



PSE Newsletter



From the Chairman's Desk ...

Dear Colleagues,



Welcome to a fresh issue of the newsletter of CII Council on Public Sector Enterprises. We continually scan the ever dynamic domestic/world environment and look at opportunities to synergize operations among PSEs and between PSEs & the private sector and also address any policy environment limiting the PSEs

from operating at their full potential. The Government of India as the policy maker and also single largest shareholder in PSEs, plays a seminal role in creating an environment that is conducive to growth of the Indian enterprise.

The sluggish pace of nation's growth has been a concern, being 5% in 2012-13 and contraction in Index of Industrial Production (IIP) of May 2013 by 1.6% (year-on-year) due to subdued performance exhibited by manufacturing and mining sectors. The National Manufacturing Policy aims at increasing contribution of manufacturing to the national GDP from around 14% currently to 25% by 2025, entailing creation of 100 million jobs in the process. In a bid to meet our aspirations in this context, we need to focus on technology and depth in terms of innovation, and any enterprise big or small can be a leader in innovation by fostering an entrepreneurial culture. Considering the new projects that are on the anvil, and the Government's endeavours in creating a conducive policy environment, India's economy should return to its 8% average annual rate of growth in the next couple of years.

The formation of Cabinet Committee on Investment has been a step in the direction of re-building the growth, and it has already cleared investments of over Rs 33,000 crore by hastening inter-ministerial clearances. Another factor that has a bearing on the competitiveness and growth of the Indian enterprises is the stability of the rupee. The

reasons for the recent rupee depreciation may not be very India-specific, but the consequences will be India-specific, and the Reserve Bank of India has taken appropriate measures to address it.

In the Asia region, India is required to play a proactive role in strengthening trade integration with other countries. The reference of Shri Praful Patel, Hon'ble Minister for Heavy Industries & Public Enterprises, to External Commercial Borrowings (ECBs) denominated in Chinese currency for power plants, which is putting the domestic manufacturers at an undue disadvantage is apt here as any policies that inadvertently put the domestic industry at a disadvantage need to be addressed.

On 11th July 2013, in the last PSE Council meeting, we had interaction with Mr R Mukundan, Managing Director, Tata Chemicals Ltd, who mentioned eight key points, which were the ground realities about doing business successfully in Africa. Mr S Kuppuswamy, Member, CII Africa Committee, made a very informative presentation on Africa. He suggested that private and public sectors need to collaborate for doing business in Africa and they would complement each other while facing the challenges of doing business in different parts of Africa.

Do keep sharing your feedback and suggestions, as we build on the foundations of industrial progress painstakingly put together by our founding fathers, to translate our aspirations and ideals into practical action and give each of us the opportunity of service in the common cause of accelerating economic growth based on self reliance.

Sincerely,

B Prasada Rao
Chairman, CII Council on PSEs
& CMD, Bharat Heavy Electricals Ltd

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Nalin Shinghal
Chairman & Managing Director,
Central Electronics Ltd



Interview especially for the readers of CII PSE newsletter

What is your vision for Central Electronics Ltd, CEL.

To answer that question we first need to look at the background of the company. CEL was set up under the Ministry of Science & Technology, in 1974, with one of the prime objectives being to commercialise technologies developed by the National Laboratories. Over the past almost four decades, CEL has launched a number of products using technologies developed by various CSIR labs, as well as in collaboration with various IITs, BARC as well as the DRDO labs. CEL introduced India's first indigenous color TV (Technology developed by CEERI Pilani) besides manufacturing Projection TVs, slide projectors, dissolve units etc.

Today, we operate in three primary business areas: a) Solar Photo Voltaics, b) Railway Signalling Systems & c) Strategic Electronics. All the three business areas have very strong prospects for the future – especially in PSE space.

Solar Energy

The importance of solar energy is today recognized worldwide. With the launch of the JNNSM (Jawaharlal Nehru National Solar Mission) for meeting India's energy security concerns, this area presents very strong business possibilities for a PSE - like CEL, with strong R&D technology credentials in this field.

Solar Photo Voltaics was an area where CEL has pioneered research & development in the country. R&D in this area was initiated in 1976 (at a time when even internationally there were only a handful of firms looking at this area – other than for aerospace applications). We developed the first indigenous solar cell in 1977 and the first indigenous solar module in 1978. First pilot plant for commercial was initiated in 1981 and thereafter we have taken up a number of projects for cutting edge technology development in this field. We have lagged behind in the recent past due to our tight financial situation but are now working on reviewing our business model as well as initiating research projects into areas like Die Sensitised Solar Cells as well as CIGS cells etc.

