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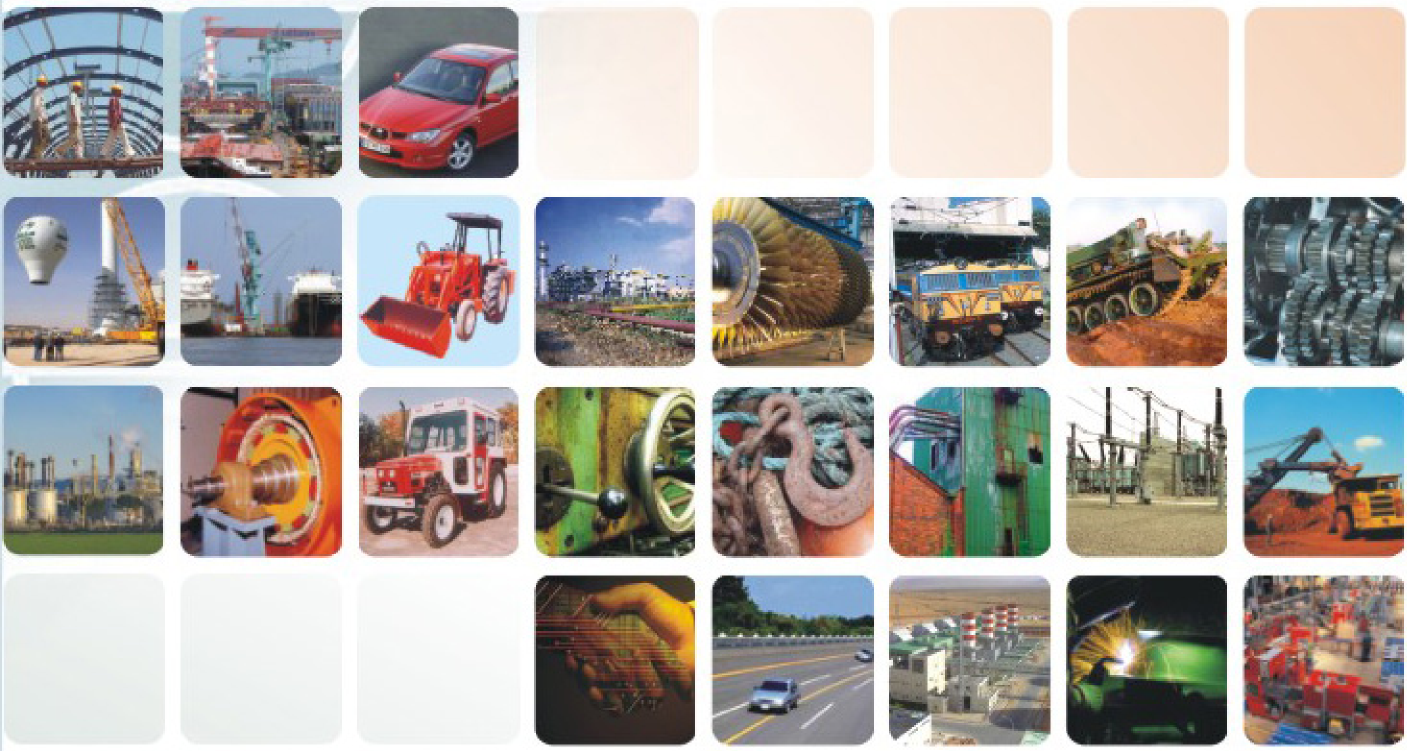
2007-2008



Ministry of Heavy Industries and Public Enterprises

Government of India


9th AUTO EXPO
2008
The Complete Automotive Show
2008
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9th AUTO EXPO
2008
The Complete Automotive Show
January 10-17, 2008 • New Delhi, India

Annual Report 2007-2008

सत्यमेव जयते

Ministry of Heavy Industries and Public Enterprises

Government of India

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Website : dhi.nic.in / dpe.nic.in

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Ministry of Heavy Industries and Public Enterprises

Chapter 1

Introduction

The Ministry

1.1 The Ministry, comprises of two Departments viz (i) Department of Heavy Industry and (ii) Department of Public Enterprises. The Ministry is under the charge of Cabinet Minister for Heavy Industries and Public Enterprises. He is supported by the Minister of State for Heavy Industries and Public Enterprises. The Ministry focuses on promoting the development and growth of capital goods and engineering industry in the country, framing of policy guidelines for Central Public Sector Enterprises (CPSEs) and administratively dealing with 48 CPSEs.

Department of Heavy Industry

1.2 The Department of Heavy Industry is concerned with the development of the engineering industry viz. machine tool industry, heavy electrical industry, industrial machinery and auto industry and administers 48 CPSEs. Allocation of Business for the Department of Heavy Industry is given at Annex-I. The industries covered by this Department provide goods and services for almost all sectors of the economy, including power, railways, transport, capital goods etc. The Ministry also looks after the machine building industry and caters to the requirements of equipment for basic industries such as steel, non-ferrous metals, fertilizers, refineries, petrochemicals, shipping, paper, cement, sugar, etc. The Department supports the development of a wide range of intermediate engineering products like castings, forgings, diesel engines, industrial gears and gear boxes. The Department also administers:

(i) NATRIP (National Automotive Testing and R & D Infrastructure Project) Implementation Society (NATIS),

(ii) Fluid Control Research Institute, Palakkad,

(iii) Automotive Research Association of India (ARAI), and

(iv) Forging Industry Research Institute of India.

1.3 The Department maintains a constant dialogue with various Industry Associations and encourages initiatives for the growth of industry. The Department also assists the industry in achievement of their growth plans through policy initiatives, suitable interventions for restructuring of tariffs and trade, promotion of technological collaboration, up-gradation, and research & development, etc.

1.4 The CPSEs under the Department are engaged in manufacture of engineering/capital goods, consultancy and contracting services. The enterprises under the Department produce a wide range of products ranging from machine tools, industrial machinery, boilers, gas/steam/hydro turbines, turbo generators, electrical equipment, and railway traction equipment, pressure vessels, AC locomotives, prime movers, and agricultural tractors, consumer products such as watches, paper, tyres and salt.

1.5 The Department of Heavy Industry is headed by a Secretary to the Government of India who is supported by Additional Secretary, two Joint Secretaries, an Economic Adviser, a Technical Wing and an Integrated Finance Wing. The organizational chart of the Department is given at Annex-II.

Department of Public Enterprises (DPE)

1.6 In their 52nd Report, the Estimates Committee of 3rd Lok Sabha (1962-67) stressed the need for setting up a centralized coordinating unit, which could also make continuous appraisal of the performance of public enterprises. This led to the setting up of the Bureau of Public Enterprises (BPE) in 1965. Consequent to the reorganization of the Ministries/Department of the Union Government in September, 1985 the BPE was made part of the Ministry of Industry. In May 1990, the BPE was made a full-fledged Department and is now known as the Department of Public Enterprises (DPE). Presently, it is part of the Ministry of Heavy Industries & Public Enterprises.

1.7 The Department of Public Enterprises is the nodal department for all Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to the role of CPSEs in the economy as also in laying down policy guidelines for performance improvement (and evaluation), autonomy and financial delegation, personnel management and other related areas. It also collects, evaluates and maintains information on several areas in respect of CPSEs. The DPE is also the interface between the administrative Ministries and the CPSEs.

1.8 The National Common Minimum Programme (NCMP) envisages a strong and effective public sector. It has laid great emphasis on turning around of sick and loss making CPSEs. Accordingly, a Board for Reconstruction of Public Sector Enterprises (BRPSE) has been set up (December, 2004), under the administrative charge of the Department of Public Enterprises, to consider inter-alia, revival/restructuring proposals of sick/loss making CPSEs and make suitable recommendations related thereto.

1.9 As per Allocation of Business Rules of the Government, the following subjects have been allocated to the Department of Public Enterprises:-

- Coordination of matters of general policy of non-financial nature affecting all public sector industrial and commercial undertakings.
- Matters relating to Memorandum of Understanding and mechanism for improving the performance of public sector undertakings.
- Matters relating to Permanent Machinery of Arbitration for the Public Sector Undertakings.
- Matters relating to Counselling, Retraining and Redeployment of rationalized employees of CPSEs.

1.10 The Department of Public Enterprises accordingly plays an important role in formulating policies relating to CPSEs and in framing different guidelines on matters relating to CPSEs. In fulfilling its role, the Department coordinates with other Ministries, CPSEs and concerned organizations. Some of the important tasks of the Department include :

- Co-ordination of matters of general policy of non-financial nature relating to public sector enterprises.
- Issue of Presidential Directives and Guidelines to public sector enterprises.
- Formulation of policies, pertaining to public sector enterprises, in areas like board structures, personnel management, performance improvement, financial management, wage settlement and vigilance management, etc.
- Investure of Navratna/Mini Ratna status to CPSEs.
- Matters relating to Purchase Preference Policy in CPSEs.
- Policy matters relating to composition of Board of Directors of CPSEs, categorization of top posts, scheduling of CPSEs.
- Notification of pay scales of Board level executives as well as below Board level personnel and unionized workers and the DA admissible thereon at periodic intervals.

- Policy relating to deputation of Government officers to public sector enterprises.
- Publication of the annual survey of CPSEs known as Public Enterprises Survey.
- Memorandum of Understanding (MoU) between the public sector enterprises and the administrative Ministries/Departments.
- Policy relating to Voluntary Retirement Scheme in CPSEs.
- Matters relating to Counselling, Retraining and Redeployment Scheme (CRR) for rationalized employees of CPSEs.
- Matters relating to Board for Reconstruction of Public Sector Enterprises (BRPSE).
- Matters relating to reservation of posts in the public sector enterprises for certain classes of citizens.
- Settlement of disputes through Permanent Machinery of Arbitration (PMA) among Public Sector Enterprises and between Public Sector Enterprises and government departments except disputes relating to tax matters.
- Matters relating to International Centre for Promotion of Enterprises (ICPE).
- Matters relating to Standing Conference of Public Enterprises (SCOPE).
- Matters relating to delegation of powers to Board of Directors.

1.11 Department of Public Enterprises is headed by a Secretary to the Government of India who is assisted by an establishment with an overall sanctioned strength of 127 officers/personnel. The organizational structure of DPE is at Appendix-I.

Chapter 2

Achievements and Initiatives

2.01 The Hon'ble Prime Minister, on 31st August, 2007, dedicated to the nation, the 1080 MWe Nuclear Power Plant (2x540 MWe), equipped with the country's highest rating power generating equipment, manufactured and commissioned by BHEL at Tarapur in Maharashtra.

Hon'ble Prime Minister dedicated 2x540 MWe Tarapur Atomic Power Plant, equipped with BHEL sets, to the Nation

2.02 For preparing itself to meet the country's power capacity addition targets and for providing 'Power to all by 2012', BHEL, has embarked upon a plan of enhancing its manufacturing capacity from 6000 MW to 15000 MW per annum by 2009 with a total investment of Rs. 4800 crore for the Eleventh Five Year Plan. BHEL has achieved 10000 MW power equipment capacity as on 31.12.2007.

2.03 As part of its manufacturing capacity expansion programme, BHEL is setting up (i) a new Fabrication Plant and (ii) a Central Stamping Unit at Jagdishpur in Uttar Pradesh, with an investment of Rs.306 crore. The foundation stone of the new facilities was laid by Sh. Rahul Gandhi, Hon'ble Member of Parliament on 2nd Dec.2007.

2.04 Aimed at synergizing the strengths of the two Navratna CPSEs in the power sector, BHEL and NTPC signed a Memorandum of Understanding to form a Joint Venture Company (JVC) on 50:50 equity participation basis to carry out Engineering Procurement and Construction (EPC) activities in the power sector.

2.05 BHEL and MMTC signed a Memorandum of Understanding for promoting export of power plant equipment and projects to provide impetus to the export of power plant equipment and projects from India.

2.06 BHEL has established its footprints in all the six inhabited continents of the world - spanning 70 countries and its technical competence has earned worldwide acclaim. The company booked export orders worth Rs.1903 crore in 2006-07 in comparison to an average yearly order book of Rs.1275 crore during the last five years.

2.07 BHEL has signed Memorandum of Understanding with Tamil Nadu Electricity Board (TNEB) for forming a Joint Venture Company for setting up

BHEL signs MoU with TNEB for JV for setting-up Supercritical Thermal Power Project in Chennai the first 2x800 MW Super critical Power project in Tamil Nadu, with a total capital outlay of around Rs. 8500 crore.

2.08 As a result of excellent performance of BHEL power generating sets, which generated a record of 432.81 billion units of electricity, power generation in the country received a boost during fiscal 2006-07 and contributed substantially in narrowing the gap between demand and supply of power. BHEL thermal sets achieved an all time high Plant Load Factor (PLF) of over 90% while six BHEL made thermal sets of various rating operated at a record PLF of 100%.

2.09 BHEL has during 2006-07 achieved, through commercialization of products and systems developed by way of in-house Research and Development (R&D) efforts, a record turnover of Rs. 2510 crore which is nearly 14% of the total turnover of Rs. 18702 crore .

2.10 Bharat Heavy Electricals Ltd. (BHEL) employees have won maximum number of Prime Minister's Shram Awards (2004), the highest honour bestowed on individuals for outstanding contribution towards production and productivity, technological innovations, cost saving, import substitution and valuable saving of foreign exchange. The only 'Shram Bhushan' award for the year has also been won by a BHEL employee. The awards were presented by the Hon'ble Prime Minister on 27th April, 2007.

Prime Minister presents Shram Bhushan Award to BHEL employee

2.11 Further, three National Safety Awards have also been won by BHEL's employees for outstanding achievements in terms of the longest accident free period.

2.12 Mr. Khalid Zaheer, an employee of BHEL, Haridwar, was conferred one of the country's highest civilian award- "Padma Shri" for the year 2006 by the President of India for his contribution to social causes.

2.13 BHEL has been conferred the Engineering Export Promotion Council (EEPC)'s Top Export Award for the seventeenth year in succession for outstanding export performance. This award was given to BHEL in the category of "Star Performer in 2005-06: Project Exports- Large Enterprises."

2.14 BHEL has also been awarded the "Business Standard Star Public Sector Company Award-2006" for its exceptional high growth performance with across-the-board gains on all parameters in its areas of operation.

2.15 BHEL's Central Foundry Forge Plant , Haridwar, won the Best Energy Conservation Implementation Gold Award 2005-06 under Indira Gandhi Memorial National Award for Excellence.

2.16 BHEL, under International Competitive Bidding, has won contracts valued at Rs. 6500 crore from Damodar Valley Corporation for setting up two units of 500 MW each at Koderma Thermal Power Station in Jharkhand and two units of 500 MW each at Durgapur Steel Thermal Power Station in West Bengal.

2.17 BHEL has won mega contract valued at Rs. 2900 crore from Aravalli Power Company Private Ltd, for installing 3 sets of 500 MW each at their upcoming Jhajjar Super Thermal Power Project in Haryana which envisages to add 36 million units every day to Delhi and Haryana Grids on commissioning.

2.18 Outbidding leading European equipment suppliers, BHEL has also secured an order valued at Rs. 1900 crore placed by NTPC-Tamil Nadu Energy Company Ltd. for the supply and installation of the Steam Generator and Steam Turbine Packages involving the two units of 500 MW each at their upcoming Vallur Thermal Power Project at Ennore in Tamil Nadu.

2.19 BHEL, outbidding a Chinese multinational, has also won an order valued at Rs. 106 crore from Rashtriya Ispat Nigam Limited (RTNL) for installation of Turbo Blower Package at its Vizag Steel Plant as a part of the ongoing expansion project to raise the capacity of the plant to

6.3 Million Tonnes per annum. BHEL has also won an order valued at Rs. 2108 crore, for supply and installation of the Steam Generators and Turbines package at Maithon Right Bank Thermal Power Project , Jharkhand.

2.20 BHEL has won an export contract valued at Rs. 1500 Million from Al Ghail Power LLC, UAE for 2 Gas Turbine Generating units of 422 MW each.

2.21 BHEL has paid the highest ever so far dividend of 245% of equity for the year 2006-07 amounting to Rs. 600 crore.

CMD, BHEL presenting final dividend cheque of Rs.198.9 Crore to Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises

2.22 BHEL has received a Bonus of 6.5% of the order value on commissioning of EID Parry (India) Ltd.'s Pudukottai Sagar Plant of 18.5 MW Steam Turbine Generator (STG) set. This enabled the customer to be eligible for depreciation and taxation benefits.

2.23 A Global Conference - Flotek.g 2007 was successfully conducted by FCRI from 26th to 28th Sept., 2007, in which more than 350 delegates from across the globe participated.

Union Minister for Heavy Industries & Public Enterprises Shri Sontosh Mohan Dev, addressing the gathering of the Flowtek.g at the Valedictory Function of the Conference

2.24 The 9th Auto Expo was held in New Delhi from January 10-17, 2008. Around 2,000 exhibitors participated in the Show and 25 launches, including four global launches, were showcased in the Expo, including the Tata 'Nano'– the one lakh car. The 9th Auto Expo had total display area of 1,25,000 sq.ft., making it the second largest Auto Expo after the Shanghai Motor Show. The auto expo attracted over 18 lakh visitors.

2.25 Shri Sontosh Mohan Dev, Minister for Heavy Industries & Public Enterprises, delivered the key note address at the 62nd Internationale Automobil Ausstellung (IAA - World's Largest Passenger Car Show) held from September 13-23, 2007. India Day was organized on the side lines of the IAA show. A high level delegation from India led by the Minister (HI&PE) comprising amongst others Dr. Surajit Mitra, the then Joint Secretary, DHI and presently Additional Secretary, DHI; President, SIAM; ACMA etc. attended the India Day Symposium. More than 300 international delegates participated. During the visit, an MoU was signed for close cooperation between VDA and ACMA.

2.26 A delegation led by Dr. Surajit Mitra, the then Joint Secretary and presently Additional Secretary, Ministry of Heavy Industries & Public Enterprises participated in 3rd International Environmentally Friendly Vehicle Conference held on 19/20 November 2007 at Dresden, Germany. Dr. Surajit Mitra received the baton for hosting the next EFV conference in India in 2009. This is the first time that EFV conference will be held outside G-8 countries.

2.27 Auto Components industry more than doubled its production from a level of around Rs. 30,000 crore in 2003-04 to more than Rs. 60,000 crore in 2006-07.

2.28 Exports of Auto Components achieved a growth of 15% in 2006-07, doubling in the last four years from the level of about Rs. 6000 crore in 2003-04 to more than Rs. 12,000 crore in 2006-07.

2.29 The Revival and Upgradation of NPPC was approved by the Government in Nov. 2006 with cash infusion of Rs. 552.44 crore. In its hearing on 29th May, 2007, BIFR decided to discharge NPPC from its purview thus paving the way for implementation of the approved revival and upgradation scheme within 27 months.

2.30 Bharat Leather Corporation Ltd. has been sold out by the Hon'ble High Court of Judicature at Allahabad and the possession of the movable and immovable assets of the said company has been handed over to the auction purchaser in the month of May, 2007. The proceedings for distribution of dividend to the creditors are under process.

2.31 The Government approved "in principle' takeover of the Bharat Heavy Plate and Vessels Limited (BHPV) by M/s. Bharat Heavy Electricals Limited (BHEL) with the directions that the valuation of BHPV be carried out prudently on the basis of established principles and if the takeover is not found feasible, the matter be brought back before the Government.

2.32 The Government has approved the closure/ winding up of Bharat Yantra Nigam Limited (BYNL), a holding Company.

2.33 EPI paid dividend of Rs. 7.08 crore to the Government for 2006-07. EPI has also paid interim dividend for 2007-08.

Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises receiving dividend cheque from CMD, EPI

2.34 Hindustan Paper Corporation Limited has paid dividend of Rs. 15.20 crore and remitted Rs. 10 crore towards Preferential Shares to Government for 2006-07.

CMD, HPC, presents a dividend cheque to Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises

2.35 The Government has approved the proposal of Hindustan Paper Corporation for establishment of three lakh tonnes per annum UP Paper Mill Project at Jagdishpur at a completion cost of Rs. 3100 crore.

2.36 Nepa (Disinvestment of Ownership) Bill, 2007, has been introduced in the Lok Sabha on 22.11.2007 and has been referred to the Standing Committee.

2.37 Government approved the proposal for disinvestment in TCIL, a sick public sector enterprise under DHI, which will allow the PSE to form a joint venture with a private company. Parliament has subsequently passed the TCIL (Disinvestment of Ownership) Bill, 2007.

2.38 Guidelines on Corporate Governance for CPSEs were released by Finance Minister on 22nd June, 2007. The Ceremony was presided over by Minister of Heavy Industries and Public Enterprises.

2.39 Navratna status was also conferred to Bharat Electronics Limited, Hindustan Aeronautics

Dignitaries at the Navratna Investiture ceremony held on June 22, 2007 to confer Navratna Status to Bharat Electronics Limited, Hindustan Aeronautics Limited and Power Finance Corporation

Limited and Power Finance Corporation Limited by the Finance Minister on 22nd June, 2007 during the same ceremony.

2.40 The High Power Committee (HPC) on MoU approved new principles for MoU Excellence Awards from 2006-07 onwards. Under the new system, there will be 12 MoU Excellence Awards (one from each of 10 syndicates on the basis of MoU composite scores, one from listed CPSEs for best performance in the stock market and one amongst the best turnaround sick/loss making enterprise).

2.41 To attract Board Level Executives capable for turning around sick CPSEs and give them continuity of tenure for the revival package to succeed, instructions have been issued in July, 2007 under which their tenure may be extended till they attain the age of 65 years subject to certain conditions.

2.42 Board for Reconstruction of Public Enterprises (BRPSE) has, since inception, considered proposals of 54 CPSEs and given its recommendations in respect of 48 CPSEs till December, 2007. Out of the 48 cases recommended upon, Government has approved revival of 27 CPSEs and closure of two CPSEs till December, 2007.

Department of Heavy Industry (DHI)

Chapter 1

An Overview

1.1 Performance of Industry

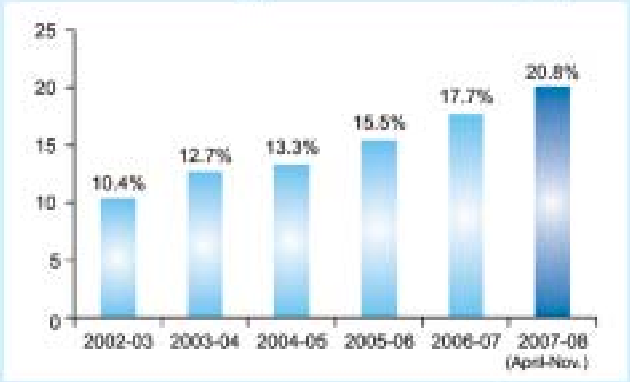
The industrial sector recorded a growth of 9.2% (measured in terms of the Index of Industrial Production) during the period April-Nov. 2007-08 over and above the growth of 11.6 % achieved in 2006-07. Capital goods sector, which posted a robust growth of 17.4 % in April-Nov. 2006-07, has maintained its growth momentum during the current year as well. According to the Index of Industrial Production, capital goods sector posted a growth of 20.8% during April–Nov. 2007-08.The growth trends during April–Nov.2007-2008 as compared to April–Nov. 2006-07 are given in the table below:

Sector-wise Growth Rates (in %)

	Weight	2006-07	2006-07 (Apr–Nov.)	2007-08 (Apr–Nov.)
General	100.0	11.6	10.9	9.2
Mining & Quarrying	10.5	5.4	4.2	4.9
Manufacturing	79.4	12.5	11.8	9.8
Electricity	10.2	7.2	7.3	7.0
Use-Based Classification				
General	100.0	11.6	10.9	9.2
Basic Goods	35.6	10.3	9.4	8.4
Capital Goods	9.3	18.2	17.4	20.8
Intermediate Goods	26.5	12.0	11.1	10.1
Consumer Goods	28.7	10.1	9.9	5.2
(i) durables	5.4	9.2	12.4	-1.7
(ii) non-durables	23.3	10.4	8.9	7.8

Source : Central Statistical Orgn.

Growth of Capital Goods Sector (%)



1.3 The Department of Heavy Industry deals with the following 19 industrial sub-sectors:

(i) Boilers
(ii) Cement Machinery
(iii) Dairy Machinery
(iv) Electrical Furnace
(v) Freight Containers
(vi) Material Handling Equipment
(vii) Metallurgical Machinery
(viii) Mining Machinery
(ix) Machine Tools
(x) Oil Field Equipment
(xi) Printing Machinery
(xii) Pulp and Paper Machinery
(xiii) Rubber Machinery
(xiv) Switchgear and Control Gear
(xv) Shunting Locomotives
(xvi) Sugar Machinery
(xvii) Turbines & Generator sets
(xviii) Transformers
(xix) Textile Machinery

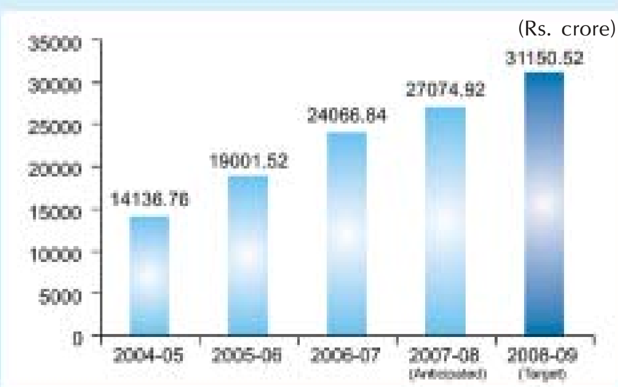
1.4 Production and growth rates of some of the industries being dealt within the Department of Heavy Industry for the period April–November 2007-08 as compared to April–November 2006-07 are given below:

Industry	Unit	2006-07 (Apr–Nov.)	2007-08 (Apr–Nov.)	Growth Rate (%)
Industrial Machinery	Rs. lakhs	165758.67	227031.52	36.97
Machine Tools	Rs.lakhs	173127.12	178830.14	3.29
Boilers	Rs. lakhs	302659.04	444265.17	46.79
Turbines	Rs. lakhs	66959.39	115110.98	71.91
Electric generators	Rs. lakhs	69130.34	79597.60	15.14
Power distribution transformers	Mill. kVA	44.14	42.32	-4.13
Telecommunication cables	Mill. Mtr.	5276.85	4567.64	-13.44
Commercial vehicles	Numbers	325475	339458	4.30
Passenger cars	Numbers	793765	917343	15.57

Source : Department of IPP

1.5 CPSEs under the Department of Heavy Industry

Production Performance Growth



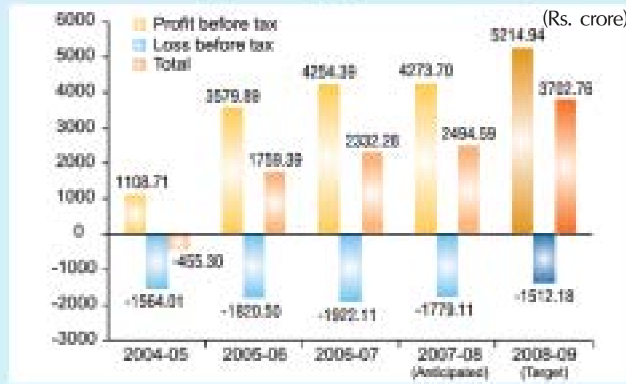
1.5.1 The CPSEs under the Department are engaged in manufacturing, consultancy and contracting services. Out of 48 CPSEs, 14 CPSEs have either been closed or are not in operation thus leaving the Department with 34 operating CPSEs. During the year 2006-07, 15 CPSEs have made profits and remaining 19 have made losses. The aggregate performance in 2006-07 and 2007-08 (anticipated) is as under:

(Rs. crore)

	2006-07	2007-08 (Anticipated)
Production	24066.84	27074.92
Profit(+)/Loss(-)	(+)2332.28	(+)2494.59

(PSE-wise details are available at Annexure V & VI respectively.)

Profit(+) Loss (-) (Before Tax)



1.5.2 The total investment (Gross Block) in 48 CPSEs under the Department was about Rs. 9589.30 crore as on 31st March, 2007 (Annexure–III), excluding the 14 CPSEs which have been either closed or are not in operation.

1.5.3 The Department monitors the performance of CPSEs under its administrative control on a regular basis. The Department acts as a catalyst between these enterprises and other agencies of the Government and helps establish long term linkages to improve their order book and ensure timely supplies to core sector customers.

1.5.4 The loss making enterprises suffer from a number of factors including poor order book, shortage of working capital, surplus manpower and obsolete plant and machinery, besides increase in the cost of inputs etc. Several of these loss making CPSEs have problems of large work force and huge overheads far above the industry norms. In this context, salary/wage bill and social overheads as percentage of turnover are given at Annexure–VII.

1.5.5 The order book in most of the CPSEs has been gradually improving especially in case of BHEL whose order book has substantially improved from about Rs. 15,000 crore to about Rs. 55,000 crore during the last four years. Details of order book position in individual CPSEs are given at Annexure-VIII.

1.5.6 Major exporting CPSEs are BHEL, IL, HPC and HMT. Details of export performance of CPSEs under DHI are given at Annexure-IX.

1.5.7 Government's investment in terms of equity in these CPSEs is Rs. 5034 crore. Many of the CPSEs have been making losses for the last few years eroding their net worth substantially. Details of Government equity, net worth and accumulated loss/profit of these PSEs are given at Annexure-X.

1.6 Restructuring of PSEs

1.6.1 The Department undertakes and encourages restructuring of CPSEs under its administrative control in line with the overall Public Sector Policy of the Government. As per the Public Sector policy outlined in the National Common Minimum Programme (NCMP), the profit making companies are being strengthened by providing greater autonomy and the loss making CPSEs are being considered for revival/closure. Accordingly, a fresh look to identify companies under the department which can be restructured and revived has been undertaken in consultation with the Advisers/CPSEs. Board for Reconstruction of Public Sector Enterprises (BRPSE) have already given recommendations in all the 25 cases of DHI referred to them.

Government has given its approval for Revival/ Restructuring plans of 12 CPSEs under DHI during 2004-07 involving a fresh cash infusion of Rs.1498 Crore. These CPSEs employ about 30,000 persons.

12 CPSEs whose revival/restructuring has been approved by the Govt. are as under :

(i) Bharat Pumps and Compressors Ltd. (BPCL),

(ii) Bridge & Roof Co. Ltd. (B&R),

(iii) Braithwaite and Company Ltd. (BCL),

(iv) Braithwaite, Burn & Jessop Construction Co. Ltd. (BBJ),

(v) Heavy Engineering Corporation Ltd. (HEC),

(vi) Praga Tools Ltd. (PTL),

(vii) Hindustan Salts Ltd. (HSL),

(viii) Cement Corporation of India Ltd.(CCI),

(ix) HMT (Bearing) Ltd. [HMT(B)],

(x) HMT Machine Tools [HMT(MT)],

(xi) Andrew Yule &Company Ltd. (AYCL),

(xii) Nagaland Pulp & Paper Co. Ltd. (NPPC).

In case of two PSEs, namely Bharat Ophthalmic Glass Ltd. (BOGL) and Bharat Yantra Nigam Ltd. (BYNL), closure has been approved by the Government. In case of NIL, Govt. has approved transfer of assets and liabilities to Jadavpur University, Kolkata.

Details of financial package approved by the Govt. are given in Annexure XI.

1.6.2 The Department provides financial support to the CPSEs in consultation with the Ministry of Finance and Planning Commission for meeting their investment needs and implementation of restructuring plans of sick / loss making CPSEs sanctioned by the Government / BIFR. For 2008-09, a lump sum provision of Rs. 21 crore has been made in the Annual plan to meet expenditure on revival cases .

1.6.3 Some of the restructuring efforts earlier taken up include:

- Conversion of Belting Division of Andrew Yule & Co. Ltd. (AYCL) in the year 1999 into a Joint Venture company (Phoenix Yule & Co.) with M/s Phoenix of Germany as the partner holding 74% of the equity with balance of 26% with AYCL.
- Conversion of Lagan Jute Machinery Co. Ltd. (LJMC), a subsidiary of BBUNL into a JV and transfer of management of the company to JV partner in July, 2000.
- Conversion of Jessop & Co. Ltd. (Jessop), a subsidiary of BBUNL into a JV and transfer of management of the company to JV partner in August, 2003.
- Disinvestment of majority stake in Maruti Udyog Ltd. (MUL).

1.6.4 Following CPSEs have been closed / not in operation :

(i) Bharat Process & Mechanical Engineers Ltd. (BPMEL),

(ii) Bharat Brakes & Valves Limited (BBVL),

(iii) Cycle Corporation of India (CCIL),

(iv) National Bicycle Corpn. of India Ltd. (NBCIL),

(v) Mining and Allied Machinery Corpn. Ltd. (MAMC),

(vi) Rehabilitation Industries Corp. (RIC),

(vii) RBL Limited (RBL),

(viii) Tannery & Footwear Corpn. Ltd. (TAFCO),

(ix) Weighbird India Ltd. (WIL),

(x) Bharat Leather Corporation Ltd. (BLC),

(xi) National Industrial Development Corporation Ltd. (NIDC),

(xii) Bharat Ophthalmic Glass Ltd. (BOGL),

(xiii) National Instruments Ltd. (NIL),

(xiv) Nagaland Pulp and Paper Co. Ltd. (NPPC)*.

*(Revival package since approved in Nov. 2006)

1.6.5 Besides the fourteen CPSEs mentioned above, four unviable units of HMT Ltd. (Watch Case Division, Lamp Division, Central Metal Forming Institute, all at Hyderabad and Miniature Battery Unit in Guwahati), loss making refractory units and Jellingham Yard of Burn Standard Co. Ltd. (BSCL), Tangra Unit of Tyre Corporation of India Ltd. (TCIL) have been closed consequent upon the permission granted by the Appropriate Authority.

1.7 Autonomy to PSEs/Navratnas and Miniratnas

1.7.1 BHEL is one of the Navratna CPSEs. The Board of the Company has been strengthened by induction of outside qualified professionals. Navaratna CPSEs have been provided greater autonomy in respect of capital expenditure, formation of strategic alliances and formulation of HRD policies etc.

1.7.2 Besides BHEL, which is a Navratna, four CPSEs under DHI namely REIL, HNL, EPI and HMT (I) have been categorized as Miniratnas. Miniratna CPSEs have also been empowered with enhanced delegation.

1.8 Memorandum of Understanding (MoU)

1.8.1 With a view to giving greater autonomy to the public sector enterprises and making them accountable for achievement of their objectives, all the CPSEs under the Department signed MoUs with Government of India for the year 2007-2008.

Bharat Heavy Electricals Ltd. (BHEL), Hindustan Paper Corporation (HPC), Rajasthan Electronics & Instruments Limited (REIL) and Engineering Projects (I) Ltd. (EPI), have been placed in the Excellent Category based on their MoU performance in 2006-07.

1.9 North Eastern Region

1.9.1 Out of the 48 Public Sector Enterprises under the administrative control of the Department of Heavy Industry, the following PSEs/Units are situated in the North Eastern Region :

(i) Hindustan Paper Corporation Ltd. (HPC) (Nagaon & Cachar Paper Mills), Assam.

(ii) Nagaland Pulp & Paper Company Ltd. (NPPC), Nagaland,

(iii) Cement Corporation of India Ltd. (CCI), (Bokajan Unit), Assam.

(iv) Andrew Yule & Company Ltd. (AYCL), (Tea Gardens), Assam.

1.9.2 These CPSEs/Units are engaged in the manufacture of Paper, Cement and Tea. As per the policy of the Government, 10% of the budget of this Department is being allocated for the development of North Eastern Region. Some of the major schemes undertaken in the past include modernization of paper units of Hindustan Paper Corporation Ltd. (HPC), D.G. set for power generation and installation of overhead crane at Bokajan Unit of Cement Corporation of India Ltd. (CCI) and rejuvenation of tea plantation of Andrew Yule & Company Ltd. (AYCL) in Assam. Restructuring/revival plan of NPPC involving a total cost of Rs. 570 crore has been approved by the Govt. and further action is in hand. NPPC is now out of the purview of BIFR vide its order dated 27th June 2007, approving the package for revival of NPPC. The Government has provided a budgetary support of Rs. 55.83 crore during the 10th Plan period for investments made in these CPSEs. Tentative budgetary support for the 11th Plan period is Rs.314.33 crore.

