

Recommendation of the Groups in the Brainstorming Workshop held on 24th February 2020 at Radisson Blu Hotel , Guwahati

Group –I

Topic: Road Mop for Professionalism of Assam PSEs.

1. Projection of the business goals for the next 5 years.
2. Relevant manpower requirement for meeting the business goals
3. Assessment of the sanctioned posts existing post based on the identified goal vis a vis the relevant manpower requirement.
4. Identify the gap.
5. Categories the employees
 - (a) Relevant and (b) Redundant.
 - (Essential) (Redeployed)
6. Identify the skill gap and the competencies required.
7. Develop a training plan on the gaps and competencies.
8. Measure the performance on their competencies
9. Develop a reward mechanism.

SWOT Analysis

Strength - Most PSEs have manpower less then the sanctioned post.

Weakness –

- 1) No clear policies – training, transfer, service rules.
- 2) Lack of digitalization/ IT intervention.
- 3) Lack of Independent decision making.

Opportunity - Support from Govt. machineries

Threat - Tough competition from open market.

Govt. Support for HR

1. Ensure a fixed tenure for MDs for a minimum 3 year period, for better corporate governance.
2. Fund requirement for bringing in professionalism in PSEs.
3. To organise a half day discussion with PSEs on their assessment of manpower planning

- This will be a way forward.

Presentation by Group –II

Corporate Governance: Strengthening of Boards of Directors of Assam PSEs.

The participants of the group II after careful deliberation recommended the followings:

1. Full time managing Director (MD) need to be appointed in each PSEs continuously.
2. Independent Directors need to be appointed in the PSEs as per the provisions of Sec. 149 of the Companies Act, 2013. While selecting/nominating Independent Directors, the person should be selected having experience/expertise in the field in which the PSE concern is working.
3. Minimum one Director from each of the following departments of Government of Assam may be appointed as director in the state PSEs.
 - (i) Director from finance department
 - (ii) Administrative department
 - (iii) Public Enterprise department.
4. In order to ensure better participation/attendance of the Government of Assam nominated directors, Government should nominate director not below the rank of Joint Secretary nor holding very senior position in the state Government.
5. All PSEs should prepare quarterly financial results and submit the same to the board of Directors regularly.
6. In order to encourage the profit making PSEs, senior level officers from Public Enterprise and Administrative department of the state Govt. should visit the PSEs from time to time. Opportunities may be given to non performing/loss making PSEs to visit profit making/successful PSEs to learn about their functioning/workings.
7. In order to better performance, autonomy may be given to the profit making PSEs to promote eligible officers upto the post of GM/GGM/CGM by the Board without referring to PSEB.

8. In order to augment the knowledge and skills of the members of the Board of Directors and senior level officers of the PSEs, necessary training may be provided by the Public Enterprise Department on regular basis.

GROUP -III

TOPICS: CAPACITY BUILDING

It is a fact that State Level Public Enterprises (SLPEs) have to run their business under various constraints and challenges. There is a view that ‘Government has no business to be in the business’. While it is partially true looking at the drainage of taxpayers’ money in maintaining some white-elephant like PSUs but is it a no denying fact that there are ample need of such enterprises in a country like India. When I board an ASTC bus, I am sure that this will carry me to the destination even if I am the single passenger. Even today, majority of the population has high respect and confidence on the public enterprises.

While looking at the resources viz. physical and human, the SLPEs in Assam is endowed with quality resources. If boosting is provided, the effectiveness and efficiency will definitely be enhanced.

The workshop has aimed at 5 clearly defined outcomes as a tactic/strategy for short term as well as long term growth of SLPEs in Assam. Capacity building exercises can be planned in each of these five domains:

1. **Completion of accounts and audit:** It is surprising to find that there are some entities whose accounts are not completed for years together and in some cases for decades. As the Principal Secretary has fixed the target for all completion by March2021, extensive training (if needed) and follow up exercises should be carried out so that all SLPEs complete their accounts by the target date and the DPE can start with a clean slate from the financial year 2021-22.
2. **Compliance:** The Principal Secretary very rightly mentioned that because SLPEs are Government companies, as such, regulatory authorities have a lenient attitude towards imposition of fines and penalties as well as prosecutions. There have been rampant violations of provisions of various Acts, be it holding of AGMs, submission of accounts etc. The brainstorming session has, at least, brought forward such cases in public. It is high time that corrective actions need to be taken. All the responsible persons should be provided with trainings on the various provisions of the relevant acts so that we expect better compliance in the future.
3. **Performance:** This is the key for success. SLPEs must perform to their best. All activities should be result oriented. In this regard, the erstwhile initiative of the DPE for the MoU based performance management rating as well as introduction of the performance related pay for the executives of the organization. Such type of initiative will lead to better performance of the organizations.