We are presently one of the few companies in the country which cover the entire solar chain from manufacturing of cells to modules to turnkey installations of power plants as well as home lighting/village lighting/ street lighting systems. Our focus areas have been off grid applications as well as smaller roof top plants. For the

future we plan to be in large size power plant installation as well.

Another area which we are focusing on is CSR. Solar Energy fits very well into the CSR plus sustainable development projects which are mandated for PSEs today. We have a well proven model for village electrification covering needs for home lighting, street lighting, water pumping etc. which we are promoting to various PSEs.

We would also like to explore possibilities in the area of Solar – Thermal power, in times to come.

Railway Signalling

In the field of Railway signalling, we have developed a number of systems in collaboration with IIT-Delhi, including analogue axle counters, digital axle counters, multi section axle counters etc. In the recent past we had lost our monopoly status in this area but the competition has helped us to also cut our own costs as well as to improve performance.

We are also in discussion with some of the leading international firms for joint working in this area. In addition to that, we are continuing our own development efforts.

This business has been losing money in the past few years but we are targeting to break even in the current year and to further go for rapid growth with existing as well as new products in the coming years.

Strategic Electronics

Our third major business vertical is strategic electronics. We produce

a range of products for the defence sector in collaboration with various labs. Our range includes Phase Control Modules for radar systems, piezo assemblies used by ordnance factories as well as piezo elements for marine use and CZT (Cadmium Zinc Telluride) substrates for night vision devices.

Defence production is and will continue to be an important business segment for the company and we are exploring options of new products as well as collaborative working in the area.

New Business Areas

In the recent past we have also made an entry into the area of integrated security systems. Our first such system was installed at Delhi Main Railway Station more than two years ago and we are currently in the process of supplying similar systems for other railway as well as non-railway locations. Besides our strength in system integration, in the long run we plan to take up production of various items like scanners etc.

There is a huge requirement of trained manpower in area of solar energy – for installation, operation as well as maintenance of solar power plants, in the country. We are also taking up this area and will be launching our first program shortly.

Challenges

The company presently faces challenges on two key fronts. Financially - the company has been making losses for a number of years and the network is largely

eroded with additional liabilities pending. On the manpower front - the salary bill accounted for about 30% of the gross revenues of the company and the average age of our workforce is 52 years. Motivation & productivity are key areas needing to be addressed.

We have initiated the process of involvement of employees at all levels. Clarity of road map and involvement of employees and unions has already started showing results in terms of improvement in morale and productivity.

Going Forward

As discussed above, the company is in three very high growth areas with a strong technology & manpower base. We have identified further areas for future development and also have an internal team working on developing a vision document for the company for the next 10 years – which has come up with some very ambitious growth projections.

We are making all out efforts to overcome the immediate challenges both Financial as well as on the HR front.

I am fully confident that we will be able to overcome the immediate challenges and fully exploit the potential of the company and the business opportunities and go on to become one of the leading technology companies in the country.

What are the similarities and differences in opportunities and challenges at CEL vs IRCTC.

There is a huge difference in the two

organisations in terms of nature of business, industry, age, manpower as well as financial position – and therefore in the opportunities and challenges faced by them.

IRCTC is a 13 year old company which has been profit making from day one with a captive mass market and a Rs 700 crore turnover and Rs 300 crore net worth. The captive customer base of over 20 million customers presents huge opportunities for rapid growth. The biggest limitations being a) inadequate size of managerial cadre at higher levels to take up new projects and for handling growth in existing areas and b) lack of policy clarity with businesses being given to the company and then being taken away by the ministry. Its *raison d'être*, the catering business, was taken away in 2010 and attempts were made to take away the internet ticketing business in 2011 despite IRCTC having established itself as the industry benchmark in e-commerce accounting for almost 30% of all e-commerce in the country. Even now there is lack of clarity on the future role of the company.

The key challenges therefore are to deal with policy uncertainty and to ensure delivery of high quality services for a mass customer base. The key opportunity is to monetise the customer base by providing a wider range of services (both online as well as offline).

CEL is a four decade old manufacturing organization with a wide range of high technology products as well as a strong R&D

base. It has a strong managerial cadre at senior levels but vacuum at lower levels due to large recruitments in early stages and very little thereafter. Financially – it has been making losses or on the borderline for a large part of its history with networth largely eroded. An ageing work force (average age 52 years) with high manpower costs and low productivity adds to its challenges. The areas of operation as mentioned earlier, provide huge opportunities. The organization is also receiving tremendous support from the ministry for making a successful turnaround.

