

RESULTS-FRAMEWORK DOCUMENT



सत्यमेव जयते

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

FOR THE PERIOD

APRIL 1, 2013 TO MARCH 31, 2014

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SECTION - I

VISION

To have a globally competitive, growth oriented and profitable heavy industry; and self-reliant and growth oriented CPSEs under the Department.

MISSION

To facilitate Auto, Heavy Electrical and Capital Goods Sectors to be globally competitive, growth oriented and profitable and to provide all necessary support to the CPSEs in order to improve their overall performance.

OBJECTIVES

Objective No. 1

Facilitating growth of Auto Sector

Objective No. 2

Facilitating growth of Heavy Electrical Sector

Objective No. 3

Facilitating growth of Capital Goods Sector

Objective No. 4

Supporting Skill Development Activities in Auto, Heavy Electrical and Capital Goods Sectors

Objective No. 5

Joint Responsibility for Power Generation

Objective No. 6

Supporting BHEL to achieve sustained high growth and become globally competitive

Objective No. 7

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

Objective No. 8

Restructuring/Revival of sick and loss making CPSEs

Objective No.9

Supporting Responsibility Centres (RCs) to improve their performance

FUNCTIONS

(a) To support, strengthen and assist PSEs with a view to attaining consistently high growth in turnover, increase in aggregate profits of profit making PSEs and reduce aggregate losses of loss making PSEs.

(b) To encourage, explore all possible viable options and undertake restructuring and revival of sick/ loss making PSEs under DHI, through a comprehensive revival business plan which may also include synergic collaboration or merger of sick companies with profitable PSE, induction of joint venture strategic venture partner, failing which closure of such companies that cannot be revived.

(c) Formulate and undertake initiatives, schemes, projects, policies to facilitate R&D, encourage international cooperation, create required mechanisms and project critical industry sectoral requirements relating to National policy modulation in the areas of trade, taxation, environment, manufacturing, emissions and safety (auto section) along with providing inputs for formulating the GoI stand in International multilateral fora like WP-29,WTO, etc., bilateral co-operations and agreements like FTA, ICFPA, etc.

(d) To implement the department's flagship project, National Automotive Testing R&D Infrastructure Project (NATRiP) across the country for **(i)** Creating core global competencies in automotive sector in India, **(ii)** Enhancing competitive skills for product development for deepening of automotive manufacturing in the country, **(iii)** Synergising India's unique capabilities in Information Technology with the automotive sector and **(iv)** Facilitating seamless integration of Indian automotive industry with the world to put India strongly on the global automotive map.

(e) To implement the Automotive Mission Plan 2006-16, which lays down the joint vision of Industry and the Government for the automotive industry in 2016, which is to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US\$ 145 Billion accounting for more than 10% of the GDP and providing additional employment to 25 million by 2016.

(f) To administer and support BHEL, a Navratna PSE, with a view to transform it into a leading global manufacturer of power generating equipment and energy solutions so as to bridge the power infrastructure gap in the country and to transform BHEL into a globally competitive company through consistent high growth in turnover, profits, net worth, order book position, exports, manpower development and investments in latest technologies.

(g) To provide financial support to PSEs for **(i)** funding their VRS/ VSS, **(ii)** investment needs for implementation of restructuring plans of sick/ loss making PSEs as sanctioned by the Government/ BIFR; and **(iii)** loan for payment of salary, wage and statutory dues to sick PSEs.

(h) Support and implement good corporate governance and efficient functioning of PSEs under DHI through enforcement of DPE, Gol guidelines, signing of MOUs with PSE's with a view to accord greater functional autonomy, periodic review of PSE performance, appointment of Directors (Functional as well as Part-time non-official) on the Boards of PSEs under DHI and through participation of department's officers in the Boards of the PSEs as Government nominees.

(i) To administer, support the growth and development of Fluid Control Research Institute (FCRI) and Automotive Research Association of India (ARAI) which are leading organisations under DHI in the area of flow measurement and automotive testing & R&D respectively.

(j) Striving for growth of Industry's sectors allotted to DHI and for this purpose, to constitute and hold regular meetings of the various constituted Inter Ministerial Groups and the Development Councils under DHI in the area of Automotive & Allied Industries, Machine Tools, Heavy Electrical & Allied Industries. Textile Machinery Industry and the various sub groups of these councils.

