



# Annual Report 2013-2014

- Heavy Engineering
- Machine Tools
- Power Equipment
- Automobiles
- Public Sector Enterprises



**Government of India**  
**Ministry of Heavy Industries and Public Enterprises**



# Annual Report 2013-14

**Ministry of Heavy Industries and Public Enterprises**  
Government of India  
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# Overview of the Ministry of Heavy Industries and Public Enterprises

**1.1** The Ministry of Heavy Industries and Public Enterprises, comprising the Department of Heavy Industry and the Department of Public Enterprises, functions under the charge of Cabinet Minister (Heavy Industries and Public Enterprises). There is a Minister of State for Heavy Industries and Public Enterprises. The Ministry promotes the development and growth of three sectors viz. capital goods, auto and heavy electric equipment in the country, administers 32 Central Public Sector Enterprises (CPSEs), 4 autonomous organizations and frames policy guidelines for Central Public Sector Enterprises (CPSEs) and overall administration of CPSEs.

## **A. Department of Heavy Industry (DHI)**

**1.2** The allocation of work of the Department of Heavy Industry entails promoting engineering industry viz. machine tools, heavy electrical, industrial machinery and auto industry and administration of 32 operating CPSEs and 4 autonomous organizations. The CPSEs under the Department are engaged in manufacture and in consultancy and contracting services. The CPSEs under the Department manufacture a wide range of products Boilers, Gas/Steam/ hydro turbines, industrial machinery, turbo generators, three wheelers, tractors and consumer products such as paper, salt, tyres and watches. 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, power, fertilizers, refineries, petrochemicals, shipping, paper, cement,

sugar, etc. The Department supports the development of a range of intermediate engineering products like castings, forgings, diesel engines, industrial gears and gear boxes. The Department also administers:

- i) Automotive Research Association of India (ARAI) set up in 1966, and ARAI – Forging Industry Division, (ARAI-FID) Pune, Maharashtra set up in 2006,
- ii) Fluid Control Research Institute (FCRI), Palakkad, Kerala set up in July 1987, to cater to the needs of the flow industry for calibration,
- iii) NATRIP Implementation Society (NATIS), set up in July 2005, for guiding the implementation of the National Automotive Testing and R & D Infrastructure Project (NATRIP),
- iv) National Automotive Board (NAB) set up in 2012 to steer, coordinate and synergize all efforts of the government in the automotive sector.

Allocation of Business for the Department of Heavy Industry is given at **Annexure-I**.

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

- 1.4** The Department of Heavy Industry is headed by a Secretary to the Government of India who is assisted by an Additional Secretary, Economic Adviser, two Joint Secretaries, Directors/Deputy Secretaries and a Technical Wing. The Department is also supported by Integrated Finance Wing headed by an Additional Secretary and Financial Adviser. The overall sanctioned strength of the officers/staff of Department (as on 01.06.2014) is 264. The organization chart of the Department is at **Annexure-II**.

## **B Department of Public Enterprises (DPE)**

- 1.5** In their 52<sup>nd</sup> Report, the Estimates Committee of 3<sup>rd</sup> 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 in the Ministry of Finance. Subsequently, as a result of the reorganization of the Ministries/Departments of the Union Government in September, 1985, BPE was made part of the Ministry of Industry. In May, 1990, 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.
- 1.6** The Department of Public Enterprises is the nodal department for all Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. It furthermore collects and maintains information on several areas in respect of CPSEs.
- 1.7** The Board for Reconstruction of Public Sector Enterprises (BRPSE) was set up in December, 2004 to consider inter-alia, revival/restructuring proposals of sick/loss making CPSEs and make suitable recommendations

related thereto. The DPE provides secretariat support to BRPSE.

- 1.8** As per the Allocation of Business Rules of the Government, the following subjects have been allocated to the DPE:-

- Bureau of Public Enterprises including Industrial Management Pool.
- 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.
- Counselling, Retraining and Rehabilitation of employees in Central Public Sector Undertakings under Voluntary Retirement Scheme.

- 1.9** In fulfilling its role, the DPE coordinates with other Ministries, CPSEs and concerned organizations. Some of the important tasks of the Department are listed as follows:-

- 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.
- Investiture and review of Maharatna/Navratna/Mini Ratna status to 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 between the public sector enterprises and the administrative Ministries/ Departments.
- Policy relating to Voluntary Retirement Scheme in CPSEs.
- Matters relating to Counseling, 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 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.

**1.10** DPE is headed by a Secretary to the Government of India who is assisted by an establishment with an overall sanctioned strength of 122 officers / personnel. The organizational structure of DPE is at ***Annex-1.***





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# **Department of Heavy Industry (DHI)**

## **Vision**

**'To have**

**Modern, Healthy and Robust**

**Auto, Heavy Engineering, Heavy Electrical &**

**Capital Goods Sectors**

**And**

**Self-reliant & Growth Oriented**

**Public Sector Undertakings**

**Under the Department.'**

## **Mission**

- "The Department of Heavy Industry (DHI) strives to bolster profit making PSEs as well as restructure and revive sick and loss making PSEs under its administrative control.
- The DHI seeks to achieve its vision of global automotive excellence through creation of state- of- the- art Research and Testing infrastructure through the National Automotive Testing and R&D Infrastructure Project (NATRIP).
- The DHI seeks to achieve its vision by providing necessary support to the Auto, Heavy Engineering, Heavy Electrical and Capital Goods Sector".





# Chapter 1

## Introduction

### 1.1 Performance of Industry

**1.1.1** The industrial performance is measured in terms of Index of Industrial Production (IIP). IIP registered a negative growth of (-) 0.1% in 2013-14 compared to 1.1% in 2012-13. Manufacturing sector also recorded a negative growth of (-) 0.8% in 2013-14 compared to 1.3% in 2012-13. The Mining & Quarrying and Electricity sector posted growth rates of (-) 0.8% and 6.1% respectively during 2013-14

compared to (-) 2.3% and 4.0% in 2012-13.

**1.1.2** Capital goods sector registered a negative growth of (-) 3.7% during 2013-14 compared to (-) 6.0% in 2012-13. Consumer goods, Basic goods, and Intermediate goods recorded growth of (-) 2.6 %, 2.0 %, and 3.0 % respectively during 2013-14. The consumer durables sector recorded a growth of (-) 12.2% in 2013-14 compared to 2.0% in 2012-13.

INDUSTRIAL GROWTH INDICATORS			
Base: 2004-05			
Item	Weight	2012-13	2013-14
	(%)		
1	2	3	4
<b>Sectoral Growth Rates based on IIP (in per cent)</b>			
Overall	100.0	1.1	-0.1
Mining & Quarrying	14.2	-2.3	-0.8
Manufacturing	75.5	1.3	-0.8
Electricity	10.3	4.0	6.1
<b>Use Based classification (in per cent)</b>			
Overall	100.0	1.1	-0.1
Basic goods	45.7	2.4	2.0
Capital goods	8.8	-6.0	-3.7
Intermediate goods	15.7	1.6	3.0
Consumer goods	29.8	2.4	-2.6
Durables	8.5	2.0	-12.2
Non-durables	21.3	2.8	5.2

Source: Central Statistics Office

**1.2 The Department of Heavy Industry has also been allocated the following Industrial Sectors as subjects:**

- (a) Heavy Engineering Equipment and Machine Tools Industry
- (b) Heavy Electrical Engineering Industry
- (c) Automotive Sector, including Tractors and Earth Moving Equipment.

**1.3 19 Industrial Sub-sectors under 1.2 (a), (b) and (c) are as under:-**

- (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 Locomotive
- (xvi) Sugar Machinery
- (xvii) Turbines & Generator Set
- (xviii) Transformers
- (xix) Textile Machinery

**1.4 CPSEs under the Department of Heavy Industry:**

- 1.4.1 There are 32 operating CPSEs under the Department engaged in manufacturing, consultancy and contracting services.
- 1.4.2 The total investment (Gross Block) in the 32 operating CPSEs under the Department was ₹ 18309.08 crore, as on 31.3.2014, as per details given at **Annexure-III**. The total number of employees in these CPSEs is 82357. The number of SC, ST and OBC

employees is 15129, 8605 and 24234 respectively as per details at **Annexure-IV**.

- 1.4.3 Out of the 32 CPSEs, 15 are making profit and the remaining 17 are incurring losses. However, on an aggregate basis, 32 CPSEs of DHI show a net profit before tax of ₹ 1944.34 crore in 2013-14 (Provisional). The targets for 2014-15 is as under:

(₹ crore)

	2013-14 (provisional)	2014-15 (Target)
Production	46381.78	53478.80
Profit (+)/Loss(-)	1944.34	1322.83

(CPSE-wise details of production, profit/loss are enclosed at **Annexure-V & VI** respectively.)

- 1.4.4 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, difficulty to adjust to changing market products/technology/competition, 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**.

- 1.4.5 As on 31.3.2014, the order book of CPSEs, under the Department stands at ₹ 156285.17 crore. (**Annexure -VIII**). Major exporting CPSE is BHEL and details of export performance of CPSEs under DHI are given at **Annexure-IX**. Details of Government equity, net worth and accumulated profit/loss of these CPSEs are given at **Annexure X**. Dividend Paid by the CPSEs under the Department of Heavy Industry, to the government for the year 2013-14 are.

BHEL	₹ 1323.00 crore
EPI	₹ 7.08 crore
B&R	₹ 2.73 crore (Interim)

## 1.5 Restructuring of CPSEs

The Department undertakes and encourages restructuring of CPSEs under its administrative control in line with the overall policy of the Government. The loss making CPSEs are considered for revival/closure. Board for Reconstruction of Public Sector Enterprises (BRPSE) has given its recommendation in all the 28 cases referred to them. The CPSEs revived are:

- i) Andrew Yule & Company Ltd. (AYCL),
- ii) Bridge & Roof Co. Ltd. (B&R),
- iii) Hindustan Salts Ltd,
- iv) Braithwaite, Burn & Jessop Construction Co. Ltd. (BBJ),
- v) Praga Tools Ltd. (PTL),- Merged with HMT (MT) Ltd,
- vi) HMT (Bearing) Ltd. [HMT(B)],
- vii) Heavy Engineering Corporation Ltd. (HEC),
- viii) Braithwaite and Company Ltd. (BCL) - Transferred to Ministry of Railways on 6/8/2010,
- ix) Cement Corporation of India Ltd.,
- x) HMT Machine Tools [HMT(MT)],
- xi) Bharat Pumps and Compressors Ltd. (BPCL),
- xii) Bharat Heavy Plates & Vessels Limited (BHPV)-Taken over by BHEL on 7.5.2008,
- xiii) Tyre Corporation of India Limited (TCIL),
- xiv) Instrumentation Limited (IL),
- xv) Bharat Wagon & Engineering Company Ltd. (BWEL)- Transferred to Ministry of Railways on 13.8.2008,
- xvi) Burn Standard Company Ltd. (BSCL) - Transferred to Ministry of Railways on 15.9.2010,
- xvii) NEPA Ltd,
- xviii) Scooter India Limited (SIL),
- xix) HMT Limited,

xx) Nagaland Pulp and Paper Company Limited.

Besides, in case of Bharat Ophthalmic Glass Ltd. (BOGL) and Bharat Yantra Nigam Ltd. (BYNL), closure has been approved by the Government. In the case of National Instruments Ltd., Government has transferred the assets and liabilities to Jadavpur University, Kolkata. Details of financial package approved by the Government, for the CPSEs mentioned above, are at **Annexure-XI**.

## 1.6 Autonomy to CPSEs/Navratnas and Miniratnas

BHEL is a Maharatna CPSE in the Department. Maharatna CPSEs have been provided greater autonomy in respect of capital expenditure, formation of strategic alliance and formulation of HRD policies etc. Besides BHEL, a Navratna Company, seven CPSEs under DHI namely BPCL, B&R, EPI, HMT (I), HNL, HPC, and REIL have been categorized as Miniratnas. Miniratna CPSEs have also been empowered with certain enhanced delegation of powers.

## 1.7 Memorandum of Understanding (MOU)

With a view to giving greater autonomy to the public sector enterprises and make them accountable for achieving their objectives, CPSEs under the Department signed MOUs with Government of India/Holding companies for the year 2014-15.

## 1.8 Plan Programmes of Department of Heavy Industry:

During the 12<sup>th</sup> Five Year Plan (2012-17) an outlay of ₹ 22223.32 crore with a Gross Budgetary Support of ₹ 4680 crore has been allocated and the following Central Sector Schemes have been taken up in the Department:

### 1.8.1 National Automotive Testing and R&D Infrastructure Project (NATRIP)

National Automotive Testing R & D Infrastructure Project (NATRIP) was approved



by the Government on 25<sup>th</sup> July 2005 and notified by the Department of Heavy Industry on 31<sup>st</sup> August 2005. NATRIP envisages setting up of world-class automotive testing and homologation facilities in India, with a total investment of ₹ 2286.06 crore. The principal facilities will come up in the three automotive hubs of the country, in the South, North and West. The project aims at (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.

#### 1.8.2 **Restructuring of CPSEs under DHI/FCRI and Schemes towards promotional measures, modernization of offices, IT etc.**

The process of restructuring CPSEs broadly fall into the category of renewals/replacements, de-bottlenecking facilities and investments in the CPSEs and autonomous institutions as per the revival plans approved by the BIFR/Govt. These schemes are required to sustain the operations of the CPSEs and/or form part of the rehabilitation packages approved by competent authorities.

#### 1.8.3 **Jagdishpur U.P. Paper Mill Project of Hindustan Paper Corporation Ltd. (HPC)**

The Government approved setting up of Jagdishpur Paper Mills Limited, a Greenfield Pulp and Paper Project at Jagdishpur, District Amethi, Uttar Pradesh at a cost of ₹ 3650 crore to be implemented in two phases. The revised project cost would be ₹ 1650 crore in Phase I and ₹ 2000 crore in Phase II.

Government equity portion in phase I would be ₹ 733 crore and debt would be ₹ 917 crore to be obtained from Banks/FIs against Government Guarantee.

#### 1.8.4 **Scheme for Enhancement of Competitiveness in Capital Goods Industry**

As part of the recommendations of the Twelfth Plan Working Group on "Capital Goods and Engineering Sector" the Scheme for enhancement of competitiveness in Capital Goods,' envisages Common Facility Centres, Acquisition of Technology, Cluster Parks, R & D through Domestic Centres of Excellence for Technology Development.

#### 1.8.5 **Schemes for North Eastern Region (NPPC, CCI & AYCL)**

Under the Department of Heavy Industry, the following CPSEs/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.

These CPSEs/Units are engaged in the manufacturing of Paper, Cement and Tea. As per the policy of the Government, 10% of the mandatory budget of the Department is being allocated for the development of North Eastern. During financial year 2014-15, ₹ 70 crore has been allocated to CPM/HPC and ₹ 25.00 crore to NPPC.

#### 1.9 **Audit observations of Comptroller & Auditor General of India (CAG)**

As per the requirement stipulated by the CAG, a 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

This Department administers 32 operating Public Sector Enterprises (CPSEs). These CPSEs have played a role in the industrial development of the country. Ranging from heavy electrical engineering equipment, the CPSEs cater to diverse sectors of the economy including civil construction, heavy machinery, precision tools, consultancy, tea plantation etc. A brief write up on the operational CPSEs under the Department is given below.

#### 2.1 Andrew Yule & Co Ltd. (AYCL)

Andrew Yule & Co Ltd. (AYCL) was established in 1863. It was converted into Public Limited Company in 1938 and a Public Sector Enterprise in 1979. The company is engaged in manufacture, sales and servicing of various industrial products like industrial fans, air pollution control equipment, tea machinery, electrical equipment including switchgears, circuit breakers, small scale transformers etc. as well as cultivation, manufacture and processing of tea through its three operating Divisions viz. (i) Engineering Division (ii) Electrical Division, and (iii) Tea Division. AYCL received "BRPSE" Turnaround Award-2011", MoU Excellance Award-2009/2010 in the category of "Best Turnaround CPSE" in 2012. The turnover during 2013-14 increased by 11.14%. The company registered a net profit i.e. profit before tax of approximately ₹ 22.29 crore during 2013-14 compared to ₹ 11.35 crore in 2012-13.

#### 2.2 Hooghly Printing Company Ltd.

Hooghly Printing Company Ltd.(HPCL) is a wholly-owned subsidiary of Andrew Yule & Co. Ltd. (A Govt. of India Enterprise). The

Company is engaged in printing business for the last 90 years and is equipped for various printing assignments like multi coloured newsletter, leaflets, folders, calendars, books etc. The production and net profit of the company during 2013-14 are worth ₹ 15.60 crore and ₹ 0.15 crore respectively against the production of ₹ 9.50 crore and the net profit of ₹ 0.11 crore for the year 2012-13 respectively.

#### 2.3 Bharat Heavy Electricals Ltd. (BHEL)

Established in 1964, BHEL is India's largest engineering and manufacturing company of its kind engaged in the design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz. Power, Transmission, Industry, Transportation, Renewable Energy, Oil & Gas and Defence. The company has been earning profits continuously since 1971-72 and paying dividends since 1976-77. In recognition of its consistent high performance, BHEL has been conferred with 'Maharatna' status by Government of India on 1<sup>st</sup> February, 2013. It is now one among the seven Maharatna CPSEs.

With Hon'ble Prime Minister of India dedicating the Power Plant Piping Unit at Thirumayam Tamil Nadu, the 16<sup>th</sup> manufacturing unit of BHEL, to the Nation on 2<sup>nd</sup> Aug 2013 and BHPV merging with BHEL, as 17<sup>th</sup> Unit, BHEL today has a widespread network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, 8 overseas offices, 15 regional centres, 6 joint

ventures companies 1 subsidiary company and infrastructure to execute more than 150 project sites across India & abroad.

BHEL supplies steam turbines, generators, boilers and matching auxiliaries up to 800 MW ratings which include sets of 660/700/800 MW rating based on state of the art supercritical technology. The Company has capabilities to offer sets upto 1000 MW unit rating. The company has also enhanced its capability to deliver 20,000 MW of power equipment per annum to address demand for power generation equipment.

As part of its endeavor to enhance value generation in-house and facilitate movement of large size parts by being in close proximity to forthcoming power projects sites, the foundation stone for the new Greenfield Power Equipment Fabrication Plant of BHEL at Bhandara, Maharashtra was laid by the Hon'ble Chief Minister of Maharashtra on 14<sup>th</sup> May, 2013.

BHEL is the only Indian company capable of manufacturing large-size gas-based power plant equipment, comprising of advanced-class gas turbines up to 289 MW (ISO) rating for open and combined cycle operations. BHEL is one of the few companies worldwide, involved in the development of Integrated Gasification Combined Cycle (IGCC) technology which would be able to fire in clean conditions low grade coal such as lignite. As a commitment to promote clean coal technology & energy security, it has taken up design & development of Advance Ultra supercritical technologies which will have enhanced thermal efficiency. To make efficient use of high ash content coal available in India, BHEL also supplies Circulating Fluidized Bed Combustion (CFBC) boilers for thermal plants.

With installed capacity of over 1,15,500 MW of BHEL make Utility sets, BHEL maintained its lion's share of 57% in the country's total installed capacity comprising Thermal, Hydro and Nuclear Sets as on 31<sup>st</sup> March, 2013. As

against this, BHEL supplied sets contributed 66 % of total power generated in the country in the year 2012-13. This demonstrates clearly the superior performance of BHEL manufactured and supplied sets.

High level of quality & reliability of the Company's products is due to adherence to international standards by acquiring and adapting some of the best technologies from leading companies in the world and through in house innovations. BHEL, where Quality has taken deep roots as per internationally recognized quality systems, has once again made significant achievements by securing two 'CII-ITC Sustainability Awards 2012' for Strong Commitment towards sustainability and commendation for Significant Achievements in TQM by two units of BHEL.

While Power sector will continue to remain major contributor in the company's top line in the future, Transportation, Transmission and Renewable are emerging as next big business verticals. Strategies are in place to also strengthen our presence in Nuclear and Water segments. The company has also entered into a number of strategic joint ventures to leverage its strength to promote its businesses. Major strategic initiatives taken recently, which have set pace for future business include:

- BHEL has signed an MoU with Indian Railways for setting up a green field factory in Rajasthan for manufacturing of Mainline Electric Multiple Units (MEMU) coaches for Railways in order to meet increasing demand of Railway for these Coaches. Foundation stone of the Factory at Bhilwara was laid on 25<sup>th</sup> February, 2013.
- In a bid to address the aspirations of the company to become a significant player in Oil & Gas sector and an eminent supplier of Industrial Boilers, Nuclear Steam Generator & supplier of equipment for other process

industries, merger of BHPV, as a 100% subsidiary of BHEL has been completed and the merged entity is named as Heavy Plates and Vessels Plant (HPVP), BHEL.

- In a bid to make headway in new product areas like Alternators for Traction Applications etc., facilities of BHEL-EML, a Joint venture of BHEL and Kerala Govt., are being leveraged.
- Company has constituted R&M Systems Group (RMSG) to address emerging opportunities in Renovation and Modernization of Power Plants.
- Global warming, climatic change, increasing costs of fossil fuel are driving the demand for renewed focus on Renewable Energy. With the government giving impetus for accelerated growth in this area, BHEL has been in the forefront by supplying & commissioning large size standalone as well as Grid interactive Solar Power plants. Currently, two Solar PV projects of 10MW each are being executed for NTPC. As a part of commitment to sustainable development under the green initiative, a 5 MW SPV plant is also under installation at BAP, BHEL Ranipet. Setting up of a 450-500 MW Greenfield facility for manufacturing of SPV modules covering entire value chain has also been initiated to become a dominant player in renewable energy space.
- In order to provide EPC solutions in the area of Concentrated Solar Thermal Power (CSP), an **agreement with Abengoa**, Spain is already in place. The company is working jointly with IIT-Jodhpur & IOCL for Research Design & Development (RD&D) activities of products & systems in Concentrated Solar Thermal area.

- To remain technologically state of art, Company has given new directions & focus to innovation ecosystem with collaborative Research & Development being the cornerstone. MOUs have been signed with various National & International R&D Institutions and Academia. These include MOU with CSIR India; Battelle India - Subsidiary of Battelle, USA among others.
- As a part of its aim to expand offerings through strategic tie-up in International arena, an MoU has been signed with the Ministry of Energy and Industry, Tajikistan in September, 2012 for setting up of two Hydro Power Projects (2x50 MW) on Zeravshan River, Tajikistan.
- With a view to establishing long-term relationships with key customers who can bring long-lasting value to the company, Enterprise Framework Agreement (EFA) has been signed with Shell on 6<sup>th</sup> November, 2012 for the supply of Gas Turbine Generator (GTG) packages to select Shell locations in Asia-Pacific, Middle-East, Central Asia, Eastern Europe and Africa.

### Performance Highlights

During the financial year 2013-14, the Company has achieved a turnover of ₹ 40366 Crore (prov.) despite difficult business environment where Power and Industrial segments witnessed fewer project finalizations due to issues relating to fund constraints, land acquisition, environmental clearances, coal linkages etc. even in ongoing projects.

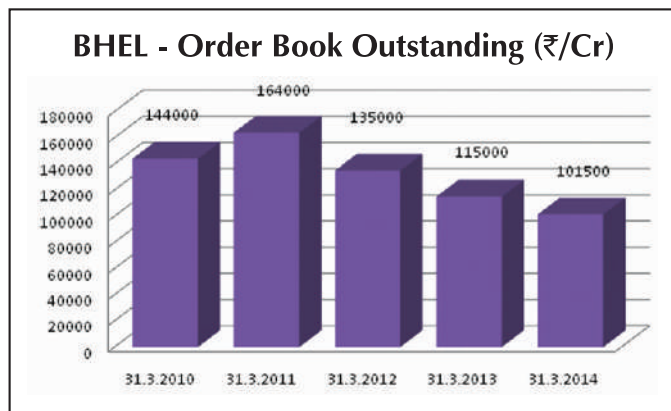
For the year 2013-14, Profit Before Tax (PBT) stood at ₹ 4678 Crore (prov.) and Profit After Tax (PAT) stood at ₹ 3228 Crore (prov.).

Net worth of the company has gone up from ₹ 30444 Crore in 2012-13 to ₹ 32733 Crore (prov.) in 2013-14 registering an increase of 7.52%. NAV per share has gone up from ₹ 124.38 Crore in 2012-13 to ₹ 133.73Crore (prov.) in 2013-14.



During 2013-14 exports turnover, including Deemed export turnover, stood at ₹ 19240 Crore (prov.) which includes Physical export of ₹ 2481 Crore as compared to ₹ 1998 Crore in 2012-13 recording a growth of 24%.

During the year 2013-14, the company received orders worth ₹ 28007 Crore. The total order book outstanding at the end of March 2014 available for execution in 2014-15 and beyond stood at ₹ 101500 Crore.



The Financial Turnover and PBT for the year 2014-15 is targeted at ₹ 45600 Crore and ₹ 4825 Crore respectively. These projections for 2014-15 (Target) are subject to revision as per MoU discussions.

### Manufacturing Highlights

- BHEL Hyderabad, Pumps division successfully tested first supercritical 800 MW Booster Pump (MHI-design) on 29<sup>th</sup> June 2013 for RPCL- Yeramarus project.



**800 MW Pump testing facility at BHEL-Hyderabad**

- Bhopal developed largest CACA vertical Induction Motor of 4370 kW, 20P for Sea Water pump application for NPCIL Bhavini.



**Vertical Induction Motor for Bhavini**

- A new variant of 660 MW Tri-Sector Air Preheater (33 VIMT 2000) was developed indigenously for DBPL, Singrauli 2X 660 MW Supercritical Boiler by BAP, Ranipet.

### Major orders received during 2013-14

During the year BHEL secured following prestigious orders:

- Entry into new market segments:
  - BHEL has achieved a landmark by securing the maiden order for supply of 3 nos. 1500HP Oil Rigs to Indonesia. This is BHEL's first overseas foray for Oil Rigs.
  - BHEL has accomplished a breakthrough by securing an order for Long term Service Agreement (LTSA) for the first time in overseas market from M/s EGCB, Bangladesh for 2 x 120 MW Siddhirganj Gas based Power Plant.
  - BHEL has secured the largest order for export of Capital Spares from Middle East for Al Ghail Power Project, UAE.
- For the first time, an order for motors was secured from M/s Zambezi Portland Cement, Zambia.
- Repeat Orders – BHEL received repeat orders for Wellheads from Amran Establishment LLC, Oman (since 2006). Secured repeat orders for last three years continually for Control Equipment from Metso Automation, USA and Slip Ring Induction motors from Mombasa Cement Ltd., Kenya.



## Execution of Major Overseas Orders during 2013-14

In the year 2013-14, a major milestone of the year was the commissioning of seven power plant units in Sudan, Belarus, Ethiopia, Vietnam, New Caledonia and Indonesia totaling to 653 MW, more than two times with respect to last year.

The major projects executed during the year are:

- Sudan – 4 × 125 MW Kosti Thermal Plant – Unit 1 & 2
- Belarus – 126 MW Grodno-II Power plant
- Ethiopia – 2 x 12.5 MW Fincha Sugar Factory – Unit-2
- Vietnam – 2 x 100 MW Nam Chien Hydro Project – Unit-2
- New Caledonia – 2 x 135 MW Koniambo Nickel SAS (Boilers) – Unit-1
- Indonesia – 2 x 30 MW PT MSW (Boilers) – Unit-2
- Iran – Hydrogen Recycle Compressor, Tabriz Refinery

BHEL is currently executing 28 overseas projects. During the year BHEL secured following prestigious orders:

### Power Sector

The uncertainties continue to plague power sector and no major orders were finalized during Apr'13 - Sep'13 in the country. However, following major orders have been received as on date:

- SG Package for 2x500 MW NLC/ Neyveli Thermal Power Project.
- BTG & Electrics Package for 1x500 MW NBPL/ Unchahar Thermal Power Project.
- Over ₹ 2035 crore of orders have been secured for R&M including spares and services

### Industry Sector

BHEL bagged orders worth ₹ 5473 Crore in 2013-14 as compared to ₹ 4500 Crore in 2012-13 for a wide

variety of products & systems in Captive Power, Rail Transportation, Power Transmission, Oil & Gas, Renewable Energy, Defence, Water Business and other industrial sectors from different customers.

### Major orders received during the year:

- RUPPL, Hazira (4 x 93.1 MW) and Dahej (3 x 90.3 MW) STG Sets against international competition from Siemens, Skoda, GE and Man-Turbo.
- 3 x Fr6B GTG Sets for BPCL, Kochi.
- First single cylinder 150 MW steam turbine suitable for Air Cooled Condenser operation from M/s Gammon India for Nagai Power Pvt. Ltd.
- Largest quantity orders in a single year received for Transformers (85 nos.), IGBT Converter (33 Sets) & DEMU Electrics (45 Sets).
- Highest value order for 5 nos. 76/62 Super Rapid Gun Mount received from PDOECL (Pipavav Defence and Offshore Engineering Company Limited).
- Highest value orders for substations received from different customers include:
  - 400 kV substations with associated transmission lines for MPPTCL, Jabalpur.
  - Turnkey establishment of 400/230/110 kV Anikadavu and 400/110 kV Thappagundu substation of TANTRANSCO.
  - Extensions of 400 kV substations at Karaikudi, Pugalur, Kalavinthapattu, Abhishekapatty, Durgapur, Maithon, Biharshariff & Purnea for POWERGRID.
- Highest order booking of 24 MW for Solar Photovoltaic Power Plants including highest rating of 15 MW for NTPC, Singrauli.
- Order for First of its kind 25 kW Solar Power Plant on platform shelter at Gurgaon Railway Station from RITES.

- First order of Water Treatment System in Petrochemical sector for 96 MLD (Million Litres per Day) Raw Water Treatment Plant (Membrane Filtration based) from OPAL.
- 3 nos. Centrifugal Compressors for FCC Wet Gas, DHDT Recycle Gas and VGO Recycle Gas from M/s Kochi Refinery Limited.
- 2 Nos. BFP Drive Turbines and 1 No. Process Pump Turbine from M/s ISGEC for BPCL, Kochi.
- Well Head and Xmas Trees from M/s ONGC/OIL/SELAN.
- Orders from NTPC of 1592 nos. MV Switchgear for Nabinagar, Kudgi, Vindhyachal and Gadarwara projects, first order for MV Switchgear for 660 MW and 800 MW Supercritical sets.
- Order from Toshiba JSW Power Systems Pvt. Ltd. for 5 MVA 23.5 kV dry type excitation transformer from NTPC Mejia.
- 7 STG sets (643 MW) from Reliance Utility & Power Limited for their Hazira & Dahej units.
- 39 nos. Single-Phase Freight Transformers from CLW Chittaranjan.

**Other business highlights include:** Highest ever synchronization of 1698 MW was achieved comprising of 1682 MW CPP projects and 16 MW of Solar PV projects during FY14.

During 2013-14 orders worth ₹ 2725 crore have already been secured upto Sep' 13 for various Industrial systems & products.

### Exports

The global economy remains sluggish, especially the global power plant market remains difficult and uncertain. New projects are not forthcoming and planned projects are also being put on hold or on slow execution path.

In spite of such trends, focused efforts have helped the company to not only maintain but consistently expand its global reach.

### Expansion of Manufacturing Facilities

- **Transportation:** BHEL supplied & installed IGBT propulsion equipment (Traction Converter/ Auxiliary Converter/VCU) now account for more than 50% of IGBT based locomotives in operation by Indian Railways.
- **Defence Business:** A Maiden achievement with successful commissioning of first ship set P15A Auxiliary Control System for the Indian Navy.
- **Renewable & Water Business:** First largest capacity grid interactive solar power plant of 5 MW installed & grid connected at BHEL Ranipet.
- **Industrial Products (Electrical):** BHEL has successfully designed, manufactured & tested 6 MW, 6.6 KV, 1500 RPM vertical cage Induction Motor for critical application for nuclear reactor of M/s NPCIL KAPP-3&4 and RAPP-7&8. The motor has been specially designed to withstand the special accidental condition 'LOCA' (Loss-of-Coolant Accident) in a nuclear power plant.  
  
BHEL developed India's largest rating 20.5 MW, 11KV, 1500 RPM motor for Boiler Feed Pump application. This development has opened the door for BHEL to supply large rating BFP Motors to Super Critical Thermal Power Plants of 660 & 800 MW range.
- **Industrial Products (Mechanical):** For the first time in the country, BHEL has successfully manufactured, tested and supplied 2000 HP AC-AC VFD Rig for ONGC, a new generation AC-AC Variable Frequency Drive (VFD) in association with technology partner M/s NOV (National Oilwell Varco), USA.
- **Regional Operations Division:** Successfully completed engineering and design work related to complete range of 765 kV Power Transformers comprising of Generator Transformers, Inter-connecting Transformers and Shunt Reactors with latest state of the art technologies for the 3x660 MW Lalitpur

Supercritical Thermal Power Station (TPS) in Uttar Pradesh.

- **Transmission Business Group:**

- i) **UHV Segment:** Constructed and successfully commissioned 765/400kV substation 6 months ahead of the schedule at Raichur in Karnataka, the Southern end of 765kV Raichur-Sholapur transmission link of POWERGRID.
- ii) **EHV Segment:** Successfully commissioned 220 kV Switchyard for 1x250 MW Unit 8 of Durgapur Projects Power Station for DPL
- iii) **HVDC:** BHEL is executing the 800 kV, 6000MW, Multi-terminal HVDC NE Agra project, the largest ever global HVDC project under construction.
- iv) **GIS:** BHEL has expanded its EPC presence in the field of GIS covering 33 KV, 66 KV, 132 KV, 220 KV and up to 400 KV backed by in-house engineering & integration expertise

### Other Significant Achievements

During 2013-14, BHEL continued its tradition of bagging prestigious national/international awards. BHEL received all round recognition & commendations for its performance on various fronts. The company has been honoured with many significant awards which included:

- NITIE 'Lakshya Business Visionary Award' 2013.
- BHEL won the 'BT-Star PSU Excellence Award 2013 for Excellence in Innovation (Tech/R&D)' in the Maharatna/Navratna category.
- 'Governance Now PSU Award 2013' for 'Lasting Impact on Indian Economy'.
- Business Today Best CPSE CFO Award.
- M/s Druk Green Power Corporation Limited commended the exemplary quality and

performance of BHEL equipment installed at 6 x 170 MW Tala Hydroelectric Project in Bhutan

- The BGR-ENERTIA Commemoration Award for 'Technology & Enterprise Innovation' - Conventional Energy (Thermal, Nuclear etc.).
- 'India Pride Award 2013' for Excellence in Heavy Industries.
- 'PSE Excellence Award 2013' for R&D, Technology Development & Innovation by Indian Chamber of Commerce (ICC).
- CMD, BHEL received IET outstanding engineer award of 2013 in IET seminar held in October, 2013.
- AIMA Managing India Award for being the Outstanding PSU of the Year.
- BHEL wins ICAI National Award for Excellence in Cost Management for the eighth consecutive year.
- BHEL wins Golden Peacock Award 2013 for Innovation Management.

### Development of Human Resource

BHEL's human resource management systems and processes are geared towards creating a responsive, customer-centric and market-focused culture that enhances organizational capability and vitality equipped to leverage emerging market opportunities. Consistent with HRD Mission statement "To promote and inculcate a value-based culture utilizing the fullest potential of Human Resources for achieving the BHEL Mission", the Company enables the human resources to unearth and hone their potential through a step by step strategic long term training process and several short term need based programs.

### Major Activities during 2013-14:

- BHEL has conducted total 92 programmes at HRDI/HRDCs/ Washington D.C. covering 317 programme days and 3534 participants.
- Overall 64 training programmes were conducted at HRDI. Based on the Feedback of 30 programmes following was observed:
  - Programme Effectiveness Feedback - 87.82%

- Faculty Feedback - 84.01%
- General Administration Feedback - 85.40%
- In collaboration with NTPC, major customer of BHEL, a top management programme - "Strategic Management Initiative for Leadership Effectiveness (SMILE) Towards Global Strategic Leadership" was held for 13 days at Greater Noida, and Washington D.C. by International Management Institute, New Delhi in two phases: Domestic and Overseas.
- A total of 8 General Management Programmes were conducted during the year with an aim of facilitating a larger number of eligible managers to become effective leaders.
- The Advanced Management Programme "Leadership and Management Professionals (LAMP)" was organized. It was based on the Leadership and Managerial Profession Model of Louis Allen International, USA.
- HRDI organized a review workshop of People Development initiative in August, 2013 for the HRD Heads and trainers via video conferencing covering 50 participants from major units.

## Corporate Governance

BHEL has established a sound framework of Corporate Governance which underlines commitment to quality of governance, transparency disclosures, consistent stake holders' value enhancement and corporate social responsibility.

The Vision of BHEL envisages "being a global engineering enterprise providing solutions for a better tomorrow" and its Mission is "Providing sustainable business solutions in the fields of Energy, Industry and Infrastructure".

The Corporate Governance Policy of BHEL rests upon four pillars of Transparency, Full Disclosure, Independent Monitoring and Fairness to all. To strengthen this, BHEL has signed an MoU with Transparency International to adopt 'Integrity Pact'. BHEL's corporate structure, business procedures and

disclosure practices have attained a sound equilibrium with Corporate Governance Policy resulting in achievement of goals as well as high level of business ethics.

BHEL's Corporate Governance policy is based on following principles:

- Independence and versatility of the Board.
- Integrity and ethical behaviour of all personnel.
- Recognition of obligations towards all stakeholders—shareholders, customers, employees, suppliers and the society.
- High degree of disclosure and transparency levels.
- Total compliance with laws in all areas in which the company operates.
- Achievement of above goals with compassion for people and environment.

## Social Responsibilities

It has been BHEL's endeavour to act as a responsible corporate citizen committed to working for welfare of the society through inclusive growth aimed at capacity building, empowerment of communities, environment protection, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society. In line with this commitment, company supports various social initiatives across the country by undertaking projects in diversified areas like Education, Community Development, Health, Environment Enrichment, Vocational Training, Skill Development, Disaster/Calamity Management and Infrastructure Development.

## 2.4 BHEL-Electrical Machines Limited

BHEL-EML is a subsidiary of BHEL formed in 2011 as a joint venture organization between BHEL and Government of Kerala. The focus area identified was to manufacture different alternators and other rotating electrical machines and to integrate its alternators with outsourced Diesel Engines, besides providing the customers with Diesel generator sets. Currently BHEL-EML manufactures and markets

Diesel Generator sets as well as Alternators up to 2000KVA capacity, the main market segment for which is the Indian Railways and various private power generators. It also caters to the needs of various private and Government sector customers for their in house power generation and also the standby and emergency generators for Power plants.

BHEL-EML focuses on supply of the Railway Train Lighting alternators and rectifier regulating units. BHEL-EML also in-house manufactures and supplies the Rectifier Regulating Units to the Railway Coach factories.

## **CORPORATE GOVERNANCE**

The Vision of BHEL-EML is "To be a sustainable Engineering Enterprise in the field of Electrical Machines" and its Mission is "To create and facilitate the development and supply of products and services, conforming to international standards and fulfilling stakeholder expectations."

## **SOCIAL RESPONSIBILITIES**

Emphasizing upon the commitment towards environment and sustainable use of natural resources, BHEL-EML has undertaken a sustainable rain water harvesting project, in addition to a forestation program in its premises to keep the environment green.

## **FINANCIAL PERFORMANCE**

While the Company's turnover increased by 26% in the 2012-13 and by 50% in the year 2013-14, the provisional figure of Profit before Tax for the year 2013-14 is loss of (-) ₹ 1.06 cr compared to a loss of ₹ (-) 0.55 cr in 2011-12.

## **SIGNIFICANT ACHIEVEMENTS**

In the year 2013-14, BHEL-EML has executed DG Sets for Power plants for Parbati and Tuirial projects. BHEL-EML has also undertaken renovation of the DG set at Chutak project. BHEL-EML has executed order for 27 Nos of Power cars DG Sets and 363 Nos orders for Train Lighting alternators and 21 Nos of Special high frequency alternators were manufactured for Defence projects.

### **2.5 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) - Since transferred to Ministry of Railways except Salem Refractory unit which was transferred to the Ministry of Steel.
- ii) Bharat Wagon & Engineering Company Ltd. (BWEL) - Since transferred to Ministry of Railways
- iii) Braithwaite & Company Ltd. (BCL)- Since transferred to Ministry of Railways
- iv) Braithwaite, Burn & Jessop Construction Co. Ltd. (BBJ)
- v) Jessop & Company Ltd. (Majority stake disinvested in August, 2003)
- vi) Lagan Jute Mill Co. (major stake disinvested in July ,2000)

After disinvestment, closure and restructuring, BBUNL at present has only one subsidiary company viz. 'The Braithwaite Burn and Jessop Construction Co., Limited' (BBJ)

The production of the company for the year 2012-13 was ₹16.15 cr. and in 2013-14 is ₹ 10.86 cr. Provisional.

### **2.6 Braithwaite, Burn & Jessop Construction Co. Ltd.**

Braithwaite, Burn & Jessop Construction Co. Ltd. (BBJ) was constituted by Braithwaite, Burn and Jessop in 1935 for the erection of the Howrah Bridge. BBJ turned into a CPSE in 1987 when it became a subsidiary of Bharat Bhari Udyog Nigam Ltd. (BBUNL). The company is engaged in erection and fabrication of Bridges and civil projects. The company was revived in the light of the overall policy of the Government and a restructuring plan for the company was approved by the Government in 2005. The company continues to achieve net profit and is having positive net worth since restructuring. From the financial year 2009-



10, the company reported accumulated profit having wiped out its accumulated losses. The company received the "Turnaround CPSE award" from BRPSE in March 2011. The production of the company in 2012-13 was ₹ 302.11 cr. and in 2013-14 is ₹ 268.00 crore (provisional).

## 2.7 Bharat Pumps & Compressors Ltd.

Bharat Pumps & Compressors Ltd. (BPCL) was incorporated in 1970 with manufacturing facility at Naini, Allahabad in U.P. BPCL is engaged in manufacture and supply of heavy duty Centrifugal Pumps, Reciprocating Pumps, Reciprocating Compressors and High Pressure Seamless Industrial/CNG Gas Cylinders and Cascades to cater the need of Oil Exploration and Exploitation, Refineries, Petro-chemicals, Chemicals and Fertilizers, Power (including Nuclear Power) sectors and other process downstream industries. The Company registered turnover decreased from ₹ 152.74 crore in 2012-13 to ₹ 150.26 (Prov) crore in 2013-14. The loss of the Company has gone down from ₹ 26.76 crore in 2012-13 to ₹ 12.47 (Prov) crore in 2013-14.