Essentially, in IRCTC the key challenge is to maintain continuity of direction and push for growth and in CEL it is to bring about change for growth and turnaround.

How can the platform of CII Council on PSEs be better leveraged to enhance synergy among PSEs.

The CII Council on PSEs can help bring synergy amongst PSEs as well as in transfer of best practices from the private sector to PSEs as well as between PSEs themselves. In fact the reverse is also possible as PSEs also have very strong systems and processes which could be useful for larger private sector organisations.

CII can also help identify international opportunities for the PSEs and support the marketing and diversification efforts especially of the smaller PSEs.

It can also help private and public enterprises to work together to lobby for appropriate policy interventions for the sectors as

a whole. For example, in the solar PV sector the local solar cell manufacturing has been almost wiped out with most cell manufacturing facilities having been shut down on account of Chinese solar cells being available in the market at almost the same price as that of a polysilicon wafer (the basic raw material) – leaving little scope for local manufacturing.

This has long terms strategic implications for the country. We are relying on solar energy in a big way with the JNNSM having set a target of 20GW installed capacity of solar energy by the year 2020. Today, the international market faces a situation of over capacity in solar manufacturing. However, most developed countries are setting ambitious targets for solar energy and solar power plants are being set up in a big way. This is likely to lead to a situation of shortage in the coming years and resultant rise in prices. With the local manufacturing having been wiped out - we would be at the mercy of the countries who are presently dumping solar cells in the international market. It is areas like this where CII can play an important role towards appropriate policy interventions to encourage local manufacturing of the entire silicon chain right from manufacture of polysilicon to wafers to cells & modules.

Another area where CII Council can play an important role is to help bring about a level playing field between public & private sectors in terms of governance & oversight practices & structures. The PSEs face multiple levels of

oversight with vigilance, CBI, CVC, CAG, parliamentary committees all examining the functioning of PSEs – often with a microscope. This ends up in best PSE managers sometimes getting in situation of fighting with hands tied. There is a need to make a fare evaluation of controls and state of governance in both private as well as public sector. This would really help in unleashing the power of the Public Sector.

On a personal note, what has been your experience as an IIM graduate working in the public sector.

After IIM, I worked for two years in private sector and then came to government with the intention of giving myself a few years to see government and then take a call whether to continue in government or go back to private sector. I have now completed 24 years with government & public sector. In these years I have had opportunity to handle a very wide variety of assignments in field units, ministry as well as different PSEs – each like an entirely new job. This experience has shown by all sides of government.

On the whole I would say that Government & Public Sector have a lot to offer by the way of job satisfaction. Contrary to the general belief, there is immense flexibility and freedom to perform. In fact, I would say that, if you are sure what you are doing is correct, you have greater freedom to do what you want to, in a PSE than you would in any but the best & most professional of private sector companies.

The Public sector provides both opportunities for performers to perform and excuses for non-performers to not perform. I have had a number of occasions where people from private sector, we were dealing with, have told me that they could not take decisions as fast as we could. The basic handicap that the public sector faces is in the ability to align personal goals with organizational goals. That is why being self-motivated becomes crucial in Public Sector.

On the whole, I have enjoyed working with the government & public sector but would say it requires a lot of patience and persistence.

PSE News Update

Meeting of CII Council on PSEs

A meeting of the CII PSE Council was organized on 11th July 2013 at New Delhi, where the Council members had a very interesting discussion on doing business in Africa.



(L-R) R Mukundan, MD, Tata Chemicals speaking to the PSE Council members on doing business in Africa, B Prasada Rao, Chairman, CII PSE Council & CMD, BHEL, Nita Karmakar, Director, CII

At the meeting Mr R Mukundan, Chairman CII Western Region and Managing Director, Tata Chemicals mentioned crucial points which could make difference between success and failure of doing business in Africa. It was followed by a detailed presentation on opportunities in Africa by Mr S Kuppuswamy, Member CII Africa Committee.

Mr O P Bhutani, Principal Advisor (E, R&D) BHEL also made a detailed presentation on R&D perspective of BHEL which was

highly appreciated by both the members of the PSE Council and Mr R Mukundan. He spoke at length on the collaborative R&D aspects which would help the CPSEs. A separate article on BHEL's R&D initiatives and success is mentioned in this newsletter.

The meeting also deliberated upon the forthcoming global PSE Summit planned for 7th & 8th of Nov 2013 in partnership with Department of Public Enterprise, Government of India. The global



A section of the CEO's of PSEs at the meeting

PSE Summit would serve to foster closer engagement with PSEs across the world and allow for sharing of best practices and ecosystems for growth of PSEs under both emerging and developed market scenarios. All the members present unanimously welcomed the Summit and are looking to fully partake of the activity.

