सत्यमेव जयते

Annual Report
2012-2013

Heavy Engineering

Machine Tools

Power Equipment

Automobiles

Public Sector Enterprises

Government of India

Ministry of Heavy Industries and Public Enterprises

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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, comprising the Department of Heavy Industry and the Department of Public Enterprises, functions under the charge of Cabinet Minister (Heavy Industries and Public Enterprises). The Ministry focuses on promoting the development and growth of capital goods, auto, power equipment manufacturing and engineering industry in the country, framing of policy guidelines for Central Public Sector Enterprises (CPSEs) and overall administration of CPSEs.

A. Department of Heavy Industry (DHI)

1.2 The Department of Heavy Industry is concerned with the development of the engineering industry viz. machine tools, heavy electrical, industrial machinery and auto industry and administration of 32 operating CPSEs. The CPSEs under the Department are engaged in manufacturing of engineering/ capital goods, and in consultancy and contracting services. The CPSEs under the Department manufacture a wide range of products ranging from machine tools, industrial machinery, boilers, gas/steam/hydro turbines, turbo generators, agricultural tractors to consumer products such as watches, paper, tyres and salt. The Ministry also looks after the machine building industry and caters to the requirements of equipment for basic industries such as steel, non-ferrous metals, fertilizers, refineries, petrochemicals, shipping, paper, cement, sugar, etc. The Department supports the development of a wide range of intermediate engineering products like castings, forgings, diesel engines, industrial gears and gear boxes. The Department also administers:

i. NATRIP Implementation Society (NATIS), set up in July 2005, for guiding the implementation of the National Automotive Testing and R & D Infrastructure Project (NATRIP),

ii. Fluid Control Research Institute (FCRI), Palakkad, Kerala which caters to the needs of the flow industry for calibration,

iii. Automotive Research Association of India (ARAI), and ARAI – Forging Industry Division,(ARAI-FID) Pune, Maharashtra.

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

1.3 The Department maintains a constant dialogue with various Industry Associations and encourages initiatives for the growth of industry. The Department also assists the industry in the achievement of their growth plans through 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 three Joint Secretaries, Directors/Deputy Secretaries and a Technical Wing. The Department is also supported by Integrated Finance Wing headed by the Additional Secretary and Financial Adviser. The overall sanctioned strength of the officers/staff of Department (as on 01/01/2013) was 264. The organization chart of the Department is at **Annexure–II.**

1.5. In addition to above, the Department has appointed / designated various Nodal Officers for key issues, at senior level for smooth functioning of the Department as well as for helping its staff and the public.

1.6 As per Government guidelines, this Department formulates a Results Framework Document (RFD) which encapsulates the vision, mission, objectives and timelines for monitoring the projects/schemes of DHI. It contains not only the agreed objectives, policies, programmes and projects but also success indicators and targets to measure progress in implementing them. It also provides an objective and fair basis to evaluate the Department's overall performance at the end of the year. This has further been extended by the Department to cover all the officers of the level of Director/Deputy Secretary and above as well as Chief Executive of CPSEs under DHI. In order to prepare the above mentioned document and to further co-ordinate, a Joint Secretary in this Department has been designated as a Nodal Officer. RFD of the DHI is at Chapater-12.

B. Department of Public Enterprises (DPE)

1.7 In their 52nd Report, the Estimates Committee of 3rd Lok Sabha (1962-67) stressed the need for setting up a centralized coordinating unit, which could also make continuous appraisal of the performance of public enterprises. This led to the setting up of the Bureau of Public Enterprises (BPE) in 1965 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.

1.8 The Department of Public Enterprises is the nodal department for all the 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.

1.9 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.

1.10 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.

1.11 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 the Public Sector Enterprises for certain classes of citizens.
- Settlement of disputes through Permanent Machinery of Arbitration (PMA) among Public Sector Enterprises and between Public Sector Enterprises and government departments except disputes relating to tax matters.
- Matters relating to International Centre for Promotion of Enterprises (ICPE).
- Matters relating to Standing Conference of Public Enterprises (SCOPE).
- Matters relating to delegation of powers to Board of Directors.

1.12 DPE is headed by a Secretary to the Government of India who is assisted by an establishment with an overall sanctioned strength of 126 officers/personnel. The organizational structure of DPE is at **Appendix-I.**


HEC
HEC

Department of Heavy Industry

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 growth of 1.2% in the first seven months of the current year (April-October) 2012-13 against 3.6% in the corresponding period of last year. Manufacturing sector recorded a growth of 1.0% in (April-October) 2012-13 against 3.8% in the corresponding period of last year. The mining and electricity sector posted growth rates of (-) 0.7% and 4.7% respectively during (April-October) 2012-13 compared to (-) 2.2% and 8.9% registered during the corresponding period last year.

1.1.2 Capital goods sector has registered a growth of (-) 11.4% during (April-October) 2012-13 as compared to the growth of (-) 0.5% during corresponding period of last year. Consumer goods, Basic goods, and intermediate goods recorded growth of 4.0%, 3.0%, and 2.3%, respectively during (April-October) 2012-13. The consumer durables sector recorded a growth of 5.6% in (April-October) 2012-13 compared to 4.5% in corresponding period of the previous year:-

INDUSTRIAL GROWTH INDICATORS
Base: 2004-05

(Growth Rate in per cent)

Item	Weight (%)	2010-11	2011-12	Apr-Oct 2011-12	Apr-Oct 2012-13
1	2	3	4	5	6
Sectoral Growth Rates based on IIP					
Overall	100	8.2	2.9	3.6	1.2
Mining & Quarrying	14.2	5.2	-2.0	-2.2	-0.7
Manufacturing	75.5	9.0	3.0	3.8	1
Electricity	10.3	5.5	8.2	8.9	4.7
Use Based classification					
Overall	100	8.2	2.9	3.6	1.2
Basic goods	45.7	6.0	5.5	6.3	3.0
Capital goods	8.8	14.8	-4.0	-0.5	-11.4
Intermediate goods	15.7	7.4	-0.6	-0.8	2.3
Consumer goods	29.8	8.6	4.4	4.0	4
Durables	8.5	14.2	2.6	4.5	5.6
Non-durables	21.3	4.3	5.9	3.6	2.7

Source: Central Statistics Office

1.1.3. Production index and growth rates of some of the heavy industries for the period (April-October) 2012-13 as compared to (April-October) 2011-12 are given below:

	Production Index (2004-05=100)				Rate of Growth (%)			
	April-March		April-October		April-March		April-October	
Industry	2010-11	2011-12	2011-12	2012-13	2010-11	2011-12	2011-12	2012-13
Passenger Cars	254.08	260.34	240.32	247.46	28.39	2.46	-0.10	2.97
Tractors (complete)	247.90	292.27	290.39	263.08	24.55	17.90	22.85	-9.40
Cooling Towers	187.06	283.27	212.42	175.25	2.19	51.43	24.78	-17.50
Cranes	230.44	240.17	194.50	201.82	8.29	4.22	-16.10	3.76
Lifts/Elevators & Components thereof	138.98	127.20	119.94	167.15	5.21	-8.48	-20.44	39.36
Pumps (including power driven pumps)	202.55	194.56	181.47	204.56	8.55	-3.95	-11.79	12.73
Air & Gas Compressors	114.05	118.13	119.08	108.55	29.13	3.58	7.10	-8.85
Generator/Alternator	379.19	379.61	323.14	517.10	22.73	0.11	-7.52	60.02
Electric Motors Phase-I	88.99	86.48	69.58	97.44	6.96	-2.83	-20.06	40.05
Electric Motors (Excl. Phase-I)	187.39	200.61	189.29	173.65	-1.47	7.05	11.07	-8.27
Transformers (P.D.T & Special Type)	213.17	236.60	201.71	192.55	-0.74	10.99	22.39	-4.54
Transformers (Small)	229.52	199.92	208.92	209.02	7.55	-12.90	-10.95	0.05
Turbines & Accessories	300.40	323.48	218.91	209.24	25.55	7.68	8.41	-4.42
Insulated Cables/Wires all Kind	182.35	201.43	178.34	229.34	3.35	10.46	-6.36	28.60
Commercial Vehicles	215.01	260.03	243.68	238.17	32.83	20.94	23.91	-2.26
Boilers	316.71	378.33	278.57	281.97	18.14	19.46	25.26	1.22
Engines Incl. Internal Combustion and Diesel Engine	182.32	192.13	183.90	207.79	18.70	5.38	4.20	13.00
Earth Moving Machinery	253.36	289.05	283.38	256.81	26.93	14.08	24.04	-9.37
Loaders	340.05	370.97	354.76	370.89	44.27	9.09	27.11	4.55
Machine Tools	146.05	182.24	153.65	164.48	19.07	24.78	16.52	7.05
Dairy Machinery	90.61	109.88	119.99	132.98	-32.91	21.26	25.15	10.82
Sugar Machinery	438.18	357.90	368.34	374.78	50.36	-18.32	-8.36	1.75
Food Processing Machinery	121.19	111.98	78.13	88.89	17.98	-7.60	-9.64	13.78
Textile Machinery	130.51	154.65	155.98	127.44	60.89	18.50	31.48	-18.30
Plastic Machinery Incl. Moulding Machinery	317.90	280.48	271.72	284.04	16.12	-11.77	-8.95	4.53
Printing Machinery	92.83	108.63	94.70	114.85	43.42	17.02	2.53	21.27
Cement Machinery	468.70	166.44	171.17	148.70	43.35	-64.49	-68.45	-13.13

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

(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 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 ₹ 16639.09 crore, as on 31.3.2012, as per details given at **Annexure-III.** The total number of employees in these CPSEs is 88794. The number of SC,ST and OBC employees is 16086, 8809 and 23556 respectively as per details at **Annexure-IV.**

1.4.3 Out of the 32 CPSEs, 17 are making profit and the remaining 15 are incurring losses. However, on an aggregate basis, 32 CPSEs of DHI show a net profit before tax of ₹ 5610.97 crore in 2012-13 (Anticipated). The aggregate performance of these CPSEs during April-March, 2012-13 (Anticipated) and targets for 2013-14 is as under:

(₹.crore)

	2012-13 (Anticipated)	2013-14 (Target)
Production	54323.19	58335.32
Profit (+)/Loss(-)	5610.97	5027.62

(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, 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 01.10.2012, the order book of CPSEs, under the Department stands at ₹ 130498.69 crore **(Annexure -VIII).** Major exporting CPSE is BHEL.

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 for the year 2011-12 is as under:

BHEL	₹	351.00 crore
EPI	₹	7.08 crore
B&R	₹	2.73 crore

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 profit making CPSEs are being strengthened by providing greater autonomy and the loss making CPSEs are being considered for revival/closure. Accordingly, a fresh look to identify companies under the department, which can be restructured and revived, has been undertaken. Board for Reconstruction of Public Sector Enterprises (BRPSE) has given its recommendations in all the 28 cases referred to them. Government has given its approval for revival/restructuring plans of 18 and Joint Venture/Disinvestment/Closure in respect of 5 CPSEs under DHI. Recommendations of BRPSE in respect of remaining CPSEs are under process in the Department. These CPSEs have about 30,000 employees. These CPSEs 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)

Besides, in case of Bharat Ophthalmic Glass Ltd.(BOGL) and Bharat Yantra Nigam Ltd. (BYNL), closure has been approved by the Government. In case of Tungbhadra Steel Products Ltd. and Richardson & Cruddas Ltd., Government has approved for location of Joint Venture partner. 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 17 CPSEs mentioned above, are at **Annexure-XI.** At present, restructuring /revival proposals for HPF, HMT (MT), HMT (Watches) and Scooter India Limited are under consideration.

1.6 The Department provides financial support to the CPSEs under its administrative control, in consultation with the Ministry of Finance and Planning Commission, for meeting their investment needs and implementation of restructuring plans of sick/loss making CPSEs sanctioned by the Government/BIFR

1.7 Autonomy to CPSEs Maharatnas/ Navratnas and Miniratnas

BHEL is a Maharatna CPSE in the Department. The Board of the Company has been strengthened by induction of qualified professionals. 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 Maharatna Company, seven CPSEs under DHI namely REIL, HNL, EPI, HPC and HMT (I), BPCL and B&R have been categorized as Miniratnas. Miniratna CPSEs have also been empowered with certain enhanced delegation of powers.

1.8 Memorandum of Understanding (MOU)

With a view to give greater autonomy to the public sector enterprises and make them accountable for achievement of their objectives, all the CPSEs under the Department signed MOUs with Government of India/ Holding companies for the year 2012-13.

1.9 Plan Programmes of Department of Heavy Industry:

In the 12th Five Year Plan (2012-17), the following Central Sector Schemes have been taken up in the Department:

1.9.1 National Automotive Testing and R&D Infrastructure Project (NATRiP)

National Automotive Testing R & D Infrastructure Project (NATRIP) was approved by the Government on 25th July 2005 and notified by the Department of Heavy Industry on 31st August 2005. NATRIP envisages setting up of world-class automotive testing and homologation facilities in India, with a total investment of ₹ 1,718 crore (later revised to ₹ 2288.06 cr.) in six years from the date of it being notified. The principal facilities will come up in the three automotive hubs of the country, in the south, north and the 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. In April 2011, the Government has approved the revised cost estimate of ₹ 2288.06 cr. due to escalation in cost to the tune of ₹ 570 cr. due to Foreign Exchange variation, Statutory Levies, rise in input costs etc.

1.9.2 Restructuring of PSEs under DHI/FCRI and Schemes towards promotional measures, modernization of offices, IT etc.

These schemes 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. In the 12th five year plan, an outlay of ₹ 22223.32 crore with a Gross Budgetary Support of ₹ 4680 crore has been allocated.

1.9.3 Jagdishpur U.P. Paper Mill Project of Hindustan Paper Corporation Ltd. (HPC)

In view of the likely gap between demand and indigenous supply of paper, HPC has decided to set up new manufacturing facilities in the Northern Region at Jagdishpur, Uttar Pradesh through a new subsidiary company for which GOI has accorded approval. The capacity of new paper plant will be 3 lakhs TPA at an estimated cost of ₹ 2742 crore (constant cost basis) and ₹ 3241 crore (completion cost basis). The project activity could not take place for want of allotment of land by the State Govt. of U.P. Looking at the various hurdles in land procurement, it has been decided to explore the possibility of setting up 1,00,000 TPA manufacturing facility of writing and printing paper with purchased pulp in 1st phase.

1.9.4 Scheme for Enhancement of Competitiveness in Capital Goods Industry

A Working Group on "Capital Goods and Engineering Sector" was set up under the Chairmanship of the Secretary (Heavy Industry). The Committee was mandated to identify long term goals and growth inhibiting factors in respect of the above sectors and to evolve strategy for development of the Heavy Electrical

Equipment, Mining and Construction Machinery, Dies, Moulds and Press Tools, Textile Machinery, covered under Capital Goods and Engineering Sector.

Sectors of Capital Goods

The proposal for sanction of the scheme with an outlay of ₹ 300 crore was put up to Expenditure Finance Committee (EFC) and EFC recommended that the revised scheme be submitted to the Planning Commission for inclusion in the 12th Five Year Plan of the Department of Heavy Industry. A budgetary support of ₹ 1081.22 crore has been provided in the 12th Five year Plan.

1.9.5 Schemes for North Eastern Region (HPC, 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 Region. A tentative budgetary support of ₹ 468 crore in the 12th Plan period has been allocated. Out of this ₹ 332.50 crore has been allocated to NPPC.

1.10. 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 vital 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, tea machinery, air pollution control equipment, electrical equipment including switchgears, circuit breakers etc. through its three operating divisions i.e. (i) Tea Division, (ii) Electrical Division, and (iii) Engineering Division. The company has achieved 94% of the production target and the sales target up to December, 2012. AYCL has earned cash profit of ₹ 15.55 crore during the period from April to December, 2012. The company expects to achieve the MOU target of production worth ₹ 309 crore and net profit of ₹ 10.01 crore for the year 2012-13. In terms of quality of tea produced by AYCL Tea Estates have considerably improved in comparison to previous years and highly appreciated in the Tea Industry. AYCL has received consecutive three prestigious Awards namely SCOPE Excellence Award for Turnaround in 2010, BRPSE Award for Turnaround in 2011 and MOU Excellence Award in 2012.

2.2 Hooghly Printing Company Ltd.

Hooghly Printing Company Ltd. is a profit making 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 adequately equipped to successfully handle demands of various printing assignments like multi coloured newsletter, leaflets, folders, calendars, books etc. The production and net profit of the company up to December, 2012 are ₹ 7.20 crore and ₹ 0.16 crore respectively against the production target of ₹ 12.00 crore and the net profit target of ₹ 0.28 crore for the year 2012-13 respectively. The company expects to achieve the aforesaid target of production and net profit by the end of the year 2012-13.

2.3 Bharat Heavy Electricals Ltd. (BHEL)

BHEL is an integrated power plant equipment manufacturer and one of the largest engineering and manufacturing enterprise in India in the energy and infrastructure related sectors. BHEL is amongst world's rarest few organizations who have the capability to manufacture the entire range of power plant equipment. BHEL has a vision to be a global engineering enterprise providing solutions for a better tomorrow. BHEL is maintaining a consistent track record of growth, performance and profitability, since its inception more than five decades ago.

BHEL is 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 and Gas and Defense. The company has 15 manufacturing divisions, 2 repair units, 4 power sectors regional offices, 8 service centres, 8 overseas offices, 15 regional centres and currently operates at more than 150 project sites across India and abroad , which enables the company to provide most suitable products, systems and services- efficiently and at competitive prices to its customers.

BHEL manufactures over 180 products under 30 major product groups. The company has grown in stature over the years with continued inflow of orders, manufacturing prowess, continued thrust on technology leading to a strong presence in domestic and international markets as a major supplier of power plant equipment besides establishing substantial inroads in select segment of products in Industrial sector and Railways.

In the thermal generation, BHEL supplies steam turbines, generators, boilers and matching auxiliaries up to 800MW ratings which include sets of 660/700/800 MW based on supercritical technology. BHEL has capabilities to offer sets upto 1000 MW unit rating.

BHEL has also introduced new rating of 300 MW sets, further enhancing the range of thermal sets on offer in subcritical range. First time in country new rating of 525 MW thermal set was commissioned by BHEL.

The installed capacity of BHEL supplied Utility sets has gone past the One Lakh.

BHEL has been maintaining its reputation for high quality and reliable equipment. BHEL, where Quality Systems as per ISO-9000 have taken deep roots, has made significant achievements in Business Excellence by securing 'Commendation for Significant Achievements in TQM' for three of its manufacturing units and one power sector-region during 2011-12

In recent years, BHEL has optimally invested for manufacturing capacity expansion. The country has adopted capacity and capability enhancement strategy and accordingly BHEL has achieved capability to deliver 20000 MW power generating equipment per annum.

Burner Panel of Super-Critical Set for NTPC Barh 660 MW, being assembled at BHEL, Trichy Complex

The company has entered into a number of strategic joint ventures in supercritical coal fired power plants to leverage equipment sales besides living up to the commitment for green energy initiatives.

351 MW CCPP commissioned by BHEL for GSEGL, Hazira

BHEL is one of the few companies worldwide, involved in the development of Integrated Gasification Combined Cycle (IGCC) technology which would usher in clean low grade coal such as lignite. To make efficient use of high ash content coal available in India, BHEL also supplies Circulating Fluidized Bed Combustion (CFBC) boilers for thermal plants.

To maintain a balanced growth, BHEL intends to increase its focus on transportation, transmission, nuclear power and renewable energy segments for business portfolio diversification.

Major strategic initiatives taken recently, have contributed significantly for the achievement of key performance parameters and set pace for future business include:

- The JV Company "Raichur Power Corporation Ltd." incorporated on 15th April, 2009 with Karnataka Power Corporation Limited (KPCL) for setting up of a 2x660/800MW Supercritical Thermal Power Plant at Yeramarus, Raichur, Karnataka and 1x660/800MW Supercritical Thermal Power Plant at Edlapur, Raichur, Karnataka on build, own and operate basis. The Yeramarus project is under erection.
- The JV Company "Dada Dhuniwale Khandwa Power Limited" incorporated on 25th February, 2010 with Madhya Pradesh Power Generation Company Limited (MPPGCL) for setting up a 2x800MW Supercritical Thermal Power Plant at Khandwa in Madhya Pradesh on build, own and operate basis.
- The JV Company "BHEL Electrical Machines Ltd" incorporated on 19th January, 2011 with Govt. of Kerala for Kasargod Unit of Kerala Electricals and Allied Engineering Company Ltd. (KEL) for manufacture of alternators and other rotating electrical machines.
- The JV Company "Latur Power Company Limited" incorporated on 6th April, 2011 with Maharashtra State Power Generation Company Ltd (MAHAGENCO) for setting up a 2x660 MW Thermal power plant/ 1500 MW gas based Combined Cycle Power Plant (CCPP) in Latur, Maharashtra on build, own and operate basis.
- Collaboration entered into with M/s GENP, Italy in January, 2010 for manufacture of centrifugal compressors. This will further enhance BHEL's capability to address market requirement of higher size compressors for refinery, fertilizer, petrochemical, pipeline and other applications.
- Cooperation agreement signed with GE India Industrial Private Limited (GEIIPL) on 19th November, 2010 to address the requirements of state-of-the-art water treatment plants for power plants, industry and municipal corporations. With this agreement, BHEL will benefit with development of capabilities in offering the large size water treatment plant as turn-key solutions to the customers
- The JV Company "Udangudi Power Corporation Ltd" incorporated on 26th December, 2008 with TNEB (Tamil Nadu Electricity Board) for setting up a 2x800MW Supercritical Thermal Power Plant at Udangudi, Tuticorin, Tamilnadu on build, own and operate basis.

Strategic Plan 2012-17

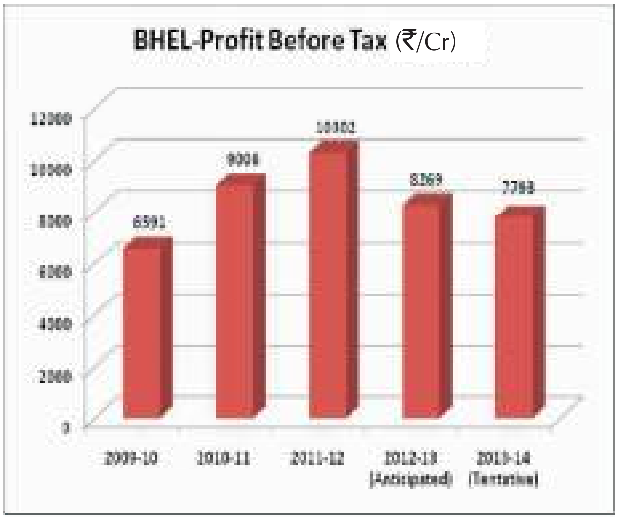
BHEL has formulated its Strategic Plan 2012-17. The plan attempts to steer the company towards becoming a global engineering enterprise. Key drivers of our success are expanding the offerings in Power sector by building EPC Capability, focus on Industry businesses, expansion of spares and services and adoption of collaborative approach.

Power sector will continue to remain major contributor in the company's top line with transportation and transmission emerging as next big business verticals. Strategies are in place to strengthen company's presence in Nuclear, Renewable and Water segments.

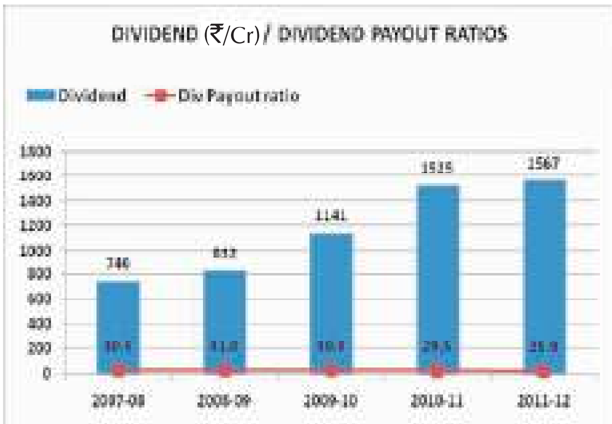
Performance Highlights

BHEL has achieved Turnover of ₹ 49,510 cr. in 2011-12 and is poised to achieve budgeted Turnover in 2012-13.

The company has earned a Profit before Tax (PBT) of ₹ 10,302 crore during the preceding year.



BHEL has been consistently paying dividend since 1976-77. For the year 2011-12, BHEL has made the highest ever dividend payout of ₹ 1,567 crore.



Dividend cheque being presented to Hon'ble Union Minister for Heavy Industries and Public Enterprises by CMD, BHEL

Manufacturing Highlights

- HEP, Bhopal has successfully designed, manufactured and commissioned India's highest voltage Power Transformer of 1200 kV 333 MVA rating at the 1200 kV National Experimental Substation of PGCIL. The Single Phase Interconnecting Transformer has been developed and manufactured with in-house engineering and manufacturing technology.

1200 kV, 333 MVA Ultra High Voltage Auto Transformer designed and manufactured by BHEL

- BHEL has manufactured and successfully tested 2MCL1007 Compressor of largest size for wet gas applications for MRPL PFCCU Refinery.

2MCL1007 Compressor for MRPL at BHEL Hyderabad

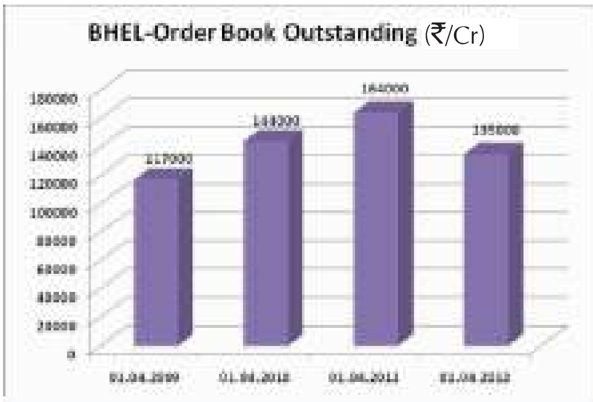
- Developed and manufactured "315 MVA, 400kV class, 3-Phase, Phase Shifting Transformer (PST)". This development work involved design of transformer utilizing in-house knowledge base and included special winding design, deployment of vacuum type online tap changer for the 1st time with 6 no. HV bushings against normal 3 no. and manual calculations for design verification.

315MVA 400/220/55/33 KV, 3-phase shunt unit of phase shifting transformer under test

- As a reliable partner in ISRO's space program, BHEL achieved a major landmark with the successful deployment of its Space Grade Solar Panels on the GSAT-8 satellite. Launched from French Guyana, the satellite is ISRO's heaviest satellite, weighing about 3100 Kg at lift-off.
- BHEL has developed India's largest 15 MVA, 33/6.9 kV, 3 phase, 50 Hz, Natural Air cooled Dry Type Cast Resin Transformer.

Order Booking

Despite various challenges confronting the power sector in recent times such as non-availability of adequate coal linkages, fund constraints with customers, Gas supply shortages, environmental issues etc.,orders worth ₹ 22,096 crore, were booked during 2011-12 and at the end of the year total orders in hand for execution in 2012-13 and beyond, stand at about ₹ 1,35,000 crore as on 31.03.12.



Major orders received during 2011-12

Power Sector

In the Power Sector business segment, BHEL continued to demonstrate its competitiveness by bagging most of the Power Plant and associated equipment orders placed during the year, in the country. Orders worth ₹ 14,012 crore for supply and installation of main equipment as well as spares and services were secured during the year.

Major Orders received are:

- First ever 300 MW rating set with Forced Recirculation Boiler from Abhijeet Projects for 1x300 MW Vizag (BTG, Stn.C&I, Electrical & Switchyard package).
- Supercritical 2x660 MW Dainik Bhaskar Power Limited / Singrauli STPP (BTG including Switchyard).
- Supercritical 2x660 MW NTPC / Mauda Steam Generator (SG package).
- 2x600 MW Singareni Collieries Company Ltd. (SCCL) / Adilabad (Main Plant Package including Switchyard).
- Supercritical 2x800 MW RPCL / Yeramarus (CHP and AHP package).

Industry Sector

In Industry Sector, BHEL secured orders worth ₹ 8782 crore in Captive Power, Rail Transportation, Power Transmission, Oil and Gas, Renewable Energies and other Industrial Segments.

Major orders received during the year are:

- Bagged single largest Raw Material Handling System (RMHS) order worth ₹ 1395 Crore from NMDC for their 3 MTPA Integrated Steel Plant being set up at Nagarnar, Chhattisgarh.
- First ever order for GTG with Chiller from M/s Kribhco Ltd. for their Hazira complex. Order won against stiff competition from Thermax-Siemens and Ansaldo-Toyo.
- First ever order for CFBC Boiler designed to operate on 100% coal middlings. The order for 67.5MW BTG with 280TPH CFBC Boiler was secured from M/s Kohinoor Power, Kolkata.
- Reliance Industries reposed their confidence in BHEL by placing order for 2 nos. Fr6B GTGs for Dahej Plant against stiff competition from Siemens.
- Grasim Cellulosic reposed their confidence in BHEL by placing order for 3x32MW and 1x20MW STGs for their Export Oriented Unit at Vilayat and Grasilene Division at Harihar, respectively.
- Orders for two Grid Interactive Solar PV Power plants of 5 MW each from Karnataka Power Corporation and Indian Oil Corporation for their projects at Mandya and Phalodi respectively.
- BHEL received single largest order for 85 sets 25kV AC EMU (Converter) from Integral Coach Factory, Chennai and for 870 sets of Wheel and Axle assembly from Railway Board.
- Order received from ONGC for supply of 6 nos. state-of-the-art AC drilling rigs. Rigs with AC drive are the latest trend worldwide due to more efficient rig operation on account of higher power factor of AC motors.
- Orders from Power Grid for 765/400 kV substation at Raichur, 400/220 kV Aurangabad Substation and 400 kV Wardha substation extension package against stiff competition. 765/400 kV substation order has paved way for BHEL's entry into 765 kV substation segment.
- Significant order of 14 no. 285 MVA, 400 KV generator transformers for KAPP and RAPP nuclear power plants of NPCIL.

Exports

The year 2011-12 witnessed unforeseen turmoil in various parts of the globe influencing BHEL's international business prospects. The widespread financial instability in Europe and political volatility in Middle East and North Africa (MENA) region has caused delays in financial closure and project financing resulting in postponement of finalization of new projects.

