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लोक उद्यम विभाग
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Department of Public Enterprises
Ministry of Heavy Industries and Public Enterprises

Spotlight

- Awards for Excellence
- Symposium Slovenia
- OECD Meeting
- Interview of Jaiveer Srivastava CMD Hindustan Prefab Ltd.

NEW
Ministers
Take
Charge





From The Editor's Desk

The first and most pleasant task before me is to welcome Shri Praful Patel, Hon'ble Minister (HI&PE), as our guide and mentor. Our very first interaction has been extremely positive and has enthused all of us in the Department. His insightful comments, genuine display of interest and encouragement and very cogent recommendations have given us most valuable guidance for our future activities. Along with him, it is also my pleasure to welcome our new MoS, Shri Sai Prathap. We feel confident that his able stewardship will steer us into the clear waters of even greater successes in the future.

This quarter and more has been one of many new initiatives, some welcome changes and a great deal of celebration and sharing of information. The IPO ventures of CIL and MOIL have poured renewed confidence and energy into the public sector by the sheer magnitude of their success - proof of the pride of place occupied by State Owned Enterprises. Many more such successes will follow, I am sure.

The MOU and SCOPE Excellence awards were celebrated with as much verve and enthusiasm as ever, lauding progress and performance, initiative and innovativeness, courage and confidence. The ranks swell with winners and each one carried home more than the award - a sense of accomplishment and knowledge of a job well done! In form and feature, the presentation ceremony reflected the spirit of the occasion and the gracious presence of the Hon'ble Prime Minister marked the importance afforded to the awards.

Readers will recall what a path-breaking step we took with the issuance of the CSR Guidelines. Serious work commenced shortly thereafter on Guidelines for the two other elements of the MOU-R&D and Sustainable Development. Both the drafts have already appeared on our website and we have received a large number of comments and suggestions. All these are being processed and we hope that, soon enough, the DPE will be in a position to formalize the final Guidelines for both these crucial subjects.

Many seminars and workshops and interactive discussions were held, on issues that are pertinent to all of us-that of governance, partnerships, responsibilities and other frameworks. Each contributed in its own way to increase understanding and awareness, overcome hurdles and provide new avenues of implementation. These interactions and discussions are not only helpful, but they are imperative for the overall development of the sector. Experience shared is, after all, experience doubled.

Our new section on the 'Profile' of an achiever from one of our many outstanding leaders in the PSEs will be welcomed I know. While all of us work with single minded determination to fulfill the aim of being in public service, recognition of good work and the knowledge of the existence of exemplary leaders among us is always a shot of adrenalin in the arm!

We value the inputs and feedback that only you as readers can give us, so please continue to let us know your thoughts and share your ideas and suggestions. Until the next time...

Bhaskar Chatterjee

Content

WELCOME

New Ministers take Charge

Ministerial Review of DPE

CELEBRATIONS AND EVENTS

Awards for Excellence

WORKSHOPS\ACTIVITIES\INTERACTIONS

Indian Public Sector Agenda @ 2015-DPE and ICC Summit

Future Challenges of Public Sector Enterprises Symposium in Slovenia

Resurgent PSUs-Vibrant India

OECD Meeting with CPSEs

PROFILE

No Stranger to Challenges: Jaiveer Srivastava

DEPARTMENTAL HAPPENINGS

New Year 2011 Meet and Birthday Celebration

BOARD FOR RECONSTRUCTION OF PUBLIC SECTOR ENTERPRISES (BRPSE)

NEW INITIATIVES

When Coal and Manganese Ore Turned to Gold

SCOPE IN NEWS

SNAPSHOTS

News Brief

IN THE SPOTLIGHT

CPSE in the News

New Ministers take Charge



Praful Manohar Bhai Patel **Hon'ble Minister** **(HI&PE)**

Shri Praful Patel took over as the Minister Heavy Industries and Public Enterprises on 19th January 2011. Shri Patel was the Minister of State for Civil Aviation till his current appointment. A B.Com graduate from the University of Bombay, Mumbai, Shri Patel is widely travelled and a sports lover. Elected to the Lok Sabha in 1991, 1996 and 1998 and 2009, he was also a member of the Rajya Sabha for two terms in 2000 and 2006.

Shri Patel took a review meeting with the officers of the DPE on the 21st of January. (*Details inside*)

Sai Prathap Annayya Gari **Hon'ble Minister** **of State (HI&PE)**

Shri Sai Prathap is an MP from Andhra Pradesh, re-elected six times, an agriculturist, and member of several Lok Sabha Committees. He moves to the Ministry of HI & PE from the Ministry of Steel in the same capacity. His interests are many and varied.