CII Institute of Quality and PSEs partner to drive business excellence

The CII Institute of Quality was set-up with the aim to enhance global competitiveness of Indian enterprise, through continuous improvements in the quality of product, service & service delivery. The Institute, which has celebrated 13 years, is at the forefront of the quality movement in India, and is witnessing increasing participation from the industry & government in its programmes. In fact, while manufacturing remains the core of CII Institute of Quality's activities, the institute is also driving initiatives to leverage quality of service delivery as a competitive advantage in sectors such as education, healthcare, retail, financial services and in infrastructure services.

In a fast changing competitive & economic environment, quality consciousness is also about providing the right motivation to employees and creating satisfaction among both customers & employees. The CII Institute of Quality looks at achieving these objectives through continuous ushering-in of new approaches & directions in promoting awareness of quality; providing education, training and counseling

services on quality processes; providing a platform for sharing of best practices, performance & strategies that drive enterprise competitiveness; and conduct research for the development of implementation models on quality.

CII Institute of Quality has partnered with a number of PSEs, including Rashtriya Ispat Nigam Ltd, Steel Authority of India, Hindustan Aeronautics Ltd, Bharat Electronics Ltd, National Thermal Power Corp and Bharat Electronics Ltd to drive the organization's international competitiveness based on quality.

For instance, Hindustan Aeronautics Ltd, a Navaratna PSE and one of Asia's largest aerospace companies has signed a Technology Cooperation Initiative with CII Institute of Quality to enhance quality & competitiveness of HAL through its products & services. The broad areas of this cooperation would cover development of the following for HAL: corporate quality vision, quality measurement & award system, action plans for improvements, integration of vendors & partners into the HAL quality system, training module for vendors, integrated HAL quality systems and quality assurance organisational restructuring.

The following is a structure of CII Institute of Quality's quality enhancement programmes:

Web-based Self-assessment

This tool is a primer for understanding the various facets of excellence, and is recommended for organizations who want to test the waters. This tool can be attempted by an individual or a group led by an individual.

Counselling

Counselling is provided for implementation of Business Excellence, developed basis an assessment of the organization and accounting for its priorities & expectations. It involves working with organisations 'people' in self-assessment and action planning for improvement to reach the performance level expected.

Awareness Programme

A one day awareness programme is conducted on the Business Excellence Model, with quality as the bedrock, to sensitize senior management on the economic & intangible benefits of the Excellence Model.

Programme on CRM

For businesses of all sizes, acquiring, retaining and supporting customers is more challenging than ever before. Organizations understand as never before that they are in the business of selling experiences, not products alone. The customer experience is one of the few differentiators that is still hard to imitate. Customers have never been so willing to drop a supplier on the basis of one poor experience and to tell as many friends or colleagues as they can. CRM, Customer Relationship Management, allows organizations to design, promote, produce, deliver, manage and improve processes such that customers see products & services generating increasing & sustained value for them.

Programme on Service Excellence

The success of engagement between provider & consumer depends not only on the quality of the products & services delivered but

also on how it is delivered. Service Excellence is about leveraging this aspect of the engagement.

Business Excellence Facilitators Workshop

Facilitators program is directed at functional managers for understanding how to achieve excellence in their functions and align with other functions and organizational strategy

A team comprising professionals with experience quality & productivity enhancement tools, supported by a team that tracks market dynamics, forms the mainstay at CII Institute of Quality. Collectively, the team has several thousand man-hours of experience. They have exposure to international practices across industry sectors, and their repertoire of knowledge is honed by periodic internal training as well. Where required, external faculty members from India or abroad assist in providing services and research.

Involvement of CPSEs with CII ITC Centre of Excellence for Sustainable Development

CII-ITC Centre of Excellence for Sustainable Development (CESD) has engaged with Public Sector Enterprises (PSEs) on a wide range of Sustainability activities through their consulting and training activities. In addition to this, CESD have worked with the Department of Public Enterprises (DPE), which oversees the performance and MoU agreements between CPSEs and their nodal Ministries. This work involved developing the DPE Guidelines on Sustainable Development

for CPSEs, the precursor to the current DPE Guidelines on CSR and Sustainability for CPSEs, which provided a thorough guide for PSEs to undertake Sustainability activities in their operations through a systematic manner that prioritized continual improvement.

CESD's work with PSEs, prioritizes developing the capacity of employees in these organizations to undertake Sustainability activities, and supporting their Sustainability activities through consultancy projects.

