



## From the Chairman's Desk ...

Dear Colleagues,



Welcome to a new edition of the newsletter of CII Council on PSEs. We are witness to decision-making by the Government on long debated policy issues, which has been broadly welcome as these will serve to energise growth by improving investment-climate and pre-empt stronger austerity

measures at a later date, such as being experienced in some parts of the world currently. Furthermore, the Prime Minister has stated that to achieve 8% rate of growth in the Indian economy, capital investments must reach about 38% of GDP.

It was against this backdrop and at the initiative of Shri Praful Patel, Hon'ble Minister of Heavy Industry and Public Enterprises, an interaction of CMDs of 25 Maharatna & Navratna PSEs with the Prime Minister fructified. The interaction, conducted on the lines of the annual meeting of CEOs in the private sector with the Prime Minister, was very fruitful. The PSEs shared with the Prime Minister their perspective on issues of far reaching consequences, such as autonomy & empowerment of PSEs, professionalization of Boards of PSEs & affording them necessary flexibility, capital expenditure outlays planned and international initiatives, among others.

The Prime Minister expressed need for urgency in coordination among various ministries to take a decision on investment proposals, and has asked for a mechanism for enhanced coordination to expedite project clearances where approvals from multiple Ministries are involved.

It is noteworthy that in the year 2010-11, 248 central PSEs had a combined investment outlay of Rs 6,66,000 crore (US\$ 141 billion), which was 15% higher than their investment outlay the previous year.

Indeed, 8 PSEs will account for Rs 5,00,000 crore (US\$ 100 billion) in investment during the 12th Plan. It is expected of the state & central administration to address any constraints so that the PSEs do not have to curtail their expansion & investment plans.

India can't leapfrog from being an agrarian economy to a services & knowledge based economy without an ecosystem of conducive policies & taxation structure to encourage not only investments but also innovation by domestic manufacturers to address unique conditions in India. The National Manufacturing Competitiveness Council lays emphasis on the same, and on addressing inverted tariff structures that may result in disproportionate trade, such as with China.

It has been a pleasure to receive your suggestions & feedback, which have helped us drive synergies among PSEs to make national enterprise the cornerstone of India's economic & social development, as envisaged by our founding fathers.

Sincerely,

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

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## B C Tripathi, CMD, Gas Authority of India



*Excerpts from his address at the 28th Annual General Meeting of GAIL on Sept 5, 2012*

“The implementation of various business initiatives under “Strategy 2020” of GAIL is currently underway. In 2011-12, GAIL completed 1,370 km of pipelines, taking its pipeline network to 9,500 km. GAIL will have within the next few years a pan India pipeline network of 14,500 km with capacity of 300 MMSCMD (million metric standard cubic meter per day).

GAIL would be investing Rs 25,000 crore in India & abroad to strengthen its position in various business segments. GAIL is doubling capacity at its current petrochemicals plant at Pata in Uttar Pradesh at an investment of Rs 8,140 crore. GAIL has also stepped up efforts to source higher volumes of LNG through global sourcing and M&As, like through a 20% stake in shale gas asset of Carrizo Oil in the US and a 20-year agreement with to source 3.5 million tonnes of LNG annually from Sabine Pass Liquefaction project in the US.

Over the years, GAIL has played an important role in enhancing India’s energy security through building gas based infrastructure, seeding gas markets and developing downstream sectors like fertilizers, power, petrochemicals & city-gas distribution. GAIL has earmarked a target of Rs 1,30,000 crore in sales by 2020.”

## Rajeev Sharma, CMD, Rural Electrification Corporation



*Excerpts from his address at the 43rd Annual General Meeting of REC on Sept 20, 2012*

“From a humble beginning in 1969 when REC financed mainly pumpset energization & village electrification schemes, the company today is one of the leading public financial institutions catering to the financial needs of the entire power infrastructure.

The Planning Commission estimates 88,425 MW of generation capacity to be added across India during the 12th five-year plan. It will require an investment outlay of Rs 16 lakh crore, including for transmission & distribution

network commensurate with the additional generation capacity. The power sector will continue to provide one of the biggest avenues to make significant contribution towards the development of India’s infrastructure.

REC’s asset size crossed Rs 1 lakh crore at the end of 11th five-year plan (fiscal year ending 2012). REC mobilized Rs 29,709 crore from the market during the financial year 2011-12, which includes Rs 3,231 crore raised by way of External Commercial Borrowings.

International credit rating agencies, Moody’s & Fitch REC have given a credit rating of Baa3 & BBB- respectively to REC, which is equivalent to the sovereign of India.”

## PSE news update

### Divestment

There are 11 PSEs slated for divestment in this fiscal, which include Hindustan Copper, Nalco, Oil India, MMTC, SAIL, NMDC, Power Grid, MMTC, Hindustan Aeronautics & NTPC.