Despite difficult and uncertain trends, BHEL has made persistent efforts in maintaining its volume of international business. The company has secured physical export orders of ₹ 234 crore during the year.

Major orders received are:

- BHEL secured the single largest export order for transformers from Punatsangchhu Hydro Project Authority-I, Bhutan. This is the largest order in terms of financial value in the transformer product segment.
- BHEL successfully made its maiden entry into Ukraine by securing an order for 27 MW Steam Turbine Generator package from Ukraine. BHEL has secured order for steam turbine from a European country after a gap of 15 years.
- Reaffirming confidence of existing customers, BHEL secured repeat orders for motors from Mombasa Cement Ltd., Kenya for supply of 2500 KW and 1400 KW Slip Ring Induction motors.
- For the first time, an order for wellheads has been secured from the CIS market. This is also the maiden export order of wellheads from Georgia and has been received from the Jindal Petroleum Operating Company.

- Orders for other products including revival of 15 MW STG from Indonesia, transformers from Iraq, motors from Bangladesh, Yemen and Nigeria and soot blowers from UAE have also been secured.

Major orders received during 2012-13 upto Sept'12

Power Sector

Power Sector booked orders worth ₹ 5,739 crore for supply and installation of generation equipment during first 2 quarters of 2012-13.

Major orders received are:

- Order received from NPCIL for RAPP 7and 8 – 2X700 MW sets (TG, C&I, CCI packages through Domestic Competitive Bidding).
- Order received from NPCIL for KAPP 3 and 4 – 2X700 MW (CCI package) through Domestic Competitive Bidding.
- Order received from NTPC Vindhyachal-13 – 1X500MW (TG+SG+ESP package) through ICB.
- Order received from RRVUNL / Ramgarh CCPP - 1X160 MW BTG package on negotiation basis.
- Order received from DVC Raghunathpur –2X660 MW (TG package) through ICB.
- Order received from NTPC Sholapur(2 X 660 MW) and NTPC Mauda (2 X 660 MW) – ESP package through ICB.
- In addition, further, orders aggregating to ₹ 27,000 crore (approx.)are expected by March, 2013. As a result of this, overall order booking during the year is expected to be of the order of ₹ 32,750 crore (approx.).

Industry Sector

Orders worth ₹ 2,049 crore have been received and the year is expected to close with an

overall order-book of ₹ 8,273 crore for Industrial Systems and Products.

Major orders received are:

- Order for 23 MW STG from Paradeep Phosphate.
- Order for 47 sets Power Converter with Control Electronics / Traction Converter from CLW, Chittaranjan.
- Order for 44 sets Traction Electrics for MEMU from Railway Board.
- Order for 10 no. 6.3/7/17.8 MW vertical synchronous motors from Xylem Water Solution India Pvt. Ltd. for Chinthalapudi Lift Irrigation Scheme.

Exports

Major highlights are:

- Successfully secured order for 6 x 165 MW Punatsangchhu-II Hydroelectric Project, Bhutan for Electro-Mechanical equipment (EM) package.
- Entry into new market segment: Maiden order secured for the supply of OLTC from South Africa.
- MOU signed with Ministry of Energy and Industry, Tajikistan for turnkey execution of two(2 x 50 MW) Hydro Power Projects.

Power Capacity addition

During 2011-12, BHEL commissioned 8138 MW of Utility sets and in the current year against a likely capacity addition of 8500 MW during 2012-13 in Utility sets based on availability of inputs from respective customers, 2500 MW has already been commissioned upto September'12. However, MoP has set a target of 7948 MW capacity addition for BHEL.

BHEL continues to maintain the record of nearly two-third of the overall installed capacity and around three-fourth of the power generated in the country (for coal based sets).

Other Significant Achievements

During 2011-12, BHEL continued its tradition of bagging prestigious national/ international awards. BHEL received all round recognition and commendations for its performance on various fronts. The company has been honoured with many significant awards which included:

- 'SCOPE Meritorious Award for R&D, Technology Development and Innovation' was presented to BHEL by the Hon'ble President of India, Smt. Pratibha Devisingh Patil.
- 'MoU Excellence Award 2009-10' as the Top Performing CPSE in 'Industrial Sector' was presented to BHEL by the Hon'ble Prime Minister of India, Dr. Manmohan Sing.

Hon'ble Prime Minister of India presenting 'SCOPE MoU Award for Excellence& Outstanding contribution in Public sector Management 2009-10 ' to CMD, BHEL

- BHEL is the only PSU to be conferred the NDTV Profit Business Leadership Award for the second year in succession.
- Awarded EEPC's Top Export Award for Project Exports for the twenty second year in succession.
- Ranked as the Best Engineering company to work for in the Engineering and Automotive category by Business Today magazine.
- Golden Peacock Award for Occupational Health and Safety 2011'and the 'Golden Peacock Award for Innovation Management 2011.
- Three Quality Circles won Gold Medals for their case studies at the International Quality Circle Conference (ICQCC – 2011) held in Yokohama Japan.
- BHEL employees bagged 8 Prime Minister's 'Shram Awards' including 2 'Shram Bhushan' and 5 'Vishwakarma Rashtriya Puraskars' among a host of Public and Private Sector companies in the country.

Hon'ble Prime Minister of India with ShramAward winners from BHEL

- Dainik Bhaskar India Pride Gold Award 2011 for excellence in Central and State Public sector Enterprises in category of Heavy Industries.
- Ninth Wartisilla Mantosh Sondhi Award for outstanding contribution to the energy sector.

  During the current year 2012-13 as well, BHEL has maintained the momentum of achieving recognitions and awards.

Some of the major achievements are:-

- SCOPE Meritorious award 2010-11 for best practices in Human Resource Management was presented to CMD, BHEL by the then Hon'ble President of India, Smt. Pratibha Devisingh Patil.

CMD, BHEL receiving SCOPE Meritorious award from the then Hon'ble President of India

- BHEL got the BT-Star Award for the most Innovative PSU in the Maharatna/Navratna category.
- BHEL employees bagged 3 'Vishwakarma Rashtriya Puraskar' and 5 National Security Awards for the year 2010.
- BHEL was declared the Best PSU in the Electrical and Electronics category by Dun and Bradstreet. The award was received by Shri O. P. Bhutani, Director (E, R&D) from Dr. M. Veerappa Moily, Hon'ble Union Minister for Corporate Affairs.
- BHEL bagged ICAI National Awards for Excellence in Cost Management.
- Mr. B Prasada Rao, CMD, BHEL was conferred with 'BT- Star best PSU Man of the year 2012' award.
- BHEL was awarded Skoch award in the Gold category for 'Wrench Enterprise based Drawing and Document Management System' project.

Expansion of Manufacturing Facilities

For sustaining growth and meeting market demand, the company has adopted capacity and capability enhancement strategy.

Some of the significant steps taken are:

- Power Plant Piping Unit (PPPU) at Thirumayam, Tamilnadu started Commercial Production during 2011-12. This plant has been set up with investment of about ₹ 300 Crore with production capacity of 80,000 MT high pressure piping.
- Fabrication Plant (FP) at Jagdishpur, Uttar Pradesh has been set up with an investment of ₹ 230 Crore with production capacity of 25,000 MT fabricated components. This plant has started production in the current year.
- Capacity of PV module manufacturing at EDN Bangalore is being enhanced from 6 MW to 26 MW per annum.
- Capacity of Seamless Steel Tube Plant (SSTP) at Trichy is being enhanced from 29000MT to 86625MT through technological upgradation from Vertical Piercing to Cross Roll Piercing (CPE).

Human Resource Development

Guided by the HRD Mission statement "To promote and inculcate a value-based culture utilizing the fullest potential of Human Resources for achieving the BHEL Mission", the Human Resource Development Institute of the company through a step by step strategic long term training process and several short term need based programmes based on comprehensive organizational research, enables the human resources to unearth and hone their potential.

In line with changing market requirements, the knowledge and skills of BHEL employees are continuously upgraded. In a major advancement, an integrated Human Resource Management system was implemented which aims at reaching out to the internal stakeholders on real time basis and redefining the role of HR functions as a strategic partner in business, through process standardization, optimization and seamless enterprise integration.

Corporate Governance

The Corporate Governance Policy of BHEL rests upon the four pillars of Transparency, Full Disclosure, Independent Monitoring and Fairness to all. BHEL firmly believes that it is the steward of shareholders' investments and the Company is accountable and responsible for delivering superior results that make a difference.

BHEL has established a sound framework of Corporate Governance, which underlines commitment to quality of governance, transparency disclosures, consistent stakeholders' value enhancement and corporate social responsibility. BHEL endeavors to transcend much beyond the regulatory framework and basic requirements of Corporate Governance focusing consistently towards building confidence of its various stakeholders including shareholders, customers, employees, suppliers and the society at large.

BHEL signed a MoU with Transparency International to adopt 'Integrity Pact'. BHEL corporate structure, business procedures and disclosure practices have attained a sound equilibrium with the Corporate Governance Policy resulting in achievement of goals as well as high level of business ethics.

The Company believes that conducting business in a manner that complies with the Corporate Governance procedures and Code of Conduct, exemplifies each of our core values and positions us to deliver long-term returns to our shareholders, favourable outcomes to our customers, attractive opportunities to our employees and making the suppliers our partners in progress and enriching the society.

Social Responsibilities

BHEL has developed a Corporate Social Responsibility (CSR) scheme and its Mission Statement on CSR is “Be a Committed Corporate Citizen, alive towards its Corporate Social Responsibility”. BHEL has adopted a CSR Policy in line with the CSR Guidelines issued by Department of Public Enterprises.

Fostering the tradition of repaying the society at large by actively participating in the welfare of local communities through numerous Corporate Social Responsibility initiatives, BHEL undertakes socio-economic and community development programmes to promote education, improvement of living conditions and hygiene in villages and communities located in the vicinity of its manufacturing plants and project sites spread across the country.

Major thrust is being given in eight areas:

- Self-employment generation
- Environment protection
- Community development
- Education
- Health management & medical aid
- Orphanages and Old-age Homes
- Infrastructural development
- Disaster/Calamity Management

Cancer check-up camp organised by BHEL at Noida

In addition, BHEL is supporting projects of Afforestation, Water Conservation, providing Potable Water accessories, besides conducting Health Camps around the Units/Project sites. BHEL’s endeavour has been to bring a change in the lives of the communities existing around us so that people living in these communities can exercise control over the conditions that impact their lives.

Vocational training workshop organised by BHEL for rural women at Jhansi

Green Initiatives

In conformity with its concern for the environment, BHEL has been contributing to the national effort for developing and promoting renewable energy based products on a sustained basis. Starting from small applications like Solar Power Street Lighting, Rural Water Pumping Systems, Railway signaling etc. BHEL has supplied and commissioned large size stand alone as well as Grid interactive Solar Power Plants in a number of major cities and remote areas of the country.

Some of the major initiatives taken are:-

- BHEL has initiated a project in Karnataka which comprises of afforestation in a barren land at Ramadurga in Koppal district. The project involves planting of fruit-bearing trees in a complete patch of barren land and preserving these trees for birds and animals thereby promoting species protection.
- The company is working jointly with IOCL and IIT-Rajasthan for development work of product and systems in the Concentrated Solar Power (CSP) area. A new record has been set by installing 15MW Grid Interactive Solar Photo Voltaic (SPV) plants across the country.
- Two eco-friendly Grid-Interactive Solar Power Plants of 5 MWp for IOCL & 3 MWp for KPCL established.
- BHEL is executing the orders for Renovation and Operation and Maintenance of SPV plants (aggregate 2.15MWp) at various Islands of Lakshadweep.

Country's largest Diesel Grid – Interactive Solar Power Plant of 760 kWp capacity, commissioned by BHEL at Lakshwadeep

Participation in the UN's Global Compact Programme

As the world's largest global corporate citizenship initiative, the Global Compact Program is the first and the foremost concern which is exhibiting and building the social legitimacy of business and markets. BHEL has continued to play a prominent part in the United Nation's Global Compact Programme on CSR by promoting the core values on human rights, labour standards, environment and anti-corruption and intends to advance these principles forming part of its strategy and culture within its sphere of influence. BHEL demonstrated its commitment through regular pooling of communication of progress (COP) on the UNGC website.

BHEL periodically submits annual Communication of Progress on the relevant principle of global compact in respect of Environmental issues. Company publicly advocates with its employees and other stakeholders and regularly incorporates its commitments towards Global compact programme through its Annual report, press conferences and other public documents.

BHARAT HEAVY PLATES and VESSELS (BHPV)

BHPV is 100% owned subsidiary of BHEL since 2008. The process of revival of BHPV Visakhapatnam has started showing results. During 2011-12, the company achieved profit of ₹ 10.44 crore with a turnover of ₹ 155.80 crore registering a y-o-y growth of 13.74%.

Debutanizer supplied to GAIL Petrochemicals Complex, PATA-UP

In 2012-13, the company is likely to achieve a quantum jump in its turnover compared to the last year. The company is targeting a turnover of ₹ 336 crore (MOU target), a growth of 115.67% over that achieved in 2011-12. In the current financial year the company is targeting Profit After Tax (PAT) of ₹ 18.19 cr. The order-book position as on 1.10.2012 is worth ₹ 357.59 crore.

Capital Investment

Capital investment of ₹ 230.91 cr is under progress to modernize and augment BHPV's manufacturing facilities with new state of art facilities and to diversify for additional business by entering into manufacturing of HRSG and BFBC boilers.

NTPC BHEL Power Projects Private Limited (NBPPL)

NTPC-BHEL Power Projects Private Limited(NBPPL) is a 50:50 Joint Venture Company of BHEL and NTPC. The Company was incorporated on 28th April 2008. The authorized capital of the company is ₹ 300 Cr. and the present paid-up capital is ₹ 50 Cr. (₹ 25 Cr. each released by BHEL and NTPC).

Objectives:

(i) To explore, secure and execute Engineering, Procurement and Construction contract for Power Plants and other infrastructure projects in India and abroad including Plant engineering, project management, quality assurance, quality control, procurement, logistics, site management erection and commissioning services.

(ii) To engage in manufacturing and supply of equipments for Power Plants and other infrastructure projects in India and abroad.

Business Activities:

- Engineering, Procurement and Construction (EPC).
- Manufacture and Supply of Coal Handling Plant (CHP) and Ash Handling Plant (AHP).

Establishment of Manufacturing Plant:

- Honorable Prime Minister Shri Manmohan Singh had laid the foundation Stone for setting up the manufacturing plant on 1st September, 2010 at Mannavaram, Chittoor district, Andhra Pradesh.

Hon'ble prime Minister of India's visit during inauguration of Manufacturing Plant

in Chittoor, AP.

- Civil Works of Factory started on 22nd Feb'11 with production commencement schedule 2013-14. The construction of three major buildings, viz. Fabrication Block, Administrative Block and Covered Store is in full swing and all civil works are likely to be completed by Dec'12.
- NBPPL Corporate office shifted from Noida to Mannavaram, Andhra Pradesh and has started functioning from 1st Nov'12.

Collaboration:

- The technology tie up for Coal Handling Plant (CHP) was signed with Dearborn Mid-West Conveyor Co. (DMW), USA on 29th March 2011. All documents on manufacturing information of licensed equipments, Quality Plans & Manuals, Design Standards, Layouts, etc. have been received from DMW.
- Action for collaboration for Ash Handling Plant (AHP) and Water Treatment Plant (WTP) are under preparation.

Financial Performance Details:

The MoU rating of NBPPL for the Financial Year 2010-11 has been assessed as "Excellent" by MoU committee comprising of NTPC & BHEL members. For the financial year 2011-12, the gross income of NBPPL is ₹ 146.92 Crore and profit after tax is ₹ 13.06 Crore. NBPPL has achieved Turnover of ₹ 46.18 cr. upto Sep'12 against target of ₹ 210 cr for the year.

Man power:

The company has a total manpower strength of 74 which includes the Regular Employees, Employees on Secondment from NTPC, Employees on Deputation from BHEL, FTE (Fixed Tenure Employment – Retired BHEL Employees and FTA (Fixed Tenure Appointment).

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

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

(vi) Jessop & Company Ltd. (Majority stake disinvested in August, 2003)

(vii) Lagan Jute Mill Co. (major stake disinvested)

The production of the company for the year 2011-12 was ₹14.74 cr. and in 2012-13 is expected to be ₹17.43cr.

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 the construction of steel bridges, marine structures, jetties etc. 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, which helped it to turn around and become profitable. The production of the company in 2011-12 was ₹ 199.14 cr. and in 2012-13 is expected to be ₹ 200.00 crore.

Mumbai Metro Bridge at Andheri, constructed by BBJ

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 pumps & compressors and high pressure seamless and CNG gas cylinder/cascades to cater to the needs of sectors like oil exploration & exploitation, refineries, petro-chemicals, chemicals, fertilizer and down-stream industries. BPCL has achieved the profitable performance for the sixth consecutive years. During the year 2011-12, the Profit Before Tax (PBT) has been ₹ 1.57 crore with the turnover of ₹ 152.15 crore. The Net Worth of the company has reached a level of ₹ 131.68

4HF/3 Compressor for IOCL, BPCL

crores. The company is accredited with Integrated Management System Certification having ISO 9001-2000, ISO 14001:2004 and OHSAS 18001–2007. The company is also accredited with API 7K license or manufacturing Slush Pump Components.

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, aluminium, 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.

Casting of TG raft power block for 2 x 660 MW Krishnapatanam Thermal Power Project of Thermal Powertek corp India Ltd. by B & R.

Consequent 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 2011-12 was ₹ 1265.11 crore with PBT of ₹ 68.29 crore. The company has made dividend payment of ₹ 2.73 crore during the year.

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 turnover of the company stood at ₹ 84.60 cr. in year 2011-12. 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. The revival/rehabilitation process of the company is under consideration. The turnover of the company was ₹ 1.87 cr during the year 2011-12.

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 Karnataka and Andhra Pradesh. The company has facilities for design manufacture and erection of hydraulic structures, penstocks, building structures, transmission line towers, EOT & gantry cranes etc. The turnover of the company was ₹ 2.79 cr. in 2011-12 and in 2012-13 is anticipated to be ₹ 1.50 cr.

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 Department of Defence Production is under consideration. Another proposal for takeover of Hyderabad unit by Rashtriya Ispat Nigam Limited (RINL) is also under consideration.

2.13 Heavy Engineering Corporation Ltd.

Heavy Engineering Corporation Ltd. (HEC), Ranchi was incorporated in December 1958 with the primary objective of achieving self-sufficiency and self-reliance in the field of design and manufacture of equipment and machinery especially for steel industry. It has three manufacturing units viz. Heavy Machine Building Plant (HMBP), Heavy Machine Tools Plant (HMTP) and Foundry Forge Plant (FFP).

Conveyor System at New Ore Bedding & Bleding Plant Rourkela Steel Plant, HEC

It also has a Turnkey Project Division. The company manufactures a wide range of equipment for steel plants like blast furnaces and rolling mills, material handling equipment like EOT cranes and wagon tipplers, equipment for mining industries like excavators, crushers and draglines, heavy machine tools and various types of castings, forging and rolls etc. During the year 2011-12 the company achieved gross turnover of ₹ 725.23 crore and posted net profit of ₹ 8.58 crore. The company is expected to achieve gross turnover of ₹ 777.29 crore and net profit of ₹ 12.40 crore during the year 2012-13.

2.14 HMT Limited.

HMT Limited, Bengaluru was set up in 1953. The company has facilities to manufacture machine tools, watches, tractors, printing machinery, special purpose machines, presses and dairy machinery. In the year 2000, the company was restructured into HMT Limited (the Holding company) with Tractor Business in its fold, HMT Machine Tools Limited, HMT Watches Limited and HMT Chinar Watches Limited. Besides, the company has two wholly owned subsidiaries namely HMT International Limited and HMT Bearings Limited. Earlier, it had also another subsidiary company viz. Praga Tools Limited which, now, stands merged with HMT Machine Tools Limited w.e.f. 1.4.2007. The Tractor Division of HMT Limited commenced operations in 1971 with the manufacture of tractors at the manufacturing plant established in Pinjore in Haryana. Revival of the company is under consideration of the Government. The production of the Tractor Division of HMT Limited (Holding company) in 2011-12 was ₹ 182.98 cr. and in 2012-13 is estimated at ₹ 175.00 cr.

2.15 HMT Machine Tools Limited

HMT Limited, a pioneer in machine tools industry in India and manufacturer of diversified range of products has incorporated HMT Machine Tools Limited as its fully owned subsidiary in 2000. It has manufacturing units at different locations. All the manufacturing units of HMT Machine Tools Limited are ISO 9001 certified. A restructuring/revival plan was approved by

A view of HMT MTL Pavilion at IMTEX 2011 Exhibition, held at BIEC, Bangalore, during January' 2011.

Government on 1.2.2007, but the revival plan could not yield the desired results as the company could not achieve the projected targets. It has been decided to seek advice of a consultant for revival with a firmed up business plan or for any other course of action. The production of the company in 2011-12 was ₹ 218.17 cr. and in 2012-13 is expected to be ₹ 390.00 cr.

2.16 HMT Watches Limited

HMT Watches Limited manufactures Mechanical and Quartz watches. The company has manufacturing units located at Bengaluru, Tumkur and Ranibagh. All its manufacturing units have obtained the ISO 9001 certification. The product range of HMT Watches Limited caters to different segments of the market.

Few selected models manufactured by HMT (watches) Ltd.

This company has been included in the ambit of the consultant's study on the revival of the HMT Group and further recommendations. The revival plan of the company is under consideration. The production of the company during 2011-12 was ₹ 13.04 cr. and in 2012-13 is expected to be ₹ 18.00 cr.

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 take over. 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 in 2011-12.

2.18 HMT Bearing Limited

HMT Bearings Limited (erstwhile Indo-Nippon Precision Bearings) was established in the year 1964 as a public sector company. In 1981 the company became a subsidiary of HMT Limited. A restructuring/revival plan was approved by the Government on 3.11.2005 which could not yield desired results as the company was unable to obtain loan for CAPEX and working capital from bank against Government of India Guarantee. The company has been incurring losses continually. This company has also been included in the consultant's study recommendations. The revival plan of the company is under consideration. The production of the company in 2011-12 was ₹ 14.64 cr. and in 2012-13 is expected to be ₹ 15.80 cr.

2.19 HMT International Limited

HMT International Limited was established in December, 1974 as a trading company for giving greater thrust to exports of the various products of the parent company HMT Limited and other subsidiary companies. The major items for exports are machine tools, watches and other associated products which are being exported to various countries. The company also undertakes Turnkey projects abroad under MEA assignments. The turnover of the company during the year 2011-12 was ₹ 32.40 cr. and in 2012-13 is estimated at ₹ 44.00 cr.

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, penels, 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 development of engineering capabilities towards further improvement in products and reduced dependence on imported technology. It has 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).

In recent years the company is making endeavours to cope with the challenges posed by globalization, reduced demand and stiff competition in Control and Instrumentation, obsolescence of technology, shortage of working capital and a high wage bill and interest burden. A BIFR approved Modified Revival Scheme that envisages the provision of fund and non fund based support to help revive the company, is under implementation. IL has been able to maintain its operations despite the constraints and could successfully achieve a turnover of ₹ 19244.76 Lakh during 2011-12 as compared to previous year's turnover of ₹ 24983.48 Lakh. Orders valued at ₹ 25074 lakh were received in the FY 2011-12. Endeavours are on to achieve sustained top and bottom line growth.

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 currently the market leader in the production and sales of Electronics Milk Testers in the Country.

REIL has been registering steady growth over the years. During 2011-12, the company

12 mw SPL Automatic module Line, REIL

achieved a gross turnover of ₹ 234.11 crore the highest ever so far. With an annual profit (before tax) of ₹ 27.45 crore, it paid dividend of ₹ 1.05 crore to its promoters during 2011-12.

REIL is making sustained efforts in exploring markets for Company's products in European Contries, West Asia, Middle East and in the neighboring countries. During 2012-13 the Company's deemed and direct exports were valued at ₹ 0.26 crore.

The company has developed the following new products during 2012-13 which will be ready for commercial launch after successful completion of field trials in 2011-12:

(i) Ultrasonic Milk analyzer for measurement of FAT & SNF.

(ii) Smart Auto EMT.

2.22 Scooter India Ltd.

Scooters India Ltd.(SIL), Lucknow was incorporated as a Government of India enterprise in 1972. At present, the company manufactures and markets three wheelers including the eco-friendly CNG and LPG fuel based vehicles manufactured in its factory located at Lucknow (U.P).

Shri M.F. Farooqui, Secretary, Department of Heavy Industry inspecting the Scooters India Limited plant at Lucknow.

SIL started incurring net losses from 2006-07 onwards. On 18.2.2010, BIFR declared the company as Sick under SICA after full erosion of its Net Worth and was referred to BRPSE. GOI on 19.5.2011 decided to transfer the entire Government equity to a suitable identified strategic partner after introducing a Resolution in Parliament to facilitate induction of a suitable identified strategic partner. Presently, as per PMO directive in view of the improved performance of the company, a revised revival proposal for revival of SIL has been approved. The company achieved a production of ₹ 228.73 cr. in 2011-12 and is expected to achieve ₹ 239.98 cr approximately during 2012-13.

2.23 Cement Corporation of India Ltd.

Cement Corporation of India Ltd. (CCI) was established in 1965 with the

principal objective of setting up cement factories in the public sector to achieve self-sufficiency in cement production and to remove regional imbalance. It had ten units spread over eight States/Union Territorires, 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. The Company became sick and was referred to and registered as a sick company in 1996 with BIFR. The company was reviewed in the light of Public Sector Policy under National Common Minimum Programme (NCMP) and restructuring/revival plan approved by the Government is under implementation. The approved scheme envisaged partial expansion of Rajban and Bokajan units and technical upgradation of Tandur unit besides closure and sale of seven non operating units. The expansion of Rajban unit has been completed. The work order for 100% capacity expansion of Bokajan Unit and order for setting up of Silchar Grinding Unit has been issued on turnkey basis and work is under progress. The Technological up-gradation of Tandur plant has also been taken up.

Tandur Plant (Andhra Pradesh), CCI

The anticipated value of production of the running units during the year 2012-13 is expected to be ₹ 398.45 cr. with an estimated net profit of ₹ 23.11 cr.

Bokajan Plant (Assam), CCI

2.24 Hindustan Paper Corporation Ltd.

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

Units of HPC

(i) Nagaon Paper Mill (NPM)

(ii) Cachar Paper Mill (CPM)

Subsidiaries of HPC

(i) Hindustan Newsprint Limited (HNL)

(ii) Nagaland Pulp & Paper Company Limited (NPPC)

(iii) Jagdishpur Paper Mills Limited (JPML)

The capacity utilization at HPC's Mills (NPM & CPM together) was 90.13% during 2011-12 as compared to 77% during 2010-11 and 83% in 2009-10. The production of the company (at NPM & CPM) during the year 2011-12 was ₹ 705.03 crore and in 2012-13 is estimated at ₹ 710.97 crore.

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 in August, 1983. This mill, with an annual capacity of one lakh MT, is located in Kerala and is engaged in the production of newsprint. Earlier HNL decided to implement its expansion cum diversification plan in phases to produce writing and printing paper, with flexibility to switch over to newsprint for an additional production capacity of 170,000 tonnes per annum of paper at originally sanctioned of ₹ 718.80 crore, However, keeping in view high escalation in the project cost, HNL Board has felt that under the present turbulent economic scenario, it is prudent to defer implementation of HNL expansion cum diversification project.

View of factory Mill of HNL

The capacity utilization of HNL during 2011-12 was 102.5%. The production of the company during the year 2011-12 was ₹ 315.60 crore and in 2012-13 is estimated ₹ 343.20 crore.

2.26 Nagaland Pulp & Paper Company Ltd. (NPPC)

Nagaland Pulp & Paper Company Limited (NPPC) is a joint venture Company between Govt. 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 is held up due to subsequent steep cost escalation etc.

PIB in its meeting held on 5.10.2012 gave financial approval amounting to ₹ 489 crore for the first phase of implementation of revival plan of NPPC. Draft CCEA Note in this regard is under submission.

2.27 Jagadispur Paper Mills Limited (JPML)

In the year 2007 Government approved the proposal for setting up of U.P. Paper Mill Project, Jagadishpur, Distt- Sultanpur, U.P. The project was registered as a Jagadishpur 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. The matter is however, being pursued vigorously so that project activities can be initiated without any further loss of time.

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 30th 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. A revival proposal for HPF was discussed in CCEA Meeting held in August,2012 and withdrawn. The production of the company during the year 2011-12 was ₹ 7.61cr. and in 2012-13 is expected to be ₹ 5.00 cr.

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 came out of the BIFR in December, 2008. The Company had 106 employees as on 31.3.2012. The authorized and paid up capital of the company as on 31.9.2012 were ₹ 30 crore and ₹ 25.56 crore respectively. The turnover and net profit of the company in 2011-12 were ₹ 8.92 crore and ₹ (-) 0.40 crore respectively.

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 2011-12 was ₹ 19.38 cr. and in 2012-13 is expected to be ₹ 42.99 crore.

2.31 NEPA Ltd.

NEPA Limited located in Madhya Pradesh, was initially set up in 1947 in private sector. Later on, in October, 1949 its management was taken over by the State Govt. The Central Govt. 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 in its meeting held on 6.9.2012 approved revival package of NEPA Limited through financial restructuring.

For the performance in FY 2010-11 and 2011-12, MoU rating is very good despite many bottlenecks. Inspite of sickness, Nepa Limited is highest Commercial Tax payer in the Burhanpur District since last five years. It has been awarded BHAMASHAH AWARD. The Company has registered 25% growth in operations over last year i.e. Newsprint production in the FY 2011-12 is 59,205 MT as against 47,425 MT in FY 2010-11. Similarly, Company has achieved 22% growth in sales 57,543 MT Newsprint as against 47,345 MT in 2010-11. The Company has made Turnover of ₹ 165.20 Crore in 2011-12 compared to ₹ 115.52 Crore in 2010-11 by achieving 43% growth, the highest since inception.

2.32 Tyre Corporation of India Ltd.(TCIL)

Tyre Corporation of India Ltd. was incorporated in 1984 after the nationalization of two sick companies, namely, M/s Incheck Tyres Ltd and M/s National Rubber Manufacturers Ltd. The company has one operating unit at Kankinara (West Bengal) for the manufacturing of tyres for automobiles. Tangra Unit of TCIL was closed in the year 2001. Based on the recommendations of the Board for Reconstruction of Public Sector Enterprises (BRPSE), it was decided that TCIL be disinvested through outright sale. The disinvestment process is being implemented by the DoD at an advance stage. The production during the year 2012-13 is anticipated to be ₹ 9.00 cr.

