

# **RESULTS-FRAMEWORK DOCUMENT**



सत्यमेव जयते

**DEPARTMENT OF HEAVY INDUSTRY  
MINISTRY OF HEAVY INDUSTRIES &  
PUBLIC ENTERPRISES**

**FOR THE PERIOD**

**APRIL 1, 2010 TO MARCH 31, 2011**

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## **SECTION - I**

### **VISION**

To have modern, healthy and robust auto, heavy engineering & capital goods sectors and self-reliant & growth oriented PSEs under the Department.

### **MISSION**

“The Department of Heavy Industry strives to bolster profit making PSEs as well as restructure and revive sick and loss making PSEs under its administrative control.

The Department of Heavy Industry 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) by 2011-12.

The Department of Heavy Industry seeks to achieve its vision by providing necessary support to the Auto Sector and all sub sectors of Capital Goods Industry”.

## **OBJECTIVES**

### **Objective No. 1**

Supporting profit making PSEs (other than BHEL) to attain higher turnover and profits.

### **Objective No. 2**

Restructuring of sick PSEs to reduce the number of sick and loss making PSEs as also their aggregate losses.

### **Objective No. 3**

Setting up of seven state-of-the-art automotive testing and R&D centres across the country.

### **Objective No. 4**

Supporting BHEL to achieve the following:

#### **Growth**

To ensure a steady growth and reach a turnover of Rs 45,000 crore by 2011-12 and Rs 91,000 crore by 2016-17 by enhancing the competitive edge of BHEL in existing businesses, new related and semi-related areas and international operations.

#### **Market Share**

To maintain a market share in Power Sector business of around 55-60% in XI Plan Period.

#### **Order book**

To attempt an average order inflow of Rs 38,000 crore per annum during the XI Plan Period.

#### **Exports**

To enhance export turnover of 2006-07 by 6 times by the end of XI Plan Period.

#### **Manpower**

To attain a manpower level of 47250 by 2011-12.

### **Objective No. 5**

Appropriately and adequately projecting and addressing the concerns of the Auto, Capital Goods Sectors.

## **FUNCTIONS**

1. To conduct periodic performance/MoU review/project review meetings of various PSEs.
2. To support and strengthen and assist profit making PSUs with a view to attaining consistently high growth in turnover and profits.
3. To increase the aggregate profit of profit making PSEs and reduce the aggregate losses of loss making PSEs.
4. To encourage and undertake restructuring of PSEs under its administrative control with a view to ensuring their revival in the shortest possible time.
5. To provide financial support to PSEs for meeting their VRS/VSS, investment needs and implementation of restructuring plans of sick/loss making PSEs as sanctioned by the Government/BIFR.
6. To revive sick/loss making PSEs with the support of other PSEs under the administrative control of this Department.
7. To merge sick and loss making PSEs with other PSEs within this Department/other Departments with a view to ensuring their revival in the shortest possible time.
8. To locate joint venture partners for sick and loss making PSEs.
9. To close down sick PSEs which have no possibilities for revival.
10. To provide budgetary support for payment of salary, wages and statutory dues to sick PSEs.
11. To evaluate, develop and sign MoUs with PSEs with a view to giving them greater autonomy and making them accountable for achievement of their objectives.
12. To represent the Government in the Boards of the PSEs by nominating Government nominees.
13. To constitute and appoint Directors (Functional as well as Part-time non-official) on the Boards of PSEs with the approval of Competent Authority.
14. To formulate and review the Demand for Grant of the Department, respond to audit observations/VIP references, monitor cases under litigation, vigilance administration of Department & PSEs, administrative tasks .