The Cabinet Committee on Economic Affairs, CCEA, has given a go-ahead for divestment in four public sector undertakings, viz Hindustan Copper, National Aluminum Company, Oil India & MMTC. Divestment in these companies is expected to yield Rs 10,000 crore, put together.

9.59% Government equity is slated for divestment in Hindustan Copper, which will

yield about Rs 2,000 crore, 10% Government equity dilution in Oil India will yield about Rs 2,950 crore and 12.15% Government equity dilution in Nalco will yield about Rs 1,600 crore and 9.3% in MMTC will yield Rs 7,150 crore.

The Government is also looking to divest its entire equity in Balco & Hindustan Zinc, currently at 49% & 29.5% respectively.

The following divestments are also on the anvil:

5% in BHEL, 5% divestment & 5% fresh equity in SAIL, 10% in RINL, 10% in HAL, 9.33% in MMTC, 10% in NHPC, 10% in NMDC, 10% in MOIL, 10% in Andrew Yule, 10% in EIL & 12.5% in RCF.

The Government is targeting Rs 30,000 crore, about US\$ 2.6 billion, through disinvestment in PSEs in the current fiscal.

### **Fuel price hike arrests downgrade of oil companies**

The rise in fuel prices will likely reduce losses of Indian Oil, BPCL & HPCL by Rs 15,000 crore. The oil marketing companies have had to borrow from the open market to bridge their losses, and the companies had reached the limit of their borrowings. Any further borrowing could have resulted in downgrade of their credit rating making their fund-raising more expensive.

Furthermore, losses of such magnitude was leaving the companies with a paucity of funds

for expansion. The fuel price hike will ease working capital position of the industry and reduce their interest outgo.

Even after the fuel price hike, diesel is being sold at a loss of Rs 19.26 per litre, petrol at a loss of Rs 5 per litre, kerosene at a loss of Rs 34.34 per litre and domestic LPG at loss of Rs 347 per cylinder.

### **NMDC, NTPC, SAIL JV for power plant**

NMDC is looking to set up a 250 MW coal based power plant. The power plant is proposed to feed the electricity requirements of NMDC's upcoming 3 million tonne steel plant at Chhattisgarh, which is being construction at a cost of Rs 15,525 crore.

The plant, slated for commissioning by 2015-end, will mark NMDC's entry into the steel sector.

According to them, the steel plant would require about 420 MW power to run its different units. The pipeline would be used for sourcing iron ore for the steel plant, completing the integration of mining operations with steel making.

### **ONGC to drill for hot water to generate electricity**

ONGC will start drilling in the Cambay basin of Gujarat, for hot water whose steam will be used to drive turbines and generate electricity. ONGC has about 4,000 wells in the Cambay basin, varying from 3,000 to 4,000 metres in depth and having water

temperature level between 150 & 170 degree centigrade. At these temperature levels, hot water will be taken out and through that steam will be generated to run the power plant. It is proposed to have a pilot power plant of 3 to 5 MW set up by 2013-14.

ONGC expects the Cambay basin zone to have the potential of generating a few hundred mega watts of geothermal energy annually. Geothermal energy generation is the initiative of ONGC's research division on alternate energy, ONGC Energy Centre, in collaboration with Talboom group of Belgium. ONGC is looking to have by 2030 30% of its revenues from non conventional energy sources.

Globally, geothermal energy generation capacity stands at 10,716 MW, across 24 countries.

### **BSNL targeting Rs 30,000 crore sales this fiscal**

BSNL has targeted Rs 30,000 crore in sales in this fiscal, a 7% increase over last year. BSNL has embarked on an expansion plan for GSM lines by 14.37 million lines, which will also improve the quality of its service. It will do away with congestion as experienced by BSNL subscribers in certain parts of India.

BSNL is looking to replace PCOs, public call offices, with VCOs, video-call offices. This will allow people to see each during the phone-call. Furthermore, the BSNL VCOs will provide this

facility at an affordable rate, the charge will be Rs 3 for a 45 second pulse.

BSNL has launched this service in Maharashtra, Goa, Gujarat, Rajasthan, Chhattisgarh, Uttar Pradesh, Uttarakhand, Himachal Pradesh, Punjab, Haryana and Jammu & Kashmir. In Madhya Pradesh alone, 34 districts will have the VCO facility.

Also, to fuel its expansion plans BSNL is looking to appoint 162 Deputy General Managers, 106 of whom would be in Operations and 56 in Finance.

### **BHEL solar panel & batteries power ISRO satellite**

The Indian Space Research Organisation, ISRO, has deployed Bharat Heavy Electricals Ltd's, BHEL's, space-grade solar panels & lithium-ion batteries in its GSAT-10 satellite. The solar panels have power generation capacity of 4,000 watts. Its lithium-ion batteries have power storage capacity of 160 Ampere-Hours.