Ministerial Review of DPE

The new Minister of Heavy Industries & Public Enterprises, Shri Praful Patel, took a review meeting on the 21st of January 2011, with the officers of the Public Enterprises Department where a detailed presentation was made of the Department's activities, programmes and performance. Minister of State, Shri A. Sai Prathap and Chairman, Board of Reconstruction of Public Sector Enterprises, Dr. Nitish Sengupta, were also present on the occasion.

Secretary, Department of Public Enterprises, Shri Bhaskar Chatterjee, presented an overview of the DPE, highlighting different aspects of the functioning of the department and also spoke of budgetary matters, plan schemes, the adjudication mechanism, the MOU system and its modalities, the efforts being made to deal with sick enterprises and the preparation of a Cabinet Note on 'acquisition of mineral assets abroad'.

Several observations were made by the Minister (HI&PE) who evinced keen interest in the presentation, including the following:

- DPE's policy formulation process should take into account the definition of CPSEs as 'Corporate' entities and therefore facilitate greater delegation of powers to them.
- Process of selection and appointment of functional and non-official Directors requires to be streamlined to avoid delays. Non-official Directors are to be selected from a pool of suitable persons and the existing databank of DPE, needs to be expanded to include persons with a broad range of expertise in diverse fields.

- Current pay-policy under implementation to be re-examined in order to address issues such as remuneration of executives of sick enterprises who need financial incentive and motivation to deliver results under difficult and adverse circumstances.

- SCOPE to take the initiative in organising meaningful, interactive sessions with CPSEs in Delhi sometime in mid-February, 2011. SCOPE may also gather information and opinion on preparing a concept paper suggesting ways and means for further improvement in the performance of CPSEs. The paper should also highlight bottlenecks, restraints, policy restrictions and other difficulties.

Hon'ble Minister at the Presentaion of DPE Overview



Hon'ble Minister, Shri Praful Patel with Dr. Nitish Sengupta, Bhaskar Chatterjee and Stuti Kacker





Awards for Excellence: A Time to Celebrate Achievement

The MOU Excellence Awards and The SCOPE Excellence Awards-2009-10

An economy thrives on the performance of its members, the efficiency of their functioning and the effectiveness of their implementations. It is only natural therefore, to institute awards and recognitions for excellence in these areas. A glittering ceremony on 15th December, 2010 at the Vigyan Bhawan, to celebrate the MOU Excellence Awards instituted by the Ministry of HI & PE and the DPE, and the SCOPE Excellence Awards from the Standing Conference of Public Enterprises (SCOPE) was a befitting recognition for such excellence in performance.

A major policy initiative of the Government of India to empower and enhance performance levels of the Central Public Sector Enterprises (CPSEs) the Memorandum

Awards are an embodiment of the latter.

The SCOPE Excellence Awards reward both organization and individual, lauding enterprise, effort and initiative at all levels, with both monetary and non-monetary recognition.

These Awards not only recognize but also reward performance. Each sector has its own winner and the proud carriers of the Awards graced the proscenium with dignity brought by the satisfaction of work well done and well received. The Hon'ble Prime Minister of India, Dr. Manmohan Singh graced the occasion with his august presence and gave the Awards. Other luminaries present at the ceremony included the



(Above) Mr. B.C. Tripathi, CMD, GAIL
(Below) Cmdr K. Subramaniam, CMD, CSL receiving the MoU Excellence Award

of Understanding holds the 'Management' of the enterprise accountable, through the promise of a contract of performance. Backed by a framework of rewards for good performance, that include both monetary and non-monetary incentives, the Excellence





(Above) Hon'ble Prime Minister Dr. Manmohan Singh at the MoU & SCOPE Excellence Awards presentation ceremony.
(Below) Mr. Satnam Singh, CMD, PFC, receiving the Award.



the successful entry into capital markets are indicators of the inherent strength, resilience and adaptability of the sector, he said. The Prime Minister further opined that the sector is now positioned to face the test of market scrutiny with confidence. We have reason to be proud of our PSEs.

"We have reasons to be confident about the ability of India's public sector to face the challenges that lie ahead for our country, both domestically and globally."

Hon'ble Prime Minister of India
Dr. Manmohan Singh

erstwhile Hon'able Minister (HI& PE), Shri Vilasrao Deshmukh, erstwhile Hon'ble MoS Shri Arun Yadav, Secretary DPE, Shri Bhaskar Chatterjee and Chairman SCOPE, Shri Arup Roychoudhury.