15. To encourage initiatives for growth of the Industry and assist the Industry through inter-alia policy initiatives', suitable interventions for restructuring of tariffs, promotion of technological collaboration and upgradation and research and development activities.
16. To implement the NATRIP Programme across the country thereby
  - (a) Creating core global competencies.
  - (b) Enhancing competitive skills for product development leading to deepening of manufacturing.
  - (c) Synergising India unique capabilities in Information Technology with the automotive sector.
  - (d) Facilitating seamless integration of Indian automotive industry with the world to put India strongly on the global automotive map.
17. To implement the Automotive Mission Plan which lays down the collective vision of the Industry and the Government for the automotive industry in 2016.
18. To administer the Fluid Control Research Institute (FCRI) which caters to the need of the flow industry for calibration.
19. To administer the Automotive Research Association of India (ARAI) as a Cooperative Research Organisation offering comprehensive R&D services in the fields of engine development of alternative fuels, NVH Noise, vibration & harshness, computer aided engineering, structural dynamics, automotive electronics and materials.
20. To administer the Forging Industry Research Institute as an R&D centre and testing facility with a view to carrying out industrial research, design and development, work as per the needs of the industries and to transfer developed technology to industries, to increase the Centre-Industry-Interaction and strengthen the Consultancy and Industrial Services, to incorporate the concept of value-based R&D/Testing in all sphere of forging industry and subsequently, to offer skill up-gradation and latest forging technology, management, training facilities.
21. To administer BHEL, Navratna PSE with a view to achieving consistently high growth in turnover, profits, net worth, order book position, exports, manpower.
22. To project and address the concerns of the Capital Goods sub-sectors to the Ministry of Finance, Ministry of Commerce and other Ministries/Departments of Government of India.

23. To protect and project the interests of heavy engineering industry, capital goods and automobile sectors in bilateral/multilateral agreements signed by the Government.
24. To provide inputs to other Departments/Ministries for formulation of policies impacting on heavy engineering, power, auto and other sectors relating to this Department.
25. To submit recommendations in regard to FDI, Foreign Technical Collaborations (FTC) proposals considered by the FIPB/SIA.
26. To constitute and hold regular meetings of the
  - (a) Development Council for Heavy Electrical & Allied Industries
  - (b) Development Council for Textile Machinery Industry
  - (c) Development Council for Machine Tools
  - (d) Development Council for Automobile & Allied Industries
27. To interact and maintain constant dialogue with Industry Associations of the 19 sub-sectors of the Capital Goods Sector (Boilers, Cement Machinery, Dairy Machinery, Electrical Furnace, Freight Containers, Material Handling Equipment, Metallurgical Machinery, Mining Machinery, Oil Field Equipment, Printing Machinery, Pulp & paper machinery, Rubber machinery, Switchgear & Control Gear, Shunting Locomotives, Sugar machinery, Turbines & Generator Sets, Transformers & Textile machinery) as well as Industry Associations such as CII, FICCI . To organise international/national/sector specific seminars and exhibitions in the context of the Capital Goods Sector, Automotive Sector, PSEs.
28. Technical Services Wing (B) provides technical advice to DGFT in respect of proposals received for import of raw material component. Under Duty Exemption Scheme, Export Promotion Capital Goods (EPCG), Import of Restricted Items and Duty Entitlement Passbook Scheme(DEPB).

## SECTION - II

### Inter se priorities among key objectives, success indicators and targets for the period 1.4.2010 – 31.3.2011

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	
						100%	90%	80%	70%	
<b>Objective 1: Supporting profit making PSEs(other than BHEL) to attain higher turnover and profits</b>	19%	<b>Action 1:</b> Structured review of PSU performance at the level of SHI/JS	(A)% increase in aggregate turnover in 2010-11 (YoY)	%	7	16	15	14	13	60%
			(B)% increase in aggregate net profits for 2010-11 (YoY)	%	7	2.5	2	1.5	1	<1
		<b>Action 2:</b> Improvement in the performance of PSEs.	Achievement of excellent rating in the MoU	Number	5	3	2	1	0	0

