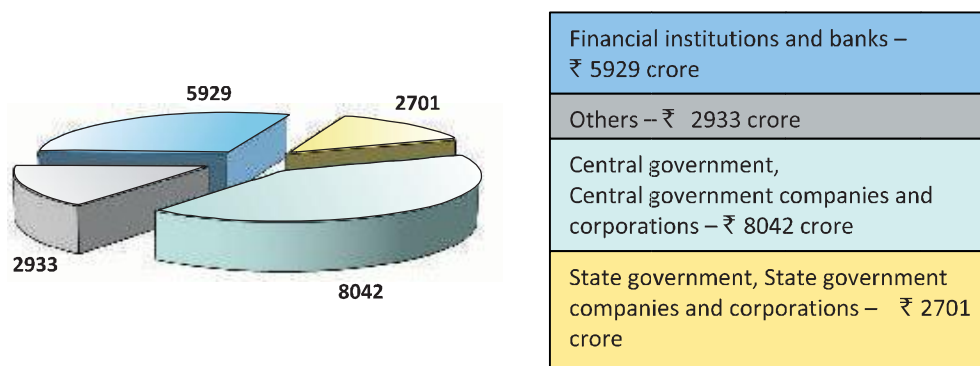
It was observed that the number of CPSEs with interest coverage ratio of more than one decreased during 2011-12, compared to the previous year.

1.2.3 Investment in deemed government companies

The capital invested by the central government, state governments and by companies and corporations controlled by them in 119 deemed government companies were as follows.

* excluding CPSEs which have no interest liability

Composition of share capital in deemed government companies



As of 31 March 2012, equity in 119 deemed government companies was ₹ 19,605 crore. The details of contribution by the Government of India, state governments, companies and corporations are given in **Appendix IV**. The equity in these companies increased by ₹ 2,345 crore, i.e. from ₹ 17,260 crore in 2010-11 to ₹ 19,605 crore in 2011-12.

1.2.4 Market capitalisation of equity investment in government companies

Market capitalisation is measurement of market value of the shares outstanding of a publicly traded company. Shares of 56 government companies were listed on the various stock exchanges in India consisting of 45 government companies, 5 subsidiaries of government companies and 6 deemed government companies.

- ❖ In respect of 45 listed government companies, the shares of 40 companies were traded^a during 2011-12. The total market value of their equity shares as on 31 March 2012 stood at ₹ 12,40,923 crore, out of which, the market value of shares held by the Government of India amounted to ₹ 9,81,956 crore as on 31 March 2012.
- ❖ The total market value of shares in 40 companies had decreased by ₹ 2,56,484 crore (20.7 per cent) as on 31 March 2012 as compared to 31 March 2011. The details are indicated in **Appendix V-A**. During this period, BSE Sensex decreased from 19,445.22 (as on 31.03.2011) to 17,404.20 (as on 31.03.2012), a decrease of 10.5 per cent. The CPSE Index decreased from 8,960.08 (as on 31.03.2011) to 7,311.47 (as on 31.03.2012), a decrease of 18.4 per cent
- ❖ The top 10 PSEs with highest market capitalisation on 31 March 2012 is given below:

Sl No	Name of the PSE	Market Capitalisation (₹ in crore)
1	Oil and Natural Gas Corporation Limited	2,28,688
2	Coal India Limited	2,16,714
3	NTPC Limited	1,34,154

^a Shares of Hindustan Cables Limited, Hindustan Photofilms (Manufacturing) Company Limited, IRCON International Limited, India Tourism Development Corporation Limited and KIOCL Limited were not traded during 2011-12.