2.32 Engineering Projects (India) Ltd.(EPIL)

Engineering Projects (India) Limited (EPI), located at New Delhi, was incorporated in the year 1970 with the main 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 30.9.2012, EPIL has completed 492 projects in India and 30 projects abroad. The company has secured orders worth ₹ 104.95 crore during first 9 months of current financial year 2012-13. The turnover of the company was ₹ 283.15 cr. in 2011-12 and in 2012-13 is expected to be ₹ 950.00 cr.

CDRI Campus, Lucknow- Constructed by EPI

CHAPTER

3 Heavy Electrical Engineering, Heavy Engineering and Machine Tool industries

3.1. Heavy Electrical Industry is an important manufacturing sector, which caters to the need of energy sector & other industrial sectors. Major equipments like boilers, turbo generators, turbines, transformers switch gears and relays and related accessories are manufactured by this Sector. The performance of this industry is closely linked to the power capacity addition programme of' the country. For the 12th plan targeted capacity addition will be about 88000 MW corresponding to 9% economic growth.

There is a strong manufacturing base for the manufacture of heavy electrical equipments in the country. Manufacturer of Heavy Electrical equipment have absorbed sub-critical technology up to a unit capacity of 660 MW and gearing up for adopting super-critical technology for unit size of 800 MW and above for thermal sets. Industry is also augmenting its installed capacity to meet future power capacity addition targets of the country. Gas turbines upto 260 MW Unit capacity and Transmission and Distribution equipment up to higher voltage class of 1200 KV are also being manufactured by Indian Industry.

3.1.2 Steam Generators

Steam generator is a pressurized system in which water is vaporized to steam, the desired end product, by heat transferred from a source of higher temperature, usually the products of combustion from burning fuels. High pressure steam thus generated may be used directly as the working fluid in a prime mover to convert thermal energy to mechanical work, which in turn may be converted to electrical energy. BHEL is the largest manufacturer of boiler in the country accounting to around 2/3rd of the domestic market share. It has the capacity to manufacture conventional steam generators for utilities ranging from 30 MW to 660 MW capacity and super critical boilers up to 800 MW capacity using coal, lignite, oil, natural gas or a combination of these fuels.

As per SIA statistics production figures for the last three years for non SSI Sectors are as under:-

Product	2009-2010 (₹. cr.)	2010-2011 (₹. cr.)	2011-2012 (₹. cr.)
Boiler	12,763	20,250	24,661

3.1.3. Turbines and Generators

Indigenous capability for manufacture of various kinds of turbines such as steam turbines and hydro turbines including industrial turbines has been established up to unit size of 800 MW for steam, 270 MW for Hydro and 260 MW for gas turbine.

Apart from BHEL which has largest installed capacity, there are other manufacturers in the private sector who are manufacturing turbines for power generation and industrial use.

Generators up to 800 MW size for utility and combined cycle application are also manufactured within the country. The AC Generator industry in India is adequately catering to the alternative power requirement of large and small industries, commercial establishments and domestic sector. For this sector, manufacturers in India are capable of manufacturing AC Generator right from 0.5 KVA to 25000 KVA with specified voltage ratings.

As per SIA statistics production figures for the last three years for non SSI Sectors are as under:-

Product	2009-2010 (₹ Cr.)	2010-2011 (₹ Cr.)	2012-2012 (₹ Cr.)
Turbines (steam hydro)	5,428	6,988	7,729
Electric Generators	2,117	3,733	3,927

3.1.4 Transformers

A transformer is an electrical device, which changes Voltage levels and facilitate transmission, distribution and utilization of electrical power in most efficient and economic manner. The health of transformer Industry depends largely on the power generation and transmission system programme. The major user of this product is the State Electricity Board, Power Grid Corporation of India Ltd. and other Industries. Some special types of transformers are also manufactured which are used for the purpose of welding, traction and electrical furnaces etc. The Transformer Industry in India has developed for over 50 years and has a well matured technology base. Energy efficient amorphous core distribution transformers with low losses and low noise levels are also being developed to meet International requirement.

As per SIA statistics production figures for the last three years for non SSI Sectors are as under:-

Product	2009-10 (Million KVA)	2010-11 (Million KVA)	2011-12 (Million KVA)
Transformer	85.23	113.14	Not Available

3.1.5 Switch gear & Control gear

Switchgear refers to the combination of electrical disconnects, fuses and/or circuit breakers used to isolate electrical equipment. Switchgear is used both to de-energise equipment to allow work to be done and to clear faults downstream. Switchgear & Control gear are indispensable not only in transmission and distribution of power, but anywhere where, there is a need to access and control electricity. The Indian Switchgear Industry is manufacturing entire range of circuit breaker from bulk oil, minimum oil, air blast, vacum to sulphur hexafluoride as per standard specification. Switchgear & Control gear Industry in India is a fully developed and mature industry, producing and supplying a wide variety of switchgear; and control gear items needed by the industrial and power sector. This industry sector in fact manufactures the entire voltage range from 240 V to 800 KV.

Secondary equipment such as relays used for various types of fault protection, also known as control gear, have made significant advances due to major development in the field of electronics. The digital relays are fast replacing the conventional relays due to technology advancement, compact size & its reliability. As per recent trend in addition to protection and control of power, monitoring and signaling are becoming integral part of switchgears. With monitoring, the fault conditions can be predicted whereas signaling helps to know the status of switch gears at various locations.

As per SIA statistics production figures for the last three years for non SSI Sectors are as under:-

Product	2009-10 (Thousand Nos.)	2010-11 (Thousand Nos.)	2011-12 (Thousand Nos.)
Switchgear/ Controlgear	18,119.49	36,227.70	32,597.22

#Source-SIA.

3.2. Heavy Engineering and Machine Tools Industry

Heavy Engineering and Machine Tools Sector mainly 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. The capital goods industry contributes 12% to the total manufacturing activity which is 16% to GDP and it provides critical input, i.e. machinery and equipment to the remaining sectors. 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.

Planning Commission constituted a Working Group on Capital Goods and Engineering Sector for the 12th Five Year Plan (2012-2017) under the Chairmanship of Secretary, Department of Heavy Industry. Seven sector-wise sub-groups, namely, Machine Tools, Plastic Processing Machinery, Earth Moving and Mining Equipment, Heavy Electrical and Power Plant Equipment, Metallurgical Machinery, Textile Machinery, Process Plant Equipment, Engineering Goods and Dies, Moulds & Tool Industry were constituted. The methodology consisted of inviting information / suggestions from all the stake holders, such as industry associations, centres of excellence and major PSUs etc. The inputs were deliberated in-depth at various fora before finalising the report.

In order to achieve global competitiveness holistic approach for development of strategic capital goods sub-sectors has been advocated through multi-dimensional programmes, schemes and policy interventions with strategy to overcome the present limitations with specific plans including fiscal and other policy measures to develop an enabling environment. DHI scheme i.e. Enhancement in the Competitiveness of the Capital Goods Sector to be launched in 12th FYP is under preparation.

3.2.1 MACHINE TOOLS INDUSTRY:

Machine Tools Industry is a strategic industry that determines the manufacturing competitiveness in important sectors such as automobiles, heavy electrical equipments, defence, aerospace and consumer goods and other sectors. There are 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. Machine tool industry, being strategic industry, the Department is keen to develop as the domestic industry is not at par with the machines manufactured globally. The technology denial issue in respect of five or more axes CNC machine tool have also been taken up with appropriate authorities. The production, import and export figures for the last three years are as under:

Year	Production* (₹ Crore)	Exports# (₹ Crore)	Imports# (₹ Crore)
2009-2010	2484	1118	7337
2010-2011	3624	1082	9432
2011-2012	4299	1384	13167

Source: *IMTMA, #DGCIS

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. With a capital investment of ₹. 6900 crore and an installed capacity of ₹ 8048 crore per annum, the current production, exports and imports for the last three years are as under: -

Year	Production* (₹ Crore)	Exports# (₹ Crore)	Imports# (₹ Crore)
2009-2010	4245	693	6718
2010-2011	6150	1069	8314
2011-2012	5280	1768	10373

Source: *IMTMA, #DGCIS

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. Product technologies are at par with leading brands of developed world. Moreover, Domestic manufacturers offer technology products to the processors at great cost advantage. World leading technologies have manufacturing presence in the country through wholly owned subsidiaries or technology license arrangements. Data relating to production, import & export is as indicated below.

Year	Production (₹ Crore)	Exports (₹ Crore)	Imports (₹ Crore)
2009-2010	1519	396	915
2010-2011	2403	508	1402
2011-2012	2917	595	1721

Source: PMMAI

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, Bangalore, Chennai, Pune, Hyderabad and NCR. Data relating to production, import & export is as indicated below.

Year	Production* (₹ Crore)	Exports# (₹ Crore)	Imports# (₹ Crore)
2009-2010	11080	3100	3755
2010-2011	12485	3410	4150
2011-2012	13421	2899	4728

Source: TAGMA

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. Data relating to production, import & export is as indicated below.

Year	Production* (₹ Crore)	Exports# (₹ Crore)	Imports# (₹ Crore)
2009-2010	16000	2700	246
2010-2011	18000	3194	1548
2011-2012	19861	3778	1804

Source: PPMAI

The Process plants have gone up in sizes. Large facilities have been developed along coastal areas. Technology infusion from sectors like Defence, Aerospace and Nuclear, into the Process Plant equipment industry, has helped this industry leapfrog in technology utilization and quality control. The sector today is equipped with state-of-the-art processes to engineer and fabricate various complex process equipments 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.

Indian manufacturers are no longer confined to fabrication alone and have a strong presence, across the entire value chain. They are catering to the needs of the customers, from design and engineering at the back-end to erection and commissioning at the front end and are competing with global majors for Engineering, Procurement and Commissioning (EPC) contracts. However, what domestic industry is lacking is the 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 know how 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 is as indicated below.

Year	Production (₹ Crore)	Exports (₹ Crore)	Imports (₹ Crore)
2009-2010	16469	817	5639
2010-2011	16500	1038	7041
2011-2012	18000	1318	8880

Source: ICEMA

The Mining and construction machinery sector in India has evolved over the years and is at present in an intermediate stage of development. The technology available in the country has the pedigree from the international majors due to technical collaborations in the past and is one generation behind in some product segments. Few products manufactured in India by some of the MNCs who have set up assembly plants in India are meeting the global standards. The Industry is trying to bring in International levels of technology as demand and scale of operation is increasing. The users are now not looking at initial cost of equipment but focusing on cost per ton of usage and it is anticipated that 5 years hence, more mechanization and enhancement of scale may lead to change in the level of technology in use. 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. The level of technology is at par with international standards except for the usage of electronic controls, hydraulic systems and engines, adhering to latest emission norms.

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. A sound transportation system plays a pivotal role in the country's rapid economic and industrial development. 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. Liberalization and conscious policy interventions over the past few years as envisaged in the "Automotive Mission Plan 2006-16" created a vibrant, competitive market, and brought several new players, resulting in capacity expansion in automobile industry and generation of huge employment. 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. The industry is also making a contribution of over 20% to the kitty of indirect taxes of the Government.

In 2010-11, India surpassed France, UK and Italy to become the 6th largest vehicle manufacturer globally. Today, it is the largest manufacturer of tractors, second largest manufacturers of two wheelers, 5th largest manufacturer of commercial vehicles and the 4th 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. Other socio economic and demographic factors leading to the growth in the auto industry in India are steadily rising middle class, growing rural economy, rapid urbanization, growth in infrastructure etc. But another 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:

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 Whee lers	501	501	619	800	878	540
Two Wheelers	8027	8419	10513	13349	15554	10464
Total	**10854**	**11175**	14050	**17892**	**20366**	**13668**
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

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, 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
Total	**1238**	**1530**	**1804**	**2320**	**2910**	**1925**
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)	2010-11 (₹45.6)	2011-12 (₹48.5)	CAGR
Turnover % Growth	106530 2.3	105770 -0.7	135000 27.6	181944 34.8	210442 15.7	19%
Exports % Growth	15276 19.4	18360 20.2%	15300 -16.7	23712 55.0	33465 41.1	22%
Imports % Growth	24924 61.4	31212 25.2	29250 -6.3	38760 32.5	51410 32.6	20%
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. Due to global recession in the recent past, exports from India also took a beating and the exports stagnated in the fiscal 2009-10. 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 greately 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 was held on 6.2.2009 in New Delhi. During the first meeting, three working sub-groups were constituted on (i) Technology, (ii) Commercialization & Framework Development and (iii) Institutional Cooperation, Training & Skill Development. The second meeting of the JWG and its working sub-groups was held at Frankfurt, Germany during 21st to 22nd September, 2009. The third meeting was held in New Delhi in April, 2011. The Hon'ble Minister Transport and Urban Affairs, Federal Republic of Germany accompanied the German delegation in April, 2011. The last 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 1st 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.

Chapter 5

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 25th July 2005 and notified by the Department of Heavy Industry on 31st 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

The investment of ₹ 1718.00 crore had been proposed to be funded jointly by the Government and the Industry, based on recommendations of the Expenditure Finance Committee, in the following manner.

A. Plan Support by the Government

By way of grant: ₹ 817 crore
By way of loan ₹ 273 crore

B. Contribution from automotive Cess (to be collected from the auto industry): ₹ 510 crore

C. User Charges to be paid by auto industry: ₹ 118 crore

Total Project Cost (A+B+C) ₹ 1718 crore

5.2.3 Recently in April, 2011, the Cabinet Committee on Economic Affairs has approved the revised cost estimate of ₹2288.06 crore for the NATRIP in the place of the original approved cost estimate of ₹ 1718 crore due to the budget escalation of ₹ 570.96 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 Escalation of ₹ 570.06 Cr has been approved in the following manner:

A. Plan Support by the Government

By way of grant: ₹ 427.29 crore
By way of loan: ₹ 142.77 crore

B. Contribution from automotive Cess (Collected from the auto industry): Nil

Sub-total (A+B): ₹ 570.06 crore

C. Additional loan component on account of Short recovery of user charges : ₹ 95.51 crore

Total Project Cost (A+B+C): ₹ 665.57 crore

5.2.4 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: Vehicle Dynamics

5.2.5 NATRiP facilities will cater to the complete process of development of new components including:

(i) Research strategy: markets targeted and investment/outsourcing 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.

5.2.6 Site-wise Progress

I. Manesar Site:

(i) Two PWT1 MACD labs have been completed and made operational in Sept, 2011.

Fatigue laboratory equipment tender awarded in September, 2010 and NVH laboratory equipment has been recently awarded Aug, 2011.

(ii) The Rapid Prototyping facility is fully functional since Jan 2012 and the FAT2 package consisting of ED Shaker and the Climatic Chamber is operating since July 2012.

(iii) Construction of Manesar Site –II is under progress.

II. Silchar:

(i) The in-use vehicle management centre and hill driving training centre coming up at Silchar would help in developing safe in-use vehicles and safe driving. This was operationalised in January, 2010.

(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 January, 2013.

(iii) The Mechanics Institute of size 24000 sqft houses Number of workshops like electrical, welding, diesel, automotive assembly etc along with air conditioned classrooms and also the faculty rooms and also Library area. The building is yet to be inaugurated, but has already started functioning.

(iv) The above facility is supplemented by a Canteen and Guest Building of size over 25000 sqft to accommodate 150 trainees besides, residential facility for faculty.

(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.

(vi) The flat road training tracks was completed in 2010 and yet to be inaugurated, but the training has already started.

III. Chennai:

(i) Three PWT1 MACD labs have been completed and made operational in April, 2011.

(ii) The FAT2 package consisting of ED Shaker and the Climatic Chamber is operating since Dec 2012.

(iii) Test tracks work is under progress.

(iv) The Laboratory buildings namely, Advanced Passive safety laboratory, Fatigue laboratory. Building, EMC Laboratory Building and the PowerTrain laboratory buildings are expected to be completed by October 2013.

(v) The Non-Tech buildings are completed in 2011 and handing over is in progress and will be completed by March 2013.

IV. Indore:

(i) The Govt. of Madhya Pradesh (GoMP) 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 have been delivered to the site and other equipments such as Steering Test rig, Elastomer Test rig, Shock absorber Test rig, Exhaust Gas Analyzer etc are under manufacture.

(iv) The track construction work is pending due to approval of quantity variation and cost escalation

V. ARAI Pune:

(i) The permission for use of forest land has been obtained.

(ii) An alternate land (55,000 sqm.) has been sub-leased from Volkswagon India Pvt. Ltd. This had been approved by MIDC in May, 2011 and possession of this land has been taken over by ARAI. It is expected to receive the approval for building plan and site layout from MIDC shortly.

(iii) The FAT2 package consisting of ED Shaker and the Climatic Chamber is operating since January, 2013.

VI VRDE, Ahmednagar:

(i) The new EMC lab funded under NATRIP has been completed and testing of vehicles are being carried out.

(ii) The ABS test tracks have been commissioned since April, 2012.

VII Rae Bareilly:

(i) The Accident Data Analysis Centre (ADAC) has been commissioned in February, 2011. It is also proposed to enter into an MOU with IIT Delhi for doing a pilot project on accident analysis & developing skills at ADAC, Rae Bareli.

(ii) The land of UPSIDC located at Trishundi Industrial Area, in Chhatrapati Shahuji Maharaj Nagar district, Uttar Pradesh has been identified for setting up rest of the NCVRS facilities and the procurement of land is under process.

SCHEDULE – READINESS OF NATRIP FACILITIES

FACILITY	ARAI, Pune	VRDE, Ahemadnagar	iCAT, Manesar	GARC, Chennai	NATRAX Indore	NIAIMT, Silchar	NCVRS, Rae Bareli
PASSIVE SAFETY LAB	MAR, 2014	----	JUN, 2013	DEC 2013	---	----	----
POWER TRAIN LAB	MAR, 2014	----	JULY, 2014	OCT, 2014	SEPT 2013	----	----
EMC LAB	----	JAN 2009 Completed	DEC 2013	MAR 2014	---	----	-----
FATIGUE & CERTIFICATION N LAB	FEB, 2014	----	DEC 2013	DEC 2013	----	----	----
TEST TRACKS	----	OCT 2012	DEC 2013	To be discussed	To be discussed	----	
MODEL I&M, MECHANICS TRAINING CENTRE	----	----	-----	----	----	Dholchora Campus: Competed SEP 2008 MAR 2012	----
NVH Lab	To be discus sed	-----	To be discussed	-----	-----	-----	-----
ACCIDENT DATA ANALYSIS CENTRE	-----	-----	------	-----	----	-----	SEP 2010 : Completed
CAD /CAE	-----	-----	DEC 2013	DEC 2013	DEC 2013	-----	---------
INFOTRONICS	------	-----	DEC 2013	DEC 2013	-----	-----	-----
VEHICLE DYNAMICS	------	------	------	------	AUG-2013	------	------

5.3.1 The Automotive Research Association of India(ARAI)

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 organization, and is also accredited by National Accreditation Board for 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 562 (including trainees), out of which 447 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 31st March 2012, the total income of ARAI was ₹ 147.51crore, out of which the Operational Income was ₹ 135.37crore. This year, till 30th September 2012, the total income is ₹ 65.74 crore. Anticipated total income for the Financial Year 2012-13 is ₹ 165.90 crore. Total Type Approval cases opened during Financial Year 2011-12 were 1492. This year, till 30th September 2012, a total of 938 cases have been opened. ARAI – Forging Industry Division (ARAI – FID), adivision of ARAI, is an R&D, Testing and TrainingCentre established under a DHI funded project for the Forging industry at Chakan, Pune.ARAI – FID provides services in the areas of fatigue & metallurgical testing, forging process simulation and training. During the year 2011-12, projects on fatigue life evaluation, residual stress analysis, forging simulation and failure analysis were executed at ARAI – FID. In addition to these projects, proficiency improvement programs were conducted, which trained 464 industry professionals. A cess project on 'Effect of deformation temperature on the microstructure and properties of hot forging materials' awarded to ARAI – FID is currently under implementation.

5.3.3 R&D Projects

Under its research programme, 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.

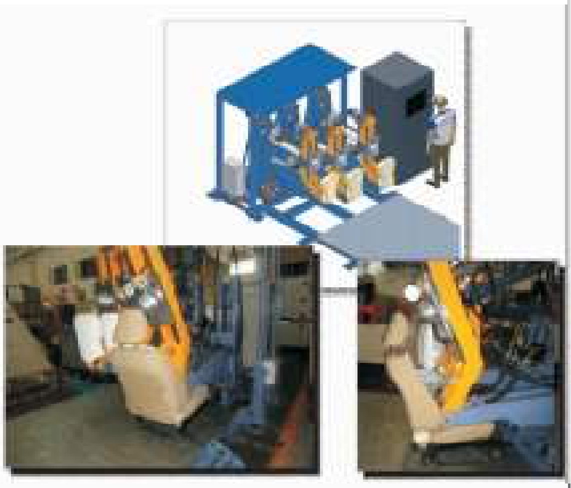
Sl. No.	Name of Project	Expected Project Completion Date
1	Measurement of Wheel Forces of 4 -Wheel Automotive Vehicles and Study of their Correlation with Customer Usage Pattern	Dec'12
2	Study of Vehicle Systems Duty Cycle / Operation Pattern under Indian Road Conditions	Dec'12
3	Effect of deformation temperature on the microstructure and properties of hot forging materi als	Jun'13
4	Development of design guidelines for Light Weight City Bus **(#)**	Mar'14
5	Development of Off -line and Real -time Simulator for EV and HEV application **(#)**	Mar'15
6	Design & Development of High Performance 3 Cylinder CRDI Euro 4 Diesel Engine	Ma r'13
7	Competency Development for Design & Evaluation of Auto Electronic System as per ISO 26262	Apr'13
8	Development of Transmission suitable for LCV application	Nov'13
9	Road vehicle interaction analysis study for evaluation of durability and ride usi ng 3D Road Profiles in virtual and experimental domain	May'14
10	Development of Gasoline Direct Injection ECU Control Strategies	Aug'14
11	Building a Prototype EV Quadri -Cycle for Intra - city Public Transport application	Aug'15

These are consortium projects awarded by DHI, in which ARAI has a major role.

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.

Electro-dynamic Vibration Shaker System

Application Based Telemetry System



Head Restraint Performance Test Rig

On-Board Emission Measurement System

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:-

- NABL accreditation in the field of Fluid Flow Measurements (Calibration & Testing), Mechanical Measurements & Electrical – Thermal Measurements
- NMI, Netherlands has certified that the Quality System, Calibration and Flow Measurements carried out at Closed Loop Air Test Facility (CLATF – 20 Bar, 400 m^3/h) of FCRI complies with the criteria for calibration laboratories according to ISO/IEC 17025.
- Bureau of Indian Standards (BIS) has recognized FCRI for testing samples of products under BIS Certification mark scheme.
- DST & DSIR has recognized FCRI as an R&D Institute.
- Department of Weights & Measures, Ministry of Civil Supplies (Govt. of India) has accredited for "Model Approval" of volume measuring instruments and flow meters for Hydrocarbon Industry for Oil & Gas custody transfer as per OIML Standards.
- Chief Controller of Explosives, Nagpur has approved FCRI for testing safety relief valves.
- Underwriters Laboratory, USA has approved FCRI for testing fire fighting equipments & product safety certification.
- Ministry of External Affairs (ITEC) & Department of Economic Affairs, Ministry of Finance (Colombo Plan) have authorized FCRI for conducting technical training programmes for foreign nationals.
- Central Pollution Control Board has approved FCRI for certification of Petrol, Kerosene & Diesel generator sets for type approval for compliance to noise limits.
- GCAS Quality Certification for ISO 9001:2008.

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)

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

The high level of quality & reliability of its products is due to adherence 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 centres.

A total of 351 patents and copyrights were filed during 2011-12 and 207 patents and copyrights have been filed upto Sept'12 in the current year.

BHEL established 4 new Centers of Excellence, during the year 2011-12 in the areas of:

(i) Advanced Fabrication Technology

(ii) Coal Research

(iii) Nano Technology application

(iv) UHV lab for GIS development.

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

UHV Test Laboratory set up at Corp. R&D

During the year 2011-12, BHEL has invested ₹1198.82 crores on R&D efforts which is 22% higher than the previous year. Some of the significant achievements during 2011-12 in R&D and Technology area are:-

- BHEL introduced new rating 300 MW thermal sets, with an improvement of 3% in heat rate over the existing 270 MW rating, leading to more efficient and environment-friendly power generation.
- For the nation's first Prototype Fast Breeder Reactor based power plant, new systems have been engineered for the first time to cater to specific needs of safe and reliable operation of the plant, such as OGDHR [Operation Grade Decay Heat Removal System] and SGTSDC [Steam Generator Tube Side Depressurization Circuit] etc.
- An indigenous design and manufacturing capability established for Main steam stop valve for 660 MW supercritical power plant applications. A cost-effective, new design variant of Swing Check Non return Valve also developed to take care of sudden pressure surge during valve opening required for water storage down comer lines of 660 MW Supercritical Boilers and economizer inlet line of 600 MW Projects.
- Continually striving to improve the economics of solar PV systems, BHEL developed an optimized printing process for solar cells for achieving higher aspect ratio (Grid line height / Grid line width) resulting in an all-time high solar cell conversion

efficiency of 18% along with enhanced PV module output from 227 W to 240 W.

- To meet customers' demand for shorter cycle time, in its efforts at automating fabrication processes, BHEL automated the welding process for 'Manufacture of Bifurcate Components' used in re-heater coils and low temperature super heater coils (LTSH) of fossil boilers. The automated process has enhanced productivity and lowered defect rate.

- For the benefit of its customers in terms of improved product life, a cost-effective new variety of 'Ceramic Liners for Coal Nozzle Tips' having better thermal shock resistance, has been developed for the first time in India. These liners have enhanced the life of nozzle tips and shall also be deployed in 660/ 800 MW supercritical power plants.

- To introduce energy efficient products in the market, BHEL has developed and tested a new product variant of Condensate Extraction Pump (CEP) built with in-house knowledge base. This variant offers an 8% higher efficiency as compared to the pump being offered for 270/300 MW rating.

- With an aim to reduce cycle time and enhance productivity, BHEL has established Phased Array Ultrasonic Testing (PAUT), a Non-destructive Testing (NDT) technique for high pressure tube welding applications. This technique offers many advantages like improved productivity, reduction in NDT cycle time, and high reliability.

- To test the quality of wear resistant coatings, BHEL has developed Non-Destructive Technique "Pulsed Thermography Technology for Characterizing and Detection of surface defects in coatings".

- BHEL has established a new process "Plasma Nitro Carburizing" to be deployed for applying Silt Erosion Resistant Layer for Hydro Turbine Components. Plasma nitro-carburizing process has been developed for creating a hard layer on hydro turbine components, which are adversely affected by the combined effect of cavitations' and silt erosion in the Indian Himalayas.

Plasma Nitriding System at Corporate R&D, Hyderabad

- With an aim to develop futuristic technologies for CO2 capture, BHEL has established a membrane contactor system involving development of membrane for CO2 Capture with novel absorbent. Through this development more than 99% CO2 capture was achieved at lab level and this can be scaled up and used in IGCC plants.

- BHEL has developed the capability to offer Gas Turbine Generator (GTG) using a combination of Light Cycle Oil (LCO) and refinery gas as fuels and put into service. The Full Speed No Load (FSNL) run of GTG capable of using a combination of LCO and refinery gas as fuels was done at one of the sites.

- To develop Nano technology based applications, BHEL has established a new process for development, production and testing of water and oil based Nano fluids at Lab level. This development work involved study of all issues related to nano fluids, such as effect of nano particles base fluid, characterized by different analytical techniques, processing methods, etc.

- BHEL has completed the automation of the design process for Multi-lobe Aerofoil Duct for Once Through Supercritical Boilers. This in-house automation development work has eliminated human errors, apart from savings in engineering man-hours and design cycle time.

- Developed, manufactured and successfully tested a cost effective "High Pressure Feed

Water Heater for 600 MW Power Plant" with reduced manufacturing cycle time. This 1st time development work involved thermal, vibration analysis, mechanical design including design verification for all operating conditions using in-house developed software programs meeting the requirements of ASME, HEI, TEMA and IBR regulations.

- Developed a new product "Spring Loaded Safety Valve" required for super critical boiler re-heater outlet applications of 660MW, 700MW and 800MW. The IBR approval for the flow capacity of new rating safety valve has also been obtained. This design has replaced the valve being currently imported.

- Developed a light weight and cost effective 67.5 MW, 3000 RPM Air Cooled Turbogenerator 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.

- Completed and commissioned the "Refurbishment and Up-rating of 110MW (Skoda Design) to 120 MW (Siemens Design) steam turbine with BHEL designed "Electro-hydraulic governing system" resulting in improved heat rate. The introduction of Electro-Hydraulic Governing System led to easier operation, reduction in oil leakage, better transient response (1/3rd) of the system and easy maintenance.

- Designed and developed "DCS with Metso DNA Technology" through engineering of 500 MW unified C&I DCS on Metso DNA platform which included control logics and controls of Steam Generator, Turbine C&I, Station C&I and Auxiliary Boiler controls configured in various functional groups as a unified automation solution on common DCS platform for 500 MW Fast Breeder Reactor Based Nuclear Power Plant fulfilling the stringent requirements of a nuclear power plant.

- Developed PG Test scheme for computation of Heat Rate for 800MW Supercritical Thermal Power Project in line with ASME-PTC-6 through designing a totally new cycle with Once through Boiler, 4 LP Heater, 3 HP Heater, Series Condenser with duplex type Heaters, Extraction for top HP Heater from HP Turbine and Extraction for Desecrator and BFP from IP Turbine and has resulted in reducing engineering cycle time.

- Developed a novel Flux Material for Activated Flux TIG (A-TIG) Welding Process for Stainless Steel to get maximum penetration of the arc during welding. The development eliminated the need of edge preparation required for Butt joints, reduced the cycle time and associated power consumption and wire consumption.

- Developed a technique for "Creep Modeling of High Temperature Alloys for Supercritical Power Plant Application". With this development, BHEL has built the capability to develop similar Continuum Damage Mechanics (CDM) based model for new super alloys like IN 617, Super 304H, and IS625 for Super Critical, Ultra Super Critical and Advanced Ultra Super Critical Power Plant Applications.