## 2.8 Bridge & Roof Company (India) Ltd.

Bridge & Roof Co. (India) Ltd (B&R) is a premier construction and engineering company in the field of Civil and Mechanical Construction and Turnkey Projects in various sectors such as hydrocarbon, power, aluminum, steel, railways, etc. The company was set up in 1920 as a subsidiary of Balmer Lawrie & Company Limited. Subsequently, it became a Government Company in 1972 under the Ministry of Petroleum & Natural Gas. In June 1986, the administrative control of B&R was transferred to the Ministry of Heavy Industries and Public Enterprises and it was subsequently brought under the fold of the holding company, M/s. Bharat Yantra Nigam Limited (BYNL), Allahabad, in 1987. Consequently to the decision taken by GOI,

BYNL ceased to be the Holding Company of B&R from 06.05.2008 and B&R came directly under the Department of Heavy Industry. The Company's capital restructuring and strengthening proposal was approved by GOI on 02.09.2005. After financial restructuring in 2005-06, B&R has exhibited significant growth. The company has been making profit since 2007-08 and awarded Miniratna category-I in 2010. The company's performance during the last few years has been phenomenal and turnover of the company during the year 2013-14 was ₹ 1401.40 crore with PBT of ₹ 26.40 crore. The company has made dividend payment of ₹ 2.74 crore during the year.



Mechanical works for Offsites for Phase-III Refinery Project, Mangalote for Mangalore Refinery & Petrochemicals Ltd.



Supply, Construction, Installation & Commissioning of Additional 3000 m<sup>3</sup>/hr Mist Cooling Water System for Gas Cracker Unit, Pata for GAIL (India) Ltd.

## **2.9 Richardson & Cruddas (1972) Ltd.**

Richardson & Cruddas (1972) Ltd. (R&C) was taken over from private sector in 1972. It has four units – two in Mumbai and one each in Chennai and Nagpur. The company is sick and under reference to BIFR. In July, 2003, the BIFR passed the orders for winding up of R&C. The provisional turnover of the company stood at ₹ 75.00 cr. in year 2013-14. The revival process of the company is under consideration.

## **2.10 Triveni Structurals Ltd.**

Triveni Structurals Ltd. (TSL), located at Naini, U.P. was incorporated in 1965. The company has facility for manufacture of heavy steel structural products, such as tall towers and masts for power transmission, communication and T.V. broadcasting, hydro-mechanical equipment, pressure vessels etc. The company is sick and stands referred to BIFR. BIFR has referred the case to Hon'ble High Court Allahabad for winding up. Meanwhile Employees Union had filed an appeal before AAIFR against BIFR order. AAIFR has since dismissed the case.

## **2.11 Tungabhadra Steel Products Ltd.**

The company was established at Hospet (Karnataka) in 1960 as a joint enterprise of the Government of India along with Governments of Mysore and Andhra Pradesh. The company has facilities for design manufacture supply and erection of hydraulic Gates, Hoists, penstocks pipes, Crane (EOT Crane) special equipments and power generation equipments. The turnover of the company was ₹ 1.174 cr. in 2012-13 and in 2013-14 is ₹ 0.6117 cr. (provisional)

## **2.12 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); Hyderabad (Andhra Pradesh) and

Naini, (Allahabad), (U.P.). HCL is sick and is under reference to BIFR since 2002. Its production activities have been suspended since 2003. As per the recommendation of the BRPSE, various proposals for Joint Venture with HCL and takeover of HCL have been examined. A proposal for takeover of the entire Hindustan Cables Limited (HCL) by the Ordnance Factory Board, Department of Defence Production is under consideration. Another proposal for takeover of Hyderabad unit by Rashtriya Ispat Nigam Limited (RINL) is also under consideration.

As on 31.3.2014 the total employees are 1698 and being paid salary support. During the year 2013-14 an amount of ₹ 39.73 crore was released to HCL under Non Plan loan for the period from 1.4.2013 to 31.8.2013 and ₹ 7.64 crore was released to HCL under Non Plan Loan for liquidating statutory dues of the regular employees of the Company.

## **2.13 Heavy Engineering Corporation Ltd.**

Heavy Engineering Corporation Ltd. (HEC), Ranchi was incorporated on 31st 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 iron and steel industry and other core sector industries like Mining, Metallurgical and Engineering Industries. It has three manufacturing units and one turnkey project division viz :

- **Heavy Machine Building Plant (HMBP)**

This unit manufactures wide range of equipment for Steel Plants like Blast Furnaces and rolling Mills etc., Material Handling Equipment like EOT Cranes and Wagon Tippers, etc, equipment for Mining industries like 5 & 10 CuM Excavators, Crushers, Drag Lines and Mine Winders etc.

- **Heavy Machine Tools Plant (HMT)**

It manufactures complete range of Heavy Machine Tools including CNC Heavy Duty Machine Tools and Special purpose Machine Tools required for Railways, Defence, Power and other sectors.

- **Foundry Forge Plant (FFP)**

It Manufactures various types of Heavy & Medium Castings, Forging and Rolls for Power, Nuclear and other sector besides B.G. Crank Shaft for Railways. This Unit also acts as a feeder unit for HMBP and HMT.

- **Turnkey Project Division**

It undertakes turnkey projects in the areas of Low Temperature Carbonisation Plants, Coal Handling Plants, Coal Washeries, Sintering Plants, Continuous Casting Plants and Raw Material Handling System etc.

Production and Gross Turnover performance during the year 2012-13 had been ₹ 676.77 crore and ₹ 740.47 crore respectively against ₹ 687.74 and ₹ 725.23 crore respectively during previous year. At this level of output, company posted a net profit of ₹ 20.38 crore during 2012-13 against ₹ 8.58 crore during 2011-12.

## 2.14 HMT Limited

HMT Limited, Bengaluru was set up in 1953. The company has facilities to manufacture machine tools, watches, tractors, printing machines, Food Processing Machinery, Presses, Bearings etc. In the year 2000, the company was restructured into HMT Limited (Holding company) with Tractor Business and Food Processing Machinery Business directly. HMT's Tractor manufacturing plant is located at Pinjore in Haryana and a tractor assembly unit is located in Hyderabad. Cabinet Committee on Economic Affairs (CCEA) on 18.4.2013 approved a revival package of

₹ 1083.48 crore to Tractor unit of HMT Limited which consists of cash infusion of ₹ 447.92 crore and non-cash assistance of ₹ 635.56 crore. Accordingly, as a part of the revival plan of Phase-I, the Government of India has released ₹119.73 crore to discharge liabilities, ₹ 30 crore for up-gradation of Technology, ₹ 20 crore to repay short term loan availed from UCO Bank, ₹ 45 crore for working capital and ₹ 11.46 crore towards implementation of 1997 pay scale to employees. The production of the Tractor Division of HMT Limited (Holding company) in 2012-13 was ₹ 63.05 cr. and is ₹ 74.11 cr. (provisional) for 2013-14.

## 2.15 HMT Machine Tools Limited

The Machine Tools Business of HMT Limited was incorporated as a wholly owned subsidiary in the year 2000. HMT MTL manufactures metal cutting & metal forming machines including printing machines and Die-casting & Moulding machines, catering to both domestic and export markets. The manufacturing units of HMT MTL are situated in Bengaluru, Pinjore, Kalamassery, Hyderabad and Ajmer. The Company also provides services for reconditioning and refurbishing of machines of HMT as well as other makes. The Company has the distinction of supplying machines and equipment for special application in Space, Atomic Energy & Defence Sectors. The erstwhile Praga Tools Ltd., manufacturers of CNC and non CNC machine tools become a subsidiary of HMT Limited in the year 1988 and during 2007-2008, the Company was merged with HMT Machine Tools Limited. The marketing network of HMT MTL is spread across the Country to cater to the sales & service needs of the customers. The production of the company in 2012-13 was ₹218.05 cr. and in 2013-14 is ₹155.56 cr. (provisional).

## 2.16 HMT Watches Limited

HMT Limited, the first company to start watch manufacturing in India incorporated

HMTWL as a wholly owned subsidiary in the year 2000. HMTWL has watch manufacturing units located in Bengaluru & Tumkur of Karnataka state and Ranibagh in Uttarakhand. Its marketing set up comprising Company showrooms & dealers/retailers spread across the Country. The product range includes both Mechanical and Quartz watches catering to various segments of the market right from economy to premium models. The Company also manufactures a wide variety of large sized special clocks. The Company has also taken up precision component manufacture for various customers including the Defence sector and medical equipment manufacturers. The production of the company during 2012-13 was ₹ 14.03 cr. and in 2013-14 is ₹ 4.70 cr. (provisional).

### **2.17 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. As recommended by BRPSE, the company has been offered to the State Government for a possible takeover. As per the decision of the Committee of Secretaries, assets of the company excluding land are to be auctioned and VRS is to be implemented before handing over the company to Government of J&K. Further action could not be taken in view of the stay order obtained by the employees from the High Court of J&K. Further action in this regard would be possible after vacation of the stay order. No production was reported by the company from 2011-12 onwards.

### **2.18 HMT Bearing Limited**

HMT BL is located at Hyderabad, manufactures a wide range of taper, roller, cylindrical roller and ball bearings for automobile and other applications. Formerly known as Indo-Nippon Bearing and established with a thrust on import substitution in technical collaboration with the renowned M/s Koyo-Seiko of Japan, on

acquisition by HMT Limited, HMTBL became a subsidiary of HMT Limited in the year 1988. The production of the company in 2012-13 was ₹ 11.73 cr. and in 2013-14 is ₹ 14.36 cr. (provisional).

### **2.19 HMT International Limited**

HMT International Limited was established in December, 1974 and regarded as one of the export houses of HMT Group of companies and in the Country, exports HMT products as well as engineering goods of other Indian manufacturers. Major thrust is given for implementation of Turnkey projects in the area of Tool Rooms and Training Centers. HMT International has been accorded the status of 'Mini Ratna'. The turnover of the company during the year 2012-13 was ₹ 34.09 cr. and in 2013-14 is ₹ 25.08 cr. (Provisional).

### **2.20 Instrumentation Limited.**

Instrumentation Ltd. Kota (IL) was set up in 1964 to achieve self reliance in the field of Process Control Instrumentation. The Company has two manufacturing Units located at Kota (Rajasthan) and Palakkad (Kerala). The present product range of the Company includes sophisticated Digital Distribution Control Systems, High performance electronic transmitters, desk/panel mounted indicators/recorders and other hardware, liquid & gas analyzers, panels, instrument cabinets & racks, control valves & actuator, Telecommunication Systems, Defence Electronics, Railway signaling systems, Uninterrupted Power Supply Systems (UPS) etc.

IL has developed technical competence through R&D activities and developed special solenoid valves and flow nozzles, which have been widely used by Narora, RAPP & MAPP units of Nuclear Power Corporation. The Palakkad Unit has developed Bellow Sealed Valve, which is an important Control element in Nuclear Power production, for which the unit has received



import substitution award from the Directorate General of Technical Development (DGTD).

IL's turnover declined from ₹ 171.8 crore during 2012-13 to ₹ 159.71 crore in 2013-14. Order booking declined from ₹ 150.0 crore during 2012-13 to ₹ 125.0 crore in 2013-14.

## 2.21 Rajasthan Electronics & Instruments Ltd.

Rajasthan Electronics & Instruments Limited, Jaipur (REIL) was set up in 1981 as a Joint Venture of Instrumentation Limited, Kota (ILK) and Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) with 51% and 49% ownership respectively. The company's area of business extends to manufacture and supply of Agro Dairy Electronics items, Solar Photo Voltaic Modules/Systems, electronics Energy meters, Wind Power Energy and Information Technology Products and solutions. Conferred with 'Mini Ratna' status in 1997 and ISO 9001 certification in 1998, it is an important player in the production and sales of Electronics Milk Testers in the Country.

REIL's turnover declined from of ₹ 241.84 crore during 2012-13 to ₹ 216.16 crore in 2013-14. Profits declined from of ₹ 39.29 crore during 2012-13 to ₹ 20.50 crore in 2013-14.

## 2.22 Scooters India Ltd.

Scooters India Limited, Lucknow was set up in 1972 with a second hand plant bought from M/s Innocents of Italy. SIL strated commercial production scooters (two wheelers) under the brand name of Vijai in 1975.

The Company incurred losses continuously since inception. SIL was declared a sick company on 11th August, 1992 and came under the purview of Board for Industrial and Financial Reconstruction (BIFR). A revival proposal including among others infusion of

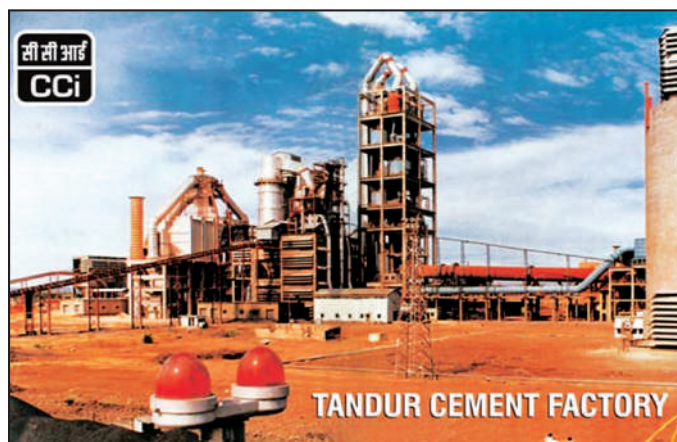
funds, enhancement of superannuation age from 58 years to 60 years in relaxation of DPE guidelines, implementation of 2007 pay revision as per DPE guidelines etc, approved by the Cabinet in its meeting held on 31.01.2013 is under implementation.

Financial sanctions for infusion of funds to the tune of ₹ 31.90 crore as equity, provision of ₹ 20 crore as interest free loan, conversion of loans into equity have been issued.

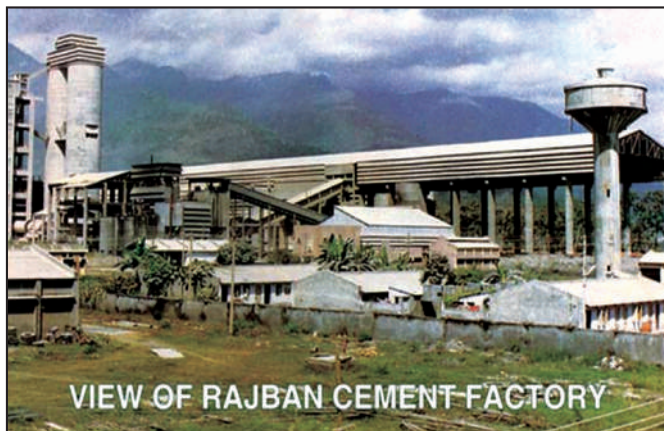
SIL's turnover increased from of ₹ 214.46 crore during 2012-13 to ₹ 215.28 crore in 2013-14. SIL's profits increased from a loss of (-) 6.00 crore during 2012-13 to a profit of ₹ 13.60 crore in 2013-14.

## 2.23 Cement Corporation of India Ltd.

Cement Corporation of India Ltd. (CCI) was incorporated in 1965 with the objective of setting up cement factories in the public sector to achieve self-sufficiency in cement production and to remove regional imbalance. CCI has 10 units spread over 8 States/Union Territories, located at Mandhar and Akaltara in Chhatisgarh; Nayagaon in Madhya Pradesh; Kurkunta in Karnataka; Bokajan in Assam; Rajban in Himachal Pradesh; Adilabad and Tandur in Andhra Pradesh; Charkhi Dadri in Haryana and a Grinding Unit in Delhi. Of the 10 Units, three Units at Rajban in Himachal Pradesh, Bokajan in Assam and Tandur in Andhra Pradesh are operational. The Company became sick and was referred to and







registered as a sick company in 1996 with the BIFR. The revival package of CCI was approved in 2006 with expansion/up gradation and modernization of three operating plants i.e. Rajban in Himachal Pradesh, Bokajan in Assam and Tandur in Andhra Pradesh and closure/sale of 7 non-operating plants. 25% capacity expansion of Rajban unit has been completed. Orders for 100% capacity expansion of Bokajan Unit along with Grinding Unit at Silchar have been issued on turnkey basis. Technological up-gradation of Tandur unit has also been taken up. The total sales turnover for the year 2013-14 of the running units has been ₹ 364.44 crores with the net profit (before tax) of ₹ 11.54 crores.

## 2.24 Hindustan Paper Corporation Ltd.

Hindustan Paper Corporation Limited (HPC), was established in the year 1970, with its Corporate Headquarters in Kolkata (West Bengal), HPC is categorized as a Schedule A CPSE.

### Units of HPC

- (i) Nagaon Paper Mill (NPM) Jagiroad, Morigaon Assam
- (ii) Cachar Paper Mill (CPM) Panchgram Hailakandi Assam

### Subsidiaries of HPC

- (i) Hindustan Newsprint Limited (HNL)
- (ii) Nagaland Pulp & Paper Company Limited (NPPC)

The capacity utilization at HPC's Mills (NPM & CPM together) was 72% during 2013-14 as compared to 69% in 2012-13 and 90% in 2011-12. The production of the company (at NPM & CPM) during the year 2012-13 was ₹ 566.20 crore compared to ₹ 639.93 crore in 2013-14.

## 2.25 Hindustan Newsprint (HNL)

Hindustan Newsprint Limited (HNL), originally started as a unit of HPC, was converted into a wholly owned subsidiary of HPC on 07.06.1983. This mill, with an annual capacity of one lakh MT, is located at Mavellor Kottayam in Kerala and is engaged in the production of newsprint.

The capacity utilization of HNL during 2012-13 was 103% as compared to 102% during 2011-12. The production of the company increased from ₹ 348.04 crore in 2012-13 to ₹ 367.52 crore (provisional) in 2013-14.

## 2.26 Nagaland Pulp & Paper Company Ltd. (NPPC)

Nagaland Pulp & Paper Company Limited (NPPC) is a joint venture Company between Government of Nagaland (GoN) & Hindustan Paper Corporation Limited (HPC). HPC holds 94.78% of the equity and the Government of Nagaland holds balance 5.22%. There is no production activity presently in the plant which has been suspended in October 1992. Based on Government (GOI) approval, BIFR sanctioned the rehabilitation scheme at a capital outlay of ₹ 552.44 crore in 2007. The implementation of this plan was held up due to subsequent steep cost escalation etc. After protracted deliberations on various options, it was decided to bring up NPPC project with an investment close to the original sanctioned cost. Accordingly, technology was reconfigured and product mix has been considered as both for pulp and paper in place of original consideration of writing & printing variety of paper only. Investment of estimated cost of ₹ 679 crore is considered in two phases where second phase would commence from 6/7<sup>th</sup> year from zero date.

CCEA approved the following proposal for revival of NPPC Limited in its meeting held on 4.6.2013.

- i) Infusion of fresh fund of ₹ 202.38 crore by GOI in phase-I as Equity.
- ii) Availing of Term Loan of ₹ 156.50 crore from commercial banks against Government guarantee in phase-I.
- iii) Provision of ₹ 107 crore in phase-I as Grant-in-Aid in lieu of CAPEX subsidy.
- iv) Regularization of inter se diversion of fund of ₹ 5460 lakh infused for revival of NPPC during 2007 as per the utilization.
- v) Increasing the authorized capital of NPPC from ₹ 150 crore to ₹ 300 crore as proposed in the supplementary note.

Order conveying the decision of CCEA to HPC issued on 2<sup>nd</sup> July 2013. NPPC filed a Miscellaneous Application (MA) with BIFR seeking the directions to Government of India to release an advance of ₹ 100 crore for implementation of revival package approved by GOI. BIFR at its meeting held on 18.07.2013 approved the MA filed to release an advance of ₹100 crore for implementation of part of revival package. Accordingly, ₹ 100 crore has been released to HPC vide sanction order dated 19.9.2013.

## 2.27 Jagdishpur Paper Mills Limited (JPML)

In the year 2007 Government approved the proposal for setting up of U.P. Paper Mill Project, Jagdisdpur, Sultanpur District (now Amethi District) in Uttar Pradesh. The project was registered as a Jagdishpur Paper Mills Limited (JPML), a subsidiary of HPC in May 2008. The launching of project activities is held up due to non-availability of required land. During the year 2013 UPSIDC has been allotted 187.59 acre land and MOU was executed between MD, UPSIDC and CEO, JPML for providing the land to M/s JPML in the presence of Hon'ble Chief Minister, UP

on 14.12.2013. A provision of ₹ 30 crore has been kept in RE 2013-14 to meet the cost of land and other contingent expenses. The revised project cost would be ₹ 1650 crore in Phase I and Government equity portion in phase I would be ₹ 733 crore by fresh fund infusion by GOI and debt would be ₹ 917 crore to be obtained from Banks/FIs against Government Guarantee.

## 2.28 Hindustan Photo Films Manufacturing Co. Ltd. (HPF)

Established in 1960 at Udhagamandalam, Tamil Nadu, the company is engaged in the 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 30<sup>th</sup> January, 2003. Madras High Court granted an interim stay on the proceedings of AAIFR and BIFR orders on the basis of an appeal filed by the Trade Unions. The production of the Company during the year 2012-13 was ₹ 3.74 crores and in 2013-14 is ₹ 1.3 crores (Provisional). BRPSE in their meeting held on 28.6.2013 has observed that the revival efforts made in the past for revival of HPF have failed. It, therefore, came to the inescapable conclusion that in the light of the massive technological changes making the Company's original activities totally unproductive and the failure of the various efforts to diversify in recent times, the only logical solution seems to be in closure of the company. CCEA has approved the Department's proposal for an attractive VRS package inter-alia followed by steps for suitable closure of the company.

## 2.29 Hindustan Salts Ltd. (HSL)

HSL is fully Government owned and incorporated in 1958, with corporate office in Jaipur and manufacturing units of Kharaghoda (Gujarat) and Mandi (Himachal Pradesh). It is engaged in the production of Common Salt and Salt-based chemicals. It

was declared sick on 13.6.2000. A revival package was sanctioned by Government/ BIFR in August, 2005. The company has come out of the BIFR in December, 2008. The Company had 111 employees as on 31.3.2014. The production of the Company during 2012-13 was ₹8.61 crore compared to ₹ 7.61 crore (Provisional) in 2013-14.

### 2.30 Sambhar Salts Ltd..(SSL)

Sambhar Salts Ltd. (SSL) is a subsidiary of Hindustan Salts Ltd. (HSL) and incorporated in 1964, as a joint venture of the HSL and Government of Rajasthan. Its authorized capital is ₹ 2.00 crore and paid capital of the company is ₹ 1.00 crore, out of which 60% is subscribed by Hindustan Salts Limited and the balance 40% by the Government of Rajasthan. The company produces salt, both for edible and industrial use. The production of the company during the year 2012-13 was ₹ 16.05 cr. compared to ₹ 18.68 crore (Provisional) in 2013-14.

### 2.31 NEPA Ltd.

NEPA Limited located in Madhya Pradesh, was initially set up in 1947 in the private sector. Later on, in October, 1949 its management was taken over by the State Government. The Central Government acquired controlling interest in 1959 by conversion of loans into equity and it became a CPSE. Its production capacity is 88,000 TPA Newsprint with forest base raw material. Later in 1998, the Company became sick and since then it was under reference to BIFR.

Cabinet approved the proposal to revive NEPA Limited through financial restructuring with a fresh fund infusion of ₹ 362.18 crore. Out of this, Government of India is to infuse funds of ₹ 234.18 crore, waiver/conversion of ₹ 599.59 crore and reduction of equity share capital to the tune ₹ 266.36 crore. The Cabinet also gave its approval for 1997 pay scales to the employees, enhancement in the superannuation age of employees from

exiting 58 to 60 years. After implementation of the pay scale, 378 employees have taken VRS

### 2.32 Tyre Corporation of India Ltd.(TCIL)

TCIL was incorporated on 5<sup>th</sup> March, 1984. The company started incurring losses and was referred to the BIFR in May 1992 when its Net Worth became negative. A proposal for revival of TCIL was considered by the Cabinet in its meeting held in November, 2008 wherein it approved the financial restructuring of TCIL through cleaning of the balance sheet and subsequent disinvestment of the company. As per the revival scheme, TCIL is to be disinvested through outright sale after cleaning the balance sheet through Department of Disinvestment (DoD). DoD accordingly constituted an Inter-Ministerial Group (IMG) for guiding the process through strategic sale in TCIL.

The matter was being processed accordingly for disinvestment of TCIL. However, meanwhile in the case filed by unsecured creditors, Calcutta High Court vide its judgment dated 29.11.2013 ordered winding up of the Company and appointed an Official Liquidator. The Government filed an appeal for stay on the judgment. The matter is sub-judice.

### 2.33 Engineering Projects (India) Ltd.(EPIL)

Engineering Projects (India) Limited (EPI), located at New Delhi, was incorporated in the year 1970 with the objective to undertake turnkey projects and consultancy services in India and abroad. After its financial restructuring in 2001, the Company has turned around and has been posting consistent profits. As on 31.3.2014, EPIL has completed 513 projects in India and 30 projects abroad. The company has secured orders valuing ₹ 2931.00 cr. against the target of ₹ 1400.00 crores in 2013-14. The company has achieved a turnover of ₹ 902.88.25 cr. vis-à-vis target of ₹ 1125.00 cr. in 2013-14.

## Heavy Electrical Engineering, Heavy Engineering and Machine Tool Industries

### 3.2. Heavy Engineering and Machine Tools Industry

Heavy Engineering and Machine Tools Sector consists of Capital Goods Industry. Prominent sub-sectors of Capital Goods Industry are Machine Tools, Textile Machinery, Construction and Mining Machinery and other heavy industrial machinery such as Cement Machinery, Rubber Machinery, Metallurgical Machinery, Chemical and Fertilizer Machinery, Printing Machinery, Dairy Machinery, Material Handling Equipment, Oil Field Equipment, Paper Machinery etc. These industries are de-licensed and foreign direct investment (FDI) up to 100 percent under automatic route as well as technology collaboration is allowed freely. Import of old and new machineries is allowed freely.

The Department has reconstituted Development Councils for Machine Tools Industry and Textile Machinery Industry. These Development Councils are the platform where machinery / equipment manufacturers, users of machineries and

policy maker from Government Departments discuss the various issues and take decisions for the sustainable growth of these industries.

DHI scheme for Enhancement in the Competitiveness of the Capital Goods Sector, will encourage technology upgradation, skill development and augmentation of modern manufacturing capacities leading to global competitiveness of the industry.

#### 3.2.1 MACHINE TOOLS INDUSTRY

Machine Tools Industry is a strategic industry with around 200 machine tool manufacturers in the organized sector as also around 400 small scale units. The industry lacks in design and engineering capability to undertake high precision CNC Machines. Due to technology gaps in the field of metal cutting machine tools, metal forming machines, special technologies and critical components development etc. the import of technology as well as R&D initiatives is encouraged to bridge the gaps. The production, import and export figures for the last three years are given in the table:

Sub-Sectors of Capital Goods	Production			Import			Export		
	2011-2012	2012-2013	2013-2014	2011-2012	2012-2013	2013-2014	2011-2012	2012-2013	2013-2014
Machine Tool Industry	4299	3884	3481	13167	14227	11315	1384	1597	1611
Textile Machinery Industry	5280	5790	6250	10373	10144	11749	1768	1790	2604
Plastic Processing Machinery	2060	1625	2070	1721	1619	1282	595	536	821
Earthmoving, Construction and Mining Equipment	18000	16600	16000	13537	12948	12689	4514	5636	6460



### 3.2.2 TEXTILE MACHINERY INDUSTRY

Textile Machinery Industry is a significant component of the capital goods industry. This industry comprises of over 1446 machinery and components manufacturing units with over 600 units producing complete machinery and other units are mainly into the production of parts and accessories of textile machinery. The textile machinery includes sorting machinery, carding machinery, processing machinery of yarns/fabrics, weaving machinery, etc.

There are technology gaps in areas like weaving, processing, special purpose finishing machines, knitting and garmenting machineries and critical components such as auto-coner and rotor spinning machine with automation, wider width processing machines, etc. There is insufficient in-house R&D in this industry as well as absence of large foreign/domestic players in weaving and processing machineries. The production, exports and imports for the last three years are given in the table.

### 3.2.3 PLASTIC PROCESSING MACHINERY INDUSTRY

There are 11 major manufacturers of machinery in the organized Sector and nearly 200 small & medium manufacturers. Major plastic machineries include Injection Moulding Machine, Blow Moulding Machine and Extrusion Moulding Machine.

Domestic manufacturers meet 95% of processing industry needs on technology and product range. World leading technologies have manufacturing presence in the country through wholly owned subsidiaries or technology license arrangements. Data relating to production, import & export are given in the table.

### 3.2.4 DIES, MOULDS & TOOLS INDUSTRY:

Indian Tool Room Industry is very fragmented and consists of more than 500 commercial tool makers engaged in design, development

and manufacturing of tooling in the country. In addition to commercial tool makers, 18 Government Tool Rooms cum Training Centres are also operating in the country. The key commercial Tool Room locations are Mumbai, Bengaluru, Chennai, Pune, Hyderabad and NCR.

### 3.2.5 PROCESS PLANT EQUIPMENT:

There are over 200 units engaged in the manufacturer of process plant machinery in the country out of which 65% are small & medium manufacturers. Major process plant machineries which include tanks, pressure vessels, evaporators, stirrers, heat exchangers, towers & columns, crystallizer, furnace, etc. are used in energy sector, gas, oil, refinery, chemical & petrochemical, fertilizer, paper & pulp, sugar, cement, dairy industry, etc.

The sector today is equipped with state-of-the-art processes to engineer and fabricate complex process equipment across different materials of construction. The plant sizes of these companies have also increased and at times are comparable or even larger than global companies.

However, domestic industry lacks know-how on process technology, owing to which, sector is dependent on Overseas Process Licensors. However, China, on the other hand has attempted to get the knowhow on process technology, by setting up research institutes and labs, and acquiring such expertise from other regions. At operational level, Welding, Forming, Machining technologies could be improved to enhance the productivity. Target technologies to be developed are Sub Sea Equipment, Oil well drilling, Process gas Boilers for Ethylene and Gas Crackers, etc.

### 3.2.6 EARTH MOVING AND MINING EQUIPMENT:

Currently 20 large & global manufacturers and nearly 200 small & medium manufacturers of Earthmoving & mining



machinery are present in India. The product range comprises of Backhoe Loaders, Compactors, Mobile Cranes, Pavers, Batching Plants, Crawler Crane, Transit Mixer, Concrete Pump, Tower Cranes, Hydraulic Excavators, Dumpers, Mining Shovel, Walking Draglines, Dozers, Wheel Loaders, Graders, Drilling Equipment, etc. Data relating to production, import & export are given in the table.

In India open cast mining is much more popular than underground mining. Hence, the equipment required for the open cast mining like Dumpers, Dozers, Shovels,

Draglines and Excavators are manufactured in India.

Based on the Industry forecast for the next 20 years, there is a need to develop indigenous capability in respect of Electric Dump Trucks ~ 190 ton – 240 ton, Rope shovels ~ 42 Cum, Walking Draglines ~ 72 m - 33 Cum; 150m - 50 Cum, Hybrid Drive Loaders ~ 10 cum bucket, 2500 HP Electronically Controlled Emission Compliant Engine, Long Wall Mining Systems and Continuous Miners for underground mines, etc to be able to meet the market demand, bulk of which is currently imported.

## Chapter 4

# Automotive Industry

### 4.1 Overview of the Automotive Industry

Automotive Industry globally is one of the largest industries and is one of the pillars of our economy. Owing to its deep forward and backward linkages with several key segments of industry, automotive industry has a strong multiplier effect on the economy. The well-developed Indian automotive industry of India ably fulfills 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.

Automobile Industry was de-licensed in July 1991 with the announcement of the New Industrial Policy. The passenger car was however de-licensed in 1993. No industrial license is required for setting up 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 vehicles manufacture, 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. With the gradual liberalization of the automobile sector since 1991, the number of manufacturing facilities in India has grown progressively. Aptly, the sector was christened as the 'Sunrise Sector' of the economy.

The automotive industry has made rapid strides in the last decade. The contribution of

this sector to the National GDP has risen from 2.77% in 1992-93 to about 6.7% now. It provides direct and indirect employment to over 17 million people and generates employment of 13 persons for each truck, 6 persons for each car and 4 persons for each three wheeler and one person for each two wheeler.

In 2010-11, India surpassed France, UK and Italy to become the 6<sup>th</sup> largest vehicle manufacturer globally. Today, it is the largest manufacturer of tractors, second largest manufacturers of two wheelers, 5<sup>th</sup> largest manufacturer of commercial vehicles and the 4<sup>th</sup> largest passenger car market in Asia. During 2011-12, India exported 29.10 lakh vehicles to more than 40 countries, which included 0.45 million passenger cars and 1.54 million two wheelers.

**Production:** During the last decade, the sector has been growing at approximately 12-15% per annum; however, in 2008-09 the automobile sector was badly hit due to global economic slowdown. In order to tide over the situation Government of India (GOI) took immediate remedial action and announced three stimulus packages. These stimulus measures resulted in Indian automotive industry bouncing back on the high growth track. An important aspect of the Indian market is the low car penetration compared to other countries of the world. For example, for every thousand population, Germany has 565 cars, S. Korea has 238 cars and Thailand has 57 cars, whereas India has about 10. In the year 2011-12, passenger

vehicle segment, two-wheeler segment, three-wheeler segment and commercial vehicle segment have all recorded a growth of 4.72%, 15.76%, 9.78% and 19.83% respectively over the corresponding period last year (CLPY). In 2011-12, the total turnover of the automotive Industry stood at ₹ 2,64,420 cr. and its contribution to the Manufacturing GDP and the excise duty was 25% and 21% respectively. At ₹ 52,557 cr. it constituted 3.6% of total Indian export while at ₹ 24,735 cr. it was 1.1% of the total Indian import whereas the share in import duty was 7%. The following table depicts the sectoral macro trends over a five year period from 2007-08 to 2011-12: The details of actual production and sales of automobile during the year 2007-08 to 2012-13 (April to November) are given below:

As may be seen from the tables given above, overall, the sector displays a growth trajectory, at first taking a hit in 2007-08, then showing recovery, both in terms of sales as well as in production next year, that led to a dramatic increase of 25-27% in 2009-10 and 2010-11.

**Export:** In the year 2011-12, the export of passenger vehicles, two-wheeler, three wheeler and Commercial Vehicles recorded a growth of 14.18%, 27.13%, 34.41% and 25.15% respectively during the corresponding period last year (CLPY). The Indian automobile industry is creating a strong presence in the global market by JVs, mergers and acquisitions as well as by exports. Almost all the major global brands in the automobile industry are present in India,

### Automobile production

(No. in thousand)

Segment	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (April-Nov.)
Passenger vehicle	1426	1517	2351	2983	3124	2118
Total Commercial Vehicles	549	417	566	761	912	545
Three Wheelers	501	501	619	800	878	540
Two Wheelers	8027	8419	10513	13349	15554	10464
<b>Total</b>	<b>10854</b>	<b>11175</b>	<b>14050</b>	<b>17892</b>	<b>20366</b>	<b>13668</b>
Percentage growth	(-) 2.29	2.96	25.76	27.35	13.83	2.28

Source: SIAM

### Trend of Domestic Automobile Sales

	2007-08	2008-09	2009-10	2010-11	2011-12
Number sold	9,654,435	9,724,243	12,295,397	15,513,156	17,376,624
Growth per cent	-4.64	0.72	26.44	26.17	12.24

and they are also contributing to exports. The details of export of various automobile segments during the year 2007-08 to 2012-13 are given below:

**Automobile Export (No in thousands)**

Segment	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (April-Nov.)
Passenger vehicle	218	336	446	444	507	362
Total CVs	53	37	45	74	93	55
Three Wheelers	141	148	173	270	363	195
Two Wheelers	819	1004	1140	1532	1947	1311
<b>Total</b>	<b>1238</b>	<b>1530</b>	<b>1804</b>	<b>2320</b>	<b>2910</b>	<b>1925</b>
Percentage growth	22.45	23.61	18.05	28.60	25.44	(-) 4.57

Source: SIAM

## 4.2 Auto Components Industry

Auto Component Manufacturers Association components to vehicle manufacturers, tier-one suppliers, state transport undertakings, defence establishments, railways and also to the replacement market. A variety of components are also being exported to OEMs and after-markets worldwide. The overall details of this segment are given below:

**Auto Component Industry Statistics**

(in ₹ Crore)

Year Calculated @	2007-08 (₹40.2)	2008-09 (₹45.9)	2009-10 (₹ 45.0)	2010-11 (₹45.6)	2011-12 (₹48.5)	CAGR
Turnover	106530	105770	135000	181944	210442	19%
% Growth	2.3	-0.7	27.6	34.8	15.7	
Exports	15276	18360	15300	23712	33465	22%
% Growth	19.4	20.2%	-16.7	55.0	41.1	
Imports	24924	31212	29250	38760	51410	20%
% Growth	61.4	25.2	-6.3	32.5	32.6	
Investment	7236	459	7650	9120-10260	7760-9215	-
Import as % of Turnover	23	30	22	21	24	-
Export as % of turnover	14	17	11	13	16	-

(Turnover includes supplies to OEMs, aftermarket sales and exports but sans imports. It does not take into account production for captive consumption by OEMs, components manufactured by non ACMA members whose majority supplies are non-automotive and the unorganized sector )



Exports represent about 15% of the total turnover. Imports represent 32 % of the total turnover of the industry and registered a growth of 35% over the previous year. Till now, industry has been recording a double digit growth in investments. Despite the global economic slowdown, industry continued to add new capacity. The year witnessed ₹ 7990 crore of capacity addition, green field and expansion taken together.

### **4.3 Agricultural Machinery Sector**

Agricultural Machinery mainly consists of Agricultural Tractors, Power Tillers, Combine Harvesters and other agriculture machineries & implements. Due to negligible production of Power Tillers, Combine Harvesters and other agricultural machineries, this sector is mainly dominated by agricultural tractors. Indian Tractor Industry is the largest in the world (excluding sub 20 HP belt driven tractors used in China), accounting for one third of the global production. The other major tractor markets in the world are China and United States.

Indian Tractors were exported to US and other countries like Malaysia, Turkey etc. Indian players have aggressively started exporting to African countries by bidding for government tender requirement. As such, Indian tractors are gaining acceptance in international markets. As the cost of tractors in India is cheapest in the world, there is tremendous scope for improvement of export of tractors in future.

### **4.4 Earth Moving and Construction Machinery**

Earthmoving and Construction Equipment (ECE) industry constitutes a major background linkage of construction along with the building material manufacturing industry. Construction materials account for nearly two-third of the average of the construction costs. Construction equipment cover a variety of machinery such as hydraulic excavators, wheel loaders,

backhoe loaders, bull dozers, dump trucks tippers, graders, pavers, asphalt drum/wet mix plants, breakers, vibratory compactors, cranes, forklifts dozers, off-highway dumpers (20T to 170T), drills scrapers, motor graders, rope shovels etc. They perform a variety of functions like preparation of ground, excavation, haulage of material dumping/ laying in specified manner, material handling, road construction etc. The Indian earthmoving and construction equipment industry has been undergoing a silent revolution over the past few years, expanding volumes at a compounded annual rate of 40 per cent.

The Indian earthmoving and construction manufacturing industry serves key sectors relating to urban infrastructure, mining, power, construction, irrigation, roads and highways, heavy infrastructure etc. Huge investments are being made in these sectors which have created high demand for construction and earthmoving equipment. The demand for earthmoving equipment is expected to remain buoyant in the near term. The global meltdown has resulted in the increase in import of equipment from idle global capacities and also in sharp rise in import of used and obsolete machineries as second hand equipment. The import of used crawler cranes and mobile cranes is almost 50% to 80% of total consumption in Indian market during last three years. Therefore, the biggest problem being faced by the domestic construction and earthmoving equipment manufacturing industry is the lack of level playing field.

### **4.5 Important initiatives taken in respect of auto sector by the Department of Heavy Industry (DHI)**

DHI, being the nodal Department for automobile and auto component industry, takes up a range of issues relating to automobile sector at various platforms for its growth. In this regard, DHI has taken various important initiatives, as outlined in the following paras.

### 4.5.1 Electric Mobility

Government of India (Department of Heavy Industry) has approved the National Mission for Electric Mobility (NMEM) for faster adoption of electric vehicles (including hybrid vehicles), and their manufacture in India. This Department also set up the National Council for Electric Mobility (NCEM) and National Board for Electric Mobility (NBEM) for a mission mode approach to expand the adoption of electric mobility and to encourage the manufacturing of electric vehicles (including hybrid), and their components in India. The National Mission document, in the form of National Electric Mobility Mission Plan (NEMMP) 2020, is based on the principles, guidelines and framework agreed to by the NBEM. The meeting of National Council for Electric Mobility (NCEM) under the Chairmanship of Minister (HI&PE) was held on 29.08.2012 in New Delhi, which approved the **National Electric Mobility Mission Plan (NEMMP), 2020**. It is a vision document for gradual induction of electric and hybrid mobility in India up to a significant level by the year 2020 in order to reduce dependence on fossil fuel and the adverse effect on the environment. It also envisions capitalizing on the industry potential to eventually make India a serious global player in certain subsectors of the electric/hybrid mobility segment. The Hon'ble Prime Minister of India Dr. Manmohan Singh launched NEMMP 2020 on 9th January, 2013.

- The NEMMP 2020 captures the findings of an in-depth primary data based study, undertaken by the Government in partnership with the industry. NEMMP 2020 essentially flows from the Automotive Mission Plan (AMP) 2006-16 and recommends various specific interventions aimed at demand creation, R&D and infrastructure development. It emerges that sales of

6-7 million units of electric vehicles (including hybrids), alongwith resultant fuel savings of 2.2-2.5 million tonnes can be achieved in 2020. These initiatives will greatly contribute to the nation's future energy security and provide the much needed impetus to the manufacturing sector. In fact, the projected large fossil fuel savings in the future are expected to provide net positive returns on the investments made by the Government.