(k) 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 .

SECTION - II

Inter se priorities among key objectives, success indicators and targets for the period 1.4.2013 – 31.3.2014

Objective	Weight	Actions	Success Indicator	Unit	Relative Weight %	Target				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Objective 1: Facilitating growth of Auto Sector	19%	Action 1: Growth of the sector	(a) Value of output	Rs. Crores	1.5	544070	540543	539009	536709	535687
			(b) Growth over previous year	%	1.5	6.44	5.75	5.45	5.00	4.80
		Action 2: Implementation of NEMMP 2020	Submission of Cabinet Note for the Scheme	Date	3	30 th Sep 2013	31 st Oct 2013	30 th Nov 2013	31 st Dec 2013	31 st Jan 2014
		Action 3: Funding of R&D Projects funded through Cess Funds (DCAAI).	Release of funds allocated	%	1	100	90	80	70	60
		Action 4: Completion of R&D Projects (due for completion by 31.03.2014)	No. of projects completed	%	3	100	90	80	70	60
		Action 5: Technical evaluation of R&D Projects completed up to 31.03.2013.	(a) Submission of Evaluation Report	%	1	100	90	80	70	60
			(b) Completion of action on evaluation reports of previous years	%	1	100	90	80	70	60
		Action 6: Commissioning of facilities at GARC, Chennai, NATRIP	(a) Completion of Civil & Utility works of Fatigue lab & Certification lab	Date	0.5	30 th Sep 2013	15 th Oct 2013	31 st Oct 2013	15 th Nov 2013	30 th Nov 2013

			(b) Completion of Civil & Utility works of non-technical buildings	Date	0.5	31 st July, 2013	31 st Aug 2013	30 th Sep 2013	31 st Oct 2013	30 th Nov 2013
			(c) Commissioning of Pedestrian Lab	Date	0.5	28 th Oct, 2013	12 th Nov 2013	27 th Nov 2013	13 th Dec 2013	28 th Dec 2013
			(d) Commissioning of Airbag Lab	Date	0.5	27 th Dec 2013	11 th Jan 2014	26 th Jan 2014	11 th Feb 2014	26 th Feb 2014
		Action 7: Commissioning of new facilities at iCAT, Manesar, NATRIP	(a) Commissioning of SHED facility	Date	0.5	14 th July 2013	28 th July 2013	13 th Aug 2013	13 th Aug 2013	13 th Aug 2013
			(b) Completion of Civil & Utility works of Fatigue lab & Certification lab	Date	0.5	30 th Nov 2013	15 th Dec 2013	31 st Dec 2013	15 th Jan 2014	31 st Jan 2014
			(c) Commissioning of Pedestrian Lab	Date	0.5	13 th July 2013	13 th Aug 2013	28 th Aug 2013	28 th Aug 2013	28 th Aug 2013
			(d) Completion of Civil & Utility works of EMC lab	Date	0.5	31 st Aug 2013	15 th Sep 2013	1 st Oct 2013	16 th Oct 2013	1 st Nov 2013
			(e) Completion of Civil & Utility works of test tracks	Date	0.5	31 st Aug 2013	30 th Sep 2013	31 st Oct 2013	30 th Nov 2013	31 st Dec 2013
		Action 8: Commissioning of new facilities at NATRAX, Indore, NATRIP	(a) Completion of Civil & Utility works of non-technical buildings	Date	0.5	31 st July, 2013	31 st Aug 2013	30 th Sep 2013	31 st Oct 2013	1 st Dec 2013
			(b) Completion of Civil & Utility works of Powertrain	Date	0.5	31 st Aug 2013	30 th Sep 2013	31 st Oct 2013	15 th Nov 2013	1 st Dec 2013
			(c) Completion of Civil & Utility works of Vehicle Dynamics	Date	0.5	31 st July, 2013	31 st Aug 2013	30 th Sep 2013	15 th Oct 2013	31 st Oct 2013