The consultancy projects have ranged from developing Sustainability Reports to track and disclose their Sustainability performance, developing Business Responsibility Reports – a mandatory disclosure for public listed companies – and formulating Sustainable Development plans that outline the approach and focus areas for CPSEs to integrate Sustainability into the core of their business. The organizations that CII-ITC CESD have worked for the Consultancy projects include BHEL, Power Grid Corp, NTPC, Garden Reach Shipbuilders & Engineers Ltd. and MMTC Ltd.

Capacity building activities have been provided through two channels – as part of an open training program and dedicated focused in-house trainings for organizations. In the latter approach CII-ITC CESD have been engaged in a long term activity to develop the capabilities of employees on focused Sustainability topics relevant to the organization. SAIL and GAIL are two CPSEs that CII

has worked with in this capacity.

PSEs, such as ONGC, NTPC, IOCL and BHEL among others, have been trained on a variety of Sustainability subjects including:

- Environment Management Systems as per ISO 14001
- Occupational Health & Safety Management Systems as per OHSAS 18001
- Energy Management Systems as per ISO 50001
- GRI Certified Sustainability Reporting Trainings
- Accountability Accredited Certified Sustainability Assurance Practitioner Trainings

Intellectual Capital in PSEs: a case study on BHEL

Background

The concept of Intellectual Property (IP) Right originated to give as much protection as possible to encourage innovation. An efficient and equitable IP system can help all countries realize IP's potential as a powerful tool for economic development and social and cultural well-being. The current competitive environment has ensured that innovation occupies the centre stage in commercial enterprises, especially engineering enterprises. The explosion in communication technologies has also compelled companies to take immediate action to protect innovative ideas, or Intellectual Property (IP). India has a well established legislative framework of Intellectual Property Rights that include the Patents Act, 1970; the Designs Act, 2000; the Trade Marks Act 1999 & the amendments thereof under Department of IP &P and the Copyrights Act 1957 (amended

in 1999) under Department of Education. Further, National IPR strategy is also under formulation to spur innovation in the country.

Need for Intellectual Capital in BHEL

The core of any manufacturing or industrial enterprise is its engineering capability and this expertise is the basis for the research and development activities of the company and the genesis of patenting activity.

Recognising this, BHEL envisioned a policy as early as the early nineties to take all necessary steps to enhance innovation and creativity. The strong technology and R&D base of the company was channelized to achieve an IP portfolio which could bring in economic benefits as well as be an index of the innovative and creative potential of the company. Guidelines were framed based on the above, which over a period of time, evolved into the company's IP Policy.

Having a wide range of products and services ranging from the energy, industry and infrastructure sectors of the economy, most of BHEL's innovations stem from R&D on products and processes. The impetus or need for taking up an R&D project generally arose from the Strategic Plan of the company, a customer or client requirement, seeking solutions to problems, a search for alternatives, improvements in machines or processes, increase in efficiency in terms of cost and time, savings in energy, material and other resources, etc.

As in any industrial portfolio, BHEL seeks protection for the following major IPs:

- Patents for products or processes that are patentable from research and development projects as enunciated above.
- Copyrights registration is sought to protect computer programs, technical manuals, engineering specifications and drawings; possibilities of combining computer programs with hardware to produce a technical effect are being explored for filing patents.
- Industrial design registration is taken for protection of the external or aesthetic appearance of products.
- Trademarks protection is sought to prevent misuse of the BHEL trademark. The logo has been registered as a TM under various goods and services category to provide protection to the wide range of BHEL products using this TM.

Generation of IPs

In BHEL, the following strategy is adopted for generation of IP:

- Discussions in Technical and Product Committees on patenting of new ideas and inventions, starting right from the inception to the completion of a project.
- Providing facilities/services to engineers (inventors) to keep themselves abreast of the latest technological developments in their field of specialization – by way of Patent Alerts, articles and information on IP at home and abroad, providing inputs on areas where competitors are filing patents, Prior Art search facility through Patent Search & Innovation search tools, etc., thereby stimulating innovative thinking. A Patent Analysis Report is prepared to decide on

the direction of research efforts.

- Inventors are encouraged to participate in national, international conferences and seminars to know the latest technical trends through exchange of ideas and thinking.

IP Registration Process

BHEL has in place certain systems for smooth filing and grant of patents; registration of designs and copyrights etc. Patent applications received from all units of BHEL are processed by the centralised IP Management Group which coordinates the filing, monitoring and maintenance of patents after grant. Proposals for patent application are evaluated by a Technical Committee under the centralised IP Management Group on the following evaluation criteria:

- The commercial potential of the patent. If commercial potential is identified for the invention in a foreign country, filing is done either in one country (national convention) or through the single window option of PCT, filing in multiple countries.
- Technical ingenuity.
- Strategic importance.

