

Strengthening State Public Enterprises



Government of Gujarat

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- Professional management
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➤ *Structural and sectoral reforms*

- Power sector efficiency – GUVNL operations post unbundling
- Timely subsidies for cash flow support
- Restructuring and rationalization
- Dividend policy

➤ *Financial management*

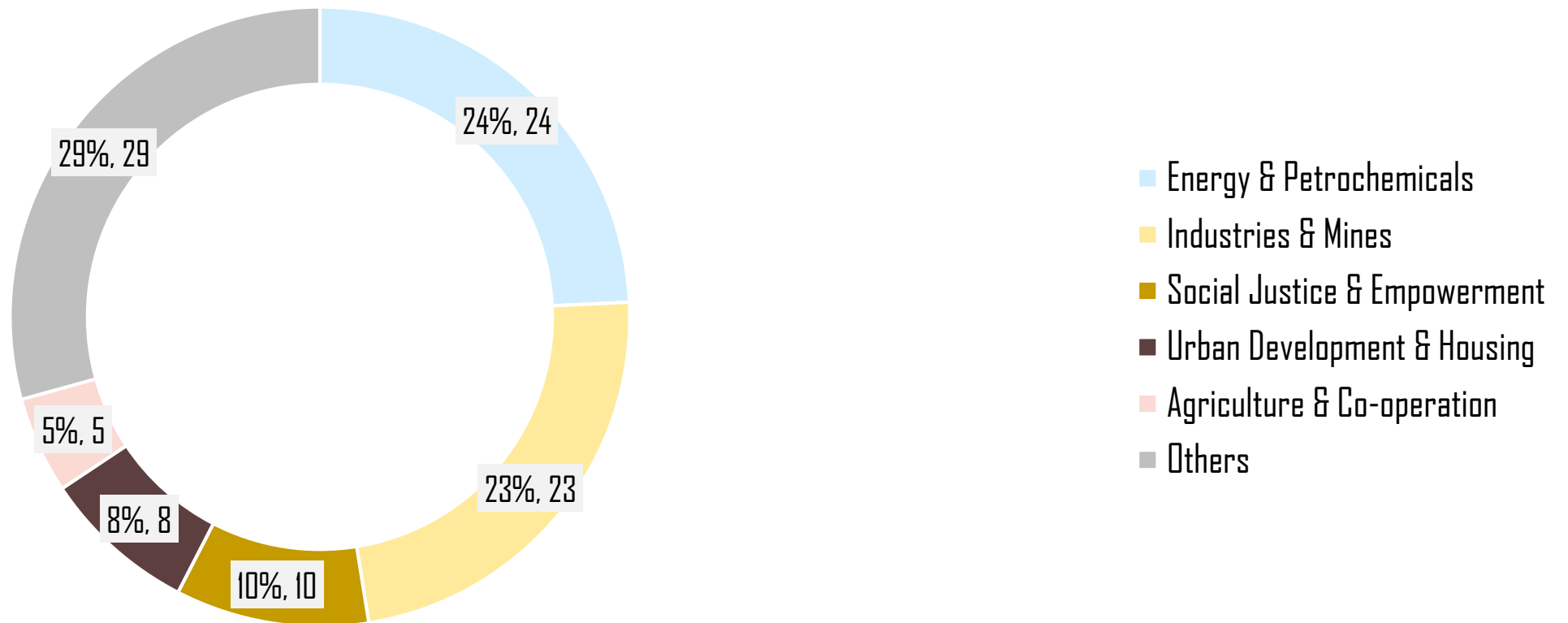
- GSFS : Custodian of PSU funds

3 Next Steps : Initiatives planned



Overview : PSUs in Gujarat

- Amongst the 99 SPSU's in the State, 5 departments constitute ~71% of PSUs; Energy holding the maximum with 24 PSUs (Similar to National trends)



Type of PSUs based on objectives

Infrastructure creation

- Sardar Sarovar Nigam Limited (SSNL)
- Gujarat Metro Rail Corporation Limited (GMRCL)
- Gujarat International Finance Tec City Company Ltd (GIFTCL)
- Gujarat Water Infrastructure Limited (GWIL)