		Action 9: Operationalization of iCAT, Manesar, GARC, Chennai & Silchar centres of NATRIP	(a) Revenue generation from facilities at iCAT, Manesar and GARC, Chennai (Annual Turnover)	Rs. Crores	0.5	42	40	39	38	37
			(b) Conduct of Driver Training at Silchar centre (Persons trained)	Number	0.5	200	175	150	125	100
Objective 2: Facilitating growth of Heavy Electrical Sector	9%	Action 1: Growth of the sector	(a) Value of output	Rs. Crores	1.5	142000	138240	135000	131000	129280
			(b) Growth over previous year	%	1.5	10.94	8.00	5.47	2.34	1.00
		Action 2: Finalization of Indian Electrical Equipm Industry Mission Plan 2022	Finalization of the Mission Plan	Date	5	31 st Oct 2013	30 th Nov 2013	31 st Dec 2013	31 st Jan 2014	28 th Feb 2014
		Action 3: Finalization of R&D Project for Development of Advanced Ultra Supercritical Technology for Thermal Power	Submission of the proposal to EFC	Date	1	30 th Sep 2013	31 st Oct 2013	30 th Nov 2013	31 st Dec 2013	31 st Jan 2014
Objective 3: Facilitating growth of Capital Goods Sector	10%	Action 1: Growth of the sector	(a) Value of output	Rs. Cr.	1.5	70000	67055	65000	63000	60000
			(b) Growth over previous year	%	1.5	21.95	16.82	13.24	9.76	4.53
		Action 2: Notification of National Policy on Capital Goods	Notification of Policy	Date	4	31 st Dec 2013	15 th Jan 2014	15 th Feb 2014	28 th Feb 2014	15 th Mar 2014
		Action 3: Approval for the Scheme for enhancement of Global competitiveness in Capital Goods Sector	Submission of Note for CCEA	Date	1	31 st Jan 2014	15 th Feb 2014	28 th Feb 2014	15 th Mar 2014	31 st Mar 2014

		Action 4: Preparation of paper on team targets for increasing capacity utilization of indigenous capital goods	Submission of paper to COS	Date	2	30 th Sep 2013	31 st Oct 2013	30 th Nov 2013	31 st Dec 2013	31 st Jan 2014
Objective 4: Supporting Skill Development Activities	8%	Action 1: Setting up of Sector Specific Skill Development Council for Capital Goods	Formation of the Council	Date	2	31 st Dec 2013	31 st Jan 2014	28 th Feb, 2014	15 th Mar, 2014	31 st Mar, 2014
		Action 2: Setting up of Skill Development Council for Heavy Electrical Sector	Formation of the Council	Date	2	31 st Dec 2013	31 st Jan 2014	15 th Feb, 2014	28 th Feb, 2014	15 th Mar, 2014
		Action 3: Affiliation of Training Delivery Centres (TDCs) with Automotive Skill Development Council	Number of TDCs	No.	1	10	8	7	6	5
		Action 4: Creation of National Occupational Standard for the Auto & Allied Industries	Creation of Standard	Date	1	31 st Dec 2013	15 th Jan 2014	31 st Jan 2014	28 th Feb, 2014	31 st Mar, 2014
		Action 5: Skill Development Activities for the people through CPSEs	No. of persons trained in the year	No.	2	32000	30000	28000	26000	24000
Objective 5: Joint Responsibility for Power Generation	5%	Action 1: Give necessary support and clearance	(a) Additional capacity installed	MW	3	18500	18000	17000	16000	15000
			(b) Total power generated	BU	2	1030	1000	950	920	900
Objective-6: Supporting BHEL to	18%	Action-1: Topline Growth	Turnover	` Cr.	4	46,000	41,400	36,800	32,200	27,600
		Action-2:	Capacity completed	MW	3	10,000	9,000	8,000	7,000	6,000

