(b) The price of H1N1 vaccine (Brand Name:VaxiFlu S) manufactured by M/s Zydus Cadila Health Care Limited, Ahmedabad is Rs 3910 per vial (each vial containing 10 doses).

The price of live attenuated H1N1 vaccine (Brand Name: Nasovac) manufactured by M/s Serum Institute of India Limited, Pune is Rs.790/- per vial (each vial containing 5 doses). The inactivated H1N1 vaccine manufactured by M/s Serum Institute of India has been licensed by Drug Controller General recently but the price is yet to be decided.

(c) Yes. The inactivated H1N1 vaccine of M/s Zydus Cadila Health Care Limited, Ahmedabad and live attenuated H1N1 vaccine of M/s Serum Institute of India Limited, Pune are available in the market.

(d) Vaccination is not a recommended intervention for Swine flu infected patients.

Statement

Indigenous H1N1 Vaccine tested and approved in India

Sl. No.	Type of H1N1 Vaccine	Manufacturer	Country of Origin	Testing No. (CDL No.)	Date of Result
1.	Whole Virion Inactivated	Serum Institute of India	India	5816/2009 5817/2009	18/1/2010 18/1/2020
2.	Human live Attenuated and Freeze Dried	Serum Institute of India	India	5209/2009	17/12/2009
3.	Whole Virion Inactivated	Zydus Cadila Health Care Ltd.	India	4865/2009 4866/2009 4867/2009	17/11/2009 17/11/2009 17/11/2009

Report of the ad-hoc expert group on PSUs

†221. SHRI DHIRAJ PRASAD SAHU: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government had constituted an ad-hoc expert group under the chairmanship of Dr. Arjun Sengupta to consider the issues related to public sector enterprises;

†Original notice of the question was received in Hindi.

(b) if so, whether the ad-hoc expert group has submitted its Report;

(c) if so, the main recommendations of the ad-hoc expert group; and

(d) whether follow-up action has been taken on them?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV): (a) Yes, Sir.

(b) Yes, Sir. The Ad-hoc Group of Experts (AGE) submitted their report in April, 2005.

(c) The executive summary of Jhe recommendations made by the AGE in their report is given in Statement *(See* below).

(d) The recommendations of AGE were processed by the Government in two stages. Initially, the recommendations of AGE relating to enhancing the powers delegated to Navratna, Miniratna and other profit making Central Public Sector Enterprises were considered and orders were issued in August, 2005. Thereafter, remaining recommendations of AGE were considered and orders were issued in May, 2007 and August, 2007 respectively.

Statement

Executive summary of the recommendations made by
Ad-hoc group of Experts (AGE)

1. For effective governance of Central Public Sector Enterprises (CPSEs), their ownership functions, the powers and operational procedures of the Board of Directors and their responsibilities together with suitable checks and balances for exercising control over the Management should be properly designed and implemented.

2. The Ad-hoc Group of Experts (AGE) recommends that any decision to reduce Government share holding to a level less than 51% in case of Category I CPSEs i.e. Navratna, Miniratnas and consistently profit making CPSEs, should be taken only with the consent of the Parliament. The Board of Directors should have all the powers to raise equity capital from the market so long as the Government's share of the overall equity remains above 51%. However, in case of Category II CPSEs i.e., other than those mentioned above, Government should have full flexibility of owning or disinvesting their shares.

3. The AGE recommends that governance of CPSEs, especially the Navratnas and Miniratnas and other profit making companies, should continue to be supervised by the three tier system, namely, the Ministry concerned representing the Government, the Board of Directors and the Management, with the role, powers and functions of each of them clearly defined and codified.

4. The AGE recommends that an institutional arrangement is required in order to ensure harmonious relations and interactions among the three tiers and to provide for the redressal of grievances of the stakeholders. To fulfill this requirement, the establishment of six overarching Supervisory Bodies, each consisting of ten members (three Ministers, five independent distinguished experts of the relevant sector and Secretary of the Ministry/Department and CMD concerned) is considered essential. The AGE has suggested the setting up of such Supervisory Bodies for six different sectors.

5. The Supervisory Body should not give any direct instructions to the CPSEs. The Body should give its views only on matters referred to it.

6. The Ministry should effectively perform the role of the sole/major shareholder as well as owners of the company. The Ministry should consult other Ministries, including Finance and other relevant Departments and, where necessary, obtain the approval of the Cabinet. It should assist the implementation of the projects of CPSE in its charge in line with Government Policy.

