

.No. 13(1)/2014-O &M
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Heavy Industry

Room No 387, Udyog Bhawan, New Delhi
Dated 22nd May, 2015

OFFICE MEMORANDUM

Subject: Revised Innovation Action Plan in Government Departments- regarding

The undersigned is directed to say that an Innovation Action Plan (IAP) has been visualized in Department of Heavy Industry to have a globally competitive, growth orientated and profitable Auto, Capital Goods Sector and self-reliant & growth oriented CPSEs under the Department. As per this Innovation Action Plan innovation ideas are invited from within the Department, CPSEs/Autonomous Bodies/Associations/other stakeholders on Innovation priorities of the department.

2. Innovation priorities of the department are to facilitate –

- I. Auto Sector;
- II. Capital Goods Sector; and
- III. To support, strengthen and assist CPSEs under its administrative control with a view to attaining consistently high growth and reduce losses of loss making CPSEs

3. Automotive industry is a volume driven industry and certain critical measure is a pre-requisite for attracting the much needed investment in Research and Development and New Product Design and Development. R&D investment is needed for innovations which is the life-line for achieving and retaining the competitiveness in the industry. This competitiveness in turn depends on the capacity and the speed of the industry to innovate and upgrade. The most important indices of competitiveness are productivity of both labour and capital as a catalyst and facilitator to encourage the companies to move to higher level of competitive performance. Initiative is required for creating specialized institutions in automotive sector for education, training and development, market analysis and formulation and dissemination of courses. A key deficiency that needs to be addressed is to improve competitiveness in manufacturing. Systemic deficiencies could be overcome through a long-term and stable policy regime that will support the industry to fulfill its potential. Improvement in availability of trained manpower and good infrastructure is required for sustainable growth of the industry. The procurement process of capital goods is extremely complex. Capital goods simply cannot be ordered today and delivered tomorrow. Instead, it's a rather protracted process which needs to be planned in detail. Particularly problematic will be any inadequate interface management. A policy environment is needed to help companies gain competitive advantage. The government policies target to encourage growth, promote domestic competition and stimulate innovation.

4. We are generally lagging in technology trends by 5 to 10 years. Indigenisation is low in many areas. Changes in the technology /Advanced technology forces the manufacturer to use sophisticated technology to counter tough competition and to get orders. Since the Sectors/CPSEs under DHI are unable to cope the trend in technology and thus not getting sufficient business. Rules and regulations need modification for encouraging growth /efficiency

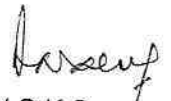
/profitability. FDIs/Outlays for R &D and Technology acquisitions for development needed. Supply and demand is the direct result of trends in the social market, which can benefit and hinder businesses. This gives the opportunity to become innovators of new products. Auto Sector and Capital Goods Sector are prone to changing social trends.

5. Lack of Technology and obsolete methods of processing affects the competitiveness and excessive usage of resources in manufacturing. It also leads to excessive dependence on imports thus affecting the indigenous industry leading to wastage of skill, manpower, capital investment etc. Heavy Engineering Sector has been affected due to technology trends. Sick/loss making CPSEs have also not been able to compete and therefore human and other resources are wasted.

6. Innovative ideas are therefore invited from all CPSEs/ Autonomous Research Institutes under administrative control of DHI/IITs/Associations/Members of Development Council/NMCC etc. and public at large to address the above issues of industry and for achieving success in " Make in India " Mission of Govt. of India. All CPSEs/ARIs under the administrative control of Department of Heavy Industry are also requested to display this O.M. on their websites also.

7. Director (O & M), DHI has been appointed as nodal officer to receive , monitor and coordinate the innovative ideas. The ideas from the employee of an organisation/ establishment / Institutions are required to be received through Head of organisation/ establishment / Institutions alongwith his/her comments. However an individual who is not employed can send idea(s) directly to the nodal officer at the following address:

Mrs. Vinita Srivastava, Director (O & M)
Department of Heavy Industry,
Room No. 123-A, Udyog Bhawan, New Delhi



(S.K.Saxena)
Under Secretary to the Govt. of India
Tel. 011-23061340
e mail: sushil.saxena@nic.in

To,

1. All CPSEs/Autonomous Research Institutes under administrative control of DHI/IITs/Associations/Members of Development Council/NMCC as per list attached with the request to give wide publicity for inviting innovation ideas
2. Scientist D, NIC with the request to take action for publicity on the website of Department for obtaining innovation ideas.

Copy to:

1. PSO to SHI/ PS to AS & FA
2. PPS/PS to AS(S)/JS(RKS)/JS(VS)/EA(RKP)/CCA