1.10 Citizens Charter

The Department of Heavy Industry is committed to the goal of effective and responsive administration. Following steps have been taken in this direction:

(i) In an effort to streamline the system of redressal of public grievances and staff grievances, a Joint Secretary and a Director, respectively, in this Department is functioning as Joint Secretary (Public

Grievances) and Director (Staff Grievances) in order to ensure that the grievances are redressed in time.

(ii) In an effort towards computerization of all work in the Department, a Joint Secretary has been designated as IT Manager who will also be responsible for updating the websites of the Department periodically.

(iii) A Nodal officer of the rank of Director has been designated in the Department for the redressal of grievances of Pensioners.

(iv) For the purpose of settlement of disputes in Lok Adalat, a Nodal officer of the rank of Director has been designated in the Department in respect of officers/staff members working in the Department.

(v) In order to create adequate awareness regarding human rights especially of female employees, Department of Heavy Industry, in accordance with the directions issued by the Government for the preservation and enforcement of rights to gender equality and justice to working women employees, a Complaint Committee has been constituted in this Department for redressal of complaints related to sexual harassment of women.

(vi) Further, this Department actively encourages women employees to freely participate in all activities like meetings, seminars, competitions and training etc. This helps in ensuring their integration into the mainstream work force.

(vii) The Annual Reports of the Department (both in English and Hindi) and other important information including initiatives and new policies are made available on the website of the Department, www.dhi.nic.in .

(viii) An officer of the rank of Deputy Secretary has been designated as CPIO to provide information under the RTI Act.

(ix) An officer of the rank of Director in the Department has been nominated as liaison officer for the matters relating to SCs/STs/OBCs in the Department and CPSEs under its control.

(x) Public Sector Enterprises function under the Indian Companies Act, 1956 and the guidelines laid down by the Department of Public Enterprises.

(xi) Efforts are made by the CPSEs to follow the instructions issued by the Government from time to time to promote the welfare of persons with disabilities. Persons with disabilities are provided facilities like special conveyance allowance, preferential residential accommodation, wherever possible, and additional amenities and facilities to enable them to discharge their duties and facilitate their integration into the mainstream workforce.

1.11 Audit observations of Comptroller & Auditor General of India (CAG)

As per the requirement stipulated by the CAG, summary of important audit observations of CAG of India on the working of the Department of Heavy Industry is given in Annexure–XII.

Chapter 2

CPSEs under DHI

2.0 Out of 48 CPSEs under the Department, 34 are operating at present, 2 CPSEs are not in operation and 12 CPSEs have been closed. Besides, there are two non-manufacturing holding companies. A brief write up on these CPSEs is given below.

2.1 ANDREW YULE & CO. LTD. (AYCL)

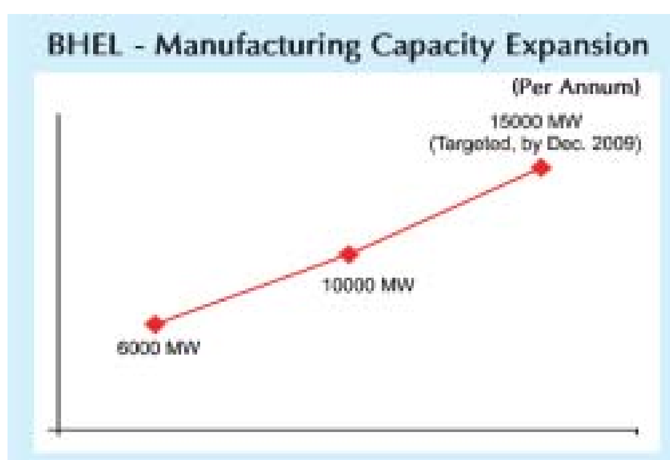
The company is engaged in manufacture, sales and servicing of various industrial products like industrial fans, tea machinery, air pollution control equipment, electrical equipments including switchgears, circuit breakers, etc. In 1986, six tea companies having 12 tea gardens in West Bengal and Assam, engaged in cultivation, manufacture and processing of tea, became a part of AYCL. Transformers and Switchgears Ltd., Madras and Brentford Electric (India) Ltd., Calcutta were also nationalized and vested in Andrew Yule & Company Ltd. The Andrew Yule Group includes a subsidiary, M/s Hooghly Printing Company Ltd, and two major associate companies namely Dishergarh Power Supply Company Ltd (since renamed as DPSC Ltd) and Tide Water Oil Company Ltd. The company's Belting Division was converted into a joint-venture company in February 1999 with M/s Phoenix, AG Germany acquiring 74% of the equity and AYCL retaining 26% of the equity in the new company. The company became sick and was referred to BIFR. The company has been reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP); BRPSE's recommendations for restructuring of the company have been considered and a revival/ restructuring package has been approved by the Govt. The company is likely to end the year 2007-08 with a production of Rs. 165.76 crore.

2.2 HOOGHLY PRINTING COMPANY LTD.

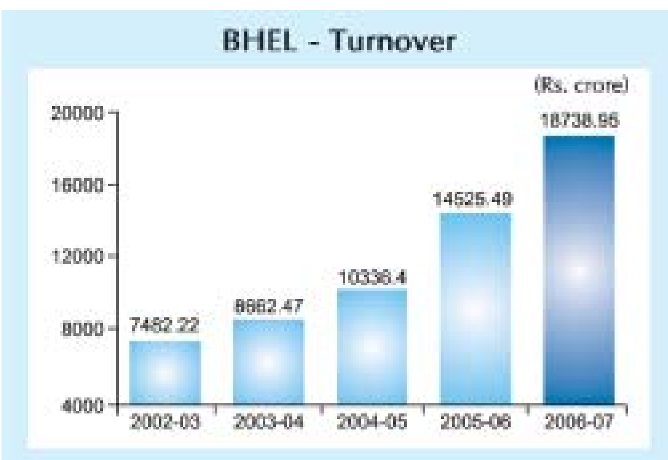
The company was established in the year 1922 for catering to the printing and stationery requirement of the companies under Andrew Yule Group. It is a wholly owned profit making subsidiary of Andrew Yule & Co. Ltd. The turnover of the company in 2007-08 is expected to be Rs. 6.50 crore.

2.3 BHARAT HEAVY ELECTRICALS LTD.

The company was established for specially catering to the power generation & transmission equipment needs of the country. BHEL today is the largest engineering and manufacturing enterprise of its kind in India and is one of the

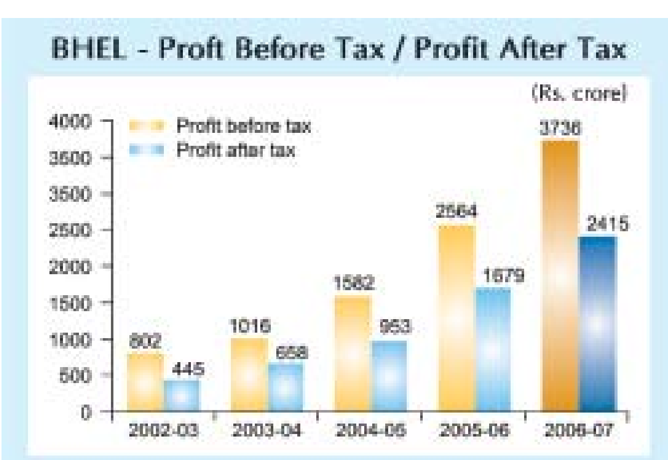


leading international companies in the field of power equipment manufacture. It has 14 manufacturing plants, 8 service centers and 4 power sector regional centres besides project sites and regional offices spread all over India and abroad. The company has been identified



as a 'Navratna' PSE. BHEL's performance in 2006-07 against MOU targets qualified it for placement in 'Excellent' category.

The company has formed two joint ventures, one with M/s Siemens of Germany and the



other with M/s General Electric, USA in the area of Servicing/renovation of Thermal Plants and Servicing of Gas turbines respectively.

The company has drawn up a 'Strategic Plan 2012 ' for ensuring a sustainable profitable growth over the next five years with the objective of reaching a turnover level of Rs.45,000 crore by 2012. This includes expansion of manufacturing capacity for power generating equipment from the present 6000 MW p.a to reach 15,000 MW p.a. by 2012. Besides capacity augmentation in the areas of Thermal, Gas, Hydro and Nuclear, other major areas of investment include the facilities for Nuclear Turbines upto 700/1000 MW, Advanced Class Gas Turbines, 765 KV transformers and augmentation of transformer capacity from 20500 MVA to 38500 MVA.

During the year, BHEL has witnessed a substantial improvement in its order book. The company received orders of more than Rs. 33,000 crore during the year 2006-07, followed by orders of more than Rs. 23,000 crore during the first 6 months of 2007-08; some of which are as under –

- Orders for 500 MW sets at Farakka, Mejia, Dadri, Khaperkheda, Kothagudem, Ennore, DSP, Ukai, Jhajjar, etc. ;
- Orders for 250 MW sets for Paras, Santaldih, Sikka, Suratgarh, Tombay, Paricha, etc;
- Orders for Hydro sets of different capacities for Parbati, Pochampad, Nagarjunasagar, Chutak, Maheshwar, Nimoo Bazgo etc.;
- Order for 1 * 500 MW Nuclear power set at Kalpakkam
- Order for +/- 500 Kv Balia Bhiwadi HVDC project from POWERGRID;
- 1st commercial order for 1*80 MVAr Controlled Shunt Reactor at Karad from MAHATRANSCO.

The company is likely to end the year 2007-08 with a production of Rs. 21000 crore.

2.4 BHARAT BHARI UDYOG NIGAM LTD.

Bharat Bhari Udyog Nigam Ltd. (BBUNL) was incorporated as a holding company in 1986, with the following subsidiary companies:

(i) Burn Standard Company Ltd. (BSCL)

Subsidiaries :

(a) Bharat Brakes & Valves Ltd. (BBVL) (since closed).

(b) RBL Ltd. (RBL) (since closed)

(ii) Bharat Wagon & Engineering Company Ltd. (BWEL)

(iii) Braithwaite & Company Ltd. (BCL)

(iv) Bharat Process & Mechanical Engineers Ltd. (since closed)

Subsidiary :

(vi) Weighbird (India) Ltd. (WIL) (Since closed)

(v) Braithwaite, Burn & Jessop Construction Co. Ltd. (BBJ)

(vi) Jessop & Company Ltd. (majority stake disinvested in Aug. 2003)

2.5 BURN STANDARD COMPANY LTD.

Consequent upon the nationalization of the erstwhile Burn & Company Ltd. and the Indian Standard Wagon Company Ltd., Burn Standard Company Ltd. (BSCL) was incorporated in 1976. The company has two large engineering units at Howrah and Burnpur in West Bengal besides eight refractory and ceramic units located in Bihar, West Bengal, Tamilnadu and Madhya Pradesh. The major products being manufactured by BSCL include wagons, structurals, points and crossings, bogies, ash handling plant, coal handling plant etc. The company is sick and is under reference to BIFR. 7 loss making refractory units and Jellinghum Yard of the company have been closed following the permission granted by the competent Authority. The company's future is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). The production of the company during the year 2007-08 is anticipated to be Rs. 306.40 crore.

2.6 BRAITHWAITE & COMPANY LIMITED

Consequent upon nationalization, the Braithwaite and Company (BCL) was taken over by Govt. in 1976. The company has three manufacturing units viz., (i) Clive Works, (ii) Victoria Works and (iii) Angus Works, which are engaged primarily in the manufacture of Railway Wagons, steel structurals, and general and special purpose cranes including Container Handling Cranes, Rail-Mounted Diesel Loco Break down Cranes, Jute Carding Machines and Roll Feeders for the Jute industry, etc. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a revival/restructuring plan has been approved by the Government. Subsequently, BIFR, vide order dated 29.06.2006 has discharged BCL from the purview of BIFR and BCL ceased to be a sick industrial company. The production of the company during the year 2007-08 is anticipated to be Rs. 135.29 crore.

2.7 BHARAT WAGON AND ENGINEERING COMPANY LTD.

Bharat Wagon & Engineering Company Ltd. (BWEL) was formed after nationalization of Britannia, Mokameh, Bihar and Arthur Butler, Muzaffarpur, Bihar in 1979. The main products of the company are Railway Wagons, screw pile bridges, steel fabrications, Grey Iron Castings etc. The company was referred to BIFR as it had become sick. The company's future is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) for revival/restructuring. BRPSE's recommendations for restructuring of the company are under consideration of the Govt. The production of the company during 2007-08 is anticipated to be Rs. 53.64 crore.

2.8 BRAITHWAITE, BURN & JESSOP CONSTRUCTION CO. LTD.

Braithwaite Burn & Jessop Construction Co. Ltd. (BBJ) was constituted by Braithwaite, Burn and Jessop in 1935 for erection of the Howrah Bridge. BBJ turned into a PSE in 1987 when it became a subsidiary of Bharat Bhari

Udyog Nigam Ltd., (BBUNL). The company is engaged in construction of steel bridges, marine structures and jetties etc., bridges. The company has diversified into marine related activity. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring plan for the company has been approved by the Govt. The turnover of the company in 2007-08 is anticipated to be Rs.85.22 crore.

2.9 BHARAT YANTRA NIGAM LTD.

Bharat Yantra Nigam Ltd. (BYNL), was incorporated as a holding company in 1986, with following subsidiaries.

1. Bharat Heavy Plate & Vessels Ltd., Visakhapatnam.
2. Bharat Pumps & Compressors Ltd., Naini, Allahabad.
3. Bridge & Roof Company (India) Ltd., Kolkata
4. Richardson & Cruddas (1972) Ltd., Mumbai.
5. Tungabhadra Steel Products Ltd., Hospet, Karnataka.
6. Triveni Structurals Ltd., Naini, Allahabad. Government has approved the closure/ winding up of BYNL, the holding company, and further follow up action is being taken.

2.10 BHARAT HEAVY PLATE AND VESSELS LTD.

Bharat Heavy Plate & Vessels Ltd. (BHPV) was set up in the year 1966 for catering to the requirement of equipment for core sectors such as Fertilizers, Oil Refineries, Petrochemicals, etc. The company has three product divisions namely Process Plant Division, Cryogenics and Boiler Division. The company has been making losses for last few years and was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). Government has approved "in principle" takeover of BHPV by BHEL subject to certain conditions. Accordingly, further action has been initiated . Production of the company for the year 2007-08 is anticipated at Rs. 180 crore.

2.11 BHARAT PUMPS & COMPRESSORS LTD.

Bharat Pumps & Compressors Ltd. (BPCL) was incorporated in 1970 at Naini, Allahabad. The company is catering to the needs of sectors like oil, fertilizer, chemicals etc. for various types of pumps & compressors. The company became sick and was referred to BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring plan for the company has been approved by the Govt. The company is likely to end the year 2007-08 with a production of Rs. 185 crore.

4HF/3 Compressor for IOC Panipat Refinery supplied by BPCL

2.12 BRIDGE & ROOF COMPANY (INDIA) LTD.

Bridge & Roof Company (India) Ltd. (B&R) was initially a subsidiary of Balmer Lawrie & Co. Ltd. Subsequently, through an investment of additional equity capital of Rs. 1.74 crore by Government of India in 1978, B&R became a Govt. company. The administrative control of this company was transferred to this Department from Ministry of Petroleum in June, 1986. The company's operations cover fabrication of medium and heavy structures, civil engineering works in respect of buildings, concrete bridges, project civil work, cooling towers, mechanical erection of complete plants for refineries, fertilizers, chemicals, steel, aluminium, etc. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme

(NCMP) and a restructuring plan has been approved by the Government. The turnover of the company during the year 2007-08 is anticipated to be Rs. 700 crore.

2.13 RICHARDSON & CRUDDAS (1972) LTD.

Richardson & Cruddas (1972) Ltd. (R&C) was taken over from private sector in 1973. It has four units – two in Mumbai and one each in Chennai and Nagpur. The company became a subsidiary of BYNL in 1987. The company is sick and under reference to BIFR. In July, 2003, the BIFR passed the orders for winding up of R&C. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). The company's production during the year 2007-08 is anticipated to be Rs. 70 crore.

2.14 TRIVENI STRUCTURALS LTD.

Triveni Structurals Ltd. (TSL) was incorporated in 1965. The company has facility for manufacture of heavy steel structural products, such as tall towers and mast for power transmission, communication and T.V. broadcasting, hydro-mechanical equipment, pressure vessels etc. The company became a subsidiary of BYNL in April, 1987. The company is sick and stands referred to BIFR. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE's recommendations for restructuring of the company are under consideration of the Govt. The company's production during 2007-08 is anticipated to be Rs. 10.39 crore.

2.15 TUNGABHADRA STEEL PRODUCTS LTD.

The company was established in 1960 as a joint enterprise of the Governments of Karnataka and Andhra Pradesh. Tungabhadra Steel Products Ltd. (TSP) became a subsidiary of BYNL in April,1987. The company has facilities for design, manufacture and erection of hydraulic structures, penstocks, building structures, transmission line towers, EOT & gantry cranes, etc. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). The production of the company is anticipated to be Rs. 5.50 crore during 2007-08.

2.16 HINDUSTAN CABLES LTD.

Hindustan Cables Ltd. (HCL) was set up in 1952 as the first telecommunication cable manufacturing unit in the country. The company has units in Rupnarainpur, West Bengal; Naini, Allahabad, U.P. & Hyderabad, Andhra Pradesh. The company has facilities for manufacture of a wide range of telecommunication cables and wires and had been catering to the needs of sectors like Railways, Defence, and Communication etc. HCL is sick and is under reference to BIFR. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). Further action will be taken on receipt of recommendations of BRPSE.

2.17 HEAVY ENGINEERING CORPORATION LTD.

Heavy Engineering Corporation Ltd. (HEC), Ranchi was incorporated in December, 1958 with the primary objective of achieving self-sufficiency and self-reliance in the field of design and manufacture of equipment and machinery for the Iron and Steel Industry and other core sector industries like, Mining, Metallurgy etc. It has three manufacturing units namely – Heavy Machine Building Plant (HMBP), Heavy Machine Tools Plant (HMTP) and Foundry Forge Plant (FFP). The company manufactures a wide range of equipment for steel plants, material handling equipment like wagon tipplers and EOT cranes, heavy machine tools including CNC Machine tools and special purpose machine tools and various types of castings, forgings and rolls etc. The company is sick and under reference to BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a revival/ restructuring plan has been approved by the Government in December 2005. The company's production during the year 2007-08 is anticipated to be Rs. 342.40 crore.

2.18 HMT LTD. (Holding Company with Tractor Divn.)

HMT Ltd., Bangalore was set up in 1953 having facilities to manufacture Machine tools, Watches, Tractors, Printing machinery, special purpose machines, presses and dairy machinery. The Company's Turnaround plan approved by the Government in July, 2000 envisaged Organizational Restructuring by conversion of Business Groups into four new separate subsidiary companies. The Company

HMT (MT) manufacturing facility

has been restructured into HMT Limited, (the Holding Company) with Tractor Business in its fold, HMT Machine Tools Limited, HMT Watches Limited & HMT Chinar Watches Limited. Besides, the company has two wholly owned subsidiaries namely HMT (International) and HMT (Bearings) Ltd. and one partly owned subsidiary, Praga Tools Ltd. The Tractor Division of HMT commenced its operations in 1971 with the manufacture of Tractors at the manufacturing plant established in Pinjore, Haryana. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE has given its recommendations for restructuring/revival of the company which are under consideration of the Govt. The production of HMT Holding Company (Tractors Division) is anticipated to be Rs. 275.09 crore during 2007-08.

2.19 HMT MACHINE TOOLS LTD.

HMT Ltd., the pioneer in Machine Tools Industry in India and manufacturer of a diversified range of products has incorporated "HMT MACHINE TOOLS LIMITED" as its fully owned subsidiary in 1999. It has manufacturing units at different locations. All the manufacturing units of HMT-MT Ltd. are ISO 9001 certified. The company has been reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and Govt. has given its approval for restructuring/revival of the company . The production of the company in 2007-08 is anticipated to be Rs. 320 crore.

2.20 HMT WATCHES LIMITED

HMT Watches Limited, manufactures mechanical and quartz watches. The company has 3 manufacturing units at Bangalore, Tumkur and Ranibagh. All its manufacturing units have obtained the ISO 9001 certification. The product range of HMT Watches Ltd. caters to different segments of the market. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE's recommendations for restructuring/revival of the company are under consideration of the Govt. The production of the company during 2007-08 is anticipated to be Rs. 36 crore.

2.21 HMT CHINAR WATCHES LIMITED

HMT Chinar Watches Limited manufactures mechanical watches. The company has one manufacturing Unit at Srinagar, J&K and an assembly unit at Jammu. The company's registered office is located in Jammu. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). The production of the company in 2007-08 is anticipated to be Rs.2.5 crore.

2.22 PRAGA TOOLS LTD.

Praga Tools Ltd. (PTL), Secunderabad, originally incorporated as a Public Limited Company in 1943, became a Central Public Sector Enterprise in 1959. PTL became a subsidiary of HMT Ltd. in 1988 when 51% of the share capital of the company was transferred in the name of HMT Ltd.The company manufactures various types of machine tools viz. CNC cutter & tool grinder, surface grinder, CNC milling machine, thread rolling machine, Jig boring machine and CNC jig boring machines etc. The company is sick and referred to BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring/revival plan for PTL has been approved by the Govt. The production during the year 2007-08 is anticipated to be Rs. 26.36 crore.

2.23 HMT (BEARINGS) LTD.

HMT (Bearings) Ltd. (erstwhile Indo-Nippon Precision Bearings) was established in the year 1964 as a state public sector company. In the year 1981, this company became a central public sector enterprise as a subsidiary of HMT Ltd. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring/revival plan for HMT (Bearings) Ltd. has been approved by the Govt. The production of the company during the year 2007-08 is anticipated to be Rs. 20.79 crore.

2.24 HMT (INTERNATIONAL) LTD.

HMT (I) Ltd. was established in December, 1974 as a trading company for giving greater thrust to exports of the products of the parent company, HMT Ltd. The major items for exports are machine tools, watches and other associated products which are being exported to various countries. The turnover of the company during the year 2007-08 is anticipated to be Rs. 34.06 crore.

2.25 INSTRUMENTATION LTD.

Instrumentation Ltd., Kota (IL) was set up in 1964. The company has manufacturing units at Kota, Rajasthan, and Palakkad, Kerala and also has a subsidiary namely, M/s Rajasthan Electronics and Instruments Ltd. (REIL) at Jaipur. The company is engaged in manufacture of micro processor based digital distribution control systems, advanced electronic transmitters, fault tolerant control systems, railway signalling systems, telecommunication equipment etc. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE's recommendations for restructuring of the company are under consideration of the Govt. The production of IL in the year 2007-08 is anticipated to be Rs. 280.00 crore.

2.26 RAJASTHAN ELECTRONICS & INSTRUMENTS LTD.

Rajasthan Electronics & Instruments Ltd. (REIL) was set up in 1981 as a Joint Venture of Instrumentation Ltd., Kota and RIICO for manufacture and supply of Electronic Milk Testers (EMT) to various milk plants/dairies, milk chilling centres and village cooperative societies. The company has diversified its product range to include Solar photo voltaic modules/system, Electronic Energy meters and Information technology. The company is a subsidiary of IL, which holds 51% of its equity. Remaining 49% of the equity is being held by RIICO, Govt. of Rajasthan. By virtue of its financial performance, the CPSE has gained the status of 'Miniratna'. The production of the company during the year 2007-08 is anticipated to be Rs. 61.80 crore.

Smt. Sonia Gandhi, Hon'ble Chairperson UPA, witnessing one of the products of REIL Smart DPMCU at Mandal Mahila Samakya, Eluru district West Godhavary, Andhra Pradesh.

2.27 NATIONAL INSTRUMENTS LTD.

National Instruments Ltd. (NIL), was incorporated as a PSE in 1957 after taking over the assets and liabilities of National Instruments Factory, a departmentally run workshop under the then Ministry of Production and Supplies. The company was engaged in manufacture of various types of Optical & Opto Electronic

Surveying Instruments mainly used for surveying and Night Vision devices. The company became sick and was referred to BIFR which passed its winding up order on 30.09.02. Meanwhile, Government has approved the proposal for transfer of the company with assets and liabilities to Jadavpur University , Kolkata and have approached BIFR for appropriate orders in this regard.

2.28 SCOOTERS INDIA LTD.

Scooters (India) Ltd. (SIL) was incorporated as a Government of India enterprise in 1972. At present, three wheelers are manufactured in its factory located in Lucknow. The company became sick and was referred to BIFR. The company has achieved turnaround in its performance and posted profits consecutively till 2005-06.The company has come out of the purview of BIFR w.e.f April,2006. Recognising that the performance of the company is not commensurate with the growth trends in the auto sector, Government has since sanctioned a project for product improvement, manpower training and up-gradation of facilities for testing and evaluation at SIL at a total cost of Rs.18.63 crore.The company is likely to achieve a production of Rs. 194.72 crore during 2007-08.

2.29 BHARAT OPHTHALMIC GLASS LTD.

Bharat Ophthalmic Glass Ltd. (BOGL) was set up in 1972 and took over the Ophthalmic Glass Plant at Durgapur from the National Instruments and Ophthalmic Glass Ltd. The company has facilities to manufacture ophthalmic blanks, flint buttons, optical glass, radiation shielding window (RSW) glass and other special quality optical glasses. The company became sick and was referred to BIFR. BIFR has recommended winding up of the company. The operations of the company have stopped since March 2003. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and on the recommendation of BRPSE,Government decided to close the company and accept the recommendation of BIFR for winding up the company. High Court of Kolkata has passed order dated 9.7.2007 for winding up of the company.

2.30 CEMENT CORPORATION OF INDIA LTD.

Cement Corporation of India Ltd. (CCI) was established in 1965 with the principal objective of setting up cement factories in Public Sector to achieve self-sufficiency in cement production and to remove regional imbalance. It has 10 units spread over 8 States/Union Territories, located in Mandhar, Akaltara in Chattisgarh; Nayagaon in MP; Kurkunta in Karnataka; Bokajan in Assam; Rajban in HP; Adilabad and Tandur in AP; Charkhi Dadri in Haryana and Delhi Grinding unit in Delhi. Seven units out of 10 are non-operational due to various reasons. The company became sick and was referred to BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring/revival plan approved by the Govt. is under implementation. The production for the year 2007-08 in the running units is anticipated to be Rs. 348.39 crore.

A view of cement factory of CCI at Tandur

2.31 HINDUSTAN PAPER CORPORATION LTD.

Hindustan Paper Corporation Ltd. (HPC), incorporated in 1970, is engaged in manufacture of paper, paperboards, Craft Paper and newsprint. HPC is a Holding company and has 2 subsidiaries and two major integrated pulp and paper mills under its control as given below. HPC has been recategorised as a Schedule 'A' PSE and HNL as Schedule 'B' PSE.

Subsidiaries of HPC

a) Hindustan Newsprint Ltd. (HNL)

b) Nagaland Pulp & Paper Company Ltd. (NPPC).

Units of HPC

(i) Nagaon Paper Mills (NPM)

(ii) Cachar Paper Mills (CPM)

The capacity utilization of HPC's Mills (CPM & NPM together) was 104% during 2006-07 and is expected to improve further to 105% in 2007-08. The production of the company (NPM and CPM) during the year 2007-08 is anticipated to be Rs. 738.12 crore. The company paid a dividend of Rs. 15.20 crore to the Govt. for the second year in succession and also redeemed Rs.10 crore Redeemable Preference shares. Government has approved in Nov.2007 the proposal of HPC for setting up of 3 lakh tonnes per annum UP Paper Mill Project at Jagdishpur at a completion cost of Rs. 3100 crore.

2.32 NAGALAND PULP & PAPER COMPANY LTD.

Nagaland Pulp & Paper Company Ltd. (NPPC) is a subsidiary of Hindustan Paper Corporation (HPC). HPC holds 94.78% of the equity shares and the Government of Nagaland holds the balance 5.22%. There is no production activity in the plant. BIFR recommended winding up of the company. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring/revival plan, involving an estimated cost of Rs. 552.44 crore approved by the Govt. is now under implementation.

2.33 HINDUSTAN NEWSPRINT LTD.

Hindustan Newsprint Ltd. (HNL) originally started as a unit of HPC was converted into a wholly owned subsidiary of HPC in August, 1983. This mill with annual capacity of 1 lakh MT is located in the State of Kerala and is engaged in the production of newsprint. HNL has launched its expansion cum diversification plan to produce writing and printing paper with flexibility to switch over to newsprint for additional production capacity of 170,000 tonnes of paper at an estimated cost of Rs. 718.80 crore. The production of the mill during the year 2007-08 is anticipated to be Rs. 289.79 crore.

2.34 HINDUSTAN PHOTO FILMS MANUFACTURING COMPANY LTD.

Established in 1960, the company is engaged in manufacture of photosensitized films, cine positive (black and white), cine films sound negative, medical X-ray films, etc. The company was referred to BIFR in 1995. BIFR recommended its winding up on 30th Jan., 2003. Appeals were filed by various agencies before AAIFR against winding up order of BIFR. AAIFR dismissed these appeals. However, Madras High Court has granted an interim stay on the proceedings of AAIFR and BIFR orders on the basis of appeal filed by the Trade Unions. M/S Ernst and Young has been engaged for further study on the viability of the company on the basis of the recommendations of the Department Related Parliamentary Standing Committee on Industry (Rajya Sabha). Report of the consultants has been received and is under consideration. The production of the company during 2007-08 is anticipated to be Rs. 17.50 crore.

2.35 HINDUSTAN SALTS LTD.

Hindustan Salts Ltd. (HSL), set up in 1959, is engaged in the production of common salt and salt-based chemicals at its units located at Kharaghoda, Gujarat and Mandi, Himachal Pradesh. The company is sick and under reference to BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and a restructuring/revival plan has been approved by the Government in May, 2005. The revival package of the company is under implementation. Its production during the year 2007-08 is anticipated to be Rs. 17.02 crore.

2.36 SAMBHAR SALTS LTD.

Sambhar Salts Ltd. (SSL) is a subsidiary of Hindustan Salts Ltd. (HSL). The paid up capital of the company is Rs. 1 crore, 60% of which has been subscribed by HSL and balance 40% by the Government of Rajasthan. The company is producing salt, both for edible and industrial use. The production of the company during the year 2007-08 is anticipated to be Rs. 16.51 crore.

Extraction & Haulage of Salt at Nawa Kyar in Sambhar Salt Area

2.37 NEPA LTD.

NEPA Ltd. (NEPA), formerly, the National Newsprint & Paper Mills Ltd. was initially set up in 1947 in private sector. Later on, in October, 1949, its management was taken over by the State Government. The Central Govt. acquired controlling interest in 1959 by conversion of loans into equity and it became a central PSE. The company produces Newsprint and Paper. The company became sick and is under reference to BIFR. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE's recommendations for restructuring of the company are under consideration of the Govt. The production of the company during the year 2007-08 is anticipated to be Rs. 85 crore.

2.38 TYRE CORPORATION OF INDIA LTD.

Tyre Corporation of India Ltd. was incorporated in 1984 after the nationalization of two sick companies, namely, M/s Incheck Tyres Ltd. and M/s National Rubber Manufacturers Ltd. The company has its single operating unit at Kankinara and is engaged in the manufacture of tyres for automobiles. The Company is sick and is under reference to BIFR. Tangra unit has since been closed after necessary permission from the competent authority. The company is being reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP). BRPSE's recommendations for restructuring of the company through disinvestment have been approved by the Govt. Parliament has passed the Tyre Corporation of India Ltd. (Disinvestment of Ownership) Bill 2007.The production during the year 2007-08 is anticipated to be Rs. 213.75 crore.

2.39 ENGINEERING PROJECTS (INDIA) LTD.

Engineering Projects (India) Ltd. (EPI) is a premier turnkey contracting company incorporated in the year 1970. The company's field of operation is extensive and includes projects relating to civil and structural engineering, material handling, metallurgy, petrochemicals, environment and pollution control etc. After the financial restructuring of

Housing project at Suryanagar, Bangalore for Karnataka Housing Board - executed by EPI the company in 2001, the company has turned around and has been posting profits. After a gap of 26 years, the company started paying dividend from the financial year 2003-04. The company declared a dividend of 20% for the year 2006-07. The turnover of the company during the year 2007-08 is anticipated to be Rs. 850 crore.

2.40 12 PSEs namely, Mining and Allied Machinery Corporation (MAMC), Bharat Process and Mechanical Engineers (BPME), Weighbird (India) Ltd. (WIL), Cycle Corporation of India Ltd.(CCIL), Tannery and Footwear Corporation Ltd. (TAFCO), Bharat Leather Corporation Ltd. (BLC), National Industrial Development Corporation (NIDC), Rehabilitation Industries Corporation (RIC), Bharat Brakes and Valves(BBVL), Reyroll Burn Ltd. (RBL),Bharat Ophthalmic Glass Ltd. (BOGL) and National Bicycle Corporation of India (NBCIL), have been closed.

Chapter 3

Heavy Electrical, Heavy Engineering and Machine Tool Industries

3.1 Heavy Electrical Industry

Heavy Electrical Industry encompasses important industry sectors including power generation, transmission and distribution equipments. This also covers turbo generators, boilers, turbines, transformers, switchgears and relays. The performance of this industry is closely linked to the power programme of the country. The Government of India has an ambitious mission of 'Power for All 2012'. As per working group on Power for 11th plan, a capacity addition of 72000 MW is required. To reach wheel power, an expansion of the regional transmission network and inter regional capacity to transmit power would be essential. This will stimulate substantial demand for heavy electrical equipments. There is a strong manufacturing base for the manufacture of heavy electrical equipment in the country. The technology available in India is almost at par with that in the International market barring few areas of high voltage lines. However, items like CRGO steel and amorphous cores for low loss transformers are being imported.

The present buoyancy in the Indian Economy would create demand for electrical products through industrial growth and general economic development. India's vibrant economy needs matching improvements in the infrastructure. Power sector will play an important role in the economic development and hence needs focused attention. The power sector reforms will create large business for power sector equipment manufacturers and service providers. In the current favourable market scenario, the electrical industry can certainly look forward to growth.

3.1.1 Turbines and Generator sets

The capacity established for manufacture of various kinds of turbines, such as steam and hydro turbines including industrial turbines, is more than 7000 MW per annum. Apart from BHEL which has largest installed capacity, there are other units in the private sector who are manufacturing turbines for power generation and industrial use. The manufacturing range of BHEL includes Steam turbines, Boilers, Generators upto 500 MW for utility and commercial cycle application and is capable of manufacturing Steam Turbines with super critical steam cycle parameters and matching generators upto 660 MW size. Facilities are also available for 1000 MW unit size. BHEL has the capacity to manufacture gas turbines upto 260 MW.

The A.C. generator industry in India is adequately catering to the alternative power requirement of large and small industries, commercial establishments and domestic sector. Domestic manufacturers in India are capable of manufacturing AC Generator right from 0.5 kVA to 25,000 kVA and above with specified voltage rating. The export and import figures for the year 2006-07 were around Rs. 2100 crores and Rs. 3069 crores respectively.

3.1.2 Boilers

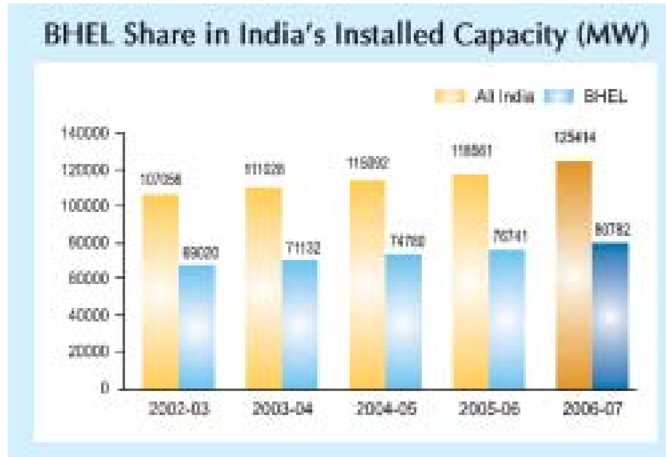
Boiler is a pressurized system in which water is vaporized to steam, the desired end product, by heat transferred from a source of higher temperature, usually the products of combustion from burning fuels. Steam thus generated may be used directly as a heating medium, or as the working fluid in a prime mover to convert thermal energy to mechanical work, which in turn may be converted to electrical energy. Although other fluids are sometimes used for these purposes, water is by far the most common. BHEL is the largest manufacturer of boilers in the country accounting for around two thirds of market share. It has the capacity to manufacture different types of boilers including super thermal boilers, utility boilers and other industrial boilers. The export and import figures for the year 2006-07 were Rs.395 crores and Rs.98 crores respectively.