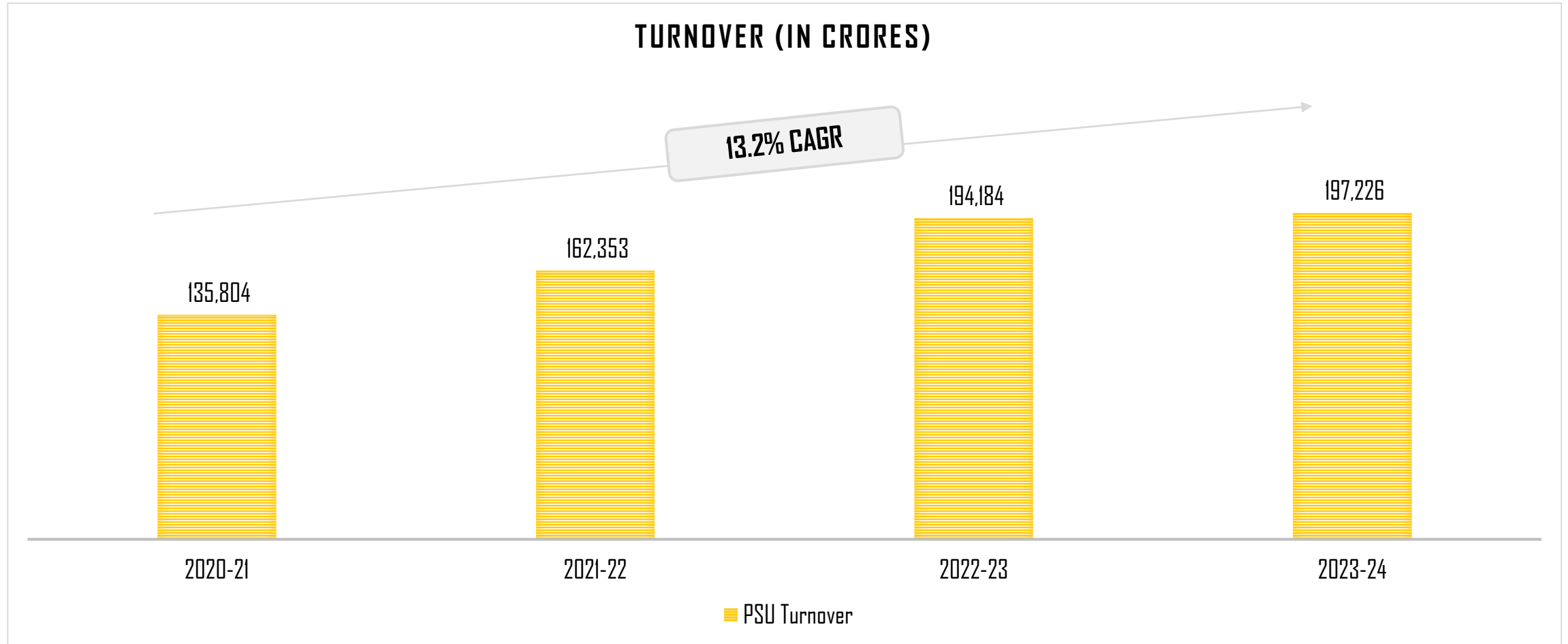
Delivering public services at subsidized rates

- Gujarat State Road Transport Corporation (GSRTC)
- Gujarat Women Economic development corporation (GWECD)
- Gujarat Minorities Finance and Development Corporation Ltd (GMFDC)
- Gujarat Unreserved Educational and Economical Development Corporation

Commercial

- Gujarat Mineral Development Corporation (GMDC)
- Gujarat Narmada valley Fertilizers and Chemicals Ltd. (GNFC)
- Gujarat Alkalies & Chemicals Limited (GACL)
- Gujarat State Fertilizers & Chemicals Limited

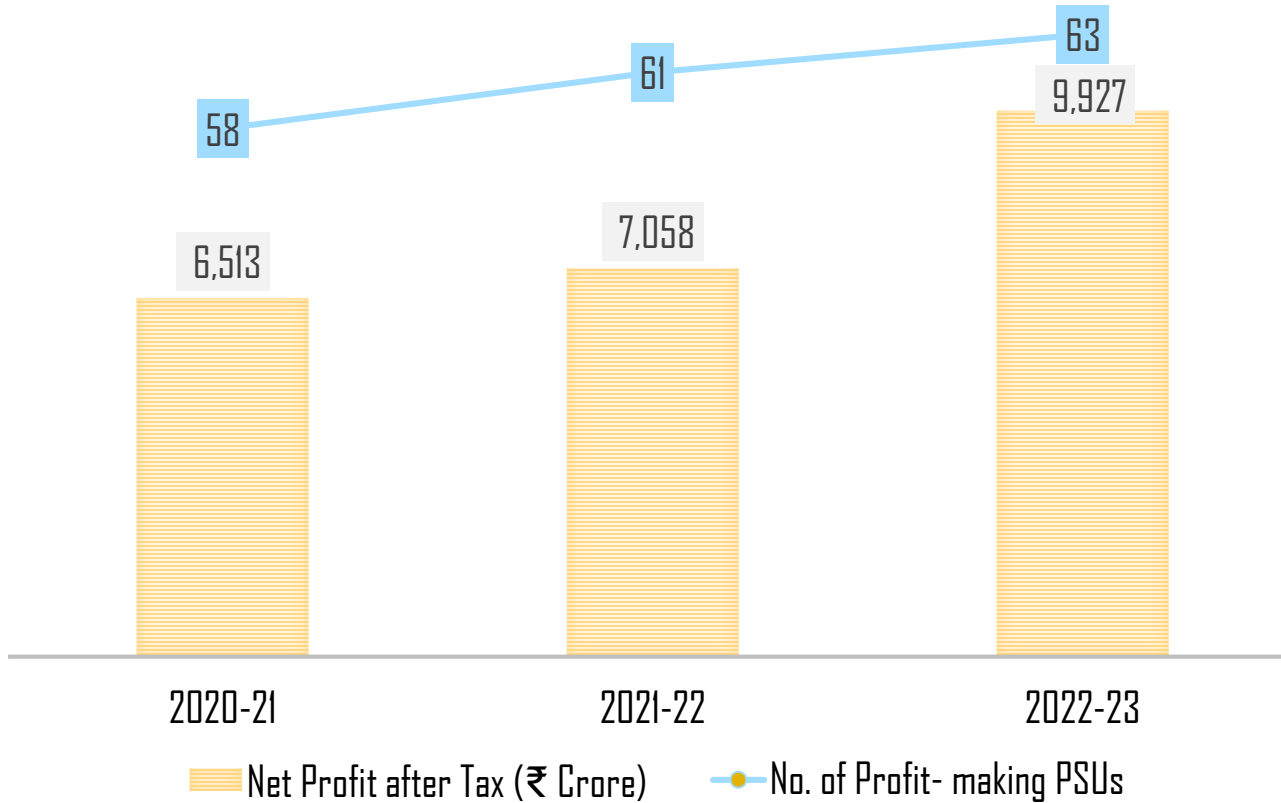
- **Profitability alone is not the right or sufficient metric** for assessing all PSUs
- Contingent on purpose: Role in social development, infrastructure development, strategic role etc.