### 4.5.2 National Automotive Board

The automotive R&D matrix in India requires an organic superstructure. The concept of a National Automotive Board is taken as a natural progression for NATRiP when it eventually completes its life cycle. The proposal for formation of National Automotive Board (NAB) has been approved by the Union Cabinet in its meeting held on 18.10.2012. NAB will steer, coordinate and synergize all efforts of the government in important ongoing and new initiatives for automotive sector especially in the area of electric mobility, intelligent transport systems, automotive testing, collaborative R&D and for implementation of the recommendations of the Automotive Mission Plan 2006-16. It will be the nerve centre of the organizational interactions between the government, industry and the academia, and, under DHI, will function as a repository of automotive domain expertise. NAB is proposed to be set up as an autonomous registered society, under the Societies Registration Act (XXI of 1860), (Punjab Amendment) Act 1957. The total financial support required from the Government is estimated to be approx. ₹ 2.02 crore. The funds for NAB will be made available from the Automotive Cess (administered by the Development Council for Auto and Allied Industries within DHI) which is to be used for the benefit and development of the automobile industry. The Board will be

housed in the National Capital Region. NAB is expected to become self sufficient in three years and will not need any further support from the Government thereafter.

#### **4.5.3 Development Council for Automotive and Allied Industries (DCAAI)**

The last meeting of the DCAAI held on 04.10.2012 under the chairmanship of Secretary, Heavy Industry. Issues relating to the growth of the sector and achieving AMP targets were focused upon. This forum provides an opportunity to identify key areas of concern for which appropriate policy modulations and other identified areas of action can be taken by various Ministries/ Departments of the Government of India.

#### **4.5.4 Meeting of the Indo-German Joint Working Group (JWG) on Automotive Sector**

Indo-German Joint Working Group (JWG) on automotive sector was established under the aegis of Indo-German Joint Commission on Industrial and Economic Cooperation (JCM). This is the fifth JWG; the other four groups are in the areas of Agriculture, Coal, Infrastructure and Tourism. The first meeting of the JWG held on 6.2.2009 in New Delhi constituted three working sub-groups were constituted on (i) Technology, (ii) Commercialization & Framework Development and (iii) Institutional Cooperation, Training & Skill Development. The recent meeting of the JWG was held in Germany during March 2012.

#### **4.5.5 Informal group on Environmentally Friendly Vehicles (EFV)**

Although Ministry of Road, Transport & Highways (MoRTH) is the nodal ministry for automotive regulations, DHI as the nodal Ministry for the auto sector is also required to attend the meetings of the WP-29, the global body under the UNEC for formulation of automotive regulations as India is a signatory of the 1958 agreement. The Chairmanship, Co-chairman and Secretariat for the Informal

Group on EFV under GRPE (WP-29), UNECE have been conferred on India. As per WP-29 norms, the informal group is required to meet on the sidelines of GRPE/WP-29 meetings and also report progress to GRPE/WP-29. DHI is also functioning as the Secretariat for the informal group till 2012 i.e., the period till the next EFV Conference to be held in USA.

#### **4.5.6 Automotive Skill Development Council (ASDC)**

Department of Heavy Industry has taken an initiative for “Formulation of Skill Development Plan” with a view to make available adequate, trained manpower for sectors like machine tools, heavy electrical, auto industry etc. so as to ensure proper streamlined and high growth rate during the current fiscal and in future. As far as auto sector is concerned, the task of identifying the skill gaps in the industry was undertaken through the specialized group formed during the framing of AMP 2006-16, whereby the industry is expected to require an additional 25 million workforce by 2016. Based on the deliberations held in the Department on various occasions, the Society of Indian Automobile Manufacturers (SIAM) prepared a Detailed Project Report (DPR). Accordingly, an Automotive Skill Development Council (ASDC) has been set up under the oversight of NSDC. An initial grant of ₹ 75 lakh was also made available for the pilot project for the 1<sup>st</sup> year. Pilot project was implemented covering 3 trades related to the auto sector. The full project covering 24 trades in under submission with the NSDC.

#### **4.5.7 End of Life of Vehicle (ELV) Policy**

While MoRTH is reported to be engaged in preparing draft legislation for End of Life of Vehicle policy in consultation with all stakeholders, the main role of DHI in the matter is to provide/create a proper roadmap, considering all related aspects before such a policy is laid out. There is a need for creating infrastructure for dismantling of ELV in a

scientific and environment friendly manner. There is an immediate need for generating awareness and public opinion for voluntarily giving the old vehicles for dismantling, for which incentives or some policy structures are to be created. There are other issues related to working out compensation structure for vehicle owners, setting environment/public health /safety parameters for scrapping, system for collection of vehicles to scrapping/dismantling centres, linkage between recycling of raw materials and location of scrapping centres etc. With this perspective, a Core Group on End of Life of Vehicle (ELV) has been constituted under the chairmanship of Joint Secretary, DHI. The Core Group shall prepare the groundwork for the Inter Ministerial Group (IMG) on Auto Recall and End of Life (ELV). The first meeting of Core Group was held on 15.01.2013.

#### **4.5.8 Release of grant from Cess Fund**

Cess on sale of automobiles is levied as per notification issued in 1983 @ 1/8th of one percent in terms of the Industries (Development & Regulation) Act, 1951. As per law, this is to be made available to the Development Council for the benefit and development of the scheduled industry (in this case automotive cess). For sake of administrative convenience this Cess is collected along with excise duty collections but is maintained in a separate head of account. This money is being used by Development Council for Automotive & Allied Industries that is chaired by Secretary, DHI to fund pre-competitive R&D projects

for the benefit of the industry through a transparent process of Cess Committee which is chaired by Secretary, DHI. The proposals sent are evaluated by a Screening Committee and Technical Sub-committee. All decisions of the Cess Committee and the status of various funded projects are reported to and also discussed in the DCAAI. Between 1984-85 and 2011-12, 194 projects were approved with a total outlay of ₹ 379.28 cr. During 2011-12, an amount of ₹18.29 cr. was approved wherein ₹13.91cr. was for 7 projects running since 2009-10, and ₹ 4.38cr was approved for 4 new projects. This year, the meeting of Cess Committee was held on 30.01.2013 which has approved release of fund of ₹20 cr.

#### **4.5.9 UNIDO-ACMA Cluster Development Project**

The Cess Committee has also given in principle approval to Phase-I of UNIDO - ACMA Cluster Development Project in the year at a cost of ₹11.25 cr. spread over the next three years. As per this, ₹ 3.1 cr. is to be released in the year 2012-13 from auto Cess fund. The project aims to provide practical services to Small and Medium Enterprises (SMEs) for enhancing the performance of domestic SMEs in the automotive component industry to facilitate their inclusion into national, regional and global supply chains and meeting relevant supply chain requirements (quality, cost and delivery), to upgrade and enhance the competitiveness of an increasing number of target companies along the supply chain in India, including lower tier suppliers.



## Technology Up-gradation and R&D

**5.1** India has established a strong and diversified manufacturing base for the 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 still quite low. There is a 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 matching 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 adapt new technologies through collaboration and in-house R&D efforts. Some of the initiatives in this regard are described below:

### **5.2 Testing and R&D infrastructure for Automotive Sector**

The National Automotive Testing R & D Infrastructure Project (NATRIP) was approved by the Government on 25<sup>th</sup> July 2005 and notified by the Department of Heavy Industry on 31<sup>st</sup> August 2005. NATRIP envisages setting up of world-class automotive testing and homologation facilities in India with a

total investment of ₹ 2288.06 crore. 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.

#### **5.2.1 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 automotive proving grounds with test tracks and laboratories/facilities for development testing in over 4,140 acres of land at Pitahmpur near Indore in the State of Madhya Pradesh.
- 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.

### 5.2.2 Approved Funding Pattern

In April, 2011, the Cabinet Committee on Economic Affairs has approved the revised cost estimate of ₹ 2288.06 crore for the NATRIP in place of the original approved cost estimate of ₹ 1718 crore due to the budget escalation of ₹ 570.06 crore on account of the Foreign Exchange variation, Statutory Levies, rise in input costs, Other Factors like change in Scope of Supply etc. The total funding pattern of ₹ 2288.06 crore has been approved in the following manner:

- A) Plan Support by the Government
  - By way of grant: ₹ 1754.29 crore
  - By way of loan ₹ 511.28 crore
- B) User Charges ₹ 22.49 crore

**Total approved RCE-1 Cost (A+B)**  
**₹ 2288.06 crore**

### 5.2.3 Research & Development and Technology Up-gradation

NATRIP Centers will not only cater to the requirements of global automotive test standards but will also house several "Centers of Excellence" for advanced research in emerging areas of technologies. "Centers of

excellence" will facilitate utilization of India's strengths in IT and electronics to usher the Indian automotive capabilities into the next generation.

The advanced Research & Development Centers of Excellence planned under NATRIP are as follows:

1. **Manesar Centre**
  - a) Components
  - b) Noise, Vibration and Harshness
2. **Chennai Centre**
  - a) Passive Safety
  - b) Electro Magnetic Compatibility
  - c) Infotronics
3. **ARAI, Pune**
  - a) Fatigue
  - b) Power train
  - c) Materials
4. **Indore Proving Grounds:**
  - a) Vehicle Dynamics

**5.2.4** NATRIP facilities will cater to the complete process of development of new components including:

- i) **Research strategy:** markets targeted and investment/outourcing of R&D Activities.
- ii) **Concept development:** styling, design and engineering.
- iii) **Product development:** materials and prototyping.
- iv) **Industrialization:** cost reduction, quality improvement.
- v) **Product life:** quality and fatigue.

All NATRIP R&D test centers will have world class test facilities and also aim at attracting customers from various parts of the World. The centers will also involve in advanced research in the areas mentioned above and will have collaboration in technology up gradation. An accident data

analysis centre has been set-up at Rae Bareilly centre which will provide training to the police corps and other relevant people in data collection and analysis. This centre would also involve in accident reconstruction, cause analysis and assist in taking corrective actions.

### 5.2.5 Site-wise Progress

#### I. Manesar Site:

- i) Two PWT1 MACD labs have been completed and made operational. Also SHED facility under PWT4 package is operational and fully functional.
- ii) The Rapid Prototyping facility is fully functional and the FAT2 package consisting of ED Shaker and the Climatic Chamber is operating.
- iii) Certification lab consisting of tank pendulum, head restraint test setup, interior fitment test setup, window retention test setup has been commissioned and is ready for use to the industry.
- iv) Fatigue laboratory equipment tender is awarded and construction work is in progress at site.
- v) NVH laboratory equipment has been awarded Aug, 2011.
- vi) Pedestrian lab under passive safety package has been completed and operational.
- vii) Construction work at Manesar Site-II is under progress.

#### II. Silchar:

- i) The in-use vehicle management centre and hill driving training centre at Silchar would help in developing safe in-use vehicles and safe driving.
- ii) The IMS (Inspection and Maintenance Station) facility is one of its kind in India. It is almost 2 years since the

Fixed Lanes facility has been commissioned. The mobile lane, which is perhaps the only of its kind facility in India, is also commissioned since May, 2013.

- iii) The Mechanics Institute of size 24000 sqft houses a Number of workshops like electrical, welding, diesel, automotive assembly etc along with air conditioned classrooms, faculty rooms and also the Library area. The building has started functioning. Mechanics training Institute is running courses under SDI scheme. In the current financial year, the 5th batch is running under AUR-101 (Automotive Servicing) course. New courses are being augmented with setting up of the Lab facilities like Diesel Lab, Gasolene Lab, Welding lab, Diagnostic and Repair lab, auto Electronic and System Lab.
- iv) The above facility is supplemented by a Canteen and Guest Building of size over 25000 sqft to accommodate 100 trainees and guest faculties.
- v) NATIS has also entered MOUs with M/s TATA Motors Limited for the Mechanics Training Institute and the Driving Training Institute on 30th March, 2012 and 6th November, 2012 respectively. Driving training for LMV fresher courses are running. Class room facility for theoretical knowledge and e-learning software for vehicle technology update to the candidates are given regularly.
- vi) The Driving Training Institute (DTI) has commissioned 'Driving Simulator Lab' which includes advanced and latest technology Driving simulators. DTI has also commissioned one Hill driving training track and one flat road training track. This center is yet to be inaugurated but the training has already been started. The center has

provided to 9 batches of driving training candidates till now.

- vii) This centre has also done preliminary research analysis on causes of road accidents and action needed to minimize that and has published research finding in Indian road congress journal (April-2013 issue).

### **III. Chennai:**

- i) MACD is operational and currently generating revenue for the centre.
- ii) Fatigue Lab (vibration shaker and climatic Chamber facility) is fully functional.
- iii) Photometry lab consisting of the facilities for the testing of bulbs and light assemblies has been completed.
- iv) Certification lab consisting of bumper pendulum, tank pendulum, head restraint test setup, interior fitment test setup, window retention test setup, traction compression machine has been commissioned and is ready for use to the industry.
- v) Pedestrian safety test facility has been completed and is ready for use to the industry.
- vi) All non-tech buildings were completed in August, 2013.
- vii) Construction of test tracks, fatigue lab and EMC test facility are in progress.

### **IV. Indore:**

- i) The Govt. of Madhya Pradesh has transferred the Land of 4140 acres at Pithampur to Department of Heavy Industry.
- ii) The building construction work is in advanced stage of completion
- iii) Equipments such as Chassis Dynamometer, K&C machine,

Steering Test rig, Elastomer Test rig, Shock absorber Test rig, are under Installation and Commissioning.

- iv) The contract on construction of Test Track has been terminated and fresh tender has been floated.

### **V. ARAI Pune:**

- i) Civil work was started in the Month of August 2012. Now the construction work is nearing to completion. Various Utilities contracts are awarded and their installation works are in progress.
- ii) The FAT2 package consisting of ED Shaker and Climatic Chamber is operating since January, 2013.
- iii) The PWT2 & PWT3 package consisting of Transient Dyno and emission equipment are under operation.
- iv) Installation of MAST for component has been completed and operational.
- v) Receipts and installation of various equipment for Powertrain Lab, Passive Safety lab and Fatigue lab is under progress.

### **VI. VRDE, Ahmednagar:**

- i) The new Electro Magnetic Compatibility (EMC) lab funded under NATRIP has been completed.
- ii) The ABS test track funded under NATRIP has been completed

### **VII. Rae Bareilly:**

- i) The Accident Data Analysis Centre (ADAC) is envisaged to be a State of Art national centre with capabilities on accident data collection, analysis and research for policy formulation by the Government of India as well as for ensuring safety of vehicles and highways design to reduce number of



accidents, fatalities and losses. The ADAC has been commissioned in February, 2013. An MoU has been signed with IIT-Delhi to make advancement in the area of accident data collection and analysis. Preliminary investigation reports made by ADAC team in the two Volvo bus fire accidents in Andhra Pradesh and Karnataka have been submitted to MORTH.

- ii) For setting up rest of the facilities of NCVRS under Raebareli project, land measuring approx 120 acres at Trishundi Industrial Area has been bought from UPSIDC after making full payment as approved by DHI and GC, NATIS. Action is in hand to take possession of land and construct the boundary wall.

### 5.3.1 The Automotive Research Association of India (ARAI)

Located in the picturesque surroundings in the western part of Pune, Maharashtra, India and built on approximately 15000 sq. meters. area, The Automotive Research Association of India (ARAI) houses various test facilities.

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 Industries and Public Enterprises and recognized by the Department of Scientific and Industrial Research. It is an ISO 9001-2008, ISO 14001-2004, and OHSAS 18001-2007 certified organization, and is also accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) for its major certification facilities.

ARAI is registered as a society under the Societies Registration Act XXI of 1860 and major automobile and ancillary

manufacturers are its members. The Governing Council consists of members from Indian Automotive Industry and representatives from Government of India.

ARAI has been playing a crucial role in assuring safe, less polluting and more efficient vehicles. It provides technical expertise in R&D, testing, certification, homologation and framing of vehicular regulations.

The state-of-the-art Research & Development and Testing facilities at ARAI are increasingly utilized for sponsored and in-house Research & Development projects as well as Homologation activities.

An experienced and well trained human resource of 605 (including trainees), out of which 486 are technical, is ARAI's main strength. Most of these have been trained overseas in various fields of advanced automotive technology.

### 5.3.2 Performance

In the financial year ended on 31<sup>st</sup> March 2013, the total income of ARAI was ₹168.90 crore, out of which the Operational Income was ₹ 151.78 crore. This year, till 30<sup>th</sup> September 2013, total income is ₹ 78.49 crore. Anticipated total income for the Year 2013-14 is ₹ 175.49 crore.

Total Type Approval cases opened during Financial year 2012-13 were 1980 and till 30th September 2013, a total of 903 cases have been opened.

### R&D Projects

- 5.3.3 Under its research programs, ARAI undertakes various R&D projects, based on relevance and current needs of the industry, which also aim to build competence and acquisition of technologies. Given below are the current on-going R&D projects.

Sl. No.	Name of Project	Expected Project Completion Date
1.	Effect of deformation temperature on the microstructure and properties of hot forging materials	March 14
2.	Development of design guidelines for Light Weight City Bus(#)	March 14
3.	Development of Off-line and Real-time Simulator for EV and HEV application (#)	March 15
4.	Design & Development of High Performance 3 Cylinder CRDI Euro 4 Diesel Engine.	March 14
5.	Development of Transmission suitable for LCV application	Nov., 13
6.	Road vehicle interaction analysis study for evaluation of durability and ride using 3 D Road Profiles in virtual and experimental domain.	May 14
7.	Development of Gasoline Direct Injection ECU Control Strategies.	Aug., 14
8	Building a Prototype EV Quadri - Cycle for Intra-city Public Transport application.	Aug.,15

# Consortium projects awarded by DHI to ARAI.

Following two DHI supported projects were successfully completed in March 2013.

1. Measurement of Wheels Forces of 4-Wheel Automotive Vehicles and Study of their Correlation with Customer Usage Pattern.
2. Study of Vehicle Systems Duty Cycle/ Operation Pattern under Indian Road Conditions.

ARAI consistently augments its capabilities and technologies through addition of new facilities, modernization and up-gradation of existing equipment. Major facilities added and upgraded during this year to supplement the various research programs are given below.

#### 5.4 Fluid Control Research Institute (FCRI), Palakkad, Kerala

- 5.4.1 Fluid Control Research Institute (FCRI) is leading facility in flow measurement related services and solutions. The Flow Centre at FCRI hosts 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 available for calibration, evaluation and R&D work.

- 5.4.2 Strong links with the Oil & Gas sector, Water Industry, Power Industry, Process/ Manufacturing sector, Automotive sector, R&D organization etc., have been developed through joint industry projects and by holding regular seminars, workshops and conferences on topical issues related to flow measurement.

- 5.4.3 The Institute also undertakes sponsored R&D projects and as of now it has completed 141 projects making it one of the specialized research Institutes and extend approved technological services such as consultancy, testing, certification, and training for private and public sector organizations. The institute acts as a National Certifying body for flow measuring instruments. It also assists in acquiring quality conformance as per the norms of ISO 9000/ISO 17025 series and executes sponsored R&D projects. FCRI has the following accreditations from National/ International agencies for its facilities:-

- **National Accreditation Board for Laboratories (NABL)-** under ISO 17025ms for calibration/testing of fluid flow products.
- **Department of Science & Technology-** As R&D Institute in Fluid Flow Measurement.
- **Bureau of Indian Standards (BIS)** has recognized FCRI for testing of water meters under BIS certification mark scheme.
- **Department of Weights & Measures-** Conducting "MODEL APPROVAL" tests as per OIML Standard for flow and volume measuring instruments. Ministry of Civil Supplies (Govt. of India) has accredited for "Model Approval" of volume measuring instruments.
- **Chief Controller of Explosives, Nagpur-** To conduct tests on safety relief valve at FCRI (as per ASME/API).
- **Under Writers Laboratory Inc., USA-** For testing Fire Fighting equipment & product safety certification.
- **Ministry of External Affairs (ITEC Scheme/SCAAP) & Ministry of Finance (Colombo Plan)-** For conducting Technical Training Programme for Foreign Nationals in the field of Fluid Flow Measurement & Control Techniques and Oil Flow Measurement.
- **Central Pollution Control Board-** Certification of Petrol, Kerosene generator sets for implementation of noise limits.
- **Institution of Fire Engineers,(IFE) New Delhi-** For Hydraulic qualification test on firefighting equipments.
- NMI, The Netherlands certifies 20 bar Closed Loop Air Test Facility.

- **Nuclear Power Corporation of India Limited-** For seismic analysis of power plant equipment.

## 5.5 R&D Initiatives by the CPSEs.

Some of the technology up- gradation and R&D efforts of the Central Public Sector Enterprises under the Department of Heavy Industry are detailed below.

### 5.5.1 Bharat Heavy Electricals Ltd. (BHEL)

#### Research and Development (R&D) and Technology Upgradation

BHEL's products and systems are technology intensive and R&D/Technology Development is of strategic importance in its endeavor to become an all-inclusive engineering enterprise.

BHEL adheres to international standards by acquiring and adapting some of the best technologies from leading companies in the world including General Electric Company, Alstom SA, Siemens AG and Mitsubishi Heavy Industries Ltd., together with technologies developed in its own R&D centers. The Organization focuses on new products and systems developments and improvements in existing products for cost effectiveness and higher reliability, efficiency, availability, quality, etc.

A total of 385 patents and copyrights were filed during 2012-13 and 213 patents and copyrights have been filed upto Sep'13 in the current year.



**Real Time Digital Simulation Facility installed at COE-ATS at Corporate R&D**

A total of thirteen Centres of Excellence are in operation focusing on New Product Developments (NPD), Process Development and life cycle/efficiency enhancement in existing products.

During the year 2012-13, BHEL has invested ₹ 1251.92 crore on R&D efforts. Out of this, an expenditure of ₹ 18.73 crore has been incurred for purchase of capital assets for R&D. Some of the significant achievements during 2012-13 in R&D and Technology area are:-

- A cost-effective high pressure feed water heater for 660 MW Power Plants, meeting international standards, has been successfully developed. It has been installed at 2X600 MW North Chennai.
- To meet stringent safety requirements of 500 MW Fast Breeder Reactor based Nuclear Power Plant at BHAVINI, a state-of-the-art unified C&I platform involving major equipment like Steam Generator, Turbine, Auxiliary Boiler and Station C&I has been designed and implemented.
- To improve the stability and reliability of power systems, BHEL has developed and manufactured 3 Phase, 315 MVA, 400 kV class, Phase Shifting Transformer with state-of-the-art features.
- In the area of renewable energy, a cost effective 250 KW grid-connected Power Conditioning Unit (PCU) has been developed, commissioned and synchronized with the grid. 500 KW and 1000 KW PCU's are under development.
- To enhance overall solar energy absorption during the day by PV arrays, BHEL has developed a modular solar thermal sun tracker which operates on a novel liquid balancing system. It enables generation of 25% additional energy during the day.
- In the transportation sector catering to RDSO's requirement for conversion of existing DC EMUs to 25 KV AC EMUs, BHEL has successfully type tested a 1200 KVA AC EMU transformer which matches the dimensions of the conventional AC EMU transformer with a 20% enhanced output.
- Developed a new product "Spring Loaded Safety Valve" required for supercritical boiler re-heater outlet applications of 660MW, 700MW and 800MW. The IBR certification has also been obtained.
- Developed a technique for "Creep Modeling of High Temperature Alloys for Supercritical Power Plant Application". The mathematical model has enabled accelerated prediction of creep strength and remaining life assessment leading to reduced creep testing time (shorter development cycle) as compared to the conventional procedure.
- Developed a light weight and cost effective 67.5 MW, 3000 RPM Air Cooled Turbo-generator with Overhang Brushless Exciter by using new generation design concepts like replacement of split casing design with base frame design, introduction of tapered rotor sub slot, fitting of the generator in the frame size TARI 860-33P applicable for generators upto 60 MW and modified rotor end winding cooling arrangement.
- Developed "Controller for Current Test on HVDC Thyristor Module" for HVDC Project. The developed controller has been implemented in "HVDC Test Area" to perform routine current cycling test on thyristor modules. The developed controller has capability to drive 12 levels Thyristor simultaneously against present system of 6 levels.
- Developed new compact design of "Valves with Built-in Steam Strainers for HP and IP Inlet of KN Series 150 MW Turbines". The engineering work resulted in more reliable & cost effective integrated system.
- Developed & Type tested a new product "50 kW Permanent Magnet based Frequency Converter (PMFC)".



## Major R&D/Technology Upgradation Achievements upto Sept' 2013 during 2013-14

- Developed & Type tested for the first time a compact, efficient and reliable new product "30 kW Permanent Magnet Alternator along with Controller for Indian Railways applications". It will be used in AC coaches for charging battery for operation of air conditioners.
- Developed cost effective new product variant "38" 300 Class Swing Check non Return Valve for Supercritical Boilers. IBR approval for the developed valve has also been obtained.



### 5 Axis Scoop Milling Technology for Manufacturing of Shrouded 3D Impellers of Centrifugal Compressors

- Developed and established for the first time state-of-the-art "5 Axis Programming and Scoop Milling Technology for Manufacturing of Shrouded 3D Impellers of Centrifugal Compressors" using state-of-the-art software. The development work led to reduction in manufacturing cycle time by 66 % & cost by 33 %.
- Successfully developed for the first time a user friendly, fast, accurate and reliable state-of-the-art "Non Destructive Ultrasound Infrared Thermography (UIRT) Technique for Characterization of Defects in Induction Pressure Weld (IPW) Joints of Boiler Tubes"
- Developed "Design Automation Package for Automatic Tube Nest Layout Generation for

Two Pass Rectangular Steam Condensers". The developed software package has led to considerate reduction in design cycle time.

- Developed for the 1st time a new compact, efficient and cost effective design of "Steam Turbine from 80 MW to 160 MW Range with Axial Flow Exhaust Hood & 5.0 m<sup>2</sup> NL Blading for use with Air Cooled Condensers". The development work has not only led to reduction in erection cycle time by 20% but also resulted in easier assembly and maintenance.
- Successfully designed "Blast Furnace Gas (BFG) Heater to Improve Efficiency of BFG Fired Boiler". The development work has led to increase in efficiency of BFG fired boilers of captive power plants by 1.5%.
- Designed, manufactured, assembled and successfully tested "Ash Discharge Valve (Spiess Valve) for Circulating Fluidized Bed Combustion (CFBC) Boilers". The development has led to reduction in cost by 40 %.
- Developed a compact, efficient and cost effective "6-pole Induction Motor of 800 kW, 6.6 kV in 500 center height H-Compact construction". A prototype has been manufactured and tested successfully meeting all stringent performance parameters as per customer's requirements.
- Developed a compact "220 kV Capacitor Voltage Divider (CVD) in single porcelain housing". This developmental work has led to reduction in weight, height and cost of Current voltage transformer (CVT).

## R&D INSTITUTE OF BHEL

### 1. Ceramic Technological Institute (CTI), Bengaluru

The developmental objective of this Institute 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 Converter, 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, Composite Insulators with Nano-additives and Nano material synthesis, new processes of fabricating Ceramic filter candles with integral collars. CTI has also established Gas-fired Spray Pyrolysis System for the Synthesis of nano-sized & Porous Ceramic Powders and Burst strength test facility for Ceramic filter candles.

Several developmental projects are under various stages of execution e.g. Drying of Station post Insulators & sintering in large volume by Microwave processing, development of novel materials and membranes for CO<sub>2</sub> Capture.

## **2. 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.

## **3. 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 Phytoremediation 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 Ganges and Kshipra during Kumbhmela in Haridwar and Ujjain, River water quality assessment for Ganges 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. A number of training programmes in the field of Environmental Impact Assessment Studies, Water Quality Monitoring Network Design and Quality Assurance, Air Quality Monitoring Network Design and Quality Assurance, Municipal Solid Waste Management have been conducted by PCRI in association with CPCB in the past.

The institute is playing a vital role in performing yearlong comprehensive Environmental Impact Assessment Studies for setting up large size industrial projects like thermal power plants, petroleum product pipelines and oil terminals etc.

PCRI is also actively involved in setting up of Environmental and chemical laboratory for various thermal power plants as part of total package being supplied by BHEL. Recently PCRI established environmental laboratory for Bellary-I and Santaldih Unit-5. Order in hand/execution for various thermal power plants includes Chandrapura Unit-7 & 8, Mejia Phase II, GIPCL, DSTPS, Durgapur, Hazira, Koderma, Anpara D, Pipapav, OTPC, North Chennai and Avantha Bhandar.

#### 4. **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. 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.

#### **Major R&D projects executed by WRI include:**

Cold wire addition in SAW used for Ring header fabrication, Development of HVOF & Wire Spraying Technology for boiler components, Tandem twin wire SAW for thick section welding, development of fabrication procedures in new materials for Super critical and Ultra Super Critical Boilers, Development of Friction Stir Welding Technology, Established a new "Magnetically Impelled Arc Butt (MIAB)" automated welding process capable of welding irregular or non-circular components as circular, Development of Robotic Time Twin Technology, Orbital GMAW/FCAW technology for welding boiler and turbine piping at site, etc.

#### 5.5.2 **BHEL-EML RESEARCH & DEVELOPMENT AND TECHNOLOGY UPGRADATION**

Major Projects Likely To Be Completed By Year 2014-15 are:

- Development of high capacity power cars (675 KVA)
- Development of PM alternator in association with BHEL-Corporate R&D
- Design and development of traction alternators with built in rectifier for shunting Locomotives
- High efficiency Induction motors (EFF1) in association with AME, BHEL Bhopal.

#### 5.5.3 **Rajasthan Electronics & Instruments Limited, (REIL)**

The REIL R&D activities are aimed at achieving Corporate Mission by addressing

customer expectations through innovation of new products and upgradations of existing products/processes to deliver competitive, economic and reliable products/solutions while protecting the intellectual property rights.

The Company has established Research & Development equipped with latest equipment and competent manpower to meet the organizational needs. The R&D Centre is recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology for over 2 decades.

#### 5.5.4 HMT Limited

HMT has established R & D Centres in each of the manufacturing units to meet the needs of design & development of different products, with a focus to improve product technology and enhance product competitiveness.

R&D has been a focus area for the company in its endeavour to serve the customer better and develop new products. R&D activities are carried out in each subsidiary with particular reference to customer needs in product technology, quality, reliability and price competitiveness. Upgrading the existing products with additional features, design optimisation and improvement in aesthetics are the major thrust areas. The initiative has resulted in many new products and also upgradation of existing products. Highlights of R&D activities carried out/planned in the different product areas of HMT's domain are as below:

#### 5.5.5 HMT Tractors:

- Development of silent generation set rating 25 KVA- Certified by I-CAT Gurgaon for compliance of emission and noise test and type approval also received. Procurement of parts under progress for first batch of 5 nos DG set.

- Development of Rotavator. Successfully tested at Agriculture University, Hissar. Procurement of components under progress for 50 nos Rotavators initially.
- Technology up gradation of HMT Tractor Engines is under progress at M/s ARAI, Pune to meet tractor emission norms Bharat (Trem) Stage IIIA for 25-50 HP and for 50 HP & above.
- External Hydraulic filter for cleaning of Hydraulic Oil in consultation with Central Machine Tool Institute (CMTI), Bangalore is being fixed.
- Rubber parts specifications revised in consultation with Indian Rubber Manufacturers Research Association (IRMRA) for all HMT Tractor models in order to improve the quality of rubber parts.
- Introduction of LED Dashboard indication/illumination lamps for better performance and life.
- Paint specifications revised to improve quality of sheet metal and chassis paint of the tractor.

#### 5.5.6 HMT Machine Tools Limited

All the manufacturing units of the Company have in-house R&D facilities to meet its needs. The focus of R&D is to progressively achieve self reliance in product technology and upgrading the existing products with additional features. This approach has resulted in development of the following products during 2012-13.

- 5 Axis machine, VTMC 500
- SBCNC 80.
- Angular Wheel Head CNC Cylindrical grinding Machine AW 80.
- CNC Turning centre, VAJRA 500.



R&D is a continuous process and closely linked with the various operations of the Company and benefits could be derived as a result of the above R & D. Consistent efforts are being made in-house to design, develop and manufacture new products as per technologies available as well as state-of-art and technology centric special purpose machines. Technology development plans are focused to facilitate reduction in cost of production by value engineering, thereby providing viable import substitution.

The development of the new products will enable the Company to meet the competition (both indigenous and overseas), also to meet the market demand for technologically competitive products with automation requirements & low cost effective products to user sectors for improved productivity.

#### 5.5.7 **HMT Watches Limited**

Research & Development works are being carried out on a continuous basis in each of the Manufacturing Unit. The Company has developed and launched 75 new models in Quartz segment during 2012-13. The company has set a target to launch 100 new models during year 2013-14 and has developed 17 models as on 1st Sept., 2013.

#### 5.5.8 **HMT Bearings Limited**

The focus of R & D of HMT Bearings is development of new variants of Bearings for application in Railway and Automobile Sector. Several new variants have been developed through in-house R&D.

#### 5.5.9 **NEPA Limited**

R&D experiments gave Nepa Ltd. new dimensions. R&D trials of various deinking chemicals at In-House R&D centre and plant trial on ONP&OINP to improve not only brightness of product but also excellent machine run ability and also improved customer confidence in Nepa Newsprint. The other advantages of this process are savings in consumption of additives like

Defoamer, Slimicide and Sulphuric Acid. Due to the use of Poly Aluminum chloride and Chlorine as coagulant and disinfectant respectively in Nawtha Water Treatment Plant, our drinking water meets WHO as well as IS norms. Alum is also added in effluent treatment plant ( Gr. I Plant) to reduce the turbidity of outlet water which is recycled in the process.

#### 5.5.10 **Hindustan Paper Corporation Limited (HPCL)**

##### **Research & Development (R&D) at Nagaon and Cachar Paper Mills:**

##### **Applied R&D activities on**

- ◆ Plant trial of alkaline sizing with AKD replacing of conventional acid sizing.
- ◆ Laboratory scale trial to replace Basic dye with Direct/Pigment Dye.
- ◆ Laboratory scale trial for decolonization of E. filtrate by using Ferric Chloride
- ◆ Laboratory scale use of Formaldehyde for partial replacement of chlorine dioxide in order to minimize bleaching cost.
- ◆ Laboratory/Plant scale trial to produce high bright/white paper with the use of different brightness/whiteness enhancing additives.
- ◆ Optimization study for cooking of bamboo with different percentage of wood.

#### 5.5.11 **Hindustan Newsprint Ltd (HNL)**

R&D works on the following projects were carried out:

- i) Suitability of crude Palm oil as deinking chemical.
- ii) Characteristic of pulp from flowered bamboo for different storage periods in comparison to green bamboo.



- iii) Effect of Boric acid treatment in prevention of deterioration of flowered Bamboo on storage.

### Technology Absorption, Adaptation & Innovation at NPM & CPM

1. Efforts in brief made towards technology absorption, adaptation and innovation:
  - i) Alkaline sizing of bamboo pulp replacing conventional acid sizing at plant level.
  - ii) Cooking & bleaching of different wood species to find out their palpalability & bleach ability for use in appropriate ratio with bamboo.
- 2 Benefits:
  - i) Improvement in shade of paper, reduction in drop of brightness, curbing ageing property, increase in whiteness.
  - ii) Better availability of option for use of alternate raw material in the furnish during crisis of bamboo.

#### 5.5.12 Heavy Engineering Corporation Ltd.(HEC)

Though Company is not able to invest on planned R&D, it continued its efforts for the technology up gradation and development of products/systems for meeting the customers requirement. Specific areas in which R&D activities were carried out by the company are detailed below:-

- The Planetary Gear Box with double Input and double output shafts with gear ratios 88.94/177.88 and 105.27/210.54 suitable for 250x2 KW motor and 200x2 KW motor respectively for operating two rope drums were designed and developed for **120 T Crane Hoist of BSP/Bhilai.**
- Nineteen Rotating Trolley Cranes capacity 12 T, 20 T and 30 T under

magnet were designed and developed for **BSP Bhilai**. These cranes are to be used for handling Billets, Blooms, Wire Rode Coils, Rails with the use of permanent type electro magnet. The cranes have been designed for precise handling of the above items with feature to resist swing during rotational movement of trolleys and longitudinal movement of cranes.

- Design of Rope drum assembly of Skip Winch for 1719 CU. M. Blast Furnace of **BSP Bhilai** with features to transport charge of Blast furnace from the skip pit to the top of the furnace and discharge them in to the receiving hopper. Earlier this was being imported from USSR.
- **Rope Reeving Winch for 5 CuM shovel** to install hoist rope on to the hoist drum inside the machine compartment for easier and faster replacement of hoist rope. It has been developed to meet customer's requirement.
- Design of 5000 T Wagon Pusher & Wagon Tippler for VSP, Visakhapatnam with latest automation and control technology.
- Development of Heavy Duty Conventional Lathe, Model LC 125 HD/11 M with two nos. of Tools Posts for FGK, Kanpur.
- ∞ Development of Head Stock of Horizontal Boring Machine for Hydraulic unclamping and spring clamping of Tool Holder for ISO 50 Taper Bore in Spindle.

#### 5.5.13 Andrew Yule & Company Limited (AYCL)

The main focus of in house R&D facilities in the Company is to provide continuous up gradation to the existing products to match the demand of the domestic market as well as to grab the opportunity in export market.

The task includes new product development, product extension and revalidation of the test certificates for the upper ranges to be followed up by prototype development and commercialisation. The Company's R&D set up has been recognized by the Department of Scientific and Industrial Research. Some of the R&D activities carried out by the company's different Divisions were as follows:-

(i) Specific areas in which R&D was carried out by the Company:

(a) Engineering Division has finalized the design parameters of the new series fan in between 42 and 65/2 to improve the energy efficiency of the fan which requires a software support.

- Action has been taken and sourcing of the required software procurement has been done.
- Engineering Division has successfully completed optimization of design of fan component through FEA. This will be an on-going process for critical fan from now onwards.
- The Chennai Unit of Electrical Division has completed the assembly of the impulse Generator and will be commissioned shortly.

(ii) Benefit derived as well as results of the above R&D Works.

- The benefits of implementation of the above projects will accrue in the current financial years.

(iii) Future Plan of Action:

- Engineering Division propose to take up standardization of components for various sizes of fans.
- Development of new design of silencers for reduction of noise level of high speed fan to less than 85 db.

#### 5.5. 14 Instrumentation Ltd. (IL)

The Company is continuously making efforts to update the products as per customer's demand and keep pace to make rapid strides in manufacturing, keeping cost reduction aspects always in mind.

The following has been achieved during last few years:

1. Developed and supplied very high pressure-drop valve model VMD with five stage pressure reduction of 150 kg/cm<sup>2</sup> for NTPC, Barh, Bihar 660MW through BHEL Piping Centre, Chennai.
2. Present Valve Bodies were re-modelled from existing YH body design with optimum valve thickness in line with ASME/IBR standards
3. Product R&D in Control Valves
4. R&D activities are being carried out at IL Palakkad by making special test procedure for customers like NPCIL for manufacturing/testing of valves.
5. As Control Valves are tailor made items and each valve is different from one another, the profile of the plug is changed or window is modified to get the desired output as per customer requirement. Design & development processes are accordingly upgraded from time to time to meet the new expectations of the customer.

Sl. No.	Product	R&D's Development carried out	R&D's Future Development
(a)	Valve Single Seated Top Guided (VST)	CV – improvement upto 2”	2.5”, 3”, 4” and higher sizes
(b)	Valve Single Seated Low Noise (High Temperature) [VSN(HT)]	HT seals under testing	For all sizes
(c)	Valve Multi Stage Pressure Drop Valve (VMD)	Multi stage valve – upto 3”	4”, 6” & Higher sizes
(d)	Actuator	High thrust actuator. – 30 Tons Double Piston Actuator Model 2 (DPA2)	Very high thrust actuator above 30 Tons

#### 5.5.15 Bharat Pumps and Compressors Ltd.(BPCL)

Company is committed for continual upgradation and design improvement of its products to face stiff competition in the market and also for meeting objective of client satisfaction. The progress made in some important areas of technology up-gradation, design and development during the year 2012-13 are as follows:-

- Design & Development of 4HF/2 Make up compressor at CPCL, Chennai has been upgraded by changing the service condition from non lubricated to lubricated cylinder for improved service.
- Valve Unloader Design & Development for compressor has been upgraded by using investment casting for lower body to eliminate any chance of body leakage and providing indication in the stem to ascertain unloader position.
- High pressure & high temp, single stage, KSMK type horizontal pump for 184 Kg/cm<sup>2</sup> g pressure and 356° C temp has been successfully developed and manufactured.
- Oil lubricated bearing housing for vertical pump developed and manufactured and shop tested for the 1st time for ECCS pumps being supplied to

NPCIL.

- DVDS 14x14x17<sup>1/2</sup> model modified for higher head and to suit new API 10th edition design standard. Features like Forced feed lubrication system design with tilted pad type bearing also incorporated.
- Low weight, single piece fluid end for mud pumps developed by us has been successfully field tested at ONGC, Ankleshwar site and an approved PTR has been generated.
- Belt drive arrangement for mud pumps has also been successfully field tested at ONGC Ankleshwar with our mud pump earlier supplied to them and an approved PTR has been generated.
- Plunger pump model 3348-FS(83-20) earlier developed and supplied without inbuilt speed reduction system has completed trouble free run at site for more than 4500 hors. A certificate from our customer ONGC, Mehsana has been received.

#### 5.5.16 The Braithwaite Burn & Jessop Construction Company Ltd. (BBJ)

In an increasingly competitive environment, BBJ has recognized the importance of R&D to maintain its leadership position. To further its

competitive edge with the limited resources and concerted efforts by the employees, BBJ has developed new launching schemes for steel bridges. BBJ has developed an effective erection scheme to replace old early steel bridges with newly fabricated girders in a very short time on running lines. Recently, BBJ has developed forward launching of 60M/450MT trussed bridge which was successfully used in DMRC project. BBJ together with leading PSUs in construction business has jointly entered into MoU under direction of Government of India for Participation in the prospective Railways tenders of high value to the benefit of techno-economic synergy amongst the companies.

With introduction of PPP (Public Private Partnership) model by Indian Railways in execution of railway-related infrastructure project, BBJ with its time-tested technology, commitment and vision, be it alone or in the form of JV process, is committed to join the mission of the Government.

#### 5.5.17 **Cement Corporation of India Ltd. (CCI)**

Technology upgradation measures have been taken up in Bokajan and Tandur. 100% capacity expansion of Bokajan unit by installing a separate line of 1200 tpd clinkerisation stream which will encompass all latest technology is in progress. Various technology upgradation schemes of Tandur unit have also been taken up for implementation as a part of the Sanctioned Scheme. R&D activities are being taken up within the available limited resources.