3.1.3 Transformers

A transformer is a voltage changer. The health of transformer Industry depends largely on the power generation and transmission sector. The major user of this industry is the State Electricity Boards and industries. The Transformer Industry in India has developed for over 50 years and has a well matured technology base. It has the technology to manufacture wide range of power transformers, distribution transformers and special transformers for welding, traction and furnaces etc. Energy efficient transformers with low losses and low noise level are also being developed to meet international requirement. Though winding conductor bushing upto 420KV class are available for the manufacture of transformers, CRGO sheet is not manufactured in the country which creates difficulties for the manufacturers. The export and import figures for the year 2007 were Rs.2923 crores and Rs.2523 crores respectively.

3.1.4 Switchgear & Controlgear

Continuous power supply is crucial requirement not only for industry but also for every other use of electricity. Switchgear and controlgear are indispensable both in transmission and distribution of power. The Indian switchgear industry is manufacturing entire range of circuit breaker from bulk oil, minimum oil, air blast, vacuum to sulphur hexafluoride as per standard specification. It is estimated that the present size of the switchgear market is more than Rs. 4000 crores. The export and import figures for the year 2006-07 were Rs.1464 crores and Rs.2322 crores respectively.



3.2 Heavy Engineering Industry

3.2.1 Textile Machinery

There are over 600 units engaged in the manufacture of Textile Machinery, their components, accessories and spares and out of these about 100 units are manufacturing the complete machinery. The range includes textile machinery required for sorting, cording, processing of yarns/ fabrics and weaving. The industry is gearing itself to avail of opportunities of supplying machines required to cater the export target of garment

High speed shuttle weaving machine

manufacturers post Multi Fibre Agreement (MFA). With a capital investment of Rs. 1500 crore and an installed capacity of Rs. 3050 crore per annum, their current production as well as exports / imports are as under:

(Rs. in crore)

Year	Production	Exports	Imports
2004-2005	1685	457	3299
2005-2006	2212	476	6768
2006-2007	2733	500	9434

3.2.2 Cement Machinery

Cement plants based on dry processing and pre-calcination technology for capacities upto 7500 TPD are being manufactured in the country. Modern cement plants are designed for zero downtime, high product quality and better output with minimum energy consumed per unit of cement production etc. At present, there are 18 units in the organized sector for the manufacture of complete cement plant machinery. With an installed capacity of around Rs. 600 crore/annum the industry is fully capable to meet the domestic demand. As per the available data the industry has made no imports or exports during the last three years.

3.2.3 Sugar Machinery

Domestic manufacturers occupy predominant position in the global scenario and are capable of manufacturing from concept to commissioning stage sugar plants of latest design for a capacity upto 10,000 TCD (tons crushing per day). There are presently 27 units in the organised sector for the manufacture of complete sugar plants and components with an installed capacity of around Rs. 200 crore per annum.

(Rs. in lakh)

	2004-2005	2005-2006	2006-2007
Import	1259	905	2511
Export	2682	3767	1252

3.2.4 Rubber Machinery

There are at present 19 units in the organized sector for the manufacture of rubber machinery mainly required for tyre/tube industry. The range of equipments manufactured in the country includes inter-mixer, tyre curing presses, tube splicers, bladder curing presses, tyre moulds, tyre building machines, turnet servicer, bias cutters, rubber injection moulding machine, bead wires etc. However, there are gaps in technology for the manufacture of high speed calendering line particularly for heavy earthmoving equipment etc. Import /Export figures for the industry are as under:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	36.75	12.02	34.79
Export	46.15	50.32	98.16

3.2.5 Material Handling Equipment

The range of equipment manufactured includes crushing and screening plants, coal/ ore/ash handling plants and associated equipment such as stackers, reclaimers, ship loaders/ unloaders, wagon tipplers, feeders etc. catering to the growing and rapidly changing needs of the core industries such as Coal, Cement, Power, Port, Mining, Fertilizers and Steel plants.

There are 50 units in the organised sector for the manufacture of material handling equipment. Besides, there are a number of units operating in the small-scale sector. The industry is self sufficient in meeting domestic demand and is also capable of facing global competition. However, level of imports is much higher than the exports as given in the table below:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	261.44	545.54	1552.97
Export	80.16	77.91	124.27

3.2.6 Oil Field Equipment

The petroleum industry in India is undergoing a major change. With the ongoing process of liberalisation, the industry has been thrown open for private sector in all major areas of exploration, production, refining and marketing, and this has resulted in increased demand for the oil field and related equipments.

Domestic production covers mainly the on-shore drilling equipment. Under Offshore drilling only offshore platforms and some other technological structures are being produced locally. The major producers of these equipments are BHEL, Hindustan Shipyard, Mazagaon Dock and Larsen & Toubro. Level of imports / exports during the last 3 years is as under:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	638.20	352.84	411.73
Export	300.47	71.87	72.51

3.2.7 Metallurgical Machinery

Metallurgical machinery includes equipment for mineral beneficiation, ore dressing, size reduction, steel plant equipment, foundry equipment and furnaces.

At present there are 39 units in the organized sector engaged in the manufacture of various types of metallurgical machinery. The existing production capacity in the country is sufficient to meet the demand of these equipments in the country.

Indigenous manufacturers are in a position to supply majority of the equipment for steel plants e.g. blast furnaces, sinter plants, coke ovens, steel melting shop equipment, continuous casting equipment, rolling mills & finishing line. However, there is a technological gap in the basic design and engineering for plants and equipments required in the ferrous and non-ferrous sector for which the domestic manufacturers are dependent on imported know-how. Since the process of making ferrous and non-ferrous metal is linked up with the design of the equipment, there is a need for close interaction between the process know-how, designers and equipment manufacturers. Imports have been rising steadily due to various expansion programmes as per details given below:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	454.40	1200.65	1843.27
Export	370.70	535.04	643.68

3.2.8 Mining Machinery

The major mining equipments are Longwall Mining Equipment, Road Header, side discharge Loader (SDL), Haulage Winder, Ventilation Fan, Load Haul dumper (LHD), Coal Cutter, Conveyors, Battery Locos, Pumps, Friction Prop, etc.

At present there are 32 manufacturers in the organized sector, both in public and private sector, for underground and surface mining equipment of various types. Out of these 17 units manufacture underground mining equipment. Majority of the requirement of the mining industry is being met by the indigenous manufacturers. Level of imports / exports during the last 3 years is as under:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	39.01	41.99	76.71
Export	1.55	5.90	48.47

3.2.9 Dairy Machinery

At present there are 16 units in the organized sector, both in private and public sector, manufacturing Dairy Machinery equipments such as evaporators, milk refrigerators and storage tanks, milk and cream deodorizers, centrifuges, clarifiers, agitators, homogenisers, spray dryers and heat exchangers. Small Scale units are also contributing to indigenous production. The spray dryers, plate type heat exchanger and other core equipments for milk powder plant call for high degrees of polish requirement on the equipments because the presence of any micro crevices resulting from inadequate polish tends to be the incubation and breeding ground for the bacteria.

The technology gap exist for handling equipments such as self cleaning cream, separator, aseptic processing systems, and for the equipment required for manufacture of yoghurt and Traditional Indian sweets etc. Level of imports / exports during the last 3 years is as under:

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Import	21.05	52.36	68.97
Export	8.08	9.95	10.27

3.3 Machine Tools

Machine Tool Industry is in a position to export general purpose and a standard machine tool to even industrially advanced countries. During last four decades, the machine tool industry in India has established a sound base and there are about 200 machine tool manufacturers in the organized sector and 400 units in the small scale sector. The Indian industry has good design capability and the production of CNC machines has increased to about 4000 no. per annum. The industry, however, lacks in design and engineering capability to undertake very high precision CNC Machines. Import of technology is encouraged to bridge the gap.

Indian machine tools are manufactured to the international standards of quality / precision and reliability. A number of collaborations have also been approved for bringing in the latest technology in the field of modern machine tools and the industry is now exporting conventional as well as NC/CNC hightech machine tools. In the field of R & D, Central Manufacturing Technology Institute, Bangalore has been doing research for more appropriate designed machine tools. However, imports are increasing during the last 3 years due to second hand machine tools coming into the country as per following details :

(Rs. in crore)

	2004-2005	2005-2006	2006-2007
Production	1089.04	1342.00	1719.00
Import	1820.83	2899.00	4656.00
Export	52.61	50.00	73.00

3.4 International Cooperation

3.4.1 The Department endeavors to promote international cooperation in the field of Heavy Machineries, Heavy Industries, Capital Goods and Auto Sectors and keeps itself abreast with WTO matters, bilateral/multilateral agreements and other issues concerning the Department. To promote economic co-operation at international level, meetings are arranged at Senior officers/Minister level.

3.4.2 India has Free Trade Agreements (FTAs) with various Organisations/Countries such as ASEAN, BIMSTEC, Singapore, Thailand and EU etc. The Department protects the interests of concerned industries by suggesting the retention of relevant items in the Negative List.Recently, suggestions were made for retention of certain items relating to Auto and Machine Tools in finalization of India's Negative List for Free Trade Area (FTA) with EU; ASEAN; India- Thailand FTA; and India Singapore Comprehensive Economic Cooperation Agreement (CECA). The views on Machinery and Auto Sector for the meeting of Committee on Rules of Origin (ROO) in WTO, Geneva have also been conveyed to the Department of Commerce.

3.4.3 A formal Indo-Czech Joint Working Group (JWG) has been constituted in terms of Protocol of Indo-Czech Joint Committee Meeting (JCM) of Department of Commerce and Joint Secretary, Heavy Industries as Co-chairman of JWG from Indian side. The 2nd meeting of the Indo-Czech JWG on Heavy Industries was held in Bangalore on 24th Jan., 2007. The meeting proved to be very fruitful and Indian side was able to make successful breakthrough in the areas of their interest. As a follow-up, BHEL has extended MOU for a period of two years with Unicontrols for securing business of Vehicle Controls and Train Management System. A proposal from Unicontrols in the area of IGBT drives for Eletric Locomotives and EMU is also under active consideration for enhancing cooperation in the Railways Segment. BHEL has also secured order for 2 nos. Ballast

Cleaning Machines from Indian Railways in cooperation with M/S MTH Praha. In a major breakthrough, it was decided to take a decision on formation of the sub-group on Auto Industry during the next meeting of JWG.

3.4.4 A beginning has been made and Heavy Engineeering Corporation Ltd. , Ranchi (HEC), has sought assistance from M/s Viktovice Heavy Machinery, Prague for submitting offer to Bokaro Steel Plant against their tender for manufacture and supply of 8 Nos. Ladle Cars. HEC will also be participating in various tenders in India on the basis of technology and association of companies of Czech Republic viz M/S Skoda Machine Tools; M/S TOS Varnsdorf and M/S Unexon, on case to case basis and their association will be sought before submitting the bids.

3.4.5 As per the agreed minutes of 10th Session of India-Libya Joint Commission held on 12th July,2007, based on BHEL offer, General Electric Company of Libya (GEFOL) have signed a contract with ECCO (An Indian Libyan Joint Venture) for the Mountain Extension Project and in turn, ECCO and BHEL also signed a contract for execution of the project by BHEL.

Chapter 4

Automotive Industry

4.1 Overview of the Automotive Industry

4.1.1 Automotive Industry globally is one of the largest industries and is a key driver of economy. Owing to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect on the economy. A sound transportation system plays a pivotal role in the country's rapid economic and industrial development. The well-developed Indian automotive industry ably fulfils this catalytic role by producing a wide variety of vehicles such as passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles, scooters, motor-cycles, mopeds, three wheelers, etc.

4.1.2 Automobile Industry was delicensed in July 1991 with the announcement of the New Industrial Policy. The passenger car industry was, however, delicensed in 1993. No industrial licence is required for setting up of any unit for manufacture of automobiles except in some special cases. The norms for Foreign Investment and import of technology have also been progressively liberalized over the years for manufacture of vehicles including passenger cars in order to make this sector globally competitive. At present 100% Foreign Direct Investment (FDI) is permissible under automatic route in this sector including passenger car segment. The import of technology/technological upgradation on the royalty payment of 5% without any duration limit and lump sum payment of USD 2 million is also allowed under automatic route in this sector. With the gradual liberalization of the automobile sector since 1991, the number of manufacturing facilities in India has grown progressively. At present there are 15 manufacturers of passenger cars & multi utility vehicles, 9 manufacturers of commercial vehicles, 16 of 2/3 wheelers and 14 of tractors besides 5 manufacturers of engines.

4.1.3 The automotive industry comprising of the automobile and the auto component sectors has made rapid strides since delicensing and opening up of the sector to FDI in 1991. The industry had an investment of about Rs. 50,000 crore in 2002-03 which has gone upto Rs. 80,000 crore by the year 2007. The automotive industry has already attained a turnover of Rs. 1,65,000 crore (34 billion USD). The industry provides direct and indirect employment to 1.31 crore people. The contribution of the automotive industry to GDP has risen from 2.77% in 1992-93 to 5% in 2006-07. The industry is also making a contribution of 17% to the kitty of indirect taxes of the Government.

4.1.4 Today, India is the world's second largest manufacturer of two wheelers, fifth largest manufacturer of commercial vehicles; manufactures largest number of tractors in the world and is the fourth largest passenger car market in Asia. World's largest manufacturer of two wheelers is located in India. A supplier driven market having no more than a handful of vehicular models two decades ago, now offers more than 150 models and variants by way of customer options.

4.2 Production

4.2.1 Automotive industry, one of the largest industries in India, has been witnessing impressive growth during the last two decades. The industry has been able to restructure itself, absorb newer technology, align itself to the global developments and realize its potential. This has significantly increased industry contribution to overall industrial growth in the country. The automobile sector recorded growth of 13.56% in 2006-07. During the year 2007-08 (April-December), the industry decelerated at 3.49%. The details of actual production are given below:

(in thousand)

Category	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (April-Dec.)
Passenger Cars	513	564	609	843	128	1113	1323	1012
Utility Vehicles	128	106	114	146	182	197	222	175
Total CVs	157	163	204	275	354	391	520	388
Total Two wheelers	3,759	4,271	5,076	5,623	5,530	7,609	3,444	6029
Three wheelers	203	213	277	356	374	434	556	382
Grand Total	4,759	5,316	6,280	7,244	8,468	9,744	11,065	8057
Growth %	(-) 1.74	11.70	18.13	15.34	16.90	15.06	13.56	(- 2.6)

4.2.2 Export

Automotive industry of India is now finding increasing recognition worldwide and a beginning has been made in exports of vehicles as well as components. During the year 2003-04, the export of automobile industry registered a growth rate of 55.98% while it was 31.25%, 28.03% and 25.43% during the year 2004-05, 2005-06 and 2006-07 respectively. Automobile exports crossed the US$ 1 billion mark in 2003-04 and increased to US$ 2.76 billion in 2006-07. The industry exported 15% of its passenger car production in 2006-07, 10% of commercial vehicles production, 26% three wheelers and 7% two wheelers. The details of exports are given below:

(in thousand)

Category	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (Apr.-Dec.)
Passenger Cars	23	50	71	126	162	171	194	148
Utility Vehicles	4	3	1	3	5	4	4	4
Total CVs	14	12	12	17	30	41	50	42
Total Two wheelers	111	104	180	265	366	513	619	604
Three wheelers	16	15	43	68	67	77	144	105
Grand Total	168	185	307	480	630	806	1011	906
Growth %	20.81	9.74	66.49	56.17	31.18	28.05	25.43	17.37

4.2.3 Vehicular Pollution Control Measures of the Government

Government initiated pollution & safety checks by notifying emission & safety standards from the year 1992 which were further modified in April, 1996 under the Motor Vehicle Act. BHARAT STAGE-I (Equivalent to Euro I) emission norms have already been made applicable throughout the country. Euro II equivalent Bharat Stage II norms are in force from 2001 in 4 metros of Delhi, Mumbai, Chennai and Kolkata. These norms have been extended to entire country w.e.f. 1.4.2005. India is harmonizing its Emission Norms for four Wheelers with the European Regulation and has adopted Euro III, equivalent norms in 11 Metropolitan Cities from April 2005.

4.3 Auto Components Industry

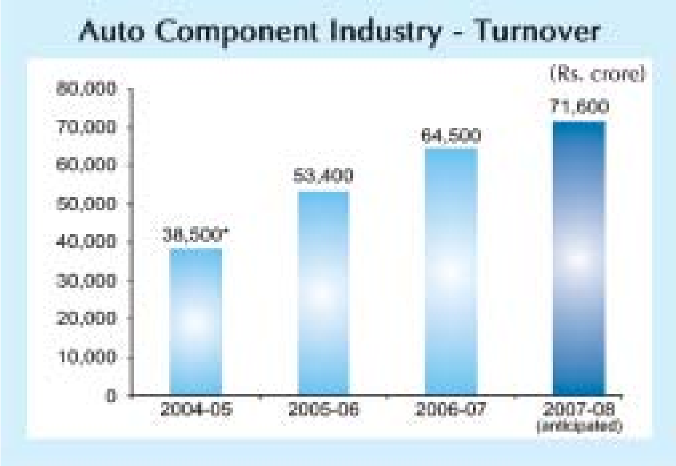
4.3.1 Overview

Surge in the automobile industry since the nineties has led to robust growth of the auto component sector in the country. Responding to emerging scenario, Indian auto component sector has shown great advances in recent years in terms of growth, spread, absorption of newer technologies and flexibility, despite multiplicity of technology platforms and low volumes. India's reasonably priced skilled workforce, large population of technology workers coupled with strengths gained by the country in IT and electronics, all build up an environment for significant leap in component industry. The Indian auto component sector is being written up as the next industry, after software, that has the potential of becoming globally competitive. Indian Auto Component Industry, with a turn over of Rs. 64,500 crore in the year 2006-07 and manufacturing all the key components required for vehicle manufacturing, has played a key role in the growth and development of the country's automotive industry. The phased Manufacturing Programme (PMP) followed in the 1980s has been dismantled. Custom Duties on auto-components were also progressively lowered every year to a level of 7.5-10% in 2007. Today, the auto-component industry has emerged as a highly competitive segment of the manufacturing sector.

4.3.2 Indian auto component industry is wide (over 400 firms in the organized sector producing practically all parts and more than 10,000 firms in small unorganized sector, in tierized format) and has been one of the fastest growing segments of auto industry. During the year 2006-07, the Auto Component Industry continued its high growth path and emerged as one of the fastest growing sector in Indian Engineering Industry by clocking 21% growth in output during the year. The industry crossed a total turnover of over US $ 15 billion (Rs. 64,500 crore), with exports of US $ 2.9 billion (Rs. 12,643 crore) during the year. Investment in the industry also grew by over Rs. 4500 crore during the year as the industry continued to invest in capacity enhancements and new greenfield sites to cope with the increasing demand.

4.3.3 On the quality and productivity front, auto component industry maintained its leadership with more than 95% companies being certified as per the ISO 9000 system standards and more than 70% of the companies are certified as per the ISO/TS 16949 standards. This industry has also the distinction of having the maximum number of 11 Deming award winning companies.The performance of the Auto Component Sector in terms of Turnover, Export and Employment during the past 4 years is as follows:

Indicators	2003-04	2004-05	2005-06	2006-07
Turnover (In Rs Cr.)	30,640	38,500	53,400	64,500
Exports (In Rs. Cr.)	5,795	7,615	10,863	12,643
Imports (in Rs. Cr.)	6,499	8,560	10,922	14,644
Employment (Direct)	2,50,000	2,50,000	2,70,000	2,85,000



4.3.4 Exports & Imports

As Global OEMs/Tier 1 companies have identified India as a Leading Competitive country for sourcing auto components for their global production, Indian auto component industry's export scenario is changing very fast; auto component industry's export growth was 15% in 2006-07. However, India also continues to be a major importer of auto-components with total imports being higher than the exports. The total imports of Auto Components during 2006-07 was US $ 3.3 billions (Rs. 14,644 crore). The Auto Component industry is today considered as the sunrise industry with huge growth prospects. This industry is also expected to drive the growth of the engineering sector in view of its strong downstream and upstream linkages with many other segments of the engineering sector like raw materials, capital goods, intermediate products etc. The potential of this sector has been amply highlighted in the Automotive Mission Plan drawn up by the Ministry of Heavy Industries & Public Enterprises. The AMP was unveiled by the Prime Minister in January 2007 and this document lays down the collective Vision of the industry and the Government for 2016 for the automotive industry.

The Automotive Mission Plan (AMP) envisages increase in production of automotive industry from the current level of Rs.169000 crore to reach Rs. 600000 crore by 2016.

4.3.5 International Motor Show, Germany

The 62nd Internationale Automobil Ausstellung (IAA-World's Largest Passenger Car Show) held from September 13-23, 2007 was organized by ACMA's counterpart in Germany Verband der Automobilindustries (VDA). The IAA Show was officially opened by the German Chancellor, Dr. Angela Merkel on September 13, 2007 in the presence of Shri Sontosh Mohan Dev, Minister for Heavy Industries & Public Enterprises. Minister (HI&PE) delivered the key note address. India Day was organized on the side lines of the IAA show. A high level delegation from India led by the Minister (HI&PE) comprising amongst others Dr. Surajit Mitra, the then Joint Secretary, MoHI&PE and presently Additional Secretary (HI), President, SIAM, ACMA etc. attended the India Day Symposium. During the visit, an MoU was signed for close cooperation between VDA and ACMA. Almost 14,000 Media representatives from over 90 countries were present for the coverage of the Show.

Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises speaking at the International Motor Show

4.3.6 Auto Expo 2008

The 9th Auto Expo was held in New Delhi from January 10-17, 2008. Around 2,000 exhibitors participated in the Show and 25 launches, including four global launches, were showcased in the Expo. The 9th Auto Expo had total display area of 1,25,000 sq.ft., making it the second largest Auto Expo after the Shanghai Motor Show. The auto expo attracted over 18 lakh visitors. The show, accredited by the International Organization of Motor Vehicle Manufacturers (OICA) had

Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises giving his inaugural address at the 9th Auto Expo 2008

delegations from 25 countries, including Brazil, China, France, Germany, Italy, Japan, Korea, UK, USA, etc. participated in the Expo.

The Union Minister of Heavy Industries & Public Enterprises, Mr. Sontosh Mohan Dev, in his inaugural address congratulated the Indian Automotive Industry and wished the industry great success ahead. The key areas of the auto expo were :

- Design Pavilion-Diesel City
- Infotronics
- Garage Equipment

Shri Sontosh Mohan Dev, Union Minister for Heavy Industries & Public Enterprises at the Auto Expo 2008

- Accessories/Car Décor Pavilion
- Alternate Fuel Technologies

Major events during the show included launch of Tata's Rs. 1 lakh car. Maruti Suzuki unveiled its A-Star hatchback concept car and also showcased its 1.1 litre Splash, which would be produced in India for the entire European market. General Motors India launched its bestselling SUV Captiva in India. Honda Motor showcased its technologically advanced fuel cell car FCX and a hybrid Civic, besides a Jazz prototype, which would be launched in India in 2009.

4.3.7 3rd International Environmentally Friendly Vehicles Conference, Germany

A delegation led by Dr. Surajit Mitra, the then Joint Secretary and presently Additional Secretary, Ministry of Heavy Industry & Public Enterprises participated in 3rd International Environmentally Friendly Vehicle Conference held on 19/20 November 2007 at Dresden, Germany.

Mr. Ulrich Kasparick, Parliamentary State Secretary, Federal Ministry of Transport, Building and Urban Affairs, Germany handing over the baton to Dr. Surajit Mitra, Additional Secretary, Ministry of Heavy Industries & Public Enterprises for hosting the next environmentally friendly vehicle conference in India

The Conference aimed at continuing and sustaining the process of understanding regarding environmentally friendly vehicles in the future with innovative technologies and alternative energy sources. The conference included an exhibition featuring the latest developments. Representatives from government, industry, science and consumer organisations from around the world participated in the conference.

Dr. Surajit Mitra, the then Joint Secretary and presently Additional Secretary, Ministry of Heavy Industry & Public Enterprises received the baton for hosting the next EFV conference in India in 2009. This is the first time that EFV Conference is going to be held outside G-8 countries.

4.4 Agricultural Machinery

Agricultural Machinery mainly consists of Agricultural Tractors, Power Tillers, Combine Harvesters and other agriculture machineries and implements. Due to negligible production of Power Tillers, Combine Harvesters and other agriculture machineries, this sector is mainly dominated by agricultural tractors.

4.4.1 Production

The Industry made a beginning in 1961 and has come a long way since then. Volume growth in the past 4 decades shows a CAGR of 10%, despite seasonal vagaries, plummeting tractor demand and consequentially the industry volumes. During the year 2006-07, the industry grew by 19.5% with the total production reaching the level of 3,52,827 tractors. During the current year (2007-08), 2,02,708 tractors have been sold till October 2008. Production figures of tractors during the last three years and during the current year up to October 2007 are given below:

Year	Numbers
2004-2005	2,48,976
2005-2006	2,92,908
2006-2007	3,52,827
2007-2008 (April-Oct.)	2,02,708

4.4.2 Exports

Indian Tractors are gaining acceptance in the International markets as well. In the past 3 years, the export of Indian Tractors has grown at a CAGR of over 55%. During 2005-06, tractor exports from India have grown by around 41 per cent, of which the US absorbed major share. Exports to other countries such as South Asian countries, Malaysia and Turkey, are growing fast as well. Indian players have aggressively started exporting to African countries. In 2006-07, the industry exported 33813 tractors.In 2007-08, the industry exported 24024 tractors (till October). The export performance of the industry during the past few years was as follows:

Year	No. of tractors exported
2000-01	7345
2001-02	8144
2002-03	13,511
2003-04	16,100
2004-05	20,000
2005-06	29,366
2006-07	33,813
2007-08 (April-October)	24,024

4.4.3 Markets

Traditionally, Haryana, Punjab and Uttar Pradesh are the main States for the tractor market. The new markets for tractors in the States of Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Maharashtra, Rajasthan and Gujarat are growing at a faster pace. Ninety three percent of the Tractor industry is concentrated in twelve states namely Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh; Uttar Pradesh being the largest Tractor market with 44308 unit of tractors sold in 2005-06. In 2006-07, the top ten states where tractors were sold are – UP leads the way with 17% followed by 13% in Andhra Pradesh and Rajasthan, 11% in Gujarat, 10% in Maharashtra, 8% in Karnataka & Tamil Nadu, 7% in Haryana & Madhya Pradesh. Due to the continued thrust by the Government to increase agricultural GDP, the domestic industry is expected to grow @ 4% to 6% per annum and should stabilize at about 3.5 lakhs to 4.0 lakhs tractors per year.

4.5 Earth Moving and Construction Machinery

4.5.1 Earth Moving Equipment and Construction Machinery Industry plays a vital role in the economic development of our country. This industry is closely linked with major development and infrastructural schemes such as coal and mineral mining, irrigation and power projects, ports, steel, fertilizers etc. The technology required to manufacture such machines was not earlier available. It was, therefore, necessary to permit import of technology for development of the same from internationally reputed manufacturers like KOMATSU, CATERPILLAR, POCLAIN, DRESSER, DEMAG & HITACHI. Most of the technology leaders like Case, Caterpillar, Hitachi, Ingersoll-Rand, JCB, John Deere, Joy Mining Machinery, Komastu, Poclain, Terex and Volvo are either present in India as joint venture companies or have set up their own manufacturing facilities and/ or marketing companies. The earth moving equipments currently being manufactured cover Shovels up to 10 cu.m. capacity, Bulldozers up to 770 HP, Dumpers up to 120 HP, Excavators up to 8.5 cu.m. capacity, Scrapper and Motor Graders up to 280 HP and walking Draglines, Mobile cranes etc. Construction equipment, mainly road construction equipment such as graders, loaders, excavators, vibratory compactors, hot mix plants etc. are being manufactured indigenously. These machines help to speed up development in irrigation and power projects, coal and iron ore mining, for excavation of lime stone for cement, for development and reclamation of vast track of land, building roads, making canals, preparing industrial sites and all facets of the country's development activity. These machines also reduce dependence on labour and provide automation in construction work.

4.5.2 Indigenous production of Earth-moving and construction machinery commenced in 1960s. Today, country is, by and large, self-sufficient in respect of these items. In fact, during the last decade, the industry has made enormous progress and has grown both in size and diversity. The total capacity available in the Earth Moving & Construction Equipment Industry is around 6000 nos. India has over 60 equipment manufacturers in organized sector besides several medium sized units. This industry is dominated by few large manufacturers in each product segment. BEML supplies nearly half the total market. BEML and Caterpillar lead in dumpers and dozers while L&T Komatsu and Telecon lead in excavators and Escort JCB in Backhoe loaders.

4.5.3 The industry witnessed a phenomenal 33% growth in the year 2005-06 and has been expanding volumes at compounded annual rate of 40 percent reaching to a US $ 2.3 billion magnitude in 2006-07. This growth has been in line with the rapid economic growth in general and the infrastructure in particular.

Chapter 5

Technology Upgradation and R&D

5.1 India has established a strong and diversified manufacturing base for production of a wide variety of basic and capital goods to meet the requirements of various sectors including heavy electrical, power generation and transmission industries, process equipment, automobiles, ships, aircrafts, mining, chemicals, petroleum, etc. However, share of manufacturing sector in India's economy is quite low. There is considerable potential for growth, which in a globalised world economy, has to be based on improving productivity and competitiveness. Innovation and adoption of new technologies are the key factors in competitiveness. In the Indian context, opening of the economy and consequently the entry of international players has substantially enhanced the need for production of goods and services to international standards. Indian Industry has undertaken a number of steps to meet the needs of the customers in a fast changing environment. PSEs under the Department are also pursuing their plans to adopt and introduce new technologies through collaborations and in-house R&D efforts . Some of the initiatives in this regard are described below:-

5.1.1 Integrated Gasification Combined Cycle (IGCC) Project

To meet the growing energy needs of the nation, it is necessary to develop more efficient and environment-friendly technologies so as to reduce the adverse impact of coal based power plants on the fragile environment. Gasification of coal is the cleanest way of utilization of coal while combined cycle power generation gives

Integrated Gasification Combined Cycle Demonstration Plant, Tiruchirappalli

the highest efficiency. Integration of these two technologies for power generation in Integrated Gasification Combined Cycle (IGCC) power plants offers the benefits of very low emissions, higher efficiency and has the potential for lower cost of electricity generation.

BHEL has been engaged in the development of IGCC technology for the last two decades. During this period it has designed, set up and operated various test facilities, culminating in the 6.2 MW Combined Cycle Demonstration Plant at Tiruchi. This plant is based on Pressurized Fluidized Bed Gasification (PFBG) technology which is acknowledged by experts to be the best suited gasification technology for high ash Indian coal.

The Principal Scientific Steering Group, set up by Ministry of Power under the chairmanship of Secretary(Power) and having members from BHEL, Planning Commission, DST, CSIR, CEA etc. has concluded that a 125 MW IGCC demonstration plant is to be set up by BHEL for NTPC at one of the sites of NTPC. The 125

MW IGCC Demonstration Plant is expected to be stepping stone for further scale up to a commercial size IGCC Plant of over 350 MW. BHEL had submitted a Detailed Project Report on the 125 MW IGCC Demonstration Project to NTPC in January, 2006 for their suggestions and comments. The project is estimated to cost Rs.700 crore and to complete in 36 months. The project proposal is under consideration of BHEL and NTPC and will be taken up for implementation upon approval by the respective Boards.

5.1.2 Testing and R&D Infrastructure for Automotive Sector

Government approved, in July 2005, the setting up of The National Automotive Testing and R & D Infrastructure Project (NATRiP) to create 'state -of –the- art' Testing, Validation and R&D infrastructure in the country to support the growth and development effort of the automotive industry to reach international levels.NATRIP envisages setting up of world-class automotive testing and homologation facilities in India with a total investment of Rs.1,718 crore in two phases of three years each. The principal facilities will come up in the three automotive hubs of the country, in the south, the north and the west. The project aims at setting up (i) creating critically needed automotive testing infrastructure to enable the Government in ushering in global vehicular safety, emission and performance standards, (ii) deepening manufacturing in India, promoting larger value addition leading to significant enhancement of employment potential and facilitating convergence of India's strengths in IT and electronics with automotive engineering, (iii) enhancing India's considerably low global outreach in this sector by de-bottlenecking exports and (iv) removing the crippling absence of basic product testing, validation and development infrastructure for automotive industry.

The project envisages setting up of the following facilities:-

(i) A full-fledged testing and homologation center within the northern hub of automotive industry at Manesar in the State of Haryana,

(ii) A full-fledged testing and homologation center within the southern hub of automotive industry at a location near Chennai in the State of Tamil Nadu,

(iii) Up-gradation of existing testing and homologation facilities at Automotive Research Association of India (ARAI), Pune and at Vehicle Research and Development Establishment (VRDE), Ahmednagar,

(iv) World-class proving grounds or testing tracks on around 4,000 acres of land, including summer and winter pads, the locations of which would be decided with technical assistance from a reputed global consultant to be appointed on the basis of global tendering process,

(v) National Center for Testing of Tractors and Off-Road Vehicles together with national facility for accident data analysis and specialized driving training in northern part of the country at Rae Bareilly in the State of Uttar Pradesh.

(vi) National Specialized Hill Area Driving Training Center as also Regional In-Use Vehicle Management Center at Dholchora (Silchar) in the State of Assam.

Some of the principal milestones achieved during the last one year are listed below:-

- NATRIP Implementation Society (NATIS) headed by Secretary, Ministry of Heavy Industry & Public Enterprises was constituted and registered on 27 July, 2005. NATIS has a broad-based Governing Council involving all key stake holders. The Council has been meeting regularly guiding the project implementation.
- The Corporate and Site Offices have been Set up with functional staff.
- The consortium led by IDIADA of Spain has been appointed as Global Consultants in January and they have submitted the Detailed Project Implementation Report in August 2006 as per agreed schedule.

- Geo-Technical and Topography Survey of Project Sites have been completed at all sites except VRDE.
- Transfer of ARAI's Regional Centre North (RCN) to NATIS has been completed and the center has been renamed as the International Centre for Automotive Technology (iCAT). Gazette Notification has been issued by Ministry of Shipping, Road Transport and Highways (MoSRTH) for accreditation of iCAT as independent type approval agency under rule 126 of CMVR (Central Motor Vehicles Rule).
- Government has notified full custom duty exemption under the project import regulation on 24 May '06 for all project imports under NATIS.
- First facility of NATRiP - an ultra-modern Emission Lab at ARAI set up under NATRiP up gradation of ARAI was inaugurated by Hon'ble Minister for Heavy Industries & Public Enterprises on 17 July '06 at Pune.
- NATRiP has taken a bold initiative by signing an MoU with Vehicle Certification Authority (VCA) of U.K Government on 27th October 2006 for providing internationally valid certification for automotive exports for homologation services to be provided by the upcoming NATRiP centres.
- Detailed project implementation report including broad drawings and designs of each center, primary fixing of technical configurations of the facilities at each of the centers, finalization of sites, initial surveys including topographical and geo-technical surveys etc. have been completed. Land acquisition is progressing well at Manesar and Indore while sites have already been taken possession of at Silchar, Chennai and partially at Indore. At Rae Bareilly, the land allotment is under consideration of the State Government.

Baja-SAE India - 2007 at NATRAX, Indore

5.1.3 Comprehensive Scheme for Technology upgradation/R&D facilities for modernization of Capital Goods sector

Capital goods, being a strategic sector, have occupied a central place in the planning process of India since 1951. Over the years, the country has been able to develop a strong engineering and capital goods base capable of manufacturing the entire range of machinery to serve a wide cross-section of industry segments ranging from defence, oil & gas, refinery, nuclear, chemicals and petrochemicals, fertilizers, automobiles etc.

The Indian Capital Goods Industry has been witnessing a turn around after a prolonged period of recession. Capital goods manufacturers have been experiencing excellent growth both in the top and bottom line. Their order books are in a very healthy state.