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
<b>Objective 2: Restructuring PSEs to reduce sick and loss making PSEs as also their aggregate losses.</b>	20%	<b>Action 1:</b> Revival/ Restructuring of PSEs.	Reference to BRPSE for Restructuring /revival of SIL.	Date	5	100%	90%	80%	70%	60%
		<b>Action 2:</b> Preparation of Note for seeking approval of CCEA/COS for Revival/Restructuring of PSEs (BSCL, NEPA, NPPC, CCI, HMT (MT) and HMT Ltd.).	No. of PSEs for which decision of CCEA/COS is obtained.	Number	5	6	5	4	3	2
		<b>Action 3:</b> Providing funds for revival of PSEs including VRS/VSS & statutory dues	Progress of expenditure	% of BE	4	95	90	80	70	60
		<b>Action 4:</b> Improving performance of sick/loss making PSEs	reduction in aggregate losses (YoY)	%	6	10	8	6	4	2
						1st June, 2010	1st July, 2010	1st Aug, 2010	1st sept, 2010	After 1st Sept, 2010

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
<b>Objective 3:</b> <b>Setting up of seven state-of-the-art automotive testing and R&amp;D centres across the country - Physical Progress of the Project.</b>	20%	<b>Action 1:</b> Commissioning and Handing over of Jaffirbund Campus- Silchar  <b>Action 2:</b> Completion of ABS test pad- VRDE Ahmednagar  <b>Action 3:</b> Buildings for Fatigue, Certification Lab & General Storage- Manesar  <b>Action 4:</b> Finishing, Utilities & Commissioning of all labs - Powertrain, fatigue & certification - Manesar  <b>Action 5:</b> Lab buildings for Advanced Passive Safety, Powertrain, EMC and Fatigue & Certification, Photometry - Chennai  <b>Action 6:</b> Finishing, Utilities & Commissioning of all labs- Advanced Passive Safety, Powertrain, EMC and Fatigue & Certification, Photometry - Chennai  <b>Action 7:</b> General Workshop Client Workshop Buildings - Indore  <b>Action 8:</b> Certification of work including quality	Completion date	Date	2	100%	90%	80%	70%	60%
			15 <sup>th</sup> Nov, 2010	30 <sup>th</sup> Nov, 2010	15 <sup>th</sup> Dec, 2010	31 <sup>st</sup> Dec, 2010	After 31 <sup>st</sup> Dec, 2010			
			31 <sup>st</sup> Jan, 2011	20 <sup>th</sup> Feb, 2011	7 <sup>th</sup> March, 2011	21 <sup>st</sup> March, 2011	After 21 <sup>st</sup> March, 2011			
			31 <sup>st</sup> Oct, 2010	15 <sup>th</sup> Nov, 2010	30 <sup>th</sup> Nov, 2010	15 <sup>th</sup> Dec, 2010	After 15 <sup>th</sup> Dec, 2010			
			7 <sup>th</sup> March, 2011	15 <sup>th</sup> March, 2011	21 <sup>st</sup> March, 2011	28 <sup>th</sup> March, 2011	After 28 <sup>th</sup> March, 2011			
			15 <sup>th</sup> Feb, 2011	28 <sup>th</sup> Feb, 2011	15 <sup>th</sup> March, 2011	31 <sup>st</sup> March, 2011	After 31 <sup>st</sup> March, 2011			
			7 <sup>th</sup> March, 2011	14 <sup>th</sup> March, 2011	21 <sup>st</sup> March, 2011	28 <sup>th</sup> March, 2011	After 28 <sup>th</sup> March, 2011			
			7 <sup>th</sup> March, 2011	14 <sup>th</sup> March, 2011	21 <sup>st</sup> March, 2011	28 <sup>th</sup> March, 2011	After 28 <sup>th</sup> March, 2011			
Report Grading	Grade	2	Excellent	Very good	Good	Fair	Poor			

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
<b>Objective 4: Supporting to BHEL achieve Growth, market share, order book, exports and manpower augmentation.</b>	<b>19%</b>	<b>Action 1:</b> Capacity augmentation plan	Capability to deliver	MW	10	<b>100%**</b> 16000**	<b>90%**</b> 15500**	<b>80%</b> 15000	<b>70%</b> 15000	<b>60%</b> <15000
		<b>Action 2:</b> Thermal and hydro sets for Trial Operation and completion by 2010-2011	Capacity completed*	MW	3	14800	14500	12000	10000	8700
		<b>Action 3:</b> Technical Manpower augmentation by BHEL during the year.	Additional No. of persons employed	No.	6	3600	3500	3400	3300	3200

\*subject to availability of customer inputs and other reasons.