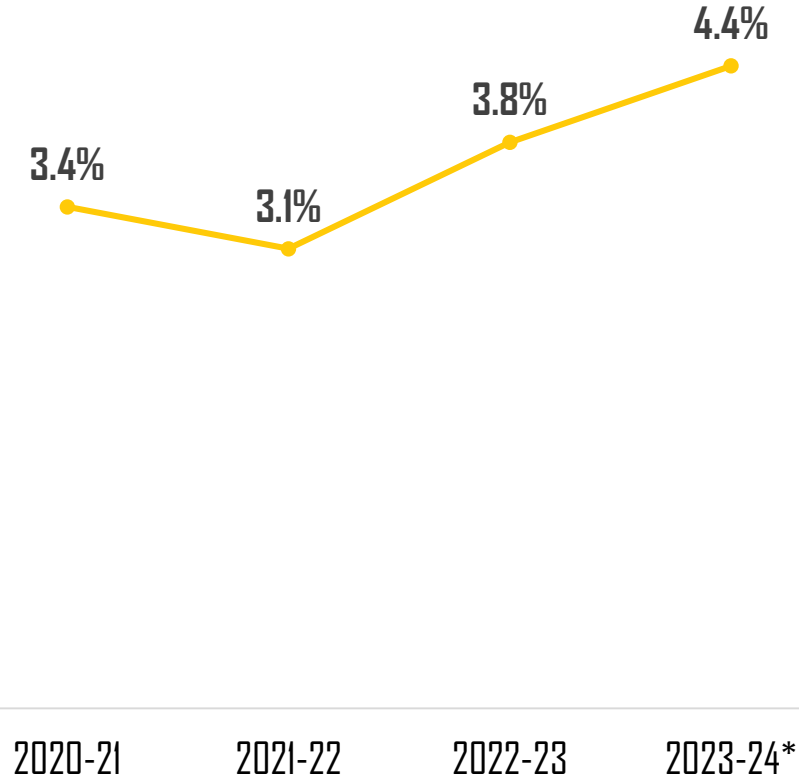
➤ Turnover of PSUs has increased with a CAGR of 13.2% in the State;

**Data for 38 Companies for 2023-24*

Profit making PSU's



PAT(Profit After Tax) Ratio



- Both number and amount of profit-making PSUs has increased over the last 3 years
- Profit of 38 companies almost already equivalent to 2022-23 profit; PAT ratio also seen an increase
- However, **profitability not the only metric; Intangible/economic benefit of PSU also important**

**Data for 38 Companies for 2023-24*

- While SSNL and GMRCCL have losses, **their importance for the State can not be understated (Irrigation and urban mobility)**; Thus, important to **not look at numbers as a single yardstick for analysis**
- Additionally, **SPSUs create capital infrastructure**, with **profitable SPSUs creating capital, over and above budgetary support from government**

(March 23)

#	Name of PSU	PAT/Loss as a % of Turnover	Capex over 5 years (In ₹ Crores)
1	Gujarat Mineral Development Corporation	34%	156
2	Gujarat Energy Transmission Corp Limited	24%	15,789
3	Gujarat State Petroleum Corporation Group	15%	5,166
4	Gujarat Narmada valley Fertilizers and Chemicals Ltd.	13%	953
5	Gujarat Akalies & Chemicals Limited	13%	2,485
6	Sardar Sarovar Narmada Nigam Limited	(72%)	10,519
7	Gujarat Metro Rail Corporation Limited	(216%)	17,723
8	Gujarat State Road Transport Corporation	(6%)	2,500

Best practices

Best Practices across the following buckets

Governance Mechanism & Initiatives

- 1) Professional Management
- 2) Bureau of Public Enterprises for monitoring
- 3) Supervision and Monitoring : PROOF System
- 4) Listing of PSUs

Structural and Sectoral Reforms

- 5) Power Sector efficiency – GUVNL operations and unbundling
- 6) Timely Subsidies for Cash flow support
- 7) Restructuring and rationalization
- 8) Dividend Policy

Financial Management

9. Gujarat State Financial Services (GSFS) : Custodian of PSU funds

Best Practices

Governance Mechanism and Initiatives

Institutional mechanism : Professional management

- Adoption of professional management in PSUs through appointment of domain experts and independent directors, ensuring efficiency and transparency (Such as GSECL, GETCO, etc.)

BPE for Monitoring of SPSUs

Bureau of Public Enterprises (BPE), headed by a **Commissioner of Public Enterprises**, functioning under the Finance Department.