The capital goods industry now needs to strategise its future in order to ensure steady growth and enhance the competitiveness of the industry in the context of increasing globalization. In this regard, Department of Heavy Industry had mandated a study done by CII and a number of its recommendations are proposed to be pursued through a modernisation scheme. The scheme is intended to take some key policy initiatives for development of this sector. Initially this effort would cover five major CG sectors, viz.- Heavy Electrical Equipment, Process Plant Machinery, Mining & Construction Equipment, Textile Machinery and Machine Tools Industry which together account for nearly 70% of the total production in the capital goods sector.

5.2.1 Automotive Research Association of India (ARAI), Pune

ARAI is a co-operative research organization that was established in 1966 by the Indian Vehicle and Automotive ancillary manufacturers and the Government of India. ARAI is affiliated to the Ministry of Heavy Industry and Public Enterprises and recognized by the Department of Scientific and Industrial Research. It is an ISO 9001-2000, ISO 14001-2004 and OHSAS 18001-1999 organization, and is also accredited by National Accreditation Board for Laboratories (NABL) for its major certification facilities. The Governing Council consists of members from Indian Automotive Industry and representatives from Government of India.

ARAI offers comprehensive R&D services in the fields of engine development of alternate fuels, NVH-Noise, Vibration & Harshness, computer aided engineering, structural dynamics, automotive electronics and materials. The state-of-the art Research and Development and testing facilities at ARAI are increasingly utilized for sponsored and in-house Research & Development projects as well as Homologation activities.

ARAI offers experts services in testing, certification and homologation of complete vehicle, engines, systems and components. It covers the areas of vehicle evaluation emission, safety, materials, EMI/EMC etc.

In line with ARAI's vision to increase contribution from R&D work and to strengthen competence, Technology gaps were identified. Based on their relevance and current need, following 6 R&D projects have been taken up.

i. Design & Development of High Performance 3 Cylinder CRDI Euro 4 Diesel Engine.

ii. Development of Diesel Engine using HCCI Combustion Concept to meet EURO IV & EURO V Norms.

iii Development of Electronic Fuel Injection System for 4-stroke, Single Cylinder Gasoline Engine.

iv. Development of 6 Cylinder HCNG (H2+CNG) Engine Compliant to Euro-V Norms.

v. Measurement of Nano particle Emissions of Automobiles.

vi. Measurement of road profile on Indian roads and Study its effect on Vehicle Durability and Ride.

5.2.2 Forging Industry Research Institute

With a view to overcome the impediments faced by the Forging Industry and to innovate, so as to develop newer cost efficient technologies, ARAI - Forging Industry Division (ARAI-FID) was created by way of Memorandum of Understanding (MoU) signed on 22nd December 2004 between MHI & PE, AIFI and The Automotive Research Association of Indian (ARAI).

The foundation stone of this project was laid by Shri Sontosh Mohan Dev, Hon'ble Minister of Heavy Industries & Public Enterprises, Government of India in the august presence of Shri Prithviraj Chavan, Minister of State, Prime Minister's Office on 17th July, 2006.

Broad objectives of this R&D Centre and Tersting Facility are to provide a system of continuing R&D at all levels in established and emerging practices, to carry out industrial Research, Design and Development work as per the needs of the industries and to transfer developed technology to industries, to increase the Centre-Industry-Interaction and strengthen the Consultancy and Industrial Services, to incorporate the concept of vale-based R&D / Testing in all sphere of forging industry and subsequently, to offer skill up-gradation and latest forging technology, management, training facilities.

The total approved cost of this project i.e. the Grand-in-aid is Rs. 22 crores, with the 1st installment of Rs. 11 crores already released in the year 2005. The 2nd installment of Rs. 11 crores is to be released shortly.

The building construction activity has been completed and some of the equipments have already been shipped by the supplies. Procurement of Metallurgical Testing

Equipment, R&D and Training infrastructure, Interior works, Landscaping, Utilities procurement are in progress. The project is expected to be commissioned by June 2008.

ARAI - FID shall offer Research & Development, Product Testing Product Validation and Training Services once it is fully operational for the benefit of the Indian Forging Industry. This project is to be shortly rechristened as Forging Industry Research Institute of India (FIRI) after the new Society under this name is registered.

Hon'ble Minister, HI&PE lighting the inaugural lamp on the occasion of SIAT 2007 on 17th January 2007

5.3 R&D Initiatives by the PSEs

Some of the programmes of technology upgradation and R&D efforts of the Public Sector Enterprises under the Department of Heavy Industry are detailed below:

5.3.1 Bharat Heavy Electricals Ltd. (BHEL)

- BHEL incurred an expenditure of Rs. 252.50 crore on R &D activities during the year; of this Rs. 244.40 crore was spent on revenue expenditure, focusing on new product development and system developments and improvements in the existing products for cost effectiveness and higher reliability, efficiency, availability, quality etc. Another Rs. 8.40 crore was spent on purchase of capital assets for R&D.
- A turnover of Rs. 2719 crore was achieved by commercializing products and systems developed through in-house R & D.
- BHEL has successfully established the Center of Excellence for Surface Engineering(COE-SE) for carrying out surface coatings and treatment and develop state –of- the -art technologies.
- BHEL's indigenously developed, first of its kind in the world, Controlled Shunt Reactor (CSR) has met with commercial success in the form of first order from Maha Transco;the reactor enables reduce system losses, enhance power transfer capability, and improve system stability of high voltage (400 kV) transmission lines.
- BHEL has for the first time designed and developed an 1100 kW Flame Proof Sqirrel Cage Induction Motor with Sleeve bearing against an export order from PDO, Oman. The motor has successfully passed explosion tests at CMRI, Dhanbad, in the presence of experts from the European statutory testing agency, BASEEFA, U.K.
- With a view to enhancing value for customers in the steel sector, BHEL has, for the first time, designed a XRS 943 Bowl Mill for installation in the blast furnace, which results in saving precious coke as well as facilitates longer wear life for the rollers.
- Aimed at increasing passenger hauling capacity by eliminating the need for separator generator coaches, thereby resulting in better economics, BHEL has, for the first time, designed and developed a new generation 320 kW, Traction Alternator with Hotel Load Companion Alternator to be used on Indian Railways' 3600 HP BG Diesel Electric Locomotives.
- As of its customer-centric technology upgradation process, BHEL will equip its 250 MW steam turbines with state of the art Electro Hydraulic Activator(EHA) based high pressure governing system.
- BHEL has developed Ceramic Filters for Hot Gas Filtration using indigenously

developed silicon carbide support and mullite membrane. These filters remove the dust particles in coal gas and have application in Integrated Gasification Combined Cycle (IGCC) power plants .

- BHEL has developed in-house the BAB2 Series Radial FAN (NDV BAB2), manufactured and successfully commissioned at Paras 250MW thermal power plant.

BHEL signs Technology Transfer Agreement with Alstom

- BHEL has designed, developed, manufactured, successfully tested and supplied 15v nos. (woth Rs. 1.5 crore) Cooling System for Traveling Wave Tube , which is an electronic device for Bharat Electronics Ltd. for use in one of their strategic project for Indian Army.

5.3.2 Hindustan Paper Corporation (HPC)

R & D and Technology Upgradation activities undertaken at HPC include:-

- Bamboo dust based gasification plant,
- Tissue culture based production facility for quality planting materials, Hardening of tissue culture seedling and distribution of the same to local farmers,
- Study the behaviour of black liquor at different concentration levels,
- Optimise bleaching condition to obtain 90% brightness,
- Alkaline sizing trial
- Wash aid chemicals trial to reduce soda loss and foam formation.

5.3.3 Hindustan Newsprint Ltd. (HNL)

Technology Upgradation and R&D activities are undertaken in the following areas:-

- Applied R&D activities on method of producing rooted cuttings in low cost non mist chambers which can be established in the field itself,
- Experiments in fields , like trials on levels of manuring, spacing effect of inter cultural operations etc. to increase yield in the plantations,
- Modernisation in mist chambers for large scale multiplication of selected clones and enhancing production capacity.

5.3.4 Scooters India Ltd. (SIL)

Product Development:

- Development of 3-Wheeler with Front mounted 4 stoke Gasoline Engine operating on dedicated CNG/LPG fuel.

■ Auto Rickshaw - 3 Passenger

■ Goods Carrier

Technology up-gradation:

■ Upgradation of 2 Stroke Petrol Engine to meet BS II emission norms on CNG mode.

■ Cost reduction in sheet metal component by Design change & process improvement.

5.3.5 Rajasthan Electronics & Instruments Ltd. (REIL)

Development of following new products has been taken up for the Agro –Dairy segment. Commercial production is proposed to be taken up in 2007-08 after completion of field trials.

- Design and development of Optical Milk Analyser was taken up. The instrument works on the principle of photometric measurement of light allowed to pass through measurement device. The instrument can be integrated with Automatic Milk collection unit for quick measurement of milk parameters, processing and storing them for records.

- Data Processor Unit is a dedicated unit , which receives, processes and transmits data and communicates with the following:
  - Electronic Milk Tester / Milk Analyser,
  - Electronic weighing Scale,
  - Remote display Unit,
  - Printer.

5.3.6 Praga Tools Ltd. (PTL)

The Company continued its efforts in Research and Development and brought out the following new products to meet the market demand.

i) Model-456 CNC Surface Grinder of Table Size 800*400 mm,

ii) Model-513 S Guide Bar Type Spline Rolling Machine.

5.3.7 Heavy Engineering Corporation Ltd. (HEC)

Specific areas in which R&D activities were carried out are detailed below :

- Soft Iron for VSSC
  - Developed process for manufacturing soft iron to be supplied to VSSC, Thiruvananthapuram,
- Bulb Bar
  - Developed Bulb Bar technology of bulb bars and its mechanical testing at FFP lab for Indian Navy
- Mobile Launch Pedestal (MLP) for ISRO
  - Company successfully designed MLP based on specifications provided by ISRO. This will be manufactured and supplied during 2007-08. The vehicle is assembled on MLP in the vehicle Assembly Building and then moved on rails to the launching site.
- EOT Cranes
  - Company successfully developed, i) 25 T Rotating Trolley for DSP, ii) 50+15 T four girder tundish handling crane for DSP, III) 180+50/15 Tladle crane with 20 m span for BSP, iv) 64/46 T capacity 34 m span crane tong for BSP.

5.3.8 HMT Limited

HMT has established R&D centers in every manufacturing unit to meet the needs of research & development of different products with a focus to improve product technology and enhance product competitiveness. Highlights of R&D activities carried out/ planned in the different product area of HMT's domain are as below:

Tractors

Engine:

- Development of 75 HP Turbo Charger Engine,
- Development of HMT 2522, 3522, 4022, 4922, 6522 and HMT 7522 TC Tractor Engine for compliance to Bharat (Trem) Stage-III Exhaust Emission norms under CMVR,
- Establishment of Emission Testing Lab.

Tractor:

- CMVR certification of all HMT Tractor models and Trantor 65 & 75 HP for compliance to Bharat Stage- III,
- Compliance to latest amendment in CMVR Rule for noise, light and lightening device for all tractor models.

Machine Tools

- CNC Internal Grinding Machine, Model GIN 35/2 A,
- 4 Axis CNC High Speed Gear Hobber, Model L200 CN/4 A,
- Pressure Die Casting Machine, Model DC415 CNC with Auto ladle, Auto Spray, Auto Extractor,
- High Speed Horizontal Machining Center, Model HMC 400H,
- Flexible Turninmg Cell, Model FTC 20,
- 9 Axes CNC Crank Shaft Pin Grinding Machine, Model CSG 500,
- 6 Axes CNC Centerless Grinding Machine, Model GCL 140 TG

5.3.9 Burn Standard Co. Ltd. (BSCL)

R&D activities undertaken at BSCL include:

Burnpur Works

- Development of 25 T Axle load wagon with higher carrying capacity.

Salem Works

- Development of low cost MAG.CARBON bricks for ladles used in the metal zone and non impact zone for Rourkela Steel Plant and Bokaro Steel Plant.
- Developed very good quality Mag Chrome/Chrome mag bricks using cheaper raw materials,

5.3.10 Braithwaite Burn and Jessop Construction Co. Ltd. (BBJ)

- The company has developed an effective Erection Scheme to replace existing PSC girders (60 ft.) by steel girders in a very short time during block period on running line. This newly developed scheme has been successfully applied in gauge conservation projects in Assam and UP under NF Railway and NE Railway.
- BBJ has developed forward launching of 60m/450MT-trussed Bridge, which has been successfully used in DMRC project.

5.3.11 Andrew Yule & Co. Ltd. (AYCL)

The company has developed the following products as a part of its R & D program.

- 7″ dia. Pressure Fed White Metal Lined Bearing for Industrial Fans,
- Inlet Silencer size 3600*1200*2250 ht. for ED fan,
- Combined under and over Voltage Relay for Capacitor Switch.

Revalidation of System Improvement products, namely SF6 Capacitor Switch and automatic semi Sectionaliser, and testing of Yule HEAG make 11KV outdoor VCB 20 KA, 630 A, was carried out successfully at CPRI, Bangalore.

5.4.1 In the past, five national level institutes have been set up with UNIDO/UNDP assistance for research in new technologies. These are; Fluid Control Research Institute (FCRI), Pollution Control Research Institute (PCRI), Centre for Electric Transportation Technology (CET), Ceramic Technological Institute (CII), and Welding Research Institute (WRI). Out of these only FCRI is under the direct administrative control of the Department while the remaining four are managed by BHEL.

5.4.2 Fluid Control Research Institute, Palakkad

FCRI is a premier facility in flow measurement related services and solutions. The Flow Center at FCRI host traceable International standards for flow measurement, which are the most comprehensive set of flow facilities in the world and provide a unique resource for industry in India. All the facilities are extended for commercial calibration, evaluation and R&D activities.

Strong links with the oil & gas sector, water industry, power industry, process/ manufacturing sector, automotive sector, R&D organisations etc. have been developed through joint industry projects. Regular seminars, workshops and conferences on topical issues related to flow measurement are undertaken for industry/ academics with FCRI support.

The Institute undertakes sponsored R & D projects and as of now has completed 125 projects making it one of the specialized fluids engineering research Institute dedicated to approved technological services such as consultancy, testing, certification and training for private and public sector Organisations.

The institute acts as a National Certifying body for flow measuring systems / electronics and instrumentation. It facilitates acquiring quality conformance as per the norms of ISO 9000/ISO 17025 series and for execution of sponsored R&D projects.

FCRI successfully conducted the Global Conference - flotek.g 2007 during 26th to 28th September 2007. More than 350 delegates from across the globe participated in the event and a wide participation was witnessed in the exhibition too with over 50 stalls put up by various flow product manufacturers from across the industry. Projects under execution/ completed include:-

- Design & Development of a High Pressure, High Temperature module of Multiphase Flow Meter using Gamma Ray Attenuation Technique in conjunction with Venturi for transient Steam-Water mixture flow measurement and to extend the technique to Oil well extraction Program.

- Testing & Characterisation of Mass flowmeter with Nitrogen, Sulphur Hexaflouride and Argon for M/s Trident Metrology Inc, USA

Inauguration of Flotek.g 07 at FCRI by Dr. R.C. Panda, IAS, Secretary, DHI, GOI

- Experimental study on the circulating water intake system for GE Energy for simulating conditions in a power plant.
- NPCIL, Mumbai- Design, Development and Testing of Experimental Set-up for the demonstration of Snout Level Control.
- SIFL, Attani - Supply of Endurance Test Bench for testing titanium tube fittings.

5.4.3 Ceramic Technological Institute (CTI), Bangalore

The developmental objective of this project is to support the Indian Ceramic Industry in modernizing its technology and to develop new products of advanced ceramics. Areas of research at CTI relate to Nano-technology, Separation Technology, Microwave Processing, Plant related Investigations and special Projects. The institute has been working closely with some of the major international organizations namely Max Planck Institute, Germany; University of Utah, USA; and NIFS, Japan. Some of the major developments at CTI are Cordierite kiln furniture, Ceramic armour, Ceramic Honeycomb for Catalytic Convertor, Diesel Particulate filter and Ceramic Grinding media. Major ongoing R&D efforts are on Porous Ceramics for Industrial Water treatment, Membranes for gas separation and particulate filtration, Composite Insulators with Nano-additives and Nano material synthesis.

5.4.4 Centre for Electric Transportation (CET), Bhopal

The project for development of Electric Transportation Technology was approved by the Govt. of India and United Nations Development Programme (UNDP) in July 1988. The capabilities in the Centre have been developed to analyze and test all aspects of electrically powered vehicle designs to improve their performance, reliability and efficiency.

Some of its achievements include Combined System Testing of Cape Gauge DEMU for Angola, Type Test on Traction Motors for IGBT based 3 phase drives for ACEMU, Combined System Testing of MG DEMU, Combined System Testing of GTO based 3 phase drive system for 1500 V DC/25 kV AC dual voltage EMUs for Central Railways, Combined System testing of IGBT based 700 HP Diesel Electric Locomotive, testing of import substitute traction alternator for 4000 HP Diesel electric locomotive for Indian Railways.

5.4.5 Pollution Control Research Institute (PCRI), Haridwar

Pollution Control Research Institute (PCRI) was set up by Department of Heavy Industry with Bharat Heavy Electricals Ltd. (BHEL) as the lead agency under United Nations Development Programme (UNDP). The objectives of PCRI are environmental management and pollution control in the areas of water, noise and solid waste management. The institute is recognized as Environmental Lab under Environment Protection Act, 1986 by Central Pollution Control Board, Ministry of Environment and Forests, Govt. of India and number of State Pollution Control Boards. The Institute has undertaken a number of R&D projects to develop industrial pollution control technologies, such as Phytoremedation of dust from ambient air through selection of plant species, preparation of environmental guidelines for religious places in India, Effect of mass bathing on river Ganga and Kshipra during Kumbh mela in Haridwar and Ujjain, River water quality assessment for Ganga and Western Yamuna Canal at selected stretches, assessment of heavy metal emission from thermal power plants, etc. Major R&D projects in hand include characterization of effluents from thermal power plants, and development of advance facilities for micro-biological analysis, assessment of water quality of river in Kumaon region of Uttarakhand, Assessment of fugitive emissions and development of environmental guidelines for control of fugitive emissions in Thermal Power Plants.

As part of capability building and resource development, training programmes are being organized regularly for the officials of State/ Central Pollution Control Boards and major industries. Two such programmes organized in 2007 are Environmental Impact Assessment Studies and Water Quality Monitoring Network Design & Quality Assurance.

The institute is playing a vital role in performing year long comprehensive Environmental Impact Assessment Studies for setting up large size industrial projects like thermal power plants, petroleum product pipelines and oil terminals etc. Such studies completed this year include environmental clearance for proposed thermal power plants at Anpara-D, Chhabra and Marwa.

5.4.6 Welding Research Institute (WRI), Tiruchirapalli

Welding Research Institute (WRI), the only one of its kind in the country, is equipped with state-of-the-art welding research facilities like electron and laser beam, flash butt, friction and plasma welding in addition to facilities for conventional arc welding. Further, it has advanced testing facilities for fatigue testing, residual stress measurement, residual life estimation etc. The institute has been providing services to ISRO, Indian Railways, Defence and Industry in Public and Private sector. The Institute maintains close contact with various national and international level associations/ organizations, major customers, and researchers to share and publicize developments in welding related fields. Major ongoing R&D projects include development of fabrication procedures in new materials for Super critical and Ultra Super Critical Boilers, Development of Friction Stir Welding Technology, study of welding fumes, Development of Robotic Time Twin Technology, Development of HVOF & Wire Spraying Technology for boiler components etc. It also conducts Skill development program for welders with the assistance of Department of Science & Technology (DST), Govt. of India. The institute is an approved centre for training & testing of Welders as per Central Boiler Board, Govt. of India. The institute conducts training/certification programs for practicing engineers & technicians in welding & non-destructive testing on a regular basis.

Chapter 6

Welfare of SC/ST/OBC/PWDs and Minorities

6.1 It has been the endeavor of this Department to oversee the obligations of Public Sector Enterprises to promote the welfare of minorities in the light of Government's directive on this subject. Instructions issued by the Government in respect of reservation in appointment/promotions for SC/ST/OBC, handicapped persons and minority communities have been generally followed by PSEs under the Department.

6.2 An SC/ST Cell has been functioning under the supervision of a Liaison Officer of the rank of Deputy Secretary for proper monitoring of the implementation of reservation policy of Government of India. This Cell is also responsible for conducting annual inspections of reservation rosters of the PSEs. The work force in the PSEs consists of a large number of persons from different minority communities. Their integration into the mainstream workforce is emphasized in all PSEs and there is no discrimination on account of their caste, creed or religious beliefs. In terms of facilities like residential accommodation etc. all are treated at par.

6.3 Every year Quami Ekta/Sadbhavna Diwas is organized where people from all sections of the society including women and children participate to stimulate the spirit of oneness, national integration and harmony.

6.4 All CPSEs under this Department have been advised to comply with the provisions of the "Persons with Disabilities" (Equal opportunities , Protection of Rights and Full participation) Act,1995. Most of the CPSEs under the Department of Heavy Industry are sick and under restructuring resulting in very limited recruitment in the last few years. Nevertheless, PSEs are keeping these instructions in view whenever recruitment is made. BHEL, a major profit making CPSE under this Department, have appointed 172 persons with disabilities in various categories during the last ten years.

Efforts are made by the CPSEs to follow the instructions issued by the Government from time to time to promote the welfare of persons with disabilities. Persons with disabilities are provided facilities like special conveyance allowance, preferential residential accommodation, wherever possible, and additional amenities and facilities to enable them to discharge their duties and facilitate their integration into the mainstream workforce.

Chapter 7

Empowerment / Welfare of Women

7.1 Department of Heavy Industry and the CPSEs under its administrative control constantly endeavor to ensure that there is no discrimination against women on any account. All members of the staff are made conscious of the principles of gender mainstreaming and gender justice enshrined in the Constitution of India.

7.2 In order to create awareness regarding human rights especially of female employees, in accordance with the directions issued by the Government for the preservation and enforcement of rights to gender equality and justice to working women employees, a Complaint Committee headed by a woman officer is in place in this Department for redressal of complaints related to sexual harassment of women. Department actively encourages women employees to freely participate in all activities like meetings, seminars, competitions and training etc. This helps in ensuring their integration into the mainstream work force.

7.3 In terms of Ministry of Finance, Department of Economic Affair's instructions, a Gender Budgeting Cell has been constituted in the Department to address issues pertaining to gender budgeting.

Chapter 8

Vigilance

8.1 Vigilance activity is an essential requirement of any organization. The Department has a Chief Vigilance Officer of the rank of Joint Secretary to look into complaints against the employees of the Department as well as Board Level Officers of the Public Sector Enterprises and Organisations under its administrative control. He is assisted by a Director and one Under Secretary along with a Vigilance Section.

8.2 The main areas of work of Vigilance Section are:-

- Dealing with complaints against Board level appointees of PSEs as well as the officers of the Department of Heavy Industry;
- Issue of vigilance clearance in respect of Board level appointees in PSEs and all other appointments based on PESB recommendation requiring ACC approval;
- Liaisoning with CVC, CBI and CVOs of PSEs under DHI to streamline flow of information in respects of vigilance matters;
- Tendering advice on issues of financial irregularity and procedural irregularity;
- Vetting charge sheet in respect of charges against Board level appointees;

8.3 The vigilance Organization also lays emphasis on preventive vigilance and is promoting the use of IT to bring about greater transparency. Even Punitive measures are also taken in appropriate cases and followed up wherever required.

8.4 Vigilance Section is responsible for maintaining Annual Confidential Reports of officers and staff of the Department and also of the Board level appointees & Central Vigilance Officers (CVOs) of PSEs under the administrative control of this Department.

8.5 Vigilance Section also monitors submission of Annual Property Returns by officers and staff of the Department of Heavy Industry as well as the Chief Executives and Directors of PSEs under Department of Heavy Industry.

Chapter 9

Progressive Use of Hindi

9.1 The Official Language Section in the Department takes up measures to promote use of Hindi in the Department. The efforts to promote the use of Hindi in official works of the Department continued during the period under review. The Official Language Implementation Committee held its periodical meetings regularly to review the progress made in use of Hindi and suggested ways to remove the impediments in implementation of provisions of the Official Language Act, 1963 and the rules made there under.

9.2 During the period under review, the Parliamentary Committee on Official Language inspected the offices of (i) Bharat Heavy Plates & Vessels Ltd., Vishakhapatnam; (ii) Bharat Heavy Electricals Ltd., Power Sector, Kolkata; (iii) H.M.T. Machine Tools Division, Kochi (Cochin); (iv) A Unit of Cement Corporation of India, Guwahati; (v) H.M.T., New Delhi Unit and (vi) Bharat Heavy Electricals Ltd., Power Sector, Chennai and has expressed satisfaction with the progress of Hindi. The officers of the Department carried out inspections of some enterprises during the year to monitor progress made in the use of Hindi and the officers of these enterprises so visited were apprised of the Official Language Policy of the Government of India.

9.3 All the Notifications, Resolutions, Notes and Circulars, Parliament Questions, Annual Reports, (Budget Performance) General Orders and papers laid on the Tables of both Houses of the Parliament were issued both in Hindi and in English. All the letters received in Hindi were responded to in Hindi. In order to promote the use of Hindi and to increase correspondence in Hindi "Hindi Pakhwara" was organized from 1st September, 2007 to 15th September, 2007 during which several competitions including Noting/drafting, Translation from English to Hindi and vice-versa, Hindi typing on Computer etc. were conducted. Officers of the Department participated in these activities with keen interest. Cash awards were given to winning candidates by Hon`ble Minister of State (Heavy Industry). A workshop was also organised for officers/ employees of the Department to impart training in noting/drafting in Hindi as well as filling up the proforma for quarterly report for progressive use of Hindi correctly. They were also apprised of the Official Language Act, 1963.

9.4 Following important steps were taken to promote progressive use of Hindi in official work during the year:-

I. Under rule 10(4) of the Official Language (Use for official purpose of the Union) Rule, 1976, vide which the Central Government is required to notify the offices where more than 80% staff have acquired working knowledge of Hindi. Thus, in all 61 PSUs and its units have so far been notified by the Department.

II. Implementation of the programme of learning Hindi through **"AAJ KA SHABDA".**

9.5 Public Sector Enterprises, under the administrative control of this Department, also continued to make vigorous efforts to implement the Official Language Act and its provisions. Various Seminars, Competitions and Workshops were organised in these PSEs to propagate use of Hindi. **"HINDI PAKHWARA/HINDI WEEKS"** were celebrated in these PSEs with great zeal.

Annexure-I

Allocation of Business to the Department of Heavy Industry

Department of Heavy Industry used to be one of the Departments of Ministry of Industry. With effect from 15th October, 1999, a separate Ministry viz. Ministry of Heavy Industries & Public Enterprises has been created. The Ministry comprises of the Department of Heavy Industry and Department of Public Enterprises. The Department of Heavy Industry has been allocated the following items of work:-

A. Department of Heavy Industry

1. Heavy Engineering Corporation Limited
2. Mining and Allied Machinery Corporation Limited
3. Engineering Projects (India) Limited
4. Bharat Heavy Electricals Limited
5. HMT Limited

Subsidiaries

a) HMT (Bearing) Limited
b) HMT International Limited
c) HMT (Machine Tools) Limited
d) HMT (Watches) Limited
e) HMT (Chinar Watches) Limited
f) Praga Tools Limited

6. Scooters India Limited.
5. Andrew Yule and Company Limited
6. Bharat Opthalmic Glass Limited
7. Bharat Leather Corporation Limited
8. Cement Corporation of India Limited
9. Cycle Corporation of India Limited
10. Hindustan Cables Limited
11. Hindustan Paper Corporation Limited
12. Hindustan Photo Films Manufacturing Company Limited
13. Hindustan Salts Limited
14. Hooghly Printing Company Limited
15. Instrumentation Limited
18. Mandya National Paper Mills Limited
19. Nagaland Pulp and Paper Company Limited
20. National Bicycle Corporation of India Limited
21. National Industrial Development Corporation Limited
22. National Instruments Limited
23. NEPA Limited
24. Rajasthan Electronics and Instruments Limited
25. Hindustan Newsprint Limited
26. Tannery and Footwear Corporation of India Limited
27. Tyre Corporation of India Limited
28. Rehabilitation Industries Corporation Ltd.
29. Sambhar Salts Limited
30. Fluid Control Research Institute
31. Bharat Bhari Udyog Nigam Limited

Subsidiaries

a) Bharat Brakes and Valves Limited
b) Bharat Process and Mechanical Engineers Limited
c) Bharat Wagon and Engineering Company Limited
d) Braithwaite and Company Limited
e) Burn Standard Company Limited
f) Jessop and Company Limited
g) The Lagan Jute Machinery Company Limited
h) Braithwaite, Burn & Jessop Construction Limited
i) Reyrolle Burn Limited
j) Weighbird (India) Limited

32. Bharat Yantra Nigam Limited

Subsidiaries

a) Triveni Structurals Limited
b) Tungabhadra Steel Products Limited
c) Bharat Heavy Plate and Vessels Limited
d) Bharat Pumps and Compressors Limited
e) Richardson and Crudas (1972) Limited
f) Bridge and Roof Company (India) Limited

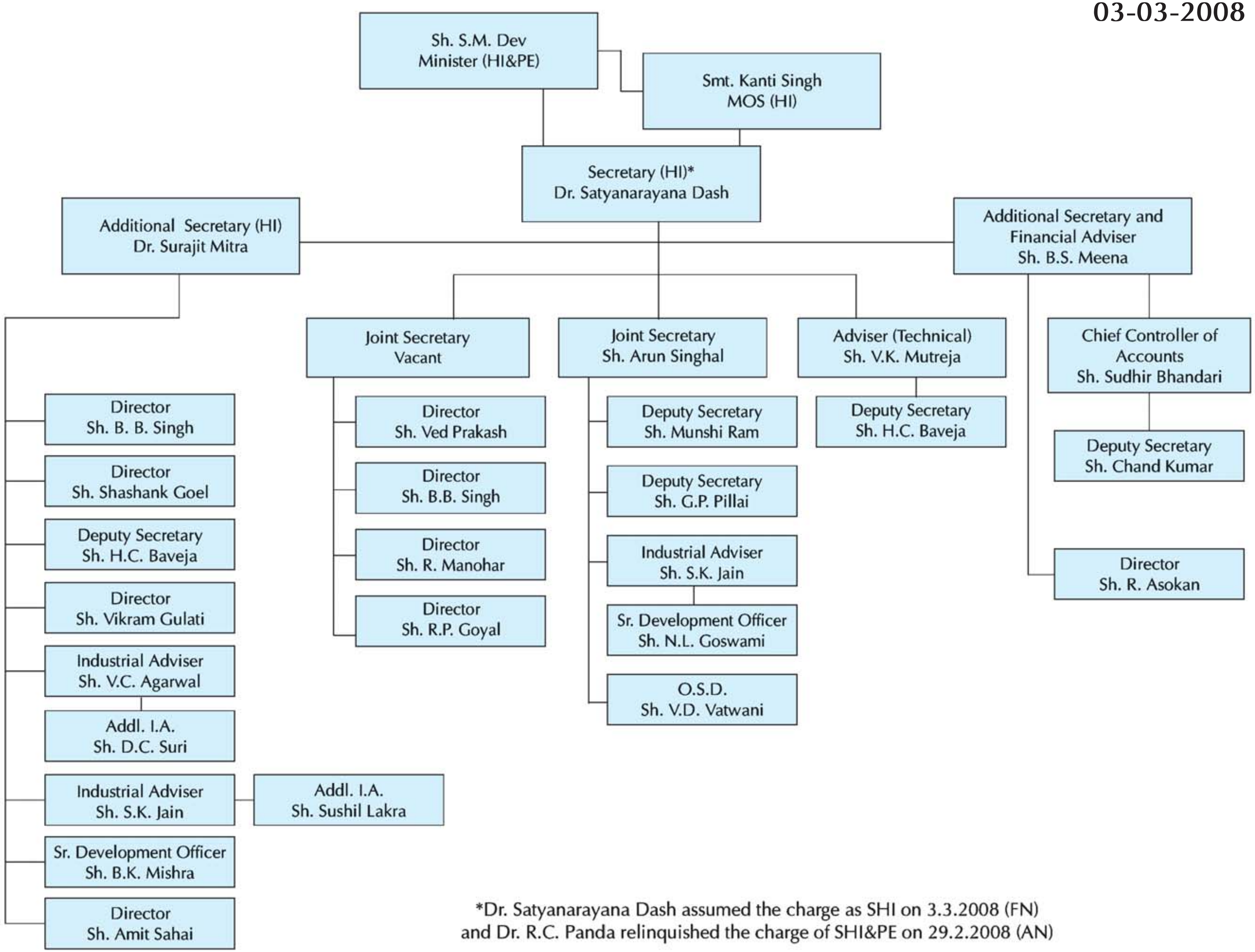
B. OTHER SUBJECTS

33. Manufacture of Heavy Engineering Equipment for all Industries.
34. Heavy Electrical Engineering Industries.
35. Development Council for Heavy Electrical and Allied Industries
36. Machinery Industries including Machine Tools and Steel Plant Equipment Manufacturing.
37. Development Council for Textile Machinery Industry
38. Development Council for Machine Tools
39. Auto Industries, including Tractors and Earth Moving Equipment
40. Development Council for Automobile and Allied Industries
41. All Diesel Engines including Automobile Engines
42. The Automotive Research Association of India
43. National Automotive Testing and Research and Development Infrastructure Project (NATRIP) and NATRIP Implementation Society (NATIS)
44. Forging Industry Research Institute of India

ORGANOGRAM OF DEPARTMENT OF HEAVY INDUSTRY

Annexure-II

03-03-2008



*Dr. Satyanarayana Dash assumed the charge as SHI on 3.3.2008 (FN) and Dr. R.C. Panda relinquished the charge of SHI&PE on 29.2.2008 (AN)

General Information about CPSEs under DHI

Sl.No.	Name of CPSE and location of Registered Office	Year of setting up of CPSE	Gross Block as on 31.3.2007 (Provisional) (Rs. in Crore)
1.	Andrew Yule & Co. Ltd. (AYCL) Kolkata	1979	110.92
2.	Hoogly Printing Company Ltd., Kolkata	1979	1.66
3.	Bharat Heavy Electricals Ltd., New Delhi	1956	4438.00
4.	Burn Standard Co. Ltd. (BSCL), Kolkata	1976	137.52
5.	Braithwaite & Co. Ltd. (BCL), Kolkata	1976	50.39
6.	Bharat Wagon & Engineering Company Ltd. (BWEL),Patna	1978	16.98
7.	Braithwaite, Burn & Jessop Construction Co.Ltd. (BBJ), Kolkata	1987	7.41
8.	Bharat Heavy Plate & Vessels Ltd(BHPV), Vishakhapatnam	1966	79.21
9.	Bharat Pumps & Compressors Ltd (BPCL), Allahabad	1970	33.03
10.	Richardson & Cruddas (R&C) (1972) Ltd., Mumbai	1972	30.81
11.	Triveni Structurals Ltd. (TSL), Allahabad	1965	19.80
12.	Tunghabhadra Steel Products Ltd.(TSP), Hospet,Karnataka	1967	21.22
13.	Bridge and Roof Co.(India) Ltd.(B&R), Kolkata	1972	138.44
14.	Hindustan Cables Ltd (HCL) Kolkata	1952	524.22
15.	Heavy Enginering Corpn.Ltd (HEC), Ranchi	1958	322.85
16.	HMT Ltd (Holding Company), Bangalore	1953	120.80
17.	HMT Machine Tools Ltd.,HMT(MT), Bangalore	2000	215.66
18.	HMT Watches Ltd, Bangalore	2000	200.70
19.	HMT Chinar Watches Ltd Jammu	2000	11.00
20.	Praga Tools Ltd. (PTL) Secundrabad	1959	34.94
21.	HMT (Bearing) Ltd., Hyderabad	1981	29.15
22.	HMT(International) Ltd. Bangalore	1974	7.60
23.	Instrumentation Ltd, (IL) Kota	1964	67.82
24.	Rajasthan Electronics & Instruments Ltd., (REIL), Jaipur	1981	17.82
25.	Scooters India Ltd (SIL) Lucknow	1972	52.86
26.	Cement Corpn. of India Ltd. (CCI), New Delhi	1965	646.76
27.	Hindustan Paper Corporation Ltd (HPC), Kolkata	1970	872.34
28.	Hindustan Newsprint Ltd. (HNL) Vellore, Kottayyam	1983	392.99
29.	Hindustan Photo Films Mfg. Co. Ltd. (HPF), Ooty	1960	721.00
30.	Hindustan Salts Ltd. (HSL) Jaipur	1959	5.39
31.	Sambhar Salts Ltd. (SSL) Jaipur	1964	10.47
32.	Nepa Ltd. (NEPA) Nepanagar	1958	115.00
33.	Tyre Corpn.of India Ltd. (TCIL), Kolkata	1984	118.04
34.	Engineering Projects (India) Ltd. (EPI), New Delhi	1970	16.50
		TOTAL	**9589.30**

Note : (I) 12 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC,NBCIL, MAMC, NIDC, BOGL & RIC have been closed and 2 CPSEs (NPPC & NIL) are not in operation.