ISRO's GSAT-10 satellite was launched on Sept 29 from French Guyana, Africa and is the heaviest Indian satellite built so far by ISRO. The satellite will cater to India's telecommunications & TV broadcasting needs.

BHEL has supplied 55 solar panels totalling to 250 square metres of area and 40 batteries for various satellites of ISRO. BHEL has a facility at its Bangalore

Electronics Systems Division, in collaboration with ISRO, for assembling and testing space grade solar panels.

### **Shell to source gas turbines from BHEL**

Shell has entered into an agreement with BHEL to source gas turbine generator packages for its facilities across Asia-Pacific, Middle-East, Central Asia, Eastern Europe & Africa. Under the agreement BHEL will supply gas turbine generators of 26 MW, 42 MW & 126 MW to Shell, which will include their installation & commissioning.

BHEL's gas turbines for Shell would be manufactured at its Hyderabad facility, and control systems for the turbines would be manufactured at its Bangalore facility.

BHEL has already supplied over 200 gas turbines to both Indian & international customers. BHEL customers are spread across 75 countries, including Oman, Malaysia, UAE, Saudi Arabia, Iraq, Bangladesh, Sri Lanka, China, Kazakhstan & Yemen, among others.

Shell, also referred to as Royal Dutch Shell, is headquartered in The Netherlands, and is the world's second largest company in terms of sales. Shell is vertically integrated and is active in every area of the oil & gas industry, including exploration & production, refining, distribution and trading, among others. Shell

produces over 3.1 million barrels of oil equivalent per day, and has operations in over 90 countries.

### **NMDC to develop seaport in Andhra Pradesh**

NMDC is developing a greenfield seaport in the state of Andhra Pradesh. The port will be located at Ramayapatnam, about 350 km north of Chennai. It will be Andhra Pradesh's second seaport after Vishakhapatnam, and India's 14th.

This new seaport is designed to assist NMDC import coal for its integrated steel project in Karnataka, which is being set up as a joint venture with Severstal of Russia, and also export steel. In the first phase, six berths will be developed at the seaport at an investment of Rs 8,000 crore. NMDC will have a majority ownership in the seaport, and Vizag Seaport, Cochin Shipyard & Indian Farmers Fertiliser Cooperative Ltd (IFFCO) will be minority shareholders.

NMDC has investible surplus to the tune of Rs 20,000 crore, and has an investment outlay of over Rs 30,000 crore over the next 5 years. Among its expansion plans is acquisition of coal, iron ore & rock phosphate assets abroad, two greenfield integrated steel plants and power generation.

### **IRCTC innovates to cater for IT, BPO companies**

A change in policy by the Indian Railways in 2010 left Indian Railway Catering & Tourism Corporation, IRCTC, in charge of catering on only

select trains. With operational kitchen facilities in Delhi, Kolkata, Patna & Ahmedabad, it prompted IRCTC to look beyond the Railways for catering.

IRCTC has now made a strategic shift to provide catering to IT & BPO companies, which have people intensive operations. IRCTC has started with Noida, as Noida alone houses over 300 IT & BPO with 1.5 lakh employees, and 50 educational institutes with 20,000 students. IRCTC has opened in 2012 in Noida a 45,000 sq ft state-of-the-art meals preparation facility & a food laboratory which is in-line with international standards in nutrition & hygiene. The facility can provide 25,000 meals a day. IRCTC already counts HCL, Samsung & Supertech builders among its customers. IRCTC is planning similar facilities in Chennai, Bangalore, Mumbai & Kolkata by next year.

Additionally, IRCTC is providing catering services to also Shastri Bhawan, Rajiv Gandhi Bhawan, Indian Institute of Public Administration & Delhi University in Delhi; to Sanjay Gandhi Postgraduate Institute of Medical Sciences in Lucknow; to Writer's building in Kolkata; and is operating budget food outlets at some railway stations.

### **Garden Reach & Shipbuilders commission patrol vessel**

Rajkiran, built by GRSE for the Indian Coast Guard, was commissioned at Vishakhapatnam on Aug 29, 2012 by Vice-Admiral

Anil Chopra, the Flag Officer Commanding-in-Chief of the Eastern Naval Command. Also present on the occasion were Inspector-General S P Sharma of the Coast Guard region (East) & Rear Admiral (Retd) AK Verma, VSM, Chairman & Managing Director, GRSE.

Rajkiran is the third in the series of eight inshore patrol vessels being designed & built by GRSE. Rajkiran is a 300 tonne 50-metre vessel and can reach speeds of 34 knots. The ship has an integrated bridge management system, an integrated machinery control system and an integrated gun-mount with indigenous fire control system.