Total thermal sets planned for capacity addition during 2010-11 are 38 of which 19 are EPC and 19 are BTG. In most of the EPC contracts, certain critical areas like CHP, AHP, water system etc. are in customer's scope. As such, capacity addition shall depend on timely availability of these critical inputs to BHEL, capacity addition for hydel sets shall depend on availability of water and other inputs like civil works etc.

\*\* 15000+1000 # MW # Ordering of Capital Equipment for incremental increase in capacity (5000 MW) augmentation would nearly be getting completed.

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
<b>Objective 5: Appropriately and adequately projecting and addressing the concerns of the Auto, Capital Goods Sectors .</b>	9%	<b>Action 1:</b> Consultation with stakeholders & communication of their concerns to MoF before Budget	Timely reference to MoF	Days before budget	2	45	30	15	10	0
		<b>Action 2: Auto Mission Plan</b> – Formulation of a Skill Development Plan for auto sector with a 10 year perspective	Completion of action	time	2	December, 2010	January , 2011	February, 2011	March, 2011	After 31 <sup>st</sup> March, 2011
		<b>Action 3:</b> Consultation with stakeholders through seminars/conferences.	Seminars /conferences held	No.	1	4	3	2	1	0
		<b>Action 4:</b> Funding of R&D Projects funded through Cess Funds (DCAAI).	Progress of utilization of BE	%	1	100	90	80	70	<70
		<b>Action 5:</b> 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 meetings held	No.	2	5	4	3	2	1
		<b>Action 6:</b> Getting approval of Competent Authority for “Scheme for enhancement of competitiveness in the Indian Capital Goods Sector”.	Approval of Scheme	Date	1	30 <sup>th</sup> Sept, 2010	31 <sup>st</sup> Dec, 2010	31 <sup>st</sup> Jan, 2011	29 <sup>th</sup> Feb, 2011	31 <sup>st</sup> March, 2011

## MANDATORY SUCCESS INDICATORS

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
<b>1. Efficient Functioning of the RFD System</b>	11%	Timely submission of Draft for Approval	On-time submission	date	2%	100% March, 5 2010	90% March, 8 2010	80% March, 9 2010	70% March, 10 2010	60% March, 11 2010
		Timely submission of Results	On-time submission	date	1%	100% May, 2 2011	90% May, 3 2011	80% May, 4 2011	70% May, 5 2011	60% May, 6 2011
		Finalize a Strategic Plan	Finalize the Strategic Plan for next five years	date	2%	100% Dec, 10 2010	90% Dec, 15 2010	80% Dec, 20 2010	70% Dec, 24 2010	60% Dec, 31 2010
<b>2. Improving Internal Efficiency/ responsiveness/ service delivery of Ministry /Department</b>		Develop RFDs for all Responsibility Centres (Subordinate offices, Attached offices, Autonomous bodies)	% age of RCs covered	%	2%	100	95	90	85	80
		Implementation of Sevottam	Create Sevottam compliant system to implement, monitor and review Citizen's Charter.	Date	1%	100% Oct, 1 2010	90% Oct, 5 2010	80% Oct, 11 2010	70% Oct, 15 2010	60% Oct, 20 2010
		Implement a compliant system to redress and monitor public grievances.	Create a compliant system to redress and monitor public grievances.	Date	1%	100% Oct, 1 2010	90% Oct, 5 2010	80% Oct, 11 2010	70% Oct, 15 2010	60% Oct, 20 2010
		Independent Audit of implementation of Citizen's Charter	Independent Audit of Public Grievances redressal system	%	1%	100	95	90	85	80
		Independent Audit of Public Grievances redressal system	Independent Audit of Public Grievances redressal system	%	1%	100	95	90	85	80