#### 5.5.18 **Hindustan Photo Films Mfg. Co. Ltd. (HPF)**

R&D activities were carried out on New Product Development, Technology Up gradation, Import Substitution, Cost Reduction, Production Trouble Shooting and product/process improvement works.

Industrial X-ray Film with a reduced coating weight of 19 g/m<sup>2</sup> of silver nitrate was commercialized with know-how developed at R&D. Plant Trials are in progress for Polyester

Subbed Base, Digital X-ray Film, Medical Imaging Film (Panchromatic), Laser Printer Film, Low coating weight Medical X-ray (blue sensitive) Film with Tabular Grain Technology etc and will be commercialized after completing the trials market acceptance.

#### 5.5.19 **Engineering Projects (India) Ltd.,(EPI)**

EPI's R&D initiative includes development of softwares for costing and sizing of electrical components of projects. In addition to this, EPI also undertakes Skill Enhancement programmes in various trades related to construction industry like Site supervision, Carpentry, Bar Bending etc. to improve the quality of works and efficiency in construction.

To diversify its area of operation, EPI has signed Memorandum of Understanding with Technology providers in the field of Design and Engineering for Thermal Power Plant and various units of Steel Plant. Based on this, EPI would be developing its own in house capabilities in these areas.

EPI is exploring possibilities for collaboration/association with renowned technology providers/consultants in various fields

#### 5.5.20 **Bridge & Roof Company (India) Ltd.(B&R)**

The Company has been continuously pursuing to update technology and upgrade quality standards along with R&D efforts to the extent applicable.

The Company has already established successful operations in many diversified areas such as Bailey Bridge, Porta Cabin and Inventory Management vide ERP System. As a result of Research, Development and Diversification the Company has derived the benefits of reduction in weight of Bailey-Bridge, Pota Cabin, Inventory Management Implementation at 12 (Twelve) Nos Project sites and Howrah workshop. The Company has already been awarded ISO 9001:2008 Certificates for (a) Design, Supply, Fabrication, Erection Installation and Commissioning of various sizes of Liquid/Petroleum welded steel

storage tanks (both Vertical & Horizontal type (b) Design, Manufacture & Supply of Bailey Bridge (c) Manufacture & Supply of Wagon, Railway Bridge Girder and Bunk House. The Surveillance Audit has been carried out successfully by External Auditor M/s Det Norske Veritas (DNV).

Company,s proposed to carry out R&D programme in future in the following areas: Modernisation of Steel Plants, RCC Chimney of Height more than 200m. High Quality RCC work in Nuclear Power Plants, Project Management Consultancy work and Hugh altitude Border Roads.

#### 5.5.21 Scooters India Limited (SIL)

The product development of small 3-Seater soft top passenger carrier CNG operated vehicle developed and optimized for performance, Endurance trials in process. Developments of digital Instrument Cluster comprising of Speedometer, fuel meter, telltale

temperature meter introduced. Prototype development of Non metallic Dash Board done. Feasibility of adoption of self adjusting brake system with Cast Iron Wheels completed and Endurance trials in process. Small pilot lot of vehicles put in the market for feedback. All vehicle models updated through legislative requirement of Conformity of Production tests. Several sheet metal components, subassemblies and systems like engine Tray, Alternator etc. modified as cost cutting measure.

The company has also planned for up-gradation of existing product and process technology which includes up-gradation of Computer Aided Design (CAD)/Computer Aided Engineering (CAE) facilities, Product testing and evaluation facilities up-gradation of existing 3-wheelers, to BS-IV, improvements in manufacturing technology through induction of CNC machines, quality control equipments, maintenance and infrastructure etc.



# Welfare of SC/ST/OBCs/PWDs and Minorities

- 6.1.** It has been the constant endeavour of the Department to oversee the obligations of Central 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/promotion for SCs/STs/OBCs, persons with disabilities and minority communities are followed by PSEs under the Department.
- 6.2.** An SC/ST Cell is functioning within the Department, under the supervision of a Liaison Officer for proper monitoring of the implementation of the reservation policy of Government of India.
- 6.3.** The work force in the CPSEs consists of a large number of persons from different minority communities. Their integration into the mainstream workforce is emphasized in all CPSEs and there is no discrimination on account of their caste, creed or religious beliefs. Facilities like residential accommodation etc. are extended to employees on equal terms. Every year, Qaumi 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 operating 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. CPSEs 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, ground floor residential accommodation providing facilities like user-friendly toilets, lifts etc., exemption from payment of professional tax, to and fro transportation facilities, provision of medical equipment and general medical assistance. The visually impaired persons are provided Braille symbols and are engaged in running telephone booths, repair of cane chairs etc. Special schools are being run for mentally challenged children & visually impaired persons. These facilities are being provided to enable them to discharge their duties and facilitate their integration into the mainstream workforce. BHEL is also providing financial assistance for running special care schools and vocational training centres at Trichy, Bhopal, Hyderabad and Hardwar.

- 6.5.** Department of Heavy Industry issues Essentiality Certificate to physically challenged persons for availing eligible concession on excise duty on purchase of modified cars. The detailed eligibility conditions are displayed on website of the Department. During the year 2012-13, total numbers of applications received were 68 and certificates were issued to 61 persons and during the period from 1.4.2013 to 31.03.2014, total number of applications received was 71 and certificates were issued to 54 persons.

**6.6** The portal launched by department of Personnel & Training (DOPT) for Representation of Reserved category in Posts and services ([ww.rrcps.nic.in](http://www.rrcps.nic.in)) has been implemented in Department of Heavy

Industry. The annual data about representation of SCs, STs, OBCs and Persons with Disabilities in the Department of Heavy Industry as on 1st January of each year is furnished on-line to DOPT.

# 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 count. 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 equity and justice to women employees, a Complaints Committee has been constituted in the 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, training etc. This helps in ensuring their fuller integration into the mainstream work force.

**7.3** The instructions issued by the Ministry of Women & Child Development on Gender Budget with a view to identify sectors/ services where initiatives can be taken by the Department for the implementation of schemes/programmes for promoting gender equality, are being followed in Department of Heavy Industry and CPSEs under the administrative control of the Department.

## Chapter 8

# Vigilance

- 8.1** The Department has a Chief Vigilance Officer of the rank of Additional Secretary to look into the complaints against employees of the Department as well as Board level officers of the Central Public Sector Enterprises and Organizations under its administrative control. He is assisted by a Director and an Under Secretary along with a Vigilance Section.
- 8.2** The main areas of work of the Vigilance Section are:
- Dealing with complaints against Board level appointees of PSEs under the administrative control of the Department of Heavy Industry as well as the officers of the Department; periodical review of vigilance matter;
  - Issue of vigilance clearance in respect of Board level appointees in PSEs and all other appointments based on PESB recommendation, requiring ACC approval;
  - Interfacing with CVC, CBI and CVOs of PSEs under DHI to streamline flow of information in respect of vigilance matter;
  - Tendering advice on issues of procedural irregularity;
  - Vetting of charge sheet in respect of charges against Board level appointees;
  - Monitoring of submission of Annual Property Returns by officers and staff of the Department of Heavy Industries as well as Board level officers of its PSEs.
- Monitoring & completion of Annual Confidential Reports or Performance Appraisal Reports of officers and staff of the Department as well as Board level appointees of its PSEs and maintenance of the same.
- 8.3** Vigilance Section lays considerable emphasis on preventive vigilance and is promoting the use of IT to bring about greater transparency. Punitive measures are also taken in appropriate cases and followed up wherever required.
- 8.4** Vigilance Awareness Week was observed by DHI from 28<sup>th</sup> October to 2nd November, 2013 to generate and spread awareness against corruption.
- 8.5** As in earlier years, the Annual Meet of Chief Vigilance Officers of Public Sector Enterprises under the Department was held on 30.01.2013 at Udyog Bhavan, New Delhi under the Chairmanship of Secretary DHI to facilitate interaction between the Ministry and the CVOs as well as to review the vigilance activities in the PSEs with a view to improving the overall vigilance administration.
- 8.6.** Vigilance cases are usually of complex nature demanding varied and detailed information comments & analysis into the allegations with due assistance from the CVOs of the PSEs. Concerted efforts were made to identify the long pending cases, the oldest cases

being given special attention to bring the investigation to the logical conclusion. There were 28 vigilance cases in the beginning of the year 2013. Forty Seven new cases were received during the year. Investigation was completed in 48 cases, which are now closed.

**8.7** Vigilance clearance was accorded in 42 cases for Board level & below Board level officers of PSEs in connection with recruitment/ confirmation/ extension/ retirement/ resignation.



## Chapter 9

# Progressive Use of Hindi

- 9.1** Hindi Section of the Department of Heavy Industry takes up measures for accelerating the spread and development of The Official Language i.e. Hindi and its progressive use in the Department. The efforts to promote the use of Hindi in official works of the Department continued during 2013-14. 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 said period, the Committee of Parliamentary on Official Language inspected the offices of (i) Bharat Heavy Electricals Ltd. Bhopal, (ii) Bharat Heavy Electrical Ltd., Hyderabad (iii) HMT Ltd., Hqrs Bengaluru (iv) Engineering Project (India) Ltd. Northern Region Office, Core-3, New Delhi (v) Bharat Pumps & Compressor Ltd., Allahabad (vi) Bharat Heavy Electrical Ltd., Jhansi and has expressed satisfaction with the status of progress in the use of Hindi. During the year 2013-14, the officers of the Department carried out inspections of different Units/Offices to monitor the progress made in the use of Hindi and the officers of these Units/Offices were directed to achieve the targets prescribed in the Annual Programme.
- 9.3** All the Cabinet Notes, Notifications, Resolutions, Notes and Circulars, Parliament Questions, Annual Report, Budget Performance, General Orders and papers laid on the Table of both Houses of the Parliament were issued 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 Fortnight" was organized from 2nd September, 2013 to 16th September, 2013 during which several competitions including Hindi Essay, Noting & Drafting, Hindi Typing on Computer, Quiz competition, Speech, Hindi Poem Recitation etc. were conducted. Staff of the Department participated in these competitions with keen interest. Certificate along with cash prize was given to the winners. Workshops were also organised for officer/employees to enable them to work on computer in Hindi. An E-Patrika has also been launched on intranet of the Department. It contains articles, poems as well as information on departmental activities.
- 9.4** Public Sector Undertakings, 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 organized in these PSUs to propagate the use of Hindi. **"HINDI FORTNIGHT/HINDI WEEK/HINDI MONTH"** were celebrated in these PSUs with great zeal.

## Implementation of Sevottam

**10.1** The Department of Heavy Industry is committed to the goal of effective and responsive administration and service on delivery excellence. The SEVOTTAM framework of Govt. of India has been implemented in the Department. Citizen's/Client's Charter has been framed for the Department, which is also displayed on website of the department. The grievances received manually or online on Public Grievance Portal of Department of Administrative Reform & Public Grievances are handled promptly.

**10.1.1** As a part of mandatory requirement of RFD, following activities have been undertaken in Department of Heavy Industry:

**10.1.1.1 Implementation of ISO:9001:2008 certification:**

Department of Heavy Industry is in the process of implementation of ISO 9001 certification project. An Action Plan for implementing ISO 9001:2008. certification in respect of Department of Heavy Industry has been prepared. The units of AEI, PE XI and TSW (B) in the Department have been covered for ISO certification in phase I. This Department has hired a consultant for assisting Department of Heavy Industry for obtaining ISO certification.

**10.1.1.2 To identify, design and implement major innovations:**

The Government is aiming to achieve innovation in Government Department with

a view to improve the quality of services being provided by Government Departments to the citizen's/stake holders. An Action Plan has been framed in DHI for inviting and implementing Innovative ideas. An award Scheme has accordingly been formulated in the Department of Heavy Industry. The last date for receipts of innovative ideas from various quarters was 15th Jan 2014. The innovative ideas will be evaluated by a Multidisciplinary Innovative Task Team and best innovations will be suitably awarded.

**10.1.1.3 Independent audit of Citizen's/Client Charter of DHI**

The Department offers services to Citizens, Central Public Sector Enterprises under the Department, Industry Associations, Statutory bodies, Administrative authorities and the Ministries/Departments of the Government of India, State Governments and Administrations of the Union Territories as per the service standards indicated on the Citizen's/Client's Charter of the Department. The service standard for various services included in the Citizen's/Client's Charter have been fixed. Performance Management Division, (PMD), Cabinet Secretariat has conducted independent audit of Citizen's/Client's Charter of the Department and expressed satisfaction on the implementation of Citizen's/Client's Charter in the Department.

#### 10.1.1.4 Independent Audit of Implementation the Grievance Redress Mechanism (GRM)

A Nodal officer of the rank of Joint Secretary has been designated as Director of Public Grievance to monitor the public grievance received online at the Grievance Portal of DARPG at <http://pgportal.gov.in> or at Centralized Pensioners Grievances Redress and Monitoring Systems (CPENGRAMS) at Pensioners Portal of Department of Pension & Pensioners Welfare at <http://pensionersportal.gov.in/cpengrams> (for grievances of pensioner) or at the website of the Department of Heavy Industry or give it in person or send by post or e-mail or by fax. During the period from 1.4.2013 to 31.3.2014, 210 grievances were received and in all 166 grievances were disposed of. As on 1.4.2014, 44 grievances were pending. Independent Audit of the Grievance Redress Mechanism (GRM) in DHI for the year 2012-13 has been conducted by Performance Management Division. (PMD), Cabinet Secretariat had expressed satisfaction over the implementation of GRM in the Department.

## 10.2 IT initiatives taken in the Department

10.2.1 The following IT initiatives have been taken for implementation in the Department and the CPSEs under its administrative control:-

- (i) The website of the Department is updated periodically. It is proposed to be redesigned and made GIGW compliant and also to be certified by STQC. The process has been initiated to select the agency to undertake this work.
- (ii) Implementation of Representation of Reserved Categories in Post and Services in GOI Monitoring System (RRCPS)

- (iii) The Central Public Procurement Portal (CPPP) developed by Department of Expenditure has been implemented in the Department and the CPSEs.
- (iv) Development and Implementation of Crisis Management Plan.
- (v) RTI online portal of Department of Personnel & Training has been implemented.
- (vi) **e-office Mission Mode Project** with a view to create paperless working environment is being implemented in Department of Heavy Industry (DHI) with the assistance of Department of Administrative Reforms & Public Grievance and NIC. Necessary infrastructure viz Personal Computers, Scanner, digital signatures have been provided to all the users. This has been made live in DHI w.e.f. 08.07.2013. Various modules of e-office viz e-Leave, Knowledge Management System, Personnel Information Management System, Diary Management System, File Management System e-tour etc. have been implemented. The progress of implementation of e-office is being monitored by DARPG. The progress of implementation of e-office in the Department is quite encouraging.

#### 10.2.2 The Department also propose to develop the following systems under e-Governance:-

- (i) Development of a software for Custom Duty Concession under Project Import Scheme in respect of imported machinery and equipment for Capital Goods sector viz., Heavy Engineering, Heavy Electrical and Auto Sector.

- 11.1 Various provisions of the RTI Act and the instructions issued by the Government of India, Department of Personnel and Training and the Central Information Commission have been implemented in the Department of Heavy Industry. The Central Public Sector Enterprises under the administrative control of the Department, separate public authorities under RTI Act, have also been enjoined upon to implement the provisions of the RTI Act.
- 11.2 The web portal 'RTI On Line' has been made operational in Department of Personnel & Training with effect on 18.7.2013. All the officers of the level of Director/Deputy Secretary or equivalent have been designated as CPIOs and all officers at the level of Joint Secretary or equivalent have been designated as First Appellate Authority under the RTI Act. In addition, a Transparency Officer ensures suo motu disclosure of information on the website of the Department in terms of Section 4(1)(b) of RTI Act, 2005.
- 11.3 Based on the guidelines issued by the Department of Personnel & Training on the basis of recommendations of Task Force, for the implementation of suo motu disclosure of information in terms of Section 4(1)(b) of RTI Act, 2005, various steps have been taken in the Department for suo motu disclosure and updating the information on the website of the Department. An officer of the rank of Joint Secretary has been designated as Nodal Officer for ensuring compliance with these pro-active disclosure guidelines.
- 11.4 The RTI logo is being used on the printed stationery used in the Department. The Quarterly RTI returns were submitted to CIC online by the Department and the CPSEs under DHI.
- 11.5 During the year 2012-13, 302 application and 47 appeals under RTI were received in the Department and 303 applications and 49 appeals disposed of. For the period 1.4.2013 to 31.02.2014, 540 applications and 53 appeals have been received, and 463 application and 47 appeals were disposed of.

## Chapter 12

# Result Frame Document (RFD) 2013-14

- 12.1** The Results Framework Document (RFD) is a record of understanding between a Minister representing the people's mandate, and the Secretary of a Department responsible for implementing this mandate. The Prime Minister had approved the outline of a "Performance Monitoring and Evaluation System (PMES)" for Government Ministries/Department (RFD). The High Power Commission (HPC) on Government Performance, chaired by Cabinet Secretary, in its meeting held on 3.3.2011, had approved the inclusion of the entire departmental RFD, corresponding achievements and the composite score in the Annual Reports of the Department.
- 12.2** The RFD provides a summary of the most important results that a Ministry/Department expects to achieve during the financial year. This document contains not only the agreed objectives, policies, programs and projects but also success indicators and targets to measure progress in implementing them.
- 12.3** High Power Committee (HPC) on Government Performances of PMD has evaluated the performance of DHI and awarded a composite score of 61.07% on the overall performance of DHI on the RFD 2013-14.
- 12.4** RFD 2013-14 including the detailed objectives, their corresponding achievements and the composite score is given below:



**RFD 2013-14, Corresponding achievement & Composite Score.**

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight%	Target				
						Excellent	Very Good	Good	Fair	Poor
Objective 1: Facilitating growth of Auto Sector	19%	Action 1: Growth of the sector	(a) Value of output	₹ Crores	1.5	100%	90%	80%	70%	60%
			(b) Growth over previous year	%	1.5	544070	540543	539009	536709	535687
		Action 2: Implementation of NEMMP 2020	Submission of Cabinet Note for the Scheme	Date	3	30 <sup>th</sup> Sep 2013	31 <sup>st</sup> Oct 2013	30 <sup>th</sup> Nov 2013	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014
		Action 3: Funding of R&D Projects funded through Cess Funds (DCAAI).	Release of funds allocated	%	1	100	90	80	70	60
		Action 4: Completion of R&D Projects (due for completion by 31.03.2014)	No. of projects completed	%	3	100	90	80	70	60
		Action 5: Technical evaluation of R&D Projects completed up to 31.03.2013.	(a) Submission of Evaluation Report	%	1	100	90	80	70	60
		Action 6: Commissioning of facilities at GARC, Chennai, NATRIP	(b) Completion of action on evaluation reports of previous years	%	1	100	90	80	70	60
			(a) Completion of Civil & Utility works of Fatigue lab & Certification lab	Date	0.5	30 <sup>th</sup> Sep 2013	15 <sup>th</sup> Oct 2013	31 <sup>st</sup> Oct 2013	15 <sup>th</sup> Nov 2013	30 <sup>th</sup> Nov 2013



		Action 9: Operationalization of ICAT, Manesar, GARC, Chennai & Silchar centres of NATRIP	(a) Revenue generation from facilities at ICAT, Manesar and GARC, Chennai (Annual Turnover)	₹ Crores	0.5	42	40	39	38	37
			(b) Conduct of Driver Training at Silchar centre (Persons trained)	Number	0.5	200	175	150	125	100
Objective 2: Facilitating growth of Heavy Electrical Sector	9%	Action 1: Growth of the sector	(a) Value of output	₹ Crores	1.5	142000	138240	135000	131000	129280
			(b) Growth over previous year	%	1.5	10.94	8.00	5.47	2.34	1.00
			Finalization of the Mission Plan	Date	5	31 <sup>st</sup> Oct 2013	30 <sup>th</sup> Nov 2013	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014	28 <sup>th</sup> Feb 2014
			Submission of the proposal to EFC	Date	1	30 <sup>th</sup> Sep 2013	31 <sup>st</sup> Oct 2013	30 <sup>th</sup> Nov 2013	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014
Objective 3: Facilitating growth of Capital Goods Sector	10%	Action 1: Growth of the sector	(a) Value of output	₹ Cr.	1.5	70000	67055	65000	63000	60000
			(b) Growth over previous year	%	1.5	21.95	16.82	13.24	9.76	4.53
			Notification of Policy	Date	4	31 <sup>st</sup> Dec 2013	15 <sup>th</sup> Jan 2014	15 <sup>th</sup> Feb 2014	28 <sup>th</sup> Feb 2014	15 <sup>th</sup> Mar 2014
			Action 2: Notification of National Policy on Capital Goods							

		Action 3: Approval for the Scheme for enhancement of Global competitiveness in Capital Goods Sector	Submission of Note for CCEA	Date	1	31 <sup>st</sup> Jan 2014	15 <sup>th</sup> Feb 2014	28 <sup>th</sup> Feb 2014	15 <sup>th</sup> Mar 2014	31 <sup>st</sup> Mar 2014
		Action 4: Preparation of paper on team targets for increasing capacity utilization of indigenous capital goods	Submission of paper to COS	Date	2	30 <sup>th</sup> Sep 2013	31 <sup>st</sup> Oct 2013	30 <sup>th</sup> Nov 2013	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014
Objective 4: Supporting Skill Development Activities	8%	Action 1: Setting up of Sector Specific Skill Development Council for Capital Goods	Formation of the Council	Date	2	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014	28 <sup>th</sup> Feb, 2014	15 <sup>th</sup> Mar, 2014	31 <sup>st</sup> Mar, 2014
		Action 2: Setting up of Skill Development Council for Heavy Electrical Sector	Formation of the Council	Date	2	31 <sup>st</sup> Dec 2013	31 <sup>st</sup> Jan 2014	15 <sup>th</sup> Feb, 2014	28 <sup>th</sup> Feb, 2014	15 <sup>th</sup> Mar, 2014
		Action 3: Affiliation of Training Delivery Centres (TDCs) with Automotive Skill Development Council	Number of TDCs	No.	1	10	8	7	6	5
		Action 4: Creation of National Occupational Standard for the Auto & Allied Industries	Creation of Standard	Date	1	31 <sup>st</sup> Dec 2013	15 <sup>th</sup> Jan 2014	31 <sup>st</sup> Jan 2014	28 <sup>th</sup> Feb, 2014	31 <sup>st</sup> Mar, 2014
		Action 5: Skill Development Activities for the people through CPSEs	No. of persons trained in the year	No.	2	32000	30000	28000	26000	24000

Objective 5: Joint Responsibility for Power Generation	5%	Action 1: Give necessary support and clearance	Additional capacity installed Total power generated	MW	3	18500	18000	17000	16000	15000
Objective-6: Supporting BHEL to achieve sustained high growth and become globally competitive	18%	Action-1: Topline Growth	Turnover	₹ Cr.	4	46,000	41,400	36,800	32,200	27,600
		Action-2: Power Sector Capacity addition	Capacity completed	MW	3	10,000	9,000	8,000	7,000	6,000
		Action-3: Strengthening Engg., R&D Competitiveness	Total R&D Expenditure as % of PAT of year 2012-13	%	3	18.0	17.5	17.0	16.5	15.5
		Action-4: Capital Investment	Capital expenditure	₹ Cr.	2	838	796	670	587	503
		Action-5: Supporting BHEL for procuring orders	% of domestic orders	%	4	65	60	55	53	50
		Action-6: Growth in non-core sectors	Increase in business in non-core sectors (YoY)	%	2	15	13	11	10	9
Objective 7: Supporting profit making CPSes (other than BHEL) to attain higher turnover and profits	6%	Action 1: Structured review of CPSes performance	(A) Percentage increase in aggregate turnover in 2013-14 (YoY)	%	2	10	8	5	3	0
			(B) Percentage increase in aggregate net profit for 2013-14 (YoY)	%	2	2.0	1.5	1.0	0.5	0
		Action 2: Improve- ment in the performance of CPSes.	Achievement of excellent rating in the MoU	Number	2	5	4	3	2	1



Objective 8: Restructuring/ Revival of sick and loss making CPSEs	9%	Action 1: Submission of Note for seeking approval of CCEA for Revival/Restructuring of CPSEs	No. of CPSEs for which CCEA Note is submitted.	Number	4	4	3	2	1	0
		Action 2: Providing funds for revival of CPSEs including VRS/VSS & statutory dues	Progress of expenditure	% of RE	1	100	95	90	85	80
		Action 3: Improving performance of sick/loss making CPSEs	Reduction in cash loss of MOU signing loss making CPSEs (YoY)	%	3	2.0	1.5	1.0	0.5	0
		Action 4: No. of additional CPSEs (those who have signed MOUs) having Turn Around	Transition from cash- losses to cash profit	Number of companies	1	5	4	3	2	1
		Action 1: Finalization of action plan for the activities of RCs for 2013-14	Finalization of RFD by the RCs	Date	1	30 <sup>th</sup> April, 2013	7 <sup>th</sup> May, 2013	14 <sup>th</sup> May, 2013	21 <sup>st</sup> May, 2013	28 <sup>th</sup> May, 2013
Objective 9: Supporting Responsibility Centres (RCs) to improve their Performance	1%									

## Mandatory Success Indicators

Efficient Functioning of the RFD System	3	Timely submission of Draft RFD 2014-15 for Approval	On-time submission	Date	2.00	05/03/2014	06/03/2014	07/03/2014	08/03/2014	11/03/2014
		Timely submission of Results for 2012-13	On-time submission	Date	1.00	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013
Improving Internal Efficiency/Responsiveness/Transparency/Service delivery of Ministry/Department	6	Independent Audit of implementation of Citizens' Charter (CCC)	% of implementation	%	2.00	100	95	90	85	80
		Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	2.00	100	95	90	85	90
		Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	2.00	10/09/2013	17/09/2013	24/09/2013	01/10/2013	08/10/2013
Administrative Reforms	6	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	1.00	100	95	90	85	80
		Implement ISO 9001 as per the approved action plan	% of implementation	%	2.00	100	95	90	85	80
		Implement Innovation Action Plan (IAP)	% of milestones achieved	%	2.00	100	95	90	85	80
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	1.00	01/10/2013	15/10/2013	30/10/2013	10/11/2013	20/11/2013

## Allocation of Business to the Department of Heavy Industry

### INFORMATION IN RESPECT OF ADMINISTRATION SECTION

Department of Heavy Industry used to be one of the departments of Ministry of Industry. With effect from 15<sup>th</sup> 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 is looking after the following items of work:

#### (A) Working relating to following CPSEs:-

1. Heavy Engineering Corporation Limited
2. Engineering Projects (India) Limited
3. Bharat Heavy Electricals Limited

#### Subsidiaries:

- (i) Bharat Heavy Plate and Vessels Limited
- (ii) BHEL Electrical Machines Limited

#### Joint Venture :

NTPC BHEL Power Projects (Private) Limited

1. HMT Limited

#### Subsidiaries:

- (i) HMT (Bearing) Limited
- (ii) HMT (International) Limited
- (iii) HMT (Machine Tools) Limited
- (iv) HMT(Watches) Limited
- (v) HMT (Chinar Watches) Limited

2. Scooters India Limited
3. Andrew Yule and Company Limited

#### Subsidiaries:

- (i) Hooghly Printing Company Limited
- (ii) Yule Electricals Limited
- (iii) Yule Engineering Limited

4. Cement Corporation of India Limited
5. Hindustan Cables Limited
6. Hindustan Paper Corporation Limited

#### Subsidiaries:

- (i) Nagaland Pulp and Paper Company Limited
- (ii) Hindustan Newsprint Limited
- (iii) Jagdishpur Paper Mills Limited

7. Hindustan Photo Films Manufacturing Company Limited
8. Hindustan Salts Limited

#### Subsidiary:

- (i) Sambhar Salts Limited

9. Instrumentation Limited

#### Subsidiary:

- (i) Rajasthan Electronics and Instruments Limited

10. NEPA Limited
11. Tyre Corporation of India Limited
12. Bharat Bhari Udyog Nigam Limited; including

#### Subsidiary:

- (i) Braithwaite, Burn & Jessop Construction Limited

13. Triveni Structurals Limited
14. Tungabhadra Steel Products Limited
15. Bharat Pumps and Compressors Limited
16. Richardson and Cruddas (1972) Limited
17. Bridge and Roof Company (India) Limited

**CPSEs/Subsidiaries of CPSEs under liquidation/winding up/ closure/ transfer to other Departments/Organizations:**

1. Bharat Ophthalmic Glass Limited
2. Bharat Leather Corporation Limited
3. Tannery and Footwear Corporation of India Limited
4. Rehabilitation Industries Corporation
5. Bharat Yantra Nigam Limited
6. National Bicycle Corporation of India Limited
7. National Industrial Development Corporation Limited
8. Mining and Allied Machinery Corporation Limited
9. Cycle Corporation of India Limited
10. Jessop and Company Limited
11. Lagan Jute Machinery Company Limited
12. Reyrolle Burn Limited
13. Weighbird (India) Limited
14. Bharat Brakes and Valves Limited
15. Bharat Process and Mechanical Engineers Limited
16. Mandaya National Paper Mills Limited

**(B) Autonomous Bodies:**

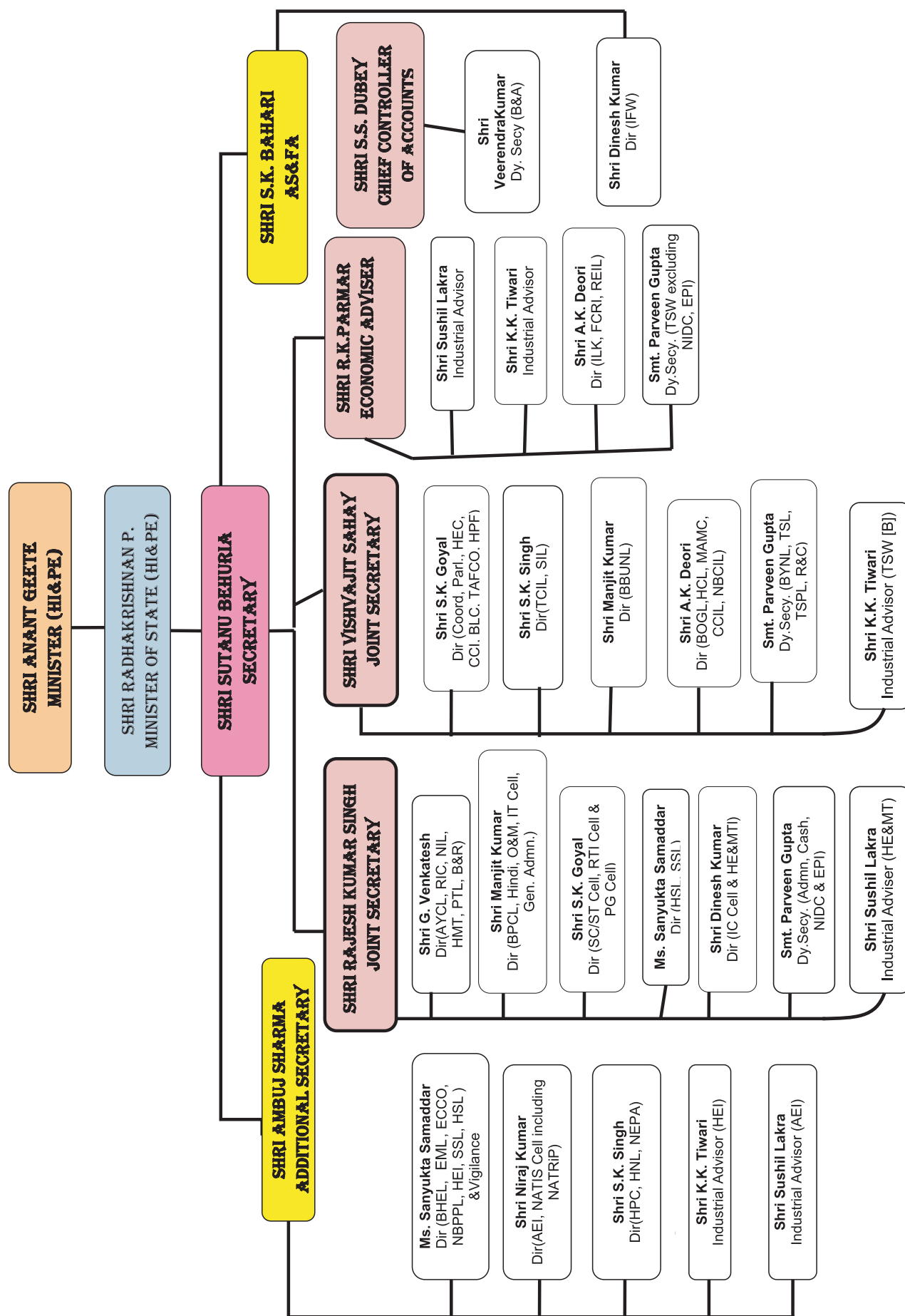
- i) Fluid Control Research Institute

- ii) The Automotive Research Association of India
- iii) NATRIP Implementation Society (for the Implementations of National Automotive Testing and Research & Development Infrastructure Project)

**(C) Other Subjects:**

1. Manufacture of Heavy Engineering Equipment for all industries
2. Heavy Electrical Engineering Industries
3. Machinery Industries including Machine Tools and Steel Plant Equipment
4. Auto Industries, including Tractors and Earth Moving Equipment
5. All type of diesel engines including automobile engines
6. Development Council for Heavy Electrical and Allied Industries.
7. Development Council for Textile Machinery Industry
8. Development Council for Machine Tools Industry
9. Development Council for Automobile and Allied Industries
10. Electrical Construction Company (A Joint Venture between Govt. of India and Govt. of Libya)

# ORGANOGRAM OF DEPARTMENT OF HEAVY INDUSTRY (As on 01-07-2014)





## General Information About CPSEs Under DHI

Sl. No.	Name of PSE and location of Registered Office	Year of setting up of CPSE	Gross Block as on 31.3.2014 (in crore)
1	Andrew Yule & Co.Ltd., (AY&CL), Kolkata	1979	247.03
2	Hooghly Printing Co. Ltd., Kolkata	1979	6.39
3	Bharat Heavy Electricals Ltd., (BHEL), New Delhi	1956	12632.00
4	BHEL-EML	2011	10.65
5	Bharat Bhari Udyog Nigam Ltd. (BBUNL)	1986	0.78
6	Braithwaite, Burn & Jessop Construction Co.Ltd., (BBJ), Kolkata	1987	17.46
7	Bharat Pumps & Compressors Ltd., (BPCL) Allahabad.	1970	87.28
8	Richardson & Cruddas (1972) Ltd., (R&C) Mumbai	1972	32.20
9	Triveni Structurals Ltd., (TSL) Allahabad.	1965	19.65
10	Tunghabhadra Steel Products Ltd., (TSPL) Hospet, Karnataka.	1967	20.56
11	Bridge and Roof Co.(India) Ltd., (B&R) Kolkata.	1972	266.29
12	Hindustan Cables Ltd., (HCL) Kolkata.	1952	525.49
13	Heavy Engineering Corpn.Ltd., (HEC), Ranchi.	1958	372.67
14	HMT Ltd.,( Holdg Co.), Bangalore.	1953	139.61
15	HMT (Machine Tools) Ltd., Bangalore.	2000	332.30
16	HMT (Watches) Ltd, , Bangalore	2000	188.95
17	HMT (Chinar Watches) Ltd., Jammu.	2000	12.16
18	HMT (Bearings) Ltd., Hyderabad.	1964	30.23
19	HMT(International) Ltd. ,Bangalore.	1974	8.36
20	Instrumentation Ltd, (IL), Kota	1964	77.77
21	Rajasthan Electronics & Instruments Ltd., (REIL) Jaipur	1981	33.86
22	Scooters India Ltd., (SIL), Lucknow.	1972	59.00
23	Cement Corpn.of India Ltd. (CCI), New Delhi.	1965	706.34
24	Hindustan Paper Corporation Ltd. (HPC), Kolkata.	1970	977.33
25	Hindustan Newsprint Ltd., ( HNL), Vellore, Kottayam.	1983	436.11
26	Hindustan Photo Films Mfg. Co. Ltd. (HPF), Ooty.	1960	715.00
27	Hindustan Salts Ltd., (HSL), Jaipur.	1958	13.36
28	Sambhar Salts Ltd., (SSL)Jaipur.	1964	28.24
29	Nepa Ltd ., (NEPA), Nepa Nagar.	1956	106.19
30	Tyre Corpn.of India Ltd., (TCIL), Kolkata.	1984	119.63
31	Engineering Projects (India) Ltd., (EPI), New Delhi.	1970	21.88
32	Nagaland Pulp & Paper Company Limited (NPPC), Dist. Mokokchyng, Nagaland	1971	64.31
	<b>TOTAL:</b>		<b>18309.08</b>

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.

(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.

## Employment Position including SC, ST &amp; OBC as on 31.3.2014 in CPSEs under DHI.

Sl. No.	Name of CPSE	TOTAL NO. OF EMPLOYEES				Number of Employees		
		Executives	Supervisors	Workmen/ Others	Total	SC	ST	OBC
1	2	3	4	5	6	7	8	9
1	AYCL	240	74	14732	15046	2560	4409	7795
2	Hooghly Ptg	8	4	37	49	2	0	0
3	BHEL	13347	8976	25212	47535	9456	2905	12781
4	BBUNL	10	4	3	17	1	0	3
5	BBJ	52	36	13	101	7	0	4
6	BHEL -EML	18	3	162	183	12	6	124
7	BPCL	171	20	589	780	132	4	271
8	R&C	7	6	9	22	4	0	3
9	TSL	28	3	100	131	19	0	54
10	TSPL	6	17	61	84	23	3	24
11	B&R	776	31	667	1474	179	10	67
12	HCL	228	270	1200	1698	305	50	173
13	HEC	819	361	854	2034	350	413	534
14	HMT (Hldg Co.)	194	97	1143	1434	320	47	105
15	HMT (MT)	567	250	1750	2567	458	139	682
16	HMT (Watches)	120	53	882	1055	201	35	147
17	HMT (Chinar Watches)	1	4	29	34	4	0	0
18	HMT (Bearings)	17	9	36	62	12	0	21
19	HM T (International)	40	7	4	51	6	3	1
20	IL	211	575	365	1151	193	58	228
21	REIL	70	82	89	241	47	9	54
22	SIL	118	43	459	620	142	1	167
23	CCI	149	130	628	907	131	99	111
24	HPC	365	156	1511	2032	229	183	198
25	HNL	141	55	535	731	49	2	188
26	HPF	66	199	392	657	126	39	320
27	HSL	22	34	55	111	15	6	10
28	SSL	11	21	83	115	25	5	41
29	NEPA	112	0	686	798	48	13	52
30	TCIL							
31	EPIL	357	61	19	437	71	13	61
32	NPPC	3	5	192	200	2	153	15
	<b>TOTAL</b>	<b>18274</b>	<b>11586</b>	<b>52497</b>	<b>82357</b>	<b>15129</b>	<b>8605</b>	<b>24234</b>

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.

(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.

(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.

## PRODUCTION PERFORMANCE OF CPSEs UNDER DHI

(₹ in crores)

Sl. No.	Name of CPSE	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Provisional)	2014-15 (Target)
1	2	3	4	5	6	7
1	AYCL	232.12	261.30	289.03	324.00	385.00
2	Hooghly Printing	11.26	15.75	9.50	15.60	15.80
3	BHEL	43337.00	49510.00	50156.00	40366.00	45600.00
4	BBUNL	11.46	14.74	16.15	10.86	13.00
5	BHEL-EML		21.13	26.53	37.02	49.07
6	BBJ	146.51	199.15	302.11	268.00	290.00
7	BPCL	209.09	158.30	152.74	150.26	210.00
8	R&C	86.20	73.31	71.19	75.00	80.00
9	TSL	1.92	1.57	0.93	1.86	1.86
10	TSPL	2.88	3.03	0.55	0.61	0.75
11	B&R	1328.97	1258.67	1315.55	1401.40	1475.00
12	HCL	0.00	0.00	0.00	0.00	0.00
13	HEC	700.55	687.74	676.77	439.97	852.20
14	HMT(Holding Co.)	187.24	182.98	63.05	74.11	249.25
15	HMT(MT)	177.43	218.17	218.05	155.56	206.75
16	HMT(Watches)	8.82	10.24	14.03	4.70	12.00
17	HMT(Chinar Watches)	0.00	0.00	0.00	0.00	0
18	HMT(Bearings)	11.24	14.64	11.73	14.36	15.15
19	HMT(International)	27.89	32.40	34.09	25.08	45.00
20	IL	249.83	192.45	171.80	159.71	325.00
21	REIL	133.54	234.11	241.84	216.16	200.00
22	SIL	184.76	228.73	214.46	215.28	265.21
23	CCI	332.88	370.93	316.56	364.44	414.60
24	HPC	579.17	705.38	566.20	639.93	914.00
25	HNL	310.36	336.32	348.04	367.52	436.00
26	HPF	39.92	7.61	3.74	1.25	0.00
27	HSL	13.22	8.98	8.61	6.60	15.54
28	SSL	9.88	19.38	16.05	18.68	32.62
29	NEPA	103.58	145.60	131.54	124.94	125.00
30	TCIL	181.87	24.29			
31	EPI	1103.69	901.27	840.61	902.88	1250.00
32	NPPC	0.00	0.00	0.00	0.00	0.00
<b>Total:</b>		<b>49723.28</b>	<b>55838.17</b>	<b>56217.45</b>	<b>46381.78</b>	<b>53478.80</b>

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.  
(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.  
(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.