4. **Innovativeness** : This is the buzzword of today's world. Those organizations which have adopted 'innovation' as their survival technique, will only prosper. Otherwise, it is definitely to go to the path of closure. Somehow, this kind of worries should be injected in the minds of employees. No one will wish that the organization in which he/she works closes down. We believe that every person has potential and given a chance he/she can definitely contribute to the growth of the organization. The concept 'knowledge management' accepts that each one in the organization is knowledgeable and each one should be given chance to contribute his/her idea. It is difficult to accept that ASTC having with so vast resources are bleeding with losses. We appreciate some innovative practices that are being taken recently in ASTC but these are not enough. By introducing the concept of knowledge management, quality circles etc. the sweeper in ASTC may contribute some innovative idea that may lead to the growth of the organization. The exercise for innovative practices should not be restricted to top brass of the organization only but each one should be encouraged. This will definitely contribute to a large extent positive growth of the organization.

5. **Profitability**: Even though the sole objective of SLPEs is not to earn profit but it must be understood that these organizations are not charitable organizations. The employees including the chiefs of such SLPEs must acknowledge their responsibility towards the stakeholders. The SLPEs should not be a medium for drainage of taxpayers' money. It is good to see that the number of profit-making SLPEs are increasing. But, the loss-making units have also potential to earn profit. There are success stories in Assam itself where the leaders have shown how to make a loss-making unit a profitable one, to name a few, Assam Cooperative Jute Mills Limited (under Mr. Patowari), Assam Mineral Development Corporation (under Mr. Barooah), Assam Petrochemicals Limited (under Mr. Bordoloi) etc. Series of capacity building exercise should be carried out to inculcate the concept of profitability among all the members, The DPE's endeavor for MOU Based performance management system and introduction of Performance Related Pay (PRP) is a very good step in this direction.

Besides, group members added that:

- i) There must be compulsory job rotation system
- ii) Succession planning should take place
- iii) Marketing of products/services should be given high priority.
- iv) Capacity building for non-human resources like infrastructure including machineries (wherever application) should be planned in details,

Group –IV

Topic: Financial Re-engineering with action plan to make PSE Accounts up-to-date till the year 2018-19 and role of PSE, Administrative Dept., Assam DPE, AG Assam, ICAI, ICSI, ICWA and Others – A roadmap.

Financial Re-engineering with reference to PSE accounts: An Overview

- Internal evaluation by the PSE about its status of Books of Accounts and Accounting Team
- Identification of crucial needs to tackle the Current issues regarding Accounts
- Current Issues: Compilation of Yearly Accounts, Statutory Audit of Accounts, AG/RCS Audit and adoption of accounts in AGM.

Role and advisory for various entities

- **Public Sector Enterprise**
 - Updating the pending accounts upto 2018-19 asap.
 - Completing the statutory audit/AG Audits of arrear years on top priority with pro-active approach
 - Holding AGM immediately for adoption of accounts
 - Engaging Professional Accountants if required to complete pending accounts
 - Completing the accounts of 2019-20 within 6 months' i.e. Sept 2020
 - From the next FY 2020-21, accounts must be updated on monthly basis and closed every quarter/half yearly
 - Computerization of accounts in systematic manner
- **Administrative Dept.,**
 - Identification of weak PSE's and supporting them
 - Deputing Efficient and knowledgeable personnel in accounting section wherever required to complete pending account

- Organizing workshops/training for updating knowledge of accounting teams of PSE under them on subject matter relevant viz- Accounting Standards, GST Law, Income Tax etc.

- **Assam DPE**
 - Regular follow up with all PSE regarding accounts and status of updating.
 - Addressing their issues regarding audit and accounts
 - Sorting the problems faced by PSE if any on urgent basis

- **AG Assam**
 - Completing the audits in time bound manner

- **ICAI**
 - Encouraging members to complete the Statutory Audits of PSE on priority
 - Holding Seminar especially of Assam PSE
 - Holding joint meeting of statutory Auditors and PSE for resolving the issues if any.

- **ICSI**
 - Updating ROC filings for all the pending years
 - DIR KYC and other statutory norms to be completed w.r.t. directors, company.

- **ICMA**
 - Assisting PSE in accounting and consultancy matters for early completion of pending accounts

- **Others.**
 - Govt. of Assam may request the ROC for waiver of penalties and late fine for Sick PSE

Group-V

Topic allotted: Performance Management: Current Status and Proposed Measures to strengthen Performance Management of Assam PSEs including measures for turning around the loss making PSEs into Profit Making

The participants of **Group V**, after careful deliberation, put forth the following recommendations:

1. **Current Status of Assam PSEs:** In the financial year 2017-18, out of 39 nos. of PSEs, 22 nos. are profit making and 17 nos. are loss making PSEs. Further the annual accounts of around 25 nos. of PSEs are in arrear for three years and more. As a whole, the situation demands immediate intervention for the all round development of the State PSEs.
2. **For Performance Management of Assam PSEs:** The Concept of MoU based performance rating system should be implemented to all the PSEs with respect to turnover, quality of goods and/or services delivered, productivity of the employees, profitability, statutory compliances including updation of accounts, meeting of social obligations, etc. Further, the best performing PSEs in each field should be awarded annually and the team related with the same should be rewarded. This may serve as a motivational factor which would help in increasing the performance of the PSEs in all respect.
3. **Measures for turning around loss making PSEs into profit making:** Each PSE has its particular issues which should be addressed individually and efforts should be made for understanding the ground reality of each such PSE. In general, the followings are the suggestion which, if adopted, may help in turning around loss making PSEs into profit making:

- a) The entire management of an organisation is vested in the hands with the CEO/MD. He or she is responsible for execution of all the policy decisions taken by the Government and the Board of Directors.