Speaking on the occasion, Dr. Manmohan Singh said that the Public Sector has been doing consistently well. The capacity of the Public Sector to mould itself to the requirements of the market, its ability to withstand onslaughts of economic crisis and its ability to adapt to changing global scenarios as demonstrated by

Speaking of the need for excellence in Corporate Governance, he mentioned the Code of Corporate Governance that has been mandatory for implementation across all CPSEs. He said that the Performance



Mr. A. K. Mirchandani, CMD, PEC Ltd



Mr. A. K. Mirchandani, CMD, PEC Ltd,
Mr. Ashok Nayak, CMD, HAL, receiving the Award



Mr. S.K. Vasishtha, MD, RailTel Corpn, receiving the Award

The Prime Minister lauded the efforts of the PSEs in honoring their social commitment with a concrete and robust CSR plan that has been aided by the guidelines provided by the DPE. He expressed his belief that this would go a long way towards the image building of the enterprise while ensuring social development through the various projects. Making a special mention of the BRPSE, the Prime Minister spoke of the mantra of success that it has handed out to the companies it reviews and recommends- one of Empowerment and Enablement rather than that of mere financial assistance. He hoped for more such success stories in the future.

Management Systems and the revised salary structures, are bound to result in sound practices of better Corporate Governance. Pointing out the efforts of the Government to increasingly grant greater autonomy to the enterprises, Dr Singh spoke of the institution of the category of 'Ratna' companies that carry enhanced powers which he hoped would be used wisely and to great effect by the companies singled out for the honor.

On the subject of Productivity, Dr Singh emphasized the need for the use of technology and improved governance, showing a quest for innovation, adventure and enterprise while also exhibiting ability, vision and courage for adaptation and change. Speaking of talent retention as a major area of both strength and concern, Dr Singh said that the PSEs must ensure that they are able to recruit and retain the highest quality of bright young people and exhorted the ministries and the public sector leadership to pay special attention to the development of human resource at all levels.

"We are one of the very few countries in the world that have implemented a mandatory Code of Corporate Governance for their public sector enterprises. Further, we have encouraged our Central Public Sector Enterprises to adopt a robust and transparent Performance Management System."

Hon'ble
Prime Minister of India,
Dr. Manmohan Singh

"For our public sector enterprises to survive in increasingly competitive times, they must make use of new technology and pay attention to improving corporate governance. Indeed by doing so they will contribute to strengthening our country"

Hon'ble
Prime Minister of India,
Dr. Manmohan Singh



Eminent Guests at the MoU & SCOPE Excellence Awards ceremony.



Mr. K.C. Katta, CMD, PDIL, receiving the Award

“In the face of an increasingly competitive scenario, the CPSEs have emerged stronger, more efficient and capable of becoming global entities. They have successfully transformed themselves to become more competitive and are in the forefront of our drive in achieving sustainable, inclusive growth.”

Shri Vilasrao Deshmukh,
former Minister (HI&PE)

Shri Vilasrao Deshmukh, former Minister HI&PE, praised the impressive growth and development of the public sector and said that it was worthy of all laurels and encouragement on this account. Recalling the historic role played by the sector in national development and economy, Shri Deshmukh elaborated upon the figures of growth and the contribution made by the sector to the exchequer, saying that the CPSEs have emerged stronger, more efficient and capable of becoming global entities, successfully transforming themselves into viable competition in international markets. He urged the PSEs to rise to the occasion and grab hold of the available opportunities by focusing on the critical issues of governance and productivity while taking initiative to ensure their improvement. Shri Deshmukh further complimented SCOPE for its role in organizing programs on issues of topical interest and significance to the sector. He also elaborated upon the salutary effect of the MOU system on the performance of the sector.

In his address, Shri Bhaskar Chatterjee, Secretary DPE, spoke of the opportunities and challenges offered by the integration of global markets with the Indian economy. Speaking of challenges that face the sector, Shri Chatterjee mentioned that there are multiple principals with multiple goals which are often conflicting, operational inefficiencies, rigid human resource management procedures, compensation concerns, lack of autonomy in decision making and an overly centralized organizational structure. But, despite this, whether it was making profit, generating wealth for the nation, catalyzing planned development, contributing to the public



Mr. S.K. Chaturvedi, CMD, POWERGRID, receiving the Award. (Below) Winners of the MoU & SCOPE Excellence Awards with Hon'ble Prime Minister Dr. Manmohan Singh



exchequer or internalizing corporate governance, CPSEs have done everything with the single-minded pursuit of achieving corporate excellence. The efforts of the CPSEs in taking up matters of expansion and technological and managerial up-gradation without budgetary support demonstrate their profit earning capacity, he said. Speaking of the enhanced powers for expeditious decision making that have devolved to the chiefs of the enterprises, Shri Chatterjee spoke of the challenge to their talent, responsibility and leadership in the coming years. He ended his address on the note that the times are propitious for the economy and the Indian Public Sector is geared to play a critical role in catapulting the nation to the forefront of successful, all-round development.