- Optimized "Structural Design of Spherical Valve Assembly" using state-of-the-art softwares addressing the requirement of weight restriction (less than 50 Ton) on account of transportation and minimum deflection for maintaining low clearance in hydro projects.

- Developed "Controller for Current Test on HVDC Thyristor Module" for HVDC Project. The work involved development of state-of-the-art hardware and software for max DNA controller, pulse generation circuit, provision of pulse transformers and interposing relays for interfacing to Thyristor module and cooling system respectively for Current Cycling Test facility to test a maximum of 9-level Thyristor Module.

- Developed for the first time "CIS/CIGS Nano Ink for Thin Film Solar Cell Applications". The work involved development of "Copper-indium-di-selenide (CIS) and Copper-indium-gallium-di-selenide (CIGS) Nano ink" as absorber layer material for solar cell.

- Designed a more reliable, compact and cost effective integrated High Pressure Oil Supply Unit (HPSU) with Oil Cooler for 150 MW Steam Turbine for industrial segment along with eliminating the separate foundation required for Oil coolers, piping arrangement between coolers and reduced foot print and E&C cycle time for oil coolers.

- 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 not only in more reliable and cost effective integrated system but also led to elimination of separate housings required for strainer, pressure testing required for strainer body and reduction of manufacturing cycle time and E&C cycle time associated with separate strainer.

- Developed a new product "50 kW Permanent Magnet based Frequency Converter (PMFC)". This 1st time development work involved total design and manufacturing technology of the PM machines from the first principles and design optimization to achieve size and weight reduction, maintenance free and reduced vibration and noise levels required by strategic applications.

5.5.2 Developments planned in 2012-13 upto March'13

- Development of Control & Instrumentation for SPV Power Plant.

- Development of Hot wire TIG Welding Technology for Advanced Ultra Supercritical Boiler Materials (IN617, Super 304H, Haynes 230).

- Development of Francis Turbine model suitable for Vishnugad Pippal Kotli HEP(4 X 111 MW).

- Development of large area, high efficiency (>18%), silicon solar cells using selective emitter technology.

- Design and development of 500-Wp PV Module using 120 Nos. of 156 mm Mono Crystalline Silicon Solar Cells

5.5.3 National Level Institutes for R&D in 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 Convertor, Diesel Particulate filter and Ceramic Grinding media. Major ongoing R&D efforts are on Porous Ceramics for Industrial water treatment, Membranes for gas separation and particulate, 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 for eg. Drying of Station post Insulators & sintering in large volume by Microwave processing, development of novel materials and membranes for CO2 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 Phytoremedeation 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, 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 unit 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.

5.5.4 Bharat Heavy Plate & Vessels Limited (BHPV)

Activities undertaken during April to September, 2012, the company continued exaction of manufacturing, testing and supply of Compact Heat Exchangers of Series Production (SP) order from M/s HAL, Bangalore. During the above period, nine numbers of Compact Heat Exchangers worth ₹ 128.73 lakh were fabricated, tested and delivered to M/s HAL, Bangalore. During the above period, nine numbers. Pre-cooler worth ₹ 18.75 lakh has been fabricated, tested and supplied to ADA, Bangalore. During the above period two numbers, Plate Fin Heat Exchangers worth ₹ 31.97 lakh have been manufactured and tested for Heavy Water Board, Mumbai.

5.5.5 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.

5.5.6 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 endeavor to serve the customer better and develop new products to suit comtemporary requirements. 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 up-gradation of existing products. Highlights of R&D activities carried out / planned in the different product areas of HMT's domain are as below:

HMT Tractors:

- Development of silent generation set rating 25 KVA.
- Development of Rotavator. - Pilot batch completed and submitted to Agriculture University, Hissar for testing.
- HMT Tractor Engines were developed to meet tractor emission norms Bharat (Trem) Stage IIIA for 25-50 HP and for 50 HP & above with M/s ARAI, Pune.
- Developed new Hydraulic Lift for tractor applications.

- Conformation of Production Test (COP) of HMT 2522 & 3522 Tractors cleared.

5.5.7 HMT Machine Tools Limited

All the manufacturing units of the Company have in-house R&D facilities to meet individual needs. The focus of R&D is to progressively achieve self reliance in product technology and upgrading of existing products with additional features. This approach has resulted in development of the following products during 2011-12

- Horizontal Machining Centre HMC 500 SLD (Single Lift)
- Heavy Duty Cylindrical Grinding Machine HCG 840X3000
- Cylindrical Grinding Machine SMART150CNC
- Robotic interfacing for auto loading & unloading of CON ROD on Double Disk Grinding Machine.

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 and meet the market demand for technologically competitive products with automation requirements & low cost effective products to user sectors. Product Development and Technology Upgradation Plan:

- CNC Angular wheel head cylindrical grinding machine swing :
- 540mm ABC:1000 mm Wheel head.
- Large Swing SBCNC 80-100
- High speed, 5-Axis Drill-mill centre Model DMC400
- Mill turn centre MTC500

5.5.8 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 70 new models in Quartz segment during 2011-12. The company has set a target to launch 75 new models during year 2012-13 and has developed 43models as on 1st Dec 2012.

5.5.9 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.

5.5.10 NEPA Limited

R&D experiments gave Nepa Ltd. new dimensions. R&D trials of various deinking chemicals in bleaching of ONP/OINP gave not only improved brightness but also excellent machine run ability and customer confidence in Nepa newsprint. The other benefits of this methods are savings in consumption of additives like Deformer, Slimicide and Sulphuric Acid. Due to the use of Poly Aluminum chloride and Chlorine as disinfectant in Nawtha Water Treatment Plant, their drinking water meets WHO norms. Alum is also added in Gr. I Plant to reduce the turbidity of outlet water which is recycled in the process.

5.5.11 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 decolorisation of E. filtrate by using Ferric Chloride
- Laboratory scale use of Fomaldehyde for partial replacement of chlorine di-oxide

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.

5.5.12 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.

5.5.13 Heavy Engineering Corporation Ltd.(HEC)

The company continued its efforts for the technology up gradation and development of products/systems during the year 2011-12. Specific areas in which R&D activities were carried out by the company are detailed below:-

- Design development and manufacture of Rotating Head Stock Spindle Assembly, Bottle Boring facility and programmable movement of Steady Rest for CNC Deep Hole Boring machine. The machine was supplied to OFC, Kanpur.
- Development of Motorised swiveling of Arms for Radial Drilling machine. Modified machine was supplied to BHEL, Jagdishpur.
- Development of 100T capacity Tundish Traverse for ISP.
- Development of 65T and 60T Scrap charging Traverse for BSP and ISP respectively.
- Design development of pushing mechanism with drive for Coke pusher for 4.45m Coke Oven Battery for DSP.
- Addition of C axis, live spindle and ATC in the existing model of CNC VTB has been initiated.

5.5.14 Andrew Yule & Company Limited (AYCL)

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:-

(a) Engineering Division has developed following equipment and accessories of Industrial fans:-

- By developing high tensile stainless steel plate, high speed ID fan for Gas boosting application has been developed
- The designs of the silencers have been simplified and executed for various fan applications.
- The Eaves design has been suitably modified and executed for various fan applications

(b) Electrical Division has completed the development of 33 KV PCVCB and the same has been finally validated after completion of the balance tests.

(c) The design for the range enhancement of the impulse voltage Generator to test 220 KV class transformers has been finalized.

5.5.15 Instrumentation Ltd. (IL)

During the last ten years or so the company has been laying emphasis on applied R&D activities as basis R&D in Control & Instrumentation can not be extensively introduced because of insistence of "Porven Technology" by the end users, which are large process industries. However, various products such as Electronic Ballast's Light sensing Switching devices, high capacity control valves, compact spring loaded actuators and their variants, pressure balanced control valves with quick change trim (which can whithstand temperature up to 500 C), Defence items like Nose Fuze, RPL Dosimeter reader, Firing device etc., have been developed. All these are additions to the product range.

The company is also upgrading its manufacturing facilities in order to cater the changing requirements of Panel/Desk and mechanical processing of the various components used in the running product ranges. In order to meet the increasing requirements of valves, company is implementing a plan to start manufacturing of valves and its accessories at Kota works. Root Valves have been developed and supplied to the customers as per desired specification. Valves manifold and other small valves are also being tried to develop with available infrastructure. For control Valve, efforts are going on to start production at Kota Works. For this, CNC and other allied machines are being installed to facilitate the production.

To utilize available capacity, Kota works also developed manufacturing of side wall of Railway Wagon & its accessories. The Palakkad Unit has developed Bellow Sealed Valve, which is an important control element for Nuclear Power application. The unit received import substitution award from DGTD for this. In earlier years the Kota Unit for following products has received Import substitution award:

- Solenoid Valves for nuclear applications
- Throw-away thermocouples for measuring molten metal temperature
- Miniature Electronic Indicators.

IL has developed technical competence through enhanced R&D activities and development of engineering capabilities towards further improvement in products and also to reduce dependence on imported technology. IL developed special solenoid valves and flow nozzles, which have been widely used by Narora, RAPP & MAPP units of Nuclear Power Corporation.

5.5.16 Bharat Pumps and Compressors Ltd.(BPCL)

- Upgraded software Caesar II 5.10 for pipe analysis work has been acquired and is being utilized in execution work of several projects.
- Engineering drawing / drafting method improved by introduction 3-D modeling in place of 2-D drafting by which multi level layout can be developed.
- Old design 83-20 Plunger Pump was with built-in gear reduction system. In new design, this system has been replaced by external speed reduction gear and as a result, the frame size has also been reduced.
- Up-gradation to latest API 610, 10th edition has been implemented for different models of Centrifugal Pumps.
- Up gradation of DVDs pump for pipe line application conforming to API 610, 10th edition.
- Modification and development of pump model VMBS & VB to suit nuclear design code for 500 MW power project of Nuclear Power Corporation.
- Development of high pressure, high temperature pumps for 700 MW nuclear power plant at Kalpakkam. This pump is being developed for the first time in India.

5.5.17 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/45MT 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.

5.5.18 Cement Corporation of India Ltd. (CCI)

R&D activities were restricted due to liquidity constraints. The work order for 100% capacity expansion of Bokajan unit (by installing a separate line of 1200 TPD clinkerisation stream), which will encompass latest technology, has been placed. The implementation period is 18 months. Various technology up gradation schemes of Tandur unit have also been taken up for implementation as a part of the sanctioned scheme.

5.5.19 Hindustan Photo Films Mfg. Co. Ltd. (HPF)

R&D activities were carried out on New Product Development, Product/Process Improvement, Technology Up gradation, Import Substitution, Cost Reduction and Production Trouble Shooting works. Company's requirements with respect to 3 Specialty Chemicals were met by manufacturing the same at Organic Synthesis Unit resulting in cost savings of ₹ 4.14 Lakh. Plant trials are in progress for Graphic Arts Red Laser Scanner Film, Inkjet Paper, subbing of Polyester X-ray base, Digital X-ray film, Medical Imaging film (Panchromatic) and Laser Printer Film and import substitution of dyes.

5.5.20 Engineering Projects (India) Ltd.,(EPI)

EPI's R&D initiative includes development of software's like Conveyor sizing calculations, Civil costing & estimation and strut. The Conveyor sizing calculation software creates conveyor characteristic data based on conveyor load requirement. Civil Casting & Estimation software creates basic rate for civil items like RCC, PCC etc. and strud helps in designing of steel structure building and estimating the bill of quantity. Besides development of softwares, efforts were also focused towards improving quality of works and efficiency in construction by sponsoring programmes for skill enhancement in trades related to construction industry like site accounting, general supervision, land survey, carpentry, bar-bending etc. To strengthen management skill, various softwares were installed. Further, concept of pre-engineered building (PEB) was put in practice in projects executed by EPI.

EPI is exploring possibilities for collaboration/association with renowned technology providers/consultants in various fields. EPI has signed MoU with M/s Scomi Engineering Berhad, Malaysia for taking up projects of construction of Monorails/MRTS in India & abroad.

5.5.21 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 POT Shells, Cross Country Pipeline, Highways and Expressways, Metro Rail at Delhi, Furnace and Heaters, Main Boiler work in Thermal Power Station, Storage Silos for Alumina, Bailey Bridge, Water Supply and Sewerage Systems, LSTK Projects, Railway Wagons. The Company has taken up the programme for updating of Quality Management System.

Company proposes to carry out R&D programme in future in the following areas: Modernisation of Steel plants, Manufacture of Pressure & Non-Pressure Vessels, Flyover Construction, Pumped storage/Hydel Projects, Fire Fighting Systems.

5.5.22 Scooters India Limited (SIL)

The R&D activities have so far been aimed at improving the current products. Modifications in Reverse Gear Sprocket assembly, development of rolled Wheel Rim to replace pressed Wheel Rim, welded Front Fork / Steering Column assembly have been done to prevent market failures. The production development of small 3-wheeler with 265 cc gasoline engine and 3-wheeler with rear mounted engine is underway. Other developments introduced or in pipe line include new bezel assembly for front lighting system and design of aluminium die-cast wet Clutch System.

The company has planned considerable improvement activities in its Business Revival Plan. The Plan includes development of new products like 3-wheeler 3-seater Passenger vehicle with rear mounted gasoline engine in CNG/LPG mode and diesel engine, development of fully finished factory built body and 4-wheeler Small Commercial Vehicle.

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

Chapter 6

Welfare of SC/ST/OBCs/ PWDs and Minorities

6.1. It has been the constant endeavour of this 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 SC/ST/OBC, 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 of the rank of Deputy Secretary, for proper monitoring of the implementation of the reservation policy of Government of India. SC/ST employees are given preference while nominating them for training and allotment of residential accommodation.

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 equipments 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 Haridwar.

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 period from 1.4.2012 to 31.12.2012, total number of applications received was 38 and certificates were issued to 36 persons.

6.6. Special Recruitment Drive for filling up backlog reserved vacancies of SCs, STs, OBCs and PWDs:-

The progress of Special Recruitment Drive launched by Government of India for filling up backlog reserved vacancies for SCs, STs and OBCs as on 1.11.2008 was reviewed. Out of 32 operating CPSEs under the Department, most of them are sick/incurring losses and as such no additional manpower is being inducted. Such sick CPSEs where no recruitment is being made have been exempted from the preview of the special drive. However, the CPSEs who had identified the backlog vacancies under the Special Recruitment Drive for the respective categories were requested to expedite action to fill up the backlog vacancies. The Special Recruitment Drive for SCs, STs and OBCs has been re-launched vide Government of India O.M. dated 26/7/2011 and all the CPSEs under the Department have been requested to initiate action to fill up the remaining backlog vacancies by 31.3.2013. Similarly a Special Recruitment Drive for filling up backlog reserved vacancies of Persons With Disability was launched in Novemebr,2009,. The Government of India vide their O.M. dated 28.7.2011 has re-launched the Special Drive to make efforts to ensure that the remaining backlog reserved vacancies of Persons with Disabilities are filled up by 31.3.2013. All the CPSES have been requested to take necessary steps to fill up the backlog vacancies.

CHAPTER

7 Empowerment / Welfare of Women

7.1 Department of Heavy Industry and the CPSEs under its administrative control constantly endeavor to ensure that there is no discrimination against women on any 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.

Chapter 8 Vigilance

8.1 The Department has a Chief Vigilance Officer of the rank of Joint 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 one 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 CPSEs under the administrative control of the Department of Heavy Industry as a well as the officers of the Department; periodical review of vigilance matter;
- Issue of vigilance clearance in respect of Board level appointees in CPSEs and all other appointments based on PESB recommendation, requiring ACC approval;
- Interfacing with CVC, CBI and CVOs of CPSEs 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 CPSEs under Department of Heavy Industry.

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

8.4 Vigilance Awareness Week was observed by DHI from 31st October to 3rd November,2012 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 18/11/2011 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 CPSEs with a view to improving the overall vigilance administration.

8.6. Vigilance Section is responsible for monitoring & completion of Annual Confidential Reports of officers and staff of the Department and of the Board level appointees of CPSEs under the administrative control of this Department, besides monitoring the submission of Annual Property Returns by the officers and staff of the Department of Heavy Industry as well as Board level officers of CPSEs under the Department of Heavy Industry.

8.7. 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 CPSEs. 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 42 vigilance cases in the beginning of the year 2012. Ten new cases were received during the year. Investigation was completed in 29 cases, which are now closed.

8.8 Vigilance clearance was accorded in 40 cases for Board level & below Board level officers of CPSEs 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 2012-13. 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. Haridwar, U.P. and has expressed satisfaction with the status of progress in the use of Hindi. During the year 2012-13, 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 Notifications, Resolutions, Notes and Circulars, Parliament Questions, Annual

Prize distribution by Shri S. Sundereshan, Secretary, Heavy Industry

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 3rd September, 2012 to 15th September, 2012 during which several competitions including Quiz competition, Speech, General Hindi knowledge, Noting & Drafting, Hindi Poem Recitation etc. were conducted. Staff of the Department participated in these activities with keen interest. Awards were given to meritorious candidates by the Secretary (Heavy Industry). Workshops were also organized for officers/employees. Besides, the programme of learning Hindi through **"AAJ KA SHABD"** and **"AAJ KA VICHAR"** is being implemented actively. 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 Central Public Sector Enterprises, under the administrative control of this Department, also continued to make vigorous efforts to implement the Official Language Act and its provisions. Various Seminars, Competitions and Workshops were organized in these CPSEs to propagate the use of Hindi. "HINDI FORTNIGHT/HINDI WEEK/HINDI MONTH" were celebrated in these CPSEs with great zeal.

Chapter 10

Implementation of Sevottam

10.1 The Department of Heavy Industry is committed to the goal of effective and responsive administration and service delivery excellence. The SEVOTTAM framework of Govt. of India has been implemented in the Department. Following steps have been taken in this direction:-

(i) Citizen's/Client's Charter of Department of Heavy Industry has been prepared and displayed on the website of the Department. 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 in 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. The Citizen's/Client's Charter was last reviewed in January, 2012.

(ii) A Grievance Redress Mechanism has been implemented in the Department. A Nodal Officer of the rank of Joint Secretary has been designated as Director of Public Grievances. Service recipients can lodge grievances on Centralised Public Grievance Redress and Monitoring System (CPGRAMS) at the Grievance Portal of DARPG at http://pgportal.gov.in or at Centralized Pensioners Grievances Redress and Monitoring System (CPENGRAMS) at Pensioners Portal of Department of Pension & Pensioners' Welfare at http://pensionersportal.gov.in/cpengrams (for grievances of pensioners) 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 to the Director of Grievances. Grievances received in Department of Heavy Industry are monitored in Centralised Public Grievance Redress and Monitoring System (CPGRAMS) Cell. The grievances are transferred online to concerned CPSEs and the status of disposal is monitored. During the period from 1.4.2012 to 31.12.2012, 162 grievances were received and in all 171 grievances were disposed of. The overall disposal rate during this period was 93%.

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 has been made GIGW compliant and updated periodically.

(ii) The Central Public Procurement Portal (CPPP) developed by Department of Expenditure has been implemented in the Department and the CPSEs. All tender enquiries are now published on CPPP portal.

(iii) Implementation of IPv6 Policy

(iv) Uploading of papers laid on the Table of Lok Sabha on website of DHI and providing link to home page of Lok Sabha website.

(v) Uploading replies to Rajya Sabha Questions on ‘e reply’ system developed by Rajya Sabha Secretariat.

(vi) Implementation of ACC Vacancy Monitoring System of Department of Personnel & Training.

(vii) Taken initiatives for implementation of National Data Sharing and Accessibility Policy 2012 (NDSAP 2012).

(viii) Officers on Tour Information System being developed.

(ix) To implement e-Office Mission Mode Project in DHI.

10.2.2 The Department has also taken initiatives to develop the following systems under e-Governance which are at initial stage:

(i) Development of a software for online receipt of applications for Excise Duty Concession Certificate to physically handicapped persons for purchase of modified cars.

(ii) 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.

Chapter 11 Right to Information

11.1 Various provisions of RTI Act and the instructions issued by the Government of India, Department of Personnel and Training and the Central Information Commission have been implemented scrupulously 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. In the Department of Heavy Industry, an Officer of the rank of Deputy Secretary has been designated as CPIO and a Joint Secretary as Appellate Authority to provide information under the RTI Act. An officer of the rank of Deputy Secretary has been designated as Transparency Officer to ensure suo moto disclosure of information on website of the department in terms of section 4(1) (b) of RTI Act.

11.3 The updated information under section 4(1) (b) of RTI Act, 2005 has been posted on the website of the Department. 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.

11.4. During the year 2011-12, 212 applications and 23 appeals under RTI were received in the Department and 211 applications and 21 appeals disposed of. For the period 1.4.2012 to 31.12.2012, 238 applications and 32 appeals have been received, out of which 231 applications and 30 appeals were disposed of.

CHAPTER

12 Result Frame Document (RFD) 2011-2012

12.1 The result-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 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 The Department of Public Enterprises (DPE) has initiated RFD exercise since 2009-10. DPE has prepared its 3rd RFD for the year 2011-12. Altogether 14 (fourteen) department specific objectives were included in the RFD 2011-12 and 3 (three) more mandatory objectives were also incorporated in the RFD on the advise of Performance Management Division (PMD). As this Department is 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 2011-12 of DPE are broadly cover the following areas:

i) Corporate Governance in CPSEs.

ii) Professionalization of management to below Board level in CPSEs

iii) Categorization of CPSEs

iv) Goal setting and Performance Evaluation of CPSEs as a part of Memorandum of Understating (MoU).

v) Counseling, Retraining and Redeployment Scheme (CRR) for seperated employees of CPSEs.

vi) Guidelines on R & D and Sustainable Development of CPSEs.

vii) PE Survey.

12.4. DPE has achieved excellent target in thirteen objectives. High Power Committee (HPC) on Government Performances of PMD has evaluated the performance of DPE and awarded a composite score of 96.74% on the overall performance of DPE on the RFD 2011-12.

12.5. The detailed objectives contained in RFD 2011-12, their corresponding achievements and the composite score are given in Appendix-VIII.

RFD 2011-12, Corresponding achievements & Composite Score

Objective	Actions	Success Indicator	Unit	Relative Weight %	Target					Achievemet	Raw Score	Weighted Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
Objective 1 (Weight- 23%): Supporting BHEL to achieve sustained high growth and become globally competitive	**Action 1:** Manufacturing Capacity augmentation	Capability to deliver	MW	8.00	20000	16000	15500	15000	14999	20000	100.0	8.0
	Action 2: Supporting BHEL For procuring orders	(i) Export orders	₹ in crore	3.00	3500	3000	2850	2700	2549	234	0.0	0.0
		(ii) Domestic orders	₹ in crore	4.00	56500	56000	55000	50000	44999	21862	0.0	0.0
	Action 3 : Power Sector Capacity addition	Capacity completed*	MW	4.00	12200	10000	9000	8000	7000	11530	96.95	3.88
	Action 4: Technical Manpower augmentation by BHEL during the year.	Additional No. of persons employed	No.	4.00	3600	3500	3400	3300	3200	4711	100.0	4.0

Objective	Actions	Success Indicator	Unit	elative Weight %	Target					chieve ment	aw Score	Weighted Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
Objective 2 (Weight 19%): Supporting profit making other PSEs (excluding BHEL) to attain higher turnover and profits	**ction 1:** Structured review of PSE performance	(A)% increase in aggregate turnover in 2011-12 (YoY)	%	7.00	20	19	18	17	16	11.94	0.0	0.0
		(B)% increase in aggregate net profits for 2011-12 (YoY) over the last year	%	7.00	2.5	2	1.5	1	0.9	4.46	100.0	7.0
	Action 2: Improvement in the performance of PSEs.	Achievement of excellent rating in the MoU	Num ber	5	5	4	3	2	1	4	90.0	4.5

Objective	Actions	Success Indicator	Unit	Relative Weight %	Target					Achievement	Raw Score	Wtd. Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
Objective 3 (Weight-18%): **Restructuring PSEs to reduce sick and loss making PSEs as also their cash losses.**	**Action 1:** Revival/ Restructuring of PSEs. HMT Ltd, HMT(MT), HMT(W) TSL	(i) Department's Decision on Consultant's report	Date	1	30th Sep, 2011	31st Oct, 2011	30th Nov, 2011	31st Dec , 2011	31st Jan, 2012	19th Dec, 2011	73.87	0.74
		(ii) Reference to BRPSE		1	31st Oct, 2011	30th Nov, 2011	31st Dec. 2011	31st Jan, 2012	29th Feb, 2012	28th Sep, 2012	100.00	1.0
		(iii) Approval of CCEA for any two PSEs		1	30th Nov, 11	31st Dec, 2011	31st Jan, 2012	29th Feb, 2012	31st Mar, 2012	-	-	-
		(iv) Filing of MDRS in BIFR		1	-do-	-do-	-do-	-do-	-do-	-	-	-
	Action 2: Submission of Note for seeking approval of CCEA for Revival/Restructuring of PSEs HMT(B), SIL NPPC, NEPA, R&C, REIL.HPF.	No. of PSEs for which decision of CCEA is obtained.	Number	6	6	5	4	3	2	3	70.0	4.2
	Action 3: Providing funds for revival of PSEs including VRS/VSS & statutory dues	Progress of expenditure	% of BE	4	100	95	90	85	80	100.0	100.0	4.0
	Action 4: Improving performance of sick/loss making PSEs	reduction in cash -losses (YoY)	Losses in ₹ %	4	(-) 2078.17 8	(-) 2100.76 7	(-)2123.35 6	(-) 2145.94 5	> (-)2145.95 4.9	24.53%	100.0	4.00

Objective	Actions	Success indicator	Unit	Relative weight %	Target					Achievement	Raw Score	Weighted Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
Objective 4 (Weight 14%): Setting up of seven state of the art automotive testing and R&D centres across the country - Physical progress of the project	**Action 1:** operationalising of Jaffirbund campus - Silchar	completion date	Date	2	15 Jul, 2011	15 Aug, 2011	31 Aug, 2011	15 Sep, 2011	16 Sep, 2011	15 Jul, 2011	100.0	2.0
	Action 2: Completion of civil works of EMC lab, FAT lab at GARC, Chennai	Completion date	date	2	15 May, 2011	25 May, 2011	31 May, 2011	15 Jun, 2011	16 June, 2011	25 May, 2011	90.0	1.8
	Action 3 (a): Operationalisation of MACD lab at iCAT, Manesar	Operationalization date	Date	2	31 May, 2011	5 June, 2011	10 Jun, 2011	15 Jun, 2011	16 June, 2011	31 May, 2011	100.0	2.0
	Action 3 (b): Completion of General Storage & Client Workshop, iCAT II, Manesar	completion date	date	2	20 Jun, 2011	15 July, 2011	31 July, 2011	15 Aug, 2011	16 Aug, 2011	30 June, 2011	100.0	2.0
	Action 3 (c): Completion of civil work s of EMC, PAS lab, iCAT II, Manesar	completion date	Date	2	15 Jul, 2011	30 Aug, 2011	15 Sep, 2011	30 Sep, 2011	1 Oct, 2011	15 Sep, 2011	80.0	1.6
	Action 4 (a): Completion of General Storage & Client Workshop, NATRAX, Indore	Completion date	date	2	31 May, 2011	15 July, 2011	31 July, 2011	15 Aug, 2011	16 Aug, 2011	15 July, 2011	90.0	1.8
	Action 4 (b) : Completion of civil works of VDY & PWT labs, NATRAX, Indore	Completion date	Date	2	15 Jun, 2011	30 July, 2011	15 Aug, 2011	31 Aug, 2011	1 Sep, 2011	01 Sep, 2011	60.0	1.2

Objective	Actions	Success Indicator	Unit	Relative Weight %	Target					Achievement	Raw Score	Weighted Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
Objective 5 (Weight- 11%): Appropriately and adequately addressing the concerns of the Auto, Heavy Engineering, Heavy Electrical and Capital Goods Sectors.	**Action 1: (a)** Setting up of National Council for electric Mobility (NCEM) and National Board for Electric Mobility (NBEM)	Completion of action	Time	1	31st July, 2011	31st Aug, 2011	30th Sep, 2011	31st October, 2011	30th Nov, 2011	27th May, 2011	100.0	1.0
	Action 1: (b) Action Plan for Electric Mobility	Report	Time	1	31st Dec.2011	31st Jan.2012	29th Feb.2012	31st Mar 2012	-	11th July, 2011	100.0	1.0
	Action 2: Funding of R&D Projects funded through Cess Funds (DCAAI).	Progress of utilization of BE	%	1	100	90	80	70	<70	99.35%	99.35	0.99
	Action 3: Protect and project the concerns of domestic industry through effective articulation of issues at bi/multi -lateral forum such as WP 29, JWGs.	No. of meetin gs held	No.	2	5	4	3	2	1	7	100.0	2.0

	Action 4: Submitting revised proposals to the Planning Commission for "Scheme for enhancement of competitiveness in the Indian Capital Goods Sector" for inclusion in the 12th Five Year Plan.	Approval of Scheme	Date	1	30th Nov, 2011	31st Dec, 2011	31st Jan, 2012	29th Feb, 2012	31st March, 2012	3rd Nov, 2011	100.0	1.0
	Action 5: Evolving policy/strategy paper/ document for faster growth of 5 sub-sectors of capital goods industry	Machine Tools	Date of Completion	1	31st July, 2011	31st Aug 2011	30th Sep 2011	31st Oct 2011	30th Nov 2011	5th October, 2011	78.39	0.78
		Textile Machinery	Date of Completion	1	31st Aug 2011	30th Sep 2011	31st Oct 2011	30th Nov 2011	31st Dec 2011	5th October, 2011	88.39	0.88
		Heavy Electrical Equipment	Date of Completion	1	30th Sep 2011	31st Oct 2011	30th Nov 2011	31st Dec 2011	31st Jan 2012	5th October, 2011	98.39	0.98
		Mining & Construction Company	Date of Completion	1	31st Oct 2011	30th Nov 2011	31st Dec 2011	31st Jan 2012	29th Feb 2012	5th October, 2011	100.0	1.0
		Process Plant Equipment	Date of Completion	1	30th Nov 2011	31st Dec 2011	31st Jan 2012	29th Feb 2012	31st Mar 2012	5th October, 2011	100.0	1.0