BPE is responsible for:

- Monitoring performance of SPSUs
- Compilation of annual reports
- Reviewing accounts and ensuring compliance with CAG audits
- Advising on restructuring, merger/closure of unviable PSUs

PROOF System : Supervision and monitoring of PSUs (Undertaken by BPE)

- System developed for Monitoring of Public Sector Enterprises through PROOF System (PSU Reporting Opportunity and Facilitation)

(3) PROOF System for Monitoring of PSUs



MIS for monitoring of PSUs

- Investments, government, loans, guarantees, etc.
- Audit status; compliance information

Annual report of PSUs

- Balance sheet, P&L account
- Institutional information

PROOF SYSTEM

Navigation

- Dashboard
- Financial Year
- Board/Nigam Remarks
- Board / Nigam
- Balance Sheet
- Profit / Loss Account
- Financial Ratios
- Project Status
- Statutory Compliance
- Activity
- Site Configuration
- Reports
- Standard Reports
- Chart

-- Select Financial Year --RupeeROAD AND BUILDING DEPARTMENT (SOUTH GUJARAT)PA TO CE ROADS AND BUILDINGS(STATE)

Board NameUttar Gujarat Vij Company Limited

Financial Year2023-2024

Name Of Board/ Nigam/ Company : Uttar Gujarat Vij Company Limited

Report Name	PDF	Excel	Docs
Basic Details	View	View	View
Balance Sheet	View	View	View
Profit & Loss Account Sheet	View	View	View
Financial Ratios	View	View	View
Project Status	View	View	View
Statutory Form	View	View	View
Project Activity	View	View	View
Annual Report (System)	View		
MIS Report (System)	View		
Annual Report (Uploaded)	View		
MIS Report (Uploaded)	View		

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(3) PROOF System for Monitoring of PSUs



Availability of financial data and audit status at a single platform

PROOF SYSTEM

Navigation

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2023-2024RupeeROAD AND BUILDING DEPARTMENT (SOUTH GUJARAT)PA TO CE ROADS AND BUILDINGS(STATE)

Show 10 Entries

Search:

Sr.No.	Board Name	Certificate Status	Basic Details	Auditor Details	CAG Audit	Balance Sheet	Profit/Loss Sheet	Financial Ratios
Agriculture & Co-Operation Department								
4	Gujarat State Seeds Corporation Limited		Approved	Approved	Approved	Approved	Approved	Approved
Energy & Petrochemicals Department								
8	Dakshin Gujarat Vij Company Limited	View Certificate	Approved	Approved	Approved	Approved	Approved	Approved
11	GSPC LNG Limited		Approved	Approved	Approved	Approved	Approved	Approved
15	Gujarat Alkalies And Chemicals Limited	View Certificate	Approved	Approved	Approved	Approved	Approved	Approved
17	Gujarat Gas Limited	View Certificate	Approved	Approved	Approved	Approved	Approved	Approved
18	Gujarat Industries Power Company Limited		Approved	Approved	Approved	Approved	Approved	Approved
19	Gujarat Info Petro Limited		Approved	Approved	Approved	Approved	Approved	Approved
22	Gujarat State Electricity Corporation Limited	View Certificate	Approved	Approved	Approved	Approved	Approved	Approved
23	Gujarat State Energy Generation Company Limited	View Certificate	Approved	Entered	Approved	Approved	Approved	Approved
27	Gujarat Urja Vikas Nigam Limited	View Certificate	Approved	Approved	Approved	Approved	Approved	Approved

Search :

Search Board Name

Search Certificate

Search Basic I

Search Auditor I

Search CAG

Search Balance

Search Profit/Loss

Search Financial

Benefits of PROOF system

➤ **Targeted Budgeting :**

- Rationalizing budgetary allocations by reducing support to profit-making PSUs
- Channeling investments toward sectors/enterprises with higher developmental or turnaround needs
- Supporting decision to allocate funds through channel of support : grants/equity/debt

➤ **Digitized Financial Data:**

- Digital repository of PSU financials: Base for data driven decision-making, enabling rationalization and consolidation exercise

➤ **Accounts and auditing :**

- Helped to monitor pendency of accounts
- Monitor statutory compliances as per companies act

(4) Listing of State PSUs

- Gujarat has successfully listed 7 profit-making PSUs which are listed with a combined market capitalization of ~₹89,000 crore (3.5% of State GDP)
- Listing enhances governance through SEBI oversight, fosters market discipline, enables fair value discovery, widens investor participation, and ensures higher transparency

Sr. No.	Name of Company	Market Capitalization (Rs. ₹ Crore) (As on 17 th Sept'25)
1.	Gujarat Gas Ltd.	30,461
2.	Gujarat State Petronet Ltd	18,046
3.	Gujarat Mineral Development Corp. Ltd.	17,627
4.	Gujarat Narmada Valley Fertilizer Ltd.	7,478
5.	Gujarat State Fertilizer Ltd.	8,455
6.	Gujarat Alkalies Corp. Ltd.	4,514
7.	Gujarat Industries Power Corp. Ltd	2,976
Total		89,557

Best Practices : Structural and Sectoral Reforms

5) Power Sector Efficiency and 6) Timely Subsidies

(5) Power Sector efficiency – GUVNL operations post unbundling

- GUVNL, PSU with the highest profitability; Power sector profitable in the State

(Provisional data for 23-24)

#	Top 5 PSUs in terms of Profitability	Profit after Tax (PAT) (₹ In Cr)
1	Gujarat Urja Vikas Nigam Limited (GUVNL)	6,187.41
2	Gujarat State Petroleum Corporation Limited	1,241.92
3	Gujarat Gas Limited	1,142.77
4	Gujarat State fertilizer company Ltd.	524.32
5	Gujarat Narmada valley Fertilizers and Chemicals Ltd.	485.00