“On all major parameters that define corporate excellence, CPSEs have proven themselves to be on par, if not better, than the well known private sector enterprises. In fact, some of them have become industry benchmarks for others to follow.”

Shri Bhaskar Chatterjee,
Secretary DPE



Mr. Arup Roy Choudhury, CMD, NTPC, receiving the Award

“The Department of Public Enterprises and SCOPE, in dynamic synergy, are working in tandem to create an enabling environment in which the public sector will play a pivotal role in taking the Indian economy to new heights.”

Shri Bhaskar Chatterjee,
Secretary DPE

The ceremony included a film on the functioning and contribution of the Public Sector-‘Pulsating Pillars’, that traced the history of the PSEs to their present commanding and all -pervasive presence in society and industry alike. Resplendent in hues of blue and white and gold, the bedecked hall and tastefully decorated stage, augmented by the dulcet voice of the presenter and the glow of celebration that enveloped the gathering, the ceremony left all present with lingering memories of success, acclaim, approbation and camaraderie-a standpoint of combined effort towards a better tomorrow for the nation, the sector, the people.



(Above) Mr. V.R.S. Natarajan,
CMD, BEML, receiving the Award



Mr. B. P. Rao, CMD, BHEL,
receiving the Award

Indian Public Sector Agenda @ 2015-DPE and ICC Summit

The PSU Excellence Awards were organized under the aegis of Department of Public Enterprises, Indian Chamber of Commerce and Deloitte in New Delhi on the 1st of December 2010. Categorized under seven heads of performance, the awards are presented in acknowledgement of the contribution made by PSUs in the present competitive environment, in recognition of their activities and to highlight the best practices as new benchmarks of the sector. The Ministry of HI&PE was engaged in the selection process along with knowledge partners Deloitte and over a three month selection period overseen by a highly accomplished jury, came up with the list of awardees.

Speaking on the occasion, Shri Vilasrao Deshmukh, former Union Minister of Heavy Industries and Public Enterprises, GoI, remarked that the Central Public Sector Enterprises are now poised to grow even faster and make their mark in the global arena. Shri Deshmukh maintained that the PSEs will continue to play an important role in critical sectors like power, transportation and manufacturing so that the country's economy may maintain its projected growth in GDP. He however, remarked that PSEs also need to scale up operations significantly and seek international expansion if they are to survive the global competitive environment. To this end, the need was for aggressive acquisition of international companies that offer greater synergy in product mix and market share.

Companies were also encouraged to list themselves on the stock market so that funds for such development and expansion plans may be generated in a transparent and accountable manner. Reiterating the Ministry's commitment towards affording greater flexibility and autonomy to PSEs, Shri Deshmukh also spoke of the government's divestment plans as a means of securing funds.



Lighting of the Inaugural Lamp by Shri Bhaskar Chatterjee, Secretary DPE



CMD, ONGC receiving the Award.

(Below) ICC Chairman felicitating Secretary DPE

The first category of Best Financial Performance went to ONGC and NTPC with both institutions qualifying equally by scoring equal points, while the second category of award on Corporate Governance went to ONGC. Mineral major- NMDC, received the coveted Corporate Social Responsibility and Responsiveness Award, The Best Human Resource Management and Research & Development, Technology Development & Innovation Award was bagged by Steel Authority of India Limited (SAIL), while Oil India was honoured with the Environmental Excellence & Sustainable Development Award.





Release of publication on Public Sector at the PSU Excellence Awards, Indian Chamber of Commerce

Speaking of the pitfalls of unrestricted privatization as demonstrated in the recent global down-turn, Shri Elamaram Kareem, Hon'ble Minister of Industries, Government of Kerala, applauded the role played by PSEs, especially the Navratna and the Miniratna companies, as contributors to the state exchequer besides providing large scale employment.

Moderated by Shri Roopen Roy, MD, Deloitte Touche Tohmatsu India Pvt Ltd., the panel interaction focused

on the key issues of corporate governance, succession planning, timely implementation of government projects, talent acquisition, management and retention, CSR activities, overseas investment and expansion, PPP methodologies and development of strategy for restructuring and revitalizing ailing Public Sector Enterprises.

The awards were presented to the representatives of the selected enterprises by the Hon'ble Minister.