4	MMTC Limited	78,345
5	National Mineral Development Corporation Limited	63,872
6	Indian Oil Corporation Limited	63,758
7	Bharat Heavy Electricals Limited	62,891
8	Power Grid Corporation of India Limited	49,955
9	GAIL (India) Limited	47,562
10	Steel Authority of India Limited	38,848

There was increase in market capitalisation in 4 CPSEs and decrease in the rest of the 36 CPSEs. CPSEs with significant decrease in market capitalisation are given below:

Sl No	Name of the PSE	Market Capitalisation as on 31/3/2011	Market Capitalisation as on 31/3/2012	Difference
1	National Mineral Development Corporation Limited	112379.88	63871.57	-48508.31
2	Bharat Heavy Electricals Limited	100882.73	62891.08	-37991.65
3	Steel Authority of India Limited	70113.55	38847.59	-31265.96
4	NTPC Limited	159137.46	134153.71	-24983.75
5	Oil and Natural Gas Corporation Ltd	248194.72	228688.21	-19506.51
6	Indian Oil Corporation Limited	81154.31	63758.03	-17396.28
7	MMTC Limited	92650.00	78345.00	-14305.00
8	GAIL (India) Limited	58984.20	47561.56	-11422.64
9	National Aluminium Company Limited	24651.28	14097.49	-10553.79
10	NHPC Limited	31182.38	24170.96	-7011.42

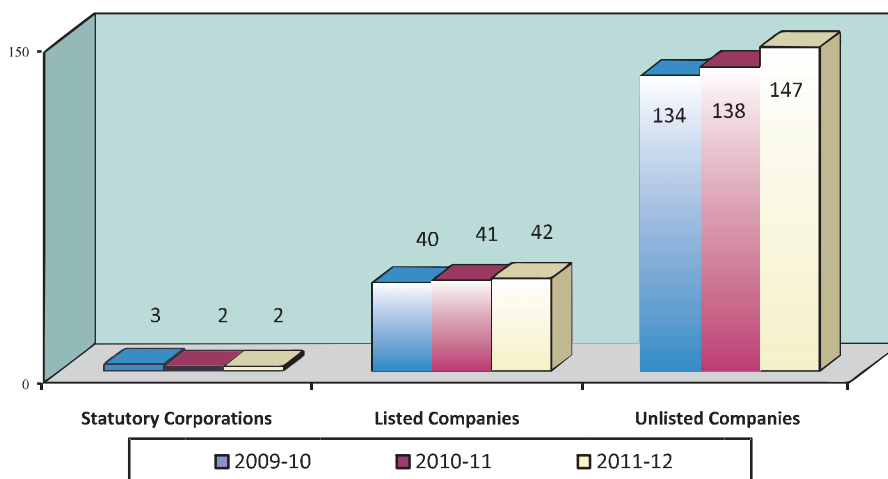
- ❖ **Price earning (PE):** Price earning (PE) ratio is a valuation of a company's current share price compared to its earnings per-share (EPS). Higher PE would indicate the investors expectation in higher growth in future compared to companies with a lower PE. The price earnings ratio of MMTC Limited (1107.84) was highest.
- ❖ The total market value of shares of 4* subsidiary government companies, the shares of which were traded during 2011-12, stood at ₹ 15089.67 crore as on 31 March 2012. The total market value of shares held by government companies in 4 subsidiary government companies had increased by ₹ 5.80 crore as on 31 March 2012 as compared to 31 March 2011. The details are indicated in **Appendix V-B**.

1.3 Return on investment in government companies and corporations

Details of return on net worth and capital employed during 2009-10 to 2011-12 in 303 government companies and corporations are given in **Appendix VI**. During the period of three years, the number of government companies and corporations that earned profit marginally increased from 177 in 2009-10 (₹ 1,11,892 crore) to 191 in 2011-12 (₹1,27,021 crore).