achieve sustained high growth and become globally competitive		Power Sector Capacity addition								
		Action-3: Strengthening Engg., R&D Competitiveness	Total R&D Expenditure as % of PAT of year 2012-13	%	3	18.0	17.5	17.0	16.5	15.5
		Action-4: Capital Investment	Capital expenditure	` Cr.	2	838	796	670	587	503
		Action-5: Supporting BHEL for procuring orders	% of domestic orders	%	4	65	60	55	53	50
		Action-6: Growth in non-core sectors	Increase in business in non-core sectors (YoY)	%	2	15	13	11	10	9
Objective 7: Supporting profit making CPSEs (other than BHEL) to attain higher turnover and profits	6%	Action 1: Structured review of CPSEs performance	(A) Percentage increase in aggregate turnover in 2013-14 (YoY)	%	2	10	8	5	3	0
			(B) Percentage increase in aggregate net profit for 2013-14 (YoY)	%	2	2.0	1.5	1.0	0.5	0
		Action 2: Improvement in the performance of CPSEs.	Achievement of excellent rating in the MoU	Number	2	5	4	3	2	1
Objective 8: Restructuring/ Revival of sick and loss making CPSEs	9%	Action 1: Submission of Note for seeking approval of CCEA for Revival/Restructuring of CPSEs	No. of CPSEs for which CCEA Note is submitted.	Number	4	4	3	2	1	0

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

MANDATORY SUCCESS INDICATORS

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

	activities of the Ministry/Department as per 2nd ARC recommendations								
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SECTION III

Trend values of the success indicators

Objective	Weight	Actions	Success Indicator	Unit	Actual Value for FY 11-12	Actual Value for FY 12-13	Target Value for FY 13-14	Projected Value for FY 14-15	Projected Value for FY 15-16
Objective 1: Facilitating growth of Auto Sector	19%	Action 1: Growth of the sector	(a) Value of output	Rs. Crores	488985	511152	540543	581083	634833
			(b) Growth over previous year	%	8.33	4.3	5.75	7.50	9.25
		Action 2: Implementation of NEMMP 2020	Submission of Cabinet Note for the Scheme	Date	--	--	31 st Oct 2013	--	--
		Action 3: Funding of R&D Projects funded through Cess Funds (DCAAI).	Release of funds allocated	%	99.35	41.25	90	93	95
		Action 4: Completion of R&D Projects (due for completion by 31.03.2014)	No. of projects completed	%	--	100	90	90	90
		Action 5: Technical evaluation of R&D Projects completed up to 31.03.2013.	(a) Submission of Evaluation Report	%	0	0	90	90	90
			(b) Completion of action on evaluation reports of previous years	%	--	--	90	90	90
		Action 6: Commissioning of facilities at GARC, Chennai, NATRIP	(a) Completion of Civil & Utility works of Fatigue lab & Certification lab	Date	--	--	15 th Oct 2013	--	--

			(b) Completion of Civil & Utility works of non-technical buildings	Date	--	--	31 st Aug 2013	--	--
			(c) Commissioning of Pedestrian Lab	Date	--	--	12 th Nov 2013	--	--
			(d) Commissioning of Airbag Lab	Date	--	--	11 th Jan 2014	--	--
		Action 7: Commissioning of new facilities at iCAT, Manesar, NATRIP	(a) Commissioning of SHED facility	Date	--	--	28 th July 2013	--	--
			(b) Completion of Civil & Utility works of Fatigue lab & Certification lab	Date	--	--	15 th Dec 2013	--	--
			(c) Commissioning of Pedestrian Lab	Date	--	--	13 th Aug 2013	--	--
			(d) Completion of Civil & Utility works of EMC lab	Date	--	--	15 th Sep 2013	--	--
			(e) Completion of Civil & Utility works of test tracks	Date	--	--	30 th Sep 2013	--	--
		Action 8: Commissioning of new facilities at NATRAX, Indore, NATRIP	(a) Completion of Civil & Utility works of non-technical buildings	Date	--	--	31 st Aug 2013	--	--
			(b) Completion of Civil & Utility works of Powertrain	Date	--	--	30 th Sep 2013	--	--
			(c) Completion of Civil & Utility works of Vehicle Dynamics	Date	--	--	31 st Aug 2013	--	--
		Action 9 : Operationalization of iCAT, Manesar, GARC, Chennai & Silchar centres of NATRIP	(a) Revenue generation from facilities at iCAT, Manesar and GARC, Chennai (Annual Turnover)	` Cr	--	34	40	44	48