Future Challenges of Public Sector Enterprises - Symposium in Slovenia

Shri Bhaskar Chatterjee, Secretary DPE, in his capacity as the President of the International Center for Promotion of Enterprises (ICPE), participated in the first high level international symposium on 'Future Challenges of PSEs' in Ljubljana, Slovenia on the 8th of November 2010. A gathering of eminent PSE experts, policymakers and successful businessmen, high level officials of international organisations, diplomatic corps and representatives of media, came together to discuss issues both from the public and private enterprise point of view in order to arrive at purposeful

recommendations towards tangible outcomes. The symposium, organized by ICPE with the support of the Faculty of Economics, University of Ljubljana under the high patronage of the Ministry of Finance of the Republic of Slovenia, was oriented towards a better understanding of the challenges faced by both the sectors and the dialogues that need to be engaged in to overcome these, especially in view of the multiple levels at which the public sector operates, to analyze frameworks currently in use for the governance and CSR activities of the enterprises so that best practices may be benchmarked and

explore avenues of influencing policy through dialogue and choice of viable alternatives. Extremely constructive debates and discussions were held on topics such as the role of PSEs in national development, the dialogue between the public and private sectors, corporate social responsibility and the sharing of experiences in the management practices of PSEs.

“The public sector is opening up to the fact that there are possibilities of dialogue with the private sector and the private sector sees that it can enhance its bottom line when it actually involves the public sector in, what you might say, common objectives.”

Shri Bhaskar Chatterjee,
Secretary DPE

Speaking on the occasion, Shri Chatterjee held forth on the major issues, remarking that as the world moves forward, it is not about public sector or private sector; it is about public and private sector, synergizing the strengths of the two. Giving cogent and coherent examples from the Indian scenario, he mentioned the recent combined acquisition of mineral assets by two giants in the steel industry-Tata Steel and SAIL under PPP, enumerating the many advantages of such partnerships.

“Does the public sector need CSR? The answer is a resounding yes. In fact, as much as the public sector needs good Corporate Governance, it also needs good CSR.”

Shri Bhaskar Chatterjee,
Secretary DPE



Secretary DPE Bhaskar Chatterjee with Indian Ambassador to Slovenia, Mr. Jerome (R) & Mr. Bogdan Salej, DG, ICPE (L)

Speaking of CSR, he clarified that it is no longer about charity, nor about something done on the side to feel good about, it is something to be internalized as part of corporate strategy, for projecting the image of the company and also about sustainability. It's not about one-off distribution of goods, it's about making sure that companies are connected with communities and that this connectivity actually inspires their business. This therefore, implies that the public sector cannot afford to ignore the impact of CSR, towards which the DPE has created the CSR guideline document.

Representatives of nine countries across five continents and two international organizations -World Bank and OECD, gave their considered opinions and country specific experiences on the issues of public enterprises.

The symposium was followed by the Council meeting of ICPE on the 9th of November 2010 and was attended by delegates of the host country Slovenia and the Member States of Sri Lanka, Albania, India, Bosnia and Herzegovina, Macedonia and the special guest country, Brazil. The strategic targets, development plans and ICPE fields of activity were presented by Director General Dr Salej while President Shri Bhaskar Chatterjee, Secretary DPE Government of India, waxed eloquent on the subject of the future plan of work of the Council. The meeting ended on a note of high optimism following the recommendations and directions that emanated from the two days of deliberation and discussion during the Symposium and the Council Meeting.



Experts engaged in discussion



Hon'ble Minister
with a proud awardee

'Resurgent PSUs-Vibrant India: Competitive, Contemporary and Compliant'

As the backbone of Indian economy, the public sector has acted as a strategic partner in the nation's economic growth and development process, and has in fact performed exceptionally well even in the post globalization period. The need to be competitive and contemporary by narrowing technological gaps and focusing on building capital goods, delivery and services, is now the focus for the growth strategy of the PSEs.

In order to discuss the conclusions of a study conducted jointly by ASSOCHAM and KPMG on the growth and evolution of the PSEs in India, identifying the challenges and providing concrete steps for the resurgence of India's public sector enterprises towards 2020 through a clearly established two-stage journey: Efficiency Improvement over the next three years and Strategic Transformation over the next seven years thereafter, ASSOCHAM put together a conference of sectoral experts and policy makers.

The major issues addressed in the report dealt with issues of governance, compensation and benefit structures, lack of autonomy, problems in talent retention and other management and administrative deficiencies. The conference opened with a theme presentation by Shri Partha Banerjee, ED KPMG and was followed by three sessions of expert-led discussions on Growth Strategies, Competitiveness and R&D, Monitoring, Regulation & a level playing field and Sustainability, Inclusive Growth and Industrial Relations. The panels comprised of experts at various levels, academicians, administrators and those with sectoral knowledge and hands-on experience.

Addressing the gathering, former Hon'ble Union Minister (HI&PE), Shri Vilasrao Deshmukh mentioned that Maharatna public sector units would now be encouraged to aggressively concentrate on acquisition of both foreign natural resources and technology companies and use their competitive abilities for global leadership. Addressing concerns on the lack of autonomy in decision

making especially in matters of urgency such as the appointment of independent directors, the Minister spoke of the devolution of power to the Board and directed the DPE to shorten the procedure and reduce delays in appointments. On the suggestion of the study on PRP and delinking of compensation packages of senior management from government structures, Shri Deshmukh assured the gathering that these suggestions would be given due consideration. He also suggested the ploughing back of profits earned, into ancillary units, so that the functional capacity could be augmented and surplus employees could be utilized.