Patents are also filed for futuristic applications, i.e., applications which may not be immediately feasible but could be considered as having potential a few years ahead like those in field of NCES, fuel cells, nano-technology, etc.

Additionally, if during the development of a project, it is found that the idea or concept generated is worth patenting but would require time for proven test results, filing of a provisional patent is encouraged – this provides the inventor priority and protection of

his idea and at the same time gives him a year's time to validate his proposition.

Applications are filed at the Indian Patent Office through Attorneys as drafting of claims requires legal expertise.

All patents are assigned to BHEL by the inventors and hence applications are filed and granted in the name of BHEL. In a bid to motivate and encourage patenting activity, an Incentive Scheme is in place to reward all inventors and authors in appreciation of their contribution to BHEL's IP portfolio

Achievements in IP

BHEL is second only to CSIR in filing IPRs in India. BHEL filed 385 IPRs during 2012-13. (More than one IPR per day.) The total intellectual capital of the company stands at 2,170.

BHEL has also won a number of awards for its innovation and IPRs during the last three years. A few of these are listed below:

- "PSE Excellence Award" in R&D, Technology & Innovation category by Indian Chamber of Commerce (December 2012)
- BT-Star Award for the most Innovative PSU in the Maharatna/Navratna category (May 2012)
- Ranked No. 9 in the Forbes list of world's most innovative companies (July 2011) - highest rated globally in its sector
- BHEL won Enertia Award 2011 under the category Technology & Innovation for Conventional Energy (Thermal, Nuclear, etc.)
- Annual Intellectual Property Award by Indian Intellectual Property Office, Govt. of India,

for securing highest no. of patents in last 5 years in Public Sector category (Apr 2011).

- SCOPE Meritorious Award for R&D, Technology Development & Innovation (April 2011 for 2009-10)
- CII-Thomson Reuters Innovation Award 2010 in Hi-Tech Corporate category (November 2010)
- Ranked No.1 company in terms of filing patents and second highest Investor in R&D in India by Economic Times Intelligence Group (2010)

Conclusion

Recognising technology as an indispensable tool for sustainable growth, promotion and protection of intellectual property occupies strategic importance in BHEL. BHEL has geared itself up as one of the most innovative PSEs consistently for the past few years and is set to scale even greater heights in the future. Towards this, the new R&D Policy of the company will further incentivise innovation across the board in BHEL.

Investments

OVL, OIL invest US\$ 2.48 billion in gas field in Mozambique

ONGC Videsh Ltd and Oil India have jointly entered into an agreement to acquire a 10% stake in a Mozambique gas field, from Videocon Group. The stake is valued at US\$ 2.48 billion.

OVL, the overseas arm of ONGC, has been acquiring energy assets abroad in the wake of diminishing supplies from ageing oil and gas fields in India. Acquisition of

energy assets overseas is significant to address energy needs of a fast growing economy like India's.

India is the fourth-largest consumer of energy in the world, it currently uses coal for 56% of its energy needs and oil for 26%. India aims to double energy production from gas to 20% by 2020.

OIL to invest US\$ 1 billion on overseas exploration

Oil India Ltd (OIL) is in the process of setting up a subsidiary abroad to explore and acquire hydrocarbon assets globally. OIL plans to invest US\$ 1 billion (about Rs 5,500 crore) for the purpose, OIL has cash balance of about US\$ 2 billion.

OIL operates in Sudan, Libya, Venezuela, Egypt, Timor Leste, Yemen, Nigeria, Iran, the US and Gabon, and is looking to explore hydrocarbon assets in Sri Lanka. OIL is looking at both conventional and unconventional assets, but mostly producing assets.

Coal India to invest Rs 340 crore more in Mozambique

Coal India is embarking on the second round of exploration in Mozambique at an investment of US\$ 60 million, about Rs 340 crore.

Coal India expects to drill additional 35,000 metres to analyse and ascertain the reserves in about a year and a half. After this mining would likely commence in about two years, once all local clearances are obtained.

There are two coal blocks allocated to Coal India which collectively have reserves of over 1 billion

tonnes. Mining operations are expected to commence in 2016-17, by which time local infrastructure such as roads & port access would get put in place by the local government.

Currently the demand supply gap for coal stands at 130 million tonnes in India.