* Shares of Eastern Investments Limited were not traded during 2011-12

Number of Profit earning statutory corporations, listed and unlisted government companies



The details of sectors which contributed maximum profit amongst the 191 CPSEs which earned net profit of ₹ 1,27,021 crore are summarised below:

Sector	No. of Profit earning CPSEs	Net Profit earned (₹ in crore)	Percentage of profit to total CPSE profit
1. Petroleum			
Listed government companies	8	40159	31.62
Unlisted government companies	5	2073	1.63
Total	13	42232	33.25
2. Coal and Lignite			
Listed government companies	2	9476	7.46
Unlisted government companies	7	13681	10.77
Total	9	23157	18.23
3. Power			
Listed government companies	4	16320	12.85
Unlisted government companies	18	3719	2.93
Total	22	20039	15.78
Total (1) to (3)	44	85428	67.26

Out of the total profit earned by 191 CPSEs, as much as 67 per cent (₹ 85,428 crore) was contributed by 44 government companies and corporations in these sectors.

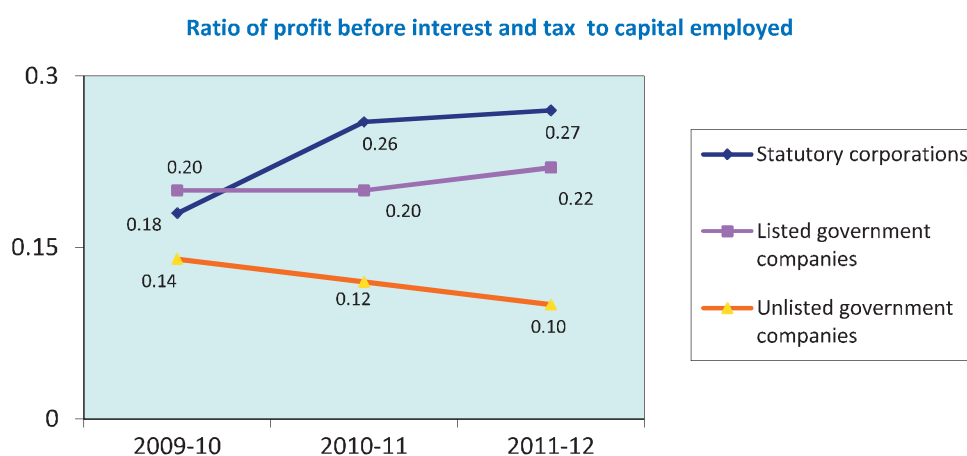
Top ten profit making CPSEs of 2011-12 are as under:

Sl no	Name of the Company	Net profit ₹ in crore
1	Oil and Natural Gas Corporation Limited	25,433
2	NTPC Limited	9,224
3	Coal India Limited	8,065
4	National Mineral Development Corporation Limited	7,265
5	Bharat Heavy Electricals Limited	7,040
6	South Eastern Coalfields Limited	4,099
7	Indian Oil Corporation Limited	3,955
8	Steel Authority of India Limited	3,682
9	GAIL (India) Limited	3,654
10	Oil India Limited	3,469

1.3.1 Profitability analysis of government companies and corporations

Profitability analysis of 303 government companies and corporations indicating profit before interest and tax, capital employed*, profit after tax, dividend, net worth, ratio of profit after tax to net worth, ratio of profit before interest and tax to capital employed and dividend to equity, are given in **Appendix VI**.

Ratio of profit before interest and tax[#] to capital employed and profit after tax to net worth over a period of three years ending 31 March 2012 are given in the following Graphs.