Gujarat Electricity Board (GEB), had accumulated losses of ₹8,394 crore by FY 2003–04. Unbundling exercise undertaken, leading to formation of

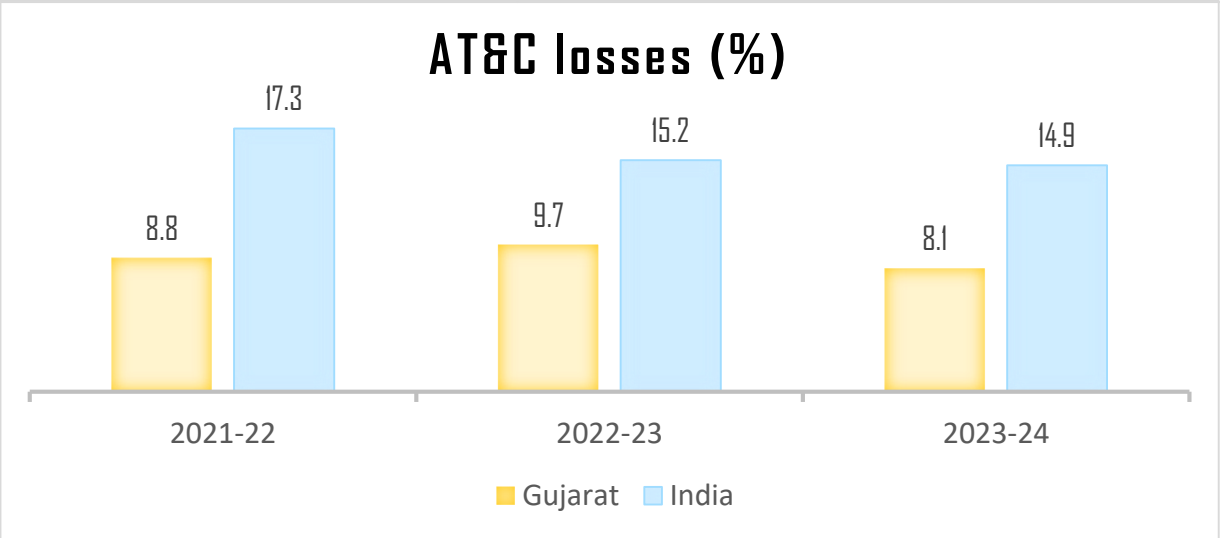
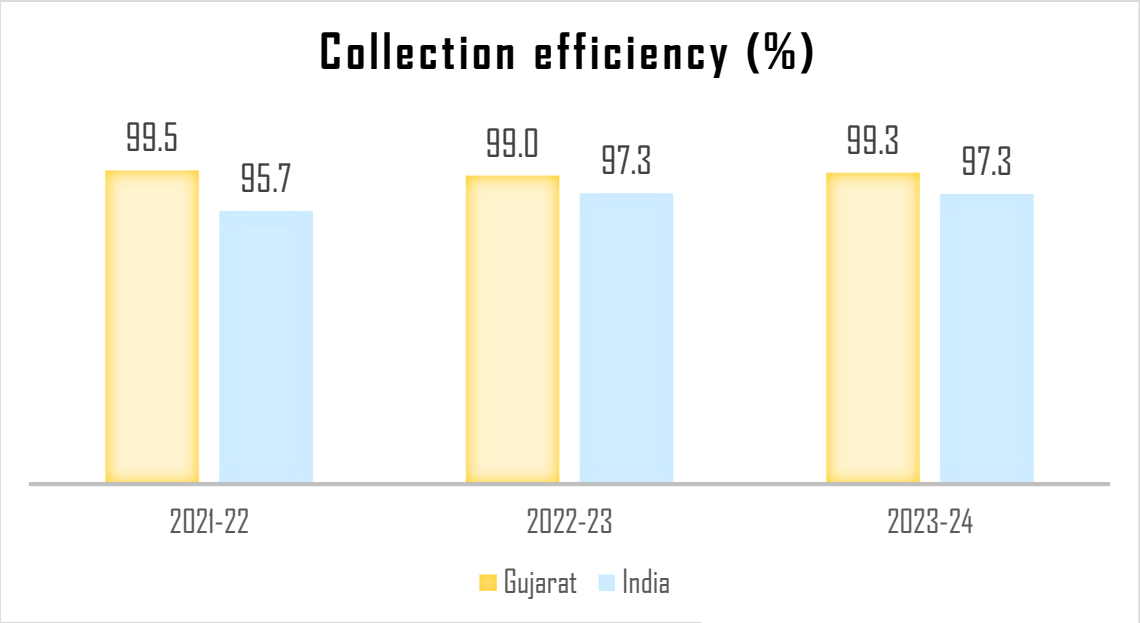
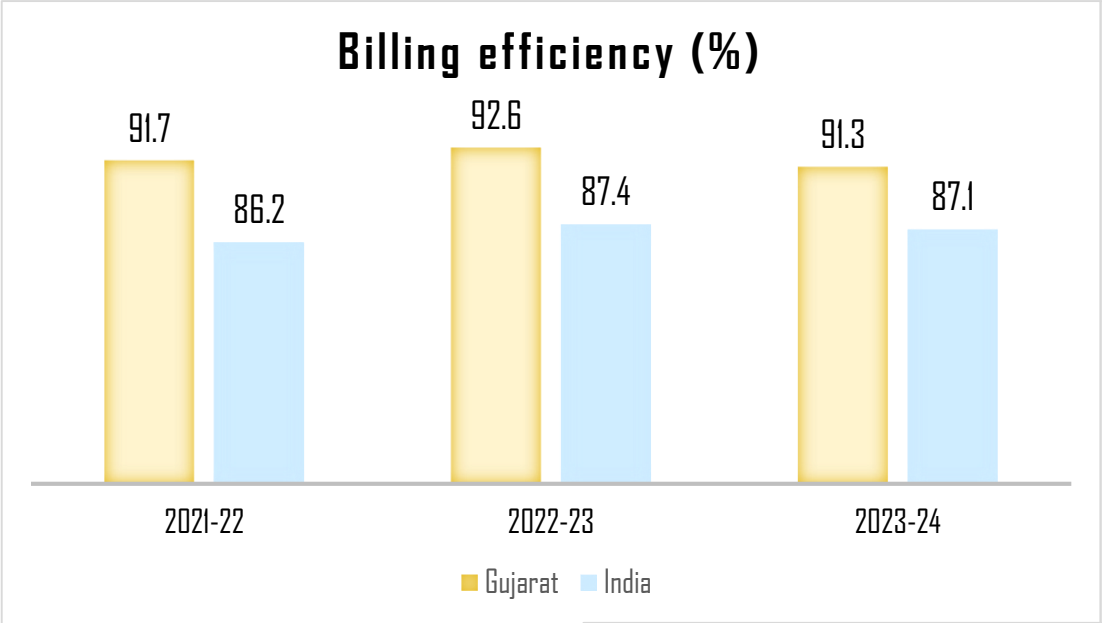
- **GSECL** – Generation Company
- **GETCO** – Transmission Company
- **Four DISCOMs** – for North, South, Central, and West Gujarat
- **GUVNL** – Holding and Coordinating company