(ii) Apart from above 34 CPSEs , there are two non-manufacturing holding companies (BBUNL & BYNL)

Employment Position including SC, ST & OBCs as on 31.3.2007 in CPSEs under DHI

Sl. No.	Name of PSE	Total Number of Employees				Number of SC/ST/OBC		
		Executives	Supervisors	Workmen Others	Total	SC	ST	OBC
1	2	3	4	5	6	7	8	9
1.	AYCL	201	142	15454	15797	1042	4346	6068
2.	Hooghly Printing	6	7	47	60	1	1	0
3.	BHEL	9567	7479	25078	42124	7978	1869	3605
4.	BSCL	138	168	1214	1520	160	11	276
5.	BCL	67	42	416	525	53	1	1
6.	BWEL	39	62	829	930	84	2	294
7.	BBJ	48	4	41	93	7	1	0
8.	BHPV	294	164	1054	1512	658	107	291
9.	BPCL	231	24	959	1214	194	3	377
10.	R&C	22	14	37	73	8	0	7
11.	TSL	71	34	199	304	33	0	108
12.	TSP	18	15	76	109	27	3	30
13.	B&R	610	0	839	1449	160	1	37
14.	HCL	426	480	2199	3105	812	230	195
15.	HEC	1443	498	1389	3330	313	603	529
16.	HMT (Holding Co.)	289	160	1891	2340	549	104	28
17.	HMT (MT)	975	454	2807	4236	601	192	819
18.	HMT ((Watches)	255	220	1677	2152	377	96	306
19.	HMT (Chinar Watches)	14	91	471	576	45	4	0
20.	PTL	89	34	381	504	87	12	0
21.	HMT (Bearings)	45	45	236	326	43	1	130
22.	HMT (I)	45	10	10	65	10	4	1
23.	IL	255	803	619	1677	276	76	267
24.	REIL	56	56	94	206	41	6	38
25.	SIL	223	66	1312	1601	298	2	455
26.	CCI	165	199	1171	1535	196	124	189
27.	HPC	555	187	2008	2750	274	212	137
28.	HNL	182	80	740	1002	67	4	222
29.	HPF	91	65	910	1066	176	54	495
30.	HSL	12	32	78	122	17	8	15
31.	SSL	8	29	96	133	31	9	39
32.	NEPA	129	0	1326	1455	124	25	78
33.	TCIL	45	22	185	252	14	2	0
34.	EPIL	384	78	7	469	83	21	11
	TOTAL	**16998**	**11764**	**65850**	**94612**	**14839**	**8134**	**15048**

Note : (I) 12 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL & RIC have been closed and 2 CPSEs (NPPC & NIL) are not in operation..

(ii) Apart from above 34 operating CPSEs, there are two non-manufacturing holding companies (BBUNL & BYNL)

Annexure V

Production Performance of CPSEs under DHI

(Rs. in crore)

Sl.No.	Name of CPSE	2004-05 (Actual)	2005-06 Actual)	2006-07 Actual)	2007-08 (Anticipated)	2008-09 (Target)
1	2	3	4	5	6	7
1.	AY&CO	119.66	111.27	137.36	165.76	204.76
2.	Hooghly Printing	9.98	5.09	4.07	6.50	10.00
3.	BHEL	10336.00	14525.00	18739.00	21000.00	24150.00
4.	BSCL	186.24	181.63	233.08	306.40	343.14
5.	BCL	66.20	81.33	106.21	135.29	168.37
6.	BWEL	19.63	31.33	50.17	53.64	46.92
7.	BBJ	38.29	57.89	80.17	85.22	110.00
8.	BHPV	141.00	122.05	180.36	180.00	190.00
9.	BPCL	70.00	103.00	150.00	185.00	235.00
10.	R&C	32.00	31.00	54.00	70.00	85.00
11.	TSL	1.00	1.00	4.00	10.39	18.60
12.	TSP	3.00	2.00	2.00	5.50	15.00
13.	B&R	451.00	507.00	612.67	700.00	820.00
14.	HCL	21.19	6.07	3.66	1.42	0.00
15.	HEC	136.46	165.63	280.81	342.40	390.41
16.	HMT (Holding Co.)	186.74	236.01	212.30	275.09	328.45
17.	HMT (MT)	205.03	224.63	215.29	320.00	375.00
18.	HMT (Watches)	19.33	29.17	39.46	36.00	90.00
19.	HMT (Chinar Watches)	0.20	2.97	3.69	2.50	5.00
20.	PTL	10.53	10.72	9.54	26.36	27.48
21.	HMT(B)	24.42	25.00	24.40	20.79	66.00
22.	HMT(I)	28.17	14.89	31.45	34.06	37.00
23.	IL	175.85	219.98	228.34	280.00	320.00
24.	REIL	49.52	50.00	72.10	61.80	70.00
25.	SIL	140.50	175.15	192.32	194.72	270.17
26.	CCI	179.10	230.03	325.72	348.39	378.13
27.	HPC	574.41	677.59	721.60	738.12	762.24
28.	HNL	233.55	303.01	315.31	289.79	301.88
29.	HPF	15.20	15.37	17.68	17.50	18.50
30.	HSL	4.71	6.67	7.79	17.02	18.31
31.	SSL	7.19	8.22	10.37	16.51	23.32
32.	NEPA	38.31	58.73	83.26	85.00	97.96
33.	TCIL	60.31	144.75	155.05	213.75	223.88
34.	EPI	512.04	637.38	763.61	850.00	950.00
	Total	**14136.76**	**19001.61**	**24066.84**	**27074.92**	**31150.52**

Note: (i) 12 CPSEs namely; BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, RIC, NIDC & BOGL have been closed and 2 CPSEs (NPPC & NIL)) are not in operation.

(ii) Apart from above 34 operating CPSEs, there are two non-manufacturing holding companies (BBUNL & BYNL)

Annexure VI

Profit(+)/Loss(-) (before tax) of CPSEs under DHI

(Rs. in crore)

Sl.No.	Name of CPSE	2004-05 (Actual)	2005-06 (Actual)	2006-07 (Actual)	2007-08 (Anticipated)	2008-09 (Target)
1	2	3	4	5	6	7
(A)	**Profit making PSEs***					
1.	BHEL	1582.00	2564.00	3736.00	4085.00	4465.00
2.	BPCL	-10.86	1.84	19.11	30.27	36.00
3.	B&R	1.49	3.11	7.17	10.00	14.00
4.	BCL	-21.91	2.21	0.56	2.93	19.87
5.	BBJ	0.33	0.54	1.39	1.61	15.35
6.	CCI	-218.94	831.84	166.61	36.35	522.55
7.	EPI	7.76	13.31	17.55	18.95	21.50
8.	Hooghly Printing	1.50	0.39	0.20	0.15	0.30
9.	HPC	55.60	87.98	120.31	87.00	90.80
10.	HNL	9.54	27.36	45.08	5.02	5.01
11.	HMT (Hldg. Co)	18.50	13.55	40.48	-14.45	9.57
12.	HMT (I)	0.08	0.98	1.64	0.51	0.35
13.	HEC	-285.02	-86.89	2.86	2.21	5.17
14.	PTL	-34.39	116.51	91.95	4.47	4.92
15.	REIL	3.03	3.16	3.48	3.68	4.55
Sub-total for (A) Profit making Companies		**1108.71**	**3579.89**	**4254.39**	**4273.70**	**5214.94**
(B) Loss making PSEs						
16.	AYCL	-75.32	-73.35	-90.11	0.45	70.34
17.	BSCL	-118.72	-442.74	-151.87	-161.30	-189.71
18.	BWEL	-28.10	-24.88	-24.14	-21.48	-16.25
19.	TSP	-57.42	-30.09	-37.50	-17.40	-25.04
20.	BHPV	-78.24	-71.38	-34.70	-32.58	-48.80
21.	R&C	-33.06	-42.59	-37.62	-43.60	-41.70
22.	TSL	-51.54	-48.87	-46.86	-48.44	-41.71
23.	HCL	-270.88	-295.32	-310.68	-375.82	-399.59
24.	HMT (B)	-10.38	0.31	-6.80	-3.20	3.09
25.	HMT (MT)	-73.80	-6.56	-149.25	2.75	0.53
26.	HMT (Watches)	-134.52	-76.13	-195.66	-146.00	171.00
27.	HMT (Chinar Watches)	-25.23	-30.86	-39.89	-38.05	-41.12
28.	HSL	8.34	-0.57	-0.41	0.06	0.13
29.	SSL	2.35	-1.26	-0.91	0.14	0.81
30.	HPF	-496.41	-560.90	-653.06	-754.84	-835.28
31.	IL	-16.98	-23.96	-27.80	-33.07	-23.71
32.	SIL	1.39	1.90	-22.50	-13.24	-0.53
33.	NEPA	-48.62	-45.32	-44.44	-46.85	-45.50
34.	TCIL	-56.87	-47.93	-47.91	-46.64	-49.14
Sub-total (B) Loss making Companies.		**-1564.01**	**-1820.50**	**-1922.11**	**-1779.11**	**-1512.18**
Grand Total (A&B)		**-455.30**	**1759.39**	**2332.28**	**2494.59**	**3702.76**

Note: (i) 12 PSEs namely; BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, RIC, NIDC & BOGL have been closed and 2 CPSEs (NPPC & NIL)) are not in operation.

(ii) Apart from above 34 operating PSEs, there are two non-manufacturing holding companies (BBUNL & BYNL)

* Based on operating results for the year 2006-07

Salary/Wage Bill & Social Overheads as % of Turnover of CPSEs under DHI — Annexure VII

Sl.No.	Name of CPSEs	Wages and salaries as % of Turnover					Social overheads as % of Turnover				
		2004-05 (Actual)	2005-06 (Actual)	2006-07 (Actual)	2007-08 (Anticipated)	2008-09 (Target)	2004-05 (Actual)	2005-06 (Actual)	2006-07 (Actual)	2007-08 (Anticipated)	2008-09 (Target)
1	2	3	4	5	6	7	8	9	10	11	12
1.	AY&CO	40.13	41.98	37.33	31.94	27.13	15.93	11.29	10.95	9.37	7.96
2.	Hoogly Ptg.	15.64	30.13	34.66	21.77	14.36	1.23	1.08	1.90	6.01	1.04
3.	BHEL	15.97	12.94	13.08	12.85	12.12	2.21	1.89	1.86	1.90	1.86
4.	BSCL	12.73	12.75	13.85	12.19	8.95	4.14	3.31	3.89	1.65	1.17
5.	BCL	14.00	12.00	13.00	8.00	6.00	3.00	3.00	2.00	2.00	1.00
6.	BWEL	96.29	56.39	42.61	58.14	27.44	1.74	0.58	0.55	2.14	0.51
7.	BBJ	10.00	8.53	8.43	6.74	7.79	0.69	0.57	0.49	0.49	0.50
8.	BHPV	29.15	22.99	17.18	17.18	14.92	3.46	2.93	2.43	2.05	1.60
9.	BPCL	32.70	26.30	18.85	16.90	14.60	1.24	1.03	2.66	0.77	0.62
10.	R&C	7.00	6.00	2.91	2.00	2.00	1.00	1.00	0.34	3.00	2.00
11.	TSL	427.00	748.00	172.72	55.00	0.00	34.00	62.00	21.21	8.00	0.00
12.	TSP	126.00	96.77	347.50	16.00	19.00	4.50	7.77	16.00	3.00	3.00
13.	B&R	7.73	6.75	7.61	7.50	7.52	1.79	1.38	0.62	0.65	0.65
14.	HCL	278.63	735.32	1732.76	4623.56		23.04	62.42	119.91	328.71	
15.	HEC	35.30	30.40	20.60	19.70	18.70	6.10	-1.50	-0.40	-0.70	0.20
16.	HMT(Hldg)	30.06	23.47	27.20	23.26	20.73	3.07	3.67	4.25	3.64	3.24
17.	HMT(MT)	43.00	59.00	47.30	42.93	36.63	3.00	3.00	2.00	2.00	2.00
18.	HMT(Watches)	153.00	230.00	117.00	136.00	34.00	4.00	4.00	7.00	6.00	14.00
19.	HMT(Chinar)	1779.00	694.00	526.00	260.00	240.00	280.00	124.00	170.00	315.00	315
20.	PTL	55.00	62.00	69.00	24.00	24.00	21.00	21.00	25.00	10.00	10.00
21.	HMT(B)	30.29	32.66	30.88	39.33	17.35	3.73	4.31	4.23	7.37	3.97
22.	HMT(I)	5.78	8.46	7.25	9.07	7.55	1.55	2.31	1.98	2.48	2.06
23.	IL	20.76	17.01	17.05	13.48	11.41	1.04	0.97	0.78	0.69	0.62
24.	REIL	7.87	8.38	7.82	9.14	9.00	1.49	1.62	1.28	1.34	1.35
25.	SIL	17.36	14.27	13.85	14.61	11.07	6.40	5.54	5.14	5.42	4.11
26.	CCI	11.45	21.50	8.19	9.02	8.65	4.76	10.25	3.93	3.59	3.43
27.	HPC	9.70	8.29	8.71	10.43	10.50	4.94	3.41	3.40	4.01	4.08
28.	HNL	8.32	8.27	8.73	10.70	11.59	4.82	5.03	4.90	4.93	5.13
29.	HPF	72.97	87.89	95.34	86.47	66.67	4.62	3.85	3.96	2.94	1.67
30.	HSL	42.94	48.17	40.04	20.58	20.42	3.99	3.91	2.18	1.28	1.35
31.	SSL	39.54	44.99	36.47	22.92	17.08	2.95	3.28	2.98	2.30	1.72
32.	NEPA	36.00	24.00	21.00	21.00	21.00	7.00	5.00	3.00	3.00	3.00
33.	TCIL	45.05	30.49	30.78	31.60	31.98	4.60	2.22	2.45	2.29	2.43
34.	EPIL	3.53	2.95	2.85	2.84	2.84	0.50	0.81	0.73	0.71	0.71

Note : (i) 12 CPSEs namely; BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL & RIC have been closed and 2 CPSEs (NPPC & NIL)) are not in operation.

(ii) Apart from above 34 operating CPSEs, there are two non-manufacturing holding companies (BBUNL & BYNL)

Annexure VIII

Order book position of CPSEs under DHI

(Rs. in crore)

Sl.No.	CPSE	As on 1.10.2003	As on 1.10.2004	As on 1.10.2005	As on 1.10.2006	As on 1.10.2007
1	2	3	4	5	6	7
1.	AYCL	103.54	86.05	93.91	68.51	62.28
2.	Hooghy Ptg	1.10	1.50	6.50	1.27	0.90
3.	BHEL	15800.00	23650.00	32000.00	37500.00	55000.00
4.	BSCL	174.74	152.80	102.80	106.92	183.64
5.	BCL	130.59	144.11	228.72	255.05	201.73
6.	BWEL	115.48	101.99	150.94	32.74	11.86
7.	BBJ	44.19	73.52	116.54	126.35	144.49
8.	BHPV	121.33	186.99	305.87	348.57	260.14
9.	BPCL	43.46	48.68	130.65	136.20	232.87
10.	R&C	107.90	32.56	44.92	56.33	75.81
11.	TSL	38.05	22.37	16.25	6.32	16.00
12.	TSP	24.40	9.50	5.50	3.02	1.86
13.	B&R	636.40	581.66	856.02	994.79	1381.00
14.	HCL	164.00	138.25	1.32	5.40	1.93
15.	HEC	154.42	262.35	378.25	522.10	606.28
16.	HMT(Hldg)	—	—	—	—	—
17.	HMT(MT)	111.23	166.65	175.31	196.77	179.82
18.	HMT(Watch)	—	—	—	—	—
19.	HMT(Ch.watch)	—	—	—	—	—
20.	PTL	4.47	5.86	3.40	1.35	2.01
21.	HMT(Bearing)	2.15	2.19	2.40	2.50	2.23
22.	HMT(I)	12.11	21.68	7.51	35.81	18.51
23.	IL	120.00	165.00	158.00	170.00	248.84
24.	REIL	27.09	18.87	28.13	26.34	33.75
25.	SIL*	—	—	—	—	—
26.	CCI	—	7.13	—	12.50	0.00
27.	HPC	15.21	27.46	12.76	8.26	119.06
28.	HNL	—	—	—	—	—
29.	HPF	2.60	2.85	2.85	1.46	2.75
30.	HSL	6.12	7.03	4.57	15.00	14.52
31.	SSL	2.07	2.84	4.36	6.51	2.48
32.	NEPA	4.99	13.15	51.70	78.73	4.11
33.	TCIL	5.00	1.00	3.00	3.60	4.10
34.	EPIL	891.26	1459.96	1580.39	1225.54	1957.57
	TOTAL	**18863.90**	**27394.00**	**36472.57**	**41947.94**	**60770.54**

*Goods are produced for stock & sale

Note: (i) 12 CPSEs namely; BPME, WIL, BBVL, RBL, TAFCO, CCIL, NBCIL, RIC MAMC, BLC, NIDC and BOGL have been closed and 2 CPSEs (NPPC & NIL)) are not in operation.

(ii) Apart from above 34 Operating CPSEs, there are two non-manufacturing holding companies (BBUNL & BYNL).

Export Performance of CPSEs under DHI

(Rs. in crore)

Sl.No.	PSEs	2003-04 (Actual)			2004-05 (Actual)			2005-06 (Actual)			2006-07 (Actual)			2007-08 (Anticpated)		
		Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.	AY&CO	0.53	1.60	2.13	1.25	2.65	3.90	0.80	0.00	0.80	1.64	0.00	1.64	2.00	0.00	2.00
2.	BHEL	596.00	1454.00	2050.00	829.00	1298.00	2127.00	745.00	3021.00	3766.00	1076.00	5525.00	6601.00	2007.00	3513.00	5520.00
3.	BCL	0.00	0.00	0.00	0.00	0.00	0.00	4.98	0.00	4.98	0.68	0.00	0.68	0.00	0.00	0.00
4.	BSCL	2.53	4.90	7.43	4.71	0.00	4.71	2.75	0.00	2.75	8.48	0.00	8.48	9.59	0.00	9.59
5.	BHPV	1.21	0.45	1.66	2.92	0.45	3.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	BPCL	0.00	7.03	7.03	0.00	3.97	3.97	0.00	4.20	4.20	0.00	0.00	0.00	0.00	0.00	0.00
7.	R&C	0.40	0.00	0.40	0.83	0.00	0.83	1.17	0.00	1.17	0.00	0.00	0.00	0.00	0.00	0.00
8.	B&R	2.85	0.00	2.85	1.95	0.00	1.95	10.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	PTL	0.08	0.57	0.65	0.30	0.22	0.52	0.24	0.00	0.24	7.00	0.00	7.00	0.00	0.00	0.00
10.	HMT(I)	29.94	0.00	29.94	28.17	0.00	28.17	14.98	0.00	14.98	31.45	0.00	31.45	34.06	0.00	34.06
11.	IL	0.26	3.85	4.11	0.47	5.32	5.79	0.23	9.01	9.24	0.21	7.74	7.95	0.25	8.50	8.75
12.	REIL	0.17	0.14	0.31	13.36	0.00	13.36	1.09	0.00	1.09	4.05	1.27	5.32	10.00	0.00	10.00
13.	SIL	0.94	0.00	0.94	1.06	0.00	1.06	1.05	0.00	1.05	0.41	0.00	0.41	1.00	0.00	1.00
14.	HPC	0.00	3.12	3.12	0.00	48.38	48.38	0.00	43.37	43.37	0.00	40.76	40.76	13.32	45.71	59.03
15.	HSL	0.21	0.00	0.21	0.41	0.00	0.41	0.39	0.00	0.39	0.56	0.00	0.56	0.64	0.00	0.64
	Total	**635.12**	**1475.66**	**2110.78**	**884.43**	**1358.99**	**2243.42**	**782.68**	**3077.58**	**3860.26**	**1130.48**	**5574.77**	**6705.25**	**2077.86**	**3567.21**	**5645.07**

Annexure X

Paid-up Capital, Networth and Accumulated Profit (+)/Loss(-) as on 31.3.2007 (Provisional) of the CPSEs under DHI

(Rs. in crore)

Sl. No.	Name of CPSE	Paid-up Capital Government/ Holding CPSE	Paid-up Capital Others	Networth	Accumulated Profit (+)/Loss (-)
1	2	3	4	5	6
1	AYCL	163.27	3.93	-265.65	-431.92
2	HOOGLY PTG	1.03		2.89	0.20
3	BHEL	165.76	79.00	8788.00	8544.00
4	BSCL	133.01		-1189.07	-1319.20
5	BCL	16.75		6.12	-11.79
6	BWEL	9.99		-143.05	-152.92
7	BBJ	17.02		11.82	-5.20
8	BHPV	33.80		-526.72	-528.87
9	BPCL	53.53		56.95	-25.26
10	R&C	54.84		-203.68	-258.52
11	TSL	21.27		-405.84	-427.11
12	TSP	8.44		-220.27	-228.71
13	B&R	54.99		91.37	36.38
14	HCL	417.69	1.67	-1832.19	-2308.29
15	HEC	453.24		-516.97	-1089.99
16	HMT(Holding Co.)	1203.35		865.61	-337.74
17	HMT(MT)	16.00		80.56	-168.09
18	HMT(Watch)		100.00	-816.00	-820
19	HMT(Chinar Watch)		100.00	-177.00	-175.00
20	PTL	34.34	0.66	18.63	-19.56
21	HMT(Bearing)	16.89	0.24	3.68	-34.02
22	HMT(I)	0.72		21.42	6.80
23	IL	89.79		-220.31	-293.79
24	REIL	1.66	1.10	14.33	11.57
25	SIL	42.99		36.37	-6.38
26	CCI	806.08		-363.43	-1154.42
27	HPC	700.38		769.29	60.04
28	HNL	82.54		215.69	133.04
29	HPF	180.68	19.19	-4144.44	-4367.42
30	HSL	19.45		16.63	-11.97
31	SSL	0.01		2.75	-15.04
32	NEPA	106.01	0.69	-283.05	-389.18
33	TCIL	93.45		-638.55	-757.05
34	EPIL	35.42		103.99	65.65
	TOTAL	**5034.39**	**306.48**	**-840.12**	**-6479.76**

Note: (i) 12 CPSEs namely; BPME, WIL, BBVL, RBL, TAFCO, CCIL, NBCIL, RIC, BLC, NIDC, BOGL and MAMC have been closed and 2 CPSEs (NPPC & NIL) are not in operation.

(ii) Apart from above 34 Operating PSEs, there are two non-manufacturing holding companies (BBUNL & BYNL)

Annexure XI

Inputs sanctioned by the Govt. for revival/ restructuring of CPSEs under DHI

As on 31.1.2008

(Rs. crore)

S. No.	CPSE	Fresh GOI funds		Waivers/ conversions	GOI guarantee	Total	No. of employees as on 31.3.2007
		Capital Investment	Other				
1.	AYCL	29.56	87.06	154.75	111.96	383.33	15797.00
2.	BCL	4.00	Nil	112.91	Nil	116.91	525.00
3.	BBJ	0.00	Nil	54.61	Nil	54.61	93.00
4.	B&R	60.00	Nil	42.92	Nil	102.92	1449.00
5.	BPCL	0.00	Nil	153.15	3.37	156.52	1214.00
6.	HMT (MT)	180.00	543.00	157.80	–	880.80	4236.00
7.	PTL	5.00	Nil	177.12	32.59	214.71	504.00
8.	HMT (B)	7.40	Nil	26.57	17.40	51.37	326.00
9.	CCI	30.67	153.62	1252.25	15.70	1452.24	1535.00
10.	NIL @@	–	1.81	240.05	–	241.86	0.00
11.	NPPC @	251.26	38.19	126.98	252.99	669.42	0.00
12.	HEC	102.00	Nil	1116.30	150.00	1368.30	3330.00
13.	HSL	4.28	Nil	66.32	Nil	70.60	122.00
	Total	**674.17**	**823.68**	**3681.73**	**584.01**	**5763.59**	**29131.00**

@ Rs. 108.18 crore for setting off the Capital reduction fund on account of reduction of existing paid up capital from Rs. 120.20 crore to Rs. 12.02 crore by way of reduction of the face value of the share from Rs. 1000 per share to Rs. 100 per share.

@ Non-BRPSE case. (NPPC)

@@ Govt. has approved the transfer of assets & liabilities of NIL to Jadavpur University, Kolkata

Annexure XII

Important Audit observations from Comptroller & Auditor General Audit Report for 2007

- **Braithwaite and Company Limited**

Investment of Rs. 1.51 crore was made by the Company for procurement and installation of an ERP system with the objective of increasing efficiency in various financial matters and marketing a tailor-made package in the wagon industry. The process of computerization could not be implemented and the investments did not yield any benefit.

Chapter – IV of Report No. 11 of 2007 (Regularity Audit)

- **Bharat Heavy Electricals Limited**

The Company took 36 months in deciding to replace the existing captive power station with a DG set. As a result, it incurred extra expenditure of Rs. 14.77 crore on account of higher cost of in-house generation of power for the years 2003-04 and 2004-05.

(Para No. 11.1.1 of Report No. 11 of 2007 (Regularity Audit)

The Company made excess payment of Rs. 13.94 crore due to adoption of 26 days as a month instead of 30 days for computation of encashment of leave.

(Para No. 11.1.2 of Report No. 11 of 2007 (Regularity Audit)

Report No. 13 of 2007; Union Government; Performance Audit of Internal Control in selected Central Ministries

- There were persistent savings in various sub head/schemes, indicating inadequate pre-budget scrutiny of schemes/funds.
- Lack of effective monitoring of expenditure in the department resulted in rush of expenditure in the last quarter/month of the financial year.
- On account of tax controls/mechanism for watching utilization of loans/ grants, utilization certificates amounting to Rs. 75.65 crore were pending from 14 PSEs. Besides, grants were released to 6 PSEs during 2002-03 to 2005-06 even when utilization certificates of previous years were wanting.
- Guarantee fee amounting to Rs. 40.40 lakh for the year 2004-05 was still recoverable from a PSE. For non-payment of guarantee fee, a penalty of Rs. 40.40 lakh was also leviable and recoverable.
- Due to lack of monitoring system for recovering loans, a sum of Rs. 3354.12 crores was still recoverable out of total loan of Rs. 5438.86 crore given upto 31 March, 2006 to 33 PSEs. Besides, an interest of Rs. 13,761.40 crore had also become due on the loan given.
- Lack of reconciliation between the records of the Ministry and the PSEs was noticed during test check in audit; against a total loan and interest of Rs. 1,24,874 lakh depicted by the Ministry, a PSE was showing loan of Rs. 9785.50 lakh only in its books.
- There was laxity in maintenance of Bill Register, Register of un-disbursed pay and allowances and in recovery of contingent advances.
- Reconciliation of receipt figures was not carried out by the Department, in the absence of which it could not be ascertained whether all receipts were credited to Govt. account or not.
- Internal Audit System of the department was ineffective as audit was in arrears and observations of internal audit were not attended to promptly.

(Observations as received from the Ministry of Finance vide their O.M. No.1(3)E-Coord./208 dated 9th January, 2008)

Abbreviations

AAIFR	Appellate Authority of Industrial & Financial Reconstruction
ACMA	Automative Component Manufacturers Association
ARAI	Automotive Research Association of India
AY & CO	Andrew Yule & Co.
BBJ	Braithwaite, Burn & Jessop Construction Co. Ltd.
BBUNL	Bharat Bhari Udyog Nigam Ltd.
BHEL	Bharat Heavy Electricals Ltd.
BHPV	Bharat Heavy Plate & Vessels Ltd.
BIFR	Board of Industrial & Finance Reconstruction
BLC	Bharat Leather Corporation Ltd.
BOGL	Bharat Ophthalmic Glass Ltd.
BPCL	Bharat Pumps & Compressors Ltd.
BPME	Bharat Process & Mechnical Engineers Ltd.
BRAITHWAITE	Braithwaite & Co. Ltd.
BSCL	Burn Standard Company Ltd.
BWEL	Bharat Wagon & Engineering Co. Ltd.
BYNL	Bharat Yantra Nigam Ltd.
BRPSE	Board for Reconstruction of Public Sector Enterprises
C-DOT	Centre for Development of Telematics
CCI	Cement Corporation of India Ltd.
CCIL	Cycle Corporation of India Ltd.
CEA	Central Electricity Authority
CNC	Computer Numerically Controlled
DOE	Department of Electronics
EEC	European Economic Community
EOT	Electrically Operated Trolley
EPI	Engineering Projects (India) Ltd.
FBP	Fluidised Bed Combustion
FCRI	Fluid Control Research Institute
FFP	Foundry Forge Plant
HCL	Hindustan Cables Ltd.
HMBP	Heavy Machine Building Plant
HMT(I)	HMT (International) Ltd.
HMTP	Heavy Machine Tools Plant
HNL	Hindustan Newsprint Ltd.
HPC	Hindustan Paper Corporation Ltd.
HPF	Hindustan Photo Films Manufacturing Co. Ltd.
HSL	Hindustan Salts Ltd.
HVDC	High Voltage Direct Current

ILK	Instrumentation Ltd., Kota
ISRO	Indian Space Research Organisation
JESSOP	Jessop & Co. Ltd.
kV	Kilo Volt
kW	Kilo Watt
LAGANJUTE	Lagan Jute Machinery Co. Ltd.
MAMC	Mining & Allied Machinery Corporation Ltd.
MAX	Main Automatic Exchange
MoU	Memorandum of Understanding
MoHI&PE	Ministry of Heavy Industries & Public Enterprises
MoEF	Ministry of Environment & Forests
MoPNG	Ministry of Petroleum & Natural Gas
MoSRT&H	Ministry of Shipping, Road Transport & Highways
MT	Metric Tonne
MUL	Maruti Udyog Ltd.
MVA	Mega Volt Amperes
MW	Mega Watt
NBCIL	National Bicycle Corporation of India Ltd.
NC	Numerically Controlled
NEPA	NEPA Ltd.
NCMP	National Common Minimum Programme
NIDC	National Industrial Development Corporation Ltd.
PSE	Public Sector Enterprise
PWD	Persons With Disabilities
PTL	Praga Tools Ltd.
R&C	Richardson & Cruddas (1972) Ltd.
RDSO	Research Design & Standard Organisation
RIC	Rehabilitation Industries Corporation Ltd.
RSW	Radiation Shielding Window
SIAM	Society of Indian Automobile Manufacturers
SIL	Scooters India Ltd.
SIAT	Symposium on International Outomotive Technology
SSL	Sambhar Salts Ltd.
TAFCO	Tannery & Footwear Corporation of India Ltd.
TCIL	Tyre Corporation of India Ltd.
TSL	Triveni Structurals Ltd.
TSP	Tungabhadra Steel Products Ltd.
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisations
VRS	Voluntary Retirement Scheme
WIL	Weighbird (India) Ltd.

Department of Public Enterprises

Chapter 1

Public Enterprises Survey

1.1 The Department of Public Enterprises (DPE) presents to the Parliament every year 'an overview' of the financial and physical performance of Central Public Sector Enterprises (CPSEs) in the country.

1.2 The Estimates Committee, in their 73rd Report (1959-60), had recommended to the Government that in addition to the individual annual report of each enterprise laid on the Table of both the Houses of Parliament, a separate comprehensive report should be submitted to the Parliament indicating Government's total appraisal of the working of public enterprises. Accordingly, the first "Annual Report" (Public Enterprises Survey) was prepared by the erstwhile Bureau of Public Enterprises (now DPE) in 1960-61, giving a consolidated picture of the performance of the Central Public Sector Enterprises.

1.3 The Public Enterprises Survey covers the CPSEs established by the Government of India either as Government Companies under the Companies Act or as Statutory Corporations under specific statutes of Parliament. The Survey, moreover, covers only those Government Companies in which Central Government's share in paid up capital is more than fifty per cent including the subsidiaries of such companies. This does not, however, include public sector commercial banks.

1.4 The Committee on Public Undertakings (COPU) in their recommendations made in the 46th Report (5th Lok Sabha) had covered various aspects, such as scope, coverage, classification of undertakings, contents of the report, time for presentation and other matters relating to the Public Enterprises Survey. These recommendations of the COPU are also taken into account while preparing the Public Enterprises Survey.

1.5 The basic data for the Survey is compiled from the Annual Reports and Balance Sheets provided by CPSEs to this department. The data is compiled, analysed and presented in three separate volumes.

1.5.1 Volume-1 contains a macro appraisal and analysis of the performance of CPSEs in terms of broad physical and financial parameters. Various chapters in this Volume reflect the key activities and progress made in the specific areas by the public enterprises. It also covers issues like internal resource generation, contribution to the Central exchequer, management development, employment generation, employees welfare measures and foreign exchange earnings.

1.5.2 Volume-2 contains an analysis of the performance of the CPSEs in different sectoral/ cognate groups and of individual enterprises. It also contains a brief description of the areas of activities as well as the physical and financial performance of individual enterprises.

1.5.3 Volume-3 contains enterprise-wise analytical data for the last three years. The information consists of summarized balance sheet, profit and loss account and important management ratios.

1.6. The Public Enterprise Survey (2006-07) shall be the 47th report on the overall performance of CPSEs.

1.7 Performance of CPSEs

As on 31.3.2007, there were 247 Central Public Sector Enterprises (CPSEs), out of which 217 were in operation and 30 were under construction, having a financial investment of Rs. 421089 crore. Of the 217 operating CPSEs, 156 CPSEs earned a profit of Rs. 89773 crore and 59 CPSEs incurred a loss of Rs. 8223 crore, the net profit of all operating CPSEs taken together was Rs. 81550 crore. The cognate group-wise profit of profit making CPSEs, and loss of loss making CPSEs are indicated in fig 1 and fig. 2 respectively.

Profit of profit making CPSEs during 2006-07 (Cognate Groups)

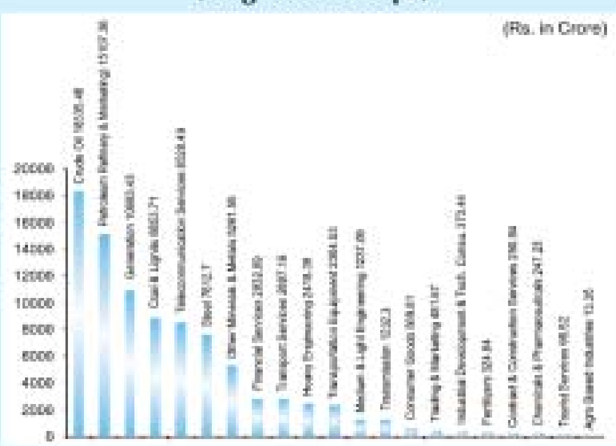


Figure 1

Losses of Loss making CPSEs during 2006-07 (Cognate Groups)

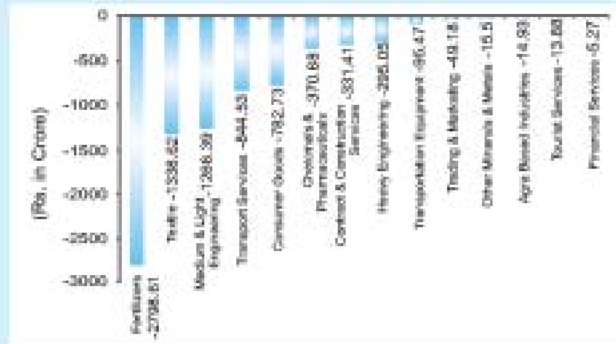


Figure 2

Chapter 2

Autonomy to CPSEs

2.1.1 It is the endeavour of the Government to make public sector enterprises autonomous and board managed companies. Under Articles of Association, the Board of Directors of CPSEs enjoy autonomy in respect of recruitment, promotion and other service conditions of below Board level employees. The Board of Directors of a CPSE exercises delegated powers subject to broad policy guidelines issued by Government from time to time. The Government has granted enhanced powers to the Boards of the profit making enterprises under various schemes like Navratna and Miniratna.