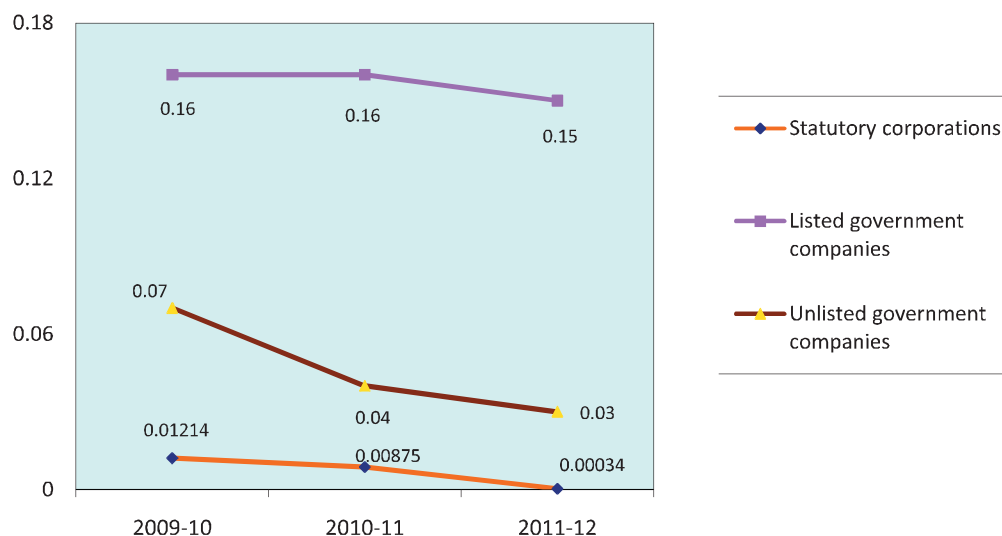


As compared to 2009-10 there was an increase in the ratio of profit before interest and tax to capital employed in case of statutory corporations and listed companies and a decrease in case of unlisted government companies.

* Capital employed means net fixed assets and working capital. It does not include investments. However there are substantial investments in financial instruments especially by finance and insurance companies which get excluded by the definition.

[#] Profit before interest and tax (PBIT) includes income derived from investments and ratio has been derived accordingly.

Ratio of profit after tax to net worth



There was a decrease in the ratio of profit after tax to net worth[@] in respect of statutory corporations, listed government companies and unlisted government companies.

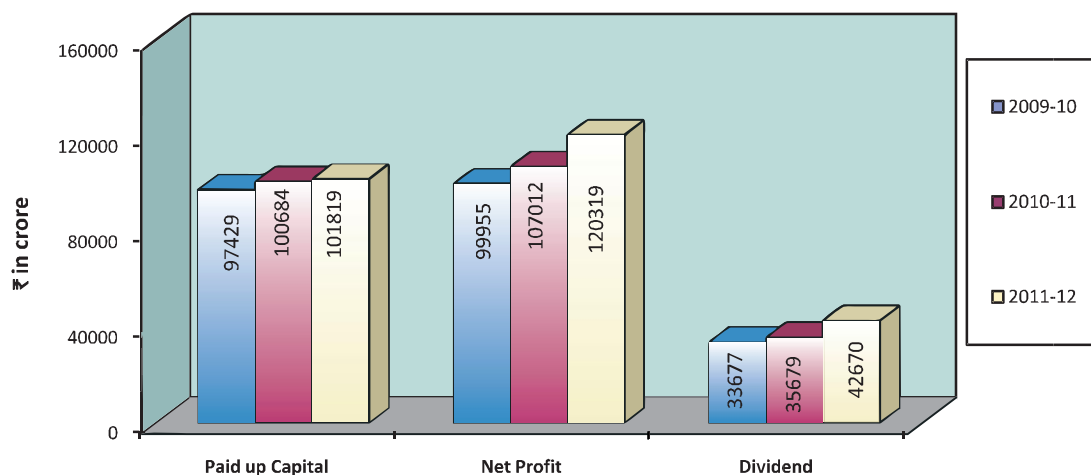
1.3.2 Dividend payout of government companies and corporations

The number of government companies and corporations that had declared dividend during the last three years ended 31 March 2012 has been given in **Appendix VII**. The number of dividend declaring government companies and corporations was 112 (including 34 listed government companies and 2 statutory corporations) in 2011-12. The dividend declared as a percentage of net profit earned by these companies and corporations marginally increased from 33.69 per cent in 2009-10 to 35.46 per cent in 2011-12. In absolute terms, the dividend declared by the companies and corporations in 2011-12 increased by ₹ 8993.50 crore from ₹ 33677.57 crore in 2009-10 to ₹ 42671.07 crore in 2011-12.