MANDATORY SUCCESS INDICATORS

Objective	Actions	Success Indicator	Unit	Relative Weight %	Target					Achievement	Raw Score	Weighted Raw Score
					Excellent	Very Good	Good	Fair	Poor			
					100%	90%	80%	70%	60%			
1. Efficient Functioning of the RFD System. (Weight- 3%)	**Action 1:** Timely submission of Draft for Approval	On-time submission	date	2	March, 7 2011	March, 8 2011	March, 9 2011	March, 10 2011	March, 11 2011	March, 8 2011	90.0	1.8
	Action 2: Timely submission of Results	On-time submission	date	1	May, 1 2012	May, 3 2012	May, 4 2012	May, 5 2012	May, 6 2012	May, 1 2012	100.0	1.0
2. Improving Internal Efficiency/responsiveness/service delivery of Ministry /Department (Weight-10%)	**Action 1.** Implementation of Sevottam	Resubmission of revised draft of Citizens'/ Clients' charter	date	2	Jan 16, 2012	Jan 18, 2012	Jan 20, 2012	Jan 23, 2012	Jan 25, 2012	Jan 13, 2012	100.0	2.0
		Independent Audit of implementation of public grievance redressal system	%	2	100	95	90	85	80	Deptt and Ministries are not expected to take any action. PMD will identify an independent auditor for the purpose of auditing of Grievance Redressal System of Ministries/Departments. The criteria and methodology for undertaking the independent audit will be communicated shortly by PMD.	100.0	**1.7**

	Action 2. Ensure compliance with Section 4(1) (b) of the RTI Act, 2005	No. of items on which information is uploaded by February 10,2012	No.	2	16	15	14	13	12	16	100.0	2.0
	Action 3. Identify potential areas of corruption related to departmental activities and develop an action plan to mitigate them	Finalize an action plan to mitigate potential areas of corruption.	date	2	March 26, 2012	March 27, 2012	March 28, 2012	March 29, 2012	March 30, 2012	Dec 27, 2011	100.0	2.0
	Action 4. Develop an action plan to implement ISO 9001 certification	Finalize an action plan to implement ISO 9001 Certification	date	2	April 16, 2012	April 17, 2012	April 18, 2012	April 19, 2012	April 20, 2012	March 23, 2012	100.0	2.0
3. Ensuring compliance to the Financial Accountability Framework (Weight- 2%)	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	81	81.0	0.5
	Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATNs 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	---	100.0	0.5
	Early disposal of pending ATNs on Audit paras of C&AG Reports presented to Parliament before	Percentage of outstanding ATNs disposed off during the year.	%	0.5	100	90	80	70	60	85	85.0	0.5

	31.03.2011.											
	Early disposal of pending ATNs on PAC Reports presented to Parliament before 31.03.2011.	Percentage of outstanding ATNs disposed off during the year.	%	0.5	100	90	80	70	60	---	100.0	0.5
Composite Score												**78.86**

Annexure-I

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 15th October, 1999, a separate Ministry viz. Ministry of Heavy Industries & Public Enterprises has been created. The Ministry comprises of the Department of Heavy Industry and Department of Public Enterprises. The Department of Heavy Industry 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

4. 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

5. Scooters India Limited
6. Andrew Yule and Company Limited

Subsidiaries:

(i) Hooghly Printing Company Limited

(ii) Yule Electricals Limited

(iii) Yule Engineering Limited

7. Cement Corporation of India Limited
8. Hindustan Cables Limited
9. Hindustan Paper Corporation Limited

Subsidiaries:

(i) Nagaland Pulp and Paper Company Limited

(ii) Hindustan Newsprint Limited

(iii) Jagdishpur Paper Mills Limited

10. Hindustan Photo Films Manufacturing Company Limited
11. Hindustan Salts Limited

Subsidiary:

(i) Sambhar Salts Limited

12. Instrumentation Limited

Subsidiary:

(i) Rajasthan Electronics and Instruments Limited

13. NEPA Limited
14. Tyre Corporation of India Limited
15. Bharat Bhari Udyog Nigam Limited; including

Subsidiary:

(i) Braithwaite, Burn & Jessop Construction Limited

16. Triveni Structurals Limited
17. Tungabhadra Steel Plants Limited
18. Bharat Pumps and Compressors Limited
19. Richardson and Cruddas (1972) Limited
20. 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. National Instruments Limited
9. Mining and Allied Machinery Corporation Limited
10. Cycle Corporation of India Limited
11. Jessop and Company Limited
12. Lagan Jute Machinery Company Limited
13. Reyrolle Burn Limited
14. Weighbird (India) Limited
15. Bharat Brakes and Valves Limited
16. Bharat Process and Mechanical Engineers Limited
17. Bharat Wagon and Engineering Company Limited
18. Mandaya National Paper Mills Limited
19. Braithwaite and Company Limited
20. Burn Standard Company 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)

2. The Department of Heavy Industry is headed by a Secretary to the Government of India, who is assisted by a team of officers and staff of overall sanctioned strength of 264 (As on 01.01.2013). The Department is also supported by an Integrated Finance Wing headed by Additional Secretary & Financial Adviser. An Organogram Chart of the Department of Heavy Industry is attached.

3. In addition to above, the Department has appointed/designated various Nodal Officers at appropriate levels for smooth functioning of the Department as well as for helping its staff and the public. Some of such areas have been described below:

i) In an effort to streamline the system of Redressal of public grievance, a Joint Secretary in this Department is functioning as Joint Secretary (Public Grievances).

ii) In order to impart information sought under RTI Act, 2005 to public, a Joint Secretary and a Deputy Secretary have been appointed as Appellate Authority and Central Public Information Officer (CPIO) respectively for this Department.

iii) In an effort to computerize all matters in this Department, a Joint Secretary in this Department has been designated as IT Manager, who is also responsible for updating the website of the Department periodically.

iv) In order to deal with the litigation matters and to further coordinate, a Joint Secretary in the Department has been designated Nodal Officer to ensure timely action is taken in the matter.

v) In order to preserve the important records emanating from this Department and to co-ordinate in the related matter, a Joint Secretary in this Department has been designated as Chief Records Officer.

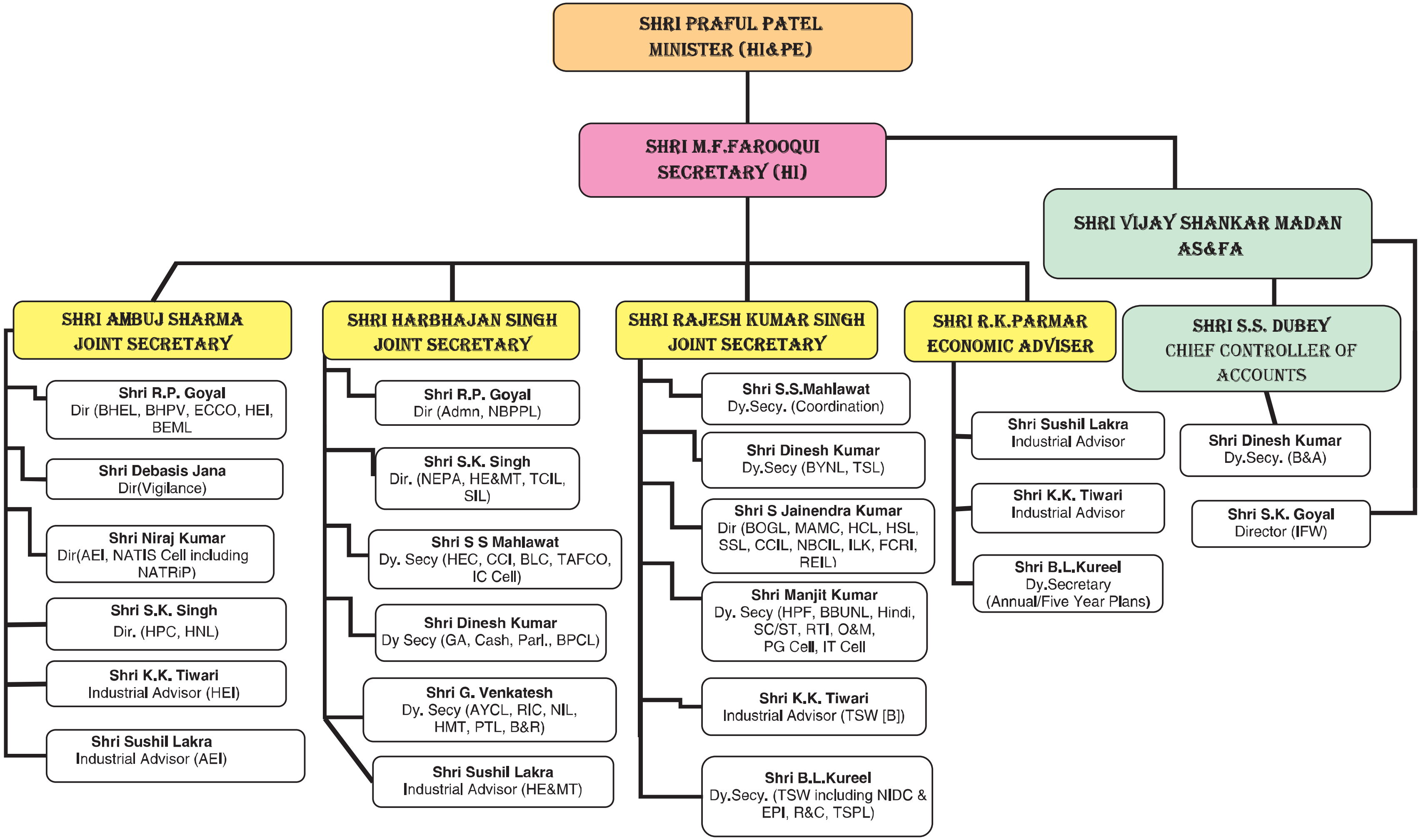
vi) In order to take effective measures for prevention and control of vector borne diseases like Malaria, Dengue and Chickengunia, a Director in the Department of Heavy Industry has been designated Nodal Officer for coordinating the anti-vector campaign for all offices under the Department of Heavy Industry.

vii) In order to furnish the details of vacancy circulars issued by the Department of Heavy Industry as well as organizations under its control and senior level vacancies which require approval of ACC, a Joint Secretary in this Department has been designated as Nodal Officer, who is also responsible for uploading the same on the website of Department of Personnel & Training (DOP&T).

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

Annexure-II

ORGANOGRAM OF DEPARTMENT OF HEAVY INDUSTRY (As on 1.01-2012



Annexure-III

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 31.3.2012 (₹in crore)
1	Andrew Yule & Co.Ltd., (AY&CL), Kolkata	1979	243.06
2	Hooghly Printing Co. Ltd., Kolkata	1979	6.37
3	Bharat Heavy Electricals Ltd., (BHEL), New Delhi	1956	11054.00
4	Bharat Heavy Plate & Vessels Ltd., (BHPV), Vishakhapatnam	1966	82.85
5	Bharat Bhari Udyog Nigam Ltd. (BBUNL)	1986	0.78
6	Braithwaite, Burn &Jessop Construction Co.Ltd., (BBJ), Kolkata	1987	17.07
7	Bharat Pumps & Compressors Ltd., (BPCL) Allahabad.	1970	81.27
8	Richardson & Cruddas (1972) Ltd., (R&C) Mumbai	1972	32.05
9	Triveni Structurals Ltd., (TSL) Allahabad.	1965	19.65
10	Tunghabhadra Steel Products Ltd., (TSPL) Hospet, Karnataka.	1967	20.58
11	Bridge and Roof Co.(India) Ltd., (B&R) Kolkata.	1972	230.46
12	Hindustan Cables Ltd., (HCL) Kolkata.	1952	525.46
13	Heavy Engineering Corpn.Ltd., (HEC), Ranchi.	1958	343.86
14	HMT Ltd.,(Holdg Co.), Bangalore.	1953	139.78
15	HMT (Machine Tools) Ltd., Bangalore.	2000	332.06
16	HMT (Watches) Ltd, , Bangalore	2000	189.07
17	HMT (Chinar Watches) Ltd., Jammu.	2000	12.16
18	HMT (Bearings) Ltd., Hyderabad.	1981	30.23
19	HMT(International) Ltd. ,Bangalore.	1974	7.39
20	Instrumentation Ltd, (IL), Kolkata.	1964	74.74

21	Rajasthan Electronics & Instruments Ltd., (REIL) Jaipur	1981	21.36
22	Scooters India Ltd., (SIL), Lucknow.	1972	58.04
23	Cement Corpn.of India Ltd. (CCI), New Delhi.	1965	670.30
24	Hindustan Paper Corporation Ltd. (HPC), Kolkata.	1970	976.84
25	Hindustan Newsprint Ltd., (HNL), Vellore, Kottayyam.	1983	419.20
26	Hindustan Photo Films Mfg. Co. Ltd. (HPF), Ooty.	1960	715.00
27	Hindustan Salts Ltd., (HSL), lJaipur.	1959	10.17
28	Sambhar Salts Ltd., (SSL)Jaipur.	1964	16.84
29	Nepa Ltd ., (NEPA), Nepa Nagar.	1958	107.65
30	Tyre Corpn.of India Ltd., (TCIL), Kolkata.	1984	119.63
31	Engineering Projects (India) Ltd., (EPI), New Delhi.	1970	16.88
32	Nagaland Pulp & Paper Company Limited (NPPC), Dist. Mokokchyng,Nagaland	1971	64.29
	TOTAL:		**16639.09**

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.

Annexure-IV

Employment Position including SC, ST & OBC as on 31.3.2012 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	235	79	14614	14928	2554	4409	7793
2	Hooghly Ptg	8	7	44	59	2		
3	BHEL	13689	9474	26224	49387	9784	2841	11578
4	BBUNL	14	4	5	23	1		6
5	BBJ	52	36	13	101	7		3
6	BHPV	199	101	835	1135	177	103	263
7	BPCL	207	34	743	984	154	3	308
8	R&C	16	10	24	50	6		5
9	TSL	28	4	100	132	20		53
10	TSP	9	22	67	98	25	3	27
11	B&R	860		725	1585	182	6	64
12	HCL	267	309	1382	1958	349	59	145
13	HEC	1257	475	682	2414	319	442	604
14	HMT (Hldg Co.)	225	115	1359	1699	397	57	117
15	HMT (MT)	693	314	2271	3278	610	173	839
16	HMT (Watches)	197	44	978	1219	227	43	186
17	HMT (Chinar Watches)	1	7	103	111	12	3	0
18	HMT (Bearings)	21	10	43	74	14	0	23
19	HMT (International)	44	10	6	60	9	4	1
20	IL	243	654	436	1333	221	56	246
21	REIL	70	67	105	242	48	8	53
22	SIL	149	35	612	796	219	1	205
23	CCI	157	128	644	929	80	137	103
24	HPC	461	199	1772	2432	257	201	199
25	HNL	164	64	581	809	53	2	186
26	HPF	76	214	424	714	138	40	358
27	HSL	16	34	60	110	13	8	24
28	SSL	8	28	61	97	22	7	23
29	NEPA	156	844	231	1231	96	21	70
30	TCIL	26	6	116	148	13		
31	EPIL	309	91	19	419	75	18	53
32	NPPC	6	7	226	239	2	164	21
	TOTAL	**19620**	**13340**	**40847**	**88794**	**16086**	**8809**	**23556**

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

Annexure-V

PRODUCTION PERFORMANCE OF CPSEs UNDER DHI

(₹ in crore)

Sl.No.	Name of CPSE	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Anticipated)	2013-14 (Target)
1	2	3	4	5	6	7
1	AYCL	188.78	232.12	261.30	308.74	350.00
2	Hooghly Printing	9.33	11.26	15.75	12.00	13.20
3	BHEL	34154.00	43337.00	49510.00	47000.00	50000.00
4	BBUNL	3.45	11.46	14.74	17.43	20.00
5	BHPV	104.31	136.98	155.80	287.00	380.00
6	BBJ	82.56	146.51	199.14	200.00	220.00
7	BPCL	281.94	209.09	158.30	280.00	342.00
8	R&C	84.00	86.00	74.00	61.00	128.00
9	TSL	3.13	1.92	1.88	1.71	2.02
10	TSP	2.63	2.88	3.03	2.50	4.00
11	B&R	1162.01	1328.97	1258.67	1550.00	1600.00
12	HCL	0.00	0.00	0.00	0.00	0.00
13	HEC	537.72	700.55	687.74	722.77	896.68
14	HMT(Holding Co.)	169.65	187.24	182.98	184.50	213.2
15	HMT(MT)	194.19	177.43	218.17	235.00	250
16	HMT(Watches)	11.42	10.62	13.04	16.00	20
17	HMT(Chinar Watches)	0.30	0.12	0.00	0.00	0
18	HMT(Bearings)	5.62	11.24	14.64	12.04	15.85
19	HMT(International)	30.80	27.88	32.40	44.00	44
20	IL	327.74	249.83	192.45	330.00	375.00
21	REIL	99.13	133.54	234.11	195.00	198
22	SIL	148.76	184.76	228.73	239.98	242.44
23	CCI	361.73	332.88	370.93	398.45	422.50
24	HPC	618.73	579.17	705.38	710.97	872.49
25	HNL	241.98	301.83	315.60	343.20	385.00
26	HPF	26.50	39.92	7.61	5.00	24.00
27	HSL	19.66	13.22	8.98	15.81	13.13
28	SSL	11.45	9.88	19.38	42.99	34.79
29	NEPA	54.39	103.58	230.94	148.10	219.02
30	TCIL	34.82	181.87	24.29	9.00	0.00
31	EPI	1062.00	1103.69	901.27	950.00	1050.00
32	NPPC	....	....	....	....	....
	Total:	**40032.73**	**49853.44**	**56041.25**	**54323.19**	**58335.32**

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.

Annexure-VI

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

(₹ in crore)

Sl.No.	Name of CPSE	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Anticipated)	2013-14 (Target)
1	2	3	4	5	6	7
(A) PROFIT MAKING CPSEs						
1	AYCL	75.38	41.32	11.85	10.01	15.00
2	Hooghly Printing	0.24	0.31	0.53	0.28	0.31
3	BHEL	6591.00	9006.00	10302.00	8269.00	7793.00
4	BHPV	-8.60	8.78	10.44	6.32	13.38
5	BPCL	31.09	14.26	1.57	1.57	41.20
6	B&R	64.11	87.09	68.29	78.00	80.00
7	BBUNL	0.54	0.02	0.11	0.11	0.02
8	BBJ	3.33	4.49	5.96	7.30	8.12
9	CCI	52.75	27.13	19.43	23.11	24.94
10	EPI	27.43	22.58	36.37	27.26	30.29
11	HEC	44.27	38.14	8.58	12.40	44.00
12	HNL	-48.02	5.04	6.89	0.14	1.60
13	HMT(International)	3.96	0.3	1.72	3.37	5.56
14	HSL	0.03	-4.13	0.22	0.70	0.50
15	SSL	0.02	-0.49	1.06	0.28	0.73
16	IL	333.62	-36.56	-67.69	2.56	9.00
17	REIL	2.00	6.25	27.45	10.50	8.93
Sub-total for (A) Profit making		**7173.15**	**9220.53**	**10434.78**	**8452.91**	**8076.58**
(B) LOSS MAKING CPSEs						
18	TSP	-25.77	-26.12	-28.75	-29.76	-29.30
19	R&C	-27.37	-21.55	-16.00	-22.00	-16.00
20	TSL	-56.22	-53.18	-52.68	52.18	-54.01
21	HCL	-459.32	-607.39	-648.27	-650.00	-660.00
22	HPC	-63.30	-63.34	-95.20	-87.50	14.35
23	HMT(Hldg. Co.)	-52.91	-79.24	-82.20	-104.30	-107.34
24	HMT(Machine Tools)	-45.80	-93.06	-46.14	-39.82	-28.16
25	HMT(Bearings)	-15.31	-21.32	-10.12	-7.49	-11.41
26	HMT(Watches))	-168.35	-253.74	-224.04	-239.12	-273.12
27	HMT(Chinar Watches)	-49.94	-45.40	-44.04	-44.57	-44.17
28	HPF	-1009.22	-1156.65	-1352.39	-1550.49	-1735.15
29	SIL	-28.01	-17.11	-19.94	-15.31	-14.24
30	NEPA	-57.86	-70.29	-67.32	-78.76	-77.27
31	TCIL	-14.67	-13.23	-20.86	-13.00	0.00
32	NPPC	-14.38	-13.43	-11.90	-12.00	-13.14
Sub-total (B) Loss making		**-2088.43**	**-2535.05**	**-2719.85**	**-2841.94**	**-3048.96**
GRAND TOTAL(A&B)		**5084.72**	**6685.48**	**7714.93**	**5610.97**	**5027.62**

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.

Annexure-VII

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

		Wages and salaries as % of Turnover					Social overheads as % of Turnover				
Sl.No.	Name of PSE	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Anticipated)	2013-14 (Target)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Anticipated)	2013-14 (Target)
1	2		4	5	6	7	8	9	10	11	12
1	AYCL	38.10	31.65	28.52	26.43	25.29	4.78	4.39	3.96	3.67	3.51
2	Hoogly Ptg.	16.28	19.06	16.96	21.83	20.84	0.99	0.88	0.52	0.77	0.75
3	BHEL	15.09	12.48	11.04	13.32	13.34	1.69	1.35	1.37	1.48	1.48
4	BBUNL	31.50	15.00	10.60	8.00	7.50	2.10	1.20	1.20	1.20	1.20
5	BBJ	9.60	6.80	7.60	8.40	8.4	0.50	0.30	0.30	0.70	0.70
6	BHPV	42.13	34.03	30.72	17.54	16.75	7.00	5.84	6.10	3.70	3.30
7	BPCL	15.11	27.74	41.19	21.35	16.01	0.80	1.14	1.66	0.88	0.65
8	R&C	2.00	2.00	2.00	2.00	2	2.00	2.00	2.00	2.00	2
9	TSL	252.00	221.00	196.00	190.00		16.00	18.00	15.00	15.00	
10	TSP	81.02	62.03	76.46	84.80	56.00	33.40	22.39	30.89	31.40	19.00
11	B&R	5.69	5.40	6.21	6.13	6.31	1.21	1.14	1.63	1.03	1.06
12	HCL	N.A	N.A	N.A	N.A.		N.A.	N.A.	N.A.	N.A.	
13	HEC	25.80	21.20	22.97	18.68	16.71	1.90	1.70	1.31	1.09	1.09
14	HMT(Hldg)	35.28	41.68	46.54	35.16	29.65	3.74	3.67	4.69	3.52	2.97
15	HMT(MT)	59.21	72.95	57.65	51.97	48.37	8.58	9.69	8.25	7.43	6.92
16	HMT(Watches)	419.40	531.79	358.17	250.00	183.91	26.52	34.41	26.54	18.53	13.63
17	HMT(Chinar Watches)	5.71	4.75	4.31	2.85	1.8	0.48	0.27	0.38	0.25	0.16
18	HMT(Bearings)	104.39	48.69	26.36	29.65	25.55	5.41	3.31	2.11	2.37	2.04
19	HMT(Inerntional)	10.32	12.64	15.03	14.66	13.64	0.71	1.00	0.74	0.73	0.68
20	IL	18.74	26.05	35.82	19.70	16	0.98	1.12	1.59	0.97	0.8
21	REIL	15.66	11.61	7.50	9.57	10.1	1.07	0.69	1.14	1.2	1.51
22	SIL	33.97	21.09	13.74	12.21	11.48	2.52	2.20	1.28	1.14	1.07
23	CCI	10.50	11.07	12.44	9.63	9.49	3.38	5.22	5.29	5.08	4.93
24	HPC	20.25	18.10	17.19	17.72	14.43	10.43	6.17	5.94	1.29	1.2
25	HNL	13.96	16.22	15.38	13.99	12.47	7.46	3.77	1.92	1.00	1.55
26	HPF	49.33	37.31	124.84	314.00	65.42	7.14	3.62	9.46	15.67	8.72
27	HSL	20.59	34.00	56.86	48.00	56.44	1.14	1.91	2.83	2.92	3.54
28	SSL	58.34	55.42	35.20	32.12	29.21	4.16	4.25	2.15	1.19	1.93
29	NEPA	24.37	16.14	17.11	26.94	18.55	0.40	0.42	2.77	5.00	2.00
30	TCIL	110.69	23.18	65.16	62.00		10.88	3.82	5.45	4.00	
31	EPIL	3.30	3.40	4.37	4.56	4.34	0.57	0.79	0.66	0.66	0.62
32	NPPC	6.88	7.02	7.45	7.95	8.45	2.83	2.82	2.96	3.46	3.96

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.

ORDER BOOK POSITION OF CPSEs under DHI

(₹ in crore)

Sl.No.	CPSE	As on 1.10.2008	As on 1.10.2009	As on 1.10.2010	As on 1.10.2011	As on 1.10.2012
1	2		4	5	6	7
1	AYCL	69.10	39.98	49.43	80.16	80.73
2	Hooghy Ptg	1.50	0.75	6.72	7.59	1.63
3	BHEL	104000.00	125800.00	154000.00	161000.00	122300.00
4	BBUNL	14.99	159.63	183.97	51.18	38.14
5	BBJ	59.48	958.35	841.86	663.07	450.08
6	BHPV	262.17	144.83	211.38	409.27	357.59
7	BPCL	346.55	241.63	111.64	131.81	163.40
8	R&C	74.00	103.00	87.00	92.12	35.44
9	TSL	11.52	5.71	4.26	3.11	2.92
10	TSP	0.17	0.19	2.28	0.07	0.52
11	B&R	527.80	790.83	654.48	451.38	783.22
12	HCL	4.18	3.40	0.06	0.00	0.00
13	HEC	1568.91	1735.01	1819.22	1619.80	1724.19
14	HMT(Hldg)					
15	HMT(MT)	**187.55**	151.80	160.48	238.50	285.90
16	HMT(Watches)	.....	.....	.....	.....	.....
17	HMT(Chinar watches)	.....	.....	.....	.....	.....
18	HMT(Bearing)	3.87	3.30	7.27	12.25	3.25
19	HMT(I)	16.06	10.69	7.95	14.01	18.47
20	IL	248.84	335.00	380.55	379.69	241.36
21	REIL	27.25	36.15	64.25	184.04	100.9
22	SIL*	.....	.....	.....	.....	.....
23	CCI	24.36	21.46	16.38	27.36	26.01
24	HPC	213.76	144.28	134.31	412.84	473.74
25	HNL	.....	.....	.....	.....	.....
26	HPF	2.50	5.00	2.00	7.00	6.00
27	HSL	17.88	17.63	11.11	3.17	2.86
28	SSL	4.96	0.50	1.03	10.34	14.76
29	NEPA	95.00	97.00	63.70	108.00	
30	TCIL	0.00	0.72	3.63	9.85	3.75
31	EPIL	2131.26	4451.70	4434.20	4590.86	3383.83
32	NPPC	.....	.....	.....	.....	.....
	TOTAL	**109913.66**	**135258.54**	**163259.16**	**170507.47**	**130498.69**

*Goods are produced for stock & sale

Note: (I) 13 CPSEs namely, BPME, WIL,BBVL, 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.

(₹ in crore)

EXPORT PERFORMANCE OF CPSEs UNDER DHI

Sl. No.	PSEs	2008-09 (Actual)			2009-10 (Actual)			2010-11 (Actual)			2011-12 (Actual)			2012-13 (Anticipated)		
		Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total	Physical	Deemed	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	AYCL	3.30		**3.30**	1.33		**1.33**	1.95		**1.95**	1.19		**1.19**	2.50		**2.50**
2	BHEL	1794.00	6346.00	**8140.00**	1682.00	14527.00	**16209.00**	1408.00	16429	**17837.00**	1464.00	23525.00	**24989.00**	2490.00	18537.00	**21027.00**
3	BBUNL	0.11		**0.11**	0.02		**0.02**	0.11		**0.11**	0.00		**0.00**			**0.00**
4	BPCL	0.00	0.15	**0.15**		4.66	**4.66**	42.79	35.20	**77.99**		13.16	**13.16**		20.00	**20.00**
5	B&R	13.82	0.00	**13.82**	33.22		**33.22**	7.24		**7.24**	3.74		**3.74**	10.00		**10.00**
6	HEC		18.00	**18.00**				23		**23.00**				400.00		
7	HMT(I)	16.36	0.00	**16.36**	30.80		**30.80**	27.88		**27.88**	32.40		**32.40**	44.00		**44.00**
8	IL	1.01	9.80	**10.81**	0.67	16.32	**16.99**	0.22	21.60	**21.82**	0.19	34.86	**35.05**	0.20	40.00	**40.20**
9	REIL	0.81	1.97	**2.78**	0.02	2.60	**2.62**	0.04		**0.04**	0.26		**0.26**	0.50		**0.50**
10	SIL	0.43	0.00	**0.43**	0.24		**0.24**	0.25		**0.25**	0.59		**0.59**	0.75		**0.75**
11	HSL	0.79	0.00	**0.79**	0.28		**0.28**	1.03		**1.03**	0.59		**0.59**	1.21		**1.21**
	Total	**1830.63**	**6375.92**	**8206.55**	**1748.58**	**14550.58**	**16299.16**	**1512.51**	**16485.80**	**17998.31**	**1502.96**	**23573.02**	**25075.98**	**2949.16**	**18597.00**	**21146.16**

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.

Annexure-X

PAID UP CAPITAL, NETWORTH AND ACCUMULATED PROFIT(+)/LOSS(-) AS ON 31.3.2012 (Provional) OF THE CPSEs UNDER DHI

(₹ in crore)

Sl.No.	Name of CPSE	Paid up capital		Networth	Accumulated Profit (+)/Loss (-)
		Government/ Holding CPSE	Others		
1	2	3	4	5	6
1	AYCL	60.86	4.37	136.18	-39.18
2	HOOGHLY PTG	1.03		3.65	0.92
3	BHEL	331.51	158.01	25373.00	24883.00
4	BBUNL	120.86		121.72	0.86
5	BBJ	20.27		30.11	9.85
6	BHPV	33.79		-219.31	-253.13
7	BPCL	53.53		131.68	56.78
8	R&C	54.84		-372.87	-413.83
9	TSL	21.27		-665.71	-686.98
10	TSP	6.69	1.75	-339.82	-348.25
11	B&R	54.63	0.36	257.20	202.22
12	HCL	417.69	1.67	-4427.55	-4903.65
13	HEC	606.08		-171.77	-894.61
14	HMT(Holding Co.)	760.35	8.51	535.81	-667.54
15	HMT(Machine Tools)	719.60		-158.01	-900.32
16	HMT(Watches)	6.49		-1770.18	-1776.67
17	HMT(Chinar Watches)	1.66		-431.14	-432.80
18	HMT(Bearing)	37.71	0.24	-74.85	-112.56
19	HMT(International)	0.72		26.70	25.98
20	IL	146.05		-38.59	-166.67
21	REIL	6.00	6.25	47.66	35.41
22	SIL	51.01	2.47	-67.99	-121.57
23	CCI	769.65		-165.25	-961.67
24	HPC	662.70		674.78	-35.09
25	HNL	100.00		199.03	99.03
26	HPF	186.67	19.18	-9337.24	-9565.43
27	HSL	25.56		22.46	-11.54
28	SSL	1.00		-3.74	-15.77
29	NEPA	103.61	4.24	-558.01	-665.98
30	TCIL	29.63		7.13	-47.17
31	EPIL	35.42	0.0071	176.73	128.14
32	NPPC	11.39	0.63	-71.76	-83.93
	TOTAL:	**5438.27**	**207.69**	**8870.05**	**2337.85**

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.

