RESULTS-FRAMEWORK DOCUMENT

सत्यमेव जयते

DEPARTMENT OF HEAVY INDUSTRY
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

FOR THE PERIOD

JANUARY 1, 2010 TO MARCH 31, 2010

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SECTION - I

VISION

"The Vision of the Department of Heavy Industry is to have a modern, healthy and robust domestic heavy engineering industry viz. Machine Tool Industry, Heavy Electrical Industry, Industrial Machinery, Auto Industry and all sub sectors of Capital Goods Industry.

The Department of Heavy Industry visualises all PSEs under its administrative control to register sound growth.

The Department of Heavy Industry intends to transform BHEL, the only Navaratna CPSE under its administrative control, into a world class engineering enterprise.

The Department of Heavy Industry also seeks to position India prominently on the global automotive map and to drive India into the future of global automotive excellence".

MISSION

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

The Department of Heavy Industry also 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 end of 2011".

MAIN OBJECTIVES

Objective No. 1

Supporting profit making PSEs (Except 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 50,100 by 2011-12.

Objective No. 5

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

Objective No. 6

Efficient Functioning of the Results Framework Document(RFD) System.

FUNCTIONS

1. 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

2. To interact and maintain constant dialogue with Industry Associations of the 19 sub-sectors of the Capital Goods Sector (Boilers, Cement Machinery, Diary 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.

3. 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.

4. 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.

5. To protect and project the interests of heavy engineering industry, capital goods and automobile sectors in bilateral/multilateral/plurilateral agreements signed by the Government.

6. To provide inputs to other Departments/Ministries for formulation of policies impacting on heavy engineering, power, auto and other sectors relating to this Department.

7. To submit recommendations in regard to FDI, Foreign Technical Collaborations (FTC) proposals considered by the FIPB/SIA.

8. 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.

9. To implement the Automotive Mission Plan which lays down the collective vision of the Industry and the Government for the automotive industry in 2016.

10. To administer the Fluid Control Research Institute (FCRI) which caters to the need of the flow industry for calibration.

11. 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.

12. 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.

13. To administer BHEL, Navratna PSE with a view to achieving consistently high growth in turnover, profits, net worth, order book position, exports, manpower.

14. To represent the Government in the Boards of the PSEs by nominating Government nominees.

15. To constitute and appoint Directors (Functional as well as Part-time non-official) on the Boards of PSEs with the approval of Competent Authority.

16. To conduct periodic performance/MoU review/project review meetings of various PSEs.

17. To support and strengthen and assist profit making PSUs with a view to attaining consistently high growth in turnover and profits.

18. To increase the aggregate profit of profit making PSEs and reduce the aggregate losses of loss making PSEs.

19. To encourage and undertake restructuring of PSEs under its administrative control with a view to ensuring their revival in the shortest possible time.

20. 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.

21. To revive sick/loss making PSEs with the support of other PSEs under the administrative control of this Department.

22. 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.

23. To locate joint venture partners for sick and loss making PSEs.

24. To close down sick PSEs which have no possibilities for revival.

25. To provide budgetary support for payment of salary, wages and statutory dues to sick PSEs.

26. 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.

27. 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 .

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 1.1.2010 – 31.3.2010

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Objective 1: Supporting profit making PSEs(except BHEL) to attain higher turnover and profits	25%	**Action 1:** Structured review of PSU performance at the level of SHI/JS	(A)% increase in aggregate turnover in Q4 (YoY)	%	7%	> 20%	15-20%	10-15%	5-10%	<5%
			(B)% increase in aggregate net profits for 2009-10	%	6%	> 2.5%	2-2.5%	<1.5-2%	1-1.5%	<1
			(C) Frequency of quarterly review	%	6%	Review held in all cases	Review held in 90% of cases	Review held in 80% of cases	Review held in 70% of cases	Review held in 60% of cases
		Action 2: Achieving excellent MoU ranking.	Number of PSEs	Number	6%	> 6	4-6	2-4	1-2	< 1