Furthermore, Coal India has made an outlay of Rs 250 crore for CSR spending in Mozambique

GAIL, HPCL to develop refinery in Andhra Pradesh

GAIL & HPCL are looking to collectively develop a 15-million-tonne-per-annum refinery each in Visakhapatnam and Kakinada, in Andhra Pradesh. GAIL & HPCL are exploring sourcing crude supplies from a foreign petrochemicals company.

The investment in the project would be to the tune of Rs 32,000 crore.

CSR Initiatives

Cochin Shipyard Ltd.

Cochin Shipyard Ltd has partnered development of the Regional Dialysis Centre at Aluva, Kerala. The Project Regional Dialysis Centre was conceived & initiated by Shri P Rajeev MP (Rajya Sabha) under his Local Area Development Scheme as he considered it fit and necessary to start a state of art dialysis centre for the poor patients of Ernakulam District suffering from End Stage Renal Diseases (ESRD) and Chronic Kidney (CKD) patients. More than 1,10,000 ESRD and CKD cases are reported every year in India. Only 5% of renal patients in Kerala can afford the cost of dialysis in

the private sector. 80% of ESRD patients succumb to fate for want of financial support for continued dialysis.

Cochin Shipyard Ltd provides three state of the art dialysis units and offers a subsidy of Rs 500 per dialysis for 5,000 dialysis for one year. Shri P Rajeev provided Rs 25,00,000 from his MP LADS towards construction of the building for the Dialysis Centre. So far Rs 47,00,000 has been invested in this Regional Dialysis Centre. Over 11,000 dialysis have been administered for around 100 patients since the centre started operations two years ago.

Cochin Shipyard Ltd has contributed Rs 1.5 crore to the Centre.

Neyveli Lignite Corporation

Neyveli Lignite Corporation, NLC, has been undertaking community development initiatives, especially around its project sites. The lake named "Chitteri" in Cuddalore District is located 10 kms from the NLC project area. This lake was full of weeds and bushes and the bunds were in damaged condition, and so the lake was not capable of storing water to its intended capacity, the risk of flooding was also high. It was proposed by NLC to take up the de-silting and deepening the Chitteri under CSR for increasing capacity, reducing flood risk and aid groundwater recharge for the benefit of nearby villagers who depend upon lift irrigation.

Eventually, 56,116 cubic meter of silt was removed which directly increased the capacity by that quantity. The bund height was increased by 2.50 meters which contributed to the increase in capacity by about 1,00,000 cubic

meters and reduced the over-flow risk by about 75%. 370 acres of irrigable land was served. 3,300 people from three villages were benefitted.

NLC also undertakes works/ programmes for the Socio-economic Development of the villages in and around its project locations as part of its regular Corporate Social Responsibility Plan. Among others, the major thrust area/ under Community Development Scheme is Education and Skill development with Youth focus, which is also an important item on the National agenda.

Results

in order of increasing sales

Andrew Yule & Co

Andrew Yule & Co registered sales of Rs 311 crore in 2012-13, a 8% increase over same period last year. Net profit in 2012-13 was Rs 11 crore, about the same as last year.

Hindustan Copper

Hindustan Copper registered sales of Rs 1,572 crore in 2012-13, about the same as last year. Net profit in 2012-13 was Rs 355 crore, a 10% increase over same period last year.

Balmer Lawrie & Co

Balmer Lawrie & Co registered sales of Rs 3,018 crore, a 13% increase over same period last year. Net profit in 2012-13 was Rs 167 crore, a 13% increase over same period last year.

Neyveli Lignite Corporation

NLC registered sales of Rs 5,590 crore in 2012-13, a 15% increase over last year. Net profit in 2012-13 was Rs 1,458 crore, a 4% increase over last year.

Oil India

OIL registered sales of Rs 11,456 crore in 2012-13, about the same as last year. Net profit in 2012-13 was Rs 3,589 crore, a 5% increase over same period last year.

Power Grid

Power Grid registered sales of Rs 13,328 crore in 2012-13, a 24% increase over same period last year. Net profit in 2012-13 was Rs 4,235 crore, a 30% increase over same period last year.

Rural Electrification Corp

REC registered sales of Rs 13,518 crore in 2012-13, a 28% increase over last year. Net profit in 2012-13 was Rs 3,817 crore, a 35% increase over last year.

NTPC

NTPC registered sales of Rs 65,673 crore in 2012-13, a 6% increase over last year. Net profit in 2012-13 was Rs 12,619 crore, a 37% increase over last year.

Coal India

Coal India registered sales of Rs 68,302 crore in 2012-13, a 10% increase over last year. Net profit in 2012-13 was Rs 17,356 crore, a 17% increase over same period last year.