## PROFIT(+) LOSS (-) (BEFORE TAX) OF CPSEs UNDER DHI.

(₹ in crores)

Name of CPSE	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Provisional)	2014-15 (Target)
2	3	4	5	6	7
<b>(A) PROFIT MAKING CPSEs</b>					
AYCL	41.32	11.85	11.35	22.29	17.00
Hooghly Printing	0.31	0.53	0.11	0.15	0.16
BHEL	9006.00	10302.00	9432.00	4678.00	4825.00
B&R	87.09	68.29	56.03	26.40	40.00
BBUNL	0.02	0.11	0.46	4.29	0.03
BBJ	4.49	5.96	58.37	66.00	22.64
CCI	27.13	19.43	8.11	11.54	9.71
EPI	22.58	36.37	31.65	32.04	41.31
HMT (International)	0.31	1.74	6.85	0.49	4.41
HSL	-0.49	0.22	0.74	0.17	0.49
SSL	-4.13	1.06	0.30	0.03	0.94
SIL	-17.11	-19.94	-6.00	13.60	2.82
HMT(Hldg. Co.)	-79.24	-82.20	-145.38	235.27	-49.35
REIL	6.25	27.45	39.29	20.50	6.86
HEC	38.14	8.58	20.38	314.12	24.62
Sub-total for (A) Profit making Companies	9132.67	10381.45	9514.26	5424.89	4946.64
<b>(B) LOSS MAKING CPSEs</b>					
TSPL	-26.12	-28.75	-31.15	-31.91	-30.57
BPCL	14.26	1.57	-26.76	-12.47	4.50
IL	-36.56	-67.69	-54.09	-50.22	-3.48
R&C	-21.55	-16.26	-29.49	-15.38	-20.33
TSL	-53.18	-52.34	-75.87	-56.96	-58.00
HCL	-607.39	-648.27	-885.05	-824.14	-850.25
HPC	-63.34	-95.20	-151.87	-103.51	-35.44

Name of CPSE	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Provisional)	2014-15 (Target)
2	3	4	5	6	7
HMT (Machine Tools)	-93.06	-46.14	-43.65	-84.79	-55.36
HMT (Bearings)	-21.32	-10.12	-2.07	-15.98	-14.69
HMT (Watches)	-253.74	-224.04	-242.47	-249.54	-262.10
HMT (Chinar Watches)	-45.40	-44.04	-51.16	-50.65	-36.46
HPF	-1156.65	-1352.39	-1565.32	-1829.83	-2207.81
HNL	5.04	6.89	-18.09	-14.31	5.05
NEPA	-70.40	-72.90	-84.08	-125.74	-36.02
TCIL	-13.23	-11.90			
BHEL -EML		-0.37	-0.55	-1.06	-0.63
NPPC	-13.43	-11.90	-14.58	-13.13	-22.22
Sub-total (B) Loss making Companies.	-2456.07	-2673.85	-3330.70	-3479.62	-3623.81
GRAND TOTAL (A&B)	6676.60	7707.60	6183.56	1945.27	1322.83

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.  
(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.  
(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.



## SALARY/WAGE BILL &amp; SOCIAL OVERHEADS AS % OF TURNOVER OF CPSEs UNDER DHI

Sl. No.	Name of PSE	Wages and salaries as % of Turnover					Social overheads as % of Turnover				
		2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Anticipated)	2014-15 (Tentative Target)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Anticipated)	2014-15 (Tentative Target)
1	2	3	4	5	6	7	8	9	10	11	12
1	AYCL	31.65	28.52	30.96	27.84	24.63	4.39	3.96	8.54	7.68	6.79
2	Hoogly Ptg.	19.06	16.96	24.58	16.98	17.40	0.88	0.52	1.09	0.71	0.73
3	BHEL	12.48	11.04	11.47	15.32	14.66	1.35	1.37	1.44	1.88	1.75
4	BBUNL	19.02	11.30	10.00	12.90	10.80	1.50	1.30	2.10	1.00	2.0
5	BBJ	6.60	7.70	5.90	6.70	8.50	0.30	0.30	0.80	1.00	0.40
6	BHEL-EML		24.00	21.00	17.00	14.00					
7	BPCL	27.74	41.19	51.63	44.70	28.60	1.14	1.66	1.85	1.60	1.10
8	R&C	1.99	2.09	1.56	2.00	2.10					
9	TSL	2.27	2.13	2.53	2.28	2.34	1.03	1.20	0.60	0.50	0.50
10	TSPL	62.03	76.46	188.91	330.00	183.00	22.39	30.89	74.07	187.00	75.00
11	B&R	5.40	6.21	6.56	6.68	6.92	1.14	1.63	1.53	1.72	1.56
12	HCL	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13	HEC	21.20	22.97	18.19	33.20	15.59	1.70	1.31	0.51	0.98	0.52
14	HMT (Hldg)	38.00	42.00	64.00	104.00	32.00	4.00	5.00	7.00	10.00	4.00
15	HMT (MT)	69.00	54.00	54.00	70.00	50.00	11.00	9.00	9.00	13.00	9.00
16	HMT (Watches)	1373.00	689.00	400.00	520.00	198.00	45.00	35.00	33.00	58.00	35.00
17	HMT (Chinar Watches)	4.48	3.94	2.82	1.28	1.43	0.27	0.37	0.21	0.25	0.30
18	HMT (Bearings)	51.00	27.00	32.00	26.00	23.00	3.70	2.40	2.30	1.60	1.90
19	HMT (Inertional)	12.00	14.00	12.00	29.00	11.00	1.00	0.70	1.30	2.10	1.40
20	IL	26.05	35.82	41.13	38.84	16.77	1.12	1.59	1.93	1.80	1.50
21	REIL	11.61	7.50	7.93	9.48	11.25	0.69	1.14	1.25	1.16	1.25
22	SIL	21.09	13.74	14.26	13.74	14.26	2.20	1.28	1.74	1.54	1.75
23	CCI	11.07	12.44	14.30	13.85	11.88	5.22	5.29	5.35	5.19	4.50
24	HPC	18.10	17.19	23.89	23.63	14.48	6.17	5.94	2.13	1.49	1.05
25	HNL	17.06	16.14	14.35	15.27	16	2.34	2.58	2.45	1.69	1.59
26	HPF	37.31	124.84	399.47	1203.25		3.62	9.46	5.75	4.17	
27	HSL	34.00	56.86	70.03	78.05	70.50	1.91	2.83	2.23	3.79	2.19
28	SSL	55.42	35.20	33.29	42.68	26.92	4.25	2.15	2.49	2.97	1.68
29	NEPA	16.14	12.69	15.24	16.81	20.00	0.42	2.48	3.32	3.27	3.00
30	TCIL	23.18	14.88	3.27			3.82	2.01	0.49		
31	EPIL	3.40	4.37	5.19	5.18	4.00	0.79	0.66	0.78	0.79	0.61
32	NPPC	7.02	7.45	10.41	11.00	13.00	2.82	2.96	0.50	0.52	0.55

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.  
(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.  
(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.

## ORDER BOOK POSITION OF CPSEs under DHI

(₹ in crores)

Sl. No.	CPSE	As on 1.10.2009	As on 1.10.2010	As on 1.10.2011	As on 1.10.2012	As on 1.10.2013	As on 31.3.14
1	2	3	4	5	6	7	8
1	AYCL	39.98	49.43	80.16	80.73	76.48	66.89
2	Hooghy Ptg	75.00	671.87	759.00	163.21	137.96	130.00
3	BHEL	125800.00	154000.00	161000.00	122300.00	102300.00	101500
4	BBUNL	159.63	183.97	51.18	38.14	19.55	12.91
5	BBJ	958.35	841.86	663.07	450.08	282.82	265.66
6	BHEL-EML				4.32	21.52	12.52
7	BPCL	241.63	111.64	131.81	163.40	195.19	139.47
8	R&C	117.94	87.84	92.12	35.44	39.95	72.07
9	TSL	5.71	4.26	3.11	2.92	2.66	0.00
10	TSPL	0.19	2.28	0.07	0.52	0.00	0.00
11	B&R	790.83	654.48	451.38	783.22	1229.87	2491.69
12	HCL	3.40	0.06	0.00	0.00	0.00	0.00
13	HEC	1735.01	1819.22	1961.69	1724.19	1386.10	1409.58
14	HMT (Hldg)	0	0	0	0	0.00	0
15	HMT (MT)	151.80	160.48	238.50	285.90	<b>325.75</b>	333.59
16	HMT (Watches)	0	0	0	0	0.00	0
17	HMT (Chinar watches)	0	0	0	0	0.00	0
18	HMT(Bearing)	1.12	1.43	1.85	2.21	1.94	1.94
19	HMT(I)	10.69	7.95	14.01	9.62	8.84	7.95
20	IL	335.00	380.55	379.69	241.36	150.00	125.00
21	REIL	36.15	64.25	184.04	72.15	71.54	
22	SIL*						
23	CCI	21.46	16.38	27.36	26.01	22.74	21.34
24	HPC	144.28	134.31	412.84	473.74	495.88	
25	HNL						
26	HPF	5.00	2.00	7.00	6.00	6.00	
27	HSL	17.63	11.11	0.68	8.68	3.29	7.02
28	SSL	0.50	1.03	2.80	7.23	3.09	14.52
29	NEPA	21693.00	33001.00	40212.00	26144.00	28528.00	42851.00
30	TCIL						
31	EPIL	4451.70	4434.20	4590.86	3383.83	6444.85	6822.00
32	NPPC						
	<b>TOTAL</b>	<b>156796.00</b>	<b>196641.60</b>	<b>211265.22</b>	<b>156406.90</b>	<b>141754.02</b>	<b>156285.15</b>

\*Goods are produced for stock &amp; sale

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.

(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.

(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.

## EXPORT PERFORMANCE OF CPSEs UNDER DHI

(₹ in crore)

PSEs	2009-10 (Actual)			2010-11 (Actual)			2011-12 (Actual)			2012-13 (Actual)			2013-14(provisional)		
	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total
1	5	6	7	8	9	10	11	12	13	14	15	16			
AYCL	1.33		1.33	1.95		1.95	1.19		1.19	2.11		2.11	1.61		1.61
BHEL	1682.00	14527.00	16209.00	1408.00	16429	17837.00	1464.00	23525.00	24989.00	1998.00	20680.00	22678.00	2481.00	16759.00	19240.00
BBUNL	0.02		0.02	0.11		0.11	0.00		0.00			0.00	0.00	0.00	0.00
BPCL		4.66	4.66	42.79	35.20	77.99		13.16	13.16		19.94	19.94		20.00	20.00
B&R	33.22		33.22	7.24		7.24	3.74		3.74	13.46		13.46	12.11		12.11
HEC				23		23.00				400.00			1063.00		1063.00
HMT(l)	30.80		30.80	27.88		27.88	32.40		32.40	34.09		34.09	25.08		25.08
IL	0.67	16.32	16.99	0.22	21.60	21.82	0.19	34.86	35.05	0.76	23.32	24.08	1.00	24.00	25.00
REIL	0.02	2.60	2.62	0.04		0.04	0.26		0.26	0.50		0.50			
SIL	0.24		0.24	0.25		0.25	0.59		0.59	0.39		0.39	0.38		0.38
HSL	0.28		0.28	0.33		0.21	0.83		1.04	0.38	1.21	1.59	0.00	0.00	0.00
SSL	0.00	0.00	0.00	0.33	0.00	0.33	0.00	0.55	0.55	0.00	0.00	0.00	0.00	0.00	0.00
EPIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	119.51		119.51	247.46		247.46
<b>Total</b>	<b>1748.58</b>	<b>14550.58</b>	<b>16299.16</b>	<b>1512.14</b>	<b>16485.80</b>	<b>17997.82</b>	<b>1503.20</b>	<b>23573.57</b>	<b>25076.98</b>	<b>2569.20</b>	<b>20724.47</b>	<b>22893.67</b>	<b>3831.64</b>	<b>16803.00</b>	<b>20634.64</b>

**Note:**(i) 13 CPSEs namely, BPME, WIL,BBVL,RBL, TAFCO,CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed and one CPSE (NPPC) is not in operation).

(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September,2010.

**PAID UP CAPITAL, NETWORTH AND ACCUMULATED PROFIT(+)/LOSS(-) AS ON 31.3.2014  
(Provisonal) OF THE CPSEs UNDER DHI**

(₹ in crores)

Sl. No.	Name of CPSE	Paid up capital		Networth	Accumulated Profit (+)/Loss (-)
		Government/ Holding CPSE	Others		
1	2	3	4	5	6
1	AYCL	58.74	6.52	172.91	6.48
2	HOOGHLY PTG	102.71	0	383.50	110.25
3	BHEL	308.69	180.83	32733.00	32243.00
4	BBUNL	120.86	0.00	126.37	5.51
5	BBJ	20.27	0.00	111.68	91.41
6	BHEL -EML	5.35	5.15	8.52	-1.98
7	BPCL	53.53		92.44	16.40
8	R&C	54.84	0	-403.96	-458.80
9	TSL	21.27	0	-741.24	-762.51
10	TSPL	6.69	1.75	-402.87	-411.31
11	B&R	54.63	0.36	309.82	254.83
12	HCL	417.69	1.67	-6136.74	-6612.84
13	HEC	606.08	0	154.44	-560.11
14	HMT(Holding Co.)	1344.32	76.03	1258.44	-605.65
15	HMT(Machine Tools)	719.60	0	-286.45	-1028.76
16	HMT(Watches)	6.49	0	-2262.20	-2268.69
17	HMT(Chinar Watches)	1.66	0.00	-532.95	-534.61
18	HMT(Bearing)	37.47	0.24	-92.90	-130.61
19	HMT(International)	0.72	0	31.04	30.31
20	IL	146.05	0	-135.07	-270.98
21	REIL	6.00	6.25	82.36	70.11
22	SIL	80.03	5.35	83.05	-2.38
23	CCI	811.41	0	-146.54	-942.02
24	HPC	817.30	0	519.4	-290.47
25	HNL	99.99	0	180.94	68.95
26	HPF	187.68	19.19	-12709.49	-12938.47
27	HSL	27.06	0.00	24.97	-10.64
28	SSL	1.00	0.00	-3.66	-15.44
29	NEPA	105.46	2.35	76.10	-477.46
30	TCIL	29.63		7.13	-47.17
31	EPIL	35.42	0.0071	202.83	149.47
32	NPPC	11.39	62.74	-99.47	-111.64
	<b>TOTAL:</b>	<b>6300.03</b>	<b>368.44</b>	<b>12605.40</b>	<b>4564.18</b>

**Note:** (i) 13 CPSEs namely, BPME, WIL, BBVL, RBL, TAFCO, CCIL, BLC, NBCIL, MAMC, NIDC, BOGL, RIC & BYNL have been closed.  
(ii) Braithwaite and BSCL have been transferred to Ministry of Railways/Ministry of Steel during August/September, 2010.  
(iii) Data of TCIL is not available as the Company initially under disinvestment is under winding up on order of the Hon'ble High Court of Calcutta.

## Inputs sanctioned by the Govt. for revival/Re-structuring of CPSEs under DHI

As on 31.3.2014

(₹ cr.)

S. No.	CPSE	Fresh GOI Funds		Waivers/Conversions	GOI Guarantee	Total
		Capital Investment	Others			
1.	Hindustan Salts Ltd. , Jaipur	4.28	nil	66.32	nil	70.60
2.	Bridge & Roof Co. Ltd, Kolkata	60.00	nil	42.92	nil	102.92
3.	BBJ Constn. Co. L td, Kolkata	nil	nil	54.61	nil	54.61
4.	Praga Tools Ltd, Secunderabad (AP)	5.00	nil	177.12	32.59	214.71
5.	Heavy Engg Corp, Ranchi	102.00	nil	1116.30	150.00	1368.30
6.	HMT (Bearings) Ltd, Hyderabad.	7.40	nil	26.57	17.40	51.37
7.	Braithwaite & Co. Ltd, K olkata	4.00	nil	112.91	nil	116.91
8.	Cement Corpn of India Ltd, New Delhi	30.67	153.62	1252.25	15.70	1452.24
9.	Bharat Pumps & Compressors Ltd, Allahabad	Nil	3.37	153.15	nil	156.52
10.	HMT (MT) Ltd.	180.00	543.00	157.80	--	880.80
11.	Andrew Yule & Co. Ltd	29.56	87.06	154.75	111.96	383.33
12.	National Instruments Ltd.	--	1.81	240.05	--	241.86
13.	Nagaland Pulp & Paper Co. Ltd*	251.26	38.19	126.98	252.99	669.42
14.	Tyre Corporation of India Ltd.	--	--	815.59	--	815.59
15.	Instrumentation Limited	--	--	504.36	45.00	549.36
16.	Burn Standard Company Ltd.	--	25.43	1139.51	--	1164.94
17.	HMT Ltd	38.00	nil	nil	nil	38.00
18.	NEPA Ltd.	157.00	77.18	930.14	nil	1164.32
	<b>Total</b>	<b>869.17</b>	<b>929.66</b>	<b>7071.33</b>	<b>625.64</b>	<b>9495.80</b>



**Important Audit observations from  
Comptroller & Auditor General Audit Report for 2012-13**

**Chapter - XII of the Report No.13 of 2013 is related to Department of Heavy Industry.  
Bharat Heavy Electricals Limited**

**1. Irregular payment towards encashment of Half Pay Leave and Sick Leave.**

Encashment of Half Pay Leave/Sick leave in deviation from DPE guidelines, resulted in irregular payment of ₹ 150.01 crore from January 2007 to November 2012.

**(Para No.12.1 Report No. 13 of 2013)**

# Abbreviations

AAIFR	Appellate Authority of Industrial & Financial Reconstruction
ARAI	Automotive Research Association of India
AYCL	Andrew Yule & Company
BBJ	Braithwaite, Burn & Jessop Construction Company Limited
BBUNL	Bharat Bhari Udyog Nigam Limited
BEML	BHEL Electrical Machines Ltd.
BHEL	Bharat Heavy Electricals Limited
BHPV	Bharat Heavy Plate & Vessels Limited
BIFR	Board of Industrial & Finance Reconstruction
BLC	Bharat Leather Corporation Limited
BOGL	Bharat Ophthalmic Glass Limited
BPCL	Bharat Pumps & Compressors Limited
BPME	Bharat Process & Mechanical Engineers Limited
BCL	Braithwaite & Company Limited
BWEL	Bharat Wagon & Engineering Company Limited
BYNL	Bharat Yantra Nigam Limited
BRPSE	Board for Reconstruction of Public Sector Enterprises
CCI	Cement Corporation of India Limited
CCIL	Cycle Corporation of India Limited
CEA	Central Electricity Authority
CCEA	Cabinet Committee on Economic Affairs
CNC	Computer Numerically Controlled
CPSE	Central Public Sector Enterprise
EFV	Environmentally Friendly Vehicle
EOT	Electrically Operated Trolley
EPC	Engineering Procurement and Construction
EPI	Engineering Projects (India) Limited
FCRI	Fluid Control Research Institute
FFP	Foundry Forge Plant
HCL	Hindustan Cables Limited
HMBP	Heavy Machine Building Plant
HMT(I)	HMT (International) Limited
HMTP	Heavy Machine Tools Plant
HPC	Hindustan Paper Corporation Limited
HNL	Hindustan Newsprint Limited
HPF	Hindustan Photo Films Manufacturing Company Limited
HSL	Hindustan Salts Limited
IL	Instrumentation Limited
ICGCC	Integrated Coal Gasification Combined Cycle

ICEMA	Indian Construction Equipment Manufacturers Association
IMTMA	India Machine Tools Manufacturers Association
JPML	Jagdishpur Paper Mills Limited
JVC	Joint Venture Company
JESSOP	Jessop Company Limited
KV	Kilo Volt
KW	Kilo Watt
LAGAN JUTE	Lagan Jute Machinery Company Limited
OA	Operating Agency
MAMC	Mining & Allied Machinery Corporation Limited
MAX	Main Automatic Exchange
MoU	Memorandum of Understanding
MoHI&PE	Minister of Heavy Industries & Public Enterprises
MT	Metric Tonne
MUL	Maruti Udyog Limited
MVA	Mega Volt Amperes
MW	Mega Watt
NBCIL	National Bicycle Corporation of India Limited
NEPA	NEPA Limited
NPCIL	Nuclear Power Corporation of India Limited
NIDC	National Industrial Development Corporation Limited
NATRIP	National Automotive Testing and Research & Development Infrastructure Project
PSE	Public Sector Enterprise
PMMAI	Plastic Moulding Machinery Association of India
PPMAI	Process Plant and Machinery Association of India
PTL	Praga Tools Limited
R&C	Richardson & Cruddas (1972) Limited
RIC	Rehabilitation Industries Corporation Limited
RTI	Right to Information Act
SIL	Scooters India Limited
SSL	Sambhar Salts Limited
TAFCO	Tannery & Footwear Corporation of India Limited
TAGMA	Tools and Gauge Manufacturers Association of India
TCIL	Tyre Corporation of India Limited
TMMA	Textile Machinery Manufacturers Association
TSL	Triveni Structural Limited
TSPL	Tungabhadra Steel Products Limited
VRDE	Vehicle Research Development Establishment
WIL	Weighbird (India) Limited.

# **Department of Public Enterprises**

## **Vision**

**'To evolve  
Policies, reform programs,  
Guidelines and mechanisms  
towards  
the establishment of  
a Strong and effective Public Sector.'**

## **Mission**

“To continuously improve the management of Public Sector Enterprises by professionalizing management, goal setting and reviewing performance, developing a comprehensive Management Information System (MIS), evolving guidelines for corporate governance and social responsibility and strengthening institutional mechanisms for revival of sick units”.



## Public Enterprises Survey

- 1.1** The Department of Public Enterprises (DPE) presents to Parliament every year a comprehensive report known as the Public Enterprises Survey on the financial and physical performance of Central Public Sector Enterprises (CPSEs) in the country.
- 1.2** This report is prepared in compliance with the recommendations of the Estimates Committee of 2<sup>nd</sup> Lok Sabha, which suggested in its 73<sup>rd</sup> Report (1959-60) that in addition to the individual annual report of each enterprise laid in the Parliament, a separate consolidated 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 in 1960-61.
- 1.3** The Public Enterprises Survey covers the Central Public Sector Enterprises (CPSEs), which have been established 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 and public sector insurance companies.
- 1.4** The basic data for the Survey is received on-line from various CPSEs, which is compared/validated with their Annual Reports. The data so compiled is subsequently analyzed and presented by way of the annual report in two separate volumes.
- 1.4.1** **Volume-1** of the Public Enterprises Survey contains a macro analysis of the performance of CPSEs in terms of broad physical and financial parameters. Various chapters in this Volume provide an overview of the key activities and the progress made by the CPSEs during the year. It also covers aspects, such as, pricing policy, productivity, R&D, international operations, human resource development, MoU System and welfare measures.
- 1.4.2** **Volume-2** contains an analysis of the performance of CPSEs in different sectoral groups, disaggregated further into individual enterprises. It also contains enterprise-wise analytical data relating to business activities, operational profile and major financial and physical highlights for the last three years. This information also comprises summarized balance sheet, profit and loss account and important management ratios.
- Performance of CPSEs during 2012-13**
- 1.5** The Public Enterprise Survey (2012-13), which was the 53<sup>rd</sup> report on the performance of CPSEs, was laid in both the Houses of Parliament in the Budget Session on 20<sup>th</sup> February, 2014.
- 1.6** Performance of CPSEs, during the year 2012-13, is summarized below:
- 1.6.1** There were 277 Central Public Sector Enterprises (CPSEs) under the administrative control of various Ministries / Departments as



on 31.3.2013. Out of these 277 CPSEs, 229 were in operation and 48 CPSEs have yet to commence business.

1.6.2 Out of 229 operating CPSEs as many as 149 CPSEs showed profit during 2012-13, 79 CPSEs incurred losses during the year and one CPSE has shown No Profit / No Loss.

1.6.3 The cumulative investment (paid up capital plus long terms loans), which was ₹ 29 crore in 5 enterprises as on 31.3.1951, has gone up to ₹ 8,50,599 crore in 277 CPSEs as on 31.3.2013. While the increase in 'investment' in all the CPSEs went up by 16.63% in 2012-13 over 2011-12, the increase in 'capital employed' went up by 13.23% during the same period (**Table-1**). A great deal of investment in CPSEs is being made through internal resources, that is, without any budgetary support.

1.6.4 The 'net profit' of profit making CPSEs (149) was ₹ 1,43,559 crore in 2012-13. The 'net loss' of loss making enterprises (79) stood at ₹ 28,260 crore during the year.

1.6.5 In comparison to 2011-12, the profitability ratios in terms of net profit to turnover / revenue, net profit to net worth and net profit to capital employed show an increase, whereas dividend payout ratio has marginally declined in 2012-13.

1.6.6 Highlights of the performance of CPSEs during 2012-13 are at **Annex-2**. A macro view of the performance of the 229 operating CPSEs over the years is at **Annex-3**.

1.6.7 A comparison of the performance of CPSEs during 2012-13 vis-à-vis the previous year i.e. 2011-12, is given below:

**Table 1: Performance of CPSEs during 2012-13**

(₹ in crore)

Sr. No.	Item / Indicator	2011-12	2012-13	% Growth over 2011-12
1	Number of Operating CPSEs	225	229	1.78%
2	Turnover of (operating) CPSEs	18,22,049	19,45,777	6.79%
3	Income of (operating) CPSEs	18,04,614	19,31,149	7.01%
4	Investment in CPSEs			
	4.1 Total paid up capital	1,63,863	1,85,282	13.07%
	4.2 Total investment (equity plus long term loans)	7,29,298	8,50,599	16.63%
	4.3 Capital employed (Paid up Capital + long term loans and reserves & surplus)	13,52,970	15,32,007	13.23%
5	Profit of (Profit making) CPSEs	1,25,929 (161)	1,43,559 (149)	14.00%
6	Loss of (loss making) CPSEs	(-) 27,683 (64)	(-) 28,260 (79)	2.08%
7	Overall Net Profit	98,246	1,15,298	17.36%
8	Reserves and Surpluses of CPSEs	6,23,671	6,81,409	9.26%
9	Net Worth of CPSEs	7,76,161	8,51,245	9.67%
10	Contribution of CPSEs to Central Exchequer	1,62,402	1,62,761	0.22%
11	Foreign exchange earnings of CPSEs	1,27,880	1,38,150	8.03%
12	Foreign exchange outgo of CPSEs	7,33,542	6,46,262	(-) 11.90%
13	Market Capitalisation (M_Cap) of 45 listed CPSEs	12,57,792	11,16,817	(-) 11.21%

**1.7** Survey data, in a user friendly format was posted on DPE web-site on 02.4.2014 for 2012-13 PE Survey.

## **1.8 State Level Public Enterprises (SLPEs)**

1.8.1 During the formulation of the 11<sup>th</sup> Five Year Plan, the Planning Commission felt the need for a consolidated report on the performance of SLPEs on the lines of the Public Enterprises Survey brought out by the Department for the Central Public Sector Enterprises (CPSEs). The Planning Commission accordingly requested the Department of Public Enterprises to bring out such a Report. Accordingly, the first National Survey on State Level Public Enterprises (2006-07) was brought out by the Department of Public Enterprises in August, 2009. This was followed by the second National Survey on SLPEs (2007-08) which was released by the Hon'ble Minister (HI&PE) in May 2012.

1.8.2 The 3<sup>rd</sup> National Survey on SLPEs covering two years of 2008-09 & 2009-10 was released during October 2013. Out of the 863 SLPEs covered in this Survey, as many as 624 SLPEs provided the information on the performance of their SLPEs for 3<sup>rd</sup> National Survey on SLPEs.

## **1.9 Scheme in respect of Skill Development / Training of Executives & Employees in SLPEs**

1.9.1 Keeping in view the multi-dimensional mandate and the need to improve the performance of SLPEs and based on the recommendation of the Standing Committee of Secretaries of Department/Bureau of Public Enterprises in States / UTs, this new plan scheme has been started in 2012-13. The objective of the scheme is to impart training to the personnel of SLPEs for improving their knowledge/skills and thereby aid in enhancing the overall productivity of the enterprise.

1.9.2 During the first year of its operation, five training programmes under this Scheme have been held at Bhopal, Delhi, Shimla, Bengaluru and Hyderabad respectively. The total number of participants were around 230.

## **1.10 Plan Activities undertaken during 2013-14**

1.10.1 During the current year, Expression of Interest (Eoi) was invited from training institutions including centers of excellence like IITs and IIMs. Based on the response received, the following training programmes on Strategic Thinking and Leadership for Senior Managers of SLPEs and Project Management for Execution Excellence were held during FY 2013-14:

- i) November 11-15, 2013 Indian Institute of Management, Kolkata
- ii) November 11-15, 2013 Indian Institute of Management, Lucknow
- iii) November 28-29, 2013 Project Management Institute (PMI), Delhi
- iv) December 2-6, 2013 Indian Institute of Management, Kolkata
- v) December 2-6, 2013 Indian Institute of Management, Lucknow

1.10.2 A total number of 96 executives attended these training programmes.

## **1.11 Scheme in respect of Research Development and Consultancies (RDC)**

1.11.1 Under the DPE's Plan Scheme of RDC, the Survey Division organized the following workshops during 2013-14:

- Meeting of the Standing Committee of Secretaries of Public Enterprises in States/UTs was held in New Delhi on 10<sup>th</sup> May, 2013 to discuss issues relating to:

- i) Implementation of MoU system in States / UTs.
- ii) Operationalisation of the Plan Scheme for capacity building in SLPEs.
- iii) Making SLPE Survey more useful for policy formulations.
- iv) Guidelines issued by States/UTs.

- v) Twelfth Plan and SLPEs.



A Workshop on SLPEs was held at Goa on generic issues relating to CPSEs & SLPEs on 17<sup>th</sup> May, 2013. The topics discussed during the meeting included MoU system in SLPEs, Corporate Governance, CRR, wage negotiations and BRPSE, Capital Markets & PSUs, and selection of Non-official Directors.

## Chapter 2

# Autonomy to CPSEs

The endeavour of the Government is to make Central Public Sector Enterprises (CPSEs) autonomous board managed companies. Under the Articles of Association, the Board of Directors of CPSEs enjoys 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 Maharatna, Navratna and Miniratna as explained in the following paragraphs.

### 2.1 MAHARATNA SCHEME

2.1.1 The Government had introduced the Navratna scheme, in 1997, to identify Central Public Sector Enterprises (CPSEs) that had comparative advantages and to support them in their drive to become global giants. The Boards of Navratna CPSEs have been delegated powers in the areas of (i) capital expenditure, (ii) investment in joint ventures/subsidiaries, (iii) mergers & acquisitions, (iv) human resources management, etc.

2.1.2 The current criteria for grant of Navratna status are size neutral. Over the years, some of the Navratna companies have grown very big and have considerably larger operations than their peers. The CPSEs which are at the higher end of the Navratna category and have potential to become Indian Multinational Companies (MNCs) are recognized as a separate class, i.e. 'Maharatna'. The higher category acts as an incentive for other Navratna companies and provides brand value.

2.1.3 The salient features of the Maharatna scheme are at **Annex-4**.

2.1.4 Presently there are seven Maharatna CPSEs, viz. (i) Coal India Limited, (ii) Bharat Heavy Electricals Limited, (iii) GAIL India Limited, (iv) Indian Oil Corporation Limited, (v) NTPC Limited, (vi) Oil & Natural Gas Corporation Limited and (vii) Steel Authority of India Limited. The performance of Maharatna CPSEs was reviewed by the Inter-Ministerial Committee during the year 2013-14.

### 2.2 NAVRATNA CPSEs

2.2.1 Under this scheme, the Government has enhanced powers delegated to CPSEs having comparative advantage and the potential to become global players. Presently, there are 14 Navratna CPSEs as under:

- i) Bharat Electronics Limited
- ii) Bharat Petroleum Corporation Limited
- iii) Hindustan Aeronautics Limited
- iv) Hindustan Petroleum Corporation Limited
- v) Mahanagar Telephone Nigam Limited
- vi) National Aluminium Company Limited
- vii) Neyveli Lignite Corporation Limited
- viii) NMDC Limited
- ix) Oil India Limited
- x) Power Finance Corporation Limited
- xi) Power Grid Corporation of India Limited
- xii) Rashtriya Ispat Nigam Limited

- xiii) Rural Electrification Corporation Limited
- xiv) Shipping Corporation of India Limited

2.2.2 The eligibility conditions, the powers delegated to the Boards of Navratna CPSEs and conditions/guidelines for exercise of delegated Navratna powers are at **Annex 5**.

2.2.3 The proposals for grant of Navratna status to Engineers India Limited, Container Corporation of India Limited and NBCC Limited were considered by the Inter-Ministerial Committee (IMC) during the year 2013-14.

2.2.4 The proposal of Ministry of Steel for Rashtriya Ispat Nigam Limited retaining its Navratna status till its listing with an extended target of 15<sup>th</sup> November, 2014 was considered and approved by the IMC and Apex Committee and orders for RINL retaining its Navratna status till 15<sup>th</sup> November, 2014 were issued during the year.

## 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.

2.3.2 The salient features of Miniratna scheme are at **Annex 6**.

2.3.3 Presently, there are 72 Miniratna CPSEs (54 Category-I and 18 Category-II). The list of these 72 Miniratna CPSEs is enclosed at **Annex-7**.

## 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 ₹ 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 Executive of these CPSEs have the power to approve business tours abroad of functional directors up to duration of 5 days (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.

## Chapter 3

# Corporate Governance & Professionalization of Board in Central Public Sector Enterprises (CPSEs)

### 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 to achieve 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.
- 3.1.2 Keeping in view the importance of Corporate Governance principles in ensuring transparency and enhancing the trust of stakeholders and the fact that there was a continued need to adopt and apply the good Corporate Governance practices in respect of CPSEs where huge public funds are invested, it was decided to continue the Guidelines on Corporate Governance for CPSEs and after due inter-ministerial consultations, the proposal for introduction of Guidelines on Corporate Governance for all CPSEs on mandatory basis was approved by the Government in March, 2010.
- 3.1.3 The Guidelines cover issues like composition of Board of CPSEs, Audit Committee, Remuneration Committee, Subsidiary companies, Disclosures, Code of conduct and ethics, Risk management and reporting. The Guidelines have been modified and improved keeping in view the experience gained during the experimental phase of one year and includes additional provisions relating to monitoring the compliance of Guidelines by the CPSEs and formation of Remuneration Committee. Since, the concept of Corporate Governance is dynamic in nature, it has also been provided that suitable modifications in these Guidelines would be carried out from time to time to bring them in line with prevailing laws, regulations, acts, etc.
- 3.1.4 The salient features of these guidelines are at **Annex-8**.
- 3.1.5 During the year 2013, DPE has completed the process of grading CPSEs on the basis of their compliance with Guidelines on Corporate Governance for CPSEs for the year 2012-13 and the grading report is enclosed at **Annex-9**. Out of 260 CPSEs, 112 have been graded as Excellent, 25 as Very Good, 14 as Good, 8 as Fair and 3 CPSEs as Poor. There has been an increase of 22% in the numbers of CPSEs falling under Excellent and Very Good categories.
- 3.1.6 Non official Directors are an essential part of the Boards of CPSEs. The new Companies Act also puts emphasis on this. During the year 2013-14, proposals for filling up 230 positions of non-official Directors on the



Boards of 113 CPSEs were considered and suitable recommendations were conveyed to the concerned administrative Ministries/ Departments.

### **3.2 Training & Workshops**

- 3.2.1 DPE in collaboration with the Chartered Accountants of India (ICAI) organized 4 workshops for Capacity Building of non-official Directors of CPSEs on 28<sup>th</sup> October, 2013 (New Delhi), 24<sup>th</sup> January, 2014 (Bangalore), 27<sup>th</sup> January, 2014 (Mumbai) and 26<sup>th</sup> February, 2014 (New Delhi). Further, International Management Institute (IMI) in collaboration with DPE organized 2<sup>nd</sup>

Directors Conclave in Bangalore from 27<sup>th</sup> to 29<sup>th</sup> June, 2013 and 3<sup>rd</sup> Directors Conclave at Greater Noida from 28<sup>th</sup> to 30<sup>th</sup> November, 2013. Around 110 non-official Directors were covered through these programmes.

### **3.3 Functional Directors**

- 3.3.1 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 their ex-officio capacity and their selection vests with the concerned administrative Ministries/ Departments.

# Policy on Acquisition of Raw Material Overseas by CPSEs

- 4.1** The availability of adequate quantities of raw materials is a pre-requisite for growth. There is also a strategic perspective as some countries have already taken the lead in acquiring sources of raw material assets globally. Overseas investments are currently undertaken by CPSEs either under powers delegated to their Boards or with the approval of CCEA through the mechanism of Empowered Committee of Secretaries (ECS). Shortcomings in the present system include delays in decision making, lack of coordinated & inter-sectoral approach and absence of government funding.
- 4.2** On the basis of recommendations of National Manufacturing Competitiveness Council (NMCC), inter-ministerial consultations and approval of the Cabinet, DPE has notified the Policy for acquisition of Raw Material assets abroad by CPSEs in October, 2011.
- 4.3** The broad features of this Policy are as following:
- Policy is applicable to CPSEs in Agriculture, Mining, Manufacturing and Electricity sectors having a three year record of making net profits.
  - CPSEs to examine proposals, undertake due diligence and obtain approval of Board of Directors in a transparent manner.
  - Enhanced powers delegated to the Boards of Maharatna and Navratna can be exercised only for acquisition of raw material assets abroad.
  - Coordinating Committee of Secretaries (CCoS) headed by the Cabinet Secretary to be constituted. Proposals (i) where the administrative Ministry/CPSE requests for a coordinated view and (ii) involve Government funds, to be put up before the CCoS.
  - CCoS to facilitate quick and coordinated decision making, coordinate grant of concessional credit to foreign enterprise/ Government, recommend Government funding and decide about the nature of the Government funding on a case to case basis.
  - The CCoS to be serviced by the DPE and separate cell to be created in DPE. DPE authorized to hire additional personnel, accommodation and procure equipments necessary for making this cell operational. Additional annual budgetary outlay of ₹ 1.5 crore per annum to be provided to DPE.
  - CPSE/Ministry to submit proposal to the DPE which will convene a meeting of the CCoS. CPSE/Ministry to nominate a nodal officer.
  - Recommendations of CCoS to be placed before CCEA by the DPE.
  - Existing Empowered Committee of Secretaries (ECS) mechanisms shall continue to function. Ministries presently not having ECS proposed to

be authorized to have appropriate ECS mechanism.

- The Ministry of External Affairs and its Missions abroad to be associated right from the beginning of the process.
- The Government to, in due course, consider constituting a dedicated, Sovereign Wealth Fund.

#### **4.4 The following actions have been taken by DPE in this regard:**

- (i) Circulation of the approved policy to all stakeholders.

- (ii) Issuance of guidelines prescribed by Ministry of External Affairs (MEA) and its advisory to its Missions abroad after consultations with MEA.
- (iii) Constitution of Coordinating Committee of Secretaries after approval of Cabinet Secretariat.
- (v) Initiating the process of recruitment of manpower for separate cell and release of advertisement in newspapers inviting applications and holding of selection interviews.

## Chapter 5

# MoU System in CPSEs

MoU is a mutually negotiated agreement between the management of the CPSEs and the Government of India/Holding Company. Under this agreement, the CPSEs undertake to achieve the targets set in the agreement at the beginning of the year and submits itself to evaluation on the basis of its achievements at the end of the year.

### 5.2 Genesis of the MoU system in India

5.2.1 The Government of India introduced the system of MoU in the year 1986, based on recommendations given by Arjun Sengupta Committee report (1984). The report recommended that the CPSEs enter into agreements with their Administrative Ministries for five years, while progress would be reviewed annually. The MoU system was given broader thrust by the Government after the announcement of the New Industrial Policy of 1991. In view of the above policy statement, the scope of MoU system has been extended to cover nearly all CPSEs over a period of time and this is given below:

Year	No. of MoU's signed	Year	No. of MoU's signed
1987-88	4	2007-08	144
1991-92	72	2008-09	147
2001-02	104	2009-10	197
2002-03	100	2010-11	198
2003-04	96	2011-12	197
2004-05	99	2012-13	196
2005-06	102	2013-14	197
2006-07	113	2014-15	199

### 5.2.2 NCAER study on MoU and Performance

**Evaluation:** The Department 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 weights to the different parameters. 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 subdivided into 'dynamic parameters', 'enterprise-specific parameters' and 'sector-specific parameters'. 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 2004-05.

### 5.2.3 Objectives of MoU System: The specific objectives of the MoU system are to:

- Improve the performance of CPSEs through increased management autonomy;
- Remove the haziness in goals and objectives;
- Evaluate management performance through objective criteria; and
- Provide incentives for better future performance.

**5.2.4 Institutional Arrangements for Implementation of MoU Policy-High Power Committee (HPC) on MoU:** The High Power Committee (HPC) on MoU 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 the Cabinet Secretary and comprises of Finance Secretary, Secretary (Expenditure), Secretary (Planning Commission), Secretary (Statistics & Programme Implementation), Chairman, Public Enterprises Selection Board; Chief Economic Advisor, Department of Economic Affairs; Chairman, Tariff Commission; and Secretary (Performance Management). The HPC 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.

### 5.3 Task Force on MoU

**5.3.1** The Committee of Secretaries in its meeting held on 26<sup>th</sup> December, 1988 decided to constitute a Task Force for determining the parameters and weights and also for evaluation of performance of the CPSEs. The Task Force also assists DPE and HPC on MoU for determining the MoU format, parameters and inter se weights. The Task Force is further divided into different groups called syndicates and each syndicate is entrusted with the tasks relating to MoU of CPSEs of a particular sector.

**5.3.2** In order to lend greater technical and professional expertise as well as diverse and rich experience to Task Force on MoU for the year 2014-15, CPSEs were categorized into 13 syndicates, which are as follows:-

1. Agriculture, Fertilizers, Chemicals & Pharma

2. Steel, Lignite, Other Minerals & Metals
3. Crude Oil, Gas and Petroleum
4. Engineering, Transport Equipment and Consumer Goods –I
5. Engineering, Transport Equipment and Consumer Goods –II
6. Engineering, Transport Equipment and Consumer Goods –III
7. Energy, Power Generation and Transmission
8. Trading & Marketing and Financial Services
9. Contract, Construction Service and Consultancies
10. Transport and Tourism-I
11. Transport and Tourism-II
12. Electronics, Telecommunications & Information Technology
13. Section 25 CPSEs

**5.3.3 Linkage with PRP:** MoU performance evaluation is one of the basic criteria for Performance Related Pay (PRP). The signing of MoU by the CPSEs with their parent Ministries/ Departments/ Holding Companies has been made mandatory for making them eligible for performance related pay/variable pay. The MoU rating forms one of the basis of PRP, with all the key result areas identified in the MoU. The PRP is payable at 100% eligibility levels in case the CPSE achieves the MoU rating as "Excellent". In respect of "Very Good", "Good" and "Fair" MoU ratings, the eligibility levels for PRP would be 80 %, 60% and 40% respectively. If the MoU performance of a CPSE is rated as 'Poor', it is not eligible for PRP irrespective of the profitability of the CPSE.