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target (1.1.2010 – 31.3.2010)				
						Excellent	**Very Good**	**Good**	**Fair**	**Poor**
						100%	**90%**	**80%**	**70%**	**60%**
Objective 2: Restructuring PSEs to reduce sick and loss making PSEs as also their aggregate losses.	**22%**	**Action 1:** Reference to BRPSE for Revival/Restructuring of PSEs.	Reference to BRPSE for Restructuring /revival of SIL.	Time	5%	Before 28th Feb. 09	1-10 March 09	10-20 March 09	20-30 March 09	After 30th March 09
		Action 2: Preparation of Note for seeking approval of CCEA/COS for Revival/Restructuring of PSEs (BSCL, HPF, HMT (MT) and HMT Ltd.).	No. of PSEs for which decision of CCEA/COS is obtained.	Number	5%	3	2	1	-	0
		Action 3: Providing VRS/VSS & statutory dues for restructuring of PSEs (BE provision is Rs 250 crore).	% expenditure on VRS/VSS & statutory dues provided	%	4%	95% of Rs. 250 crore	90% of Rs. 250 crore	80% of Rs. 250 crore	70% of Rs. 250 crore	< 70% of Rs. 250 crore
		Action 4: Making Fund provision for revival of PSEs for 2010-11 (BE provision is Rs 150 crore for 2009-10)	% expenditure on revival of PSEs	%	4%	95% of Rs. 150 crore	90% of Rs.150 crore	80% of Rs. 150 crore	70% of Rs. 150 crore	< 70% of Rs. 150 crore
		Action 5: Reduction in aggregate losses of sick/loss making PSEs	% reduction in aggregate losses	%	4%	>10%	6-10%	3-6%	1-2%	<1%

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target (1.1.2010 – 31.3.2010)				
						Excellent	**Very Good**	**Good**	**Fair**	**Poor**
						100%	**90%**	**80%**	**70%**	**60%**
Objective 3: Setting up of seven state-of-the-art automotive testing and R&D centres across the country – Physical Progress of the Project.	**18%**	**Action 1:** Manesar I – Completion of Buildings for Power train Lab & Client Workshop.	On scheduled time	Time	4%	31st Jan	15th Feb	28th Feb	15th March	31st March
		Action 2: Chennai-Admin./Reception Bldg, General Storage, Client Workshop, Maintenance Workshop, Control Tower.	On scheduled time	Time	4%	31st Jan	15th Feb	28th Feb	15th Mar	31st Mar
		Action 3: Commissioning of Silchar Dholchura Campus for Hill Driving Training Institute & Holding of 1st Defensive Driving Training Course.	On scheduled time	Time	4%	31st Jan	15th Feb	28th Feb	15th Mar	31st Mar
		Action 4: Completion of Silchar Jaffirbund – I&M Bldg	On scheduled time	Time	4%	31st Jan	15th Feb	28th Feb	15th Mar	31st Mar
		Action 5: Third party Certification of work including quality of commissioned projects by March 09..	Report on Quality	Grade	2%	Excellent	VG	G	F	P

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target (1.1.2010 – 31.3.2010)				
						Excellent	**Very Good**	**Good**	**Fair**	**Poor**
						100%	**90%**	**80%**	**70%**	**60%**
Objective 4: Supporting BHEL to achieve Growth, market share, order book, exports and manpower augmentation.	**20%**	**Action 1:** Manpower augmentation by BHEL.	Total manpower as on end March	No.	4%	46200	46000	45900	45800	<45800
		Action 2: Structured review of power projects under implementation by BHEL for 2009 – 10.	(A)% increase in aggregate turnover in Q4 (YoY)	%	2%	> 10%	8-10%	5-8%	2-5%	<2%
			(B)% increase in aggregate net profits in Q4 (YoY)	%	2%	> 27%	22-27%	<17-22%	10-17%	<10%
		Action 3 Thermal and hydro sets for capacity addition and completion during Quarter 4 of 2009-10.	Capacity completed	MW	6%	> 2250	2150-2250	2050-2150	1950-2000	< 2000
		Action 4: Capacity augmentation plan	Capacity augmented as targeted by March 2010.	MW	6%	15000	14000	12000	11000	<11000