2.1.2 Keeping in view the pledge made in the National Common Minimum Programme (NCMP) that full managerial and commercial autonomy will be devolved to successful profit making companies operating in a competitive environment, the Government has reviewed the powers delegated to the Board of Directors of Navratna, Miniratna and other profit making CPSEs and enhanced the powers in the manner stated in the following paragraphs.

Navratna status was conferred to 3 CPSEs, viz. Bharat Electronics Limited, Hindustan Aeronautics Limited and Power Finance Corporation Limited by the Finance Minister during the Navratna Investiture Ceremony held on 22nd June, 2007. The Ceremony was presided over by Minister of Heavy Industries and Public Enterprises.

2.2 NAVRATNA CPSEs

2.2.1 Under this scheme, the Government has delegated enhanced powers to CPSEs having the potential to become global players. Presently, there are 12 Navratna CPSEs as under:

(i) Bharat Electronics Limited
(ii) Bharat Heavy Electricals Limited
(iii) Bharat Petroleum Corporation Limited
(iv) GAIL (India) Limited
(v) Hindustan Aeronautics Limited
(vi) Hindustan Petroleum Corporation Limited
(vii) Indian Oil Corporation Limited
(viii) Mahanagar Telephone Nigam Limited
(ix) NTPC Limited
(x) Oil & Natural Gas Corporation Limited
(xi) Power Finance Corporation Limited
(xii) Steel Authority of India Limited

2.2.2 The powers presently delegated to the Boards of Navratna CPSEs are as under:

(i) **Capital Expenditure:-** The Navratna CPSEs have the powers to incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

(ii) **Technology Joint Ventures and Strategic Alliances :-** The Navratna CPSEs have the powers to enter into technology joint ventures or strategic alliances and obtain by purchase or other arrangements, technology and know-how.

(iii) **Organization Restructuring:-** The Navratna CPSEs have the powers to effect organizational restructuring including establishment of profit centers, opening of offices in India and abroad, creating new activity centres, etc.

(iv) **Human Resource Management:-** The Navratna CPSEs have been empowered to create and wind up all posts up to non-Board level Directors and make all appointments up to this level. The Boards of these CPSEs have further been empowered to effect internal transfers and re-designation of posts. The Board of Directors of Navratna CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

(v) **Resource Mobilization:-** These CPSEs have been empowered to raise debt from the domestic capital markets and from borrowings from international market, subject to the condition that approval of RBI/Department of Economic Affairs, as may be required, should be obtained through the administrative Ministry.

(vi) **Joint ventures and Subsidiaries:-** The Navratna CPSEs have been delegated powers to establish financial joint ventures and wholly owned subsidiaries in India or abroad with the stipulation that the equity investment of the CPSE should be limited to the following:-

i. Rs. 1000 crore in any one project,

ii. 15% of the net worth of the CPSE in one project,

iii. 30% of the net worth of the CPSE in all joint ventures/ subsidiaries put together.

(vii) **Mergers and acquisitions:-** The Navratna CPSEs have been delegated powers for mergers and acquisitions subject to the conditions that (i) it should be as per the growth plan and in the core area of functioning of the CPSE, (ii) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (iii) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

(viii) **Creation/Disinvestment in subsidiaries:-** The Navratna CPSEs have powers to transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Navratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Navratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

(ix) **Tours abroad of functional Directors: -** The Chief Executives of Navratna CPSEs have been delegated powers to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency under intimation to the Secretary of the administrative Ministry.

2.2.3 The above mentioned delegation of powers is subject to the following conditions and guidelines:-

a) The proposals must be presented to the Board of Directors in writing and reasonably well in advance, with an analysis of relevant factors and quantification of the anticipated results and benefits. Risk factors if any must be clearly brought out.

b) The Government Directors, the Financial Directors and the concerned Functional Director(s) must be present when major decisions are taken, especially when they pertain to investments, expenditure or organizational/ capital restructuring.

c) The decisions on such proposals should preferably be unanimous.

d) In the event of any decision on important matters not being unanimous, a majority decision may be taken, but at least two thirds of the Directors should be present, including those mentioned above, when such a decision is taken. The objections, dissents, the reasons for over-ruling them and those for taking the decision should be recorded in writing and minuted.

e) No financial support or contingent liability on the part of the Government should be involved.

f) These CPSEs will establish transparent and effective systems of internal monitoring, including the establishment of an Audit Committee of the Board with membership of non-official Directors.

g) All the proposals, where they pertain to capital expenditure, investment or other matters involving substantial financial or managerial commitments or where they would have a long term impact on the structure and functioning of the CPSE, should be prepared by or with the assistance of professionals and experts and should be appraised, in suitable cases, by financial institutions or reputed professional organizations with expertise in the areas. The financial appraisal should also preferably be backed by an involvement of the appraising institutions through loans or equity participation.

h) The exercise of authority to enter into technology joint ventures and strategic alliances shall be in accordance with the Government guidelines as may be issued from time to time.

i) The Boards of these CPSEs should be restructured by inducting at least four non-official Directors as the first step before the exercise of the enhanced delegation of authority.

j) These public sector enterprises shall not depend upon budgetary support or Government guarantees. The resources for implementing their programmes should come from their internal resources or through other sources, including the capital markets. However, wherever Government guarantee is required under the standard stipulations of external donor agencies, the same may be obtained from the Ministry of Finance through the administrative Ministry. Such Government guarantee shall not affect the Navratna status. Further, budgetary support to implement Government sponsored projects of national interest and Government sponsored Research & Development projects will not disqualify CPSEs from retaining their Navratna status. However, for such projects, investment decisions will be taken by the Government and not by the CPSE concerned.

2.2.4 The Inter-Ministerial Committee (IMC) reviewed the performance of 9 Navratna CPSEs during the year 2007.

2.3 Miniratna scheme

2.3.1 In October 1997, the Government had also decided to grant enhanced autonomy and delegation of financial powers to some other profit making companies subject to certain eligibility conditions and guidelines to make them efficient and competitive. These companies, called Miniratnas, are in two categories, namely, Category-I and Category-II. The eligibility conditions and criteria are:

(i) **Category-I** CPSEs should have made profit in the last three years continuously, the pre-tax profit should have been Rs.30 crores or more in at least one of the three years and should have a positive net worth.

(ii) **Category-II** CPSEs should have made profit for the last three years continuously and should have a positive net worth.

(iii) These CPSEs shall be eligible for the enhanced delegated powers provided they have not defaulted in the repayment of loans/interest payment on any loans due to the Government.

(iv) These public sector enterprises shall not depend upon budgetary support or Government guarantees.

(v) The Boards of these CPSEs should be restructured by inducting at least three non-official Directors as the first step before the exercise of enhanced delegation of authority.

(vi) The administrative Ministry concerned shall decide whether a Public Sector Enterprise fulfilled the requirements of a Category-I/Category-II company before the exercise of enhanced powers.

2.3.2 The delegation of decision-making authority available at present to the Boards of these Miniratna CPSEs is, as follows:

(i) **Capital Expenditure**

(a) For CPSEs in category I: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 500 crore or equal to net worth, whichever is less.

(b) For CPSEs in category II: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 250 crore or equal to 50% of the Net worth, whichever is less.

(ii) **Joint ventures and subsidiaries:**

(a) Category I CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be limited to 15% of the networth of the CPSE or Rs. 500 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

(b) Category II CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be 15% of the networth of the CPSE or Rs. 250 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

(iii) **Mergers and acquisitions :-** The Board of Directors of these CPSEs have the powers for mergers and acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE, (b) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (c) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

(iv) **Scheme for HRD :-** To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc. The Board of Directors of these CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

(v) **Tour abroad of functional Directors: -** The Chief Executive of these CPSEs have the power to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry.

(vi) **Technology Joint Ventures and Strategic Alliances:-** To enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements, subject to Government guidelines as may be issued from time to time.

(vii) **Creation/Disinvestment in subsidiaries:-** To transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Miniratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government, and such Miniratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

2.3.3 The above delegation of powers is subject to similar conditions as are applicable to Navratna CPSEs.

2.3.4 The Inter-Ministerial Committee (IMC) reviewed the performance of 3 Miniratna CPSEs (HMT International Limited, MMTC Limited and PEC Limited) during the year 2007.

2.4 Other profit making CPSEs

2.4.1 Those CPSEs which have shown a profit in each of the 3 preceding accounting years and have a positive net worth are categorized as 'other profit making CPSEs'. These CPSEs have been delegated enhanced powers as under:-

(i) **Capital Expenditure:-** These CPSEs have the power to incur capital expenditure up to Rs. 150 crore or equal to 50% of the Net worth, whichever is less. The above delegation is subject to the following conditions:

(a) inclusion of the project in the approved Five Year and Annual Plans and outlays provided for;

(b) the required funds can be found from the internal resources of the company and extra budgetary resources (EIBR) and the expenditure is incurred on schemes included in the capital budget approved by the Government.

(ii) **Tours abroad of functional Directors :-** The Chief Executives of these CPSEs have the power to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry. In all other cases including those of Chief Executive, tours abroad would continue to require the prior approval of the Minister of the Administrative Ministry/ Department.

2.5 Professionalization of Boards of CPSEs

2.5.1 Department of Public Enterprises (DPE) formulates policy guidelines on the Board structure of CPSEs. In pursuance of the public sector policy being followed since 1991 several measures have been taken by the Department of Public Enterprises to professionalize the Boards of public enterprises. The guidelines issued in 1992 provide that outside professionals should be inducted on the Boards of CPSEs in the form of part-time non-official Directors and that the number of such Directors should be at least 1/3rd of the actual strength of the Board. In the case of listed CPSEs headed by executive Chairman, the number of non-official Directors (Independent Directors) should be at least half the strength of the Board. The guidelines also provide that the number of Government Directors on the Boards should be not more than one-sixth of the actual strength of the Board subject to a maximum of two. Apart from this, there should be some functional Directors on each Board whose number should not exceed 50% of the actual strength of the Board.

2.5.2 As regards selection and appointment of non-official Directors on the Boards of CPSE, the following eligibility criteria is being adopted:-

(a) Age: - Age band should be between 45-65 years (minimum/maximum limit). This could however be relaxed for eminent professionals for reasons to be recorded, being limited to 70 years.

(b) Qualification: - Minimum qualification for part time non official Directors would be graduate degree from a recognized university.

(c) Experience:- Persons of eminence with proven track record from industry, business or agriculture. CMD/MD in corporate sector/PSE; Professor level in an academic institution or professionals of repute like eminent Chartered Accountants/Cost Accountants at the level of Directors of Institutes/Heads of Department; persons having experience of not less than 10 years at the level of Joint Secretary and above in the Government.

2.5.3 The proposals for appointment of non-official Directors are initiated by the concerned Administrative Ministries/Departments. In so far as Navratna and Miniratna CPSEs are concerned, the selection of non-official Directors is made by the Search Committee consisting of Chairman (PESB), Secretary (DPE), Secretary of the administrative Ministry/ Department of the CPSE, Chief Executive of the concerned CPSE and non-official Members. In the case of remaining CPSEs (other than Navratna/Miniratna CPSEs), Public Enterprises Selection Board (PESB) makes the selection of non-official Directors. The concerned Administrative Ministry/Department appoints the non-official Directors on the basis of recommendations of Search Committee/PESB after obtaining the approval of competent authority, i.e. Appointments Committee of Cabinet (ACC).

2.5.4 The Navratna scheme provides that the Boards of these companies should be professionalised by inducting a minimum of 4 non-official Directors before their Boards can exercise the enhanced powers. Similarly, in the case of Miniratna CPSEs also the induction of minimum 3 non-official Directors is pre-condition for the exercise of delegated powers under the Miniratna Scheme.

2.5.5 During the year 2007 (upto 31.10.2007), the Search Committee and Public Enterprises Selection Board have recommended the names of about 106 persons for appointment as non-official Directors on the Boards of 40 CPSEs.

2.5.6 The functional Directors are appointed by the administrative Ministry on the recommendations of PESB and with the approval of Competent Authority. The Government Directors are appointed in ex-officio capacity and their choice vests with the concerned administrative Ministries/ Departments.

Chapter 3

Corporate Governance

3.1 Corporate Governance - Background

3.1.1 The concept of Corporate Governance has generated extensive debate during the last few years due to the fast changing economic scenario all over the world. The term Corporate Governance includes the policies and procedures adopted by a corporate entity in achieving its objectives in relation to shareholders, employees, customers and suppliers, regulatory authority and the community at large. In general parlance, it means a code of corporate conduct in relation to all the stakeholders, whether internal or external. Corporate Governance implies transparency of management systems and encompasses the entire mechanics of the functioning of the company. It provides a system by which corporate entities are directed and controlled, besides attempting to put in place a system of checks and balances between the shareholders, directors, auditors and the management.

Guidelines on Corporate Governance for CPSEs which are applicable for listed as well as unlisted CPSEs were released by Finance Minister during the Navratna Investiture Ceremony held on 22nd June, 2007. The Ceremony was presided over by Minister of Heavy Industries and Public Enterprises.

3.1.2 In India, all listed companies including listed CPSEs are covered by the SEBI guidelines. To further improve Corporate Governance standards in India, SEBI revised the code of Corporate Governance based upon the recommendations of N.R. Narayana Murthy Committee set up in 2002. Clause 49 of SEBI guidelines mandates a listed company to comply with the various provisions relating to corporate governance. The Organization for Economic Cooperation and Development (OECD), which is a forum of the Governments of 30 democracies also took initiatives to address governance issues and it suggested principles of Corporate Governance. India is not a member of OECD. In September 2005, the OECD circulated guidelines on Corporate Governance of State-owned enterprises. These guidelines cover issues like (i) ensuring an effective legal and regulatory framework for State-owned enterprises; (ii) the State acting as an owner; (iii) equitable treatment of shareholders; (iv) relations with stakeholders; (v) transparency and disclosures; and (vi) responsibilities of the Boards of State-owned enterprises.

3.1.3 The post-1991 period has witnessed significant changes in the public sector policy. The areas reserved for public sector were reduced. The Central Public Sector Enterprises (CPSEs) were expected to look for internal resources and borrowings and concentrate on improvement in operations and efficiency on commercial lines of operation aimed at earning profit.

3.1.4 In pursuance of the Industrial Policy Statement of 24.7.1991, detailed guidelines on composition of Board of Directors were issued by the Department of Public Enterprises (DPE) in March 1992. These guidelines inter-alia provided that at least one-third of the Directors on the Board of a CPSE should be non-official Directors. The Navratna and Miniratna schemes evolved by the Government in 1997 provided that these CPSEs should set up Audit Committees. Based on the SEBI guidelines, further instructions were issued by DPE in November 2001 stating that at least half of the Board of listed CPSEs with executive Chairman should be Independent Directors.

3.1.5 The present policy of the Government towards Central Public Sector Enterprises is enunciated in the National Common Minimum Programme (NCMP). Among other things, NCMP commits (i) to devolve full managerial and commercial autonomy to successful, profit-making companies operating in a competitive environment and (ii) Public sector companies will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors.

3.2. Formulation of Guidelines on Corporate Governance

3.2.1 The Government has enhanced the powers delegated to Navratna, Miniratna and other profit making PSEs and more CPSEs are being granted Navratna status. As a result the public accountability of the PSEs has increased. In this context, Government has approved the implementation of guidelines on corporate governance for CPSEs. These guidelines have been formulated by DPE keeping in view relevant laws, instructions and procedures. The views of various stakeholders such as administrative Ministries/ Departments, CPSEs, nodal Ministries like Company Affairs, Finance (Expenditure), Comptroller and Auditor General (C&AG), Securities and Exchange of Board of India (SEBI), Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), Institute of Cost & Works Accountants of India (ICWAI), National Foundation for Corporate Governance (NFCG), Institute of Public Enterprise, etc. were taken into account while formulating these Guidelines.

3.2.2 These guidelines are applicable to listed as well as un-listed CPSEs and cover issues like composition of Boards, Audit Committee, Subsidiary companies, disclosures, Code of conduct and ethics, risk management and compliance.

3.3. Composition of Board

3.3.1 In respect of the Board composition, these Guidelines provide that the number of functional Directors should not exceed 50% of the actual strength of Board and the number of Government nominee Directors shall be restricted to maximum of two. In case of listed CPSEs with executive chairman, the number of non-official Directors shall be at least 50% of Board members. In case of unlisted CPSEs and listed CPSEs with non-executive chairman, at least one-third of the Board Members shall be non-official Directors. The Government has also laid down pre-defined criteria in terms of educational qualifications, age and experience in respect of persons to be considered for appointment as non-official Directors. As in clause 49 of SEBI, relevant clauses have been incorporated in these guidelines to ensure 'independence' of non-official Directors and avoid potential conflict. It has also been provided that the Directors nominated by any institution other than public financial institution will not be treated as non-official Directors.

3.3.2 It has been further mandated that the Board meetings are to be held at least once in every 3 months and at least 4 such meetings in a year and all relevant information is required to be given to the Board. Further, the Board should lay down code of conduct for all members and senior management. In this regard, a model Code has been incorporated in the Guidelines to assist the CPSEs. The Guidelines inter alia provide that the Board should ensure integration and alignment of risk management system and the company should undertake suitable training programmes for its new Board members.

3.4. Audit Committee

3.4.1 The provisions relating to Audit Committee require a qualified and independent Audit Committee to be set up by CPSEs with minimum three Directors as members. Further, two-thirds of the members of this Committee should be independent Directors with chairman to be independent Director. The Audit Committee has been given extensive powers with regard to financial matters of company and it should meet at least 4 times in a year.

3.5. Subsidiary Companies

3.5.1 With regard to subsidiary companies, it has been provided that at least one independent Director of holding company to be Director on the Board of subsidiary company and the Audit Committee of holding company to review financial statements of subsidiary. All significant transactions and arrangements of subsidiary are required to be brought to the attention of Board of Directors of holding company.

3.6. Disclosures

3.6.1 The provisions regarding disclosures require all transactions to be placed before the Audit Committee. The Guidelines mandate that while preparing financial statements, treatment should be as per prescribed Accounting Standard and if there are any deviations, the same are to be explicitly mentioned. Further, the Board is to be informed about risk assessment and minimization procedures and senior Management is to make disclosures to Board relating to all financial and commercial transactions where they have personal interest or may have a potential conflict.

3.7. Compliance

3.7.1 It has also been mandated in the Guidelines that there should be a separate section on Corporate Governance in Annual report of company with details of compliance. The CPSEs will have to obtain a certificate from auditors/ company secretary regarding compliance with these Guidelines. Chairman's speech in AGM will also carry a section on compliance with Corporate Governance Guidelines and will form part of the company's Annual Report.

3.8. Implementation and Grading

3.8.1 The DPE will grade CPSEs on the basis of their compliance with Guidelines and such grading to be used for MOU Awards.

3.8.2 All CPSEs are required to implement Guidelines for one year and suitable adjustments will thereafter be made in these Guidelines in the light of experience gained. Keeping in view the importance of State level Public Enterprises, all States have also been advised to implement these Guidelines.

Chapter 4

MoU System in CPSEs

4.1 The Concept of MoU

4.1.1 The Memorandum of Understanding (MoU) is a negotiated document between the government and the management of the enterprise specifying clearly the objectives of the agreement and the obligations of both the parties.

4.1.2 MoU system in India was first introduced in 1986 as a result of the recommendations of the Arjun Sengupta Committee Report (1984). The Committee laid emphasis on medium term contract between the Government and the Central Public Sector Enterprises (CPSEs) and recommended a five-year agreement that may be reviewed annually. Moreover, since the CPSEs have been set up as part of the national/ central plan, the Committee favoured MoUs especially in respect of CPSEs in the core sectors of steel, coal, power, petroleum, fertilizer and petro-chemicals.

4.2 Performance Contract and Autonomy

4.2.1 In view of the technologically complex nature of these enterprises, the need for co-ordination between the various production units and the reality of operation under dynamic market conditions, the CPSEs cannot afford external interference in their day to day functioning. Delay in approvals, for instance, has led to technological obsolescence and cost overruns. MoU is, therefore, aimed at providing greater autonomy to public sector enterprises vis-à-vis the control of the government. The 'management' of the enterprise is, nevertheless, made accountable to the government through promise for performance or 'performance contract'. The government, nevertheless, continues to have control over these enterprises through a priori supervision /setting targets in the beginning of the year and through a posteriori 'performance evaluation' at the end of the year.

4.3 Performance Evaluation under the MoU System

4.3.1 Performance evaluation at the end of the year indicates the extent to which the mutually agreed targets and objectives were achieved. The methodology of performance evaluation has, however, undergone several changes over the years as discussed below.

4.4 MoU Evaluation recommended by the Sengupta Committee

4.4.1 The Arjun Sengupta Committee favoured appropriate financial return on all enterprises to be measured in terms of the financial ratio of *Gross Margin on Assets;* for 'service enterprises' it recommended the financial ratio of *Gross Margin on Sales.* In case of enterprises in the 'core sector' and operating under 'price control' (administered price mechanism), the Committee favoured normative financial return measurable in terms of the financial ratio of *Net Profit on Net Worth.* The Committee also attached importance to non-financial criterion like increase in productivity, technical dynamism and project implementation. No weights were, however, assigned to the different parameters.

4.5 Signalling System and Performance Evaluation

4.5.1 The extant MoU system prevalent since 1986 was revamped in 1989, and it moved closer to the "signaling system" of the Pakistani and the Korean model as developed by Prof. Leroy P. Jones (Director, Public Enterprises Programme, Boston University). 'Performance contract' under the MoU system, furthermore, got delinked from the medium-term agreement as recommended by Arjun Sengupta Committee. Under the new MoU system that was implemented from the financial year of 1989-90, performance evaluation came to be based on the *annual targets* agreed upon between the government and the CPSEs. Another novel feature of the new system has been finalization of MoU under the overall supervision of a third party, namely, the MoU Task Force constituted by the Department of Public Enterprises. The MoU Task Force is independent of both the administrative ministry and the CPSE.

4.5.2 In order to distinguish 'excellent performance' from 'poor performance' under the new system, (five) different targets are finalised against each of the evaluation parameters. On a 5-point scale these are shown as (1) for 'excellent', (2) for 'very good', (3) for 'good', (4) for 'fair' and (5) for 'poor'. The targets are fixed in two stages of (a) determining the basic target and (b) determining the percentage difference *or the spread* between one (target) level of performance and another. Each of the parameters is, furthermore, assigned weights to distinguish a more important evaluation parameter from a less important parameter (evaluation criterion). The final performance evaluation or 'the composite score' is arrived at by adding the weighted score of the actual achievements (at the end of the year) against each of the parameters, in comparison to the targets that have been finalized (in the beginning of the year) on a 5-point scale.

4.5.3 The 'composite score' is thus an index of the performance of the enterprises. The *grading* of the 'composite score' is done in the following manner:

MoU Composite Score	Grading
1.00-1.50	Excellent
1.51-2.50	Very Good
2.51-3.50	Good
3.51-4.50	Fair
4.51-5.00	Poor

4.6 NCAER study on MoU and Performance Evaluation

4.6.1 The Department of Public Enterprises assigned a study to the National Council of Applied Economic Research (NCAER) in 2003 to examine afresh the choice of criteria for performance evaluation and the allocation of weight to the different parameters. The NCAER finally came up(December, 2004) with the following Principal Components of parameters for performance evaluation:

Principal Components of Parameters

		Weight
I.	Financial (Static) Parameters	50%
II	Non- financial Parameters	50%
	(i) Dynamic Parameters	30%
	(ii) Enterprise-specific Parameters	10%
	(iii) Sector-specific Parameter	10%

4.6.2 While the performance evaluation under the earlier system allocated 60% weight to 'financial parameters' and 40% weight to 'non-financial parameters', the NCAER recommended equal weights (50%) to both 'financial' and 'non-financial' parameters. In this respect it is similar to the 'balanced score card' approach of performance evaluation. The 'non-financial parameters' were further sub-divided into 'dynamic parameters', 'enterprise-specific parameters' and 'sector-specific parameters'. Whereas the 'static/financial' parameters generally relate to profit related, size related and productivity related parameters, the 'dynamic' parameters refer to *project implementation, investment in R&D* and *extent of globalization* etc. Similarly, while the 'sector-specific' parameters refer to macro-economic factors like change in demand and supply, price fluctuations, variation in interest rates etc. beyond the control of the management, the 'enterprise-specific' parameters relate to issues such as safety and pollution etc.

4.6.3 Moreover, while the above mentioned *principal components* were recommended to be the same for all CPSEs, the individual items/ suggested as criteria for performance evaluation under each of these principal components were indicated to be different for different CPSEs classified as (a) 'social sector',(b) 'financial sector', (c) 'trading and consulting sector' and (d) 'other than financial trading/consulting and social sector'. Besides the above, *the new approach allowed discretion to the Task Force to change the weights* of the different criteria included under 'dynamic', 'enterprise-specific' and 'sector-specific' parameters depending on their perception of the CPSE under consideration. The recommendations of the NCAER were subsequently accepted by the Government and the new methodology for setting up performance targets came into force since financial year 2005-06.

4.7 MoU System Process and Principles

4.7.1 The process of finalizing the MoUs starts with the issue of detailed Guidelines by the Department of Public Enterprises (DPE) on the basis of which the CPSEs submit their draft MoU after getting them approved by the respective Boards and the Administrative Ministries. The draft MOUs indicate the (five) performance targets on a five point *scale for the ensuing financial year.* These draft MoUs are then discussed, improved and finalized during the MoU negotiation meetings of the Task Force Syndicates. The Department of Public Enterprises organizes these meetings, which are chaired by the Convener of the Task Force. Altogether there are ten separate Syndicates for the different groups of CPSEs. Each Syndicate comprises the Convenor and six members and are also the MoU Task Force members. Each Syndicate conducts the negotiations, which are attended by the Chief Executives of the CPSEs, Senior Officers from the administrative Ministries and the representatives of the nodal Government agencies namely, Planning Commission, Ministry of Finance and Ministry of Statistics and Programme Implementation.

4.8 MoU Task Force

4.8.1 The MoU Task Force members who work as the honorary members of the various Syndicates are selected by the DPE and comprise former Civil Servants, CMDs of the Public Enterprise, financial and technical professionals, Chartered Accountants and academics. The rich experience and knowledge of the TF members in different fields provides the necessary technical input and enables in fixing more realistic targets The DPE issues the Minutes of MoU negotiation meetings to the CPSEs (and the Ministry/ Department concerned) for finalizing the MoUs which are authenticated in the DPE to ensure that those are in accordance with the decisions on targets as arrived during the meeting. Subsequently, all MoUs have to be signed before 31st March for implementation during the succeeding financial year.

4.9 High Power Committee

4.9.1 The High Power Committee (HPC) is a Committee of Secretaries (COS) set up by the Government as the Apex Committee to assess the performance of MoU signing CPSEs with reference to the commitments made by them in the MoU and also to assess how far the Administrative Ministries/Departments have been able to give the necessary support as committed by them in the MoU. HPC is headed by Cabinet Secretary. Secretary, Department of Public Enterprises is the Member-Secretary of this committee. The other members comprise Cabinet Secretary, Finance Secretary, Secretary(Expenditure), Secretary(Planning Commission), Secretary (Statistics &Programme Implementation). Chairman(Public Enterprises Selection Board), Chief Economic Adviser (Ministry of Finance) and Chairman (Tariff Commission). The Apex Committee of Secretaries on MoU has been from time to time giving directions in regard to the determination of the *principles and parameters* for evaluating the performance of CPSEs.

4.10 MoU Division

4.10.1 The High Power Committee and the Task Force are assisted by the MoU Division in the Department of Public Enterprises. It acts as the permanent secretariat of both the HPC and the Task Force. The main functions of this Division are:

- To constitute the MoU Task Force every year and provide administrative support and technical support to the Task Force.
- To prepare the MOU guidelines based on which the MoU signing CPSEs draft their MOUs.
- To circulate the draft MoUs to the Task Force members along with the brief for the MoU negotiation meetings.
- To prepare agenda notes and background papers for the High Power Committee.
- To provide advice and counsel the MoU signatories on methodological and conceptual issues relating to MoU guidelines.
- To coordinate research and training on various aspects of MoU system and policy.

4.11 Performance of the MoU signing CPSEs

4.11.1 The table below provides a summary of the performance of MoUs signing CPSEs as reflected in their MoU rating during the last five years. MoU score for the year 2006-07 (on the basis of audited data) is given at Appendix-II. The CPSEs who could not send their self-evaluation Report may be seen at Appendix III. List of CPSEs who signed the MoU for the year 2007-08 is given at Appendix-IV.

MoU rating of Central Public Sector Enterprises

(in numbers)

Rating	2002-03	2003-04	2004-05	2005-06	2006-07
Excellent	46	54	45	44	45
Very Good	21	21	31	36	31
Good	12	10	12	14	12
Fair	16	11	10	08	06
Poor	02	00	01	00	00
Total	97	96	99	102	94

4.12 Excellence Awards under the MoU system

4.12.1 Performance evaluation under the MoU system is followed by 'performance incentive'. The incentive system takes two forms, namely, *monetary and non-monetary*. MoU scores have implications for monetary incentive as performance related payments are based on

The Minister of Heavy Industries & Public Enterprises, Shri Sontosh Mohan Dev releasing the book titled "Empowering Public Sector Enterprises in India", in New Delhi on December 18, 2007

them. The non-monetary incentive is in the form of MoU Excellence Award and MoU Excellence Certificate.

4.12.2 Old System of Excellence Awards (upto 2005-06)

Under the old system, the top 10 excellent performing CPSEs have been awarded with 'MoU Excellence Certificates and Trophy' and other excellent performing CPSEs have been awarded with 'Merit Certificates'. The top ten CPSEs are ranked on the basis of their MoU composite score, irrespective of which sector/ syndicate they belong. MoU award was given for the first time by Government of India for the year 1987-88 and 1989-90 and, selected CPSEs were awarded on 11th August, 1990 by the then Prime Minister. Thereafter, the award ceremony was not held for many years. High Power Committee of Secretaries on MoU (HPC) took a decision in 10th March, 1995 to give special award to the top ten excellent performing CPSEs and give certificate of merits to all excellent performing CPSEs. As a sequel to the said decision, MoU award for the year 1998-99 was given by the Prime Minister on 1st April, 2000. For the year 2001-02, the award was given by the President of India on 5th April, 2003. For the year 2002-03, the award was given by the Prime Minister of India on 4th September, 2004. The MoU award ceremony for the year 2003-04 was held on 10th January, 2006 and the awards were given by the Vice President of India. For the year 2004-05 and 2005-06, the awards were given by Prime Minister on 8th March, 2007.

The keynote address delivered by the Prime Minister on the occasion and summary record of the proceedings of the Chief Executive

Conference have been compiled and brought out as a book titled " Empowering Public Sector Enterprises in India". Minister of Heavy Industry and Public Enterprises released the book on 18th December, 2007.

4.12.3 Principles for MoU Excellence Awards

The basic principles for selecting the Top 10 CPSEs for MoU Excellence Awards as laid down by HPC in its meeting dated 10th March 1995 are the following:

(i) The profit of the CPSE in the year should be higher compared to the previous year.

(ii) It should not be loss-making enterprise.

(iii) The composite score of the CPSE should not be more than 1.50.

4.12.4 New system of Excellence Awards (w.e.f. 2006-07 onwards)

The High Power Committee (HPC) on MoU during its meeting held on 15th December, 2006 decided to constitute a Committee under the Chairmanship of Shri N.K. Sinha to review the existing system of MoU Excellence Awards to CPSEs. The HPC considered the N.K.Sinha Committee report in July 2007 and decided that the total number of Excellence Awards will be 12, that is, 1 from each of 10 Syndicates, 1 from 'the listed CPSEs', 1 from amongst 'the turnaround sick and loss making CPSEs'. All other excellent performing CPSEs will get merit certificates.

Until 2005-06, the MoU Excellence Awards were given to 10 top CPSEs across the sectors on the basis of their composite score and ratings. The High Power Committee (HPC) on MoU has introduced a new system for awarding MoU Excellence Award from 2006-07 onwards. Under the new system, there will be 12 MoU Excellence Awards (1 from each of 10 syndicates on the basis of MoU composite scores, 1 from listed CPSEs for best performance in the market and 1 amongst the best turnaround sick/loss making enterprises).

The three basic principles for selection of CPSEs for MoU Excellence Awards as laid down by HPC in its meeting dated 10th March, 1995 will continue. Once the MoUs are signed between the CPSEs and the Departments, no revision of targets will be permitted. Compliance of Corporate Governance should also be included as one of the criteria for consideration of the awards in all the 3 categories from 2007-08 onwards. A Syndicate-wise list of CPSEs, given MOU Excellence Awards for the year 2006-07 is at Appendix-V.

Chapter 5

Human Resource Development

5.1 Central Public Sector Enterprises (CPSEs) have a vast reservoir of professionally qualified manpower in different disciplines. Efficient utilization of human resources is one of the important policy instruments available to an organization. There have been widespread changes in the management techniques, technologies, financial methods, production management, etc. due to advent of information technology. With a view to further improve the quality and capabilities of the manpower as well as to upgrade their knowledge and skill, various steps have been taken by the CPSEs. Besides organizing in-house training programmes, the CPSEs also depute their executives to premier Management/ Training Institutes in India and abroad for different kinds of training programmes.

5.2 Executive Training Programmes

5.2.1 As the nodal Department for PSEs, the Department of Public Enterprises is supplementing the efforts of the public enterprises towards human resource development through organizing Executive Development Programmes (EDPs) for senior and middle level executives in collaboration with premier Management/Training Institutes in the country.

5.2.2. The Executive Development Programmes (EDPs) are conducted for a duration of 2-5 days. During 2006-07, 24 such EDPs were conducted. For the year 2007-2008, 26 EDPs are planned. These programmes are organized in collaboration with institutions like CMC Limited, Jawaharlal Nehru Institute for Development, National Productivity Council, Institute of Company Secretaries, the Institute of Cost and Works Accountants of India, Institute of Public Enterprise, Hyderabad; National Institute of Financial Management, Faridabad, Institute of Chartered Accountants of India, Indian Society for Training and Development, Institute of Company Secretaries of India etc. The subjects covered under these programmes include financial management, leadership challenge, effective marketing management, total quality management, information technology & e-commerce, management information systems, communication skills, corporate governance, MOU principles & practices, project management, capital market reform & risk management, negotiation strategies & skills, health and stress management, industrial relations & labour issues, international taxation/ international finance, etc.

5.2.3 India is a founder member of International Centre for Promotion of Enterprise (ICPE), Ljubljana, Slovenia which is an inter-governmental organization. India has doubled its annual contribution to ICPE from the year 2007-2008. Currently, Indian nominee is the Director-General of ICPE.

5.2.4. ICPE also conducts full year MBA Course every year. In addition, ICPE also conducts short duration courses on the various issues like, Total Quality Management, Public Policy and Management Sustainable Development and Advanced Management Programme.

5.2.5 Secretary, DPE is a member on the Board of Governors of Indian Institute of Management (IIM), Kolkata and Institute of Public Enterprises (IPE), Hyderabad. Secretary, DPE is also a member of the Executive Board of the Standing Conference of Public Enterprises (SCOPE).

5.3 Personnel Policy

5.3.1 Various personnel policy matters relating to CPSEs are dealt by DPE. Some of the important policy initiatives taken during the year are given below.

5.4 Enhancement in retirement age in profit earning CPSEs

5.4.1 The Government had taken a decision to increase the age of retirement from 58 to 60 years in respect of Board level and below Board level employees of CPSEs in May 1998. The power for roll back of age of retirement of all categories of employees of CPSEs vests with the Cabinet.