Annexure-XI

Financial Package Inputs Sanctioned by the Govt. for Revival/ Re-structuring of CPSEs under DHI

As on 31.3.2012

(₹ in crore)

S.No.	CPSE	Fresh GOI funds		Waivers/ Conversions	GOI Guarantee	Total
		Capital Investment.	Other			
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. Ltd, 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., Kolkata	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
	TOTAL	**712.17**	**852.48**	**6141.19**	**625.64**	**8331.48**

Important Audit observations from Comptroller & Auditor General Audit Report for 2011-12 and 2012-13

Chapter - XIV of the Report No. 3 of 2011-12 and Chapter-IX of the Report No. 8 of 2012-13 is related to Department of Heavy Industry.

Bharat Heavy Electricals Ltd.

1. Non-recovery of perquisite tax

The Management of BHEL authorized payment of perquisite tax of ₹ 36.72 crore for providing housing accommodation, which was beyond the delegated powers of respective Board.

(Para No.14.1 Report No.3 of 2011-12)

2. Compliance of DPE Guidelines on Perquisites and allowances by CPSEs

In violation of DPE Guidelines, BHEL incurred an excess expenditure of ₹ 359.55 crore during the period 2001-02 to 2008-09 on payment of perquisites and allowances to their employees.

(Para No.14.3 Report No.3 of 2011-12)

Bharat Heavy Electricals Limited and Hindustan Paper Corporation Limited,

3. Recoveries at the instance of Audit

Non- realization of service tax on freight from customer by BHEL and undue benefit extended to the stockiest by supplying paper at lower rate than that finalized during the tendering process by HPCL.

(Para No.14.4 Report No.3 of 2011-12)

4. Avoidable expenditure due to inclusion of restrictive clause in tender documents

Due to acceptance/inclusion of restrictive clause in the tenders for boiler vertical packages, the Company deprived itself of the benefit of competitive rates and had to incur an avoidable expenditure of ₹ 27.77 crore.

(Para No.9.1 Report No.8 of 2012-13)

5. Extra expenditure due to non-diversification of the vendor base

The Company lost an opportunity to save ' 11.50 crore due to laxity on the part of the Management to add a known vendor to its vendor base.

(Para No.9.2 Report No.8 of 2012-13)

6. Extra expenditure due to inadequate system of cost estimation

Due to non adherence to its 'Works policy' and inadequacies in the system of cost estimation, Bharat Heavy Electricals Limited could not avail the benefit of competitive rates and incurred an avoidable expenditure of ₹ 8.64 crore in a work in Sudan.

(Para No.9.3 Report No.8 of 2012-13)

Abbreviations

AAIFR	Appellate Authority of Industrial & Financial Reconstruction
ACMA	Automotive Component Manufacturers Association
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
C-DOT	Centre for Development of Telemetric
ECCO	Electrical Construction Company
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
CPIO	Central Public Information Officer
CPLY	Corresponding Period Last Year
CSR	Corporate Social Responsibility
DOE	Department of Electronics
DGCIS	Director General of Commercial Intelligence and Statistics
EEC	European Economic Community
EFV	Environmentally Friendly Vehicle
EOT	Electrically Operated Trolley
EPC	Engineering Procurement and Construction
EPI	Engineering Projects (India) Limited

EEPC	Engineering Export Promotion Council
FBP	Fluidized Bed Combustion
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
ISRO	Indian Space Research Organization
ICGCC	Integrated Coal Gasification Combined Cycle
ICEMA	Indian Construction Equipment Manufacturers Asscoiation
IMTMA	India Machine Tools Manufacturers Association
JPML	Jagdishpur Paper Mills Limited
JVC	Joint Venture Company
JESSOP	Jessop Company Limited
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
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
MOEF	Ministry of Environment & Forests
MoPNG	Ministry of Petroleum & Natural Gas
MoSRT&H	Ministry of Shipping, Road Transport & Highways
MT	Metric Tonne
MUL	Maruti Udyog Limited
MVA	Mega Volt Amperes
MW	Mega Watt
NBCIL	National Bicycle Corporation of India Limited
NC	Numerically Controlled
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
NEMMP	National Electric Mobility Miss Plant
PSE	Public Sector Enterprise
PMMAI	Plastic Moulding Machinery Association of India
PPMAI	Process Plant and Machinery Association of India
PWD	Persons With Disabilities
PTL	Praga Tools Limited
R&C	Richardson & Cruddas (1972) Limited
RDSO	Research Design & Standard Organization
RIC	Rehabilitation Industries Corporation Limited
RSW	Radiation Shielding Window
RTI	Right to Information Act
SIAM	Society of Indian Automobile Manufacturers
SIL	Scooters India Limited
SIAT	Symposium on International Automotive Technology
SSL	Sambhar Salts Limited
SSI	Small Scale Industry
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
TSP	Tungabhadra Steel Products Limited
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organizations
VRS	Voluntary Retirement Scheme
VRDE	Vehicle Research Development Establishment
WIL	Weighbird (India) Limited.
WP	Working Party

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"


VOITH

CHAPTER

1 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, which suggested in its 73rd 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 by the erstwhile Bureau of Public Enterprises (now DPE) 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 Committee on Public Undertakings (COPU) furthermore, in their recommendations made in the 46th Report (5th Lok Sabha) had commented on various aspects, such as scope, coverage, classification of undertakings, contents of the report, time for presentation and other matters relating to the Public Enterprises Survey. These recommendations of COPU are also taken into account while preparing the Public Enterprises Survey.

1.5 The basic data for the Survey is received on-line from the various CPSEs, which is compared/ validated with the Annual Reports. The data so compiled is subsequently analyzed and presented by way of the report in two separate volumes.

1.5.1 **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, price policy, productivity, R&D, international operations, human resource development and welfare measures.

1.5.2 **Volume-2** contains an analysis of the performance of CPSEs in different sectoral groups, disaggregated further into individual enterprises. It also contains enterprises-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 2010-11

1.6 The Public Enterprise Survey (2010-11), which was the 51st report on the performance of CPSEs, was laid in both the Houses of Parliament in the Budget Session on 22nd March, 2012.

1.7 Performance of CPSEs, during the year 2010-11, is summarized below:

1.7.1 There were 248 Central Public Sector Enterprises (CPSEs) under the administrative control of various Ministries / Departments as on 31.3.2011. Out of these 248 CPSEs, 220 were in operation and 28 CPSEs have yet to commence business.

1.7.2 Out of the 220 operating CPSEs as many as 158 CPSEs showed profit during 2010-11 and 62 CPSEs incurred losses during the year.

1.7.3 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 ₹ 666848 crore in 248 CPSEs as on 31.3.2011. While the increase in 'investment' in all the CPSEs went up by 14.82% in 2010-11 over 2009-10, the increase in 'capital employed' went up by 4.57% 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.

1.7.4 The 'net profit' of profit making CPSEs (158) was ₹113770 crore in 2010-11. The 'net loss' of loss making enterprises (62) stood at ₹ 21693 crore during the year.

1.7.5 The CPSEs have to serve macro-economic objectives besides financial objective. The Food Corporation of India (FCI) and Artificial Limbs Manufacturing Corporation of India (ALIMCO) etc. are CPSEs that have been laying greater emphasis on non-financial / social objectives. The year was also witness to severe financial under-recoveries by public sector Oil Marketing Companies (OMCs) on sale of petroleum products in order to keep the prices low in the domestic market.

1.7.6 Major highlights of the performance of CPSEs during 2010-11 are given below:

Table 1 : Performance of CPSEs during 2010-11

(₹. in crore)

Sl. No.	Particulars	2010-11	2009-10	% change over previous year
1.	Investment (long term loan + equity)	666848	580784	14.82
2.	Capital employed (net fixed assets + working capital)	949499	908007	4.57
3.	Total turnover	1473319	1244805	18.36
4.	Profit of Profit Making CPSEs	113770	108434	4.92
5.	Loss of Loss Making CPSEs	21693	16231	33.65
6.	Net worth	715084	652993	9.51
7.	Dividend declared	35681	33223	7.40
8.	Corporate tax	43369	38134	13.73
9.	Interest paid	38997	36059	8.15
10.	Contribution to Central Exchequer	156124	139918	11.58
11.	Foreign Exchange Earnings	97004	84224	15.17

1.8 The compilation of information for Public Enterprises Survey 2011-12 is in progress, which will be placed in the Parliament in the Budget Session in February, 2013.

1.9 RFD Target :- Survey data, in a user friendly format was posted on DPE website on 26.03.2012 for 2010-11 PE Survey.

1.10 State Level Public Enterprises (SLPEs)

The State Level Public Enterprises (SLPEs) are instrumental in helping the States / UTs in achieving the socio-economic objectives. As most of the public utilities (infrastructure sectors) fall under the State List of the Constitution, the different states have made investment in electricity and other sectors through their SLPEs. SLPEs are also into finance and obtain refinancing facilities from apex organizations like NABARD, SIDBI, HUDCO, Backward Class

/ SC / ST Financial Corporations and on-lend to target groups / beneficiaries in their respective States / UTs at concessional rates. As promotional institutions, they are into development of dairy, poultry development, fisheries, HYV seeds, handicrafts, handlooms, power looms and leather works etc.

During the formulation of the 11th 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) on 16th May 2012.

The second National Survey is based on the data compiled (on-line) from the different SLPEs across the country. Out of the 849 SLPEs, as many as 579 SLPEs provided the information on the performance of their SLPEs. The work on the preparation of the 3rd National Survey on SLPEs covering two years of 2008-09 & 2009-10 is in progress.

1.11 Scheme in respect of Skill Development / Training of Executives & Employees in SLPEs

The Standing Committee of Principal Secretaries of Public Enterprises Department in States / UTS in its first meetings held on 10.12.2008, recommended that the Government of India should supplement the efforts of the State Governments in imparting training to the executives and employees of SLPEs for upgrading their skills in the relevant areas. A proposal was accordingly submitted by the Department of Public Enterprises (as a Plan Scheme) to the Planning Commission in the year 2009. The Planning Commission eventually provided a token amount of Rs. one crore for this Scheme in the Annual Plan 2012-13 of DPE. Three training programmes under this Scheme have been held at Bhopal, Delhi and Shimla till September 2012 respectively.

1.12 Scheme in respect of Research Development and Consultancy (RDC)

Under the DPE's Plan Scheme of RDC, Survey unit organized following workshops during 2011-12 (up to September 2012):

1.12.1 Meetings of the Standing Committee of Secretaries of Bureau of Public Enterprises (BPEs) in States / UTs were held in New Delhi on 27th & 28 April 2011 and again on 18th May, 2012 to discuss the issues related to :

(a) Approval of the broad outline of next National Survey on SLPEs which will cover the financial year 2008-09 & 2009-10.

(b) Corporate Governance Reforms.

(c) Implementation of MoU system in SLPEs.

(d) New Plan Scheme of Training of Executives & Employees of SLPEs.

1.12.2 Workshops on SLPEs were held at Chandigarh and Gangtok, Sikkim on the generic issues related to CPSEs & SLPEs on 11th & 12th August, 2011 and on 6th June, 2012 respectively. The topics discussed during the meeting included MIS, MoU system in SLPEs, Corporate Governance, CRR, wage negotiations and BRPSE.

1.12.3 A workshop for Central Public Sector Enterprises (CPSEs) was also organized in New Delhi, on 22nd August, 2012. The theme of this workshop was "Revised Data Sheet Format for PE Survey 2011-12, - consequent to Revised Schedule -VI".

CHAPTER 2 Autonomy to CPSEs

2.1 The endeavour of the Government is to make Central Public Sector Enterprises (CPSEs) autonomous board managed companies. Under Articles of Association, the Board of Directors of CPSEs enjoy autonomy in respect of recruitment, promotion and other service conditions of below board level employees. The Board of Directors of a CPSE exercises delegated powers subject to broad policy guidelines issued by Government from time to time. The Government has granted enhanced powers to the Boards of the profit making enterprises under various schemes like Maharatna, Navratna and Miniratna in the manner stated in the following paragraphs.

2.2 MAHARATNA SCHEME

2.2.1 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.

2.2.2 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), should be recognized as a separate class, i.e. 'Maharatna'. The higher category will act as an incentive for other Navratna companies, provide brand value and facilitate delegation of enhanced powers to CPSEs.

2.2.3 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.

2.2.4 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.

2.2.5 The procedure for grant of Maharatna status as well as their review is similar to that in vogue for the grant of Navratna status.

2.2.6 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 (Rs. 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 will have powers to create below Board level posts upto E-9 level.

2.2.7 Presently there are seven Maharatna CPSEs, viz. (i) Bharat Heavy Electricals Limited, (ii) Coal India 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. Bharat Heavy Electricals Limited and GAIL (India) Limited have been granted Maharatna status during the year 2012-13.

2.3 NAVRATNA CPSEs

2.3.1 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

2.3.2 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 by purchase or other arrangements, technology and know-how.

(iii) **Organization Restructuring:-** The Navratna CPSEs have the powers to effect organizational restructuring including establishment of profit centers, opening of offices in India and abroad, creating new activity 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 5 days' duration (other than study tours, seminars, etc.) in emergency under intimation to the Secretary of the administrative Ministry.

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

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

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

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

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

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

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

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

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

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

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

2.3.4 The proposals for grant of Navratna status to Engineers India Limited, NHPC Limited and Rashtriya Chemicals & Fertilizers Limited are under consideration.

2.4 MINIRATNA SCHEME

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

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

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

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

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

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

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

2.4.2 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 ₹ 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 ₹ 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 networth of the CPSE.

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

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

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

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

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

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

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

2.4.4 Presently, there are 68 Miniratna CPSEs (52 Category-I and 16 Category-II). The list of these 68 Miniratna CPSEs is enclosed at ***Appendix- II.***

2.4.5 The concerned administrative Ministries/ Departments have been requested to undertake an exercise to ensure that the existing Miniratna CPSEs under their respective administrative control continue to fulfill the laid down criteria.

2.5 Other profit making CPSEs

2.5.1 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 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry. In all other cases including those of Chief Executive, tours abroad would continue to require the prior approval of the Minister of the Administrative Ministry/ Department.

2.6 Meeting of Hon'ble Prime Minister with Chief Executives of select CPSEs on 23rd October, 2012

2.6.1 Following the initiative taken by Minister of

Meeting of Hon'ble Prime Minister with Chief Executives of select CPSEs on 23rd October, 2012

heavy Industries and Public Enterprises, a meeting of Chief Executives of more than 20 CPSEs with Hon'ble Prime Minister was held on 23rd October, 2012.

2.6.2 In the meeting, important issues concerning CPSEs were presented before Hon'ble Prime Minister. The Prime Minister complimented the Minister of Heavy Industries and Public Enterprises for taking up this initiative and desired that this interaction may be made a regular feature. The Prime Minister asked the Cabinet Secretary to take up all personnel and operational issues of the CPSEs to ensure that these are resolved and asked CPSEs to use their surplus funds for the benefit of their company as well as for the economy. The Prime Minister asked the CPSEs to focus on increasing efficiency of operations and aim for achieving world class competencies and emphasized that innovation in the use of technology, human resource, and managerial skills, which are essential for creation of a culture of dynamism should become the dominant concern of the Boards of PSUs.

2.6.3 As a follow-up to the above meeting, Cabinet Secretary held meetings with Chief Executives of Coal & Power Sector, Oil & Gas Sector and Iron, Steel & Commerce Sector on 7th November, 2012.

2.6.4 The action points emerging from above meetings have been forwarded to concerned Ministries for early resolution and the action being taken in this regard is being reviewed.

CHAPTER

3 Corporate Governance and Professionalization of Boards of Central Public Sector Enterprises (CPSEs)

3.1 Background

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

3.1.2 Keeping in view the importance of Corporate Governance principles in ensuring transparency and enhancing the trust of stakeholders, the Government had, in 2007, approved the Guidelines on Corporate Governance for CPSEs. These guidelines were formulated by DPE keeping in view relevant laws, instructions and procedures. These Guidelines, after approval by the Cabinet, were released by the then Finance Minister on 22nd June, 2007. The Cabinet while approving the implementation of the Guidelines for an experimental phase of one year had directed that (i) any adjustments required in the Guidelines be made in the light of the experiences gained with the approval of competent authority; and (ii) mid-year progress reports be submitted by the CPSEs.

3.1.3 Since the issue of these Guidelines in June, 2007, the CPSEs have had the opportunity to implement them for the whole of the financial year 2008-09. It was felt that while the principles of Corporate Governance apply equally to both the public and private sector, there was a continued need to adopt and apply the good Corporate Governance practices in respect of CPSEs where huge public funds are invested. The continued need for adoption of good Corporate Governance principles has been reinforced in the light of recent events in the corporate world. Thus, 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 CPSEs on mandatory basis was approved by the Government in March, 2010.

3.1.4 These Guidelines have now been made mandatory and are applicable to all CPSEs. 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 to bring them in line with prevailing laws, regulations, acts, etc. from time to time.

3.1.5 The salient features of these guidelines are as under.

3.2 Composition of Board

3.2.1 In respect of the Board composition, these Guidelines provide that the number of functional Directors should not exceed 50% of the actual strength of 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.

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

3.3 Audit Committee

3.3.1 The provisions relating to Audit Committee require a qualified and independent Audit Committee to be set up by CPSEs with minimum three Directors as members. Further, two-thirds of the members of this Committee should be independent Directors with 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.

3.4 Subsidiary Companies

3.4.1 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.

3.5 Disclosures

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

3.6 Compliance

3.6.1 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.

3.6.2 During the year 2012, DPE had organized an Interactive Session with Company Secretaries of all CPSEs to discuss issues related to Compliance of Guidelines on Corporate Governance of CPSEs. Thereafter, DPE had constituted a Committee of Company Secretaries of select CPSEs to review the format for grading CPSEs on the basis of their compliance with Guidelines on Corporate Governance for CPSEs and on the basis of recommendations of this Committee, the format for grading the CPSEs has been revised during the year and for the year 2011-12, the grading would be finalized on the basis of new format.

3.7 Professionalization of Boards of CPSEs

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

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

(A) 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.

(B) Criteria of Educational Qualification

Minimum graduate degree from a recognized university.

(C) Criteria of Age

The age band should be between 45-65 years (minimum/maximum limit)

This could, however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

3.7.3 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.

3.7.4 During the year 2012 (till October, 2012), the proposals for filling up 151 positions of non-official Directors on the Boards of 76 CPSEs were considered and suitable recommendations were conveyed to the concerned administrative Ministries/ Departments.

3.7.5 DPE has taken the initiative to prepare role & responsibilities of non-official Directors appointed on the Boards of CPSEs and entrusted this task to 'The Chartered Accountants of India (ICAI)'. The draft report has been received from ICAI and comments from stakeholders are being obtained in this regard.

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

3.7.7 During the year, DPE has issued guidelines prescribing the model bond to be executed by all full time functional Directors/ MDs/ CMDs of all CPSEs regarding restrictions on top level executives of CPSEs joining private commercial undertakings after retirement. The CPSEs would secure this bond from the concerned persons for an appropriate sum of money payable by them as damages for any violation of the laid down restrictions in this regard. This bond was finalized by DPE in consultation with CVC and vetting by Ministry of Law & Justice.

Chapter

4 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 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.
- Powers delegated to the Boards of Maharatna and Navratna enhanced and enhanced powers available 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 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 Rs. 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.

(iv) Allocation of financial resources for running the separate Cell.

(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

5.1 The MoU System

5.1.1 MOU is a mutually negotiated agreement between the management of the CPSEs and the Government of India. Under this agreement, the enterprise undertakes to achieve the targets set in the agreement at the beginning of the year.

5.2 Objectives:

5.2.1 To improve the performances of public sector enterprises by increasing autonomy and accountability of the management.

5.3 Genesis of the MoU system in India :

5.3.1 The system of Memorandum of Understanding (MOU) was initiated on the recommendations of the Arjun Sengupta Committee (1984) which was set up to review the policy on Central Public Sector Enterprises (CPSEs). While examining the recommendations of the Committee, the Group of Ministers in their meeting held in December, 1985 decided that performance evaluation of CPSEs should be done by the Government on the basis of Memorandum of Understanding. In accordance with this decision, four (4) Central Public Sector Enterprises (CPSEs) signed the MOUs with their respective Ministries for the year 1987-88.

5.3.2 The MOU system was given broader thrust by the Government after the announcement of the New Industrial Policy of 1991 wherein it was highlighted that more and more CPSEs should be brought under its ambit. It was mentioned in the policy statement:-

"There will be greater thrust on performance improvement through the Memorandum of Understanding (MOU) system through which managements would be granted greater autonomy and will be held accountable. Technical expertise on the part of the Government would be upgraded to make the MOU negotiations and implementation more effective."

5.3.3 In view of the above policy statement, the scope of MOU system has been extended to all CPSEs over a period of time.

5.4 NCAER study on MoU and Performance Evaluation

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

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

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

5.4.3 Moreover, while the above mentioned principal components were recommended to be the same for all CPSEs, the individual items/ suggested as criteria for performance evaluation under each of these principal components were indicated to be different for different CPSEs classified as (a) 'social sector',(b) 'financial sector', (c) 'trading and consulting sector' and (d) 'other than financial trading/consulting and social sector'. Besides the above, the new approach allowed discretion to the Task Force to change the weights of the different components included under 'dynamic', 'enterprise-specific' and 'sector-specific' parameters depending on their perception of the CPSE under consideration. The recommendations of the NCAER were subsequently accepted by the Government and the new methodology for setting up performance targets came into force from financial year 2004-05.

5.5 Institutional Arrangement for Implementation of MoU Policy

5.5.1 The High Power Committee (HPC) is a Committee of Secretaries (COS) set up by the Government as the Apex Committee to assess the performance of MOU signing CPSEs with reference to the commitments made by them in the MOU and also to assess how far the Administrative Ministries/Departments have been able to give the necessary support as committed by them in the MOU. HPC is headed by Cabinet Secretary. Secretary, Department of Public Enterprises is the Member-Secretary of this committee. At the apex of this institutional arrangement is the High Power Committee (HPC) consisting of following members:

1. Cabinet Secretary, Chairman
2. Finance Secretary, Member
3. Secretary(Expenditure), Member
4. Secretary(Planning Commission), Member
5. Secretary(Statistics & Programme Implementation), Member
6. Secretary, Performance Management, Member
7. Chairman (Public Enterprises Selection Board), Member
8. Chairman, Tariff Commission
9. Chief Economic Adviser, Member
10. Secretary(Public Enterprises), Member-Secretary

5.6 Task Force on MoU

5.6.1 The Committee of Secretaries, in its meeting held on 26th December, 1988 decided to constitute a Task Force for determining the parameters and weights and also for evaluation of performance of the CPSEs. The Members of the Task Force are ex-Civil Servants, ex-Chief Executives of CPSEs, Professionals and academicians from relevant disciplines. The Task Force is further divided into different groups called Syndicate and each of the Syndicate is entrusted with the tasks relating MoU of CPSEs of a particular sector.

5.6.2 In order to lend greater technical and professional expertise as well as diverse and rich experience to Task Force on MoU for the year 2012-13, CPSEs were categorized into 12 syndicates in total; each syndicate normally having 5-6 members comprising Convenor - (Senior most among the members), SD expert, Finance/ CA expert, CSR expert, R&D expert and HRM expert. There are 68 Task Force members and one Chairman for the year 2012-13.

List of 12 Syndicates are as follows:-

1. Agriculture, Fertilizers, Chemicals & Pharma

2 : Steel and other Minerals

3 : Crude Oil, Gas and Petroleum

4 : Engineering, Transport Equipment and Consumer Goods

5 : Energy, Power Generation and Transmission

6 : Trading & Marketing

7 : Contract and Consultancy

8 : Transport and Tourism

9 : Electronics, Telecommunications & Information Technology

10 : Section 25 CPSEs & Financial Services

11 : Sick and Loss Making–I

12 : Sick and Loss Making-II

5.7 Revision of Targets

5.7.1 The revision of targets is sought by some of the CPSEs on account of various reasons. While evaluating the MoU performance for the year 2004-05 and 2005-06, the Task Force noticed that a large number of CPSEs had sought downward revisions of their MoU parameters/ targets due to various factors. This was viewed as not a healthy trend as it amounted to re-fixing of targets when the achievement for the year was known. This was also viewed as against the spirit of the MoU system, which is basically an agreement between the management of the CPSE and the Department of Government of India under which the enterprise undertakes to achieve the targets set for different parameters at the beginning of the year. Once the MoUs are signed, any 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 the CPSE(force majeure type situation) , the power to permit offsets based on the recommendations of DPE/Task Force will continue to remain with the High Power Committee(HPC) on MoU.

5.7.2 In order to discourage this un-healthy trend and to make the system of fixation of MoU targets more realistic, the Chairman and Convenors of the Task Force had recommended that those CPSEs should not be entitled for any kind of award including 'excellence certificates' if the evaluation of its MoU performance was based on downward revision of targets. The HPC also in its meeting dated 18.08.1989 had decided that "MoU targets and Annual Plan Targets should be the same and that they should not be changed during the course of the year". As such, once the MoUs are signed, revision of targets is not permitted.

5.8 Exemption from MoU

5.8.1 In the 13th Meeting of High Power Committee (HPC) on MOU held on 09.08.1995, it was decided that henceforth Administrative Ministries/Departments with the consent of the concerned Secretary will have to take prior approval of HPC through Department of Public Enterprises, if they desire to opt out of the system in a particular year for specific reasons . This procedure will apply to all the CPSEs irrespective of whether they are profit making, loss making or sick.

5.8.2 Over the years it was noticed that a larger number of CPSEs were seeking exemptions from signing of MoU. Hence HPC had taken the following decisions with regard to the signing of MoUs:

(i) All CPSEs including sick and loss making CPSEs would sign MoU with the Ministries/ Departments concerned by 31st March every year. In case, CPSEs do not sign or delay in signing, their performance will be rated as "Poor" and the same should be reflected in the Annual Confidential Reports (ACRs) of Chief Executive of CPSE concerned. There will be no exemption of any CPSE from the MoU.

(ii) The Subsidiary Companies will sign MoUs with the Holding Companies on the same lines as MoU is signed between a CPSE and Government of India. The Task Force will finalize and evaluate the MoUs in respect of Subsidiary CPSEs also. The MoU formats will remain the same for all CPSEs including the subsidiaries.

5.9 Guidelines on MoU 2013-14

5.9.1 DPE has been introducing new initiatives in recent years to make MoU system progressive, dynamic and robust. The suggestions/recommendations of the Task Force Members in the Wrap Up Meeting of the last year's MoU 2012-13 exercise have been examined in DPE and the Guidelines for signing MoU for this year 2013-14 has been prepared accordingly , the salient features of which are as under:

a. 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 will make recommendation to DPE for permission to exempt from signing MoU and DPE will take a final decision.

b. To determine the basic target (BT) for parameters like Gross Sales, Turnover, Gross Margin, Net Profit, Net Worth, the actual achievement of past 5 years (Annexure-VIII) and factors such as capacity and its expansion, business environment, projects under implementation and Company's growth forecast should be considered. Basic financial targets should be generally determined by projecting an ambitious growth over achievement or targets of the previous year, unless there was a bad performance in the previous year.

In such cases of bad performance, a realistic and achievable target considering an average of the last 3 years' actual performance could be taken as basic target. The targets for other financial parameters and management ratios can then be derived.

c. "Human Resource Management" remains an element under the 'Non-financial parameters". The present Template for HRM is perceived to be very lengthy. Therefore, the Task Force in consultation with CPSEs during the negotiation meetings will decide the HR Parameters which are relevant and significant for better performance and efficiency of the CPSEs.

d. In the MoU for 2013-14, "Compliance of Corporate Governance" will not be a mandatory parameter included under the 'Non-financial parameters". However, for non-compliance of serious nature, negative marking will be imposed by the Task Force during evaluation.

e. Compliance of selected few DPE instructions/guidelines, introduced in MoU of 2012-13 with mandatory weight of 5, will not continue to be mandatory elements in MoU 2013-14 for CPSEs universally. However, Task Force may include one or some of these as targets on need basis, wherever found to be relevant and beneficial for CPSEs.

f. A new clause regarding Pre Negotiations Meeting of Task Force members which will start in December 2012 have been added in MoU 2013-14. In December 2012, after the receipt of the draft MoUs from the CPSEs, the Task Force could hold internal meetings to discuss among themselves and list out the observations, queries, doubts, etc. and seek requisite information and details from the respective CPSE through DPE. Before the negotiation meeting, the CPSE should send their response to the DPE .The intention is to make the meeting and discussion focussed and purposeful.

g. In addition to the financial performance of the CPSEs, quantifiable physical targets are very significant because they reflect productivity and efficiency of a CPSE. The Task Force will ensure that adequate weightage is assigned to physical targets in MoU of CPSE.

h. As per MoU Guideline 2013-14, Audited data (Audited Accounts), Balance Sheet, Profit and Loss Account of the CPSE in revised Schedule VI as well as pre-revised Schedule VI, duly certified by auditors has to be submitted by the CPSEs, for specific purposes of MoU evaluation because financial parameters and targets in MoU 2012-13 were finalized based on the earlier Schedule-VI requirements.