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target (1.1.2010 – 31.3.2010)				
						Excellent	**Very Good**	**Good**	**Fair**	**Poor**
						100%	**90%**	**80%**	**70%**	**60%**
Objective 5: Appropriately and adequately projecting and addressing the concerns of the Auto, Capital Goods Sectors .	**10%**	**Action 1:** Take up with MoF ahead of Budget	Timely taking up with MoF	date	2%	30 – 45 days before budget	15 – 30 days before budget	10 – 15 days before budget	5 – 10 days before budget	Not taken up
		Action 2: Taking up important policy issues relating to industry sectors through IMGs and Joint Working Groups.	No. of times taken up	No.	2%	3	2	1	-	0
		Action 3: Take up recommendations of Development Councils with appropriate Departments / Ministries.	No. of times taken up	No.	1%	2	1	-	-	0
			No. of DC meetings held.	No.	1.5%	2	1	-	-	0
		Action 4: Organise seminar/conference on Energy Efficiency in PSEs under DHI.	Holding of Seminar	Time	1.5%	31st Jan-09	1-15 Feb. 09	15-20 Feb. 09	20-28 Feb. 09	March 09
		Action 5: Release of funds for R&D Projects funded through Cess Funds (DCAAI).	No. of projects funded	No.	1%	2	1	-	-	0
		Action 6: Protect and project the concerns of domestic industry through effective articulation of issues at bi/multi/pluri-lateral forum such as WP 29, JWGs.	Holding of meetings	Time	1%	31st Jan, 2010	15th Feb, 2010	28th Feb, 2010	15th March, 2010	After 15th March, 2010

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight	Target (1.1.2010 – 31.3.2010)				
						Excellent	**Very Good**	**Good**	**Fair**	**Poor**
						100%	**90%**	**80%**	**70%**	**60%**
Objective 6: Efficient Functioning of the RFD System .	**5%**	**Action 1:** Timely submission of Draft for Approval	On-time submission	date	2%	Nov, 29 2009	Nov, 30 2009	Dec, 1 2009	Dec, 2 2009	Dec, 3 2009
		Action 2: Timely submission of Results	On-time submission	date	1%	April, 30 2010	May, 1 2010	May, 3 2010	May, 4 2010	May, 5 2010
		Action 3: Finalize a Strategic Plan	Finalize the Action Plan to make the Strategic Plan for next five years	date	2%	Feb, 12 2010	Feb, 15 2010	Feb, 18 2010	Feb, 21 2010	Feb, 24 2010

SECTION III
Trend values of the success indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 1: Supporting profit making PSEs to attain higher turnover and profits	**Action 1:** Structured review of PSU performance at the level of SHI/JS	(A)% increase in aggregate turnover in Q4 (YoY)	%	12.4 %	17.2 %	18%	MoU for this year has not been finalized	MoU for this year has not been finalized
		(B)% increase in aggregate profits for 2009-10	%	23.8 %	2.4 %	2.25 %	MoU for this year has not been finalized	MoU for this year has not been finalized
	Action 2: Achieving excellent MoU ranking for 2009-10**.**	Number of PSEs	Number	4	Not yet finalized by Department of Public Enterprises	6	8	10

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 2: Restructuring PSEs to reduce sick and loss making PSEs as also their aggregate losses.	**Action 1:** Reference to BRPSE for Revival/Restructuring of PSEs (Scooters India Ltd.).	Reference to BRPSE for Restructuring /revival of SIL.	Time	1	1	0	Will depend on cases on hand	Will depend on cases on hand
	Action 2: Preparation of Note for seeking approval of CCEA for Revival/Restructuring of PSEs (HMT (MT) and HMT Ltd.).	No. of PSEs for which approval of CCEA is obtained.	Number	3	3	0	Will depend on cases on hand	Will depend on cases on hand
	Action 3: Providing VRS/VSS & statutory dues for restructuring of PSEs (BE provision is Rs 250 crore).	% expenditure on VRS/VSS & statutory dues provided	%	88%	94.6%	>86%	100%	100%
	Action 4: Making Fund provision for revival of PSEs for 2010-11 (BE provision is Rs 150 crore for 2009-10)	% expenditure on revival of PSEs	%	100%	99.8%	>86%	100%	100%
	Action 5: Reduction in aggregate losses of sick/loss making PSEs	% reduction in aggregate losses	%	(-) 7.2%	(-) 19.4%	9%	-	-