**5.3.4 Applicability:** All CPSEs (Holding as well as Subsidiaries), without exception, are required to sign MoUs. While the Apex/Holding companies sign MoUs with their administrative Ministries/Departments, the Subsidiary companies sign MoUs with their

respective Apex/Holding companies on the same lines as MoU is signed between a CPSE and Government of India.

5.3.5 **Exemption from MoU:** In respect of CPSEs, which are closed/not in operation, merged, wound up, shell companies or are sick and on the verge of being closed or merged with no revival package in sight, the administrative Ministry shall send the proposal for exempting them from MoU with its recommendations to DPE.

5.3.6 **Revision of Targets:** Once the MoUs are signed, revision of targets is not permissible. MoU targets are unconditional and non-provisional. However, during performance evaluation of MoU for happenings beyond the control of CPSE, the Task Force on MoU may consider offset and give their recommendations to DPE. Final decision on such cases is taken by High Powered Committee (HPC) on MoU.

5.3.7 **MoU Guidelines 2014-15:** DPE after consideration of suggestions received from administrative Ministries/Departments, CPSEs and recommendations of external studies/evaluation including the Working Group chaired by Chairman of Task Force on MOU has made significant changes in MoU Guidelines 2014-15. CPSEs have been given greater flexibility to select parameters more suitable for their operations. A common format has been formulated for all CPSEs except sick and loss making CPSEs, under construction CPSEs and Section 25 CPSEs. The MoU guidelines emphasize greater weight to project implementation and CAPEX. Salient features of the guidelines are as follows:

a) **Principles for Target setting:** MoU targets should be realistic yet growth oriented inspirational and consistent with the proposed Annual Plan, Budget and Corporate Plan of the CPSE and Results Framework Document (RFD) of the Ministry/ Department. It should be fixed

keeping in mind the targets/goals indicated in the Plan document or during annual plan discussions and as per allocations approved by Ministry of Finance. Directions by statutory or regulatory bodies, as applicable should also be factored in. Targets should be the maximum achievable under the given and anticipated circumstances. The financial information disclosed to potential investors in IPO/FPO documents and interest of the shareholders should also be kept in mind.

b) **Physical Targets:** In addition to the financial performance, quantifiable physical targets which reflect productivity and efficiency of CPSEs are to be taken as parameters by CPSEs in MoU. The guidelines emphasize CAPEX and project implementation.

c) **Fixation of Targets-Non Financial:** There are no mandatory non-financial parameters for 2014-15. The non-financial parameters are Corporate Social Responsibility (CSR) & Sustainability; Research & Development (R&D); Initiatives for Growth, Project Management & Implementation; Productivity and Internal Processes; Technology, Quality, Innovative Practices; Human Resource Management and Sector Specific Parameters/Enterprise Specific Parameters.

d) **Group Targets:** The performances of some CPSEs are inter – dependent because their operations cut across more than one CPSE and/ or Ministries/Departments. In such circumstances, MoU targets of the concerned CPSEs are so fixed that they are jointly and severally responsible for their performance and for achievement of the targets.



- e) **Research & Development (R&D):** "Research & Development", a 'Non-financial parameter" may be included for CPSEs desirous of taking up R&D projects. R&D is not meant as fundamental scientific research (though it is not excluded). It should be linked to improvements in operational efficiencies in all activities, including manufacturing, processing, product development, packaging, marketing, and even work processes, through innovation, adaption, and application of available and emerging technologies and techniques.

- f) **Commitment and assistance from Government:** Performance of Central Public Sector Enterprises (CPSEs) is assessed with reference to the commitments made and actual assistance given to CPSEs by Administrative Ministries/ Departments. This is to be quantified and a Report along with Performance Evaluation Score Sheet of CPSEs is to be submitted by Administrative Ministries/Departments to DPE which will be reviewed by HPC. Commitments/assistance expected from the Government should be relevant and related to the fulfilment of the agreed performance targets. The commitments/assurances in the

MoU document are to be incorporated appropriately in the Result Framework Documents (RFD) of the concerned administrative Ministry/Department.

- g) **Negative Marking:** There is provision for negative marking in cases of non-compliance with guidelines of Corporate Governance and other DPE Guidelines

## 5.4 MoU Evaluation

- 5.4.1 Evaluation of MoU of the CPSE is done at the end of the year on the basis of actual achievements vis-à-vis the MoU targets. CPSEs (Holding as well as Subsidiaries) are required to submit performance evaluation reports on the basis of audited data to Department of Public Enterprises and the Task Force of the Syndicate Group, after approval of the Board of CPSE and through the administrative Ministries/Departments within the target date of 31<sup>st</sup> August. A description of MoUs evaluated during the last three years is as under.

Item	2010-11	2011-12	2012-13	2013-14
Total MoUs Signed	198	197	196	197
Evaluation Report Submitted	161	175	189+1*	Due from 31.8. 2014

\*Provisional

- 5.4.2 A comparison of the MoU ratings secured by the CPSEs in the last 9 years is as under:-

Rating	Number of Public Sector Enterprises under each rating over Years								
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Excellent	45	49	46	55	47	73	67	76	75
V. Good	31	32	37	34	34	31	44	39	39
Good	12	15	13	15	25	20	24	33	37 + 1*
Fair	10	06	06	08	17	20	24	25	36
Poor	01	00	00	00	01	01	02	02	02
<b>Total</b>	<b>99</b>	<b>102</b>	<b>102</b>	<b>112</b>	<b>124</b>	<b>145</b>	<b>161</b>	<b>175</b>	<b>189 + 1*</b>

\*Provisional

## **5.5 Determination of Excellence Awards under MoU system**

5.5.1 CPSEs are eligible for non-monetary incentives in the form of MoU Excellence Awards. The total number of MoU Excellence Awards are 12 (one from each of the 10 Syndicate groups, one from the best listed CPSEs, one from amongst the sick and loss making enterprises on way to turnaround). All other 'Excellent' performing CPSEs get MoU Excellence certificates.

5.5.2 The following basic principles for selection of CPSEs for MoU Excellence Awards and Certificates from amongst the Syndicate groups are followed:

- i) The profit of the CPSE in the year should be higher compared to the previous year.
- ii) It should not be a loss-making enterprise.
- iii) The composite score of the CPSE should not be more than 1.5 (Excellent rating).

5.5.3 The Award is given to the CPSE which has shown exceptional performance on MoU and has the lowest MoU composite score in the respective Syndicate Group. In case two or more CPSEs score the same MoU composite score in a Syndicate Group, the CPSE recording the highest growth rate of net profit over the previous year is eligible for the excellence award.

5.5.4 For the category of Excellence Awards for Listed CPSEs, the condition is that the percentage growth in the market capitalization exceeds the percentage growth in sensex of the Bombay Stock Exchange. The listed CPSE with the highest percentage growth in market capitalization is eligible for this award.

5.5.5 For Excellence Awards for Sick and Loss making CPSEs on way to turnaround, the conditions are that the CPSEs should have earned profit before tax for the year of the MoU under consideration as well as during the immediately preceding financial year, to ensure that the turnaround is on firm ground. The CPSE having the lowest composite score is eligible for the excellence award.

# Permanent Machinery of Arbitration (PMA)

- 6.1** Permanent Machinery of Arbitration (PMA) has been set up in Department of Public Enterprises for resolving commercial disputes, between CPSEs inter-se as well as between a CPSE and a Central Government Department/ Ministry/Banks/ Port Trusts (except tax matters and Ministry of Railways) in 1989 in compliance of directions of Hon'ble Apex Court in the case of ONGC vs. Collector of Central Excise, Mumbai vide OM dated 29.3.1989 and 30.6.1993.
- 6.2** PMA guidelines are revised from time-to-time and recently they were revised on 12.3.2014. The disputes are required to be referred to 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 a dispute, refers the dispute to the Arbitrator of the PMA for Arbitration. The Arbitration Act, 1996 is not applicable in these cases. No outside lawyer is allowed to appear on behalf of either party for presenting/defending the cases. But the parties can take help of their own full time law officers.
- 6.3** The Arbitrator issues notices to parties concerned for submission of facts of the case and their claims and counter claims. The parties argue their case before him. Based on written records and oral evidence, the Arbitrator publishes an award. An appeal against the award of the Arbitrator can be made to the Secretary, Ministry of Law, for setting aside or revision of the award. The decision of Secretary, Ministry of Law is final and binding on the parties and no appeal can be made in any Court of Law/Tribunal against the decision.
- 6.4** The PMA is designed to be self supporting and the disputants are required to share equally the Arbitration Fee (payments are made through DDO, Department of Public Enterprises) worked out by the Arbitrator based on the formula given in the guidelines. During the year 2013-14, an amount of ₹ 196.08 lakh was collected from the parties as arbitration fee.
- 6.5** Since inception and till the end of 31.3.2014, 400 cases have been referred to the Arbitrator of PMA, out of which Awards in 346 cases have been published while 20 cases are sine die.
- 6.6** There were 74 old cases at the beginning of year 2013-14, and during the year 8 new cases were referred making a total of 82 cases. During the year, 51 cases were decided and one case adjourned sine die thus leaving a balance of 30 cases.
- 6.7** From time-to-time, the Department of Public Enterprises monitors the implementation of the Award of the Arbitrator.

# Wage Policy and Manpower Rationalization

**7.1** The Department of Public Enterprises (DPE) functions as nodal Department inter-alia, in respect of policy relating to pay revision of executives holding posts at the Board Level as well as below the Board level and non-unionized supervisors; and wage settlement of workmen, in CPSEs. The Department renders advice to the administrative Ministries/Departments and the CPSEs in matters relating to revision in the scales of pay of the executives and the wage policy of workmen. The CPSEs are largely following Industrial Dearness Allowance (IDA) pattern scales of pay. In some cases, Central Dearness Allowance (CDA) pattern scales of pay is followed. DPE also issues quarterly DA orders in respect of IDA employees. The DA orders for CDA employees are issued on six monthly periods.

### **7.2 Industrial Dearness Allowance (IDA)**

**7.2.1** 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 were issued by the DPE in July, 1981 and July, 1984 to all the administrative Ministries/Departments that as and when a new CPSE is created or established, IDA pattern and related scales of pay should be adopted ab-initio. In line with DPE O.M. dated 12.06.1990, DPE vide its O.M. dated 10.08.2009 reiterated and emphasized that 'appointments' including 'promotion' on or after 01.01.1989 in CDA scales of pay have to be in IDA scales of pay. There were 277 CPSEs (excluding Banks, Insurance Companies and newly set up CPSEs), as on 31.03.2013 under the

administrative control of the Central Government. They employed approximately 14.04 lakh workmen, clerical staff and executives. Majority of the workmen and executives are on IDA pattern and related scales of pay and the few remaining employees are on CDA pay pattern.

### **7.3 Second Pay Revision Committee**

**7.3.1** On the recommendations of the 2<sup>nd</sup> Pay Revision Committee (PRC) headed by Justice M.J. Rao (retired judge of the Supreme Court) and also on the recommendations of a Committee of Ministers, headed by the then Home Minister (Chidambaram Committee), the Government issued orders vide DPE OM dated 26.11.2008, 09.02.2009 and 02.04.2009 regarding pay revision w.e.f. 01.01.2007 in respect of executives and non-unionized Supervisors of CPSEs following IDA pattern of pay scales. The salient features of 2007 pay revision orders are as follows:

- i) Pay scales ranging from ₹ 12,600-32,500 for E-0 grade and to ₹ 80,000-1,25,000 for Chief Executives of Schedule 'A' CPSEs.
- ii) A uniform fitment benefit @ 30% on basic pay plus DA @ 78.2% as on 01.01.2007.
- iii) Rate of increment @ 3% of basic pay.
- iv) Perks and allowances upto the maximum of 50% of basic pay, with provision of 'Cafeteria Approach'.
- v) Performance Related Pay (PRP) ranging from 40% to 200% of the basic pay.

- vi) Superannuation benefits upto 30% of basic pay +DA
- vii) Ceiling of gratuity in respect of executives and non-unionized supervisors raised to ₹ 10.00 Lakh w.e.f. 01.01.2007.
- viii) Implementation of Pay Revision linked to affordability of the CPSE. The CPSEs concerned have to finance pay revision from their own resources and no budgetary support will be provided.
- ix) An Anomalies Committee consisting of Secretaries of Department of Public Enterprises, Department of Expenditure and Department of Personnel & Training constituted to look into further specific issues/problems that may arise in implementation of Government's orders on the recommendations of 2<sup>nd</sup> PRC.
- x) Enhanced allowances could be effective from 26.11.2008, instead of from the date of issue of Presidential Directive, provided the Presidential Directive is issued within one month of 02.04.2009.
- xi) These benefits to be extended to all CPSEs. Benefits as given in these O.Ms to be viewed as a total package.

#### **7.4 Recommendations of Anomalies Committee**

- 7.4.1 In terms of the provisions of DPE O.M. dated 26.11.2008, an Anomalies Committee was constituted. The Anomalies Committee has considered certain issues and based on its recommendations, DPE had issued orders on issues such as (i) Pay etc. of Government officers on deputation to CPSEs, (ii) Self Lease of residential accommodation, (iii) Medical Expenditure, (iv) Encashment of Leave, (v) Benefit of bunching of increment, (vi) Procedure of pay fixation in some past cases

of Board level executives, (vii) Protection of last drawn pay in a particular case of Board level executives, (viii) NPA not to be considered as pay for the purpose of calculating other benefits, (ix) no other allowance or perks to be kept outside the 50% ceiling except the '4' allowances that have been provided in DPE guidelines and (x) 'under recoveries' not to be included in PBT for the purpose of calculating PRP.

#### **7.5 Wage Revision for Workmen under IDA pattern**

- 7.5.1 DPE vide O.M. dated 9.11.2006 & 01.05.2008 and 13.06.2013 issued policy guidelines for the 7<sup>th</sup> Round of Wage Negotiations (which, on a general basis, became effective from 01.01.2007 and 01.01.2012, respectively) with the unionized workmen of CPSEs. The guidelines are broadly similar to the earlier policy on the Sixth Round of Wage Negotiations. The guidelines also provide that administrative Ministries/ Departments may decide on the periodicity of wage settlement to be below 10 years but not less than 5 years, with the approval of their Minister.

#### **7.6 Pay revision of employees under CDA Pattern in CPSEs**

- 7.6.1 Pay scales on CDA pattern are applicable to some of the clerical staff, unionized cadres and executives of the 69 CPSEs who were on the rolls of these CPSEs 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 were 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 were introduced in these CPSEs with effect from 1.1.1989. Vide DPE O.M. dated 10.08.2009,

it was clarified that 'Appointment' includes selection, promotion and deputation. Therefore, all appointments including appointment on promotion should be under IDA pattern of pay scales as per the direction of Hon'ble Supreme Court.

- 7.6.2 DPE vide O.M. dated 14.10.2008 and 20.01.2009 has revised pay scales and allowances of the employees of CPSEs following CDA pattern w.e.f. 01.01.2006. The benefit of pay revision was allowed to the employees of those CPSEs that are not loss making and are in a position to absorb the expenditure on account of pay revision from their own resources without any budgetary support from the Government.

## **7.7 Highlights & Important policy guidelines issued during the years 2012-13 and 2013-14**

- i) DPE vide O.M. dated 14.12.2012 has issued guidelines on finalization of terms & conditions including pay fixation in respect of Board level executives of CPSEs. It has been decided that henceforth the respective administrative Ministry/Department may be allowed to finalize the pay

fixation and terms & conditions of appointment of Board level executives of CPSEs under their administrative control, with the concurrence of their Integrated Finance Wing (IFW).

- ii) DPE vide O.M. dated 21.01.2013 has issued guidelines on purchase, use, entitlement and other instructions regarding staff car in CPSEs. These have been partially modified vide DPE OM dated 4.11.2013.
- iii) The policy for 7<sup>th</sup> Round (2<sup>nd</sup> part) of Wage negotiations for unionized workers in CPSEs w.e.f. 01.01.2012 has been issued vide DPE O.M. dated 13.06.2013.
- iv) A workshop on Pension and Post Retirement Benefit Scheme in CPSEs was held on 14.08.2013.
- v) DPE vide O.M. dated 18.09.2013 has clarified that interest on idle cash/bank balances may be deducted from profit before tax (PBT) and PRP may be distributed based on profit accruing only from the core business activities of CPSEs.



## Categorization 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 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 before tax, number of employees and units, capacity addition, revenue per employee, sales/capital employed, capacity utilization, value added per employee and qualitative factors such as national importance, complexities of problems being faced by the company, level of technology, prospects for expansion and diversification of

activities and competition from other sectors, etc. The other factors, wherever available, relate to share price, MOU ratings, Maharatna/Navratna/Miniratna status and ISO certification. In addition, the factor relating to the critical/strategic importance of the corporation 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 i.e. as on 31.3.2014, there are 64 Schedule 'A', 69 Schedule 'B', 47 Schedule 'C', 4 Schedule 'D' and 93 uncategorized CPSEs. The schedule-wise list of CPSEs is given in **Annex-10**.

**8.3** During the year 2013-14, Mangalore Refinery & Petrochemicals Ltd. (MRPL) was upgraded from Schedule 'B' to Schedule 'A'; Bharat Petro Resources Limited (BPRL) was upgraded from Schedule 'C' to Schedule 'B'; Biotechnology Industry Research Assistance Council (BIRAC) was initially categorized as a Schedule 'B' CPSE; and MOIL Limited was upgraded from Schedule 'B' to Schedule 'A'

**8.4** During the year 2013-14, 1 post of Functional Director, i.e. Director (Projects) was created on the Board of BBJ Construction Co. Limited; 1 post of functional Director on the Board of NBCC Limited; and 1 post of functional Director, i.e. Director (Business Development) was created on the Board of ONGC Videsh Limited.

## Chapter 9

# Board for Reconstruction of Public Sector Enterprises (BRPSE)

- 9.1** The Government constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) vide Resolution dated 6<sup>th</sup> December, 2004 as an advisory body to address the task of strengthening, modernization, reviving, and restructuring of Central Public Sector Enterprises (CPSEs) and advise the Government on strategies, measures and schemes related to them.
- 9.2** The Board consists of a Chairman in the rank of Minister of State, three non-official Members and three official Members. 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 the Government of India.
- 9.3** 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.
- 9.4.1** Committee of Secretaries (CoS) in its meeting held on 22.2.2013 has mandated BRPSE to examine the proposal of enhancement of superannuation from 58 years to 60 years in sick CPSEs and to give its recommendations to the concerned Ministry/Department.
- 9.4.2** Details of the meetings held by BRPSE during the year i.e. 2013-14 are at Annex-11. It recommended revival package to ITI Ltd., HMT Bearings Ltd., Fertilizers and Chemicals Travancore Ltd., Brahmaputra Valley Fertilizer Corporation Limited and closure of STCL Ltd., and Hindustan Photo Films Manufacturing Co. Ltd. The Board during this

period reviewed the status of implementation of revival package sanctioned by Government to 13 CPSEs and also the status of its recommendations in respect of 1 CPSE.

9.4.3 Besides, BRPSE has recommended extension of superannuation age from 58 to 60 years in National Projects Construction Corporation Ltd. and National Textile Corporation Ltd.

9.5 Since the inception of BRPSE and till March, 2014, the Board has given its recommendations in respect of 64 PSEs. The recommendations of BRPSE in respect of the 64 PSEs (**Annex-12**) fall under the following broad categories:

S. No.	Category	No. of PSEs
1	Revival through restructuring package	45
2	Revival through take over by State Govt./Joint venture with PSEs/ Disinvestment	8
3	Revival through merger/takeover	5
4	Closure	6
	<b>Total</b>	<b>64</b>

9.6 BRPSE, besides giving recommendations on sick CPSEs, has also recommended scheme for attracting Top Managerial Talent to sick CPSEs which has been approved. The Board also recommended measures to the Government for strengthening CPSEs

(particularly sick CPSEs), which includes enhancement of superannuation age of Board level and below Board level appointees, Pay Revision, revision of VRS/VSS Schemes, incentivizing employees, and relaxation in recruitment rules for Board level appointees in sick CPSEs.

9.7 Out of the 64 cases recommended, Government has approved proposals for revival of 45 cases of CPSEs and closure/winding up of 4 CPSEs. In case of 3 sick CPSEs, namely, Bharat Coking Coal Ltd., Eastern Coal Fields Ltd. and Hindustan Fluorocarbons Ltd., their Holding CPSEs namely Coal India Ltd. and Hindustan Organic Chemicals Ltd. respectively are implementing the revival plan (**Annex-13**). The recommendations of BRPSE in respect of the remaining CPSEs are being processed by the administrative ministries concerned.

9.8 Out of the 48 CPSEs approved for revival, till March, 2014, 19 sick CPSEs have been declared turnaround as they have posted profits consecutively for 3 or more years after the assistance by the Government.

9.9 BRPSE conducted "**BRPSE Turnaround Award: 2013**" function on 31.10.2013 to felicitate 4 turnaround sick CPSEs viz. National Projects Construction Corporation Ltd., National Film Development Corporation Ltd., SAIL Refractory Unit (formerly Bharat Refractories Ltd.) and Bharat Coking Coal Ltd.

## Chapter 10

# Counselling, Retraining and Redeployment (CRR)

- 10.1** In the context of restructuring of Central Public Sector Enterprises (CPSEs), rationalization of manpower has become a necessity. The policy of the Government has been to implement reforms with a humane face and provide adequate safety net for the workers adversely affected due to right sizing. Considering the need to have safety net, Government had established the National Renewal Fund (NRF) in February, 1992 to cover the expenses of VRS and to provide retraining to the workers in the organized sector. The retraining activity was administered by Department of Industrial Policy and Promotion. After the abolition of NRF in February, 2000, the Scheme for Counseling, Retraining and Redeployment (CRR) of Rationalized Employees of CPSEs is being implemented by Department of Public Enterprises since 2001-02. CRR Scheme was modified in November, 2007 in order to widen its scope and coverage. One dependent of VRS optee is also eligible in case the VRS optee himself/herself is not interested.
- 10.2** The Scheme for Counselling, Retraining and Redeployment (CRR Scheme) inter-alia aims to:
- reorient rationalized employees through short duration training programmes.
  - equip them for new vocations.
  - engage them in income generating self-employment.
  - help them rejoin the productive process.
- 10.3** The main elements of the CRR Scheme are Counselling, Retraining and Redeployment. Counselling helps the rationalized employees to cope with the trauma of leaving the organization, to properly manage their funds including VRS compensation, to get motivated for facing challenges and to re-join the productive process. Retraining strengthens their skill/expertise. Selected training institutes impart need-based training in modules of 30 days / 45 days / 60 days. The faculty support is both internal and external. The approach is to provide classroom lectures as well as field experience. In the process, trainees interact with experts from various fields and are 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.
- 10.4** 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 and regular liaison with CPSEs etc.
- 10.5** CPSEs are the key to the success of the Scheme. They are expected to extend all possible support for the welfare of the separated employees by clearing their compensations/dues before release. Long

association with employees puts CPSEs in a better position to identify their retraining needs.

- 10.6** In the year 2013-14, plan funds to the tune of ₹ 7.00 crore as BE and ₹ 5.40 crore as RE were allocated for implementation of CRR Scheme. During the year, 8 nodal agencies were operational with 27 Employees Assistance Centres (EACs) located all over the country. Year wise number of persons trained under the Scheme, including the year 2013-14 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
2007-08	9728
2008-09	9772
2009-10	7400
2010-11	9265
2011-12	9400
2012-13	7506
2013-14	3230
<b>Total</b>	<b>1,83,124</b>

- 10.7** During 2013-14, the National Institute for Entrepreneurship & Small Business Development (NIESBUD), an autonomous body under the Ministry of Micro, Small & Medium Enterprises, submitted its report on evaluation of the performance of nodal agencies as Third Party Assessment Agency (TPAA) and another report on evaluation of the CRR Scheme. The findings and recommendations on evaluation of the CRR Scheme have been circulated to the nodal agencies, administrative Ministries/ Departments concerned and CPSEs for compliance.

- 10.8** A list of operating nodal agencies (2013-14) is given at **Annex-14**.

# Voluntary Retirement Scheme (VRS)

**11.1** As a result of the restructuring in some Central Public Sector Enterprises (CPSEs), Government announced the Voluntary Retirement Scheme (VRS) in October, 1988. A comprehensive package was later notified by the Department of Public Enterprises (Government of India) in May, 2000. In view of the difficulties faced by some CPSEs where the wage revision of 1992 or 1997 (as the case may be) could not be made effective, the VRS was further liberalized through subsequent notification of November, 2001. This notification, inter-alia, provides for 100% additional compensation for the employees where wage revision of 1992 could not be made effective. Similarly, 50% additional compensation was allowed for employees where wage revision of 1997 could not be made effective. The ex-gratia payment under VRS to employees following CDA pattern at 1986 scales of pay has been also enhanced by 50% w.e.f. 26.10.2004. These increases in VRS compensation are to be computed based on the existing pay of employees.

### **11.2 VRS in CPSEs that can support the scheme on their own**

**11.2.1** 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. Such compensation will, however, not exceed the salary for the balance period of the service left.

### **11.3 VRS in marginally profit or loss Making / sick / unviable CPSEs**

**11.3.1** Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either of the following models:

**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 superannuation subject to the condition that compensation shall not exceed the sum of salary for the balance period left for superannuation.

**Department of Heavy Industry (DHI) model**, under which ex-gratia payment made is 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. 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 of service left.



# Executive Development Programmes

**12.1** The Central Public Sector Enterprises (CPSEs) design their own human resources development programmes to upgrade the skills and knowledge of middle and senior level executives by giving them training in various fields of management through their own management institutes or outsourcing the services of premier management training institutions in India. Department of Public Enterprises (DPE) is an ex-officio member of the Executive Board of the Standing Conference of Public Enterprises (SCOPE), New Delhi. Joint Secretary, DPE is member on the Board of Governors of the Institute of Public Enterprise (IPE), Hyderabad.

**12.2** India is a founder member of International Center for Promotion of Enterprises (ICPE) located at Ljubljana, Slovenia. It was established as an inter-governmental organization of developing countries for improving the performance of their public enterprises as a strategic instrument of economic and social development. India, represented through Secretary, DPE, is the President of ICPE Council at present. ICPE pursues its goals by carrying out research, education, training, consultancy work and disseminating information through documentation and publishing activities directed towards bridging the gap between

theory and practice on a wide range of issues pertaining to corporate governance, management and other related fields. India has benefited in the past from long-term and short-term courses, training programmes, and Seminars/Workshops, Conferences organized by ICPE in collaboration with DPE for executives of Public Sector Enterprises of India.

**12.3** At the initiative of DPE, the one year International MBA course for the year 2013-14 was re-started after a gap of two years in October, 2013 at ICPE. Nine senior/ middle level executives from Indian CPSEs are attending the programme.

**12.4** DPE has been instrumental in getting ICPE forge linkages with premier academic/ research institutes in India. DPE facilitated the signing of Memorandum of Understanding between ICPE and three management / training institutes viz Indian Institute of Public Administration (IIPA), New Delhi; International Management Institute (IMI), New Delhi and the Administrative Staff College of India (ASCI), Hyderabad which would help in academic/ research collaboration amongst these institutes to help in professional enrichment and capacity building of public sector executives.

# Corporate Social Responsibility (CSR) and Sustainability

**13.1** The Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises had issued guidelines on 'CSR and Sustainability' for the Central Public Sector Enterprises (CPSEs) on 31<sup>st</sup> December 2012, which were effective from 1<sup>st</sup> April 2013. These guidelines were formulated after extensive consultations with all key stakeholders and hence were widely appreciated.

**13.2** DPE organized a number of seminars and workshops across the country to sensitize senior public sector executives dealing with CSR on implementation of CSR activities/

projects by the CPSEs. More than 400 CPSE executives participated in these seminars / workshops and benefitted from the deliberations. DPE also propagated its guidelines on CSR and Sustainability and made presentations at National and International conferences/ seminars organized on CSR.

**13.3** However, with the notification of Companies Act 2013 and the CSR Rules framed thereunder by the Ministry of Corporate Affairs and issued on 27.2.2014, DPE has initiated the process of revising its guidelines to bring them in alignment with the new Rules on the subject.

# Compliance Report by CPSEs

14.1 The Department Related Parliament Standing Committee on Industry in its 216th Report had recommended that DPE should play a meaningful and effective role in getting the policies and guidelines implemented by the PSEs. In compliance thereof, the Department of Public Enterprises vide its OM dated 29.07.2010 issued the guidelines regarding submission of Annual Compliance Reports by all CPSEs and requested them to furnish the Annual Compliance Reports within 30 days from the close of the preceding financial year

to their respective Administrative Ministry/Department. All Administrative Ministries / Departments were requested to furnish the consolidated Compliance Report in this regard to DPE by 30th June of every year.

14.2 As a result, reports have been received from 183 CPSEs, out of 220 CPSEs till date. The names of CPSEs which have not furnished the ACR for the year 2011-12 are listed at **Annex-15**.

# Official Language Policy

- 15.1** The Hindi Section is primarily responsible for implementation of various provisions of the Official Language Act, 1963 and the rules framed there under. Hindi section is also responsible for translation of documents required to be issued under Section 3(3) of the Official Language Act 1963. 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.
- 15.2** All notifications, resolutions, notices, circulars, papers laid on the Table of the house of Parliament etc. have been issued bilingually during the year 2013-14. 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.
- 15.3** With a view to create consciousness and accelerating the use of Hindi as Official Language, Hindi Pakhwada, was organized by the Department from 16<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013. During the Pakhwada, three competitions namely, Hindi Essay writing, Hindi shrutlekh and Hindi Noting/Drafting & Bhasha Gyan were organized for the officers and staff. Cash prizes and certificates were distributed to the winners by the Secretary, Department of Public Enterprises.
- 15.4** The Department presents the 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 Hindi and English.

# Welfare of Women

**16.1** The principle of gender equality is enshrined in the Indian Constitution in its Preamble, Fundamental Rights, Fundamental Duties and Directive Principles. The Constitution not only grants equality to women but also empowers the State to adopt measures of positive discrimination in favour of women. Within the framework of a democratic polity, our laws, development policies, plans and programmes have aimed at advancement of women in different spheres.

**16.2** The Department has also set up a complaint committee under the chairmanship of a woman 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 its O.M. dated 29th May, 1998, has already issued detailed guidelines and norms to the Chief Executives of CPSEs for observance and prevention of sexual harassment of working women.

**16.3** The Department has a total sanctioned strength of 122. There are 76 officers/ staff, in position, including 12 Women employees. The Department has made all possible efforts to create a healthy and congenial atmosphere so that women employees can perform duties with honour, dignity and without fear.

# Chapter 17

## Statement of Plan Fund Expenditure

Department of Public Enterprises

Demand No. 52

2013-14

(₹ in thousand)

Scheme	RE 2013-14	Total Expenditure 2013-14
<b>PLAN</b>		
Information Technology	5500	5484
<b>North Eastern Area</b>		
Grant-in-aid	8200	0
<b>Counselling, Retraining and Re-deployment, setting up of new Centres/addition of Nodal Agencies etc.</b>		
Grant-in-Aid	54000	47287
<b>Research, Development and Consultancy on Generic issues related to Central Public Sector Enterprises and State Level Public Enterprises.</b>		
Publication	2320	3142
Other Administrative Expense	500	243
Professional Services	2080	2185
Grant-in-Aid	1900	1209
<b>Skill Development Training Programmes of Executives of State Level Enterprises (SLPEs)</b>		
Grant-in-aid	8000	4639
<b>Total</b>	<b>82500</b>	<b>64189</b>



## Result Framework Document

**18.1** The Results-Framework Document (RFD) is a record of understanding between a Minister representing the people's mandate, and the Secretary of a Department responsible for implementing this mandate. The Prime Minister had approved the outline of "Performance Monitoring and Evaluation System (PMES)" for Government Ministries/Departments. The High Power Committee (HPC) on Government Performance, chaired by Cabinet Secretary, in its meeting held on 3.3.2011, had approved the inclusion of the departmental RFD, corresponding achievements and the composite score in the Annual Reports of the Department.

**18.2** The RFD provides a summary of the most important results that a Ministry/Department expects to achieve during the financial year. This document contains not only the agreed objectives, policies, programs and projects but also success indicators and the targets to measure progress in implementing them.

**18.3** The Department of Public Enterprises (DPE) has initiated RFD exercise since 2009-2010. DPE prepared its 4th RFD for the year 2012-13. Altogether 11 (eleven) department specific objectives were included in the RFD 2012-13 and 4 (four) more mandatory objectives were incorporated in the RFD on the advice of Performance Management Division (PMD). As this Department is the nodal agency for CPSEs, the RFD

objectives/targets were designed to bring in overall efficiency in monitoring, facilitating and assisting CPSEs. The objectives of RFD 2012-13 of DPE broadly cover the following areas:

- i) Corporate Governance in CPSEs.
- ii) Professionalization of management at all levels.
- iii) Creation of Board level posts on the Boards of CPSE.
- iv) Improving efficiency of MoU System.
- v) Counseling, Retraining and Redeployment Scheme (CRR) for separated employees of CPSEs.
- vi) Implementation of CSR Policy.
- vii) Public Enterprises Survey.
- vii) Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration.

**18.4** DPE has achieved excellent grading in RFD 2012-13. High Power Committee on Government Performance of Performance Management Division, Cabinet Secretariat has evaluated the overall performance of DPE based on its RFD 2012-13 results and awarded a composite score of 98.47%.

**18.5** The detailed objectives contained in RFD 2012-13, their corresponding achievements and the composite score are given in **Annex-16**.

## Chapter 19

### Reservation in services for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Castes (OBCs) and others, in the CPSEs

- 19.1** The Personnel and Recruitment Policies in respect of appointments against below Board level posts are formulated by the management of respective CPSEs. However, on matters of general importance, policy guidelines are issued by the Government of India to the enterprises which are to be kept in view by the latter while framing their individual corporate policies. Furthermore, formal Presidential Directives are issued to CPSEs by the concerned administrative Ministries to ensure reservation in regard to employment for Scheduled Castes, Scheduled Tribes and Other Backward Classes (OBCs), on similar lines as applicable in the Central Government Ministries/Departments.
- 19.2** A comprehensive Presidential Directive incorporating all important instructions on reservation for SCs and STs was issued by DPE to all the administrative Ministries/Departments concerned on 25th April, 1991 for formal issuance of the same to CPSEs. Necessary changes and modifications are also circulated to CPSEs through their administrative Ministries/ Departments for information and compliance.
- 19.3** Subsequently, based on the recommendation of the Second Backward Classes Commission (Mandal Commission) and in accordance with the Supreme Court Judgement in the Indira Sawhney case, instructions were issued in providing reservation of 27% of vacancies in favour of Other Backward Classes (OBCs). The Department of Personnel & Training (DoPT) which formulates the policy in respect of reservation in services, has been issuing instructions from time to time on various aspects of reservation in favour of OBCs. Reservation for OBCs was made effective w.e.f. 8.9.1993. Department of Public Enterprises (DPE) has been extending these instructions to CPSEs through their administrative Ministries for compliance. A comprehensive Presidential Directive incorporating all instructions was forwarded by the Department of Public Enterprises to all administrative Ministries vide DPE's OM dated 27th July, 1995 for formal issuance to the CPSEs under their control.
- 19.4** DoPT instructions on allocation of a sub-quota of 4.5% for minorities within the 27% reservation for OBCs have been also extended vide DPE O.M. dated 2nd January, 2012 to the administrative Ministries/Departments (concerned with CPSEs) for implementation in CPSEs under their control.
- 19.5** The present quota for providing reservation for candidates belonging to Scheduled Castes, Scheduled Tribes and OBCs as well as other categories of persons entitled to reservation of vacancies is shown below:

### Quota for Reservation

Category	Group 'A' & 'B'	Group 'C'	Group 'D'
Scheduled Castes	15%	15%	15%
Scheduled Tribes	7.5%	7.5%	7.5%
Other Backward Classes (including sub-quota of 4.5% for minorities)	27%	27%	27%
Physically Handicapped Persons	3%	3%	3%
Ex-servicemen & Dependents of those killed in action	—	14.5%	24.5%

Group 'A': Managerial/Executive Level

Group 'B': Supervisory Level

Group 'C': Workmen/Clerical Level

Group 'D': Semi-skilled/Unskilled

**19.6** The representation of SCs / STs / OBC / Minorities in CPSEs as on 31.3.2013 is shown below:-

Group	Total No. of Employees	Total Reservation (5 + 7 + 9)	%	Representation of SCs / STs / OBCs / Minority in CPSEs as on 31.3.2013							
				SCs No.	%	STs No.	%	OBCs No.	%	Minority No	%
1	2	3	4	5	6	7	8	9	10	11	12
Group 'A'	276430	85880	31.07	39350	14.24	14133	5.11	32397	11.72	18767	6.79
Group 'B'	139940	35745	25.54	15157	10.83	6857	4.90	13731	9.81	8615	6.16
Group 'C'	698607	333656	47.76	142898	20.45	71631	10.25	119127	17.05	66253	9.48
Group 'D'	289480	93135	32.17	41866	14.46	25793	8.91	25476	8.80	12302	4.25
<b>Total</b>	<b>1404457</b>	<b>548416</b>	<b>39.05</b>	<b>239271</b>	<b>17.04</b>	<b>118414</b>	<b>8.43</b>	<b>190731</b>	<b>13.58</b>	<b>105937</b>	<b>7.54</b>

\*Based on data furnished by 238 CPSEs

19.7 The need to ensure timely filling up of reserved posts and the backlog has been stressed through various instructions issued from time to time. All administrative Ministries/Departments have been requested to advise the CPSEs under their administrative control to take effective steps to fill up the unfilled reserved posts in Direct Recruitment as well as in Promotion in accordance with the existing instructions. Further, the DoPT has issued necessary instructions from time to time to launch a Special Recruitment Drive (s) to fill up backlog of reserved vacancies for SCs, STs & OBCs in CPSEs. DPE has also extended these instructions to all

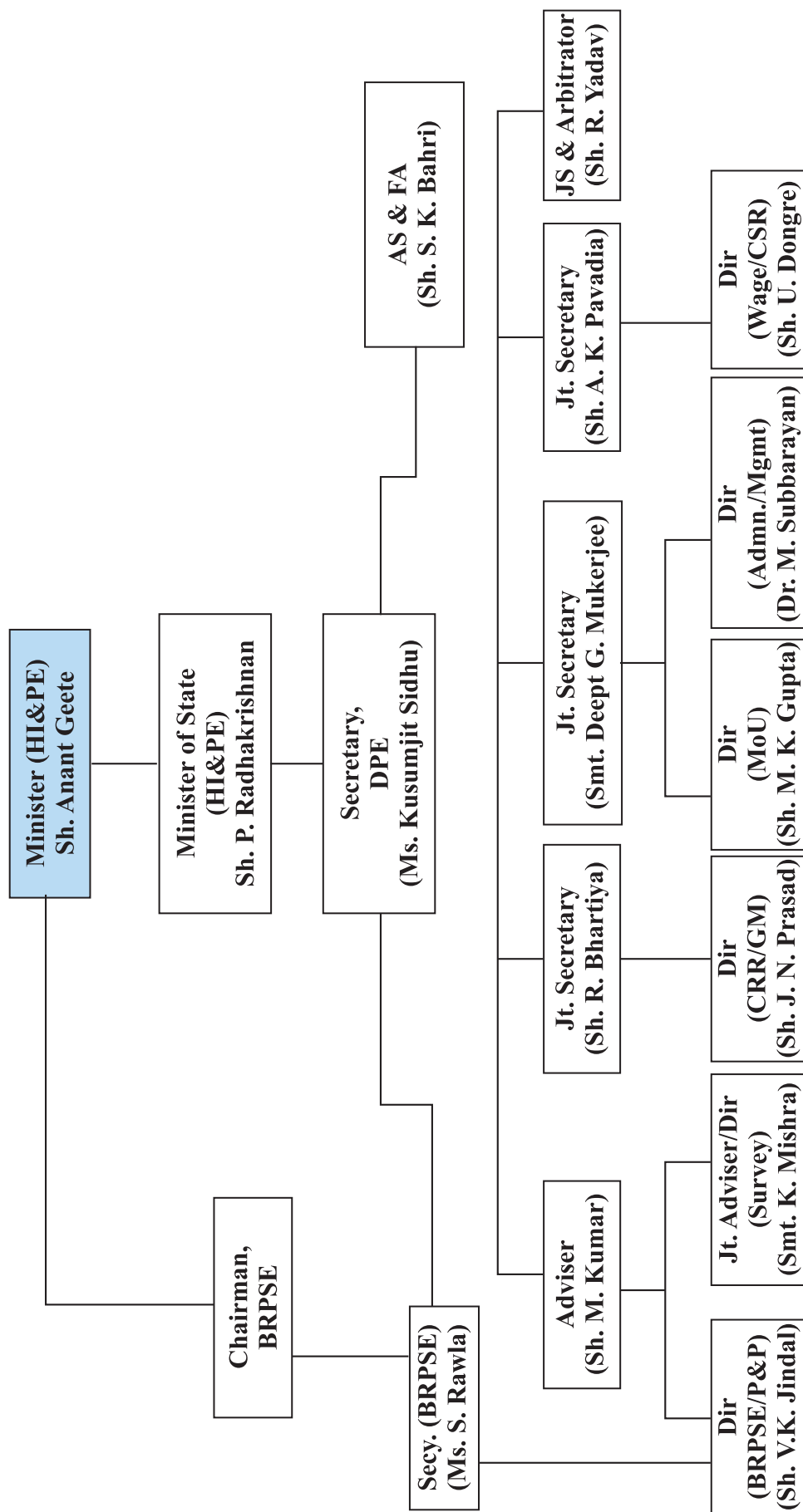
administrative Ministries/Departments dealing with CPSEs to fill up these vacancies in a time bound manner.

19.8 DPE has also extended instructions vis-à-vis the scheme for reservation for Ex-servicemen in CPSEs through the administrative Ministries/ Departments. Instructions streamlining the procedure for recruitment of Ex-servicemen have also been issued with a view to augment their in-take in CPSEs. Such CPSEs, which are in a position to offer agencies/dealerships, have been advised to reserve quota of such agencies/dealership for allotment to Ex-servicemen.