Exhorting the CPSEs to enlist on the Stock Exchange, Shri Deshmukh remarked that this was a unique opportunity for them to strengthen their market rating. The devolution of enhanced autonomy to management is an indicator of the government's commitment towards converting the better performing Navaratna companies into globally competitive entities.

Shri Arun Yadav, former MoS, (HI&PE) spoke of the strategic decisions taken by PSEs in the recent times that has helped the development of ancillary industries and generated employment. Shri BS Meena, Secretary, Dept of HI&PE spoke of the need for companies to invest in R&D and the development of in house design capabilities in order to take advantage of global opportunities. Secretary DPE, Chairman SCOPE and President-elect ASSOCHAM were among the other notable speakers on the occasion.

The major highlight of the program was awarding of Maharatna certificate to 4 CPSEs IOC, ONGC, SAIL & NTPC. RINL was conferred Navratna status on this day and the certificate was presented to CMD - Shri P K Vishnoi.

Shri P. K. Vishnoi receiving the Award



OECD meeting with CPSEs

An interactive meeting with Shri Hans Christiansen of the Directorate for Financial and Enterprise Affairs, OECD, focused on evaluation of the reform processes and priorities of the PSEs in India and in OECD countries, was organized by the DPE on 13th December 2010 at the SCOPE Convention Centre. Several dignitaries including the Secretary DPE, DG SCOPE, members of the various Task Forces and CEOs and CMDs of the Ratna companies participated in the discussions with members of the OECD delegation.

After the warm welcome extended by Shri Chatterjee, Dr UD Choubey-DG SCOPE, spoke of the signal contribution of the CPSEs to the Indian economy and their growing independence from budgetary support. He also spoke of the highly improved Corporate Governance practices in CPSEs and the commitment to CSR. Shri Akhilesh Mishra, JS (MER) observed that sustainability of initiatives lies in the identification of areas of common interest and cooperation which is what the public sector in India and the OECD need to work towards.

Speaking on behalf of OECD Mr Christiansen said that the OECD is a broker of ideas not directives. It is, however, instrumental in the development and sharing of new ideas. The OECD has also been a pioneer in the documentation of country initiatives on Corporate Governance. Partnership between OECD and a non-member country such as India is in the form of development programs, participation

in conferences within the regional networks of OECD and the annual conference at Paris each year. The primary areas of concern before the OECD are that of global competitive capacity, good governance practices and balancing of commercial and non-commercial objectives of the PSEs. Mr Christiansen suggested that the stakeholders of the public sector in India-namely the DPE and SCOPE should engage in an in-depth consultation with OECD members and increase participation in regional conferences in order to arrive at recommendations that would benefit all concerned.

Shri Bhaskar Chatterjee,
Secretary DPE greeting
Shri Hans Christiansen



Seminar in progress



No Stranger to Challenges: Jaiveer Srivastava

Whether it is the sturdy and resilient company that he leads from the front, or the determined and quietly confident attitude of the man himself, Jaiveer Srivastava strikes one as a force to reckon with. Taking on the mantle of CMD of Hindustan Prefab Limited in difficult times, with the company profile at an all time low, strapped for man power, talent and projects, Jaiveer Srivastava seems to thrive on the toughness of the situation! A self professed optimist, he avers that the thought - 'this may not be possible' never crosses his mind. Taking on the task of reinventing the reputation of one of the first PSEs, with a history of glory and achievement, pulling in the scarce workforce with a will to succeed and regain pride in their job, reintroducing itself to the market as a viable option- Srivastava accepted his role in engineering all changes with equanimity and determination. Bringing the company back from the edge of oblivion with an ingenious combination of sheer intrepidity and masterful man-management, he took on any project that offered a chance for visibility and future connections. 'Each project has been a challenge-each unique in its own way! Sometimes it is the lack of qualified man power, unresolved by money or manipulation, or the lack of adequate resources, or the sheer physical forces of nature within which we build our structures-each project shapes itself into something memorable and individual. No two projects are alike' says Srivastava. And indeed these projects have been unique and exemplary! The Kerala government project with no resources and no support systems, that yet blossomed into an ongoing relationship of confidence and reliability; the memorial of the Assam Rifles set up on the rain-inundated hills of Laitkor, Shillong, in record time, earning accolades; right up to the latest project of setting up homes for the affected in the devastation that was the aftermath of the Laddakh cloudburst-each a monumental testimony to the vision, leadership and determination that has become the hallmark of HPL.