**ADDITIONAL MANDATORY INDICATOR PROPOSED BY DEPARTMENT OF EXPENDITURE**

Objective	Weight	Actions	Success Indicator	Unit	Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
<b>Ensuring compliance to the Financial Accountability Framework.</b>	<b>1</b>	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.	Percentage (%)	0.5	100 %	90 %	80 %	70 %	60 %
		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.	Percentage (%)	0.5	100 %	90 %	80 %	70 %	60 %
		Early disposal of pending ATNs on Audit paras of C&AG Reports presented to Parliament before 31.03.2010.	Percentage of outstanding ATNs disposed during the year.	Percentage (%)	0.5	100 %	90 %	80 %	70 %	60 %
	<b>1</b>	Early disposal of pending ATNs on PAC Reports presented to Parliament before 31.03.2010.	Percentage of outstanding ATNs disposed during the year.	Percentage (%)	0.5	100 %	90 %	80 %	70 %	60 %

**SECTION III**  
**Trend values of the success indicators**

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 10-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>Objective 1: Supporting profit making PSEs(other than BHEL) to attain higher turnover and profits</b>	<b>Action 1:</b> Structured review of PSU performance at the level of SHI/JS	(A)% increase in aggregate turnover	%	1.6  (Rs.5845.03 crore)	13.4 (prov.)  (Rs.6627.91 crore – provisional)	15	MoU for this year has not been finalized	MoU for this year has not been finalized
		(B)% increase in aggregate profits for 2009-10	%	4.4  (Rs. 397.21 crore)	(-) 29.2 (prov.)  (Rs.281.17 crore – provisional)	2	MoU for this year has not been finalized	MoU for this year has not been finalized
	<b>Action 2:</b> Achieving excellent MoU ranking for 2009-10.	Number of PSEs	Number	1	Not yet finalized by Department of Public Enterprises	2	3	4

Note: figures in the brackets represent the absolute amount for the respective years.

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 10-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>Objective 2: Restructuring PSEs to reduce sick and loss making PSEs as also their aggregate losses.</b>	<b>Action 1:</b> Reference to BRPSE for Revival/Restructuring of PSEs.	Reference to BRPSE for Restructuring /revival of SIL.	Time	1	0	1	Will depend on cases on hand	Will depend on cases on hand
	<b>Action 2:</b> Preparation of Note for seeking approval of CCEA/COS for Revival/Restructuring of PSEs (BSCL, NEPA, NPPC, CCI, HMT (MT) and HMT Ltd.).	No. of PSEs for which decision of CCEA/COS is obtained.	Number	3	5	5	Will depend on cases on hand	Will depend on cases on hand
	<b>Action 3:</b> Providing funds for revival of PSEs including VRS/VSS & statutory dues	Progress of expenditure	% of BE	96.6	87.7	90	100	100
	<b>Action 5:</b> Improving performance of sick/loss making PSEs	% reduction in aggregate losses (YoY)	%	(-) 19.4	(-) 18.4	8	-	-