19.9 DPE has issued Presidential Directive on 11.3.1997 to all the administrative Ministries / Departments concerned with the CPSEs in follow-up of DoPT instructions for employment of physically handicapped persons in CPSEs. 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 Group 'A' and 'B' posts to be filled through Direct Recruitment. As per the Act, not less than 3% posts shall be reserved for Persons with Disabilities of which 1% each shall be reserved for persons suffering from (i) blindness or low vision (ii) hearing impairment and (iii) locomotor disability or cerebral palsy. All CPSEs have, accordingly, been advised to comply with the provisions of the Act.

# Organogram of Department of Public Enterprises



### Highlights of the performance of CPSEs during 2012-13

- **Total paid up capital** in 277 CPSEs as on 31.3.2013 stood at ₹ 1,85,282 crore compared to ₹ 1,63,863 crore as on 31.3. 2012 (260 CPSEs), showing a growth of 13.07%.
- **Total investment** (equity plus long term loans) in all CPSEs stood at ₹ 8,50,599 crore as on 31.3.2013 compared to ₹ 7,29,298 crore as on 31.3.2012, recording a growth of 16.63%.
- **Capital Employed** (Paid up capital plus reserve & surplus and long term loans) in all CPSEs stood at ₹ 15,32,007 crore on 31.3.2013 compared to ₹ 13,52,970 crore as on 31.3.2012 showing a growth of 13.23 %.
- **Total turnover/gross revenue from operation** of all CPSEs during 2012-13 stood at ₹ 19, 45,777 crore compared to ₹ 18,22,049 crore in the previous year showing an increase of 6.79 %.
- **Total income** of all CPSEs during 2012-13 stood at ₹ 19,31,150 crore compared to ₹ 18,04,615 crore in 2011-12, showing an increase of 7.01%.
- **Profit** of profit making CPSEs stood at ₹ 1,43,559 crore during 2012-13 compared to ₹ 1, 25,929 crore in 2011-12 showing a growth of 14.00 %.
- **Loss** of loss incurring CPSEs stood at ₹ 28,260 crore in 2012-13 compared to ₹ 27, 683 crore in 2011-12 showing an increase in loss by 2.08 %.
- **Overall net profit** of all 229 CPSEs during 2012-13 stood at ₹ 1,15,300 crore compared to ₹ 98,245 crore during 2011-12 showing an increase of 17.36%.
- **Reserves & Surplus** of all CPSEs went up from ₹ 6,23,671 crore in 2011-12 to ₹ 6, 81,409 cores in 2012-13, showing an increase by 9.26 %.
- **Net worth** of all CPSEs went up from ₹ 7,87,535 crore in 2011-12 to ₹ 8,66,691 crore in 2012-13 registering a growth of 10.05 %.
- **Contribution of CPSEs to Central Exchequer** by way of excise duty, customs duty, corporate tax, interest on Central Government loans, dividend and other duties and taxes increased from ₹ 1,62,402 crore in 2011-12 to ₹ 1,62,761 crore in 2012-13, showing an increase of 0.22%.
- **Foreign exchange earnings** through exports of goods and services increased from ₹ 1,27,880 crore in 2011-12 to ₹ 1,38,150 crore in 2012-13, showing a growth of 8.03%.



- **Foreign exchange outgo** on imports and royalty, know-how, consultancy, interest and other expenditure decreased from ₹ 7,33,542 crore in 2011-12 to ₹ 6,46,262 crore in 2012-13 showing a reduction of 11.90%.
- **CPSEs employed** 14.04 lakh people (excluding contractual workers) in 2012-13 compared to ₹ 14.50 lakh in 2011-12, showing a reduction in employees by 3.28%.
- **Salary and wages** went up in all CPSEs from ₹ 1,05,648 crore in 2011-12 to ₹ 1,16,375 crore in 2012-13 showing a growth of 10.15 %.
- **Total Market Capitalisation** 46 CPSEs traded on stock exchanges of India as on 31.03.2013. The total market capitalization of 45 CPSEs based on stock prices on Mumbai Stock Exchange as on 31.03.2012 was ₹ 12,57,792.00 crore and of 46 CPSEs as on 31.03.2013 stood at ₹ 11,16,817.00 crore. There was decrease in market capitalization of CPSEs by -11.21% (₹ 1,40,975.00 crore) as on 31.03.2013 over market capitalization as on 31.03.2012.
- **M\_Cap** of CPSEs as per cent of BSE M\_Cap decreased from 20.24% as on 31.3.2012 to 17.64% as on 31.3.2013.

Macro view of the performance of the 229 operating CPSEs

(₹ in crore)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
No. of operating Enterprises	230	227	226	217	214	213	217	220	225	229
Capital employed	452336	504407	585484	661338	724009	792232	908007	1153947	1387821	1510373
Total Gross Turnover/ Revenue	630704	744307	837295	964890	1096308	1271529	1244805	1498018	1822049	1945777
Total Net Income/Revenue	613706	734944	829873	970356	1102772	1309639	1272219	1470569	1804614	1931149
Net Worth	291828	341595	397275	454134	518485	583144	652993	709505	776161	851245
Profit before dep, Impairment, Int, Ex. Items, Ex.Or. Items & taxes (PBDIET)	127320	142554	150262	177990	195049	186836	211184	216602	250415	256826
Depreciation, Depletion & Amortization	31251	33147	34848	33141	36668	36780	41603	57118	53590	66117
DRE/Impairment	1025	986	992	5841	5802	7661	9565	187	153	436
Profit before Int, Exc. Items, Ex.Or. Items & taxes (PBIET)	95039	108420	114422	139008	152579	142395	160017	159298	186671	190271
Interest	23835	22869	23708	27481	32126	39300	36060	26521	35911	37789
Profit before Exc. Items, Ex.Or. Items & taxes (PBEET)	71144	85550	90714	111527	120453	103095	123957	132777	150759	152482
Exceptional Items	--	--	--	--	--	--	--	-1479	-12372	-36766
Profit before Ex.Or. Items & taxes (PBET)	--	--	--	--	--	--	--	134256	146803	164854
Extra-Ordinary Items	-3933	-1075	-3192	-3880	-1570	-14600	-8264	-2695	-428	-1453
Profit before taxes (PBT)	75077	86625	93906	115407	122023	117695	132221	136951	147231	166308

Tax provisions	22134	21662	24370	34352	40749	33828	40018	44871	48986	51008
Net Profit/Loss after Tax from Continuing Operations	52943	64963	69536	81055	81274	83867	92203	92129	98245	115299
Net Profit/Loss after Tax from Discontinuing Operations	--	--	--	--	--	--	--	49	1	0
Overall Net Profit/Loss	52943	64963	69536	81055	81274	83867	92203	92129	98246	115298
Profit of profit making CPSEs	61606	74432	76382	89581	91577	98488	108434	113944	125929	143559
Loss of loss incurring CPSEs	8522	9003	6845	8526	10303	14621	16231	21817	27683	28260
Profit making CPSEs (No.)	139	143	160	154	160	158	157	158	161	149
Loss Incurring CPSEs (No.)	89	73	63	61	54	55	60	62	64	79
CPSEs Making no profit/loss	2	-	1	1	-	-	-	-	--	1
Dividend	15288	20718	22886	26819	28123	25501	33223	35700	42627	49701
Dividend tax	1961	2852	<b>3215</b>	4107	4722	4132	5151	5394	5877	6703
Retained profit	35835	41394	43435	50129	48429	54233	53820	51056	49741	58894
No. of Operating CPSEs that have not furnished information	--	--	2	1	--	--	--	--	--	--

### Salient features of Maharatna Scheme

1. **Objective:** The main objective of the Maharatna scheme is to empower mega CPSEs to expand their operations and emerge as global giants. The Maharatna Scheme will empower big sized CPSEs to expand their operations and emerge as global giants.
2. **Eligibility Criteria for grant of Maharatna status:** The CPSEs meeting the following eligibility criteria are considered for Maharatna status:-
  - a) Having Navratna status
  - b) Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations
  - c) An average annual turnover of more than ₹ 25,000 crore during the last 3 years
  - d) An average annual net worth of more than ₹ 15,000 crore during the last 3 years
  - e) An average annual net profit after tax of more than ₹ 5,000 crore during the last 3 years
  - f) Should have significant global presence/international operations.
3. **Procedure for grant/divestment of Maharatna status:** The procedure for grant of Maharatna status as well as their review is similar to that in vogue for the grant of Navratna status.
4. **Powers delegated to Maharatna CPSEs:** The Boards of Maharatna CPSEs in addition to exercising all powers to Navratna CPSEs, will exercise enhanced powers in the area of investment in joint ventures/subsidiaries and creation of below Board level posts. The Boards of Maharatna CPSEs will have powers to (a) make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad and (b) undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE in one project, limited to an absolute ceiling of ₹ 5,000 crore (₹ 1,000 crore for Navratna CPSEs). The overall ceiling on such equity investments and mergers and acquisitions in all projects put together will not exceed 30% of the net worth of the concerned CPSE. In addition, the Boards of Maharatna CPSEs have powers to create below Board level posts upto E-9 level.

### Salient features of Navratna Scheme

#### 1. Eligibility Conditions for grant of Navratna status:

The PSUs, which are Miniratna I, Schedule 'A' and have obtained 'excellent' or 'very good' MOU rating in three of the last five years are eligible.

'Composite Score' of performance to be 60 or above

In order to review the performance of the PSU, a composite score based on its performance for the last three years would be calculated. For calculation of composite score, 6 performance indicators have been identified based on their general applicability to the PSUs. The performance indicators have been chosen so as to capture the performance of PSUs irrespective of their belonging to manufacturing sector or services sector. The 6 identified performance indicators are:-

	(Maximum Weight)	100
1.	Net Profit to Networth	25
2.	Manpower Cost to total Cost of Production or Cost of Services	15
3.	PBDIT to Capital employed	15
4.	PBIT to Turnover	15
5.	Earning Per Share	10
6.	Inter Sectoral Performance	20

#### 2. The powers 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 technology and know-how by purchase or other arrangements.
- (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 centers, etc.

- (iv) **Human Resources Management:** The Navratna CPSEs have been empowered to create posts upto E-6 level 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 for borrowings from international market, subject to 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) ₹ 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 Executive of Navratna CPSEs have been delegated powers to approve business tours abroad of functional directors up to a duration of 5 days (other than study tours, seminars, etc.) in emergency under intimation to the Secretary of the administrative Ministry.



### 3. Conditions/guidelines for delegation of Navratna powers

- 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.

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.

## Salient features of Miniratna Scheme

### 1. The eligibility conditions and criteria for grant of Miniratna status are as under:

- (i) Category-I CPSEs should have made profit in the last three years continuously, the pre-tax profit should have been ₹ 30 crore 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. 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 ₹ 500 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the network 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 ₹ 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 has the power to approve business tours abroad of functional directors up to a duration of 5 days (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.

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

**List of Miniratna CPSEs**

**Miniratna Category-I CPSEs**

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Dynamics Limited
5. BEML Limited
6. Bharat Sanchar Nigam Limited
7. Bridge & Roof Company (India) Limited
8. Central Warehousing Corporation
9. Central Coalfields Limited
10. Chennai Petroleum Corporation Limited
11. Cochin Shipyard Limited
12. Container Corporation of India Limited
13. Dredging Corporation of India Limited
14. Engineers India Limited
15. Ennore Port Limited
16. Garden Reach Shipbuilders & Engineers Limited
17. Goa Shipyard Limited
18. Hindustan Copper Limited
19. HLL Lifecare Limited
20. Hindustan Newsprint Limited
21. Hindustan Paper Corporation Limited
22. Housing & Urban Development Corporation Limited
23. India Tourism Development Corporation Limited
24. Indian Railway Catering & Tourism Corporation Limited
25. IRCON International Limited

26. KIOCL Limited
27. Mazagaon Dock Limited
28. Mahanadi Coalfields Limited
29. Manganese Ore (India) Limited
30. Mangalore Refinery & Petrochemicals Limited
31. Mishra Dhatu Nigam Limited
32. MMTC Limited
33. MSTC Limited
34. National Buildings Construction Corporation Limited
35. National Fertilizers Limited
36. National Seeds Corporation Limited
37. NHPC Limited
38. Northern Coalfields Limited
39. North Eastern Electric Power Corporation Limited
40. Numaligarh Refinery Limited
41. ONGC Videsh Limited
42. Pawan Hans Helicopters Limited
43. Projects & Development India Limited
44. Railtel Corporation of India Limited
45. Rashtriya Chemicals & Fertilizers Limited
46. RITES Limited
47. SJVN Limited
48. Security Printing and Minting Corporation of India Limited
49. South Eastern Coalfields Limited
50. State Trading Corporation of India Limited
51. Telecommunications Consultants India Limited
52. THDC India Limited
53. Western Coalfields Limited
54. WAPCOS Limited

## **Miniratna Category-II CPSEs**

55. Bharat Pumps & Compressors Limited
56. Broadcast Engineering Consultants (I) Limited
57. Central Mine Planning & Design Institute Limited
58. Central Railside Warehouse Company Limited
59. Ed.CIL (India) Limited
60. Engineering Projects (India) Limited
61. FCI Aravali Gypsum & Minerals India Limited
62. Ferro Scrap Nigam Limited
63. HMT (International) Limited
64. HSCC (India) Limited
65. India Trade Promotion Organisation
66. Indian Medicines & Pharmaceuticals Corporation Limited
67. M E C O N Limited
68. Mineral Exploration Corporation Limited
69. National Film Development Corporation Limited
70. National Small Industries Corporation Limited
71. P E C Limited
72. Rajasthan Electronics & Instruments Limited



## **Salient features of the Guidelines on Corporate Governance for CPSEs**

### **1. Composition of Board**

In respect of the Board composition, these Guidelines provide that the number of functional Directors should not exceed 50% of the actual strength of the Board; and the number of Government nominee Directors shall be restricted to maximum of two. In case of listed CPSEs with executive chairmen, the number of non-official Directors shall be at least 50% of Board members. In case of unlisted and listed CPSEs with non-executive chairmen, 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. Relevant clauses have been incorporated in these guidelines to ensure 'independence' of non-official Directors and avoid potential conflict of interest. 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.

It has been further mandated that the Board meetings are held at least once in every 3 months with at least 4 such meetings held in a year and all relevant information 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.

### **2. Audit Committee**

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 an independent Director as Chairman. The Audit Committee has been given extensive powers with regard to financial matters of company and is required to meet at least 4 times in a year.

### **3. Subsidiary Companies**

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

#### **4. Disclosures**

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.

#### **5. Compliance**

It has also been mandated in the Guidelines that Annual report of companies should contain a separate section on Corporate Governance 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. The CPSEs are required to submit quarterly compliance/grading report in the prescribed format to their administrative Ministries who will furnish consolidated annual report to DPE.

#### **6. Professionalization of Boards of CPSEs**

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 functional Directors on each Board whose number should not exceed 50% of the actual strength of the Board.

#### **7. Non-Official Directors**

As regards selection and appointment of non-official Directors on the Boards of CPSE, the following eligibility criteria have been prescribed:-

##### **Criteria of Experience**

- i) Retired Government officials with a minimum of 10 years experience at Joint Secretary level or above.
- ii) Persons who have retired as CMD/CEOs of CPSEs and Functional Directors of the Schedule 'A' CPSEs. The ex-Chief Executives and ex-Functional Directors of the CPSEs will not be considered

for appointment as non-official Director on the Board of the CPSE from which they retire. Serving Chief Executives/Directors of CPSEs will not be eligible to be considered for appointment as non-official Directors on the Boards of any CPSEs.

- iii) Academicians/Directors of Institutes/Heads of Department and Professors having more than 10 years teaching or research experience in the relevant domain e.g. management, finance, marketing, technology, human resources, or law.
- iv) Professionals of repute having more than 15 years of relevant domain experience in fields relevant to the company's area of operation.
- v) Former CEOs of private companies if the company is (a) listed on the Stock Exchanges or (b) unlisted but profit making and having an annual turnover of at least ₹ 250 crore.
- vi) Persons of eminence with proven track record from Industry, Business or Agriculture or Management.
- vii) Serving CEOs and Directors of private companies listed on the Stock Exchanges may also be considered for appointment as part-time non-official Directors on the Boards of CPSEs in exceptional circumstances.

### **Criteria of Educational Qualification**

1. Minimum graduate degree from a recognized university.

### **Criteria of Age**

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

The proposals for appointment of non-official Directors are initiated by the concerned Administrative Ministries/Departments. The selection of non-official Directors in respect of all CPSEs is made by the Search Committee which presently consists of Chairman (PESB), Secretary (DPE), Secretary of the administrative Ministry/Department of the CPSE and 2 non-official Members. The concerned Administrative Ministry /Department appoints the non-official Directors on the basis of recommendations of Search Committee after obtaining the approval of competent authority.

### Status of Grading Report of CPSEs for the year 2012-13

Sl. No.	Name of CPSEs (As per Survey 2011-12)	Administrative Ministry	Ratna Status	Category	Holding (H)/Subsidiary(S)	Score (%) of CPSEs for 2012-13	Grading for the year 2012-13
1	NATIONAL SEEDS CORPN. LTD.	Department of Agriculture & Cooperation	Miniratna	B	H	83.00	Very Good
2	STATE FARMS CORPORATION OF INDIA LTD.	Department of Agriculture & Cooperation	Others	C	H	96.00	Excellent
3	INDIAN RARE EARTHS LTD.	Department of Atomic Energy	Others	B	H	86.00	Excellent
4	URANIUM CORPORATION OF INDIA LTD.	Department of Atomic Energy	Others	B	H	85.54	Excellent
5	ELECTRONICS CORPN. OF INDIA LTD.	Department of Atomic Energy	Others	A	H	82.02	Very Good
6	INDIAN MEDICINES & PHARMACEUTICAL CORPN. LTD.	Department of AYUSH	Miniratna	D	H	Not Received	Poor
7	BHARAT IMMUNOLOGICALS & BIOLOGICALS CORP. LTD.	Department of Biotechnology	Others	UC	H	80.00	Very Good
8	BIOTECHNOLOGY INDUSTRY RESEARCH ASSISTANCE COUNCIL	Department of Biotechnology	under Construction	UC	H	94.00	Excellent
9	HLL BIOTECH LTD.	Department of Biotechnology	Under Construction	UC	H	Not Received	Poor
10	HINDUSTAN INSECTICIDES LTD.	Department of Chemicals and Petrochemicals	Others	C	H	74.74	Good
11	HINDUSTAN FLUOROCARBONS LIMITED	Department of Chemicals and Petrochemicals	Others	D	S	75.00	Very Good
12	HINDUSTAN ORGANIC CHEMICALS LTD.	Department of Chemicals and Petrochemicals	Others	B	H	79.68	Very Good
13	INDIA TRADE PROMOTION ORGANISATION	Department of Commerce	Miniratna	B	H	88.80	Excellent
14	STATE TRADING CORPN. OF INDIA LTD.	Department of Commerce	Miniratna	A	H	95.98	Excellent
15	EXPORT CREDIT GUARANTEE CORPN. OF INDIA LTD.	Department of Commerce	Others	UC	H	85.22	Excellent
16	STCL LTD.	Department of Commerce	Others	C	S	56.80	Fair
17	KARNATAKA TRADE PROMOTION ORGANISATION	Department of Commerce	Others	UC	S	Not Received	Poor
18	TAMIL NADU TRADE PROMOTION ORGANISATION	Department of Commerce	Others	UC	S	Not Received	Poor
19	BEML LTD.	Department of Defence Production	Miniratna	A	H	92.63	Excellent
20	BHARAT DYNAMICS LTD.	Department of Defence Production	Miniratna	B	H	91.30	Excellent
21	GARDEN REACH SHIPBUILDERS & ENGINEERS LTD.	Department of Defence Production	Miniratna	B	H	91.84	Excellent
22	GOA SHIPYARD LTD.	Department of Defence Production	Miniratna	B	H	94.44	Excellent
23	MAZAGON DOCK LTD.	Department of Defence Production	Miniratna	A	H	88.97	Excellent
24	MISHRA DHATU NIGAM LTD.	Department of Defence Production	Miniratna	B	H	92.42	Excellent
25	BHARAT ELECTRONICS LTD.	Department of Defence Production	Navratna	A	H	93.16	Excellent
26	HINDUSTAN AERONAUTICS LTD.	Department of Defence Production	Navratna	A	H	91.00	Excellent
27	HINDUSTAN SHIPYARD LTD.	Department of Defence Production	Others	B	H	96.50	Excellent
28	BEL OPTRONICS DEVICES LTD.	Department of Defence Production	Others	UC	S	Not Received	Poor
29	VIGNYAN INDUSTRIES LTD.	Department of Defence Production	Others	UC	S	20.79	Poor
30	SECURITY PRINTING & MINTING CORPN. INDIA LTD.	Department of Economic Affairs	Miniratna	A	H	95.00	Excellent
31	HLL LIFECARE LTD.	Department of Family Welfare	Miniratna	B	H	Not Received	Poor
32	FCI ARAVALI GYPSUM & MINERALS (INDIA) LTD.	Department of Fertilizers	Miniratna	C	H	87.00	Excellent
33	NATIONAL FERTILIZERS LTD.	Department of Fertilizers	Miniratna	A	H	88.00	Excellent
34	PROJECTS & DEVELOPMENT INDIA LTD.	Department of Fertilizers	Miniratna	B	H	90.55	Excellent
35	RASHTRIYA CHEMICALS AND FERTILIZERS LTD.	Department of Fertilizers	Miniratna	A	H	96.00	Excellent
36	BRAHMAPUTRA VALLEY FERTILIZER CORPN. LTD.	Department of Fertilizers	Others	B	H	95.23	Excellent
37	MADRAS FERTILIZERS LTD.	Department of Fertilizers	Others	B	H	72.00	Good



37	MADRAS FERTILIZERS LTD.	Department of Fertilizers	Others	B	H	72.00	Good
38	FERTILIZER CORPN. OF INDIA LTD.	Department of Fertilizers	Others	B	H	Closed unit	Not Applicable
39	HINDUSTAN FERTILIZER CORPN. LTD.	Department of Fertilizers	Others	B	H	Closed unit	Not Applicable
40	FERTILIZERS & CHEMICALS (TRAVANCORE) LTD.	Department of Fertilizers	Others	A	H	80.00	Very Good
41	INDIA INFRASTRUCTURE FINANCE CO. LTD.	Department of Financial Services	Others	UC	H	Not Received	Poor
42	IRRIGATION & WATER RESOURCES FINANCE CORPORATION LTD.	Department of Financial Services	Under Construction	UC	H	Not Received	Poor
43	CENTRAL WAREHOUSING CORPN.	Department of Food and Public Distribution	Miniratna	A	H	99.00	Excellent
44	CENTRAL RAILSIDE WAREHOUSING CO. LTD.	Department of Food and Public Distribution	Others	C	S	95.00	Excellent
45	FOOD CORPN. OF INDIA	Department of Food and Public Distribution	Others	A	H	52.11	Fair
46	HINDUSTAN VEGETABLE OILS CORPN. LTD.	Department of Food and Public Distribution	Others	B	H	Under Liquidation	Not Applicable
47	HSCC (INDIA) LTD.	Department of Health	Miniratna	C	H	90.50	Excellent
48	BHARAT HEAVY ELECTRICALS LTD.	Department of Heavy Industry	Maharatna	A	H	92.06	Excellent
49	RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD.	Department of Heavy Industry	Miniratna	C	H	95.00	Excellent
50	BHARAT PUMPS & COMPRESSORS LTD.	Department of Heavy Industry	Miniratna	B	H	Not Received	Poor
51	BRIDGE & ROOF CO.(INDIA) LTD.	Department of Heavy Industry	Miniratna	B	H	Not Received	Poor
52	ENGINEERING PROJECTS (INDIA) LTD.	Department of Heavy Industry	Miniratna	B	H	Not Received	Poor
53	HINDUSTAN NEWSPRINT LTD.	Department of Heavy Industry	Miniratna	B	S	Not Received	Poor
54	HINDUSTAN PAPER CORPORATION LTD.	Department of Heavy Industry	Miniratna	A	H	Not Received	Poor
55	HMT (INTERNATIONAL) LTD.	Department of Heavy Industry	Miniratna	B	S	Not Received	Poor
56	BRAITHWAITE & CO. LTD.	Department of Heavy Industry	Others	B	H	96.00	Excellent
57	INSTRUMENTATION LTD.	Department of Heavy Industry	Others	B	H	51.78	Fair
58	ANDREW YULE & COMPANY LTD.	Department of Heavy Industry	Others	B	H	Not Received	Poor
59	BBJ CONSTRUCTION COMPANY LTD.	Department of Heavy Industry	Others	B	S	Not Received	Poor
60	BHARAT BHARI UDYOG NIGAM LTD.	Department of Heavy Industry	Others	A	H	Not Received	Poor
61	BHEL ELECTRICAL MACHINES LTD.	Department of Heavy Industry	Others	UC	S	24.42	Poor
62	CEMENT CORPN. OF INDIA LTD.	Department of Heavy Industry	Others	B	H	Not Received	Poor
63	HEAVY ENGINEERING CORPN. LTD.	Department of Heavy Industry	Others	A	H	Not Received	Poor
64	HINDUSTAN CABLES LTD.	Department of Heavy Industry	Others	B	H	Not Received	Poor
65	HINDUSTAN PHOTO FILMS MANUFACTURING CO. LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
66	HINDUSTAN SALTS LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
67	HMT BEARINGS LTD.	Department of Heavy Industry	Others	C	S	Not Received	Poor
68	HMT CHINAR WATCHES LTD.	Department of Heavy Industry	Others	C	S	Not Received	Poor
69	HMT LTD.	Department of Heavy Industry	Others	A	H	Not Received	Poor
70	HMT MACHINE TOOLS LTD.	Department of Heavy Industry	Others	B	S	Not Received	Poor
71	HMT WATCHES LTD.	Department of Heavy Industry	Others	B	S	Not Received	Poor
72	HOOGHY PRINTING COMPANY LTD.	Department of Heavy Industry	Others	UC	S	Not Received	Poor
73	NAGALAND PULP & PAPER COMPANY LTD.	Department of Heavy Industry	Others	C	S	Not Received	Poor
74	NEPA LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
75	RICHARDSON & CRUDDAS(1972) LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
76	SAMBHAR SALTS LTD.	Department of Heavy Industry	Others	UC	S	Not Received	Poor
77	SCOOTERS INDIA LTD.	Department of Heavy Industry	Others	B	H	Not Received	Poor
78	TRIVENI STRUCTURALS LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
79	TUNGABHADRA STEEL PRODUCTS LTD.	Department of Heavy Industry	Others	C	H	Not Received	Poor
80	TYRE CORPORATION OF INDIA LTD.	Department of Heavy Industry	Others	B	H	Not Received	Poor
81	BHARAT HEAVY PLATE & VESSELS LTD.	Department of Heavy Industry	Others	B	S	75.58	Very Good
82	JAGDISHPUR PAPER MILLS LTD.	Department of Heavy Industry	Under Construction	UC	S	Not Received	Poor
83	EdCIL(India) Ltd.	Department of Higher Education	Miniratna	C	H	Not Received	Poor
84	NATIONAL INFORMATICS CENTRE SERVICES INCORPORATED	Department of Information Technology	Others	UC	H	Not Received	Poor
85	RAJASTHAN DRUGS & PHARMACEUTICALS LTD.	Department of Pharmaceuticals	Others	D	H	87.27	Excellent
86	BENGAL CHEMICALS & PHARMACEUTICALS LTD.	Department of Pharmaceuticals	Others	C	H	59.09	Fair



87	HINDUSTAN ANTIBIOTICS LTD.	Department of Pharmaceuticals	Others	C	H	73.40	Good
88	KARNATAKA ANTIBIOTICS & PHARMACEUTICALS LTD.	Department of Pharmaceuticals	Others	C	H	61.96	Good
89	IDPL (TAMILNADU) LTD.	Department of Pharmaceuticals	Others	UC	S	Not Received	Poor
90	INDIAN DRUGS & PHARMACEUTICALS LTD.	Department of Pharmaceuticals	Others	B	H	Not Received	Poor
91	ORISSA DRUGS & CHEMICALS LTD.	Department of Pharmaceuticals	Others	D	S	Not Received	Poor
92	NATIONAL RESEARCH DEVELOPMENT CORPN.	Department of Scientific and Industrial Research	Others	C	H	60.00	Good
93	CENTRAL ELECTRONICS LTD.	Department of Scientific and Industrial Research	Others	B	H	Not Received	Poor
94	COCHIN SHIPYARD LTD.	Department of Shipping	Miniratna	B	H	100.00	Excellent
95	DREDGING CORPN. OF INDIA LTD.	Department of Shipping	Miniratna	B	H	86.00	Excellent
96	SHIPPING CORPORATION OF INDIA LTD.	Department of Shipping	Navratna	A	H	95.00	Excellent
97	CENTRAL INLAND WATER TRANSPORT CORPN. LTD.	Department of Shipping	Others	C	H	72.00	Good
98	HOOGHLY DOCK AND PORT ENGINEERS LTD.	Department of Shipping	Others	C	H	Not Received	Poor
99	ANTRIX CORPORATION LTD.	Department of Space	Miniratna	UC	H	71.00	Very Good
100	BHARAT SANCHAR NIGAM LTD.	Department of Telecommunications	Miniratna	A	H	100.00	Excellent
101	TELECOMMUNICATIONS CONSULTANTS (INDIA) LTD.	Department of Telecommunications	Miniratna	A	H	98.67	Excellent
102	MAHANAGAR TELEPHONE NIGAM LTD.	Department of Telecommunications	Navratna	A	H	93.00	Excellent
103	MILLENNIUM TELECOM LTD.	Department of Telecommunications	Others	UC	S	88.00	Excellent
104	ITI LTD.	Department of Telecommunications	Others	A	H	73.00	Good
105	BHARAT BROADBAND NETWORK LTD.	Department of Telecommunications	Under Construction	UC	H	Not Received	Poor
106	AIR INDIA AIR TRANSPORT SERVICES LTD.	Ministry of Civil Aviation	Others	UC	S	Not Received	Poor
107	AIR INDIA CHARTERS LTD.	Ministry of Civil Aviation	Others	UC	S	Not Received	Poor
108	AIRLINE ALLIED SERVICES LTD.	Ministry of Civil Aviation	Others	UC	S	Not Received	Poor
109	AIR INDIA ENGINEERING SERVICES LTD.	Ministry of Civil Aviation	Under Construction	UC	S	Not Received	Poor
110	AIRPORTS AUTHORITY OF INDIA LTD.	Ministry of Civil Aviation	Miniratna	A	H	Not Received	Poor
111	PAWAN HANS HELICOPTERS LTD.	Ministry of Civil Aviation	Miniratna	B	H	Not Received	Poor
112	AIR INDIA LTD.	Ministry of Civil Aviation	Others	A	H	Not Received	Poor
113	HOTEL CORPN. OF INDIA LTD.	Ministry of Civil Aviation	Others	C	S	Not Received	Poor
114	COAL INDIA LTD.	Ministry of Coal	Maharatna	A	H	96.50	Excellent
115	CENTRAL COALFIELDS LTD.	Ministry of Coal	Miniratna	B	S	92.39	Excellent
116	CENTRAL MINE PLANNING & DESIGN INSTITUTE LTD.	Ministry of Coal	Miniratna	B	S	100.00	Excellent
117	MAHANADI COALFIELDS LTD.	Ministry of Coal	Miniratna	B	S	95.00	Excellent
118	NORTHERN COALFIELDS LTD.	Ministry of Coal	Miniratna	B	S	86.59	Excellent
119	SOUTH EASTERN COALFIELDS LTD.	Ministry of Coal	Miniratna	B	S	94.88	Excellent
120	WESTERN COALFIELDS LTD.	Ministry of Coal	Miniratna	B	S	87.05	Excellent
121	NEYVELI LIGNITE CORPN. LTD.	Ministry of Coal	Navratna	A	H	97.25	Excellent
122	EASTERN COALFIELDS LTD.	Ministry of Coal	Others	B	S	94.57	Excellent
123	BHARAT COKING COAL LTD.	Ministry of Coal	Others	B	S	82.50	Very Good
124	NLC TAMIL NADU POWER LTD.	Ministry of Coal	Under Construction	UC	S	93.20	Excellent
125	MAHANADI BASIN POWER LTD.	Ministry of Coal	Under Construction	UC	S	Not Received	Poor
126	MJSJ COAL LTD.	Ministry of Coal	Under Construction	UC	S	Not Received	Poor
127	MNH SHAKTI LTD.	Ministry of Coal	Under Construction	UC	S	Not Received	Poor
128	MMTC LTD.	Ministry of Commerce & Industry	Miniratna	A	H	91.84	Excellent
129	P&C LTD.	Ministry of Commerce & Industry	Miniratna	B	H	82.97	Very Good



130	NORTH EASTERN REGIONAL AGRI. MARKETING CORP.LTD.	Ministry of Development of North Eastern Region	Others	C	H	70.93	Good
131	NORTH EASTERN HANDICRAFTS & HANDLOOM DEV.CORPN. LTD.	Ministry of Development of North Eastern Region	Others	C	H	Not Received	Poor
132	ANDAMAN & NICOBAR ISL. FOREST & PLANT.DEV.CORP.LTD	Ministry of Environment and Forests	Others	C	H	Closed unit	Not Applicable
133	HOUSING & URBAN DEV. CORPN. LTD.	Ministry of Housing & Urban Poverty Alleviation	Miniratna	A	H	95.00	Excellent
134	HINDUSTAN PREFAB LTD.	Ministry of Housing and Urban Poverty Alleviation	Others	C	H	84.86	Very Good
135	NATIONAL FILM DEV. CORPN. LTD.	Ministry of Information and Broadcasting	Miniratna	C	H	95.70	Excellent
136	BROADCAST ENGG. CONSULTANTS INDIA LTD.	Ministry of Information and Broadcasting	Miniratna	C	H	71.58	Good
137	NATIONAL SMALL INDUSTRIES CORPN. LTD.	Ministry of Micro, Small & Medium Enterprises	Miniratna	B	H	97.89	Excellent
138	HINDUSTAN COPPER LTD.	Ministry of Mines	Miniratna	A	H	91.09	Excellent
139	MINERAL EXPLORATION CORPN. LTD.	Ministry of Mines	Miniratna	B	H	87.00	Excellent
140	NATIONAL ALUMINIUM COMPANY LTD.	Ministry of Mines	Navratna	A	H	97.55	Excellent
141	NATIONAL MINORITIES DEVP. & FINANCE CORPN.	Ministry of Miority Affairs	Others	C	H	85.51	Excellent
142	INDIAN RENEWABLE ENERGY DEVT.AGENCY LTD.	Ministry of New and Renewable Energy	Others	B	H	86.96	Excellent
143	GAIL (INDIA) LTD.	Ministry of Petroleum & Natural Gas	Maharatna	A	H	94.00	Excellent
144	INDIAN OIL CORPORATION LTD.	Ministry of Petroleum & Natural Gas	Maharatna	A	H	97.00	Excellent
145	OIL & NATURAL GAS CORPORATION LTD.	Ministry of Petroleum & Natural Gas	Maharatna	A	H	100.00	Excellent
146	BALMER LAWRIE & CO. LTD.	Ministry of Petroleum & Natural Gas	Miniratna	B	S	92.11	Excellent
147	CHENNAI PETROLEUM CORPORATION LTD.	Ministry of Petroleum & Natural Gas	Miniratna	B	S	85.51	Excellent
148	ENGINEERS INDIA LTD.	Ministry of Petroleum & Natural Gas	Miniratna	A	H	93.66	Excellent
149	MANGALORE REFINERY & PETROCHEMICALS LTD.	Ministry of Petroleum & Natural Gas	Miniratna	B	S	95.70	Excellent
150	NUMALIGARH REFINARY LTD.	Ministry of Petroleum & Natural Gas	Miniratna	B	S	94.94	Excellent
151	ONGC VIDESH LTD.	Ministry of Petroleum & Natural Gas	Miniratna	A	S	99.45	Excellent
152	BHARAT PETROLEUM CORPN. LTD.	Ministry of Petroleum & Natural Gas	Navratna	A	H	94.00	Excellent
153	HINDUSTAN PETROLEUM CORPN. LTD.	Ministry of Petroleum & Natural Gas	Navratna	A	H	93.00	Excellent
154	OIL INDIA LTD.	Ministry of Petroleum & Natural Gas	Navratna	A	H	94.79	Excellent
155	BHARAT PETRO RESOURCES LTD.	Ministry of Petroleum & Natural Gas	Others	C	S	93.90	Excellent
156	CERTIFICATION ENGINEERS INTERNATIONAL LTD.	Ministry of Petroleum & Natural Gas	Others	UC	S	89.00	Excellent
157	CRED A HPCL BIOFUEL LTD.	Ministry of Petroleum & Natural Gas	Others	UC	S	86.00	Excellent
158	HPCL BIOFUELS LTD.	Ministry of Petroleum & Natural Gas	Others	UC	S	95.00	Excellent
159	PRIZE PETROLEUM COMPANY LTD.	Ministry of Petroleum & Natural Gas	Others	UC	S	100.00	Excellent
160	BIECCO LAWRIE & CO. LTD.	Ministry of Petroleum & Natural Gas	Others	C	H	50.50	Fair
161	BALMER LAWRIE INVESTMENTS LTD.	Ministry of Petroleum & Natural Gas	Others	UC	H	76.74	Very Good
162	GAIL GAS LTD.	Ministry of Petroleum & Natural Gas	Others	UC	S	82.44	Very Good
163	BRAHAMPUTRA CRACKERS & POLYMER LTD.	Ministry of Petroleum & Natural Gas	Under Construction	B	S	89.60	Excellent



164	INDIAN OIL-CREDA BIOFUELS LTD.	Ministry of Petroleum & Natural Gas	under Construction	UC	S	72.72	Good
165	BHARAT PETRO RESOURCES JPDA	Ministry of Petroleum & Natural Gas	Under Construction	UC	S	Not Received	Poor
166	NTPC LTD.	Ministry of Power	Maharatna	A	H	96.41	Excellent
167	NHPC LTD.	Ministry of Power	Miniratna	A	H	93.81	Excellent
168	NORTH EASTERN ELECTRIC POWER CORPORATION LTD.	Ministry of Power	Miniratna	A	H	89.62	Excellent
169	SJVN LTD.	Ministry of Power	Miniratna	A	H	91.85	Excellent
170	THDC LTD.	Ministry of Power	Miniratna	A	H	95.62	Excellent
171	POWER FINANCE CORPORATION	Ministry of Power	Navratna	A	H	94.73	Excellent
172	POWER GRID CORPORATION OF INDIA LTD.	Ministry of Power	Navratna	A	H	95.62	Excellent
173	RURAL ELECTRIFICATION CORPN. LTD.	Ministry of Power	Navratna	A	H	95.27	Excellent
174	NUCLEAR POWER CORPN. OF INDIA LTD.	Ministry of Power	Others	UC	H	97.87	Excellent
175	POWER SYSTEM OPERATION CORPORATION LTD.	Ministry of Power	Others	UC	S	88.51	Excellent
176	CHHATTISHGARH SURGUJA POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
177	COASTAL KARNATAKA POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
178	COASTAL MAHARASHTRA MEGA POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
179	COASTAL TAMIL NADU POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
180	DGEN TRANSMISSION COMPANY LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
181	GHOARPALLI INTEGRATED POWER COMPANY LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
182	ORISSA INTEGRATED POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
183	SAKHIGOPAL INTEGRATED POWER COMPANY LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
184	TATIYA ANDHRA MEGA POWER LTD.	Ministry of Power	Others	UC	S	SPV	Not Applicable
185	KANTI BIJLEE UTPADAN NIGAM LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
186	NTPC ELECTRIC SUPPLY COMPANY LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
187	NTPC VIDYUT VYAPAR NIGAM LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
188	PFC CAPITAL ADVISORY SERVICE LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
189	PFC CONSULTING LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
190	REC POWER DISTRIBUTION CO. LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
191	REC TRANSMISSION PROJECT CO. LTD.	Ministry of Power	Others	UC	S	Not Received	Poor
192	NHDC LTD.	Ministry of Power	Others	UC	S	78.69	Very Good
193	LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LTD.	Ministry of Power	Under Construction	UC	S	60.26	Good
194	BHARTIYA RAIL BIJLEE CO. LTD.	Ministry of Power	Under Construction	UC	S	Not Received	Poor
195	NTPC HYDRO LTD.	Ministry of Power	Under Construction	UC	S	Not Received	Poor
196	PFC GREEN ENERGY LTD.	Ministry of Power	Under Construction	UC	S	Not Received	Poor
197	POWER EQUITY CAPITAL ADVISORS PVT. LTD.	Ministry of Power	under Construction	UC	S	Not Received	Poor
198	SAIL JAGADISHPUR POWER PLANT LTD.	Ministry of Power	Under Construction	UC	S	Not Received	Poor
199	BHARATIYA NABHIKIYA VIDYUT NIGAM LTD.	Ministry of Power	Under Construction	UC	H	80.00	Very Good
200	CONTAINER CORPORATION OF INDIA LTD.	Ministry of Railways	Miniratna	A	H	96.00	Excellent
201	INDIAN RAILWAY CATERING AND TOURISM CORPN. LTD.	Ministry of Railways	Miniratna	B	H	97.00	Excellent
202	IRCON INTERNATIONAL LTD.	Ministry of Railways	Miniratna	A	H	100.00	Excellent
203	BITES LTD.	Ministry of Railways	Miniratna	A	H	100.00	Excellent
204	RAILTEL CORPORATION INDIA LTD.	Ministry of Railways	Miniratna	A	H	80.00	Very Good