7. Adverse actions like reprimand, suspension, premature termination, denial of extension of tenure, supercession of the recommendations of PESB, etc. must be referred to the Supervisory Body and the ACC should take its views into account before taking any decision on such matters. Appointments to Board level positions in CPSEs may be made for the period until superannuation instead of fixed tenures.

8. The Ministry should not give instruction directly or indirectly to the Management. It should be the responsibility of the concerned Board of Directors. The views of the Ministry should be communicated to the Board through Government Directors.

9. If the Ministry considers it necessary to issue mandatory instruction to a CPSE, the same must be given in the form of a Presidential Directive. The issuance of such Presidential Directives should have the approval of the Cabinet.

10. The Ministry should not normally review the functioning of the company more than twice a year. Such reviews should be based on the reports of the relevant Board of Directors and selected major performance indicators. Since the profitability of CPSEs is influenced by several factors such as the administered price mechanism and fluctuations in international price of the commodities, the Group recommends that the Ministries concerned should develop CPSE-specific criteria to determine their overall performance, independent of profitability.

11. There should be a negative list of areas which must be kept away from the intervention of the Government (except for respective jurisdiction of CAG and CVC).

12. The current restrictions regarding capital expenditures, joint ventures, etc. need to be done away with. Such decisions should be left entirely to the Board of Directors. However, if that is not possible at one stroke, as the first step towards this desirable goal, enhanced powers should be given to Navratna / Miniratna and other profit making companies in respect of Capital expenditure, setting up of Joint Ventures (JVs) / Subsidiaries, subsequent investment in JVs, JVs between Navratnas, merger and acquisition, appointment of Directors in subsidiaries and JVs etc. The Chief Executive of CPSE concerned should be a member of Search Committee for selection of non-official Directors.

13. There should be detailed procedural guidelines including limits of financial expenditure on foreign travel of Chief Executives and Board Members, formulated by the Board of Directors of the CPSEs concerned and no reference to the Government for approval should be necessary unless deviation from such guidelines is intended.

14. The Board of Directors should be fully responsible for the supervision and control over the Management of the company.

15. Subject to statutory requirements, Government policy and regulatory guidelines issued by the RBI, the Board of Directors should have full powers of pursuing new lines of business, deciding on suitable Acquisitions and Mergers, setting up Subsidiaries and exiting from any line of business, as also of making Capital expenditure up to the levels indicated in Para 2.15, without any prior clearance from the Government.

16. No more than two officers should be nominated as Board Members by the Government on the Board of Directors of Navratna, Miniratna or other profit making CPSEs. The performance of Government Directors must be suitably reflected in their personal CRs. An appraisal system for performance review of Independent Directors should be formulated.

17. The Chief Executives and the Functional Directors should also be entitled to performance linked bonus / incentive within the permissible limit of 5% of distributable profit. The Compensation Committee of the Board as constituted under the 'Listing Agreement' should have the authority to decide on the quantum of such performance-linked incentives on the basis of individual's performance and contribution during the year under review. Such bonus / incentive would, however, be governed by the limits prescribed in the Companies Act.

18. The Chief Executive should be entirely responsible for the day-to-day management and operation of the company under the overall supervision of the Board of Directors.

19. The Management should be free to exercise all powers explicitly delegated by the Board of Directors. It should function under the supervision of the Chief Executive and Functional Directors on the Board.

20. The Management should be responsible for implementation of the decisions of the Board of Directors, and compliance of all statutory requirements as well as policy guidelines.

21. Audit of Government Companies:- The AGE has made various suggestions for streamlining of the present system of test/supplementary/transaction audit of CPSEs in order to save time and to avoid duplications.

22. Article 12 of the Constitution and CPSEs:- The AGE has suggested that the issue relating to amendment of Article 12 of the Constitution could be revisited by the Policy makers at an appropriate time.

23. Parliamentary Accountability:- The AGE has made some suggestions in regard to Parliamentary accountability of CPSEs in order to enable them to focus on their business and to avoid disclosure of commercially sensitive information.

24. Vigilance Management in CPSEs:- The AGE, after taking into account suggestions made by Arvind Pande Committee, has made several recommendations in regard to Vigilance related issues concerning CPSEs.