As such, the MD/CEO should be in full time charge of the organisation so that they could devote their 100% in one organisation and is free to address all the issues faced by it and thereby take reasonable steps to address such issues. Further, they should preferably be from the technical background who should be appointed with a fixed tenure of minimum of three years to five years so that they can set and execute the mission of the organisation.

- b) Budgetary support in the form of working capital to the loss making PSEs showing improving trends.
- c) Strengthening of skilled Manpower including timely trainings should be imparted.
- d) Sound financial internal control system should be encouraged. This may include internal audit/check not only on accounts but also on day to day business transactions, productivity, etc. The internal audit report should be submitted to the appropriate authority on monthly basis for immediate actions, if required.
- e) Cost control measures should be adopted.
- f) Technology upgradation in the PSEs may enable them to compete with the private players in the market.
- g) Management Information System (MIS) system should be introduced which plays a key role in taking timely management decision. Further, the usage of Enterprise Resource Planning (ERP) which is a business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources should be encouraged.
- h) Business diversification for optimum utilisation of state resources may be encouraged.
- i) PSEs with similar line of business may be merged for achieving economies of scale, utilization of financial resources, growth and expansion, etc.
- j) Autonomy with accountability should be the crux to some extent.

Group-VI

Topic: Standards-current status and a road map for accounting, auditing standards and statutory compliances by Assam PSEs

Current Status:

In the brainstorming workshop session , the followings are found much painful for PSEs

1. Out of 39 nos PSEs, 24 nos are yet to complete their statutory audit for 3 years or more
2. Apart of APL, all PSEs are yet to complete their AGM of 18-19
3. Out of 22 nos profit making PSEs, 9 nos PSEs are yet to complete their AGM for more than 3 years
4. Out of 22 nos profit making PSEs, only 6nos PSEs have earned profit more than Rs 10 crs in 17-18.

It reflects the status of accountability regarding accounting, audit and statutory compliances of PSEs which is less focused and monitored.

Road Maps:

- 1) Accountability regarding accounting, auditing and statutory compliances should be monitored and reviewed on half yearly basis by PSEs Management and DPE
- 2) Internal auditor should serve the checklist for accounting, auditing and statutory compliances before hand to PSE
- 3) PSE should find out the reason for non completing the accounts , auditing and statutory compliances in time(like lack of infrastructure, professionals and accountability etc)
- 4) Internal audit can advise the action plan for the compliances
- 5) DPE should review strictly the internal audit report in due interval

Group -VII

Topic – Best Practices : Learning from DPE, IPE, IICA and other national and global success stories and Areas of Collaboration between DPE Assam and Assam PSEs and Administrative Department.

1. We have to fix our benchmark and take the help of State Industrial Development Corporation of other States who are doing good work like Gujarat Industrial Dev. Corpn.Ltd. Maharashtra Industrial Dev. Corpn. Ltd. etc. we have to do networking with those IIDs. Slowly we have to undertake those policies in our organization for implementing the changes, mapping our own goal by studying the goal of those IIDs.
2. For the above, regular training to employee at all level has to be given, to make them understand why such changes are necessary in our organization.
3. State Enterprises has to be given operational autonomy like Central PSU.
4. Professional board with full time MD has to be appointed by DPSE. Tenure has to be fixed.
5. Youngster has to be given opportunity to put their views before the management.
6. Resource person internee may be brought into the organization from time to time who is doing research work so that their input may be put forward before the Board for taking decision.
7. Transparent transfer policy of employee has to be framed to overcome the biasness inside the Organisation.

Group -VIII.

Topics: Innovation, R&D and Technology for the future

- Technology has revolutionized the way we think about the future.
- R&D and technology could be harnessed to enable achievements of goals and objectives of any human and social endeavor.
- The question that agitates us is: how to create good business through use of technology.
- Taking the examples of the tourism department and transport departments in context, the following recommendations are suggested.

Recommendations:-

Transport Department:

- There is plan to enable all vehicles of the department under GPS system.
- Online ticketing system
- Expected time of Arrival (ETA) boards in all bus stops
- Electric vehicle mobility

Tourism Department:

- A mobile apps for use by tourists for all their requirements is being initiated
- Information kiosks to be setup at vantage position through out Guwahati for accessing all information at the press of a button
- Mobile payment gateway to be stream lined.
- Development of software apps for Project and Product monitoring system

Areas of Convergence of tourism and transport department:

- Waste management
- Mass transit system
- Common mobility card.