			(b) Conduct of Driver Training at Silchar centre (Persons trained)	Number	--	--	175	225	315
Objective 2: Facilitating growth of Heavy Electrical Sector	11%	Action 1: Growth of the sector	(a) Value of output	Rs. Crores	120235	128000	138240	149300	161250
			(b) Growth over previous year	%	9.3	6.46	8	8	8
		Action 2: Finalization of Indian Electrical Equipment Industry Mission Plan 2022	Finalization of the Mission Plan	Date	--	--	30 th Nov 2013	--	--
		Action 3: Finalization of R&D Project for Development of Advanced Ultra Supercritical Technology for Thermal Power	Submission of the proposal to EFC	Date	--	--	31 st Oct 2013	--	--
Objective 3: Facilitating growth of Capital Goods Sector	10%	Action 1: Growth of the sector	(a) Value of output	Rs. Crores	65078	57400	67055	78334	91510
			(b) Growth over previous year	%	7.94	-11.80	16.82	16.82	16.82
		Action 2: Notification of National Policy on Capital Goods	Notification of Policy	Date	--	--	15 th Jan 2014	--	--
		Action 3: Approval for the Scheme for enhancement of Global competitiveness in Capital Goods Sector	Submission of Note for CCEA	Date	--	--	15 th Feb 2014	--	--
		Action 4: Preparation of paper on team targets for increasing capacity utilization of indigenous capital goods	Submission of paper to COS	Date	--	--	31 st Oct 2013	--	--

Objective 4: Supporting Skill Development Activities	8%	Action 1: Setting up of Sector Specific Skill Development Council for Capital Goods	Formation of the Council	Date	--	--	31 st Jan 2014	--	--
		Action 2: Setting up of Skill Development Council for Heavy Electrical Sector	Formation of the Council	Date	--	--	31 st Jan 2014	--	--
		Action 3: Affiliation of Training Delivery Centres (TDCs) with Automotive Skill Development Council	Number of TDCs	No.	--	--	8	10	12
		Action 4: Creation of National Occupational Standard for the Auto & Allied Industries	Creation of Standard	Date	--	--	15 th Jan 2014	--	--
		Action 5: Skill Development Activities for the people through CPSEs	No. of persons trained in the year	No.	15600	22000	30000	30000	30000
Objective-5: Supporting BHEL to achieve sustained high growth and become globally competitive	21%	Action-1: Topline Growth	Turnover	` Cr.	49,510	50,015	41,400	48,000	51,000
		Action-2: Power Sector Capacity addition	Capacity completed	MW	8,138	9,298	9,000	9,500	9,500
		Action-3: Strengthening Engg., R&D Competitiveness	Total R&D Expenditure as % of PAT of year 2012-13	%	20	19.2	17.5	18	19
		Action-4: Capital Investment	Capital expenditure	` Cr.	1,122	753	796	900	1,050
		Action-5: Supporting BHEL for procuring orders	% of domestic orders	%	--	--	60	60	60

		Action-6: Growth in non-core sectors	Increase in business in non-core sectors (YoY)	%	--	--	13	15	20
Objective 6: Supporting profit making CPSEs (other than BHEL) to attain higher turnover and profits	6%	Action 1: Structured review of CPSEs performance	(A) Percentage increase in aggregate turnover in 2013-14 (YoY)	%	11.94	6.21	8	9	10
			(B) Percentage increase in aggregate net profit for 2013-14 (YoY)	%	4.46	-25.48	1.5	1.5	1.5
		Action 2: Improvement in the performance of CPSEs.	Achievement of excellent rating in the MoU	Number	4	3	4	5	6
Objective 7: Restructuring/ Revival of sick and loss making CPSEs	9%	Action 1: Submission of Note for seeking approval of CCEA for Revival/Restructuring of CPSEs	No. of CPSEs for which CCEA Note is submitted.	Number	3	2	3	3	--
		Action 2: Providing funds for revival of CPSEs including VRS/VSS & statutory dues	Progress of expenditure	% of RE	100	98.72	95	95	95
		Action 3: Improving performance of sick/loss making CPSEs	Reduction in cash loss of MOU signing loss making CPSEs (YoY)	%	24.53	-30.44	1.5	1.5	1.5
		Action 4: No. of additional CPSEs (those who have signed MOUs)	Transition from cash-losses to cash profit	Number of companies	--	--	4	5	6

		having Turn Around							
Objective 8: Supporting Responsibility Centres (RCs) to improve their Performance	1%	Action 1: Finalization of action plan for the activities of RCs for 2013-14	Finalization of RFD by the RCs	Date	--	--	7 th May, 2013	--	--