204	RAILTEL CORPORATION INDIA LTD.	Ministry of Railways	Miniratna	A	H	80.00	Very Good
205	KONKAN RAILWAY CORPORATION LTD.	Ministry of Railways	Others	A	H	96.80	Excellent
206	RAIL VIKAS NIGAM LTD.	Ministry of Railways	Others	A	H	100.00	Excellent
207	BHARAT WAGON & ENGG. CO. LTD.	Ministry of Railways	Others	C	H	70.00	Very Good
208	BURN STANDARD COMPANY LTD.	Ministry of Railways	Others	B	H	79.00	Very Good
209	FRESH & HEALTHY ENTERPRISES LTD.	Ministry of Railways	Others	UC	S	77.00	Very Good
210	INDIAN RAILWAY FINANCE CORPORATION LTD.	Ministry of Railways	Others	B	H	84.00	Very Good
211	IRCON INFRASTRUCTURE & SERVICES LTD.	Ministry of Railways	Others	UC	S	77.00	Very Good
212	MUMBAI RAILWAY VIKAS CORPORATION LTD.	Ministry of Railways	Others	A	H	77.00	Very Good
213	DEDICATED FRIGHT CORRIDOR CORP. OF INDIA LTD.	Ministry of Railways	Under Construction	A	H	92.00	Excellent
214	MITES INFRASTRUCTURE SERVICES LTD.	Ministry of Railways	Under Construction	UC	H	Not in Operation	Not Applicable
215	INDIAN VACCINE CORP. LTD.	Ministry of Science and Technology	Others	UC	H	Not Received	Poor
216	ENNORE PORT LTD.	Ministry of Shipping	Miniratna	B	H	89.00	Excellent
217	SETHUSAMUDRAM CORPN. LTD.	Ministry of Shipping	Under Construction	UC	H	Not Received	Poor
218	ARTIFICIAL LIMBS MFG. CORPN. OF INDIA	Ministry of Social Justice & Empowerment	Others	C	H	98.95	Excellent
219	NATIONAL BACKWARD CLASSES FINANCE & DEVP.CO.	Ministry of Social Justice & Empowerment	Others	C	H	95.77	Excellent
220	NATIONAL SCHEDULED CASTES FINANCE & DEVP. CORPN.	Ministry of Social Justice & Empowerment	Others	C	H	98.00	Excellent
221	NATIONAL SAFAI KARAMCHARIS FINANCE & DEVPT. CORPN	Ministry of Social Justice & Empowerment	Others	C	H	Not Received	Poor
222	NATIONAL HANDICAPPED FINANCE & DEVPT. CORPN.	Ministry of Social Justice & Empowerment	Others	C	H	78.96	Very Good
223	STEEL AUTHORITY OF INDIA LTD.	Ministry of Steel	Maharatna	A	H	96.50	Excellent
224	KIOCL LTD.	Ministry of Steel	Miniratna	A	H	90.00	Excellent
225	M S T C LTD.	Ministry of Steel	Miniratna	B	H	96.25	Excellent
226	MECON LTD.	Ministry of Steel	Miniratna	A	H	95.60	Excellent
227	MOIL LTD.	Ministry of Steel	Miniratna	B	H	97.89	Excellent
228	FERRO SCRAP NIGAM LTD.	Ministry of Steel	Miniratna	C	S	68.00	Good
229	NMDC Ltd.	Ministry of Steel	Navratna	A	H	95.00	Excellent
230	BISRA STONE LIME COMPANY LTD.	Ministry of Steel	Others	C	S	93.00	Excellent
231	EASTERN INVESTMENT LTD.	Ministry of Steel	Others	UC	S	92.00	Excellent
232	HINDUSTAN STEELWORKS COSTN. LTD.	Ministry of Steel	Others	B	H	100.00	Excellent
233	ORISSA MINERAL DEVELOPMENT COMPANY LTD.	Ministry of Steel	Others	B	S	98.00	Excellent
234	SAIL REFRACTORY COMPANY LTD.	Ministry of Steel	Others	UC	S	SPV	Not Applicable
235	NMDC POWER LTD.	Ministry of Steel	Under Construction	UC	S	Not Received	Poor
236	NMDC-CMDC LTD.	Ministry of Steel	Under Construction	UC	H	Not Received	Poor
237	CENTRAL COTTAGE INDUSTRIES CORPN. OF INDIA LTD.	Ministry of Textile	Others	C	H	90.00	Excellent
238	HANDICRAFTS & HANDLOOM EXPORTS CORP. OF INDIA LTD.	Ministry of Textile	Others	B	H	89.50	Excellent
239	NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD.	Ministry of Textile	Others	B	H	88.68	Excellent
240	NATIONAL JUTE MANUFACTURES CORPORATION LTD.	Ministry of Textile	Others	B	H	67.42	Good
241	BIRDS JUTE & EXPORTS LTD.	Ministry of Textile	Others	UC	S	Closed unit	Not Applicable
242	BRITISH INDIA CORPORATION LTD.	Ministry of Textile	Others	B	H	Not Received	Poor
243	NATIONAL TEXTILE CORPN. LTD.	Ministry of Textile	Others	A	H	Not Received	Poor
244	COTTON CORPN. OF INDIA LTD.	Ministry of Textile	Others	B	H	76.25	Very Good
245	JUTE CORPN. OF INDIA LTD.	Ministry of Textile	Others	C	H	79.22	Very Good
246	INDIA TOURISM DEV. CORPN. LTD.	Ministry of Tourism	Miniratna	B	H	75.00	Very Good
247	DONYI POLO ASHOK HOTEL LTD.	Ministry of Tourism	Others	UC	S	52.54	Fair

248	MADHYA PRADESH ASHOK HOTEL CORPN. LTD.	Ministry of Tourism	Others	UC	S	57.14	Fair
249	RANCHI ASHOK BIHAR HOTEL CORPN. LTD.	Ministry of Tourism	Others	UC	S	53.57	Fair
250	ASSAM ASHOK HOTEL CORPN. LTD.	Ministry of Tourism	Others	UC	S	63.16	Good
251	KUMARAKRUPPA FRONTIER HOTELS LTD.	Ministry of Tourism	Others	UC	H	Closed unit	Not Applicable
252	UTKAL ASHOK HOTEL CORPN. LTD.	Ministry of Tourism	Others	UC	S	Closed unit	Not Applicable
253	PONDICHERRY ASHOK HOTEL CORPN. LTD.	Ministry of Tourism	Others	UC	S	38.98	Poor
254	PUNJAB ASHOK HOTEL COMPANY LTD.	Ministry of Tourism	Under Construction	UC	S	Closed unit	Not Applicable
255	NATIONAL SCHEDULED TRIBES FINANCE & DEVP. CORPN.	Ministry of Tribal Affairs	Others	C	H	90.25	Excellent
256	NATIONAL BLDG. CONSTN. CORPN. LTD.	Ministry of Urban Development	Others	A	H	97.83	Excellent
257	WAPCOS LTD.	Ministry of Water Resources	Miniratna	B	H	100.00	Excellent
258	NATIONAL PROJECTS CONSTRUCTION CORPN. LTD.	Ministry of Water Resources	Others	B	H	87.50	Excellent
259	RASHTRIYA ISPAT NIGAM LTD.	Ministry of Steel	Navratna	A	H	100.00	Excellent
260	J & K MINERAL DEVELOPMENT CORPN. LTD.		Others	UC	S	Not Received	Poor

a). Above grading is on the basis of Self-evaluation Reports on Corporate Governance submitted by CPSEs directly or through respective administrative Ministries/Departments.

b). Number of CPSEs as per the list of PE Survey 2011-12.

c). Self-evaluation Report 'Not Received' in respect of 78 CPSEs are graded as 'Poor'.

**Schedule-Wise List of Central Public Sector Enterprises (As on March, 2014)****Schedule 'A'**

1. Airports Authority of India
2. Air India Limited
3. Bharat Bhari Udyog Nigam Ltd.
4. BEML Ltd.
5. Bharat Electronics Ltd.
6. Bharat Heavy Electricals Ltd.
7. Bharat Petroleum Corporation Ltd.
8. Bharat Sanchar Nigam Ltd.
9. Central Warehousing Corporation.
10. Coal India Ltd.
11. Container Corporation of India Ltd.
12. Dedicated Freight Corridor Corporation of India Ltd.
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 Oil Corporation Ltd.
27. IRCON International Ltd.

28. Indian Railway Finance Corporation Ltd.
29. Konkan Railway Corporation Ltd.
30. Kudremukh Iron Ore Company Ltd.
31. MMTC Ltd.
32. Mahanagar Telephone Nigam Ltd.
33. Mangalore Refinery & Petrochemicals Ltd.
34. Mazagon Dock Ltd.
35. MECON Ltd.
36. MOIL Limited
37. Mumbai Railway Vikas Corporation Ltd.
38. National Aluminium Company Ltd.
39. National Building Construction Corporation Ltd.
40. National Fertilizers Ltd.
41. NHPC Ltd.
42. National Mineral Development Corporation Ltd.
43. National Textiles Corporation Ltd.
44. NTPC Ltd.
45. Neyveli Lignite Corporation Ltd.
46. North Eastern Electric Power Corporation Ltd.
47. Oil & Natural Gas Corporation Ltd.
48. Oil India Ltd.
49. ONGC Videsh Ltd.
50. Power Finance Corporation Ltd.
51. Power Grid Corporation of India Ltd.
52. RITES Ltd.
53. RailTel Corporation of India Ltd.
54. Rail Vikas Nigam Ltd.
55. Rashtriya Chemicals and Fertilizers Ltd.
56. Rashtriya Ispat Nigam Ltd.
57. Rural Electrification Corporation Ltd.
58. Satluj Jal Vidyut Nigam Ltd.



59. Security Printing & Minting Corporation of India Ltd.
60. Shipping Corporation of India Ltd.
61. State Trading Corporation of India Ltd.
62. Steel Authority of India Ltd.
63. Telecommunications Consultants (India) Ltd.
64. THDC India Limited

#### **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 Petro Resources Ltd.
7. Bharat Pumps & Compressors Ltd.
8. Brahmaputa Crackers & Polymers Ltd.
9. Brahmaputra Valley Fertilizer Corporation Ltd.
10. Biotechnology Industry Research Assistance Council
11. Braithwaite & Company Ltd.
12. Bridge & Roof Company (India) Ltd.
13. British India Corporation Ltd.
14. Burn Standard Company Ltd.
15. Cement Corporation of India Ltd.
16. Central Coalfields Ltd.
17. Central Electronics Ltd.
18. Central Mine Planning & Design Institute Ltd.
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. Handicrafts & Handlooms Export Corporation Ltd.
30. Hindustan Cables Ltd.
31. Hindustan Fertilizer Corporation Ltd.
32. HLL Lifecare Ltd.
33. Hindustan Newsprints Ltd.
34. Hindustan Organic Chemicals Ltd.
35. Hindustan Shipyard Ltd.
36. Hindustan Steelworks Construction Company Ltd.
37. Hindustan Vegetable Oils Corporation Ltd.
38. HMT (International) Ltd.
39. HMT Machine Tools Ltd.
40. HMT Watches Ltd.
41. India Tourism Development Corporation Ltd.
42. India Trade Promotion Organization
43. Indian Drugs & Pharmaceuticals Ltd.
44. Indian Railway Catering & Tourism Corporation Ltd.
45. Indian Rare Earths Ltd.
46. Indian Renewable Energy Development Agency Ltd.
47. Instrumentation Ltd.
48. M S T C Ltd.
49. Madras Fertilizers Ltd.
50. Mahanadi Coalfields Ltd.
51. Mineral Exploration Corporation Ltd.
52. Mishra Dhatu Nigam Ltd.
53. National Handloom Development Corporation Ltd.
54. National Jute Manufacturers Corporation Ltd.
55. National Projects Construction Corporation Ltd.
56. National Seeds Corporation Ltd.

57. National Small Industries Corporation Ltd.
58. Northern Coalfields Ltd.
59. Numaligarh Refinery Ltd.
60. Orissa Mineral Development Company Ltd.
61. PEC Ltd.
62. Pawan Hans Helicopters Ltd.
63. Projects & Development India Ltd.
64. Scooters India Ltd.
65. South Eastern Coalfields Ltd.
66. Tyre Corporation of India Ltd.
67. Uranium Corporation of India Ltd.
68. W A P C O S Ltd.
69. Western Coalfields Ltd.

#### **Schedule 'C'**

1. Andaman & Nicobar Islands Forest & Plantation Development Corporation Ltd.
2. Artificial Limbs Mfg. Corporation of India
3. BBJ Construction Ltd.
4. Bengal Chemicals & Pharmaceuticals Ltd.
5. BHEL Electric Machines Ltd.
6. Bharat Wagon & Engineering Company Ltd.
7. Biecco Lawrie & Co. Ltd.
8. Bisra Stone Lime Company Ltd.
9. Broadcast Engineering Consultants India Ltd.
10. Central Cottage Industries Corporation of India Ltd.
11. Central Inland Water Transport Corporation Ltd.
12. Central Railside Warehouse Company Ltd.
13. Certification Engineers International Ltd.
14. Delhi Police Housing Corporation
15. Educational Consultants (India) Ltd.
16. FCI Aravali Gypsum & Minerals (India) Ltd.
17. Ferro Scrap Nigam Ltd.
18. Hindustan Antibiotics Ltd.

19. Hindustan Insecticides Ltd.
20. Hindustan Photo Films Manufacturing Company Ltd.
21. Hindustan Prefab Ltd.
22. Hindustan Salts Ltd.
23. HMT Bearings Ltd.
24. HMT Chinara Watches Ltd.
25. Hooghly Dock and Port Engineers Ltd.
26. HSCC (India) Ltd.
27. Hotel Corporation of India Ltd.
28. Jute Corporation of India Ltd.
29. Karnataka Antibiotics & Pharmaceuticals Ltd
30. Nagaland Pulp & Paper Company Ltd.
31. National Backward Classes Finance & Development Corporation.
32. National Film Development Corporation Ltd.
33. National Handicapped Finance & Development Corporation.
34. National Minorities Development & Finance Corporation
35. National Research Development Corporation of India.
36. National Safai Karamcharis Finance & Development Corporation.
37. National SC Finance & Development Corporation
38. National ST Finance & Development Corporation
39. NEPA Ltd.
40. North Eastern Handicrafts & Handloom Development Corporation Ltd.
41. North Eastern Regional Agricultural Marketing Corporation Ltd.
42. Rajasthan Electronics & Instruments Ltd.
43. Richardson & Cruddas (1972) Ltd.
44. STCL Ltd.
45. State Farms Corporation of India Ltd.
46. Triveni Structurals Ltd.
47. Tungabhadra Steel Products Ltd.

#### **Schedule 'D'**

1. Hindustan Fluorocarbons Limited
2. Indian Medicines Pharmaceutical Corporation Ltd.

3. Orissa Drugs & Chemicals Ltd.
4. Rajasthan Drugs & Pharmaceuticals Ltd.

#### **Others – Uncategorized**

1. Air India Air Transport Services Ltd.
2. Air India Charters Ltd.
3. Air India Engineering Services Ltd.
4. Airline Allied Services Ltd.
5. Antrix Corporation Ltd.
6. Anushakti Vidhyut Nigam Ltd.
7. Assam Ashok Hotel Corporation Ltd.
8. BEL Optronics Devices Ltd.
9. Balmer Lawrie Investments Ltd.
10. Bharat Immunological & Biologicals Corporation Ltd.
11. Bharat Broadband Network Ltd.
12. Bharatiya Nabhikiya Vidyut Nigam Ltd.
13. Bhartiya Rail Bijlee Company Ltd.
14. Bharat Petro Resources JCPA Limited
15. Birds, Jute & Exports Ltd.
16. Chhattisgarh Surguja Power Ltd.
17. Coastal Karnataka Power Ltd.
18. Coastal Maharashtra Mega Power Ltd.
19. Coastal Tamil Nadu Power Ltd.
20. CONCOR Air Ltd.
21. CREDA – HPCL Biofuel Ltd.
22. Darbhanga – Motihari Transmission Company Ltd.
23. Deoghar Mega Power Ltd.
24. DGEN Transmission Company Ltd.
25. Donyi Polo Ashok Hotel Corporation Ltd.
26. Eastern Investment Ltd.
27. Export Credit Guarantee Corporation of India Ltd.
28. Fresh & Healthy Enterprises Ltd.
29. GAIL Gas Ltd.

30. Ghogarpalli Integrated Power Company Ltd.
31. High Speed Rail Corporation of India Ltd.
32. HLL Biotech Ltd.
33. HPCL Biofuels Ltd.
34. Hooghly Printing Company Ltd.
35. IDPL (Tamilnadu) Ltd.
36. India Infrastructure Finance Co. Ltd.
37. Indian Railway Stations Devpt. Corporation Ltd.
38. Indian Vaccine Corporation Ltd.
39. Indian Oil-Creda Biofuels Ltd.
40. IRCON Infrastructure & Services Ltd.
41. Irrigation & Water Resources Finance Corporation Ltd.
42. Jagdishpur Paper Mills Ltd.
43. Jharkhand National Mineral Devpt. Corporation Ltd.
44. J & K Mineral Development Corporation Ltd.
45. Kanti Bijlee Utpadan Nigam Ltd.
46. Karnataka Trade Promotion Organisation
47. Kumarakuppa Frontier Hotels (P) Ltd.
48. Loktak Downstream Hydroelectric Corporation Ltd.
49. Madhya Pradesh Ashok Hotel Corporation Ltd.
50. Mahanadi Basin Power Ltd.
51. Millenium Telecom Ltd.
52. MJSJ Coal Ltd.
53. MNH Shakti Ltd.
54. Narmada Hydroelectric Development Corporation Ltd.
55. National Informatics Centre Services Incorporated
56. Neyveli Uttar Pradesh Power Ltd.
57. NLC Tamil Nadu Power Ltd.
58. NMDC-CMDC Ltd.
59. NMDC Power Ltd.
60. NTPC Electric Supply Co Ltd.
61. NTPC Hydro Ltd.



62. NTPC Vidyut Vyapar Nigam Ltd.
63. Nuclear Power Corpn. of India Ltd.
64. Orissa Integrated Power Ltd.
65. Patran Transmission Company Ltd.
66. Power Equity Capital Advisors Pvt. Ltd.
67. Power Grid NM Transmission Ltd.
68. Power Grid Vemagiri Transmission Ltd.
69. PFC Consulting Ltd.
70. PFC Capital Advisory Service Ltd.
71. PFC Green Energy Ltd.
72. Pondicherry Ashok Hotel Corporation Ltd.
73. Power System Operation Corporation Ltd.
74. Prize Petroleum Company Ltd.
75. Purulia & Kharagpur Transmission Company Ltd.
76. Punjab Ashok Hotel Company Ltd.
77. Ranchi Ashok Bihar Hotel Corporation Ltd.
78. RAPP Transmission Company Ltd.
79. REC Power Distribution Company Ltd.
80. REC Transmission Projects Co. Ltd.
81. RITES Infrastructure Services Ltd.
82. SAIL Jagadishpur Power Plant Ltd.
83. SAIL Sindri Projects Ltd.
84. Sakhigopal Integrated Power Company Ltd.
85. Sambhar Salts Ltd.
86. SAIL Refractory Company Ltd.
87. Sethusamudram Corporation Ltd.
88. SIDCUL CONCOR Infra Company Ltd.
89. Tamilnadu Trade Promotion Organisation
90. Tatiya Andhra Mega Power Ltd.
91. TCIL Bina Toll Road Ltd.
92. Utkal Ashok Hotel Corporation Ltd.
93. Vignyan Industries Ltd.

**Details of CPSEs considered by BRPSE during the year 2013-2014**

No./Date of the Meeting	Cases considered	Recommendations of BRPSE
109/08.04.2013	(i) STCL Ltd. (ii) HMT Bearings Ltd.	(i) Recommended for closure (ii) Considered revival plan
110/30.5.2013	(i) HMT Bearings Ltd. (ii) HMT Machine Tools Ltd. (iii) Cement Corporation of India Ltd.	(i) Recommended revival package (ii) & (iii) Reviewed
111/28.6.2013	(i) Hindustan Photo Films Manufacturing Company Ltd. (HPFL) (ii) Instrumentation Ltd., Kota (iii) Bharat Pumps & Compressors Ltd.	(i) Recommended for closure (ii) & (iii) Reviewed
112/19.7.2013	(i) Hindustan Organic Chemicals Ltd (ii) ITI Ltd.	(i) Reviewed (ii) Recommended revival package
113/29.8.2013	(i) Heavy Engineering Corporation Ltd. (ii) National Film Development Corporation Ltd.	(i) & (ii) Reviewed
114/17.9.2013	(i) Hindustan Insecticides Ltd. (ii) NEPA Ltd	(i) & (ii) Reviewed
115/31.10.2013	(i) Central Electronics Ltd. (ii) Hindustan Prefab Ltd.	(i) and (ii) Reviewed
116/20.12.2013	(i) Fertilizers and Chemicals Travancore Ltd. (ii) Madras Fertilizers Ltd.	(i) Revival package recommended. (ii) Reviewed.
117/27.2.2014	(i) Brahmaputra Valley Fertilizer Corporation Limited. (ii) Hindustan Salts Ltd. (iii) Sambhar Salts Ltd.	(i) Recommended revival package (ii) & (iii) were reviewed.

## List of CPSEs whose proposals have been cleared by BRPSE

Sl. No.	Name of the CPSE & the Administrative Ministry/Department	Broad gist of the recommendation of BRPSE
	<b>Department of Heavy Industry</b>	
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.	NEPA Ltd., Nepa Nagar, MP	Revival as a PSE
8.	Richardson & Cruddas Ltd., Mumbai	Revival through Joint Venture/disinvestment
9.	Tungabhadra Steel Products Ltd., Bellary, Karnataka	Revival through Joint Venture/disinvestment
10.	Bharat Pumps & Compressors Ltd., Allahabad, UP	Revival through Joint Venture/disinvestment
11.	Cement Corporation of India Ltd., Delhi	Closure of Non-operating units. Other 3 operating units will be revived as a PSE.
12.	HMT Machine Tools Ltd., Bangalore, Karnataka	Revival as a PSE
13.	Heavy Engineering Corporation Ltd., Ranchi, Jharkhand	Revival as a PSE
14.	Andrew Yule & Co. Ltd., Kolkata	Revival as a PSE
15.	Instrumentation Ltd., Kota, Rajasthan	Revival as a PSE
16.	Triveni Structurals Ltd., Allahabad, UP	Revival as a PSE
17.	HMT Ltd., Bangalore	Revival as a PSE
18.	HMT Watches Ltd., Bangalore	Revival as a PSE – Closure of Bangalore unit and transfer of Ranibagh unit to State Government before its closure
19.	Bharat Ophthalmic Glass Ltd.	Closure
20.	Bharat Yantra Nigam Ltd.	Closure
21.	Bharat Heavy Plate & Vessels Ltd.	Revival through financial restructuring & take-over by BHEL

22.	Hindustan Cables Ltd., Kolkata	Revival through Joint Venture/disinvestment
23.	HMT Chinara Watches Ltd., Jammu (Jammu & Kashmir)	Revival through either transferring to State Govt. of J & K or joint venture with any State / Central Govt. PSU/ Private Sector
24.	Hindustan Photo Films Manufacturing Company Ltd.	Closure
25.	Scooters India Ltd., Lucknow, UP	Revival through Joint Venture
	<b>Ministry of Textiles</b>	
26.	British India Corporation Ltd., Kanpur, UP	Revival as a PSE
27.	National Textiles Corporation Ltd.	Revival of 15 mills as PSE units and 19 mills through Joint Venture
28.	National Jute Manufactures Corporation Ltd., Kolkata	Revival as a PSE
29.	Elgin Mills Co. Ltd.	Revival of Elgin Mill No.2
	<b>Department of Fertilizers</b>	
30.	Madras Fertilizers Ltd., Manali, Tamil Nadu	Revival as a PSE
31.	Fertilizers & Chemicals Travancore Ltd., Kochi, Kerala	Revival as a PSE
32.	Brahmaputra Valley Fertilizer Corporation Ltd.	Revival as a PSE
	<b>Ministry of Shipping</b>	
33.	Central Inland Water Transport Corporation Ltd., Kolkata	Revival through Joint Venture/disinvestment
34.	Hooghly Dock & Port Engineers Ltd., Kolkata	Revival as a PSE
	<b>Ministry of Defence</b>	
35.	Hindustan Shipyard Ltd., Delhi	Revival as a PSE
	<b>Department of Chemicals &amp; Petrochemicals</b>	
36.	Hindustan Organic Chemicals Ltd., Mumbai	Revival as a PSE
37.	Hindustan Insecticides Ltd., Delhi	Revival as a PSE
38.	Hindustan Fluorocarbons Ltd., Hyderabad, Andhra Pradesh	Revival as a PSE

	<b>Department of Pharmaceuticals</b>	
39.	Hindustan Antibiotics Ltd., Pune, Maharashtra	Revival as a PSE
40.	Bengal Chemicals & Pharmaceuticals Ltd., Kolkata	Revival as a PSE
41.	Indian Drugs & Pharmaceuticals Ltd., Gurgaon, Haryana	Revival as a PSE
42.	IDPL (Tamil Nadu) Ltd., Chennai	Merger with IDPL
43.	Bihar Drugs & Organic Chemicals Ltd., Muzaffarpur, Bihar	Merger with IDPL
	<b>Ministry of Coal</b>	
44.	Eastern Coalfields Ltd., Burdwan, W. Bengal	Revival as a PSE
45.	Bharat Coking Coal Ltd.	Revival as a PSE
	<b>Ministry of Mines</b>	
46.	Mineral Exploration Corporation Ltd., Nagpur, Maharashtra	Revival as a PSE
47.	Hindustan Copper Ltd., Kolkata	Revival as a PSE
	<b>Department of Scientific &amp; Industrial Research</b>	
48.	Central Electronics Ltd., Delhi	Revival as a PSE
	<b>Ministry of Water Resources</b>	
49.	National Projects Construction Corporation Ltd., Delhi	Revival as a PSE
	<b>Ministry of Steel</b>	
50.	MECON Ltd., Ranchi, Jharkhand	Revival as a PSE
51.	Bharat Refractories Ltd., Bokaro, Jharkhand	Revival through financial restructuring & merger with SAIL
52.	Hindustan Steelworks Construction Ltd., Kolkata	Revival as a PSE
	<b>Deptt. of Agriculture &amp; Co-operation</b>	
53.	State Farms Corporation of India Ltd., Delhi	Revival as a PSE

	<b>Ministry of Petroleum &amp; Natural Gas</b>	
54.	Biecco Lawrie Ltd.	Closure
	<b>Ministry of Railways</b>	
55.	Konkan Railway Corporation Ltd., Delhi	Revival as a PSE
56.	Bharat Wagon & Engineering Co. Ltd., Patna, Bihar	Revival as a PSE
57.	Braithwaite & Company Ltd., Kolkata	Revival as a PSE
58.	Burn Standard Company Ltd., Kolkata	Revival through transfer of two wagon manufacturing units to D/o. Railways and transfer of one refractory unit to M/o. Steel
	<b>Ministry of Housing &amp; Urban Poverty Alleviation</b>	
59.	Hindustan Prefab Ltd.	Revival as a PSE
	<b>Department of Food &amp; Public Distribution</b>	
60.	Hindustan Vegetable Oils Corporation Ltd.	Closure of Breakfast Food Unit
	<b>Ministry of Development of North Eastern Region</b>	
61.	North Eastern Handicrafts and Handlooms Development Corporation Ltd.	Revival as a PSE
	<b>Ministry of Information &amp; Broadcasting</b>	
62.	National Film Development Corporation Ltd.	Revival as a PSE
	<b>Department of Telecommunications</b>	
63.	ITI Ltd.	Revival as a PSE
	<b>Department of Commerce</b>	
64.	STCL Ltd.	Closure



**Cash and Non-Cash Assistance Approved by the Government in  
Respect of BRPSE Recommended Proposals**

S. No.	Name of the CPSE	Assistance (Rs. In Crore)		
		Cash #	Non-Cash @	Total
Department of Heavy Industries				
1	Hindustan Salts Ltd.	4.28	73.30	77.58
2	Bridge & Roof Co. (India) Ltd.	60.00	42.92	102.92
3	BBJ Construction Co. Ltd.	--	54.61	54.61
4	HMT Bearings Ltd.	7.40	43.97	51.37
5	Praga Tools Ltd.	5.00	209.71	214.71
6	Heavy Engineering Corporation Ltd.	102.00	1116.30	1218.30
7	Cement Corporation of India Ltd.	184.29	1267.95	1452.24
8	Richardson & Cruddas Ltd.	-	-	-
9	Tungabhadra Steel Products Ltd.	-	-	-
10	Bharat Ophthalmic Glass Ltd. ##	9.80	--	9.80
11	Bharat Pumps and Compressors Ltd.	3.37\$	153.15	156.52\$
12	HMT Machine Tools Ltd.	859.04	196.38	1055.42
13	Bharat Heavy Plate Vessels Ltd.	--	---	--\$\$
14	Andrew Yule & Co. Ltd.	87.06	457.14	544.20
15	Instrumentation Ltd.	48.36	549.36	597.72\$\$\$
16	Bharat Yantra Nigam Ltd.##	3.82	7.55	11.37
17	Tyre Corporation of India Ltd.	--	1018.45	1018.45
18	NEPA Ltd.	234.18	634.94	869.12
19	Scooters India Ltd.	90.38	111.58	201.96
20	HMT Ltd.	447.92	635.56	1083.48
21	Hindustan Photo Films Manufacturing Company Ltd. ##	181.54	--	181.54

Ministry of Mines				
22	Hindustan Copper Ltd.	--	612.94	612.94
23	Mineral Exploration Corporation Ltd.	-	104.64	104.64
Ministry of Shipping				
24	Central Inland Water Transport Corporation Ltd.	73.60	280.00	353.60
25	Hooghly Dock & Port Engineers Ltd.	148.08	628.86	776.94
Department of Defence Production				
26	Hindustan Shipyard Ltd.	452.68	372.22	824.90
Ministry of Steel				
27	MECON Ltd.	93.00*	23.08	116.08
28	Bharat Refractories Ltd.	--	479.16	479.16
Ministry of Textiles				
29	NTC including its subsidiaries	39.23	-	39.23
30	British India Corporation Ltd.	338.04	108.93	446.97
31	National Jute Manufactures Corporation Ltd.	517.33	6815.06	7332.39
Department of Pharmaceuticals				
32	Hindustan Antibiotics Ltd.	137.59	267.57	405.16
33	Bengal Chemicals & Pharmaceuticals Ltd.	207.19	233.41	440.60
Department of Chemicals & Petrochemicals				
34	Hindustan Organic Chemicals Ltd.	250.00	110.46	360.46
35	Hindustan Insecticides Ltd.	-	267.29	267.29
Department of Fertilizers				
36	Fertilizers & Chemicals (Travancore) Ltd.	-	670.37	670.37
Department of Scientific & Industrial Research				
37	Central Electronics Ltd.	-	16.28	16.28
Department of Agriculture & Cooperation				
38	State Farms Corporation of India Ltd.	21.21	124.42	145.63
Ministry of Railways				
39	Konkan Railway Corporation Ltd.	857.05	3222.46	4079.51
40	Bharat Wagon & Engineering Company Ltd.	49.45	258.73	308.18
41	Braithwaite & Company Ltd.	4.00	280.21	284.21
42	Burn Standard Company Ltd.	75.43	1139.16	1214.59

Ministry of Water Resources				
43	National Projects Construction Corporation Ltd.	--	219.43	219.43
Ministry of Housing & Urban Poverty Alleviation				
44	Hindustan Prefab Ltd.	--	128.00	128.00
Ministry of Information & Broadcasting				
45	National Film Development Corporation Ltd.	3.00	28.40	31.40
Ministry of Petroleum & Natural Gas				
46	Biecco Lawrie Ltd.	--	59.60	59.60
Ministry of Development of North Eastern Region				
47	North Eastern Handicrafts and Handlooms Development Corporation Ltd.	8.50	83.06	91.56
Department of Commerce				
48.	STCL Ltd.##	--	--	--
Department of Telecommunications				
49	ITI Ltd.	3986.00	170.79	4156.79
	<b>Total</b>	<b>9589.82</b>	<b>23277.40</b>	<b>32867.22</b>
Implemented by Holding Companies				
Department of Chemicals & Petrochemicals				
1	Hindustan Fluorocarbons Ltd.	12.93	57.31	70.24
Ministry of Coal				
2	Eastern Coal Fields Ltd.	--	2470.77	2470.77
3	Bharat Coking Coal Ltd.	1350.00	3032.00	4382.00
	<b>Total</b>	<b>1362.93</b>	<b>5560.08</b>	<b>6923.01</b>

# Cash Assistance involve budgetary support through equity/loan/grants

@ Non-cash Assistance involve waiver of interest, penal interest, GOI loan, Guarantee fee, conversion of loan into equity/debentures etc.

## Government have approved closure/winding up of these CPSEs

\$ In addition, ONGC and BHEL would extend cash support to the extent of ₹ 150 crore and ₹ 20 crore respectively.

\* Excludes continuation of 50% interest subsidy not exceeding Rs.6.50 crore per annum on VRS loans

\$\$ Cabinet approved "in principle" the takeover of BHPV by BHEL with the direction 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 Cabinet.

\$\$\$ Interest free mobilization advance of ₹ 30 crore from BHEL for technological up-gradation and diversification which would be repaid through supplies to be made to BHEL against their orders. Interest free advance of ₹ 25 crore from BHEL to ILK at the beginning of each year for the next three years from 2008-09 which will be adjusted against supplies to BHEL in the same year.

### **List of Operational Nodal Agencies Under CRR Scheme**

<b>Sl. No.</b>	<b>Nodal Agency</b>
1	Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP), Hyderabad
2	Central Institute of Plastics Engineering & Technology, Bhubaneswar
4	Indian Council of Small Industries, Kolkata
5	Institute of Leadership Development (ILD), Jaipur
6	KIIT School of Rural Management (KSRM), Bhubaneswar
7	MPCON Ltd. Bhopal
8	MITCON Consultancy Services Ltd., Pune
9	U.P Industrial Consultants Ltd. Kanpur

**List of CPSEs which have not furnished the Annual Compliance Reports (2011-12)**

**Ministry of Civil Aviation**

1. Air India Air Transport Services
2. Air India Charters Ltd.
3. Air India Ltd.
4. Airline Allied Services Ltd.
5. Airports Authority of India Ltd.

**Ministry of Coal**

6. Bharat Cooking Coal Ltd.
7. Central Coalfields Ltd.
8. Central Mine Planning & Design Institute Ltd.
9. Coal India Ltd.
10. Mahanadi Coalfields Ltd.
11. Neyveli Lignite Corpn. Ltd.
12. Northern Coalfields Ltd.
13. South Eastern Coalfields Ltd.
14. Western Coalfields Ltd.

**Department of Food & Public Distribution**

15. Hindustan Vegetable Oils Corpn. Ltd.

**Department of Financial Services**

16. India Infrastructure Finance Co. Ltd.

### **Department of Ayush**

17. Indian Medicines & Pharmaceutical Corpn. Ltd.

### **Department of Heavy Industry**

18. BHEL Electrical Machines Ltd.
19. HMT (International) Ltd.
20. HMT Bearings Ltd.
21. HMT Chinara Watches Ltd.
22. HMT Machine Tools Ltd.
23. HMT Watches Ltd.
24. Scooters India Ltd.

### **Department of Secondary Education & Higher Education**

25. EdCIL (India) Ltd.

### **Ministry of Micro, Small & Medium Enterprises**

26. National Small Industries Corpn. Ltd.

### **Ministry of Power**

27. Kanti Bijlee Utpadan Nigam Ltd.
28. NTPC Electric Supply Co. Ltd.
29. NTPC Vidyut Vyapar Nigam Ltd.
30. PFC Capital Advisory Services Ltd.
31. PFC Consulting Ltd.
32. Power System Operation Corpn. Ltd.
33. REC Power Distribution Co. Ltd.
34. REC Transmission Project Co. Ltd.

### **Department of Biotechnology**

35. Bharat Immunologicals & Biologicals Corpn. Ltd.
36. Indian Vaccine Corpn. Ltd.

### **Department of Space**

37. Antrix Corpn. Ltd.



## RFD 2012-13: Objectives, Corresponding Achievements and the Composite Score

### Performance Evaluation Report

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Achievement	Performance	
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%			Raw Score	Weighted Score
1 To enhance Corporate Governance in CPSEs,	4.00	Assessment of CPSEs on the basis of their compliance with guidelines on corporate governance	Grading of the CPSEs for the year 2011-12	Date	4.00	28/02/2013	15/03/2013	20/03/2013	25/03/2013	30/03/2013		20/02/2013	100.0	4.0
2 Professionalization of Management at all levels,	8.00	Appointment of Non-official Directors dispatch of approved panels within 60 days by the Department	Cases disposed off within the stipulated period	%	2.00	100		90	80	70	60	97	97.0	1.94
		Role and responsibilities of non-official Directors.	Release of finalized job description regarding role and responsibilities of non-official Directors.	Date	6.00	31/12/2012	31/01/2013	28/02/2013	15/03/2013	31/03/2013		28/12/2012	100.0	6.0
3 Creation of Board level posts on the Boards of CPSEs,	2.00	Analysis and approval of the proposal of concerned Administrative Ministries	Cases disposed of within prescribed time limit(60 days)	%	2.00	90	80	70	60	50		100	100.0	2.0
4 Improving efficiency of MoU system	26.00	Holding negotiation meetings with CPSEs and administrative Ministry and finalize MoU Target	Finalisation of minutes of Task Force meetings of CPSEs which submit draft MoU by target date	Date	14.00	20/03/2013	22/03/2013	24/03/2013	26/03/2013	28/03/2013		20/03/2013	100.0	14.0
		Submission of MoU 2011-12 final scores and rating to High Power Committee (HPC)	Submission to Cabinet Secretary the file containing final MoU score and rating of CPSEs as evaluated by respective Task Force Group.	Date	4.00	30/11/2012	15/12/2012	31/12/2012	15/01/2013	31/01/2013		30/11/2012	100.0	4.0
		Finalization of MoU Guidelines to CPSEs and Administrative Ministries	Circulation of MoU guidelines	Date	2.00	15/11/2012	30/11/2012	31/12/2012	31/01/2013	28/02/2013		12/11/2012	100.0	2.0
		Revamping of MoU website	Launch of revamped website	Date	2.00	15/02/2013	28/02/2013	10/03/2013	20/03/2013	31/03/2013		27/12/2012	100.0	2.0
		External evaluation of the MoU system	Commissioning of evaluation	Date	2.00	31/12/2012	31/01/2013	28/02/2013	15/03/2013	25/03/2013		10/12/2012	100.0	2.0

## Performance Evaluation Report

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Achievement	Performance	
						Excellent	Very Good	Good	Fair	Poor			Raw Score	Weighted Score
						100%	90%	80%	70%	60%				
			Receipt and examination of Report	Date	2.00	28/02/2013	15/03/2013	20/03/2013	25/03/2013	31/03/2013	28/02/2013		100.0	2.0
5 Counseling, Retraining and Redeployment Scheme (CRR) for separated employees of CPSEs	6.00	Coverage of VRS Optees	No. of VRS optees covered	No.	5.00	8000	7500	5800	5000	4000	7506		90.12	4.51
		Broad-base coverage by associating agencies and setting up Employees Assistance Centres (EACs) in places not yet covered under CRR	Identification of agencies and setting up of EACs	Date	1.00	15/08/2012	30/08/2012	15/09/2012	30/09/2012	15/10/2012	14/06/2012		100.0	1.0
6 Implementation of CSR Policy	3.00	Review of efficacy of CSR hub and follow up action.	Issue of Revised Guidelines	Date	3.00	31/12/2012	15/01/2013	31/01/2013	15/02/2013	28/02/2013	31/12/2012		100.0	3.0
7 Collection and maintenance of information on key areas of the functioning of CPSEs	16.00	Publication of PE Survey 2011-12	Placing of the PE Survey 2011-12 in Parliament	Date	12.00	28/02/2013	31/03/2013				27/02/2013		100.0	12.0
		Generating information on the performance of CPSEs	Posting survey data in a user friendly format on website for 2010-11 PE survey	Date	4.00	30/04/2012	15/05/2012	30/05/2012	15/06/2012	30/06/2012	26/03/2012		100.0	4.0
8 Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration	5.00	Disposal of overdue Arbitration cases	Disposal of cases by 31.3.2013 (excluding subjudice cases)	%	5.00	75	65	55	45	35	70		95.0	4.75
9 Extending support to states for introducing Performance Monitoring System	2.00	Identifying states for sensitizing for adoption of MoU system in SLPE	No. of new States Agreeing in principle.	No.	2.00	5	4	3	2	1	7		100.0	2.0
10 Revision of periodic Dearness Allowance orders for both IDA and CDA pattern of pay scales employees of CPSEs	3.00	Issue of DA orders in respect of IDA/CDA pattern employees of CPSEs	Issue of orders within 5 working days after receipt of official orders	No.	3.00	6	5	4	3	2	6		100.0	3.0
11 Assessing Growth in CPSEs as a whole	10.00	Gross Margin.	Increase registered	%	2.00	5	4	3	2	1	5		100.0	2.0
		Turnover	Increase registered	%	2.00	5	4	3	2	1	5		100.0	2.0
		Note on analysis on key issues-R&D, CSR, Corporate Governance and sustainable development, increase in profit of profit making CPSEs and Reduction of loss of loss making CPSEs	Finalization of the note	Date	6.00	31/12/2012	31/01/2013	28/02/2013	15/03/2013	25/03/2013	28/12/2012		100.0	6.0

## Performance Evaluation Report

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value					Achievement	Performance	
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%		Raw Score	Weighted Score
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft for Approval	On-time submission	Date	2.0	05/03/2012	06/03/2012	07/03/2012	08/03/2012	09/03/2012	02/03/2012	100.0	2.0
		Timely submission of Results	On- time submission	Date	1.0	01/05/2012	03/05/2012	04/05/2012	05/05/2012	06/05/2012	01/05/2012	100.0	1.0
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	2.0	100	95	90	85	80	100	100.0	2.0
		Implement ISO 9001 as per the approved action plan	Area of operations covered	%	2.0	100	95	90	85	80	100	100.0	2.0
		Timely preparation of departmental Innovation Action Plan (IAP)	On-time submission	Date	2.0	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013	17/04/2013	100.0	2.0
* Improving Internal Efficiency / responsiveness / service delivery of Ministry / Department	4.00	Implementation of Sevottam	Independent Audit of Implementation of Citizen's Charter	%	2.0	100	90	80	70	60	89	89.0	1.78
			Independent Audit of implementation of public grievance redressal system	%	2.0	100	90	80	70	60	74.50	74.5	1.49
* Ensuring compliance to the Financial Accountability Framework	2.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	0.5	100	90	80	70	60	100	100.0	0.5
		Timely submission of ATRs to the PAC Sect. on PAC Reports.	Percentage of ATRs submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	0.5	100	90	80	70	60	100	100.0	0.5
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2012.	Percentage of outstanding ATNs disposed off during the year.	%	0.5	100	90	80	70	60	100	100.0	0.5
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2012	Percentage of outstanding ATRs disposed off during the year.	%	0.5	100	90	80	70	60	100	100.0	0.5

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	 ई पी आई EPI	
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