

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

STARRED QUESTION NO:472

ANSWERED ON:11.08.2014

ANNUAL TARGETS OF CPSES

Boianapalli Shri Vinod Kumar;Roy Prof. Saugata

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Central Public Sector Enterprises (CPSEs) have achieved the targets fixed as per Memorandum of Understanding (MoU) signed with his Ministry during the last three years;
- (b) if so, the details thereof along with the CPSEs of his Ministry which could not achieve targets and the reasons therefor, CPSE-wise;
- (c) the centralised mechanism in place to assess and monitor the achievements realised under MoUs of various CPSEs;
- (d) whether the Government proposes to set up a working group to review and suggest measures to further improve MoU system of CPSEs; and
- (e) if so, the details thereof including fresh guidelines, if any, issued to CPSEs aimed at giving them greater operational flexibility in achieving annual targets?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ANANT GEETE)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 472 for answer on 11.08.2014 regarding Annual Targets of CPSE

(a) & (b): The achievements vis-à-vis Memorandum of Understanding (MoU) targets of the Central Public Sector Enterprises (CPSEs) which have signed MoU with Department of Heavy Industries (DHI), for the last three years is at Annex-I. The CPSEs which have not achieved their targets have been rated as Fair /Poor. The main reasons for non-achievement of targets are adverse market conditions, obsolete technology, insufficient capital investment, high material and staff cost, inadequate working capital, non-availability of technical & professional qualified staff etc.

(c): Assessment of actual achievements vis-à-vis MoU targets is done at the end of the year on the basis of performance evaluation reports submitted by CPSEs after approval of their Boards and through their administrative Ministries/Departments. An independent body of experts namely Task Force on MoU assists in the above exercise under the oversight of a High Power Committee on MoU.

(d) No.

(e) Does not arise. Guidelines for formulation and evaluation of MoUs are issued every year based on suggestions/ feedback from concerned stakeholders namely administrative Ministries/ Departments, CPSEs, Task Force on MoU etc. CPSEs have operational flexibility in achieving annual targets.