Additional initiatives undertaken

Feeder bifurcation scheme	Single Buyer Model	Transparent pass-through of cost	Pooling of DISCOM funds	Equity infusion by State government
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The initiatives have supported in making power sector profitable in the State

(5) Power Sector efficiency – GUVNL operations post unbundling

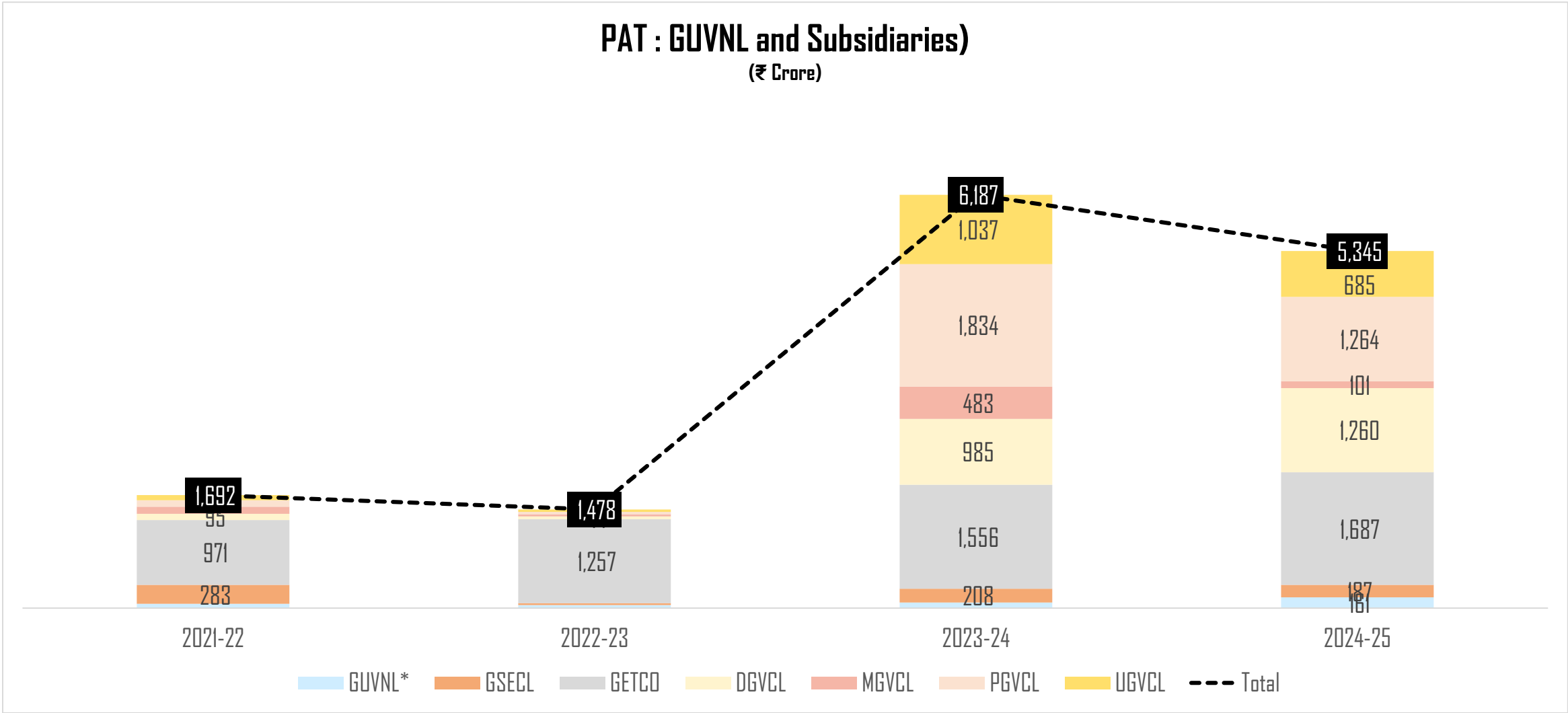


Source : Power Finance Corporation

AT&C : Aggregate technical and commercial

All operational Metrics above all States' average; Contributing to profitability

(5) Power Sector efficiency – GUVNL operations post unbundling



GUVNL profitable post unbundling; All subsidiaries making profit

(6) Timely Release of Subsidies

- **Disciplined subsidy policy with no provision of free power for any consumer category, except for targeted support to agriculture**
- The State Government releases **subsidies in time**, based on prevalent norms, ensuring that DISCOMs maintain **healthy cash flows and financial stability**