Rajkiran was built at GRSE's Rajabagan Dock Yard at Kolkata. The keel of the ship was laid in March 11 and has been delivered in 16 months, much less than ships earlier which took about 23 months to build. GRSE Engine Division at Ranchi has supplied the main engines which have been built under license agreement from MTU GmbH, Germany a world leader in commercial internal combustion engines.

Rajkiran is powerful, cost effective, fuel efficient and well suited for patrolling, anti-smuggling, anti-poaching and rescue operation. The ship is fully air conditioned with modular accommodation for 35 people. Rajkiran will be based at Haldia, West Bengal under the administrative and operational control of the Commander, Coast Guard region (North-East).

### **PSEs offer innovative salary-structures**

PSEs innovate on salary structure of employees, which not only provides employees to have need based perquisites but also affords them optimum income tax liability. Indeed, employees have the option of taking 47% of their salary in reimbursements, and the reimbursements include computer purchases and vacations abroad.

PSEs allow employees other benefits as well. For instance, at NTPC employees stay in townships that have schools, hospitals & recreation centres for employees. NTPC has also an arrangement with IMI Delhi & IIT Delhi for MBA & MTech courses respectively for its employees. Furthermore, NTPC has launched a marriage portal for employees to help them find life partners.

At ONGC employees get a fixed allowance for petrol, which amounts to 20% of basic pay.

And those on offshore duty get hardship allowance, which equals 2 weeks of paid leave for every 2 weeks of duty on the oil rig.

Power Finance Corporation, PFC, has initiated a scheme to fund an employee's higher education abroad, which includes travel, stay & accommodation expenses.

Complete reimbursement of medical expenses and free check ups at empanelled hospitals

is one of the most common employee care initiatives of PSEs. Additionally, NTPC & PFC offer home loans upto Rs 20 lakh for 25 years and car loans from Rs 3 lakh to Rs 6.5 lakh at less-than-market interest rates. Besides, PSEs also encourage employees to give feedback on employee perquisites and other employee welfare schemes.

Employees of public sector enterprises are found to be proud of their jobs and the job stability it affords. This is among the reasons that employee attrition rates are less in PSEs vis-à-vis private companies.

### **NSIC launches entrepreneurship program for women**

National Small Industries Corporation, NSIC, has introduced a special incubation program to encourage entrepreneurship among women. The incubation program is designed to cover all aspects of starting a business, and will provide hands-on training on live projects, adoption methodology of product manufacturing processes, technology adoption & upgradation and business development.

Micro, Small & Medium Enterprises contribute about 45% to India's total manufactured output and about 40% to its exports. The program aims to empower women through development of their entrepreneurial skills. Women can avail of the program free of cost.

## **International Foray**

### **Oil PSEs looking for assets in Canada**

The ONGC Videsh, Indian Oil & OIL India consortium is in the running to acquire a stake in six Canadian oil sands assets of ConocoPhillips. The assets are located in Alberta, Canada and a 50% stake is valued at US\$ 5 billion. There are three consortiums being considered for eventual stake sale.

The assets include six properties, of which one is producing oil and the remaining hold substantial reserves. The current production is 25,000 barrels a day (bpd), which is being raised to 136,000 bpd, starting 2015. These reserves have the potential to produce over 500,000 bpd.

Alberta region in Canada holds one of the largest deposits of crude oil in the world. Extracting oil from oil sands costs about US\$ 50 per barrel, which is also substantially lower than the current crude prices of over US\$ 85 per barrel.

### **BHEL to acquire metro rail co for US\$ 500 million**

BHEL is looking to acquire a metro-rail technology company in Europe, for an estimated US\$ 500 million (about Rs 2,500 crore).

BHEL is looking to expand its transportation division to address demand as metro-rail networks are getting built in seven Indian cities, and an

additional 19 cities with over 2 million in population are planning to have metro rail networks. The total estimated route length of the proposed metro rail network is 476 km, and the expenditure outlay is estimated at US\$ 21.5 billion.

### **GAIL evaluating LNG assets in the Americas**

GAIL is looking to acquire interest in liquefied natural gas, LNG, assets of Spain based Rapsol SA, which are located in North & South America. The assets under consideration are 75% stake in a LNG regasification plant in Canada, a 20% stake in a LNG liquefaction plant in Peru and a 23% stake in another LNG liquefaction plant in Trinidad and Tobago. The market value of these combined is estimated at US\$ 3 billion.

Other companies competing to acquire these assets include Sinopec from China, Gas Natural Fenosa from Spain, British Gas from UK, Gazprom & Novatek from Russia, and GDF Suez from France.

The current cost of bringing natural gas to India from LNG terminals in North American East Coast is estimated at US\$ 9.5 per million metric British thermal unit, which is about 50% less than current imports.