DPE constituted a Working Group headed by Chairman Task Force to review the existing MoU System. The report given by the Committee is available in the DPE website (http://www.dpemou.nic.in/). The Committee held consultations with CPSEs, syndicate members, experts and those involved in or familiar with the MoU system. It identified issues which would have a bearing on the system and its efficiency, and considered a range of options, holistically for strengthening and improving the system. The recommendations are under examination.

5.10 Performance Evaluation under the MoU System

(i) Evaluation of MoU of the enterprises is done at the end of the year by the MoU Task Force on the basis of actual achievements vis-à-vis the MoU targets

(ii) The composite score is worked out by taking into account the actual achievements and the weights assigned to that parameter on a 5-point scale.

5.11 Excellence Awards under MoU system

5.11.1 The MOU is based on the premise that to improve performance it will not suffice merely to have a system of objective Performance Evaluation. It is also necessary to reward good performance through a Performance Incentive System. This incentive system can take two forms, i.e., monetary and non-monetary.

5.11.2 The Jagannath Rao Committee (Second Pay Revision Committee) has recommended that, MoU performance evaluation will be the one of the basic criteria for Performance related pay, which is directly linked with the MoU performance. The Government has accepted this recommendation. The signing of MoU by the CPSEs with their parent Ministries/ Departments/ Holding Companies have been made mandatory for making them eligible for performance related pay/variable pay. The MoU rating will also form 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 will be not be eligible for PRP irrespective of the profitability of the CPSE.

5.12 MoU Excellence Awards

5.12.1 The non-monetary incentive is in the form of MoU Excellence Award. Apart from providing an incentive for the Chief Executives of the Public Sector Enterprises towards achieving excellence in their performance, these MoU awards are an expression of commitment of the policy makers to the CPSE and the MoU system.

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

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

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

(iii) The composite score of the CPSE should not be more than 2.00.

5.12.3 The report of the N.K.Sinha Committee was considered by the HPC in its meeting dated 27.7.2007 and the following decisions were taken w.e.f. 2006-07 onwards:

(i) There would be MoU evaluation of CPSEs only once during the year based on audited figures. Those CPSEs who do not submit self evaluation score based on audited accounts to DPE by 31st August will not be eligible for the Award.

(ii) The MoU composite scores and ratings should be prepared and finalized by the Syndicate Group concerned of the Task Force.

(iii) Once the MoUs are signed between the CPSEs and the Departments, no revision of targets will be permitted.

(iv) The existing system of equal weightage of 50% each to financial and non-financial parameters in MoU, which is based on NCAER Report should continue for the time being.

(v) The total number of Awards will be 12 (1 from each of 10 Syndicates, 1 from the listed CPSEs, 1 from amongst the turnaround sick and loss making Enterprises). All other excellent performing CPSEs will get merit certificates.

(vi) Three basic principles for selection of CPSEs for MoU Excellence Awards as laid down by HPC in its meeting dated 10th March, 1995 should be continued.

(vii) As the excellent grading has a range of 1 to 1.5, CPSEs getting a composite score upto 1.5 will be eligible for MoU Excellence Awards and Certificates.

(viii) Compliance of Corporate Governance should also be included as one of the criteria for consideration of the awards in all the 3 categories for the year 2007-08 onwards.

5.13 MoU Excellence Awards for the year 2009-10:

5.13.1 MoU Excellence Awards Presentation Ceremony for the year 2009-10 was held on 31st January, 2012 at Vigyan Bhavan, New Delhi., Dr. Manmohan Singh, Hon'ble Prime Minister of India presented MoU Excellence Awards for 2009-10 to 12 Central Public

Year	No. of MOU's signed	Year	No. of MOU's signed
1987-88	4	2006-07	113
1991-92	72	2007-08	144
2001-02	104	2008-09	147
2002-03	100	2009-10	197
2003-04	96	2010-11	202
2004-05	99	2011-12	197
2005-06	102	2012-13	195

Sector Enterprises, who have shown exceptional performance on the Memoranda of Understanding (MoU) signed with the Administrative Ministries.

MoU Excellence Certificates for the year 2009-10 were awarded to 43 CPSEs.

5.14 Coverage of CPSEs under the MoU System:

5.15 Performance of the MoU signing CPSEs:

5.15.1 The actual performance of the MoU signing CPSEs is evaluated w.r.t. the targets fixed at the beginning of the year and they are rated as Excellent, Very Good, Good, Fair and Poor as per their performance. The ratings secured by the CPSEs during the last 7 years and their performance are as under:-

Rating	No. of Public Sector Enterprises						
Year	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**
Excellent	45	49	46	55	47	73	67
V.Good	31	32	37	34	34	31	44
Good	12	15	13	15	25	20	24
Fair	10	06	06	08	17	20	24
Poor	01	00	00	00	01	01	02
Total	99	102	102	112	124	145	161

CHAPTER

6 Permanent Machinery of Arbitration (PMA)

6.1 Permanent Machinery of Arbitration has been set up in Department of Public Enterprises for resolving commercial disputes, between CPSEs inter-se as well as between a CPSEs and a Central Government Department/ Ministry/Banks/Port Trusts (except tax matters and Ministry of Railway) in 1989 with the approval of Cabinet on the recommendations of Committee of Secretaries (COS) in compliance of directions of Hon'ble Apex Court in the case of ONGC v/s Collector of Central Excise, Mumbai vide OM dated 29.3.1989 and 30.6.1993.

6.2 PMA guidelines were revised time-to-time and lastly on 22.1.2004. 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 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. No appeal can be made in any Court of Law/Tribunal against the decision of Secretary (Law).

6.4 There is only one Arbitrator in the PMA, 385 cases have been referred to the Arbitrators of PMA, out of which Awards in 271 cases have been published while 20 cases are sine die. 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.

6.5 The Department of Public Enterprises monitors the implementation of the Award of the Arbitrator time-to-time.

Chapter 7

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 wage settlement of workmen, pay revision of non-unionized supervisors and executives holding posts below the Board level as well as at the Board level in CPSEs. The Department renders advice to the Administrative Ministries/ Departments and the CPSEs in matters relating to the wage policy of workmen and revision in the scales of pay of the executives. The CPSEs are largely following Industrial Dearness Allowance (IDA) pattern scales of pay. In some cases 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 had been 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 248 CPSEs (excluding Banks, Insurance Companies and newly set up CPSEs), as on 31.03.2011 under the administrative control of the Central Government. They employed approximately 14.44 lakh workmen, clerical staff and executives. Out of this, around 96% of the workmen and executives are on IDA pattern and related scales of pay. The remaining employees are on CDA pay pattern, deputation etc.

7.3 Second Pay Revision Committee

7.3.1 As the periodicity of previous pay revision was coming to an end, the Second Pay Revision Committee (2nd PRC) headed by Mr. Justice M. Jagannadha Rao, retired judge of Supreme Court, for the revision of scales of pay of Board level and below Board level executives including non-unionized supervisors of CPSEs following Industrial Dearness Allowance (IDA) pattern scales of pay w.e.f. 01.01.2007, was constituted vide the Government of India Resolution dated 30.11.2006. The IInd PRC submitted its report to Government on 30.05.2008. The Government, after due consideration of the recommendations of the 2nd PRC issued orders on 26.11.2008 and 09.02.2009. The salient features of these orders are as follows:-

i) Pay scales ranging from ₹ 12,600-32,500 for E-0 grade and to ₹ 80,000-1,25000 for Chief Executives of schedule 'A' CPSEs.

ii) A uniform fitment benefit @ 30% on basic pay plus DA @ 68.8% 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) PRP ranging from 40% to 200% of the basic pay.

vi) Superannuation benefits upto 30% of basic pay.

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.

ix) The CPSE concerned have to finance pay revision from their own resources and no budgetary support will be provided.

x) 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/ problem that may arise in implementation of Governments orders on the recommendation of 2nd PRC.

xi) DPE will issue necessary instructions/ clarifications whenever required in implementation of the decision on pay revision.

7.3.2 Subsequently, a Committee of Ministers headed by the then Home Minister looked into the demands of the executives of Oil & Power Sector CPSEs. Based on the recommendations of the Committee of Ministers, government issued orders on 02.04.2009 to extend the following additional benefits:-

i) Benefit of merger of DA with basic pay for the purpose of fitment raising it from 68.8% to 78.2%.

ii) Superannuation benefit upto 30% of basic pay + DA instead of basic pay alone.

iii) Limiting the expenditure on infrastructure to recurring cost of running the facilities with a ceiling of 10% of basic pay.

iv) 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.

v) These benefits to be extended to all CPSEs. Benefits as given in these O.Ms to be viewed as a total package. No change need be made in O.Ms dated 26.11.2008 and 09.02.2009.

7.4 Recommendations of Anomalies Committee

7.4.1 In terms of the provision of Anomalies Committee under DPE O.M. dated 26.11.2008, certain issues have been considered by the Anomalies Committee and DPE has issued orders accordingly. The issues covered are (i) Pay etc. of Government officers on deputation to CPSEs, (ii) Self Lease, (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' that have been provided in DPE guidelines and (x) not to include 'under recoveries' in PBT for the purpose of calculating PRP.

7.5 Wage Revision for Workmen under IDA pattern

7.5.1 DPE vide O.Ms dated 9.11.2006 and 01.05.2008 has issued policy guidelines for the 7th Round of Wage Negotiations (which was on a general basis from 01.01.2007) with the unionized workmen of CPSEs. The guidelines are broadly similar to the earlier policy on the Sixth Round of Wage Negotiations. The guidelines also provide that administrative Ministries/ Departments may take a decision on a case by case basis for the periodicity of wage settlement within 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 CDA pattern pay scales are applicable to some of the clerical staff, unionized cadres and executives of the 69 CPSEs who were on the rolls of these 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.Ms 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 Important policy guidelines issued during the period 2011-12

i) The issue of sanction of foreign tour programme of Chief Executives and Functional Directors was reviewed and DPE vide O.M. dated 20.07.2011, inter alia, clarified that status-quo as indicated in O.M. dated 24.08.2007 to be maintained.

ii) DPE vide O.M. dated 20.07.2011 allowed administrative Ministries/ Departments to create 'Common Corpus' for the retired employees of CPSEs under their administrative control in the light of DPE O.M. dated 08.07.2009.

iii) DPE vide O.M. dated 30.05.2011 issued guidelines to be followed by employees of CPSEs/Association/Trade Unions etc. while sending their representations on wage/pay related issues.

iv) Based on the recommendations of Anomalies Committee, DPE vide O.M. dated 01.06.2011 has clarified that 'NPA' will not to be considered as pay for the purpose of calculation of other benefits and no other allowance or perks will be kept outside the 50% ceiling except the four allowances that have been provided in DPE O.M. dated 26.11.2008.

v) DPE vide O.M. dated 20.03.2012 conveyed administrative Ministries/ Departments to issue suitable guidelines to the CPSEs under their administrative control regarding rate for recovery of rent on lease/self-lease accommodation.

7.8 Highlights of the year 2012-13 (Upto September, 2012)

(i) Two workshops on Performance Management System (PMS) were held for Miniratna and Profit making CPSEs at Mumbai on 04.05.2012 and Vishakapatnam on 31.08.2012.

(ii) One workshop on Pension Scheme was held at Hyderabad on 19.11.2012 for Maharatna and Navratna CPSEs.

(iii) The issue of additional remuneration for handling additional charge and higher PRP for discharging additional responsibilities of a higher post was examined and DPE vide O.M. dated 31.05.2012 issued suitable guidelines, inter alia, clarifying that no higher rate of PRP would be applicable for Board level executive for holding additional charge.

(iv) DPE vide O.M. dated 29.06.2012 has reiterated and clarified that no other allowances / benefits / perks is outside the ceiling of 50% of basic pay.

CHAPTER

8 Categorisation of CPSEs

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

8.2 The initial categorization of CPSEs in the mid-Sixties was made on the basis of their importance to the economy and complexities of their problems. Over the years the Department of Public Enterprises 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 (as on 15.11.2012) there are 61 Schedule 'A', 70 Schedule 'B', 46 Schedule 'C', 4 Schedule 'D' and 68 uncategorized CPSEs. The schedule-wise list of CPSEs is given in **Appendix-III.**

8.3 During the year, one CPSE (ONGC Videsh Limited) has been upgraded from Schedule 'B' to 'A' and one CPSE (Delhi Police Housing Corporation) has been categorized as a Schedule 'C' CPSE. Apart from this, 3 posts of Functional Directors were created (Joint Managing Director in Air India Ltd. and Director (Finance) & Director (Production and Planning) in Orissa Minerals Development Company Ltd.) and one Chief Executive of a CPSE (National Film Development Corporation Ltd.) was given higher scale of pay on personal basis.

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 6th 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 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 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 During the period October, 2011 to September, 2012, BRPSE held 9 meetings and considered the cases of 24 CPSEs **(Appendix-IV)** which include 2 fresh proposal of revisited case of HMT Ltd. and North Eastern Handicrafts & Handlooms Development Corporation Ltd. The Board has recommended a revival package for their revival as a CPSE to the Government. The Board reviewed the status of implementation of recommendations of 7 CPSEs and implementation of approvals of Government of 14 CPSEs. The Board reviewed the performance and outlook of 3 CPSEs suo moto.

9.5 Since the inception of BRPSE and till September, 2012, the Board has given its recommendations in respect of 62 CPSEs. The recommendations of BRPSE in respect of the

S. No.	Category	No. of PSEs
1	Revival through restructuring package	46
2	Revival through take over by State Govt./ joint venture with PSEs/ Disinvestment	8
3	Revival through merger/takeover	5
4	Closure	3
	Total	**62**

62 PSEs **(Appendix-V)** fall under the following broad categories:

9.6 BRPSE, besides giving recommendations on sick PSEs, has also recommended scheme for attracting Top Managerial Talent to sick PSEs 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, relaxation in recruitment rules for Board level appointees in sick CPSEs.

9.7 Out of the 62 cases recommended, Government have approved proposals for revival of 43 cases of CPSEs and closure/ winding up of 2 CPSEs. **(Appendix-VI)**

9.8 Out of the 43 CPSEs approved for revival, 24 CPSEs posted profit during 2010-11. 15 CPSEs posted profit consecutively for 3 or more years after approval by Government.

9.9 BRPSE had conducted "BRPSE Turnaround Award: 2011" on 14.11.2011 to felicitate 2 turnaround sick CPSEs i.e. Andrew Yule & Co. Ltd. and Hindustan Prefab Ltd. and "BRPSE Turnaround Award: 2012" on 29.6.2012 to felicitate 2 turnaround sick CPSEs i.e. Konkan Railway Corporation Ltd. and Hindustan Copper Ltd. BRPSE also organized on 7.12.2011 an Interactive session on "Restructuring & Strengthening of CPSE" in Bhopal inviting chief Executives of sick/loss making CPSEs as well as Maharatna/ navratna/miniratna CPSEs of that region.

CHAPTER

10 Counselling, Retraining and Redeployment (CRR)

10.1 Attempts to restructure Central Public Enterprises at the macro and micro levels have at times necessitated rationalization of manpower. In some cases it has affected the existing manpower due to shift in technology preference and changed manpower requirements. The policy of the Government has been to implement reforms with a human face and provide adequate safety net for the workers adversely affected by efforts at right sizing the organizations.

10.2 Realizing the need to have a safety net for the separated employees, Government had established the National Renewal Fund (NRF) in February 1992 broadly to cover the expenses of VRS and to provide retraining to the workers in the organized sector. The retraining activity was administered by the Department of Industrial Policy & Promotion. However, in February 2000, due to various reasons NRF was abolished. Since 2001-02, the Scheme for Counselling, Retraining and Redeployment (CRR) of separated employees of CPSEs is being implemented by the Department of Public Enterprises (DPE). CRR Scheme was modified in November, 2007 in order to widen its scope and coverage. Under the modified CRR Scheme, one dependent family member of VRS optee is also eligible to avail the benefits of the scheme in case the VRS optee himself / herself is not interested.

10.3 The CRR Scheme inter-alia aims to:

- reorient separated employees through short duration programmes.
- equip them for new vocations.
- engage them in income generating wage/self-employment.
- help them rejoin the productive process for the growth of economy.

10.4 The main elements of the CRR programme are Counselling, Retraining and Redeployment. Counselling helps the separated rationalized employees to cope with the trauma of having to prematurely leave the organization, to properly manage their funds including compensation, and to motivate them to face challenges in professional life and re-join the productive process. Similarly, 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 intention is to impart training through classroom lectures and also through field experience / site visits. In the process, trainees interact with experts from various fields and are helped in preparation/finalization of project reports. It is expected that the retraining would lead to redeployment mostly through self-employment. In the present scheme, the objective is to maximize the prospects of self-employment. The nodal agencies, therefore, provide need-based support, facilitate linkage with credit institutions and continuously follow up with the retrained personnel.

10.5 The nodal training agencies are required to counsel VRS optees, impart training and reorientation, develop curriculum /materials, prepare feasibility report, conduct market surveys, pursue post-training follow up, facilitate interface with credit institutions, provide support in self employment and maintain regular liaison with CPSEs.

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

10.7 In 2011-12, a Plan Fund of ₹ 8.90 crore was allocated. During the year, 11 nodal agencies were operational with 49 Employees Assistance Centres (EACs) located all over the country. Year wise number of persons trained under the scheme is shown as under:-

Year	No. of persons trained
2001-02	8064
2002-03	12066
2003-04	12134
2004-05	28003
2005-06	32158
2006-07	34398
2007-08	9728
2008-09	9772
2009-10	7400
2010-11	9265
2011-12	9400
Total	**172388**

10.8 A list of operating nodal agencies (2011-12) is given at **Appendix-VII.**

10.9 In order to evaluate the performance of nodal agencies, DPE is considering to engage a third Party Assessment Agency (TPAA) in the year 2012-13.

10.10 During 2012-13, 15 nodal agencies are operational with 56 employees Assistance Centres (EACs) located in many parts of the country. RFD target of Identification of agencies and setting up of EACs were achieved on 14.06.2012.

10.11 A physical target of 8000 has been set for the year 2012-13, against which 1732 VRS optees were trained and training for 2343 VRS optees was in progress as on 30.09.2012.

Chapter 11

Voluntary Retirement Scheme (VRS)

11.1 In view of the ongoing restructuring in industry including CPSEs, several measures for reforms and restructuring of CPSEs have been taken up by the Government. Right sizing of manpower in the CPSEs is one of the measures adopted. In this process, the Voluntary Retirement Scheme, (initially announced in October, 1988 for the first time) was further liberalized and a comprehensive package was notified by DPE in May, 2000 in order to cater to the need of the CPSEs to meet their objectives and also to protect the interest of the workers affected by various restructuring models.

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

11.3 VRS IN CPSEs THAT CAN SUSTAIN A VRS WITH THEIR OWN SURPLUS RESOURCES.

11.3.1 Enterprises, which are financially sound and can afford and 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 compensation upto 60 days salary (only Basic Pay + DA) for every completed year of service. However, such compensation cannot exceed the salary for the balance period of service left.

11.4 VRS IN MARGINALLY PROFIT OR LOSS MAKING AND SICK AND UNVIABLE CPSEs

11.4.1 Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either (i) the Gujarat Model, under which the compensation is computed by allowing 35 days salary for every completed year of service and 25 days for each year of the balance service left until superannuating, subject to the condition that the compensation shall not exceed the sum of salary for the balance period left for superannuation (ii) or the VRS package of Department of Heavy Industry (DHI model), under which ex-gratia payment equivalent to 45 days emoluments (Pay + DA) for each completed year of service or the total emoluments for the balance period of service, whichever is less, is applicable. The employees who have completed not less than 30 years of service will be eligible for a maximum of 60(sixty) months' salary/wage as compensation and this will be subject to an amount not exceeding the salary/wage for the balance period of service left.

CHAPTER

12 Executive Training 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 development through their own management institutes or outsourcing the services of premier management training institutions in India.

12.2 India is a founder member of International Center for Promotion of Enterprises (ICPE), Ljubljana, Slovenia which is an intergovernmental organization. India has doubled its annual contribution to ICPE from the year 2007-2008. Currently, India is the President of ICPE Council. DPE is a member on the Board of Governors of Institute of Public Enterprises, Hyderabad. Secretary, DPE is also an ex-officio member of the Executive Board of the Standing Conference of Public Enterprises (SCOPE), New Delhi.

CHAPTER

13 Corporate Social Responsibility (CSR)

13.1 Department of Public Enterprises (DPE) issued comprehensive Guidelines on Corporate Social Responsibility (CSR) in April 2010 for compliance by the CPSEs. These guidelines are mandatory in nature and are to be implemented by CPSE management in letter and spirit.

13.2 A National CSR Hub has been set up at Tata Institute of Social Sciences (TISS), Mumbai for nation-wide compilation, documentation and creation of data base on CSR activities and also to propagate and disseminate the spirit and essence of CSR at all possible fora from district to national level. The task of CSR Hub is to conduct conferences, seminars and workshops to impart training to the CPSEs executives on issues relating to planning, implementation, evaluation and adoption of best practices in CSR to be adopted by the CPSE.

13.3 Seven training institutes including TISS, Mumbai have been identified in various regions of the country to cater to the needs of CPSEs on CSR. CPSEs nominate their executives involved with CSR activities to attend training programmes at these institutes for better understanding and implementation of CSR Guidelines.

13.4 For wider advocacy for the concept of CSR and in order to impart clarity to the implementation modalities as envisaged in DPE guidelines on CSR, Department of Public Enterprises has conducted regional Conclaves/workshops at Cochin, Bhopal, Jaipur, Goa and Mussorie, in which a large number of CPSEs participated. DPE in association with the World Bank is engaged in learning from the best global practices in CSR for extrapolation to Indian conditions. Several workshops/conferences have been held in this regard in which eminent economists and experts on CSR, including those from Harvard University (USA) have participated.

Chapter 14

Compliance Report by CPSEs

14.1 The Department of Public Enterprises had issued the guidelines regarding submission of Annual Compliance Report by the CPSEs vide its OM dated 29.7.2010. DPE had requested all CPSEs to furnish their Annual Compliance Reports to their concerned administrative Ministry within 30 days from the close of the preceding financial year and the administrative Ministries/Departments were requested to furnish a consolidated Compliance Report in respect of all CPSEs under their respective administrative control to DPE by 30 June every year. The OM dated 29.07.2010 was followed by another OM dated 28.06.2011 wherein DPE prescribed the format for submission of Annual Compliance Reports by the concerned administrative Ministries/Departments.

14.2 As the Reports were received in respect of only a few CPSEs, all administrative Ministries/Departments were reminded on 29.03.2012 to furnish the consolidated Annual Compliance Report for the year 2011-12 in the prescribed format. Secretary, Department of Public Enterprises took up the matter of receipt of Annual Compliance Reports with Secretaries of Administrative Ministries/Departments vide DO letter dated 29.05.2012. Secretaries of all Administrative Ministries/Departments were requested to depute their senior officers to furnish Annual Compliance Reports in person to DPE. A series of interactive meetings were convened with all Administrative Ministries/ Departments from 8th June to 26th June, 2012. As a result, compliance reports have been received in respect of 38 CPSEs.

14.3 DPE has issued another reminder on 12.07.2012 to the concerned administrative Ministries/Department to furnish the Annual Compliance Reports at the earliest.

CHAPTER

15 Official Language Policy

15.1 Official language Section of this Department is primarily responsible for implementation of various provision of the Official Language Act, 1963 and the rules framed there under. The section is also responsible for translation of documents required to be issued under Section 3(3) of the Official Language Act. As more than 80% of the staff of this Department knows Hindi, the Department has been notified under rule 10(4) of the Official Language Rules, 1976.

15.2 All notifications, resolutions, notices, circulars, Cabinet notes and other papers to be laid on the Table of the both houses of the Parliament have been issued bilingually during the year 2012-13. 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 14th September, 2012 to 28th September, 2012. During the Pakhawada, three competitions namely, Hindi Essay writing, Hindi Dictation and Hindi Typing (on computer) 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 and Annual Report of the Department of Public Enterprises is also brought out bilingually every year. These are voluminous and comprehensive documents brought out by the Department.

15.5 A reward scheme has been introduced in the memory of the eminent Hindi writer and former Member of Parliamentary Committee on Official Language Late Sh. Shankar Dayal Singh, in the CPSEs this year. Concerned CPSEs would reward their employees who have done excellent work in official language. Some of the CPSEs have already implemented the above scheme.

Chapter 16

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 123. There are 80 officers/staff, in position, including 10 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 - Grant No.51 (2012-13)		
Schemes	(₹ in thousand)	
	RE 2012-13	TOTAL Exp. up to 31.1.2013
	1	2
PLAN		
OTHER CHARGES (Inf. Tech.)	85,00	29,05
TOTAL:MAJOR HEAD "3451"	**85,00**	**29,05**
NORTH EASTERN AREAS (MAJOR HEAD)		
GRANT -IN-AID (NE)	1,00,00	0,00
TOTAL:MAJOR HEAD "2552"	**1,00,00**	**0,00**
GRANTS -IN-AID (CRR)	6,95,00	363,27
PUBLICATIONS (RDC)	7,00	0,00
OTHER ADMINISTRATIVE EXPENSES (RDC)	8,00	3,43
PROFESSIONAL SERVICES (RDC)	10,00	0,00
GRANTS -IN-AID (RDC)	45,00	6,80
GRANTS -IN-AID (Skill Development)	50,00	1,86
TOTAL: MAJOR HEAD "2852"	**8,15,00**	**3,75,36**
GRAND TOTAL 3451+2552+2852	**10,00,00**	**4,04,41**

Chapter 18

Result-Framework Document (RFD) 2011-12

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 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 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 targets to measure progress in implementing them.

18.3 The Department of Public Enterprises (DPE) has initiated RFD exercise since 2009-10. DPE has prepared its 3rd RFD for the year 2011-12. Altogether 14 (fourteen) department specific objectives were included in the RFD 2011-12 and 3 (three) more mandatory objectives were also incorporated in the RFD on the advise of Performance Management Division (PMD). As this Department is 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 2011-12 of DPE are broadly cover the following areas:

i) Corporate Governance in CPSEs.

ii) Professionalization of management to below Board level in CPSEs

iii) Categorization of CPSEs

iv) Goal setting and Performance Evaluation of CPSEs as a part of Memorandum of Understanding (MoU).

v) Counseling, Retraining and Redeployment Scheme (CRR) for separated employees of CPSEs.

vi) Guidelines on R&D and Sustainable Development of CPSEs.

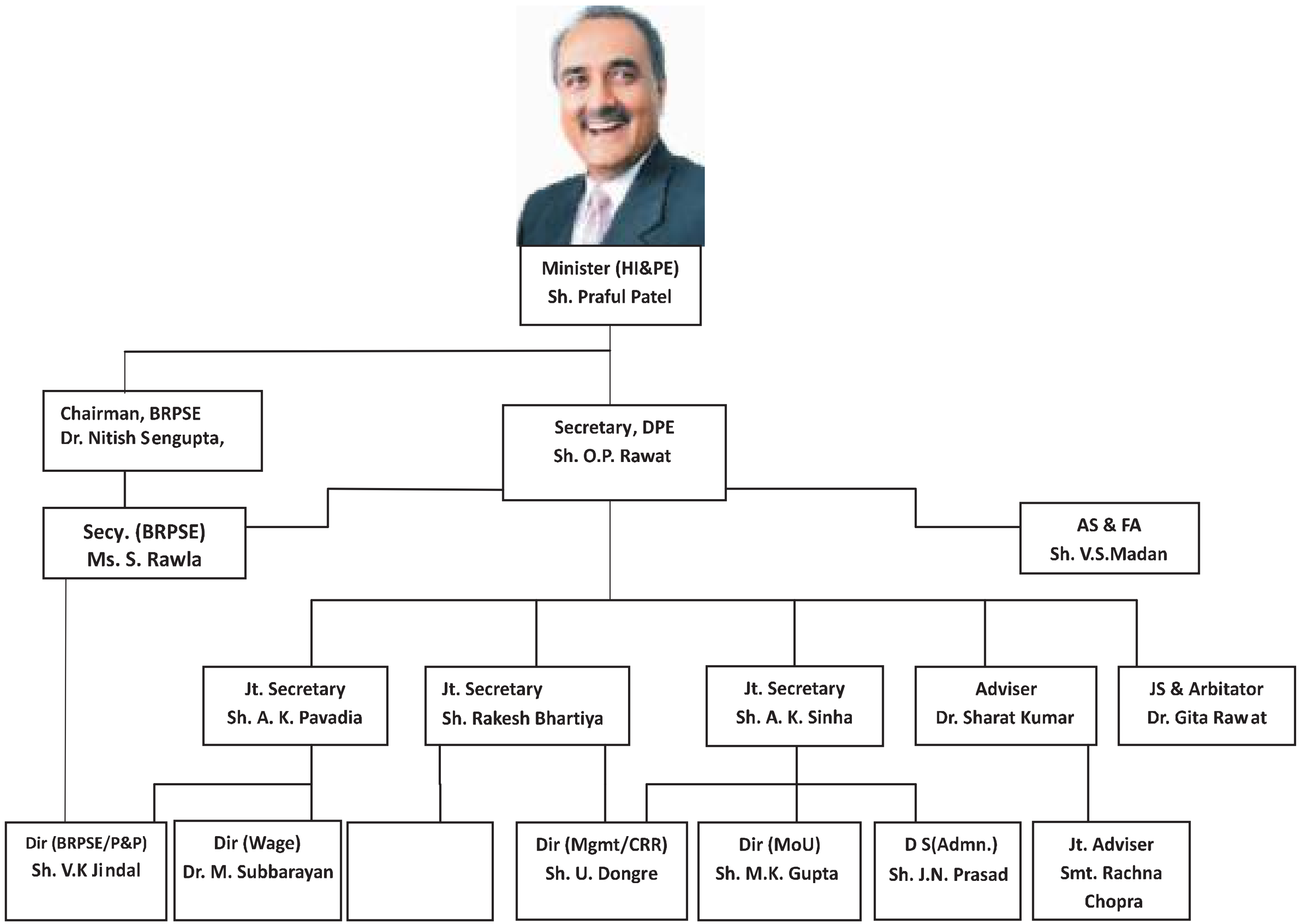
vii) PE Survey

18.4 DPE has achieved excellent target in thirteen objectives. High Power Committee (HPC) on Government Performances of PMD has evaluated the performance of DPE and awarded a composite score of 96.74% on the overall performance of DPE on the RFD 2011-12.