- Additionally, there are no outstanding dues on account of subsidies. Any pending payments from other government departments are promptly settled by the respective departments, **minimizing interest costs**.
- **Led to exceptionally low interest cost, at just ₹0.1 per kWh—only 1% of the total cost of supply of power per unit, the lowest in the country.**

Particulars	Cost of Power (including own generation)	Employee Cost	Interest Cost	Depreciation	Other Costs
India					
2003-04	73%	9%	7%	6%	6%
2023-24	76%	8%	6%	4%	6%
Gujarat					
2003-04	74%	5%	10%	7%	3%
2023-24	88%	4%	1%	3%	4%

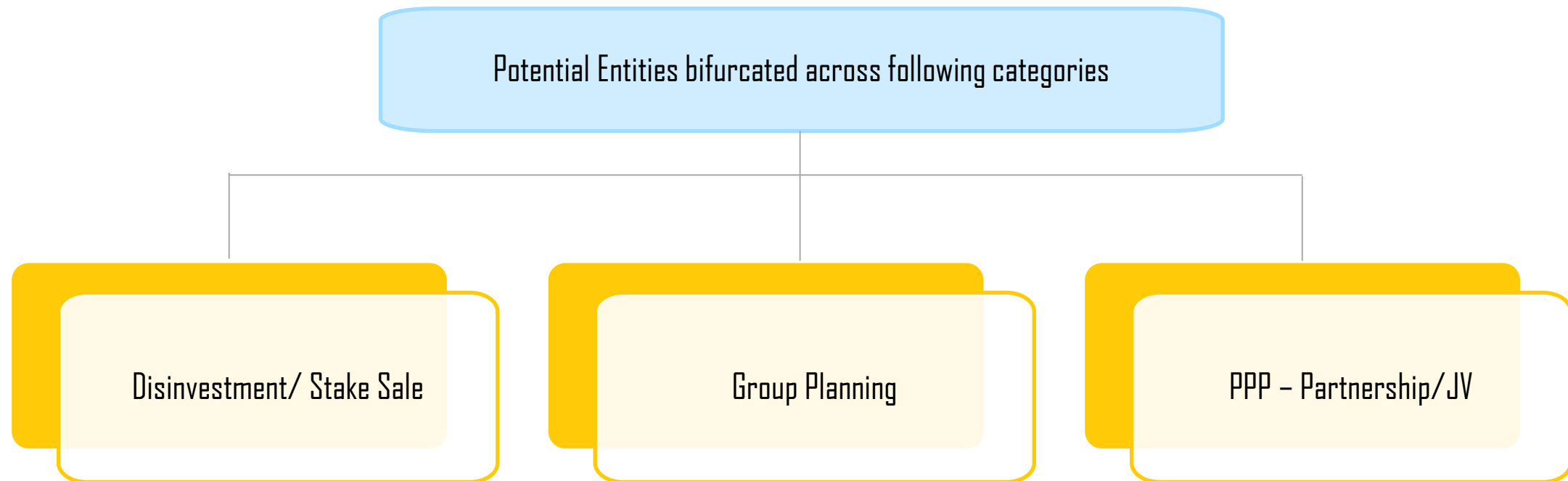
Best Practices : Structural and Sectoral Reforms

7) Restructuring and rationalization

7) Restructuring & Rationalization

Consolidation & Rationalization

- **Review** their PSU portfolio — merge, restructure, privatize, or close non-viable units;
 - **14 PSU under liquidation**
- **Rationalization exercise underway** to further assess and analyze areas SPSU



7) Rationalization of PSUs : Key outcomes

Work Undertaken

- Total 34 PSUs (14 departments), out of which proposed possibilities of restructuring / merger in 14 PSUs (incl. PSU under liquidation)

Key outcomes:

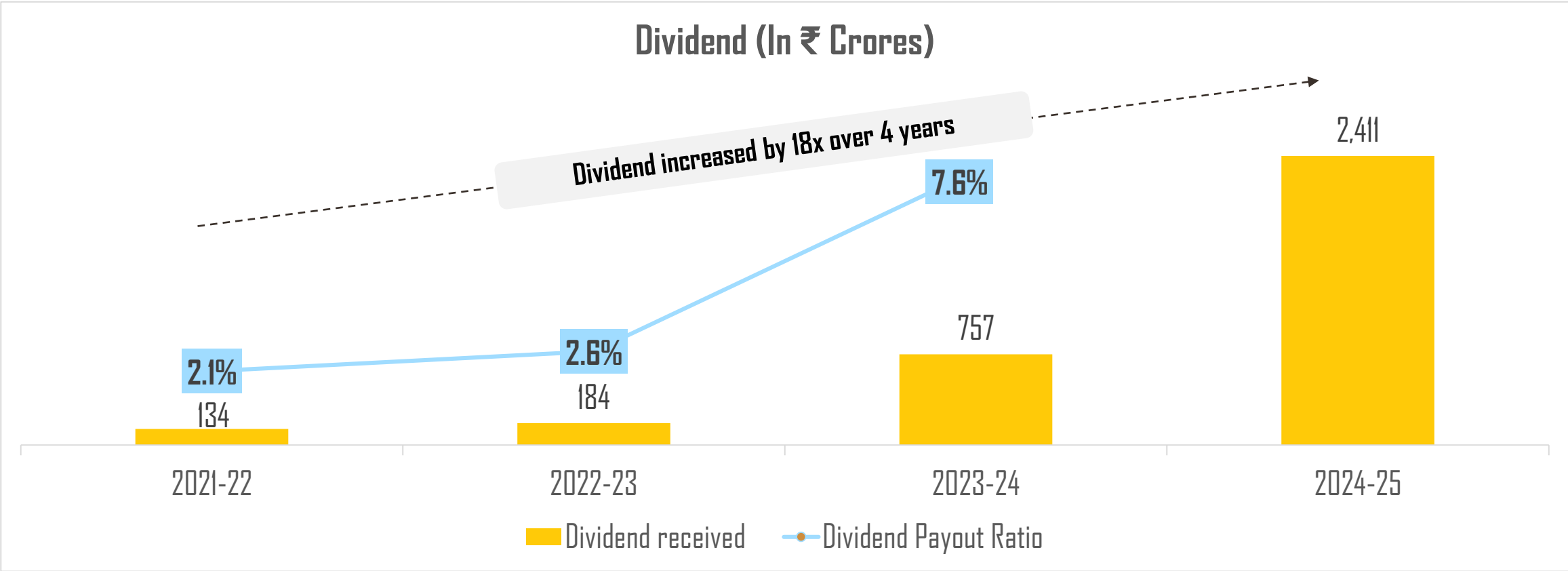
- **Appointment of professional management including Managing Director in certain companies** : Gujarat State Fertilizers Corporation Ltd., Gujarat Narmada Valley Fertilized Company Ltd & Gujarat Alkalies & Chemicals Limited
- **Further assessment** of Gujarat Women Economic Development Corporation(GWEDCL) and Gujarat Livelihood Promotion Company Limited (GLPCL) for **merger**
- **Performance assessments** of Gujarat Agro Industries Limited(GAIC) and Gujarat State Warehousing Corporation (GSWC)

Guidelines for **dividend distribution and capital restructuring of State PSUs issued** through a GR in 2023 and updated on 31st July'25

- Applies to all SPSUs with government control, excluding Section 8 companies, liquidations, or exempted bodies
- Aligned with updated central government guidelines and market scenarios

Dividend Policy

- Minimum annual dividend of 30% of PAT or 4% of net worth, whichever is higher, subject to limits
- Financial sector SPSUs (e.g., NBFCs) may pay 30% of PAT, subject to limit
- Listed SPSUs may consider paying interim dividend every quarter after quarterly results, or at least twice a year
- Unlisted SPSUs may pay dividend once a year as final dividend, based on previous year audited financials



➤ On account of increase in profitability as well as GR for dividend distribution, rise in **dividend received; Dividend Payout Ratio**(Dividend/Profit after Tax) **increased from 2.1% in 2021-22 to 7.6% in 2023-24**

*2024-25 Dividend payout ratio not calculated as data for 38 entities received for 2024-25 as of now

Best Practices : Financial Management

Gujarat State Financial Services (GSFS) : Custodian of PSU funds

Mandate

- Pooling the financial resources of GoG entities under one umbrella for effective supervision
- Optimum utilization of the available financial resources in a manner which is beneficial to the State Government as a whole

Benefits

- Better Deposit Rates on Overnight Funds of GoG entities (no interest lying in current account of banks)
- Better Deposit Rates and lending rates to GoG entities
- Quick, hassle free lending to GoG entities
- No processing fee, pre-payment charge, commitment charge or any other fee/charge from borrowing entity

Next Steps : Initiatives planned

- Strengthening PSU boards further, wherever required
- Market listing of additional SPSUs based on viability and requirements
- Increasing coverage of PROOF System by inclusion of data of other autonomous bodies
- Plan for integration of PSU data with State Finances through IFMS and PROOF System
- Continued exercise for rationalization of PSUs (Merger/Closure/disinvestments – Both GoG and Gol disinvestments)

#	Name	Shareholding Pattern
1	Gujarat State Warehousing Corporation	50% with Central Warehousing Corp
2	Gujarat Rail Infrastructure Development Corporation Limited	51% GoG 49% GoI
3	Gujarat State Forest Development Corporation Limited	62.18 % GoG 37.82 % GoI
4	Gujarat Metro Rail Corporation Limited	56% GoI
5	Gujarat Women Economic Development Corporation Limited	75.78 % GoG, 24.22 % GoI
6	Gujarat State Seeds Corporation Limited	95.42 % GoG 4.58 % GoI
7	Gujarat Sheep and Wool Development	52.95 % GoG 43.75 % GoI

Thanks