MANDATORY SUCCESS INDICATORS

Objective	Weight	Actions	Success Indicator	Unit	Actual Value for FY 11-12	Actual Value for FY 12-13	Target Value for FY 13-14	Projected Value for FY 14-15	Projected Value for FY 15-16
Efficient Functioning of the RFD System	3	Timely submission of Draft RFD 2014-15 for Approval	On-time submission	Date	--	--	06/03/2014	--	--
		Timely submission of Results for 2012-13	On-time submission	Date	--	--	02/05/2013	--	--
Improving Internal Efficiency/Responsiveness/Transparency/Service delivery of Ministry/Department	6	Independent Audit of implementation of Citizens'/Clients' Charter (CCC)	% of implementation	%	--	--	95	96	96
		Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	71.1	--	95	96	96
		Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	--	--	17/09/2013	--	--
Administrative Reforms	6	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	--	--	95	--	--
		Implement ISO 9001 as per the approved action plan	% of implementation	%	--	--	95	95	95

		Implement Innovation Action Plan (IAP)	% of milestones achieved	%	--	--	95	95	96
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	--	--	15/10/2013	15/10/2014	15/10/2015

SECTION – IV

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

Cash losses Here it means cash losses incurred by the company through operations

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 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 JWG: 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

Alignment with Strategy: The Strategic Plan formulated by DHI for a span of 5 years envisages improvement in the performance of CPSEs under DHI and development of Industry Sectors allocated to DHI as per the Allocation of Business Rules. In alignment with the Strategy, DHI prepared Policy/Strategic Plan document for phased growth of 5 sub-sectors of the Capital Goods industry in the RFD for 2011-12. The “Scheme for enhancement of competitiveness in the Capital Goods Sector” has been taken up in the 12th Five Year Plan proposals. The restructuring of loss making sick CPSEs under DHI would be processed in order to bring down the cash losses of the loss making units. The growth in the profit of the profit making CPSEs is also provided.

Strategy: DHI formulated strategy for development of growth of Industry Sector allocated to DHI and growth in the performance of CPSEs under DHI for a period of 5 years.

Citizens Charter: Copy enclosed.

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.

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.

BHEL Power generation capacity is dependent on other players for balancing the plant which include coal handling equipment etc.

The targets of BHEL are subject to availability of customer inputs and other reasons.

Section VI: Outcome/Impact of activities of organisation Ministry

S. No.	Outcome/Impact of organisation/RCS	Jointly responsible for influencing this outcome/impact with the following organisation(s)/ departments/ministry(ies)	Success Indicator(s)	Unit	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Growth of Auto Sector	Ministry of Finance and Planning Commission, Ministry of Petroleum, Ministry of Road, Transport & Highways, Ministry of Environment & Forests	Annual Production of vehicles	(number of vehicles)	20382026	20626227	21595659	23409694	25422927
2.	Growth of Heavy Electrical Equipment Sector	Ministry of Finance and Planning Commission, Ministry of Power, Ministry of Commerce & Industry, Ministry of Coal, Ministry of New & Renewable Energy, Ministry of Environment & Forest	Annual Production	Rs. Cr	120235	128000	138240	149300	161250
3.	Growth of Heavy Engineering & Machine Tools (Capital Goods) Sector	Ministry of Finance and Planning Commission, Ministry of Commerce & Industry, Ministry of Labour & Employment, Ministry of Environment & Forests, Ministry of Mines.	Annual Production	Rs. Cr	65078	57400	67055	78334	91510
4.	Improved Capacity addition in power sector (by BHEL)	Timely supply of equipment	Capacity addition	MW	8138	8500	9000	9500	9500

5.	Improved Performance of CPSEs other than BHEL	Profit making CPSEs under DHI	Turnover	Rs. Cr	4584.20	4868.92	5260	5680	6130
			Profit	` Cr	195.50	145.68	148	150	152
6.	Effective Restructuring of Sick CPSEs.	Ministry of Finance and Planning Commission, Cabinet Secretariat, BRPSE and Department of Public Enterprises	No. of CPSEs for which CCEA Note is submitted	No.	3	2	3	3	--