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 2010-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>Objective 3: Setting up of seven state-of-the-art automotive testing and R&amp;D centres across the country – Physical Progress of the Project.</b>	<b>Action 1:</b> Commissioning and Handing over of Jaffirbund Campus-Silchar	Completion date	Date	This being a new project and is being implemented to set up infrastructure for the first time, past data does not exist.		30 <sup>th</sup> Nov, 2010		
	<b>Action 2:</b> Completion of ABS test pad- VRDE Ahmednagar	Completion date	Date			20 <sup>th</sup> Feb, 2011		
	<b>Action 3:</b> Buildings for Fatigue, Certification Lab & General Storage- Manesar	Completion date	Date			15 <sup>th</sup> Nov, 2010		
	<b>Action 4:</b> Finishing, Utilities & Commissioning of all labs – Powertrain, fatigue & certification - Manesar	Completion date	Date			15 <sup>th</sup> March, 2011		
	<b>Action 5:</b> Lab buildings for Advanced Passive Safety, Powertrain, EMC and Fatigue & Certification, Photometry - Chennai	Completion date	Date			28 <sup>th</sup> Feb, 2011		
	<b>Action 6:</b> Finishing, Utilities & Commissioning of all labs- Advanced Passive Safety, Powertrain, EMC and Fatigue & Certification, Photometry - Chennai	Completion date	Date			14 <sup>th</sup> March, 2011		
	<b>Action 7:</b> General Client Workshop Buildings - Indore	Completion date	Date			14 <sup>th</sup> March, 2011		
	<b>Action 8:</b> Certification of work including quality	Report Grading	Grade			15% above BE		

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 10-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>Objective 4: Supporting BHEL to achieve Growth, market share, order book, exports and manpower augmentation.</b>	<b>Action 1:</b> Capacity augmentation plan	Capacity to deliver	MW	10000	15000	15500	20000	-
	<b>Action 2:</b> Thermal and hydro sets for Trial Operation and completion by 2010-2011	Capacity completed*	MW	1835	4690	14500	10185	-
	<b>Action 3:</b> Technical Manpower augmentation by BHEL.	No. of persons employed	No.	4717	3536	3500	-	--

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 10-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>Objective 5: Appropriately and adequately projecting and addressing the concerns of the Auto, Capital Goods Sectors .</b>	<b>Action 1:</b> Consultation with stakeholders & communication of their concerns to MoF ahead of Budget	Timely reference to MoF	date	18.12.2008	18.12.2008	15-30 days before budget	15-30 days before budget	15-30 days before budget
	<b>Action 2: Auto Mission Plan</b> – Formulation of skill development plan for auto sector with a 10 year perspective	Completion of action	date			N.A.		
	<b>Action 3:</b> Consultation with stakeholders through seminars/conferences.	Seminars/conferences held	No.	-	3	3	3	3
	<b>Action 4:</b> Funding of R&D Projects funded through Cess Funds (DCAAI).	Progress of utilization of BE	%.	-	59.6	90		
	<b>Action 5:</b> 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 meetings held	No.	-	4	4	5	5
	<b>Action 6:</b> Getting approval of Competent Authority for “Scheme for enhancement of competitiveness in the Indian Capital Goods Sector”.	Approval of Scheme	Date		NA (new scheme)	By 31 <sup>st</sup> Dec, 2010	-	-

Objective	Actions	Success Indicator	Unit	Actual Value for FY 08-09	Actual Value for FY 09-10	Target Value for FY 10-11	Projected Value for FY 11-12	Projected Value for FY 12-13
<b>1. Efficient Functioning of the RFD System.</b>	<b>Action 1:</b> Timely submission of Draft for Approval	On-time submission	date	NA	Nov, 30 2009	March, 8 2010		
	<b>Action 2:</b> Timely submission of Results	On-time submission	date	NA	May, 1 2010	May, 3 2011		
	<b>Action 3:</b> Finalize a Strategic Plan	Finalize the Action Plan to make the Strategic Plan for next five years	date	NA	1 <sup>st</sup> March, 2010	Dec, 15 2010		
<b>2. Improving Internal Efficiency of Ministry/Department</b>	<b>Action 1:</b> Develop RFDs for all responsibility centres (subordinate offices, Attached offices, Autonomous bodies)	% age of RCs covered	%	NA	NA	95		
	<b>Action 2:</b> Implementation of Sevottam	Create a Sevottam compliant system to implement monitor and review citizen's charter.	Date	NA	NA	Oct, 5 2010		
		Create a Sevottam compliant system to redress and monitor public grievances.	Date	NA	NA	Oct, 5 2010		
	Independent Audit of Citizen's Charter	%	%	NA	NA	95		
	Independent Audit of Public Grievances redressal system	%	%	NA	NA	95		