Dividends declared by CPSEs increased from ₹ 33677 crore in 2009-10 to ₹ 42671 crore in 2011-12.
79 Government companies / Corporations earned a profit of ₹ 6702 crore in 2011-12 but did not declare dividend.
GOI received a dividend of ₹ 27644 crore on investment of ₹ 2,04,417 crore

[@] Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but does not include reserves created out of revaluation of assets and write back of depreciation provision.

Dividend declared vis-a-vis net profit and paid up capital



Out of the 191 CPSE which earned profit during the year 2011-12, only 112 CPSEs declared dividend. 79 CPSEs including 8 listed companies which earned profit of ₹ 6,702 crore did not declare dividend during 2011-12, the details of which is given below:

(₹ in crore)

Category	Total Profit CPSEs (nos)	PSUs declared dividend			PSUs not declared dividend			
		No. of CPSEs	Paid up capital	Net profit	Dividend declared	No. of CPSEs	Paid up capital	Net profit
Statutory corporations	2	2	724.58	959.47	199.09	--	--	--
Listed Companies	42	34	59152.21	94593.68	31965.95	8	1578.34	557.16
Unlisted Companies	147	76	41943.06	24767.98	10506.03	71	31178.73	6145.33
Total	191	112	101819.9	120321.13	42671.07	79	32757.07	6702.49

- ❖ Out of total dividend of ₹ 42,671 crore declared by 112 government companies and corporations in the current year, dividend receivable by Government of India amounted to ₹ 27,644 crore*. The return on aggregate investment of ₹ 2,04,417 crore made by the Government of India in equity capital of 303 government companies and corporations (including 6 statutory corporations, 50 listed government companies) was 13.52 per cent. Similarly, 33 government companies received ₹ 8,993 crore as dividend on paid up capital of ₹ 6,128 crore in the equity of various government companies.
- ❖ Under the Ministry of Petroleum and Natural Gas, 11 government companies declared dividend amounting ₹ 12,989 crore which was 30 per cent of the total dividend of ₹ 42,671 crore declared by various companies in 2011-12.

* The dividend receivable by Government of India related to 86 companies with direct central government investment. The remaining 26 companies were subsidiaries of other government companies and had no direct investment of the Government of India.

- ❖ The guidelines issued by the Ministry of Finance in 1995 and 1996 envisaged that all profit-making companies that were essentially commercial enterprises would declare a minimum dividend of 20 *per cent* either on equity or on post-tax profit, whichever was higher. The minimum dividend payable by companies in Oil, Petroleum, Chemical and other infrastructure sectors was 30 *per cent* of post-tax profit. However, 43 companies (including 7 listed companies and excluding 79 government companies and corporation, which have not declared dividend) did not comply with the government directive while declaring dividend, as given in **Appendix VIII**. The total shortfall on this account was ₹ 8,506 crore in 2011-12.
- ❖ The Ministry had further emphasised that the objective of the government was to achieve minimum return of five *per cent* on overall investment in all government companies and corporations across the board. The return on the total investment of ₹ 204417 crore made by the Government of India in equity of all the government companies and corporations was ₹ 27,644 crore, i.e. 13.52 *per cent*.

1.3.3 Return on investment in deemed government companies

Details of return on investment in deemed government companies for the years 2009-10 to 2011-12 are given in **Appendix IV**. Of the 119 deemed government companies, 77 companies earned profit of ₹ 4,032 crore. Out of these 77 companies, 38 declared dividend amounting to ₹ 717 crore which represented 9.49 *per cent* of their total paid up capital. Thirty two companies incurred losses of ₹ 510 crore during 2011-12. Remaining ten companies had not yet started commercial operations.