### **IRCON to build railway lines in Sri Lanka**

Indian Railway construction company, IRCON, has

undertaken six railway projects in Sri Lanka to reconstruct the railway lines damaged during the civil war. The estimated outlay for the project is US\$ 800 million.

## **Investments & Fund Raising**

### **Oil India, Indian Oil acquire shale gas asset in the US**

Oil India & Indian Oil have jointly acquired 30% stake for US\$ 82.5 million (about Rs 415 crore) in shale gas asset in Niobrara, Colorado state, USA. Oil India holds 20% stake in the acquisition of Carrizo's Niobrara shale asset, while IOC holds balance 10%.

Niobrara shale acreage is currently producing about 2,000 barrels of oil equivalent a day, and the output is expected to reach 6,000 barrels of oil equivalent a day in the next few years. The transaction provides a platform for additional acquisitions in North America.

Oil India & Indian Oil will invest another US\$ 230 million (about Rs 1,150 crore) over the next three to four years to develop the Niobrara shale oil formation. Oil India has cash reserves of 12,500 crore (about US\$ 2.5 billion), and will likely raise US\$ 100 million in debt overseas to fund the acquisition, as it is cheaper to raise funds abroad.

Oil India and Indian Oil currently hold stakes in oil and gas blocks

in countries across Gabon, Iran, Libya, Nigeria, Yemen, Timor Leste and Venezuela.

### **Indian Oil plans Rs 56,000 crore capex**

Indian Oil Corporation has chalked-out Rs 56,000 crore in capital expenditure during the 12th 5-year Plan, 2012-17.

Out of this, 26% would be earmarked for integration & diversification.

### **CIL to raise capacity by 180 million tonnes**

Coal India Ltd is looking to raise production by 180 million tonnes during the 12th five year plan period, 2012 – 17, at an estimated outlay of Rs 30,000 crore. This will take its coal production to 615 million tonne (mt) by 2016-17, versus 435.84 mt in 2011-12.

Coal India has set a production target of 464 million tonnes for the current financial year, it had production of 435.84 million tonnes in 2011-12.

Coal India has identified for development 107 open cast and 35 underground mines, which can potentially yield 380.22 million tonne per annum of additional coal.

### **ONGC to invest Rs 11 lakh crore over the next 17 years**

ONGC has chalked out plans to invest Rs 11 lakh crore between 2013 and 2030. ONGC is looking to produce 130 million

tonnes of oil and oil equivalent hydrocarbons in 2030. Half of this will come from assets abroad.

Last year, it produced 27 million tonnes of oil and 25 million cubic metres a day of natural gas. A 'perspective plan' drawn up by ONGC will have the company invest in petrochemicals, LNG re-gasification and alternative energy, so that 30% of its revenues in 2030 comes from non exploration and production activities. It mentions wind, solar and nuclear as the areas of alternative energy it would get into.

A good part of the investments will go into unlocking domestic yet-to-find reserves.

### **Numaligarh Refinery to invest Rs 8,955 crore in 12th Plan**

Numaligarh Refinery Ltd, NRL, has chalked out an investment outlay of Rs 8,955 crore during the 12th Plan period. Under the plan, its current capacity of 3 million metric tonnes per annum, MMTPA, which was commissioned in 2000, will be raised to 8 MMTPA. NRL is also looking at setting-up an oil pipeline network and exploration & production operations.

The investment outlay also envisages setting-up new power projects in Assam, for which NRL has entered into an MoU with Assam Power Generation Co Ltd.

NRL is currently implementing several value added projects, which include Rs 577 crore investment in production of Paraffin & Micro-Crystalline Wax, which will be commissioned by 2013 end; Rs 87 crore investment in production of Naphtha, which will be commissioned in 2013.

NRL has equity participation of about 62% from Bharat Petroleum, 26% from Oil India, and remaining 12% from the government of Assam.

### **Balmer Lawrie to invest Rs 500 crore over 3 years**

Balmer Lawrie will be investing Rs 500 crore over the next three years in new projects, including a container manufacturing facility at Navi Mumbai. The container manufacturing facility at Navi Mumbai, being set up at an investment of Rs 100-crore is expected to be commissioned by the end of 2014.

Rs 150 crore would be invested in development of a multi-modal logistic hub at Vishakhapatnam. The project is a joint venture of Balmer Lawrie and the Vizag Port Trust. The logistics hub at Vizag would be an integrated rail-connected container freight station (CFS), comprising warehouses, cold storages, truck parking facilities and areas for third parties to re-work on their cargo.

The company is also evaluating independently setting up a construction chemicals facility to cater to cement & concrete manufacturers. At present, Balmer Lawrie produces 200 tonne of construction chemical per month in its two facilities at Kolkata and Chennai. The new plant will be set up at an investment of around Rs 40 crore.