<b>Objective</b>	<b>Actions</b>	<b>Success Indicator</b>	<b>Unit</b>	<b>Actual Value for FY 08-09</b>	<b>Actual Value for FY 09-10</b>	<b>Target Value for FY 10-11</b>	<b>Projected Value for FY 11-12</b>	<b>Projected Value for FY 12-13</b>
<b>Ensuring compliance to the Financial Accountability Framework.</b>	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.	Percentage (%)			90		
	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.	Percentage (%)			90		
	Early disposal of pending ATNs on Audit paras of C&AG Reports presented to Parliament before 31.03.2010.	Percentage of outstanding ATNs disposed off during the year.	Percentage (%)			90		
	Early disposal of pending ATNs on PAC Reports presented to Parliament before 31.03.2010.	Percentage of outstanding ATNs disposed off during the year.	Percentage (%)			90		

## SECTION – IV

**Aggregate Turnover:** Here it means total production of CPSEs under DHI in value terms.

**Aggregate net Profit:** Company's profits before tax. This measure deducts all expenses from revenue including interest expenses and operating expenses, but it leaves out the payment of tax.

**Review of PSE Performance:** Performance evaluation of CPSEs is done by the Department on the basis of Memorandum of Understanding (MoU) signed by the CPSEs with the Department with a view to improve the performance of PSEs.

**Restructuring/Revival of Sick PSEs:** include making reference to BIFR/BRPSE, financial and business restructuring, fresh cash infusion, diversification, modernization, technology upgradation, formation of joint ventures, mergers/closures, change of management, cost control, etc.

**VRS/VSS & Statutory Dues:** The Department is providing budgetary support as loan to sick/loss making PSEs towards payment of Voluntary Retirement Scheme (in case of surplus employees in operating PSEs)/Voluntary Separation Scheme (in case of closure of Companies) to its employees. Criteria on which Budgetary support as loans are extended to CPSEs are:

(i) The CPSEs are still loss making under the definition given in Sick Industrial Companies (Special Provision) Act, 1985/Department of Public Enterprises Resolution dated 6.12.2004.

(ii) The CPSEs are unable to pay the salary/wages due to their poor financial conditions.

(iii) The revival/closure Plan is pending consideration of Government/BIFR for approval based on recommendations of BRPSE.

**Phasing of Expenditure:** Process of dividing the entire expenditure to be incurred by the Department into phases for the concerned financial year (the yearly expenditure is divided into four quarters or phases).

**Structured Review of Power Projects under BHEL:** Meeting with concerned BHEL officials with DHI on regular basis to review the progress of various projects being executed by BHEL in the country including various bottlenecks and problems being faced and remedial measures to be taken by the company for timely execution.

**Capacity Completed:** Power plant commissioned by BHEL in MW and power added to the grid during the year.

**Capacity Augmented:** Increase in installed manufacturing capacity of BHEL for various equipments being manufactured by them.

**Taking up with MoF:** Every year, ahead of Budget Session of Parliament, the Department takes up various issues concerning the Auto sector and some other sub sectors of Capital goods sector in the form of duty concessions, tax concession for R&D activities etc. with the Ministry of Finance.

**Quality of Report:** Functioning of NATRIP centres are audited for the rigorousness and quality of testing standards and processes followed by them, which is reported in quality of report.

**Policy issues through IMGs and JWGs:** Since policy matters of Auto Sector relating to emissions, safety, fiscal policy, exim policy etc. are made by a number of Ministries, DHI being the Nodal Ministry for Auto Sector has constituted IMGs for implementation of Auto Mission Plan and for resolving the issues impacting the growth of the Auto Sector. Similarly, to make DCAAI more effective, three sub JWGs have been constituted for taking ahead important initiatives.