"I only saw a project that required completion-I did not worry about the process-that would come with the implementation! I saw no reason to hesitate!"





The Project

Asked to provide 630 shelters within two months primarily in the Solar Colony where the victims were being relocated and in 25 other remote locations- some inaccessible by metal roads, Srivastava had only one thought in his mind-how to accomplish this mammoth task at the earliest so that the affected people living out of tents may have a roof over their heads before the severe winter set in. As he put it, "I looked around and all I could see for miles around were mounds of mud and desolation. We had to transform this into habitation and we had to do this as soon as possible. We were the first to offer shelter-the one thing that no one else had come forward with. They already had more than enough support in everything else!" Knowing that it was not a task that could be accomplished in isolation without administrative and logistical support, with his usual clarity of foresight, Srivastava sought a meeting with the local government and administration, including the defence services, and asked them to provide labour support and in the event of road transport becoming unviable, the support of air lift of material from the points of sourcing.

"I have been lucky in that everyone I met and asked for help at any time, never returned me with a no! I always had a promise of their best effort!"

The Challenges

The project by itself was daunting enough in proportion and further challenges were added with complete lack of even semi trained labour to construct the plinths-a challenge met by Sri Srivastava by calling together three youthful local contractors for an emergency meeting and convincing them to pool in all their man power resources towards the project. The next challenge rose as 17 trucks carrying material were stopped enroute and further delays seemed to doom large. Then the agreement for airlift of more material was activated and with that the hurdle with several minor glitches was overcome as the army stepped in to get the trucks back on the road, the sub zero temperatures and high altitudes was a major challenge for workers and administrators alike. Several fell ill and needed specialized attention, but such was the charisma of the diminutive figure of Srivastava that they refused to return to their homes and give up the project, preferring instead, to return to the site as soon as they recovered.

The Leadership

Srivastava showed exemplary leadership-leading, like a General, from the front. Impervious to the extreme conditions and hardships, unfazed by the many hurdles minor and major, that dogged the project from the start and unperturbed by the pressures he was naturally subjected to by all stakeholders, Srivastava continued with his mantra of 'If it has to be done, it will be done. There is no going back, only going forward!' As with all his other ventures, here too he emerged triumphant and with his inimitable humility, he generously shared credit with each person on the project, not omitting a single person at any level.

The Legacy

The drive and enthusiasm as their leader, the clarity of vision and the personal charm as the CMD and the calm acceptance of nothing but the most honest effort at all times left the staff at HPL a changed lot. As one of the Directors put it-"We are one company, he has made us see that. We are proud to be representatives of such an organization, energized by our Chief. HPL will regain all its past glory and we shall make sure we are a part of that resurrection".

As one leaves the unobtrusive surroundings of the plant, one is struck anew by the proverbial phoenix like rise from the ashes of industrial oblivion-nudged again by the memory of the quietly confident smile of the man who leads it and the starch of pride in the stride of his subordinates. Together, one is convinced, they will remain victorious over every challenge.



"I firmly believe that if one works with determination, has faith and is guided by instinct, success is assured! There is no looking back-only moving forward!"

Departmental Happenings

Celebrations



Celebration in DPE

New Year 2011 Meet

Shri Bhaskar Chatterjee, Secretary, DPE took a meeting of all officers and staff of the Department of Public Enterprises on the occasion of new year 2011. He appreciated the excellent work done by the officers and staff during 2010 and appealed to them to continue with the same spirit and still more enthusiasm in the new year.

DPE organized a small but memorable birthday programme for Smt. Stuti Kacker, Secretary (BRPSE), on 20.12.2010. Besides the Chairman, BRPSE and Secretary DPE, other senior officers were also present. Smt. Kacker was presented with a bouquet of flowers and was wished well by all present. She thanked the Department for the pleasant surprise.

Board for Reconstruction of Public Sector Enterprises (BRPSE)

The Board reviewed the implementation of approval of the Government in respect of 2 CPSEs - Central Inland Water Transport Corporation Ltd.- revival through Joint venture/disinvestment with a financial restructuring package of Rs.353.60 crore from GOI and Hindustan Prefab Ltd.-revival through a package of Rs.128.00 crore from GOI.

The progress in processing the recommendation of BRPSE to seek the approval of the competent authority in respect of 2 CPSEs - Hoogly Dock & Port Engineers

Ltd. and North Eastern Handicrafts Handlooms Development Corporation Ltd. was also reviewed by the Board.

The present status of performance, financial standing and future plans of Bharat Sanchar Nigam Ltd. (BSNL) and Indian Tourism Development Corporation Ltd. (ITDC) & its subsidiaries was also reviewed suo moto by the Board during this period.

The Board has so far given its recommendations to Government for revival of 59 CPSEs.