As several sick CPSEs have started making profits and these CPSEs have requested for enhancement of age of retirement of employees from 58 to 60 years, the matter was reviewed by the Government and it has now been decided that the Minister-in-charge of the administrative Ministry/ Department concerned is empowered to approve the proposals of CPSEs to enhance the age of retirement from 58 to 60 years provided that-

(a) The CPSE concerned should, as per its audited annual accounts, have made net profits for the last 3 years continuously and should have a positive net worth during the last three years.

(b) The CPSE has not availed any budgetary support for non-plan expenditure for salary, wages, payment of statutory dues, payment for Voluntary Retirement/Separations Schemes (VRS/VSS) and payment to meet cash losses, during the last 3 years and no budgetary support will be availed by the CPSE in future.

(c) The proposals are approved by the Board of Directors of the CPSE concerned and have the concurrence of Financial Advisor of the concerned administrative Ministry/ Department.

5.5 Internal Candidate

5.5.1 As per prevailing policy for selection of top posts in Central Public Sector Enterprises (CPSEs), unless markedly better candidates are available from outside, internal candidates, employed in the public sector enterprises will be preferred for appointment to Board level posts. The definition of an internal candidate has a direct bearing on short-listing of candidates for various Board level posts in CPSEs. Government has, therefore, approved the following definition of the 'internal candidate':-

"Internal candidate is one, who is an employee of an enterprise who has put in a minimum of 2 years of continuous service in it, on the date of occurrence of vacancy, and who does not hold a lien in any other PSE/Government. An employee, who holds a lien on a post in a CPSE can also be considered as 'an internal candidate' of that enterprise provided he/she has put in a minimum of 2 years of continuous service in that enterprise, on the date of acquiring lien and the period for which he/she is away from the enterprise is not more than 5 years."

5.6 Appointment of Chief Executives and Functional Directors in sick/ loss making Central Public Sector Enterprises under revival package approved by the Government

5.6.1 The National Common Minimum Programme (NCMP), inter-alia, states that every effort will be made to modernize and restructure sick public sector companies and revive sick industry. The Government has considered the issue relating to restructuring of CPSEs and also the ways and means for funding the scheme for revival of such CPSEs as well as providing strong and effective top management team for them. In this context, it was felt that there was a need to attract Board level executives capable for turning around sick CPSEs and give them continuity of tenure for the revival package to succeed.

The Government has considered this matter and the Competent Authority has decided that in the case of sick/loss making CPSEs for which revival plan has been approved by the Government, the following relaxation would be provided:-

(i) In case, any Board level incumbent of such CPSE has contributed exceedingly well in the turn around of that sick CPSE, his tenure may be extended till he attains the age of 65 years. Since, the selection process to a board level post is being initiated by Public Enterprises Selection Board (PESB) one year prior to the due date of superannuation of the incumbent, the proposal for extension of tenure beyond the age of superannuation will have to be initiated at least one year prior to the date of superannuation of the incumbent. In case, the balance period of tenure of incumbent is less than one year at the time of approval of revival package by the Government, such proposal for extension of tenure may be initiated immediately after approval of revival package by the Government. The decision on the extension of tenure beyond the normal retirement age will be taken as per the extant procedure for extension of tenure of Board level executives, i.e. joint appraisal by PESB followed by the approval of the competent authority. Further, such extension would be subject to annual review of the performance of the incumbent to be conducted by Secretary of the concerned administrative Ministry.

(ii) Where fresh appointment of the Chief Executive or any Functional Director is proposed and if the PESB procedure of circulation of vacancy does not ultimately lead to a panel for consideration by the competent authority, then relaxation of cut-off age for applying, to 62 years, with minimum tenure of 3 years, could be considered. In such cases, serving/retired CPSE executives, Government servants and private sector executives could be considered.

(iii) Chief Executives and Functional Directors of these CPSEs would be considered for a lump-sum incentive up to maximum of Rs.10 lakh out of the profits of the CPSE besides usual pay, allowances and perks attached to the post. The detailed guidelines in this regard would be issued separately.

(iv) The extant guidelines and procedure with regard to the process for selection, appointment and extension of the tenure of the Chief Executives and Functional Directors of CPSEs will continue to be followed except for the relaxations specified in sub-para (i) and (ii) above.

5.7 Procedure to be observed for board level appointments for CPSEs requiring approval of ACC

5.7.1 Powers for entrusting additional charge arrangements in all scheduled CPSEs have been delegated to the respective Ministries subject to certain conditions.

5.7.2 The issue relating to requirement of fresh vigilance clearances for extension of additional charge arrangements in respect of Board level posts in Central Public Sector Enterprises (CPSEs) has been considered by the Government in consultation with Central Vigilance Commission and the following further guidelines have been approved:-

a) for additional charge of Board level positions in PSUs, for an initial period of up to three months, clearance from the CVO would suffice;

b) for continuation of the additional charge arrangements, beyond three months, clearance from CVC would be required; and

c) fresh CVC clearance would be required, if the arrangements continue, beyond one year.

d) In the cases where additional charge is assigned to either a functionary of another PSU, or an officer from a Ministry, clearance from the CVO would not suffice, and CVC clearance would be necessary.

5.8 Employment in Central Public Enterprises Under Reserved Categories

5.8.1 The Public Enterprises generally follow the instructions of the Department of Personnel & Training regarding Reservation Policy. A Presidential Directive incorporating all the important instructions in this regard was issued in February 1982 to the concerned administrative Ministries/ Departments by the Department of Public Enterprises for formal issuance to the Public Enterprises. Since then, the Department of Personnel & Training has issued various instructions/directives relating to the reservation Policy of the Government. The Department of Public Enterprises have consolidated these instructions and a revised comprehensive directive was issued to all Administrative Ministries/ Departments in April, 1991 for formal issuance to Public Sector Enterprises (PSEs). Instructions issued subsequently on reservation matters have also been extended to Public Sector Enterprises.

5.8.2. The present quota of reservation for employees belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes (OBCs) where recruitment is on All-India basis through open competition as well as other categories of employees entitled to reservation is indicated below:

	Executive & Supervisory level	Workmen/ Clerical Level	Semi-skilled/ unskilled labour level
Scheduled Castes	15%	15%	15%
Scheduled Tribes	7.5%	7.5%	7.5%
Other Backward Classes	27%	27%	27%
Physically Handicapped Persons	3%	3%	3%
Ex-servicemen & Dependents of those killed in action	–	14.5%	24.5%

5.8.3. Although the administrative Ministries/ Departments concerned have been made responsible for implementation of reservation policy, the Department of Public Enterprises also keep a watch on the progress made by PSEs in the implementation of the reservation scheme in the recruitment by calling for Annual Reports from the public enterprises and also by taking follow-up action after scrutinizing these reports.

5.8.4. Based on the information furnished by the PSEs the position regarding representation of Scheduled Castes, Scheduled Tribes and OBCs in respect of 210 Public Enterprises as on 1.1.2007 is given below:

Group	Total No.of Employees	Representation of SC/STs/OBCs SCs No.	%age	STs No.	% age	OBCs
As on	1.1.2007 (Based on information furnished by 210 Enterprises)					
Executive level	1,91,299	25,058	13.09	8,835	4.61	13,098
Supervisory level	1,69,191	22,860	13.51	10,739	6.34	14,526
Workmen/ Clerical level	6,65,996	1,28,352	19.27	63,809	9.58	1,08,653
Semi-skilled/ Unskilled labour (excluding Safai Karamcharis)	2,31,640	50,142	21.64	37,012	15.97	49,960
Total	1,25,8126	22,6412	17.99	1,20,395	9.56	1,86,237
Semi-skilled/ Unskilled labour (Safai Karamcharis)	14,553	11,509	79.08	439	3.01	476
Total	12,72,679	2,37,921	18.69	1,20,834	9.49	1,86,713

5.8.5. The need to ensure timely filling up of reserved posts has been stressed in various instructions from time to time. All administrative Ministries/ Departments have been requested to advise the PSEs under their administrative control to take effective steps to fill up the unfilled reserved posts and backlog vacancies in direct recruitment as well as in promotion in accordance with the existing instructions. One of the agenda of UPA Government enunciated in National Common Minimum Programme (NCMP) is to launch Special Recruitment Drive to fill up the backlog reserved vacancies for SCs & STs in the CPSEs. DPE vigorously followed up this issue with the CPSEs for filling up the backlog vacancies for SC/ST in direct recruitment as well as in promotions.

5.9 Reservation for other Backward Classes (OBCs)

5.9.1 Based on the recommendations of the Second Backward Classes Commission (Mandal Commission) and in accordance with the Supreme Court Judgement in the Indira Sawney Case, instructions were issued providing reservation of 27% of vacancies in favour of Other Backward Classes (OBCs) in Civil Posts and Services under the Government of India.

5.9.2. Department of Personnel & Training (DoPT) who formulate the policy in respect of reservation in services, have been issuing instructions from time to time on various aspects of reservation in respect of OBCs. Reservation for OBCs was made effective w.e.f. 8.9.1993. Department of Public Enterprises has been extending these instructions to the Public Sector Enterprises through their administrative Ministries for compliance. A comprehensive Presidential Directive incorporating all instructions was prepared by the Department of Public Enterprises and issued to all administrative Ministries vide DPE OM dated 27th July, 1995 for formal issuance to the PSEs under their control, under the relevant Articles of Association/Section of the relevant Act.

5.10 Reservation for Persons with Disabilities

5.10.1 This Department has also issued instructions to ensure reservation for the Persons with Disabilities upto 3% of the vacancies occurring in a particular year (1% for Visually Handicapped, 1% for Hearing Handicapped and 1% for Orthopaedically Handicapped). A Presidential Directive in respect of reservation for physically handicapped persons, incorporating all important instructions in this regard, was issued in April, 1991 to the concerned administrative Ministries/ Departments by the Department of Public Enterprises for formal issuance to the Public Enterprises. With the enactment of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, the reservation to physically handicapped persons stood extended to identified Executive & Supervisory level posts filled through direct recruitment. All PSEs have been advised to comply with the provisions of the Act and evolve a time frame by which the backlog of vacancies can be cleared.

Chapter 6

Support Services to CPSEs

6.1 Purchase Preference Policy

6.1.1 The Purchase Preference Policy has been reviewed and extended from time to time. In pursuance of the decision of the Government on 30.6.2005, the Policy that was in force till 31.3.2005 has been extended for a further period of three years with certain modifications with a sunset clause that it will be terminated with effect from 31.3.2008.

6.1.2 This policy provides purchase preference to CPSEs for supplying goods and services to the Ministries / Departments / CPSEs and Autonomous bodies under Central Government at L1 price if the price quoted by the supplying CPSE is within 10% of the lowest valid bid price, other things being equal. Purchase preference support will be extended to the contracts including civil and turnkey contracts of Rs. 5 crore and above but not exceeding Rs. 100 crore. The provisions relating to purchase preference should be specified in the "Notice Inviting Tender" (NIT) for Rs. 5 crore and above but not exceeding Rs.100 crore. The policy is applicable to the CPSEs and their subsidiaries where the CPSE owns 51% or more shareholding but not to a joint venture owned by a CPSE and a private partner. For availing of the benefit of purchase preference policy, a minimum value addition of 20% by the CPSE / subsidiary companies (by way of manufacturing and or services) is a prerequisite.

6.1.3 The Government reviewed the Purchase Preference Policy vide its OM dated 21.11.2007 and decided to reiterate its decision dated 30.6.2005 that the purchase preference policy will be terminated with effect from 31.3.2008. The Government also decided that the preferential purchase policies framed for 'the specific sectors' by the concerned Ministries / Departments within relevant Act of Parliament or otherwise, do not come within the purview of this decision. The concerned Ministry / Department may independently evolve / review preferential policies for the sectors of their concern, as per their requirement.

6.2 Permanent Machinery of Arbitration

6.2.1. The Permanent Machinery of Arbitrators (PMA) was set up in Department of Public Enterprises in the year 1989 for resolving commercial disputes, except taxation, between CPSEs inter-se as well as between a CPSEs and a Central Government Department/Ministry. Since 1993-94 disputes with Port Trusts have also been included under the purview of PMA for arbitration. The Ministry of Railways were, however, excluded from the purview of PMA vide DPE OM dated 12.2.1997. The disputes are required to be referred first to the Department of Public Enterprises for its reference to the Arbitrator of PMA. Secretary, Department of Public Enterprises, on being satisfied with prima facie existence of dispute, refers the dispute to the Arbitrator of the PMA for Arbitration. The Arbitration Act, 1940 (now 1996) is not applicable in these cases and no outside lawyer is allowed to appear on behalf of either party for presenting/defending the cases.

6.2.2. PMA guidelines were revised and issued on 22.1.04. There is one Arbitrator in the PMA and ever since the PMA was created in 1989, the Secretary (PE) has referred 222 cases to the Arbitrator of PMA; out of which, Awards in 117 case have been published. The PMA is designed to be self supporting, and hence the PMA charges an Arbitration fee which is worked out by the Arbitrator based on the formula given in the guidelines. As per O.M. dated 22.1.2004, the Arbitrator shall make his award within six months after entering upon the reference or after having been called upon to act by notice in writing from any party to the arbitration agreement or within such extended time as the parties may allow.

Chapter 7

Wage Policy and Manpower Rationalisation

7.1 Wage & Salary Policies

The Department of Public Enterprises (DPE) inter-alia functions as nodal department, in respect of policy relating to wage settlements of unionized employees/ pay revision of non-unionized supervisors and executives holding posts below the Board level as well as at the Board level. The Department renders advice to the administrative Ministries/ Departments and the CPSEs in matters relating to the wage policy and revision in the scales of pay of the executives. The CPSEs are largely following Industrial Dearness Allowance (IDA) pattern scales of pay. In some cases, the Central Dearness Allowance (CDA) pattern scales of pay apply.

7.2 Industrial Dearness Allowance (IDA) pattern and related Scales of Pay in CPSEs

The Government policy relating to pay scales and pay pattern is that all employees of the CPSEs should be on IDA pattern and related scales of pay. Instructions had been issued by the DPE in July, 1981 and July, 1984 to all the administrative Ministries that as and when a new CPSE is created or established, IDA pattern and related scales of pay should be adopted ab-initio. There are 247 CPSEs (excluding banks, insurance companies and newly setup CPSEs) under the administrative control of the Central Government. They employ approximately 16.14 lakh employees including executives, supporting staff and workmen. Out of this, around 96.4% of workmen and executives are on IDA pattern and related scales of pay.

7.3 Pay Revision for Executives/ non- unionised supervisors under IDA pattern

The last pay revision for the IDA executives and non-unionized supervisors was done w.e.f 1.1.97 for a period of ten years based on the recommendations of Justice Mohan Committee.

7.4 Main features of 1997 Pay Revision

(i) House Rent Allowance (HRA) to PSE employees is paid as per DPE's guidelines issued from time to time. In respect of leased accommodation, the Boards of PSEs have been given flexibility to provide for adequate level of leased accommodation for the executives. City Compensatory Allowance (CCA) is granted at the rates applicable to the Central Government Employees.

(ii) Dearness Allowance admissible to PSE employees under IDA pattern of scales are based on 100% neutralization of cost of living as in the case of Central Government employees. The release of IDA, however, is on quarterly basis whereas CDA is released on half yearly basis.

(iii) The perquisites and allowances are restricted to 50% of basic pay with the objective of putting a limit on perquisites and allowances as a means of compensating employees and providing strong motivation for rewarding improved performance. However, some allowances/

perquisites are outside the purview of the ceiling of 50% of basic pay such as DA, HRA, CCA, professional allowance like Non-practicing allowance/non-teaching allowance/ locational allowance/difficult area posting allowance and retiral benefits. All other allowance including Productivity Linked Incentives (PLI, limited to 5% of the distributable profits of the CPSE as a whole) would be within 50% ceiling. If the limit is not considered sufficient to reward the employees for their work, the CPSEs can go beyond the 50% of basic pay but within 5% of distributable profits of the CPSE as a whole in the form of PLI. The Board may decide on PLI subject to provisions stated above.

(iv) The periodicity of pay revision is for 10 years w.e.f 1.1.1997.

7.5 Procedure adopted for revision of pay in IDA pattern of scales w.e.f. 1.1.1997

(i) CPSEs which have been consistently making profit are allowed to adopt revised scales of pay in the IDA pattern in accordance with DPE's guidelines.

(ii) CPSEs which had incurred loss during any of the three financial years preceding to pay revision would also be allowed to revise the scales with the approval of the Government i.e. the administrative Ministry acting in consultation with DPE, provided they give an estimate as to how the resources would be generated by them to meet the extra expenditure.

(iii) In respect of sick enterprises referred to BIFR, revision of pay scales for all employees following IDA pattern would be strictly in accordance with the rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in this package.

(iv) CPSEs under construction or new CPSEs would submit their proposals for adoption of revised scales of pay to their administrative Ministries for approval in consultation with the DPE.

7.6 Second Pay Revision Committee

7.6.1 The second Pay Revision Committee for the revision of scales of pay of Board level and below Board level executives including non-unionised supervisors of CPSEs following Industrial Dearness Allowance (IDA) pattern scales of pay w.e.f. 1.1.2007 has been constituted vide the Government of India Resolution dated 30.11.2006. The Pay Revision Committee is headed by Mr. Justice M.J. Rao, retired Judge, and Supreme Court of India as Chairman. Dr. Nitish Sengupta (Economist & former Member Secretary, Planning Commission, Government of India), Shri P.C. Parakh (former Secretary, Department of Coal, Government of India) and Shri R.S.S.L.N. Bhaskarudu (former Managing Director, Maruti Udyog Limited & ex-chairman, Public Enterprises Selection Board) are Members. Secretary and Joint Secretary, Department of Public Enterprises are ex-officio Member and Secretary of the Committee, respectively. The Committee has time to make its recommendations within a period of 18 months.

7.6.2. The Committee will work out a comprehensive pay package for the Board level, below Board level and non unionized supervisors, that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and processes as well as promoting functional and operational autonomy within the Public Sector Enterprises with a view to leveraging economy, responsibility, transparency, discipline, accountability, assimilation of technology and research and development. 19 meetings of 2nd Pay Revision Committee have taken place by 1st Week of November 2007, at Delhi, Kolkatta, Ranchi, Hyderabad, Bhubaneswar, Mumbai, Bangalore, Guwahati, Chennai, Kochi and Goa.

7.7. Wage Revision for Workmen under IDA pattern

7.7.1. In respect of workmen following IDA pattern scales of pay, the managements of CPSEs have freedom to negotiate revision of pay scales for the workmen within certain stipulated conditions. The latest wage negotiation to be entered into between managements and the workers' unions, was to come to effect from 1.1.1997 for 10 year periodicity and 1.1.2002 for five year periodicity. The Government orders were issued on 14.1.1999, 26.7.2000 and 11.2.2004 to this effect as under:

For the unionized employees covered by the IDA pattern pay scales in the Central Public Enterprises, the Government have decided to allow the option to opt for either: -

i. A ten year periodicity of pay revision with 100% neutralization of DA as set out in the guidelines issued on 14.1.99,

OR

ii. A five year periodicity on the basis of graded neutralization based on basic pay slabs as did exist previously i.e. from 1.1.1992 to 31.12.1996

7.7.2 The CPSEs who had opted earlier for five year wage negotiation for workmen have been allowed wage negotiation for a period of five years with effect from 1.1.2002. Some of the CPSEs have already implemented this negotiated wage settlements.

7.8 Policy on 7th Round of Wage negotiations

7.8.1 DPE vide its OM dated 9.11.2006 has issued the policy guidelines for the 7th Round of Wage Negotiations (which falls due on a general basis from 01.01.2007) with the unionized workmen of CPSEs. The guidelines are broadly similar to the earlier policy on the Sixth Round of Wage Negotiations.

7.9 Landmark Judgement of Supreme Court on pay revision

7.9.1 The Supreme Court in Transfer petition No. 8 of 2000 in A.K. Bindal and other vs Union of India has passed the landmark Judgement on 25.4.2003 in case of pay revision of sick PSEs referred to BIFR. The Supreme Court, observed that the employees of the Government Companies are not civil servants and therefore they have no legal right to claim that Government should pay their salary. It has also observed that the economic viability or financial capacity of the employer Company should be taken into consideration in the matter of revision of the pay scales of the employees. The Supreme Court further observed that there is no legal or constitutional infirmity in DPE OM dated 19.7.1995 stipulating that for the sick PSEs registered with the BIFR, pay revision and grant of other benefits will be allowed only if it is decided to revive the unit and the revival package should include the enhanced liability on this account.

7.10 Pay revision of employees under CDA Pattern in CPSEs

CDA pattern pay scales are applicable to some of the clerical staff, unionized cadres and executives of the 69 CPSEs who were on the rolls of these companies as on 1.1.1986 and upto 31.12.1988 and were in receipt of CDA pattern pay scales during that time. A High Power Pay Committee (HPPC) was appointed by the Government in pursuance of the Supreme Court directions dated 12.3.1986 which submitted its Report to the Government on 24.11.1988. Its recommendations have been implemented in these CPSEs. In pursuance of the Supreme Court direction dated 3.5.1990 read with the subsequent directions dated 28.8.1991, IDA pattern and related scales of pay have been introduced in these CPSEs with effect from 1.1.1989. Out of 69 CPSEs (covered under HPPC), at present there are 58 CPSEs, which are following both CDA and IDA pattern scales of pay. As per the recommendations of the High Power Pay Committee and Supreme Court directives thereon, the employees following CDA pattern of scales of the Central Public Sector Enterprises would get pay revision only as and when similar changes are effected for the Central Government employees. Accordingly, the recommendation of 5th Pay Commission w.e.f. 1.1.1996 had also been extended to the employees of CPSEs following CDA pattern of scales. In addition, the employees of CPSEs following CDA pattern have also been allowed the benefit of merger of 50% of DA with basic pay w.e.f 1.4.2004. This benefit has been allowed to the employees of CPSEs that are not loss making and are in a position to absorb the additional expenditure on account of merger of DA with basic pay from their own resources without any budgetary support from the Government.

7.11 Voluntary Retirement Scheme (VRS)

7.11.1 In the present globally competitive and deregulated scenario, in view of the ongoing restructuring in the industries including CPSEs, several measures for reforms and restructuring of PSEs have been taken up by the Government, right sizing of manpower in the CPSEs is one of the measures adopted. In the process, the Voluntary Retirement Scheme, which was initially announced in October, 1988 for the first time was revised and a comprehensive package was notified by DPE in May 2000 so as to cater to the need of the CPSEs to meet their objectives and also to protect the interests of the workers affected due to various restructuring models.

7.11.2 Considering the difficulties faced by the enterprises where the wage revision of 1992 or 1997, as the case may be, could not be effected, the Voluntary Retirement Scheme was liberalized by issuance of subsequent notification on 6th November, 2001, which inter alia provides for 100% additional compensation for the employees where wage revision of 1992 could not be effected and similarly 50% additional compensation for employees where the wage revision of 1997 could be made effective. The ex-gratia under VRS to employees following CDA pattern at 1986 scales has also been enhanced by 50% w.e.f. 26.10.2004. These increases in VR compensation are to be computed based on the existing pay of the employees.

7.11.3 From the introduction of the Voluntary Retirement Scheme initially in October 1988 to March 2007, approximately 5.37 lakh employees have been released under VRS.

7.12 VRS in CPSEs which can sustain the compensation themselves

7.12.1 Enterprises, which are financially sound and can sustain VRS on their own, can frame their own schemes of VRS and make it attractive enough for employees to opt for it. They may offer as compensation upto 60 days salary (only Basic Pay + DA) for every completed year of service. However, such compensation will not exceed the salary for the balance period of service left.

7.13 VRS in Marginally Profit or Loss Making CPSEs

7.13.1 Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either:

(i) the Gujarat Model under which the compensation is computed by allowing 35 days salary for every completed year of service and 25 days for each year of the balance service left until superannuating subject to conditions that the compensation shall not exceed the sum of salary for the balance period left for superannuation.

OR

the VRS package of Department of Heavy Industry (DHI model) under which ex-gratia payment equivalent to 45 days emoluments (Pay + DA) for each completed year of service or the total emoluments for the balance period of service, whichever is less, is applicable. The employees who have completed not less than 30 years of service will be eligible for a maximum of 60(sixty) months salary/wage as compensation and this will be subject to the amount not exceeding the salary/ wage for the balance period for service left.

Chapter 8

Categorisation of CPSEs

8.1 The Public Sector Enterprises are categorized into four schedules namely 'A', 'B', 'C' & 'D'. The pay scales of chief executives and full time functional Directors of CPSEs are linked with the schedule of the concerned enterprise. Normally, the Chief Executive of the enterprise is given the scale of pay attached to the schedule of the company while the functional Directors are allowed the scale of pay attached to the next below schedule. At times the posts of Chief Executives or functional Directors are upgraded on personal basis so that exceptionally capable executives are retained in the CPSEs where they had rendered meritorious service. Such arrangements also help in attracting talent to sick or high-tech enterprises.

8.2 The initial categorization of CPSEs in the mid-Sixties was made on the basis of their importance to the economy and complexities of their problems. Over the years the Department of Public Enterprises (DPE) has evolved norms for the purpose of categorization/re-categorization of CPSEs. Categorization is based on criteria such as quantitative factors like investment, capital employed, net sales, profit, number of employees and qualitative factors like national importance, complexity of problems, level of technology, prospects for expansion and diversification of activities and competition from other sectors, etc. In addition, criteria relating to the strategic importance of the CPSE is also taken into account. The present procedure involves consideration of the proposals in the administrative Ministry concerned and the Department of Public Enterprises which consults the Public Enterprises Selection Board. At present there are 57 Schedule 'A', 75 Schedule 'B', 50 Schedule 'C', 6 Schedule 'D' and 60 uncategorized PSEs. During the year, two CPSEs have been upgraded from Schedule 'B' to 'A', two CPSEs have been upgraded from Schedule 'C' to 'B' and three CPSEs have been categorized in the appropriate schedules (one in Schedule 'A' and two in Schedule 'C'). The schedule-wise list of CPSEs is given in Appendix-VI. Apart from this, two Chief Executives have been given higher schedule on personal basis and one post of Functional Director has been created.

Chapter 9

Board for Reconstruction of Public Sector Enterprises (BRPSE)

9.1 To address the problems relating to strengthening, modernization, reviving and restructuring of Public Sector Enterprises, BRPSE consisting of a Chairman, three non-official Members and three official Members was constituted. In addition, Chairman, Public Enterprises Selection Board (PESB), Chairman, Standing Conference of Public Enterprises (SCOPE) and Chairman, Oil and Natural Gas Corporation Ltd. (ONGC) are permanent invitees, while Secretary of the concerned administrative Ministry/Department is a special invitee to the meetings. There is also an exclusive Secretary to BRPSE in the rank of Additional Secretary to Government of India.

9.2. Terms of reference of BRPSE are as follows:-

a) To advise the Government on ways and means for strengthening public sector enterprises in general and making them more autonomous and professional;

b) To consider restructuring – financial, organizational and business (including diversification, joint ventures, seeking strategic partners, merger and acquisition) of CPSEs and suggest ways and means for funding such schemes;

c) To examine the proposals of the administrative Ministries for revival/ restructuring of sick/loss making CPSEs for their turnaround;

d) To advise the Government on disinvestments/closure/sale in full or part, in respect of chronically sick/loss making companies, which cannot be revived. In respect of such unviable companies the Board would also advise the Government about sources of fund including sale of surplus assets of the enterprise for the payment of all legitimate dues and compensation to workers and other costs of closure;

e) To monitor incipient sickness in CPSEs; and

f) To advise the Government on such other matters as may be assigned to it.

9.3 The first meeting of BRPSE was held on 16.12.2004. 10 meetings of BRPSE have taken place during January 2007 to December 2007. During this period the Board had considered the proposals of 11 PSEs (including 3 remitted cases of previous years) and given its recommendations in respect of 8 PSEs. In addition, the Board has also recommended to the Government to accord 'in principle' approval for reversal of its earlier decision to close the units of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation Ltd. (HFCL) so as to explore various options for their revival. The proposal of HMT Chinar Watches Ltd. was referred to the concerned administrative Ministries/Departments with theadvise to prepare a clear cut strategy for revival of the Co. keeping in view the relative strength of the Co. and submit the same to the Board for its consideration.

9.4. The recommendations of BRPSE in respect of the 8 PSEs fall under the following broad categories.

S.No.	Category	No. of PSEs
1	Revival through restructuring package	5
2	Revival through restructuring package & merger / takeover	3
3	Total	8

9.5. Since the inception of BRPSE and till December 2007, 54 meetings have taken place and the Board has considered proposals of 54 PSEs. Till December 2007, the Board has given its recommendations in respect of 48 PSEs. In addition, the Board has also recommended to the Government to accord 'in principle' approval for reversal of its earlier decision to close the units of Fertilizer Corporation of India Ltd. (FCIL) and Hindustan Fertilizer Corporation Ltd. (HFCL) so as to explore various options for their revival.

9.6 The recommendations of BRPSE in respect of the 48 PSEs (Appendix-VII) fall under the following broad categories:

S. No.	Category	PSEs
1.	Revival through restructuring package	35
2.	Revival through joint venture with PSEs/ Disinvestment	7
3.	Revival through merger / takeover	4
4.	Closure	2
	Total	48

9.7. Out of the 48 cases recommended upon, Government has so far approved the proposals of 29 PSEs. In addition, Government have also decided 'in principle' to examine the possibility of revival of FCIL and HFCL subject to the confirmed availability of Gas.

9.8 Other major recommendations of BRPSE

9.8.1 BRPSE, besides giving recommendations on sick PSEs has also recommended a scheme for attracting managerial talent to sick PSEs etc. Govt. has already considered this recommendation and issued necessary guidelines.

Chapter 10

Scheme of Counselling, Retraining and Redeployment

10.1 Restructuring of enterprises is a global phenomenon, particularly in the context of liberalized economy. There has been thrust on restructuring the central public enterprises both at macro as well as micro level. In the process, rationalization of manpower has also become a necessity. But this affects in some cases the interest of the workers. As such, the policy of the Government has been to implement reforms with a humane face and provide adequate safety net for the affected workers.

10.2. Considering the emerging need to have safety net, Government had established National Renewal Fund (NRF) in February, 1992 broadly to cover the expenses of VRS and to provide retraining to the workers in the organized sector. However, in the backdrop of on-going restructuring exercises in the central enterprises, focus was given on the need of CPSEs. The NRF was abolished in February, 2000. The retraining activity was administered by Department of Industrial Policy & Promotion till 31st March, 2001. The scheme for Counselling, Retraining and Redeployment (CRR) of rationalized employees of CPSEs is under implementation by Department of Public Enterprises since 2001-02.

10.3. The scheme for Counselling, Retraining and Redeployment (CRR) inter-alia aims:

- to provide opportunity for self-employment.
- to reorient rationalized employees through short duration programmes.
- to equip them for new avocations.
- to engage them in income generating self-employment.
- to help them rejoin the productive process.

The main elements of the CRR programme are Counselling, Retraining and Redeployment. Besides, a new element of sensitization programme has also been included under CRR programme.

10.4. Counselling helps the rationalized employees to absorb the trauma of leaving the organization, to properly manage their funds including compensation and to motivate them to face the challenges and to re-join the productive process. Similarly, *retraining* strengthens their skill/expertise. Selected training institutes impart need-based training of 20 days / 30 days / 40 days modules. The faculty support is both internal and external, and the approach is to provide classroom lectures as well as field experience. In the process, trainees interact with experts from various fields and are being helped in preparation/finalization of project reports. The retraining should lead to *redeployment* mostly through self-employment. In the present scheme, the objective is to maximize the rate of self-employment. The Nodal Agencies, therefore, provide need-based support, linkage with credit institutions and continuously follow up with the retrained personnel.

10.5. For monitoring the CRR programme the in-built mechanism involves field visits and inspections by the concerned officers of DPE. Coordination Committees at local level have also been formed. The Scheme also provides for inter-ministerial Review Committee under Secretary (PE) with members from selected concerned Governments/agencies/CPSEs.

10.6 The Nodal Training Agencies are required to counsel VRS optees, impart training and reorientation, develop curriculum /materials, prepare feasibility report market survey, post training follow up, interface with credit institutions, support in self employment, regular liaison with CPSEs, convening meeting of Coordination Committee etc.

10.7. CPSEs are the key to the success of the scheme. They are supposed to extend all possible support for the welfare of the separated employees by clearing their compensation/dues before release. Long association with employees puts CPSEs in a better position to identify their retraining needs.

10.8. A Plan Fund of Rs. 8 crore was allocated initially during 2001-02, which was enhanced to Rs.10 crore during 2002-03 and 2003-04. The plan fund substantially increased to Rs. 30 crore during 2004-05 and 2005-06 and further enhanced to Rs. 31.50 crore during 2006-07. During 2006-07, 31 nodal agencies were operational with 102 Employees Assistance Centres (EACs). Year wise number of persons trained under the scheme is shown as under:-

Year	No. of persons trained
2001-02	8064
2002-03	12066
2003-04	12134
2004-05	28003
2005-06	32158
2006-07	34398
Total	**126823**

A list of operating nodal agencies is given at Appendix-VIII.

10.9 Under zero based budgeting exercise, CRR Scheme has been revised during 11th Five Year Plan. In order to improve the coverage of the scheme and make it more effective, following modifications have been incorporated in the Scheme:-

(i) One dependent of VRS optee could be considered where VRS optee himself is not interested.

(ii) Duration of the training has been extended from 20/30/40 days to 30/45/60 days and expenditure norm has also been revised from Rs. 5300/-, Rs. 6600/- and Rs. 7900/- to Rs. 7000/-, Rs. 9000/- and Rs. 11,000/- respectively.

(iii) Separate amount has been earmarked in the expenditure norm for follow-up.

(iv) Effective targeting, monitoring and redeployment.

A VRS Optee from Bokaro Steel Plant, SAIL has been trained under CRR Scheme during 2006-07 by Madhya Pradesh Consultancy Organization, Bhopal. He has set up his own business of Card Box and Envelope making

Chapter 11

Official Language Policy

11.1 Hindi Cell of this Department is primarily responsible for implementation of various provisions of the Official Language Act and the rules framed there under. Hindi Cell is also responsible for translation of documents required to be issued under Section 3(3) of the Official Language Act. As more than 80% of the staff of this Department knows Hindi, the Department has been notified under rule 10(4) of the Official Language Rules, 1976.

11.2 All notifications, resolutions, notices, circulars, papers laid on the Table of the House of Parliament etc., have been issued bilingually during the year 2007-08. Efforts were also made to promote original correspondence in Hindi. The Official Language Implementation Committee of DPE continues to function under the Chairmanship of the Joint Secretary.

11.3 With a view to create consciousness and accelerating the use of Hindi as Official Language, Hindi Pakhwada, was organized by the Department from 25th September, to 9th October, 2007. During the Pakhwada four competitions such as, Hindi essay Writing, Hindi Shrutlekh, Hindi typing and Elocution were organized for the officers and employees and cash prizes were distributed to the winners by the Secretary, Ministry of Heavy Industries & Public Enterprises.

The Department presents Annual "Public Enterprises Survey" on the working of Central Public Sector Enterprises in the Parliament every year. This is a voluminous and comprehensive document brought out by the Department simultaneously in English and Hindi.