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 3: Setting up of seven state-of-the-art automotive testing and R&D centres across the country – Physical Progress of the Project.	**Action 1:** Manesar I – Completion of Buildings for Power train Lab & Client Workshop.	On scheduled time	date	This being a new project and is being implemented to set up infrastructure for the first time, past data does not exist.		15th Feb	Not applicable	
	Action 2: Chennai-Admin./Reception Bldg, General Storage, Client Workshop, Maintenance Workshop, Control Tower.	On scheduled time	date			15th Feb		
	Action 3: Commissioning of Silchar Dholchura Campus for Hill Driving Training Institute & Holding of 1st Defensive Driving Training Course.	On scheduled time	date			15th Feb		
	Action 4: Completion of Silchar Jaffirbund – I&M Bldg	On scheduled time	date			15th Feb		
	Action 5: Certification of work including quality.	Quality of Report	Grade			Very Good		

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 4: Supporting BHEL to achieve Growth, market share, order book, exports and manpower augmentation.	**Action 1:** Manpower augmentation by BHEL.	Total manpower as on end March	No.	43636	45666	41580	46270	46300
	Action 2: Structured review of power projects under implementation by BHEL for 2009 – 10.	(A)% increase in aggregate turnover in Q4 (YoY)	%	14.2%	31%	9%	9.4%	29%
		(B)% increase in aggregate net profits in Q4 (YoY)	%	18%	9.7%	24.3%	20.6%	30%
	Action 3 Thermal and hydro sets for trial operation and completion during 2009- 10.	Capacity completed	MW	4984	1835	2025	14089	8215
	Action 4: Capacity augmentation plan	Capacity augmented as targeted by March 2010.	MW	7000	10000	13500	15000	20000

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 5: Appropriately and adequately projecting and addressing the concerns of the Auto, Capital Goods Sectors .	**Action 1:** Take up with MoF ahead of Budget	Timely taking up with MoF	date	-	18.12.2008	30 – 45 days before budget	30 – 45 days before budget	30 – 45 days before budget
	Action 2: Taking up important policy issues relating to industry sectors through IMGs and Joint Working Groups.	No. of times taken up	No.	-	IMG – 5 JWG -5	3	IMG – 5 JWG -5	IMG – 5 JWG -5
	Action 3: Take up recommendations of Development Councils with appropriate Departments / Ministries.	No. of times taken up	No.	2	6	2	6	6
		No. of DC meetings held.	No.	-	2	2	2	2
	Action 4: Organise seminar/conference on Energy Efficiency in PSEs under DHI.	Holding of Seminar	Time	-	-	Before 15 Feb, 2010	-	-
	Action 5: Release of funds for R&D Projects funded through Cess Funds (DCAAI).	No. of projects funded	No.	6	8	2	8	8
	Action 6: Protect and project the concerns of domestic industry through effective articulation of issues at bi/multi/pluri-lateral forum such as WP 29, JWGs.	Holding of meetings	Time	June, 07	Nov, 08 Feb, 09 March, 09	Before 15 Feb, 2010	-	-

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07-08	Actual Value for FY 08-09	Target Value for FY 09-10 (1.1.2010-31.3.2010)	Projected Value for FY 10-11	Projected Value for FY 11-12
Objective 6: Efficient Functioning of the RFD System.	**Action 1:** Timely submission of Draft for Approval	On-time submission	date	**Not Applicable**				
	Action 2: Timely submission of Results	On-time submission	date					
	Action 3: Finalize a Strategic Plan	Finalize the Action Plan to make the Strategic Plan for next five years	date					

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 6th 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.

<u>Functions of PESB</u>

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 PSEsetc. 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.