1.3.3.1. Dividend of ₹ 717 crore declared by the 38 deemed government companies during 2011-12 came from the companies under various sectors which are indicated in the following table:

(₹ in crore)				
Sector	No. of Companies	Paid up Capital	Net Profit	Dividend
Financial services	25	2712	1987	405
Power	3	3782	1315	240
Contract & Construction Services	1	250	84	25
Transportation Services	1	164	36	41
Steel	1	603	29	0
Industrial Development and Technical Consultancy	5	3	15	3
Trading and Marketing	1	41	13	2
Minerals and Metals	1	1	3	1
Total	38	7556	3482	717

1.4 Loss-making CPSEs

The number of CPSEs that suffered losses increased to 96 in the year 2011-12 from 91 CPSEs in 2009-10. The loss incurred by these CPSE also increased significantly to ₹ 30,307 crore from ₹ 16,221 crore during this period as detailed in following table.

Listed / Unlisted Year	No of CPSEs* suffering loss	Net Worth	Net loss for the year	Accumulated loss (₹ in crore)
Listed government companies				
2009-10	10	4333	-4734	18088
2010-11	9	-7193	-5082	22579
2011-12	8	-1246	-6893	27783
Unlisted government companies/corporations				
2009-10	81	71171	-11487	39449
2010-11	77	94677	-17605	45240
2011-12	88	93262	-23414	60636
Total				
2009-10	91	75504	-16221	57537
2010-11	86	87484	-22687	67819
2011-12	96	92016	-30307	88419

The following is the list of CPSEs which had incurred a loss of more than ₹ 500 crore during the year 2011-12.

Sl No	Name of the Company	Net loss in 2011-12 (₹ in crore)
1	Bharat Sanchar Nigam Limited	8851
2	Mahanagar Telephone Nigam Limited	4110
3	General Insurance Corporation of India	2469
4	Damodar Valley Corporation	858
5	Hindustan Cables Limited	648
6	Fertilizer Corporation of India Limited	553

1.4.1 Capital erosion in government companies

Of the 96 CPSEs which incurred losses during the year 2011-12, 84 had accumulated losses of ₹ 88,419 crore. Further 36 CPSEs which had not incurred loss in the current year 2011-12 had accumulated loss of ₹ 24,725 crore. Thus as on 31 March 2012 there were 120 government companies and corporations (including 12 listed companies) with accumulated losses of ₹ 1,13,145 crore.

- ❖ Equity capital and reserves of 60 government companies (out of 120) had been completely eroded by accumulated loss and the net worth was negative. The net worth in these 60 companies was ₹ (-)70,946 crore against equity investment of ₹ 13,004 crore as on 31 March 2012. This included 5 listed companies whose net worth was ₹ (-)12,835 crore against equity investment of ₹ 861 crore. Out of 60 companies, whose capital had eroded, 10 CPSEs had earned profit of ₹ 1,981 crore during 2011-12.

In 32 out of 60 CPSEs whose capital had eroded, government loans outstanding as on 31 March 2012 amounted to ₹ 22,088 crore. This included 4 listed companies with outstanding government loan of ₹ 3,668 crore.

A Company is treated as potentially sick if 50 percent of its net worth is eroded by accumulated losses. There were 60 CPSEs at the end of March 2012 with a negative net worth. Out of the

* Food Corporation of India and Inland Waterways Authority of India, and National Highways Authority of India the deficits of which are reimbursed by the Government of India as subsidy/grant are not included in this table.

243 CPSEs whose net worth was positive 15 CPSEs net worth was less than half of their paid up capital of ₹ 7,471 crore at the end of 31 March 2012, indicating potential sickness.