**No. of Projects Funded under Cess Fund:** The automobile cess fund is made available to DCAAI. One of the important areas for using this fund is aiding and promoting pre-competitive R&D in Auto Sector for the benefit of the Industry.

**Concerns of Domestic industry at bi/multi/pluri-lateral Forum:** The Indian Industry is impacted by the various developments in bi/multi/pluri-lateral forums like FTAs, negotiations under WTO etc. The Department consults the industries before finalizing its views on matters impacting the industries and the recommendations so developed or made to the various concerned Government Departments like Ministry of Commerce etc.

## **SECTION – V**

**Board for Reconstruction of Public Sector Enterprises (BRPSE):** The Government constituted Board for Reconstruction of Public Sector Enterprises (BRPSE) vide Resolution dated 6<sup>th</sup> December, 2004 as a part time advisory body to advise the Government on strategies, measures and schemes related to the task of strengthening, modernization, reviving and restructuring of Central Public Sector Enterprises (CPSEs). The Board comprises of a Part-time Chairman in the rank of Minister of State, three Non-official Members and three official Members. In addition, Chairman, Standing Conference of Public Enterprises (SCOPE), Chairman, Public Enterprises Selection Board (PESB) and Chairman, Oil and Natural Gas Corporation Ltd. (ONGC) are the permanent invitees. The Board is serviced by the Department of Public Enterprises (DPE) and the Secretary of BRPSE is in the rank of Additional Secretary to the Government of India. The sick enterprises are identified as per the definition given in DPE's Resolution dated 6.12.2004. Then a comprehensive package for revival/rehabilitation or closure of sick/loss making CPSEs is prepared after consultation with all stakeholders. Then the proposals are submitted to the BRPSE through DPE for its consideration and making recommendations to the Government.

**Public Enterprises Selection Board (PESB) :** The PESB is a high powered body constituted by Government of India Resolution dated 3.3.1987 which was subsequently amended from time-to-time, the latest being on 11.11.2008.

The PESB has been set up with the objective of evolving a sound managerial policy for the Central Public Sector Enterprises and, in particular, to advise Government on appointments to their top management posts.

### **Functions of PESB**

Specific functions assigned to the PESB include the following :

- i. to be responsible for the selection and placement of personnel in the posts of Chairman, Managing Director or Chairman-cum-Managing Director (Level-I), and Functional Director (Level-II) in PSEs as well as in posts at any other level as may be specified by the Government;
- ii. to advise the Government on matters relating to appointments, confirmation or extension of tenure and termination of services of the personnel of the above mentioned levels;

- iii. to advise the Government on the desired structure at the Board level, and, for senior management personnel, for each PSE or group of PSEs;
- iv. to advise the Government on a suitable performance appraisal system for both the PSEs and the managerial personnel in such enterprises;
- v. to build a data bank containing data relating to the performance of PSEs and its officers;
- vi. to advise the Government on formulation and enforcement of a code of conduct and ethics for managerial personnel in PSEs;
- vii. to advise the Government on evolving suitable training and development programs for management personnel in PSEs.

**Ministry of Finance:** Ministry of Finance is approached by the Department for providing adequate budget for the various schemes and PSEs under DHI, Revival/Restructuring of PSEs, VRS/VSS and other Statutory dues of PSEs etc. Moreover, ahead of Budget Session of Parliament, the Department takes up various issues concerning the Auto sector and some other sub sectors of Capital goods sector in the form of duty concessions, tax concession for R&D activities etc. with the Ministry of Finance.

**Department of Personnel & Training:** The DOPT is involved in the Board level appointments in the CPSEs under DHI.

**Ministry of MSME:** There are certain overlapping sectors in capital goods/auto sector etc. wherein both the Department of Heavy Industry and MSME units may be there. Similarly in case of certain schemes interaction between two Ministries takes place.

**Ministry of Power:** The Department continuously interacts with the Ministry of Power for BHEL Projects.