Balmer Lawrie has also invested Rs 25 crore in a travel portal and a 24x7 back-office call centre.

### **NTPC to raise US\$ 700 million overseas**

NTPC is planning to raise US\$ 700 million from overseas market between January and June 2013. NTPC will be using the funds to finance its capital expenditure.

NTPC had planned in 2006 to raise US\$ 2 billion on the medium term, this was the third offering under the plan and the sum raised has reached US\$ 1.3 billion.

Eighteen NTPC projects with 15,000 MW capacity is under construction, and the funds will be used to finance these. NTPC has an installed power generation capacity of 39,174 MW.

In 2012-13, NTPC has lined up a capital expenditure of Rs 20,000 crore. During the 12th

Five Year Plan period, NTPC has total capital expenditure plan of Rs 2.19 lakh crore. Out of this, Rs 1.5 lakh crore will be raised from the markets.

### **Community Development Initiatives**

#### **Direct community interventions by SJVN**

Satluj Jal Vidyut Nigam, SJVN has earmarked Rs 16.3 crore on community development initiatives during the year 2012-13. The initiatives include a scholarship amount of Rs 2,000 per month to 140 merit holders in school leaving exam from the states of Himachal Pradesh & Uttarakhand.

SJVN has also incurred an expenditure of Rs 76.5 lakh to improve road connectivity around Simla. Improved road connectivity has led to freer flow of goods & services, leading to increased economic activity in the region.

SJVN has committed to investing 0.5% to 2% of its net profit on community development projects. SJVN's community development initiatives rest on the premise of providing basic amenities like education, healthcare, infrastructure, means of livelihood and clean environment while achieving sustainable corporate performance that facilitates the same.



## EIL receives HelpAge award

Engineers India Ltd, EIL, has received “HelpAge India Bronze Plate Award” for its contribution to the cause & care of the elderly from underprivileged sections of society. The award was given away by Shri Pranab Mukherjee, Hon’ble President of India on Oct 1, 2012 at New Delhi, and was received by Mr Ram Singh, Director – Finance, EIL on behalf of the company.

## Events

### 25 PSE CMDs meet Prime Minister

Praful Patel, Minister for Heavy Industry & Public Enterprises, has taken the initiative to have heads of 25 PSEs meet with the Prime Minister. The objective of the meeting is to discuss disinvestment, PSE functioning, professionalization of Boards among other issues. Maharatnas, Navratnas and other PSEs will be represented at the meeting, and will include ONGC, Indian Oil, NTPC, Coal India, SAIL, BSNL, BHEL, BEL, BPCL, HAL, HPCL, MTNL, Nalco, NMDC, Oil India & Shipping Corporation of India.

Among the points of discussion would be autonomy & empowerment of PSEs, plans on their disinvestments, improvement in the MoU system, flexibility to the boards of CPSEs, professionalization of boards of CPSEs, future

investment plans and capital expenditure as well as their plan to go international.

During 2010-11, the 248 CPSEs made investments of over Rs 6,66,000 crore, 15% higher than in the previous year. The turnover recorded was over Rs 14,73,000, 18% higher than in the previous year. CPSEs contributed over Rs 1,56,000 crore to central exchequer by way of duties, taxes, interest, dividend, etc. in 2010-11 and earned foreign exchange of Rs 97,000 crore.

There are 45 listed CPSEs with market capitalization of about Rs 15,06,000 crore, which constituted about 22% of total market capitalization of Bombay Stock Exchange as on 31 March 2011. The public sector is set to contribute substantial investment in the infrastructure during the 12th Plan.

### ITI receives National Safety Award

ITI Ltd has received the ‘National Safety Award’ for the year 2010. Mr K L Dhingra, CMD, ITI Limited received the award from Mr Mallikarjun Kharge, Union Minister for Labour & Employment.

The National Safety Awards were instituted by the Ministry of Labour & Employment in 1965. The National Security Awards is given in recognition of outstanding safety performance of industrial establishments, construction sites, ports and

installations to stimulate and maintain the interests of both the management and the workers in accident prevention programmes.

Unlike in the early days of industrialization, in today’s globalised and integrated world economy, the focus of attention has shifted not only on quality and productivity but also on important issues like safety, health, welfare and environment. These issues now constitute the crucial parameters to adjudge global competitiveness of any successful industry.

ITI’s Mankapur plant in Uttar Pradesh emerged as winner in the Industrial Safety Awards. ITI has 10,500 employees spread across its manufacturing facilities in Bangalore, Naini (UP), Rae Bareli (UP), Mankapur (UP), Palakkad (Kerala) & Srinagar (J&K).