18.5 The detailed objectives contained in RFD 2011-12, their corresponding achievements and the composite score are given in **Appendix-VIII.**

Appendix-I
(Para 6 of Introduction)

ORGANOGRAM OF DEPARTMENT OF PUBLIC ENTERPRISES



Appendix-II
(Para 2.4.4)

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 & Petrochemical Limited
31. Mishra Dhatu Nigam Limited
32. MMTC Limited
33. MSTC Limited

34. National Fertilizers Limited
35. National Seeds Corporation Limited
36. NHPC Limited
37. Northern Coalfields Limited
38. Numaligarh Refinery Limited
39. ONGC Videsh Limited
40. Pawan Hans Helicopters Limited
41. Projects & Development India Limited
42. Railtel Corporation of India Limited
43. Rashtriya Chemicals & Fertilizers Limited
44. RITES Limited
45. SJVN Limited
46. Security Printing and Minting Corporation of India Limited
47. South Eastern Coalfields Limited
48. State Trading Corporation of India Limited
49. Telecommunications Consultants India Limited
50. THDC India Limited
51. Western Coalfields Limited
52. WAPCOS Limited

Miniratna Category-II CPSEs

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

Appendix-III
(Para 8.2)

SCHEDULE-WISE LIST OF CENTRAL PUBLIC SECTOR ENTERPRISES
As on 15.11.2012

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. Konkan Railway Corporation Ltd.
29. Kudremukh Iron Ore Company Ltd.
30. MMTC Ltd.
31. Mahanagar Telephone Nigam Ltd.
32. Mazagon Dock Ltd.

33. MECON Ltd.
34. Mumbai Railway Vikas Corporation Ltd.
35. National Aluminium Company Ltd.
36. National Building Construction Corporation Ltd.
37. National Fertilizers Ltd.
38. NHPC Ltd.
39. National Mineral Development Corporation Ltd.
40. National Textiles Corporation Ltd.
41. NTPC Ltd.
42. Neyveli Lignite Corporation Ltd.
43. North Eastern Electric Power Corporation Ltd.
44. Oil & Natural Gas Corporation Ltd.
45. Oil India Ltd.
46. ONGC Videsh Ltd.
47. Power Finance Corporation
48. Power Grid Corporation of India Ltd.
49. RITES Ltd.
50. RailTel Corporation of India Ltd.
51. Rail Vikas Nigam Ltd.
52. Rashtriya Chemicals and Fertilizers Ltd.
53. Rashtriya Ispat Nigam Ltd.
54. Rural Electrification Corporation Ltd.
55. Satluj Jal Vidyut Nigam Ltd.
56. Security Printing & Minting Corporation of India Ltd.
57. Shipping Corporation of India Ltd.
58. State Trading Corporation of India Ltd.
59. Steel Authority of India Ltd.
60. Telecommunications Consultants (India) Ltd.
61. 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 Pumps & Compressors Ltd.
7. Brahmaputa Crackers & Polymers Ltd.
8. Brahmaputra Valley Fertilizer Corporation Ltd.
9. Braithwaite & Company Ltd.

10. Bridge & Roof Company (India) Ltd.
11. British India Corporation Ltd.
12. Burn Standard Company Ltd.
13. Cement Corporation of India Ltd.
14. Central Coalfields Ltd.
15. Central Electronics Ltd.
16. Central Mine Planning & Design Institute Ltd.
17. Chennai Petroleum Corporation Ltd.
18. Cochin Shipyard Ltd.
19. Cotton Corporation of India Ltd.
20. Dredging Corporation of India Ltd.
21. Eastern Coalfields Ltd.
22. Engineering Projects (India) Ltd.
23. Ennore Port Ltd.
24. Fertilizer Corporation of India Ltd.
25. Garden Reach Shipbuilders & Engineers Ltd.
26. Goa Shipyard Ltd.
27. Handicrafts & Handlooms Export Corporation Ltd.
28. Hindustan Cables Ltd.
29. Hindustan Fertilizer Corporation Ltd.
30. HLL Lifecare Ltd.
31. Hindustan Newsprints Ltd.
32. Hindustan Organic Chemicals Ltd.
33. Hindustan Shipyard Ltd.
34. Hindustan Steelworks Construction Company Ltd.
35. Hindustan Vegetable Oils Corporation Ltd.
36. HMT (International) Ltd.
37. HMT Machine Tools Ltd.
38. HMT Watches Ltd.
39. India Tourism Development Corporation Ltd.
40. India Trade Promotion Organization
41. Indian Drugs & Pharmaceuticals Ltd.
42. Indian Railway Catering & Tourism Corporation Ltd.
43. Indian Railway Finance Corporation Ltd.
44. Indian Rare Earths Ltd.
45. Indian Renewable Energy Development Agency Ltd.
46. Instrumentation Ltd.
47. M S T C Ltd.
48. Madras Fertilizers Ltd.
49. Mahanadi Coalfields Ltd.

50. Mangalore Refinery & Petrochemicals Ltd.
51. Manganese Ore (India) Ltd
52. Mineral Exploration Corporation Ltd.
53. Mishra Dhatu Nigam Ltd.
54. National Handloom Development Corporation Ltd.
55. National Jute Manufacturers Corporation Ltd.
56. National Projects Construction Corporation Ltd.
57. National Seeds Corporation Ltd.
58. National Small Industries Corporation Ltd.
59. Northern Coalfields Ltd.
60. Numaligarh Refinery Ltd.
61. Orissa Mineral Development Company Ltd.
62. PEC Ltd.
63. Pawan Hans Helicopters Ltd.
64. Projects & Development India Ltd.
65. Scooters India Ltd.
66. South Eastern Coalfields Ltd.
67. Tyre Corporation of India Ltd.
68. Uranium Corporation of India Ltd.
69. W A P C O S Ltd.
70. 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. Bharat Petro Resources 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. Delhi Police Housing Corporation
14. Educational Consultants (India) Ltd.
15. FCI Aravali Gypsum & Minerals (India) Ltd.
16. Ferro Scrap Nigam Ltd.
17. Hindustan Antibiotics Ltd.
18. Hindustan Insecticides Ltd.

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

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. Assam Ashok Hotel Corporation Ltd.
7. BEL Optronic Devices Ltd.
8. Balmer Lawrie Investments Ltd.
9. BHEL Electric Machines Ltd.
10. Bharat Immunological & Biologicals Corporation Ltd.
11. Bharatiya Nabhikiya Vidyut Nigam Ltd.
12. Bhartiya Rail Bijlee Company Ltd.
13. Bharat Petro Resources JDPA
14. Bihar Drugs & Organic Chemicals Ltd.
15. Birds, Jute & Exports Ltd.
16. Certification Engineers International Ltd.
17. Chhattisgarh Surguja Power Ltd.
18. Coastal Karnataka Power Ltd.
19. Coastal Maharashtra Mega Power Ltd.
20. Coastal Tamil Nadu Power Ltd.
21. CREDA – HPCL Biofuel Ltd.
22. Donyi Polo Ashok Hotel Corporation Ltd.
23. Eastern Investment Ltd.
24. Export Credit Guarantee Corporation of India Ltd.
25. Fresh & Healthy Enterprises Ltd.
26. GAIL Gas Ltd.
27. Ghogarpalli Integrated Power Company Ltd.
28. HPCL Biofuels Ltd.
29. Hooghly Printing Company Ltd.
30. IDPL (Tamilnadu) Ltd.
31. India Infrastructure Finance Co. Ltd.
32. Indian Vaccine Corporation Ltd.
33. IRCON Infrastructure & Services Ltd.
34. Jagdishpur Paper Mills Ltd.
35. J & K Mineral Development Corporation Ltd.
36. Kanti Bijlee Utpadan Nigam Ltd.
37. Karnataka Trade Promotion Organisation
38. Kumarakuppa Frontier Hotels (P) Ltd.
39. Loktak Downstream Hydroelectric Corporation Ltd.
40. Madhya Pradesh Ashok Hotel Corporation Ltd.
41. Maharashtra Elektrosmelt Ltd.
42. Millenium Telecom Ltd.
43. MJSJ Coal Ltd.
44. MNH Shakti Ltd.
45. Narmada Hydroelectric Development Corporation Ltd.

46. National Informatics Centre Services Incorporated
47. NLC Tamil Nadu Power Ltd.
48. NMDC-CMDC Ltd.
49. NTPC Electric Supply Co Ltd.
50. NTPC Hydro Ltd.
51. NTPC Vidyut Vyapar Nigam Ltd.
52. Nuclear Power Corpn. of India Ltd.
53. Orissa Integrated Power Ltd.
54. PFC Consulting Ltd.
55. Pondicherry Ashok Hotel Corporation Ltd.
56. Power System Operation Corporation Ltd.
57. Punjab Ashok Hotel Company Ltd.
58. Ranchi Ashok Bihar Hotel Corporation Ltd.
59. REC Power Distribution Company Ltd.
60. REC Transmission Projects Co. Ltd.
61. RITES Infrastructure Services Ltd.
62. Sakhigopal Integrated Power Company Ltd.
63. Sambhar Salts Ltd.
64. Sethusamudram Corporation Ltd.
65. Tamilnadu Trade Promotion Organisation
66. Tatiya Andhra Mega Power Ltd.
67. Utkal Ashok Hotel Corporation Ltd.
68. Vignyan Industries Ltd.

Appendix-IV
(Para 9.4)

Details of CPSEs considered by BRPSE during the period from October, 2011 to September, 2012

No./Date of the Meeting	Cases considered	Recommendations of BRPSE
96/31.10.2011	(i) Hindustan Salts Ltd. (ii) Sambhar Salts Ltd.	(i) was reviewed. (ii) was reviewed on suo moto
97/21.12.2011	(i) Hindustan Shipyard Ltd. (HSL) (ii) National Textile Corporation Ltd.(NTC)	(i)&(ii) were reviewed
98/25.1.2012	(i) Indian Drugs & Pharmaceuticals Ltd. (IDPL) (ii) IDPL (Tamil Nadu) Ltd. (iii) Bihar Drugs & Organic Chemicals Ltd. (iv) Heavy Engineering Corporation Ltd. (HEC)	(i) to (iv) were reviewed
99/29.3.2012	(i) HMT Ltd. (ii) Bharat Wagon& Engineers Ltd.	(i) recommended (ii) reviewed
100/7.5..2011	(i) Central Electronics Ltd. (ii) Fertilizers & Chemicals Travancore Ltd. (iii) Hindustan Copper Ltd.	(i) to (iii) were reviewed
101/29.6.2012	(i) Konkan Railway Corporation Ltd.(KRCL) (ii) North Eastern Handicrafts & Handlooms Development Corporation Ltd.(NEHHDC)	KRCL was reviewed NEHHDC was recommended
102/27.7.2012	(i) Scooters India Ltd. (ii) Instrumentation Ltd. (iii) HMT Machine Tools Ltd.	(i) to (iii) were reviewed
103/27.8.2012	(i) Hindustan Paper Corporation Ltd.(HPC) (ii) Central Cottage Industries Corporation of India Ltd. (CCICIL) (iii) National Jute Manufactures Corporation ltd.(NJMC)	HPC&CCICIL were reviewed on suomoto NJMC was reviewed.
104/25.9.2012	(i) Tungabhadra Steel Products Ltd. (TSPL) (ii) Madras Fertilizers Ltd. (iii) Brahmaputra Valley Fertilizers Corporation Ltd. (BVFCL)	(i) to (iii) were reviewed

Appendix-V
(Para 9.5)

List of CPSEs whose proposals have been cleared by BRPSE

Sl. No.	Name of the Administrative Ministry/Department/ CPSE	Broad gist of the recommendation of BRPSE
	Department of Heavy Industry	
1.	Hindustan Salts Ltd., Jaipur, Rajasthan	Revival as a PSE
2.	Bridge & Roof Co. (India) Ltd., Kolkata	Revival as a PSE
3.	BBJ Construction Co. Ltd., Kolkata	Revival as a PSE
4.	Tyre Corporation of India Ltd., Kolkata	Revival as a PSE
5.	HMT Bearings Ltd., Hyderabad, AP	Revival as a PSE
6.	Praga Tools Ltd., Secunderabad, AP	Revival as a PSE
7.	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 Chinar Watches Ltd.,	Revival through either transferring to State Govt.

	Jammu (Jammu & Kashmir)	of J & K or joint venture with any State / Central Govt. PSU/ Private Sector
24.	Hindustan Photo Films Manufacturing Company Ltd.	Revival as a PSE
25.	Scooters India Ltd., Lucknow, UP	Revival through Joint Venture
	Ministry of Textiles	
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 of as a PSE
29.	Elgin Mills Co. Ltd.	Revival of Elgin Mill No.2
	Deptt. of Fertilizers	
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
	Ministry of Shipping	
33.	Central Inland Water Transport Corporation Ltd., Kolkata	Revival through Joint Venture/disinvestment
34.	Hooghly Dock & Port Engineers Ltd., Kolkata	Revival as a PSE
	Ministry of Defence	
35	Hindustan Shipyard Ltd., Delhi	Revival as a PSE
	Deptt. of Chemicals & Petrochemicals	
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

	Deptt. Of Pharmaceuticals	
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
	Ministry of Coal	
44.	Eastern Coalfields Ltd., Burdwan, W. Bengal	Revival as a PSE
45.	Bharat Coking Coal Ltd.	Revival as a PSE
	Ministry of Mines	
46.	Mineral Exploration Corporation Ltd., Nagpur, Maharashtra	Revival as a PSE
47.	Hindustan Copper Ltd., Kolkata Department of Scientific & Industrial Research	Revival as a PSE
48.	Central Electronics Ltd., Delhi Ministry of Water Resources	Revival as a PSE
49.	National Projects Construction Corporation Ltd., Delhi	Revival as a PSE
	Ministry of Steel	
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
	Deptt. of Agriculture & Co-operation	
53.	State Farms Corporation of India Ltd., Delhi	Revival as a PSE
	Ministry of Petroleum & Natural Gas	
54.	Biecco Lawrie Ltd.	Revival as a PSE

	Ministry of Railways	
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
	Ministry of Housing & Urban Poverty Alleviation	
59.	Hindustan Prefab Ltd.	Revival as a PSE
	Department of Food & Public Distribution	
60.	Hindustan Vegetable Oils Corporation Ltd.	Closure of Breakfast Food Unit
	M/o Development of North Eastern Region	
61.	North Eastern Handicrafts and Handlooms Development Corporation Ltd.	Revival as a PSE
	M/o Information & Broadcasting	
62.	National Film Development Corporation Ltd.	Revival as a PSE

Appendix-VI
(Para 9.7)

CASH AND NON-CASH ASSISTANCE APPROVED BY THE GOVERNMENT IN RESPECT OF BRPSE RECOMMENDED PROPOSALS

S. No.	Name of the CPSE	Assistance (₹ 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.	723.00	157.80	880.80
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.	--	--	--****
	Ministry of Mines			
20	Hindustan Copper Ltd.	--	612.94	612.94
21	Mineral Exploration Corporation Ltd.	-	104.64	104.64
	Ministry of Shipping			
22	Central Inland Water Transport Corporation Ltd.	73.60	280.00	353.60
23	Hooghly Dock &Port Engineers Ltd.	148.08	628.86	776.94

	Ministry of Defence			
24	Hindustan Shipyard Ltd.	452.68	372.22	824.90
	Ministry of Steel			
25	MECON Ltd.	93.00**	23.08	116.08
26	Bharat Refractories Ltd.	--	479.16	479.16
	Ministry of Textiles			
27	NTC including its subsidiaries	39.23	-	39.23
28	British India Corporation Ltd.	338.04	108.93	446.97
29	National Jute Manufactures Corporation Ltd.	517.33	6815.06	7332.39
	Department of Pharmaceuticals			
30	Hindustan Antibiotics Ltd.	137.59	267.57	405.16
31	Bengal Chemicals & Pharmaceuticals Ltd.	207.19	233.41	440.60
	Department of Chemicals & Petrochemicals			
32	Hindustan Organic Chemicals Ltd.	250.00	110.46	360.46
33	Hindustan Insecticides Ltd.	-	267.29	267.29
	Department of Fertilizers			
34	Fertilizers & Chemicals (Travancore) Ltd.	-	670.37	670.37
	Department of Scientific & Industrial Research			
35	Central Electronics Ltd.	-	16.28	16.28
	Department of Coal			
36	Eastern Coal Fields Ltd.	--*	--*	---*
	Department of Agriculture & Co-operation			
37	State Forms Corporation of India Ltd.	21.21	124.42	145.63
	Ministry of Railways			
38	Konkan Railway Corporation Ltd.	857.05	3222.46	4079.51
39	Bharat Wagon &Engineering Company Ltd.	49.45	258.73	308.18
40	Braithwaite & Company Ltd.	4.00	280.21	284.21
41	Burn Standard Company Ltd.@@@	75.43	1139.16	1214.59
	Ministry of Water Resources			
42	National Projects Construction Corporation Ltd.	--	219.43***	219.43***
	Ministry of Housing & urban Poverty Alleviation			
43	Hindustan Prefab Ltd.	--	128.00	128.00
	Ministry of Information & Broadcasting			
44	National Film Development Corporation Ltd. Ministry of Petroleum & Natural Gas	3.00	28.40	31.40
45	Biecco Lawrie Ltd.	--	59.60	59.60
	Total	**4739.44**	**22237.83**	**26977.27**

#	Cash Assistance may involve budgetary support through equity/loan/grants
@	Non-cash Assistance may 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
*	The revival plan approved by the Government inter alia envisaged non-cash assistance of ₹ 2470.77crore and waiver of service charges of ₹ 14 crore per annum from 2004-05 from Coal India Ltd.
$	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
$$	Cabinet approved "in principle" the takeover of BHPV by BHEL with the direction that the valuation of BHPV be carried out prudently on the basis of established principles and if the takeover is not found feasible, the matter be brought back before the Cabinet.
&&	Parliament had approved the Tyre Corporation of India Ltd. (Disinvestment of Ownership) Bill 2007 for changing the public sector Enterprises Character of the company. Disinvestment after cleaning the balance sheet.
***	In addition Govt. had also approved the conversion of cumulative interest due & accrued on GOI loan as on the date of conversion into equity capital and further written down to 10% of value.
$$$	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.
@@@	Transferred from D/o Heavy Industry. Refractory Unit of Burn Standard Co. Ltd. was transferred to SAIL under Ministry of Steel.
****	Transfer of entire Govt. equity to suitable identified strategic partner, continue extension of salary support and in principle approval of cleaning the balance sheet at the time of seeking final approval for induction of strategic partner.

Appendix-VII
(Para 10.8)

LIST OF OPERATIONAL NODAL AGENCIES (2011-12)

Sl. No.	Name of Agency
1.	Academy Suburbia, Kolkata
2.	Association of Lady Entrepreneurs of Andhra Pradesh, Hyderabad.
3.	Central Institute of Plastics & Engineering Technology, Bhubaneshwar
4.	Electronics Service & Training Centre, Ramnagar
5.	Indian Council of Small Industries, Kolkata
6.	Institute of Leadership Development, Jaipur
7.	KIIT School of Rural Management, Bhubaneswar.
8.	MPCON Limited, Bhopal
9.	MITCON Consultancy Limited, Pune
10.	National School of Computer Education, Kolkata
11.	U.P. Industrial Consultants Ltd., Kanpur

Appendix-VIII

Performance Evaluation Report for Department of Public Enterprises [achievement Submitted] (2011-2012) Performance Evaluation Report

Objectives	Weight	Action	Success	Unit	Weight	Target / Criteria Value					Achiev-ment	Performance	
						Excelle	Very Good	Good	Fair	Poor		Raw Score	Weight Ted Score
						100%	90%	80%	70%	60%			
1. To enhance Corporate Governance in CPSEs	8.00	Grading of CPSEs on the basis of their compliance with guidelines on corporate governance	Finalization of scheme for assessment	Date	4.00	28/02/2012	15/3/2012	31/3/2013			28/02/2012	100.0	4.0
			Identification of agency and assessment of the Corporate governance system	Date	4.00	28/02/2012	15/3/2012	31/3/2013			22/06/2011	100.0	4.0
2.Professionalization of Management at all levels	4.00	Professionalization of management to below Board level of CPSEs	Collection of base line date on professionalization of CPSEs	Date	2.00	30/6/2011	31/07/2011	31/08/2011			08/06/2011	100.0	2.0
			Issue of Guidelines	Date	2.00	31/12/2011	31/01/2012	28/02/2012			31/12/2011	100.0	2.0
3 Categorisation of CPSEs.	5.00	Review of criteria of categorization of CPSEs	Finalization and issues of revised criterion for categorization of CPSEs	Date	5.00	30/11/2011	15/12/2011	31/12/2011			30/11/2011	100.0	5.0
4. Performance goal setting and evaluation of CPSEs	22.00	Holding negotiation meetings with CPSEs and administrative Ministry and finalize MoU Target	Finalization of minutes of Task Force meetings of CPSEs which submit draft MoU by target date	Date	14.00	20/03/2012	24/03/2012	28/03/2012	31/03/2012	01/04/2012	19/04/2012	100.0	14.0
		Submission of MoU 2010-11 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	8.00	30/11/2011	15/12/2011	31/12/2011	31/01/2012	01/04/2012	30/11/2011	100.0	8.0
5. Guidelines for MoU to be signed between CPSE & Administrative Ministry/Department	2.00	Approval, Issues and circulation of MoU Guidelines to CPSEs and Administrative Ministries	Approval, Issue and circulation of MoU guidelines	Date	2.00	31/10/2011	30/11/2011	31/12/2011	31/01/2012	28/02/2012	31/10/2011	100.0	2.0
6. R&D guidelines on MoU for CPSEs	2.00	Meeting of the Core Group and framing R&D guidelines for CPSEs	Approval and circulation of the R&D guidelines for CPSEs	Date	2.00	31/10/2011	30/11/2011	31/12/2011	31/01/2012	28/02/2012	23/09/2011	100.0	2.0

Page 1 of 4

Performance Evaluation Report for Department of Public Enterprises [achievement Submitted] (2011-2012)

Objectives	Weight	Action	Success	Unit	Weight	Target / Criteria Value					Achiev-ment	Performance	
						Excelle	Very Good	Good	Fair	Poor		Raw Score	Weight Ted Score
						100%	90%	80%	70%	60%			
7. guidelines on Sustainable Development for MoU of CPSEs	2.00	Meeting of the Core Group and framing Sustainable Development guidelines for CPSEs	Approval and circulation of guidelines on Sustainable Development for CPSEs	Date	2.00	31/10/2011	30/11/2011	31/12/2011	31/01/2012	28/02/2012	23/09/2011	100.0	2.0
8. Counselling, Retraining and Redeployment Scheme (CRR) for separated employees of CPSEs	6.00	Coverage of VRS Optees	Number of VRS optees covered	No	5.00	9000	8500	6800	5950	4800	9000	100.0	5.0
		Broad-base covereage 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	15/08/2011	30/08/2011	15/09/2011	30/09/2011	15/10/2011	20/06/2011	100.0	1.0
9. Implementation of CSR Policy	2.0	Monitoring of functioning of CSR Hub	Receipts of half yearly reports	Date	2.00	30/11/2011	31/12/2011	31/01/2012	28/02/2012	31/03/2012	30/11/2011	100.0	2.0
10. Collection and maintenance of information on key areas of the functioning of CPSEs	16.00	Publication of PE Survey 2010-11	Placing of the PE Survey 2010-11 in Parliament	Date	12.00	28/02/2012	31/03/2012				22/03/2012	92.81	11.14
		Generating information on the performance of CPSEs	Posting survey data in a user friendly format on website for 2009-10 PE survey	Date	4.00	30/04/2011	15/05/2011	30/05/2011	15/06/2011	30/06/2011	25/04/2011	100.0	4.0
11. Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration (PMA)	5.00	Disposal of Arbitration cases	Coverage of all overdue cases as on 1.4.2011 (excluding subjudice cases)	%	5.00	60	50	40	30	20	72	100.0	5.0
12 Extending support to states for introducing Performance Monitoring System	2.00	Identifying states for sensitizing for adoption of MoU system in SLPE	No. of States	No	2.00	6	5	4	3	2	8	100.0	2.0
13 Involvement of SCOPE with DPE	3.00	Exploring possibility for larger involvement of SCOPE with DPE	Finalization of the possible approach paper after discussion with SCOPE	Date	3.00	31/08/2011	30/09/2011	31/10/2011			30/09/2011	90.0	2.7

Performance Evaluation Report for Department of Public Enterprises [achievement Submitted] (2011-2012)

Objectives	Weight	Action	Success	Unit	Weight	Target / Criteria Value					Achiev-ment	Performance	
						Excelle	Very Good	Good	Fair	Poor		Raw Score	Weight Ted Score
						100%	90%	80%	70%	60%			
14 Assessing growth in CPSEs as a whole	6.00	Gross Margin	% Increase	No	6.00	5	2	1			7.78	100.0	6.0
* Efficient Functioning of the RFD System	3.00	Timely submission of resultsl	On-time submission	Date	2.0	07/03/2011	08/03/2011	09/03/2011	10/03/2011	11/03/2011	07/03/2011	100.0	2.0
		Timely submission of Draft for Approval	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
* Improving Internal Efficiency/ Responsiveness / Service delivery of Ministry / Department	10.00	Implementation of Sevottam	Resubmission of revised draft of	Date	2.0	16/01/2012	18/01/2012	20/01/2012	23/01/2012	25/01/2011	16/01/2012	100.0	2.0
			Independent Audit of Implementation of Grievance Redress Mechanism	%	2.0	100	95	90	85	80		N/A	N/A
		Ensure compliance with Section 4(1)(b) of the RTI Act, 2005	No. of items on which information is uploaded by February 10, 2012	No	2.0	16	15	14	13	12	16	100.0	2.0
		Develop an action plan to implement ISO 9001 certification	Finalize an action plan to implement ISO 9001 certification	Date	2.0	16/04/2012	17/04/2012	18/04/2012	19/04/2012	20/04/2012	26/03/2012	100.0	2.0
		Identity potential areas of corruption related to departmental activities and develop an action plan to mitigate them	Finalize an action plan to mitigate potential areas of corruption.	Date	2.0	26/03/2012	27/03/2012	28/03/2012	29/03/2012	30/03/2012	09/02/2012	100.0	2.0
* 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 data (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

* Mandatory Objective (s)

Performance Evaluation Report for Department of Public Enterprises [achievement Submitted] (2011-2012)
Performance Evaluation Report

Objectives	Weight	Action	Success	Unit	Weight	Target / Criteria Value					Achiev-ment	Performance	
						Excelle	Very Good	Good	Fair	Poor		Raw Score	Weight Ted Score
						100%	90%	80%	70%	60%			
		Timely submission of ATRs to the PAC Sectt. 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 31.03.2011	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 31.3.2011	Percentage of outstanding ATRs disposed off during the year	%	0.5	100	90	80	70	60	100	100.0	0.5

* Mandatory Objective (s)

Total Composite 96.84

ACTION TAKEN REPORT ON
Results-Framework Document (RFD) for
Department of Public Enterprises (2011-12)

Objective		Key results Area		Major Actions Taken
[1] To ensure Corporate Governance in CPSEs	[1.1]	Grading of CPSEs on the basis of their compliance with guide lines on corporate governance	[1.1.1]	Scheme/system of grading were finalized and circulated to all ministries.
			[1.1.2]	Agency was identified and assisted DPE in assessment of Co rporate Governance system
[2] Professionalization of Management at all levels	[2.1]	Professionalization of manage ment to below Board level in CPSEs	[2.1.1]	Base line data on professionalizationof CPSEs has been collected.
			[2.1.2]	Guidelines/advisory w ere issued.
[3] Categorisation of CPSEs	[3.1]	Review of criteria of categorization of CPSEs	[3.1.1]	Revised guidelines for categorization were finalized and issued
[4] Performance goal setting and evaluation of CPSEs	[4.1.]	Holding negotiation meetings with CPSEs and administrative Ministry and finalize MoU Target	[4.1.1]	Minutes of Task Force Meetings of CPSEs have been finalized
	[4.2]	Submisstion of MoU 2010 -11 final scores and rating to High Power Committee (HPC)	[4.2.1]	Final MoU score and rating o f CPSEs have been submitted to Cabinet Secretary
[5] Guidelines for MoU to be signed between CPSE & Administrative Ministry/Department	[5.1]	Approval, Issue and circulation of MoU Guidelines to CPSEs and Administrative Ministries	[5.1.1]	MoU Guidelines ha s been approved, issued and circulated
[6] R&D guidelines on MoU for CPSEs	[6.1]	Meeting of the Core Group and framing R&D guidelines for CPSEs	[6.1.1]	R&D Guidelines has been approved and circulated.
[7] Guidelines on Sustainable Development for MoU of CPSEs	[7.1]	Meeting of the Core Group and framing Sustainable Development guidelines for CPSEs	[7.1.1]	Guidelines on Sustainable Development has been approved and circulated.

[8] Counselling, retraining and Redeployment Scheme (CRR) for separated employ ees of CPSEs	[8.1]	Coverage of VRS Optees	[8.1.1]	VRS optees covered under CRR scheme
	[8.2]	Broad -base coverage by associating agencies and setting up Employees Assisstance Centres (EACs) in places not yet covered under CRR	[8.2.2]	Need based EACs were i dentified and set up
[9] Implementation of CSR Policy	[9.1]	Monitoring of functioning of CSR Hub	[9.1.1]	Half yearly report has been received.
[10] Collection and maintenance of information on key areas of the functioning of CPSEs	[10.1]	Publication of P E Survey 2010 -11	[10.1.1]	PE Survey 2010 -11 laid in Parliament
	[10.2]	Generating information on the performance of CPSEs	[10.2.1]	PE Survey data for 2009 -10 posted in a user friendly format on website
[11] Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration (PMA)	[11.1]	Disposal of Arbitration cases	[11.1.1]	
[12] Extending support to states for introducing performance Monitoring System	[12.1]	Identifying states for sensitizing for adoption of MoU system in SLPE	[1 2.1.1]	8 states were sensitized for adopting the MoU System in SLPEs
[13] Involvement of SCOPE with DPE	[13.1]	Exploring possibility for larger involvement of SCOPE with DPE	[13.1.1]	Approach paper has been finalized in consultation with SCOPE
[14] Asse ssing growth in CPSE as a whole	[14.1]	Gross Margin	[14.1.1]	In 2010 -11 the gross margin increased by 7.78% over 2009 -10

सत्यमेव जयते

Government of India

Ministry of Heavy Industries and Public Enterprises

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