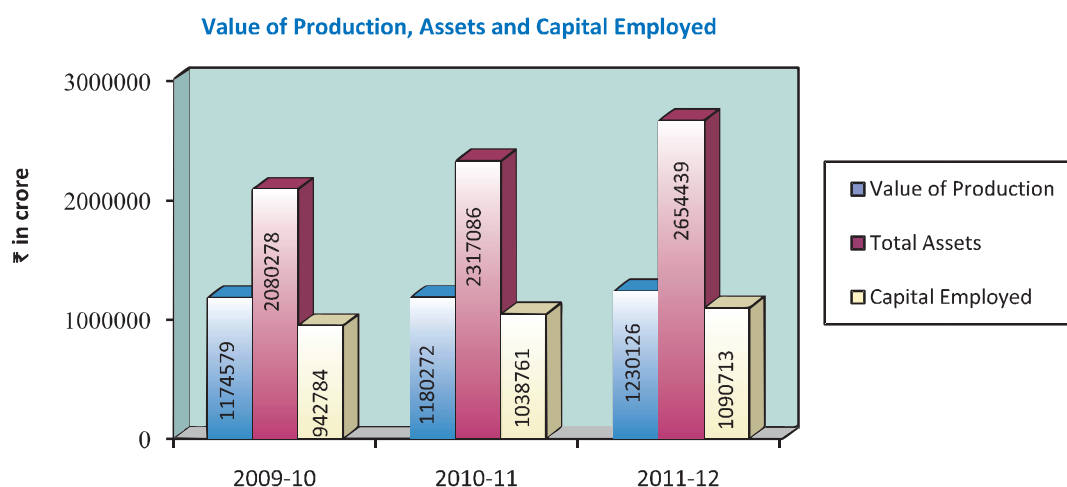
The following table lists the CPSEs which incurred losses during 2011-12 and where erosion of net worth was above 50 per cent.

Sl. no.	Name of the company	Loss during 2011-12	Net worth as on 31 March 2012	Paid up capital	Percentage of erosion of net worth
			(₹ in crore)		(per cent)
1	HMT Limited	82	536	1203	55.44
2	Hindustan Organic Chemicals Limited	78	14	337	95.85
3	Tyre Corporation of India Limited	21	8	30	73.33
4	Biecco Lawrie Limited	20	10	75	86.67
5	Central Electronics Limited	16	8	55	85.45
6	Solar Energy Corporation of India	2	2	4	50

1.5 Operating efficiency of government companies

1.5.1 Value of production

The summary graph indicating of value of production, total assets and capital employed over a period of three years is given below:



There was a marginal increase in the value of production and capital employed in year 2011-12 compared to the previous year.

1.5.2 Sales and Marketing

During 2011-12 the total sales of 303 CPSEs was ₹ 17,34,909 crore. Out of these 121 CPSEs made sales/rendered services to Government departments worth ₹ 2,99,739 crore against their net sales of ₹ 10,14,540 crore. The overall percentage of sales of these 121 CPSEs to the Government Sector with reference to their total net sales worked out to 29.5 per cent.

Sixty five CPSES exported goods or rendered services abroad worth ₹ 91,985 crore against their net sales of ₹ 11,78,449 crore which worked out to 7.8 per cent. The following are the CPSEs with export sales more than ₹ 5,000 crore.

Sl. no	Name of the CPSE	Export sales (₹ in crore)
1	Bharat Heavy Electricals Limited	24989
2	Mangalore Refinery and Petrochemicals Limited	23418
3	Indian Oil Corporation Limited	19040
4	Hindustan Petroleum Corporation Limited	6533
5	Oil and Natural Gas Corporation Limited	6311

1.5.3 Research & Development

In order to upgrade existing products and to develop new products, processes etc for sustained growth every organisation has to undertake research and development activities. During 2011-12, 51 CPSEs had incurred ₹ 2,906 crore on Research & Development. Following CPSEs had incurred R & D expenditure of more than 100 crore:

Sl no	Name of the CPSE	Total R&D expenditure (₹ in crore)	Net profit (₹ in crore)
1	Hindustan Aeronautics Limited	968	2539
2	Bharat Electronics Limited	468	830
3	Oil and Natural Gas Corporation Limited	330	25433
4	Bharat Heavy Electricals Limited	320	7040
5	Indian Oil Corporation Limited	182	3955
6	Steel Authority of India Limited	134	3682