### Director - Personnel, NMDC receives HR leadership award

Mr Rabindra Singh, Director - Personnel, NMDC Ltd has received the HR Leadership Award at the Asia Pacific HRM Congress 2012. Mr Singh received the award from YVL Pandit, Managing Director, SHL India, a talent assessment firm, and Dr YV Verma, Chief Operating Officer, LG Electronics India.

Mr Singh received the award for his exemplary contribution to the discipline of HR and having a strong faith in leveraging HR to achieve business goals.

## Results

### Indian Oil

Indian Oil registered sales of Rs 94,680 crore (US\$ 18.9 billion) in July – Sept quarter, 10% increase over same period last year.

Profit for the period was Rs 9,611 crore on the back of Rs 16,094 crore subsidy payout by the government.

### Bharat Petroleum

Bharat Petroleum registered sales of Rs 56,860 crore (US\$ 11.4 billion) in July – Sept quarter, 35% increase over same period last year.

Net profit for the period was Rs 5,035 crore on the back of Rs 7,280 crore subsidy payout by the government.

### Hindustan Petroleum

Hindustan Petroleum registered sales of Rs 49,130 crore (US\$ 9.8 billion) in July – Sept quarter, 33% increase over same period last year.

Net profit for the period was Rs 2,327 crore on the back of Rs 6,704 crore from upstream oil companies, and Rs 6,667 crore payout by the government.

### ONGC

ONGC registered sales of Rs 20,084 crore (US\$ 4 billion) in July – Sept quarter, about the same as last year.

Net profit for the period was Rs 5,896 crore, about the same as last year.

### NTPC

NTPC registered sales of Rs 16,351 crore (US\$ 3.2 billion) in July –

Sept quarter, 5% increase over same period last year.

Net profit for the period was Rs 3,142 crore, 30% increase over same period last year.

### Coal India

Coal India registered sales of Rs 14,572 crore (US\$ 2.9 billion) in July – Sept quarter, 11% increase over same period last year.

Net profit for the period was Rs 3,078 crore, 19% increase over same period last year.

### GAIL

GAIL registered sales of Rs 11,361 crore (US\$ 2.3 billion) in July – Sept quarter, 17% increase over same period last year.

Net profit for the period was Rs 985 crore about the same as last year.

### BHEL

BHEL registered sales of Rs 11,009 crore (US\$ 2.2 billion) in July – Sept quarter, 2% increase over the same period last year.

Net profit for the period was Rs 1,274 crore.

BHEL has orders to the tune of Rs 1.3 lakh crore (US\$ 26 billion) at the end of the quarter.

### Rural Electrification Corp

REC registered sales of Rs 3,291 crore (US\$ 658 million) in July – Sept quarter, 30% increase over same period last year.

Net profit for the period was Rs 953 crore, 53% increase over same

period last year.

### Power Grid

Power Grid registered sales of Rs 3,085 crore (US\$ 617 million) in July – Sept quarter, 36% increase over same period last year.

Net profit for the period was Rs 1,125 crore, 59% increase over same period last year.

### Oil India

Oil India registered sales of Rs 2,519 crore (US\$ 500 million) in July – Sept quarter.

Net profit for the period was Rs 955 crore.

### Neyveli Lignite

Neyveli Lignite registered sales of Rs 1,349 crore (US\$ 270 million) in July – Sept quarter, 23% increase over same period last year.

Net profit for the period was Rs 334 crore, 20% increase over same period last year.

### Engineers India

EIL registered sales of Rs 668 crore (US\$ 134 million) in July – Sept quarter.

Net profit for the period was Rs 161 crore, 10% increase over same period last year.

### Hindustan Copper

Hindustan Copper registered sales of Rs 283 crore (US\$ 57 million) in July – Sept quarter, 5% increase over same period last year.

Net profit for the period was Rs 44 crore.

### Balmer Lawrie

Balmer Lawrie registered sales of Rs 636 crore (US\$ 127 million) in July – Sept quarter, 20% increase over same period last year.

Net profit for the period was Rs 35 crore, 18% increase over same period last year.

### Manganese Ore

MOIL registered sales of Rs 229 crore (US\$ 42 million) in July – Sept quarter.

Net profit for the period was Rs 108 crore, 8% increase over same period last year.

### Appointments

#### G Sai Prasad takes charge as CMD, NHPC



G Sai Prasad, Joint Secretary in the Ministry of Power has taken additional charge as Chairman of the Board & Managing Director, National Hydro Power Corporation.

In a career spanning nearly two decades, Mr Prasad has served both the government and commercial enterprises under the aegis of the government. He has been CMD, Eastern Power Distribution Co, Vishakhapatnam from 2004

to 2006 and CMD, AP Power Distribution Co from 2006 to 2010. He has also served as Vice Chairman of the AP Housing Board, Hyderabad and Joint MD of AP state transport corporation.