Hindustan Petroleum

HPCL registered sales of Rs 2,16,154 crore in 2012-13, a 17% increase over last year. Net profit in 2012-13 was Rs 501 crore, representing 0.2% of sales.

Bharat Petroleum

BPCL registered sales of Rs 2,42,180 crore in 2012-13, a 15%

increase over last year. Net profit in 2012-13 was Rs 1,880 crore, representing 0.8% of sales.

Indian Oil

Indian Oil registered sales of Rs 4,61,779 crore, a 13% increase over last year. Net profit in 2012-13 was Rs 4,504 crore, representing 1% of sales.

Appointments**K V Rao takes charge as Director, Finance, Hindustan Petroleum**

Mr K V Rao has taken charge as Director Finance, Hindustan Petroleum Corp, with effect from June 1, 2013. Previously, he was Executive Director, Corporate Finance, HPCL since 2008.

Mr Rao has worked for over three decades in the areas of Corporate Finance, Treasury Management, Internal Audit and Refinery Finance. Mr Rao is credited with raising External Commercial Borrowing, Debentures and various other financial instruments at competitive interest rates vis-a-vis industry benchmarks.

Mr Rao is a member of the Institute of Chartered Accountants of India.

Jaswinder Singh takes charge as Director, Technical, Mahanadi Coalfields

Mr Jaswinder Singh has taken charge as Director, Technical – Projects & Planning, Mahanadi Coalfields Ltd, with effect from June 1, 2013.

Mr Singh has a BTech in Mining from Indian School of Mines, Dhanbad and a 1st Class Manager's Certificate from Directorate General of Mines Safety, Dhanbad.

R C Nautiyal takes charge as Director, Personnel, Garden Reach Shipbuilders & Engineers

Mr R C Nautiyal has taken charge as Director, GRSE, with effect from July 1, 2013.

Mr Nautiyal has worked for over 24 years with Bharat Electronics Ltd across the functions of Design & Engineering, manufacturing of Defence transmission & switching equipment and HR. He was instrumental in setting up the BEL unit in Kotdwara in Uttarakhand, and headed the HR function at Kotdwara facility for many years.

Mr Nautiyal has also served as General Manager of across BEL facilities in Pune & Machilipatnam, Andhra Pradesh, substantially raising the volume of operations at each location.

Mr Nautiyal holds a Bachelor's in Mechanical Engineering from NIT, Allahabad, graduating in 1976, and a Master's in Design of Mechanical Equipment from IIT Delhi, graduating in 1979.

J S Kaushal takes charge as Director Personnel, Central Warehousing Corp



Mr J S Kaushal has taken charge as Director Personnel, Central

Warehousing Corporation with effect from June 3, 2013.

Mr Kaushal has worked for over 33 years in all facets of Human Resource Management, of which 30 years have been with Indian Oil Corporation.

Mr Kaushal earned a Gold Medal in his Master's in Personnel Management & Industrial Relations and also topped in a post graduate Diploma in Labour Laws. He holds a graduate degree in Law.

M Ravindran takes charge as Director HR, GAIL

Mr M Ravindran has taken charge as Director HR, GAIL with effect from June 1, 2013. Previously, he was Managing Director, Indraprastha Gas Ltd.

As Director HR, Mr Ravindran is looking to enhance employee engagement, create a culture of meritocracy and empowerment, and thereby build on the human resource of the company. Mr Ravindran has extensive line experience of over 33 years in the fertiliser and oil & gas industries, particularly in gas transmission, petrochemicals and city gas distribution sectors.

Mr Ravindran holds a Bachelor's in Mechanical Engineering from National Institute of Technology, Kurukshetra.

P Purwar takes charge as Director Finance, MTNL

Mr P Purwar has taken charge as Director Finance, MTNL. Previously, he was General Manager, BSNL.

Mr Purwar has also served as an Advisor to the Competition Commission of India. He is a member of Indian Telecom Services.

A K Kaushik takes charge as Director Finance, Housing & Urban Development Corp

Mr Anil Kumar Kaushik, has taken charge as Director, Finance of Housing & Urban Development Corporation Ltd. Mr Kaushik, has worked for over 39 years in the Finance & Accounts discipline in state government undertakings, central government enterprises and in the private sector. He has served HUDCO for over 23 years across various departments and also headed several regional offices.

Mr Kaushik is a senior member of the Institute of Cost & Works Accountants of India, with additional qualifications of Company Secretary and in Law.

Affordable housing & urban infrastructure development, building technology promotion, research & training and consultancy services are among the business activities of HUDCO.

For comments/suggestions, please write to Nita Karmakar, Director, CII at nita.karmakar@cii.in

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