Dr. Ramesh Chandra Panda, Secretary, Ministry of Heavy Industries and Public Enterprises, presiding over the Prize Distribution Function during Hindi Pakhwara 2007-08

Chapter 12

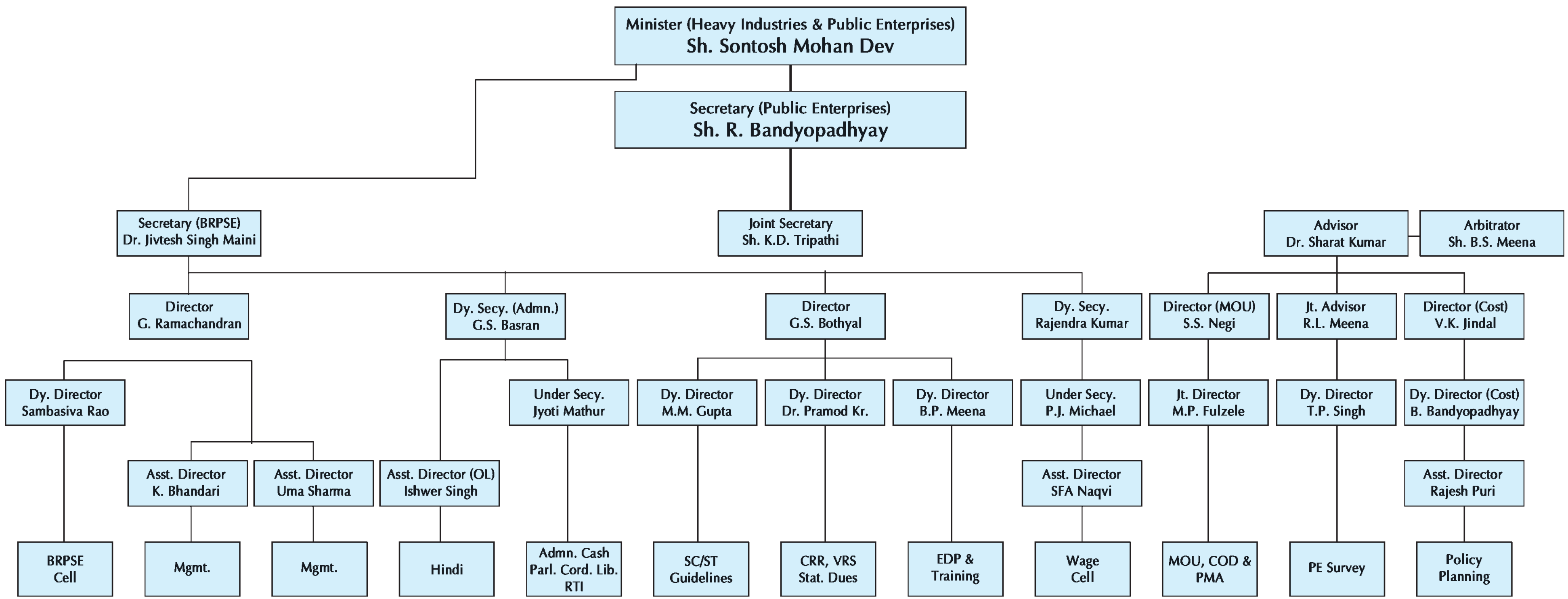
Welfare of Women

12.1 The principle of gender equality is enshrined in the Indian Constitution. The Constitution, furthermore, not only grants equality to women, but also empowers the State to adopt measures of positive discrimination in favour of women.

12.2 The Department of Public Enterprises is having a total sanctioned strength of 127. There are 92 officers/staff, in position, including 9 lady employees. The Department have made all possible efforts to create a healthy and congenial atmosphere so that women employees can perform duties with honour, dignity and without fear.

12.3 The Department has also set up a complaint committee under the chairmanship of a lady officer to ensure fair, safe and healthy environment at work place for women. The guidelines laid down by the Supreme Court relating to sexual harassment have been brought to the notice of all those working in this Department. Department of Public Enterprises vide their OM dated 29th May, 1998, has already issued detailed guidelines and norms to Chief Executives of PSEs for observance and prevention of sexual harassment of working women.

Organogram of Department of Public Enterprises



(Deptt. of Public Enterprises does not have separate AS & FA. AS & FA of Ministry of Steel (Sh. B.S. Meena) is presently looking after Deptt. of Public Enterprises as well)

Appendix-II

Composite Scores of the MoU signing CPSEs (2006-07)

S. No.	CPSE	MOU Score	Rating
1.	Bharat Petroleum Corporation Ltd.	1.09	Excellent
2.	Hindustan Petroleum Corporation Ltd.	2.85	Very Good
3.	Balmer Lawrie & Company Ltd.	1.36	Excellent
4.	GAIL (I) Ltd.	1.39	Excellent
5.	Oil & Natural Gas Corporation Ltd.	1.60	Very Good
6.	Oil India Ltd.	1.69	Very Good
7.	Indian Oil Corporation Ltd.	2.74	Good
8.	Power Grid Corpn of India Ltd.	1.00	Excellent
9.	Nuclear Power Corp. Ltd.	1.47	Excellent
10.	NTPC Ltd.	1.62	Very Good
11.	Satluj Jal Vidyut Nigam Limited	1.72	Very Good
12.	North Eastern Elec. Power Corpn. Ltd.	1. 97	Very Good
13.	Coal India Ltd.	1.99	Very Good
14.	National Hydro-Elect-Power Corp. Ltd.	2.22	Very good
15.	Neyveli Lignite Corpn. Ltd.	2.64	Good
16.	Tehri Hydro Development Corpn. Ltd.	4.24	Fair
17.	Hindustan Aeronautics Limited	1.00	Excellent
18.	Bharat Heavy Electricals Ltd.	1.00	Excellent
19.	Hindustan Latex Limited	1.07	Excellent
20.	Hindustan Paper Corporation Ltd.	1.17	Excellent
21.	Bharat Earth Movers Ltd.	1.36	Excellent
22.	Karnataka Antibio & Pharm. Ltd.	2.21	Very Good
23.	Bharat Dynamics Limited	2.72	Good
24.	Scooters India Limited	3.87	Fair
25.	Manganese Ore (India) Ltd.	1.04	Excellent
26.	Steel Authority of India Ltd.	1.07	Excellent
27.	Mineral Exploration Corpn. Ltd.	1.26	Excellent
28.	National Aluminum Co. Ltd.	1.40	Excellent
29.	National Mineral Dev. Corp. Ltd,	1.427	Excellent
30.	Mishra Dhatu Nigam Ltd.	1.47	Excellent
31.	Hindustan Copper Ltd.	1.59	Very Good
32.	Rashtriya Ispat Nigam Ltd.	1.64	Very Good
33.	Indian Rare Earths Limited	1.96	Very Good
34.	Uranium Corpn. of India Limited	2.90	Good
35.	Sponge Iron India Limited	2.938	Good
36.	Kudremukh Iron Ore Co. Ltd,	4.15	Fair

S. No.	CPSE	MOU Score	Rating
37.	Electronics Corpn. of India Ltd.	1.43	Excellent
38.	Rajasthan Electro. & Instru. Ltd.	1.47	Excellent
39.	Bharat Electronics Ltd.	1.51	Very Good
40.	Mahanagar Telephones Nigam Ltd.	1.89	Very Good
41.	Central Electronics Limited	1.97	Very Good
42.	Railtel Corporation of India	2.15	Very good
43.	Bharat Sanchar Nigam Ltd.	2.45	Very Good
44.	Telecommunication Consultants (I) Ltd.	3.47	Good
45.	ITI Ltd .	4.00	Fair
46.	Container Corp. of India ltd.	1.06	Excellent
47.	Shipping Corp. of India Ltd.	1.35	Excellent
48.	Goa Shipyard Limited	1.43	Excellent
49.	Cochin Shipyard Ltd.	1.46	Excellent
50.	Airport Authority of India Ltd.	1.48	Excellent
51.	Ennore Port Ltd,	1.54	Very Good
52.	Garden Reach Shipbuilders & Engg. Limited	1.69	Very Good
53.	Mazagaon Dock Ltd.	1.77	Very Good
54.	Mumbai Railway Vikas Corpn. Ltd.	1.84	Very Good
55.	Dredging Corp. of India Ltd.	2.00	Very Good
56.	Konkan Railway Corpn. Limited	2.02	Very Good
57.	State Trading Corp. Ltd.	1.00	Excellent
58.	MMTC Ltd.	1.22	Excellent
59.	PEC Limited	1.24	Excellent
60.	MSTC Limited	1.85	Very Good
61.	National Handlooms Dev. Corpn. Ltd.	2.16	Very Good
62.	India Trade Promotion Organisation	2.42	Very Good
63.	Cotton Corporation Ltd.	3.32	Good
64.	Ferro Scrap Nigam Ltd.	3.48	Good
65.	Handicraft and Handloom Exports Corporation Ltd.	4.31	Fair
66.	Central Warehousing Corp. Ltd.	1.37	Excellent
67.	FCI Aravali Gypsum & Minerals (I) Ltd.	1.44	Excellent
68.	National Seeds Corporation Ltd.	1.43	Excellent
69.	National Fertilizers Ltd.	1.22	Excellent
70.	North Eastern Regional Agricultural Manufacturing Corpn. Ltd.	4.08	Fair
71.	Rashtriya Chem. & Fertilizers Ltd.	1.17	Excellent
72.	State Farms Corp. of India Ltd.	1.98	Very Good
73.	National Building Construction Corpn. Ltd. (NBCC)	1.00	Excellent
74.	National Projects Construction Corpn. Ltd.	1.00	Excellent
75.	National Research Dev. Corpn. of India Ltd.	1.06	Excellent
76.	Water & Power Consultancy Services Ltd.	1.10	Excellent

S. No.	CPSE	MOU Score	Rating
77.	Engineering Projects (I) Ltd	1.16	Excellent
78.	RITES Limited	1.28	Excellent
79.	Projects & Development India Ltd.	1.31	Excellent
80.	IRCON International Ltd.	1.32	Excellent
81.	MECON Ltd.	1.60	Very Good
82.	National Small Scale Industries Corp.	2.35	Very Good
83.	HSCC (India) Ltd	2.50	Very Good
84.	Educational Consultants (I) Ltd.	2.93	Good
85.	Power Finance Corpn.	1.00	Excellent
86.	Rural Electrification Corp. Ltd.	1.00	Excellent
87.	Indian Railway Finance Corpn. Ltd.	1.00	Excellent
88.	National BC Fin. & Dev. Corporation	1.00	Excellent
89.	National Minorities Fin. & Dev. Corpn.	1.17	Excellent
90.	Export Credit Guarantee Corp. (I) Ltd	1.19	Excellent
91.	National SC Fin. & Dev. Corporation	1.93	Very Good
92.	National Safai Karamchari's Fin. & Dev. Corpn.	1.96	Very Good
93.	Indian Renewable Energy Dev. Agency Ltd.	2.65	Good
94.	National ST Fin. & Dev. Corporation	3.32	Good

Appendix-III

CPSEs who could not submit MOU Performance Evaluation Report for 2006-07

S. No.	Name of PSE
1.	Bharat Immunologicals & Biologicals Corporation Ltd.
2.	HMT Ltd.
3.	Indian Medicine Pharma. Ltd.
4.	Antrix Corporation Ltd.
5.	Central Inland Water Transport Corporation Ltd.
6.	Hindustan Shipyard Ltd.
7.	Hooghly Dock & Port Engine Ltd.
8.	Indian Airlines Ltd.
9.	Artificial Limbs Manufacturing Corporation Ltd.
10.	Central Cottage Industries Corporation (I) Ltd.
11.	Hindustan Steelworks Construction Ltd.
12.	India Tourism Development Corporation Ltd.
13.	Indian Railway Catering & Tourism Corp. Ltd.
14.	North Eastern Handicrafts & Handlooms Dev. Corporation Ltd.
15.	Brahmputra Valley Fertilizer Corporation Ltd.
16.	Broadcast Engineering Construction (I) Ltd.
17.	Housing & Urban Development Corporation
18.	National Film Development Corpn.
19.	Engineers India Ltd.

CPSEs who signed MoU for the year 2007-08

1. Bharat Petroleum Corporation Limited
2. Balmer Lawrie & Co. Limited
3. GAIL (India) Limited
4. Hindustan Petroleum Corporation Limited
5. Indian Oil Corporation Limited
6. Oil India Limited
7. Oil & Natural Gas Corporation Ltd.
8. North Eastern Electric Power Corporation
9. NTPC Ltd.
10. Neyveli Lignite Corporation Ltd.
11. Nuclear Power Corporation of India
12. National Hydro Electric Power Corporation Ltd
13. Power Grid Corporation of India Limited
14. Satluj Jal Vidyut Nigam Limited
15. Tehri Hydro Development Corpn Ltd.
16. Bharitya Nabhikiya Vidyut Nigam Ltd.
17. Coal India Limited
18. Bharat Heavy Electricals Limited
19. Bharat Earth Movers Limited
20. Bharat Dynamics Limited
21. Bharat Ophthalmic Glass Ltd.
22. Bharat Refractories Ltd.
23. Hindustan Aeronautics Limited
24. Scooters India Limited
25. HMT Ltd.
26. Heavy Engineering Corporation Ltd.
27. Bharat Bhari Udyog Ltd.
28. Bharat Yantra Nigam Limited
29. Instrumentation Limited
30. Andrew Yule & Co Ltd.
31. National Instrument Limited
32. Hindustan Paper Corporation Ltd.
33. NEPA Ltd.
34. Hindustan Latex Ltd.
35. Tyre Corporation of India Ltd.
36. Hindustan Photofilms Manu. Co Ltd.
37. Security Printing and Minting Corp. India Ltd.
38. Bharat Immunological and Biological Ltd.
39. Cement Corporation of India
40. Hindustan Antibiotics Ltd.
41. Hindustan Salts Ltd.
42. Indian Medicine Pharmaceutical Corp. Ltd.
43. Hindustan Insecticides Ltd.
44. Bengal Chemicals & Pharma. Ltd.
45. Hindustan Organics Ltd.
46. Ferro Scrap Nigam Limited
47. National Handloom Dev. Corpn. Ltd.
48. NTC (Holding) Ltd.
49. British India Corporation Limited
50. Hindustan Vegetable Oil Corpn. Ltd.
51. Indian Rare Earths Limited
52. Kudremukh Iron Ore Co. Limited
53. Manganese Ore India Limited
54. Mishra Dhatu Nigam Limited
55. National Mineral Development Corpn. Limited.
56. National Aluminum Co. Limited
57. Mineral Exploration Corpn. Limited
58. Rashtriya Ispat Nigam Limited
59. Steel Authority of India Limited
60. Uranium Corporation of India Limited
61. Hindustan Copper Ltd.
62. Sponge Iron India Limited
63. Bharat Electronics Limited
64. Bharat Sanchar Nigam Limited
65. Electronics Corporation of India Limited
66. Central Electronics Limited
67. Mahanagar Telephone Nigam Limited
68. Rajasthan Electronics & Instrument Limited
69. Rail Tel Corporation of India Limited
70. Telecommunication Consultants India Limited
71. ITI Ltd
72. Hindustan Cables Ltd,
73. National Informatics Center Services Incorporated
74. Airports Authority of India Limited

75. Cochin Shipyard Limited
76. Container Corporation of India Limited
77. Dredging Corporation Of India Limited.
78. Garden Reach Shipbuilders & Engg. Limited
79. Goa Shipyard Limited
80. Hindustan Shipyard Limited
81. Hooghly Dock & Port Engineers Ltd
82. Konkan Railway Corporation of India Limited
83. Mazagaon Docks Limited
84. Mumbai Railway Vikas Corporation Limited
85. Shipping Corporation of India Ltd.
86. Encores Port Limited
87. Air India Ltd,
88. Pawan Hans Helicopters Limited
89. Indian Airlines Limited.
90. Sethusamudram Corporation Ltd.
91. Rail Vikas Nigam Ltd.
92. Central Cottage Industries Corpn of India Ltd.
93. Cotton Corporation of India Limited
94. Handicrafts & Handlooms Export Corpn of India Ltd.
95. Hindustan Steelworks Construction Limited
96. India Trade Promotion Organization
97. Indian Tourism Development Corporation
98. MMTC Limited
99. MSTC Limited
100. PEC Limited
101. State Trading Corp oration of India Limited
102. North Eastern Handicraft & Handlooms Development Corporation Limited.
103. Antrix Corporation Ltd.
104. Brahamputra Valley Fertilizers Corpn.
105. FCI Aravali Gypsum & Minerals (India) Ltd.
106. National Seeds Corporation Ltd.
107. National Fertilizers Limited
108. Rashtriya Chemicals & Fertilizers Limited
109. State Farms Corporation Ltd.
110. North Eastern Regional Agricultural Marketing Corporation Ltd.
111. FACT Limited
112. Madras Fertilizers Limited
113. Andaman & Nicobar Isl. Forest & Plantation Dev. Corpn. Ltd.
114. Central Warehousing Corporation Ltd.
115. Food Corporation of India Ltd.
116. Broadcast Engg. Consultants India Limited
117. Educational Consultants of (India) Ltd.
118. National Research Development Corporation of India
119. Engineering Projects (I) Limited
120. HSCC (India) Limited
121. IRCON International Limited
122. MECON Limited
123. National Small Scale Industries Corporation
124. National Building Construction Corporation Ltd.
125. Engineers India Limited
126. RITES Limited
127. Water & Power Consultancy Services (India) Ltd.
128. Projects & Development India Limited
129. National Projects Construction Corporation Limited
130. Hindustan Prefabs Ltd.
131. Export Credit & Guarantee Corporation of India Ltd.
132. Housing & Urban Development Corporation
133. Indian Renewable Energy Development Agency
134. Indian Railway Finance Corporation Ltd.
135. National Scheduled Caste Finance & Development Corporation
136. National BC Finance & Development Corporation
137. National Minorities Finance & Development Corporation
138. National Film Development Corporation
139. Power Finance Corporation
140. Rural Electrification Corporation Ltd
141. National Scheduled Tribes Finance & Development Corporation
142. National Handicapped Finance & Development Corporation
143. National Safai Karmcharis Finance & Development Corporation

Appendix-V

MoU Excellence Awards for the year 2006-07 (Syndicate-wise)

S.No.	Name of CPSE	MoU Score	Syndicate
1.	Power Grid Corporation of India Ltd.	1.00	Energy
2.	Hindustan Aeronautics Ltd.	1.00	Industry
3.	State Trading Corporation of India Ltd.	1.00	Trading
4.	National Building Construction Corporation Ltd.	1.00	Consultancy
5.	National Backward Classes Finance & Development Corporation	1.00	Financial Services
6.	Manganese Ore India Ltd.	1.04	Mining & Metals
7.	Container Corporation of India Ltd.	1.06	Transport
8.	Bharat Petroleum Corporation Ltd.	1.09	Petroleum
9.	Rashtriya Chemicals & Fertilizers Ltd.	1.17	Fertilizers
10.	Electronics Corporation of India Ltd.	1.43	Electronics/Communication

Appendix-VI

Schedule-wise List of Central Public Sector Enterprises as on 31st December, 2007

Schedule - A

1. Air India Ltd.
2. Airports Authority of India
3. Bharat Bhari Udyog Nigam Ltd.
4. Bharat Earth Movers Ltd.
5. Bharat Electronics Ltd.
6. Bharat Heavy Electricals Ltd.
7. Bharat Petroleum Corporation Ltd.
8. Bharat Sanchar Nigam Ltd.
9. Bharat Yantra Nigam Ltd.
10. Coal India Ltd.
11. Container Corporation of India Ltd.
12. Dedicated Freight Corridor (SPV)
13. Electronics Corporation of India Ltd.
14. Engineers India Ltd.
15. Fertilizers & Chemicals (Travancore) Ltd.
16. Food Corporation of India
17. GAIL (India) Ltd.
18. Heavy Engineering Corporation Ltd.
19. Hindustan Aeronautics Ltd.
20. Hindustan Copper Ltd.
21. Hindustan Paper Corporation Ltd.
22. Hindustan Petroleum Corporation Ltd.
23. HMT Ltd.
24. Housing & Urban Development Corporation Ltd.
25. I T I Ltd.
26. Indian Airlines Ltd.
27. Indian Oil Corporation Ltd.
28. IRCON International Ltd.
29. Konkan Railway Corporation Ltd.
30. Kudremukh Iron Ore Company Ltd.
31. M M T C Ltd.
32. Mahanagar Telephone Nigam Ltd.
33. Mazagon Dock Ltd.
34. Metallurgical & Engineering Consultants (India) Ltd.
35. Mumbai Rail Vikas Corporation Ltd.
36. National Aluminium Company Ltd.
37. National Fertilizers Ltd.
38. National Hydroelectric Power Corporation Ltd.
39. National Mineral Development Corporation Ltd.
40. National Textile Corporation Ltd.
41. NTPC Ltd.
42. Neyveli Lignite Corporation Ltd.
43. Oil & Natural Gas Corporation Ltd.
44. Oil India Ltd.
45. Power Finance Corporation
46. Power Grid Corporation of India Ltd.
47. RITES Ltd.
48. RailTel Corporation of India Ltd.
49. Rail Vikas Nigam Ltd.
50. Rashtriya Chemicals and Fertilizers Ltd.
51. Rashtriya Ispat Nigam Ltd.
52. Rural Electrification Corporation Ltd.
53. Security Printing & Minting Corporation of India Ltd.
54. Shipping Corporation of India Ltd.
55. State Trading Corporation of India Ltd.
56. Steel Authority of India Ltd.
57. Telecommunications Consultants (India) Ltd.

Schedule - B

1. Andrew Yule & Company Ltd.
2. Balmer Lawrie & Company Ltd.
3. Bharat Coking Coal Ltd.
4. Bharat Dynamics Ltd.
5. Bharat Heavy Plate & Vessels Ltd.
6. Bharat Pumps & Compressors Ltd.
7. Bongaigaon Refinery & Petrochemicals Ltd.
8. Brahmaputra Valley Fertilizer Corporation Ltd.
9. Braithwaite & Company Ltd.
10. Braithwaite, Burn & Jessop Construction Ltd.
11. Bridge & Roof Company (India) Ltd.
12. British India Corporation Ltd.
13. Burn Standard Company Ltd.
14. Cement Corporation of India Ltd.
15. Central Coalfields Ltd.
16. Central Electronics Ltd.
17. Central Mine Planning & Design Institute Ltd.
18. Central Warehousing Corporation
19. Chennai Petroleum Corporation Ltd.
20. Cochin Shipyard Ltd.
21. Cotton Corporation of India Ltd.
22. Dredging Corporation of India Ltd.

23. Eastern Coalfields Ltd.
24. Engineering Projects (India) Ltd.
25. Ennore Port Ltd.
26. Fertilizer Corporation of India Ltd.
27. Garden Reach Shipbuilders & Engineers Ltd.
28. Goa Shipyard Ltd.
29. Guru Gobind Singh Refineries Ltd.
30. Handicrafts & Handlooms Export Corporation Ltd.
31. Hindustan Cables Ltd.
32. Hindustan Fertilizer Corporation Ltd.
33. Hindustan Latex Ltd.
34. Hindustan Newsprint Ltd.
35. Hindustan Organic Chemicals Ltd.
36. Hindustan Shipyard Ltd.
37. Hindustan Steelworks Construction Company Ltd.
38. Hindustan Vegetable Oils Corporation Ltd.
39. HMT (I) Ltd.
40. HMT (MT) Ltd.
41. HMT (Watches) Ltd.
42. IBP Co. Ltd.
43. India Tourism Development Corporation Ltd.
44. India Trade Promotion Organisation
45. Indian Drugs & Pharmaceuticals Ltd.
46. Indian Railway Catering & Tourism Corporation Ltd.
47. Indian Railway Finance Corporation Ltd.
48. Indian Rare Earths Ltd.
49. Instrumentation Ltd.
50. M S T C Ltd.
51. Madras Fertilizers Ltd.
52. Mahanadi Coalfields Ltd.
53. Mangalore Refineries & Petrochemicals Ltd.
54. Manganese Ore (India) Ltd
55. Mineral Exploration Corporation Ltd.
56. Mishra Dhatu Nigam Ltd.
57. National Building Construction Corporation Ltd.
58. National Jute Manufacturers Corporation Ltd.
59. National Projects Construction Corporation Ltd.
60. National Small Industries Corporation Ltd.
61. North Eastern Electric Power Corporation Ltd.
62. Northern Coalfields Ltd.
63. Numaligarh Refineries Ltd.
64. ONGC Videsh Ltd.
65. P E C Ltd.
66. Pawan Hans Helicopters Ltd.
67. Projects & Development India Ltd.
68. Satluj Jal Vidyut Nigam Ltd.
69. Scooters India Ltd.
70. South Eastern Coalfields Ltd.
71. Tehri Hydro Development Corporation Ltd.
72. Tyre Corporation of India Ltd.
73. Uranium Corporation of India Ltd.
74. Water & Power Consultancy Services (India) Ltd.
75. Western Coalfields Ltd.

Schedule - C

1. Airlines Allied Services Ltd.
2. Andaman & Nicobar Islands Forest & Plantation Development Corporation Ltd.
3. Artificial Limbs Mfg. Corporation of India
4. Bengal Chemicals & Pharmaceuticals Ltd.
5. Bharat Ophthalmic Glass Ltd.
6. Bharat Petro Resources Ltd.
7. Bharat Refractories Ltd.
8. Bharat Wagon & Engineering Company Ltd.
9. Biecco Lawrie Ltd.
10. Broadcast Engineering Consultants India Ltd.
11. Central Cottage Industries Corporation of India Ltd.
12. Central Inland Water Transport Corporation Ltd.
13. Educational Consultants (India) Ltd.
14. FCI Aravali Gypsum & Minerals India Ltd.
15. Ferro Scrap Nigam Ltd.
16. Hindustan Antibiotics Ltd.
17. Hindustan Insecticides Ltd.
18. Hindustan Photo Films Manufacturing Corporation Ltd.
19. Hindustan Salts Ltd.
20. HMT (Bearings) Ltd.
21. HMT (Chinar Watches) Ltd.
22. Hooghly Dock and Port Engineers Ltd.
23. HSCC (India) Ltd.
24. Hotel Corporation of India Ltd.
25. Indian Renewable Energy Development Agency Ltd.
26. Jute Corporation of India Ltd.
27. Nagaland Pulp & Paper Company Ltd.
28. National Backward Classes Finance & Development Corporation.
29. National Film Development Corporation Ltd.
30. National Handicapped Finance & Development Corporation.
31. National Handlooms Development Corporation Ltd.
32. National Instruments Ltd.
33. National Minorities Development & Finance Corporation

34. National Research Development Corporation of India.
35. National Safai Karamcharis Finance & Development Corporation.
36. National SC Finance & Development Corporation
37. National ST Finance & Development Corporation
38. National Seeds Corporation Ltd.
39. NEPA Ltd.
40. North Eastern Handicrafts & Handloom Development Corporation Ltd.
41. North Eastern Regional Agricultural Marketing Corporation Ltd.
42. Praga Tools Ltd.
43. Pyrites, Phosphates & Chemicals Ltd.
44. Rajasthan Electronics & Instruments Ltd.
45. Richardson & Cruddas (1972) Ltd.
46. STCL Ltd.
47. Sponge Iron India Ltd.
48. State Farms Corporation of India Ltd.
49. Triveni Structurals Ltd.
50. Tungabhadra Steel Products Ltd.

Schedule - D

1. Hindustan Fluorocarbons Limited
2. Hindustan Prefab Ltd.
3. Indian Medicines Pharmaceutical Corporation Ltd.
4. Karnataka Antibiotics & Pharmaceuticals Ltd.
5. Orissa Drugs & Chemicals Ltd.
6. Rajasthan Drugs & Pharmaceuticals Ltd.

Others - uncategorised

1. Akaltara Power Ltd.
2. Air India Air Transport Services Ltd.
3. Air India Charters Ltd.
4. Antrix Corporation Ltd.
5. Assam Ashok Hotel Corporation Ltd.
6. BEL Optronics Ltd.
7. Balmer Lawrie Investments Ltd.
8. Bharat Immunological & Biologicals Corporation Ltd.
9. Bharatiya Nabhikiya Vidyut Nigam Ltd.
10. Bharat Petro Resources JDPA
11. Bihar Drugs & Organic Chemicals Ltd.
12. Birds, Jute & Exports Ltd.
13. Bokaro-Kodarama Maithon Transmission Co. Ltd.
14. Brushware Ltd.
15. Byrnihat Transmission Co. Ltd.
16. Certification Engineers International Ltd.
17. Coastal Andhra Power Ltd.
18. Coastal Gujarat Power Ltd.
19. Coastal Karnataka Power Ltd.
20. Coastal Maharashtra Mega Power Ltd.
21. Coastal Tamil Nadu Power Ltd.
22. Donyi Polo Ashok Hotel Ltd.
23. East-North Interconnection Co. Ltd.
24. Export Credit Guarantee Corporation of India Ltd.
25. Fresh Healthy Enterprises Ltd.
26. Hooghly Printing Company Ltd.
27. IDPL (Tamilnadu) Ltd.
28. IL Power Electronics Ltd.
29. India Infrastructure Finance Co. Ltd.
30. Indian Oil Technologies Ltd.
31. Indian Vaccine Corporation Ltd.
32. Instrumentation Control Valves Ltd.
33. Instrumentation Digital Control Ltd.
34. Jharkhand Integrated Power Ltd.
35. J & K Mineral Development Corporation Ltd.
36. Karnataka Trade Promotion Organisation Ltd.
37. Kumarakuppa Frontier Hotels Ltd.
38. Madhya Pradesh Ashok Hotel Corporation Ltd.
39. Maharashtra Elektrosmelt Ltd.
40. Millenium Telecom Ltd.
41. Narmada Hydroelectric Development Corporation Ltd.
42. National Informatics Centre Services Incorporated
43. NTPC Electric Supply Co Ltd.
44. NTPC Hydro Ltd.
45. NTPC Vidyut Vyapar Nigam Ltd.
46. Nuclear Power Corpn. of India Ltd.
47. Orissa Integrated Power Ltd.
48. Parbati Koldam Transmission Company Ltd.
49. Pipavav Power Development Co. Ltd.
50. Pondicherry Ashok Hotel Corporation Ltd.
51. Punjab Ashok Hotel Company Ltd.
52. Ranchi Ashok Bihar Hotel Corporation Ltd.
53. REC Transmission Projects Co. Ltd.
54. Sambhar Salts Ltd.
55. Sasan Power Ltd.
56. Sethusamudram Corporation Ltd.
57. Tamilnadu Trade Promotion Organisation
58. Utkal Ashok Hotel Corporation Ltd.
59. Vaishali Power Generating Co. Ltd.
60. Vignyan Industries Ltd.

Appendix-VII

List of CPSEs whose proposals have been cleared by BRPSE

S. No.	Name of the Administrative Ministry/ Department/CPSE	Broad List of the recommendation of BRPSE
	Department of Heavy Industry	
1.	Hindustan Salts Ltd., Jaipur, Rajasthan	Revival as a PSE
2.	Bridge & Roof Co. (India) Ltd., Kolkata	Revival as a PSE
3.	BBJ Construction Co. Ltd., Kolkata	Revival as a PSE
4.	Tyre Corporation of India Ltd., Kolkata	Revival as a PSE
5.	HMT Bearings Ltd., Hyderabad, AP	Revival as a PSE
6.	Praga Tools Ltd., Secunderabad, AP	Revival as a PSE
7.	Braithwaite & Company Ltd., Kolkata	Revival as a PSE
8.	NEPA Ltd., Nepa Nagar, MP	Revival through Joint Venture/disinvestment
9.	Richardson & Cruddas Ltd., Mumbai	Revival through Joint Venture/ disinvestment
10.	Tungabhadra Steel Products Ltd., Bellary, Karnataka	Revival through Joint Venture/disinvestment
11.	Bharat Wagon & Engineering Co. Ltd., Patna, Bihar	Revival as a PSE
12.	Bharat Pumps & Compressors Ltd., Allahabad, UP	Revival through Joint Venture/ disinvestment
13.	Cement Corporation of India Ltd., Delhi	Non-operating units may be closed.Other operating units will be revived as a PSE.
14.	Bharat Ophthalmic Glass Ltd.	Closure
15.	HMT Machine Tools Ltd., Bangalore, Karnataka	Revival as a PSE
16.	Heavy Engineering Corporation Ltd., Ranchi, Jharkhand	Revival as a PSE
17.	Andrew Yule & Co. Ltd., Kolkata	Revival as a PSE
18.	Instrumentation Ltd., Kota, Rajasthan	Revival as a PSE
19.	Bharat Yantra Nigam Ltd.	Closure
20.	Triveni Structurals Ltd., Allahabad, UP	Revival as a PSE
21.	HMT Ltd., Bangalore	Revival as a PSE
22.	HMT Watches Ltd., Bangalore	Revival as a PSE-Closure of Bangalore unit and transfer of Ranibagh unit to State Government before its closure
23.	Bharat Heavy Plate & Vessels Ltd., Visakhapatnam, Andhra Pradesh	Revival through financial restructuring & taken over by BHEL
	Ministry of Textiles	
24.	British India Corporation Ltd., Kanpur, UP	Revival through Joint Venture/disinvestment
25.	National Textiles Corporation Ltd. & its subsidiaries, Delhi and other states	Revival of 15 mills as PSE units and 19 mills through Joint Venture
26.	National Jute Manufacturers Corporation Ltd.	Revival as a PSE

Deptt. of Fertilizers		
27.	Madras Fertilizers Ltd., Manali, Tamil Nadu	Revival as a PSE
28.	Fertilizers & Chemicals Travancore Ltd., kochi, Kerala	Revival as a PSE
Deptt. of Shipping		
29.	Central Inland Water Transport Corporation Ltd., Kolkata	Revival through Joint Venture / disinvestment
30.	Hindustan Shipyard Ltd., Delhi	Revival as a PSE
31.	Hooghly Dock & Port Engineers Ltd. Kolkata	Revival as a PSE
Deptt. of Chemicals & Petrochemicals		
32.	Hindustan Antibiotics Ltd., Pune, Maharashtra	Revival as a PSE
33.	Hindustan Organic Chemicals Ltd., Mumbai	Revival as a PSE
34.	Hindustan Insecticides Ltd., Delhi	Revival as a PSE
35.	Bengal Chemicals & Pharmaceuticals Ltd., Kolkata	Revival as a PSE
36.	Indian Drugs & Pharmaceuticals Ltd., Gurgaon, Haryana	Revival as a PSE
37.	IDPL (Tamil Nadu) Ltd., Chennai	Merger with IDPL
38.	Bihar Drugs & Organic Chemicals Ltd., Muzaffarpur, Bihar	Merger with IDPL
Ministry of Coal		
39.	Eastern Coalfields Ltd., Burdwan, W. Bengal	Revival as a PSE
Ministry of Mines		
40.	Mineral Exploration Corporation Ltd., Nagpur, Maharashtra	Revival as a PSE
41.	Hindustan Copper Ltd., Kolkata	Revival as a PSE
Department of Scientific & Industrial Research		
42.	Central Electronics Ltd., Delhi	Revival as a PSE
Ministry of Water Resources		
43.	National Projects Construction Corporation Ltd., Delhi	Revival as a PSE
Ministry of Steel		
44.	MECON Ltd., Ranchi, Jharkhand	Revival as a PSE
45.	Bharat Refractories Ltd., Bokaro, Jharkhand	Revival through financial restructuring & merger with SAIL
Deptt. of Agriculture & Co-operation		
46.	State Farms Corporation of India Ltd., Delhi	Revival as a PSE
Ministry of Petroleum & Natural Gas		
47.	Biecco Lawrie Ltd., Kolkata	Revival as a PSE
Ministry of Railways		
48.	Konkan Railway Corporation Ltd., Delhi	Revival as a PSE

List of operational Nodal Agencies

Sl. No.	Name of Agency
1.	Associated Chamber of Commerce & Industry of India (ASSOCHAM), Delhi
2.	Central Institute of Plastic Engg. and Technology (CIPET) , Chennai
3.	CIPET, Bhubaneshwar
4.	CIPET, Amritsar
5.	CIPET, Hajipur
6.	CIPET, Guwahati
7.	Central Leather Research Institute, Chennai
8.	Centre for Development of Advanced Computing, Mohali, (Chandigarh)
9.	CMC Ltd.
10.	Electronics Service & Training Centre, Ramnagar
11.	Indian Council of Small Industries, Kolkata
12.	Institute of Entrepreneurship Development, Patna.
13.	Institute of Labour Development, Jaipur
14.	Kalinga Institute of Industrial Technology (KIIT), Bhubaneswar
15.	Madhya Pradesh Consultancy Organisation, Bhopal
16.	MITCON, Pune
17.	National Institute of Small Industry Extension Training (NISIET), Hyderabad
18.	National Productivity Council, New Delhi
19.	National School of Computer Education, Kolkata
20.	National Small Industries Corpn Ltd., New Delhi
21.	NITRA, Ghaziabad
22.	Small Industries Service Institute, Bangalore
23.	Small Industries Service Institute, Chennai
24.	Small Industries Service Institute, Coimbatore
25.	Small Industries Service Institute, Indore
26.	Small Industries Service Institute, Kanpur
27.	Small Industries Service Institute, Kolkata
28.	Small Industries Service Institute, Patna.
29.	Small Industries Service Institute, Raipur
30.	U.P. Industrial Consultants Ltd., Kanpur
31.	Academy Suburbia, Kolkata

सत्यमेव जयते

Ministry of Heavy Industries and Public Enterprises

Government of India