Mr Prasad is a 1991 batch IAS officer of Andhra Pradesh cadre. He holds a post graduation in Electronics.

#### P Dwarakanath takes charge as CMD, BEML



Mr P Dwarakanath has taken charge as Chairman of the Board & Managing Director of Bharat Earth Movers Ltd, with effect from Oct 10, 2012. Previously, he was Director - Rail & Metro divisions, and since June 12, 2012 was holding additional charge as CMD, BEML. He has been a member of the Board of Directors of BEML since 2008.

Mr Dwarakanath graduated in Mechanical Engineering from National Institute of Technology, Warangal, starting his career with BEML in 1978 as Management Trainee. He has served all divisions of the company, including rail & metro, mining & construction and defence.

#### Rajeev Mehrotra takes charge as CMD, RITES



Mr Rajeev Mehrotra has taken over as Chairman of the Board & Managing Director of RITES Ltd, with effect from Oct 11, 2012. He has been Director - Finance & a member of the Board of Directors of RITES. He had been officiating as Managing Director, RITES for about a year.

Mr Mehrotra joined RITES in 2007, after serving Power Finance Corporation for nearly 18 years. His work experience encompasses the areas of infrastructure project appraisals & financing and investments & risk management.

Mr Mehrotra is a fellow member of the Institute of Cost Accountants of India, ICAI. He has also received advanced training in 'Financial Management in Power Utilities' at University of Samford, USA and advanced training in 'Project Appraisal & Investment Analysis' from Harvard Institute of International Development. He has been the recipient of ICAI's 'Icon of the Year' award for this year.

## Ansuman Das takes charge as CMD, Nalco



Mr Ansuman Das, Director - Commercial with National Aluminium Company Ltd, Nalco, has been given additional charge as Chairman of the Board & Managing Director of the company, with effect from Aug 30, 2012.

Mr Das started his career with the HAL, in tooling & manufacture of aero-engines. In 1982, he moved to Nalco during Nalco's formative years, and served across functions including in Technical services, Marketing & Materials management. He has spearheaded introduction of value added metal & chemical products at Nalco.

Mr Das graduated in Mechanical Engineering from NIT, Rourkela in 1976, and has done an MBA from the University of Hull, UK, on a British Council Scholarship.

## P K Borthakur takes charge as Director Offshore, ONGC



Mr P K Borthakur has taken charge as Director – Offshore, and a member of the Board of Directors, ONGC with effect from Oct 30, 2012. Previously, he was the Asset Manager since Nov 2011 of the offshore field Mumbai High.

Mr Borthakur has worked for over 35 years with ONGC. He has been credited with effectively managing India's biggest oil producing asset Mumbai High & biggest gas producing asset Bassein & Satellite in the Western offshore region. Under his stewardship the Mumbai High North Complex was commissioned, rigs on vintage platforms were built to drill wells in various formations, and development of marginal fields was fast-tracked.

Mr Borthakur holds a Bachelor's in Mechanical Engineering from Guwahati University.

## Veena Swarup takes charge as Director HR, EIL



Ms Veena Swarup has taken charge as Director - Human Resources, Engineers India Ltd, with effect from Oct 1, 2012. Previously, she was General Manager, Human Resources, ONGC.

In a career spanning three decades, Ms Swarup has spearheaded several initiatives including ONGC's Performance Management & Benchmarking Group which is

credited with executing highly effective Performance Contracts between ONGC Board of Directors and Heads of its various Divisions. She also headed the enterprise-wide resource planning project at ONGC which integrated & standardized the HR processes across all ONGC locations.

Ms Swarup has also been on deputation to Mangalore Refineries & Petrochemicals Ltd, MRPL, as a change agent to align MRPL to ONGC's systems & processes, following its acquisition by ONGC in 2003.

Ms Swarup started her career with ONGC in 1983. She holds an MBA from University of Lucknow.

## Nilmoni Bhakta takes charge as Director Finance, Numaligarh Refinery

Mr Nilmoni Bhakta has taken charge as Director - Finance, and a member of the Board of Directors of Numaligarh Refinery Ltd. Mr Bhakta has previously served Bharat Petroleum Corporation Ltd.

Numaligarh Refinery is nestled among the natural habitat of the Brahmaputra valley, in the Numaligarh district of Golaghat in Assam. It was conceived as a vehicle for speedy industrial & economic development of the region, in accordance with the provisions made in the 1985 Assam Accord.

Numaligarh Refinery, with installed capacity of 3 MMTPA (million metric tonnes per annum), commenced production in October 2000. With its track record of continuous growth and contribution to socio-economic development of the region, Numaligarh Refinery has been conferred the Mini Ratna PSE status.

For comments/suggestions, please write to Nita Karmakar, Director, CII at [nita.karmakar@cii.in](mailto:nita.karmakar@cii.in)

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