When Coal and Manganese Ore Turned to Gold!

In a market that is flush with liquidity, an Initial Public Offering such as that of the world's largest coal producer, Coal India Limited (CIL), in October 2010, is a true test of its integrity and stability. The first initiative towards achieving the government's goal of raising funds through disinvestment, the CIL IPO was a resounding success, being over-subscribed by an impressive 15 times. The maiden public issue, marked to mobilize 15,200 crores, placed CIL in the top four bracket of companies in Indian stock markets, with a market value of Rs. 2,16,241 crore, value increase at 40% and the top graded debut offer.

This demonstrated resoundingly that there is a huge demand for quality Issues and that the public places a high level of trust and confidence in the public sector

"Do not under estimate government companies-they are like hidden treasures"

Partho Bhattacharya,
Chairman, CIL

Coal India's spectacular debut paved the way for further gains through prospects of being included in the Index Manager, thus forcing buyers to track indices to buy shares, as well as the likelihood of inclusion in two global indices of FTSE. It also brightened prospects of other public sector companies such as Manganese Ore India Limited (MOIL), the second largest producer of manganese ore in the country, that followed suit with its IPO in the month of November, 2010.

"The recent public issues of Coal India Limited and Manganese Ore India Limited have been hugely successful. This indicates the vitality and the inherent strength of our public sector enterprise and it also shows that our public sector is now ready to face the test of market scrutiny."

Hon'able Prime Minister,
Dr. Manmohan Singh

The subscription value of CIL is more than the GDP of many countries-it raised 53 billion USD, while some countries such as Srilanka have a GDP of 40 billion USD!!

Manganese Ore India Ltd's (MOIL) initial public offering, the third share sale by the government in 2010, was 56 times subscribed on its final day, showing continued public demand for state-run issues. MOIL too was oversubscribed 15.64 times with listing gains of over 50% on day one as proof of the overwhelming confidence reposed in the sector.

With such positive response to IPO initiatives of the public sector, the government's prospects for raising funds through disinvestment seem deemed for certain success- a formula that turned coal and manganese ore into gold!

हिन्दी पखवाड़ा

लोक उद्यम विभाग
हिन्दी अनुभाग



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16 से 30 सितम्बर, 2010 तक आयोजित हिन्दी पखवाड़ा के दौरान आयोजित विभिन्न प्रतियोगिताओं के परिणाम इस प्रकार हैं :-

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| 1. | श्री शत्रुघ्न सिंह गुर्जर, सहायक | — | प्रथम |
| 2. | श्री राजेश सिंह, आशुलिपिक "घ" | — | द्वितीय |
| 3. | श्रीमती अनिता कालरा, वैयक्तिक सहायक | — | तृतीय |

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| 1. | श्री सतीश कुमार, प्रवर श्रेणी लिपिक | — | प्रथम |
| 2. | श्री रणधीर सिंह, वैयक्तिक सहायक | — | द्वितीय |
| 3. | श्रीमती रागिनी अस्थाना, आशुलिपिक "घ" | — | तृतीय |

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| 1. | श्री रणधीर सिंह, वैयक्तिक सहायक | — | प्रथम |
| 2. | श्रीमती रागिनी अस्थाना, आशुलिपिक "घ" | — | द्वितीय |
| 3. | श्री राजेश सिंह, आशुलिपिक "घ" | — | तृतीय |



Scope in News

PSEs as Role Models

Shri Harish Rawat, Hon'ble MoS Labour and Employment congratulated PSEs for being role models as sympathetic employers and implementing government regulations on labour, in a seminar for the discussion of issues in contracting labour,. The Minister also released a special issue of KALEIDOSCOPE on "Corporate Governance – Key to Excellence" which highlighted governance practices in a number of PSEs and included articles by many experts on the subject.

CIC interacts with CEOs

SCOPE organized an interactive meeting of select CEOs of PSEs with the Chief Information Commissioner (CIC) Shri AN Tiwari, to appraise him of the smooth implementation of the RTI Act in public enterprise. Expounding on the need and ambit of the Act, Shri Tiwari said that RTI was more about transparency in governance than seeking information. He exhorted the audience to maintain records and use proper management techniques. Several other issues were raised before the CIC during the meeting.

PSE Management and Autonomy

Dr UD Chaubey, DG SCOPE addressed a press meeting to appraise the media of issues requiring attention in the PSEs. Two SCOPE Programmes - "Issues and Concerns of CPSEs in Implementation of RTI Act" and "Environment and Safety – Prevention and Management of Chemical Accidents" were also discussed with the press.

DPE's National Corporate Social Responsibility Hub at TISS Mumbai.

The Secretary, DPE Shri Bhaskar Chatterjee and Director, TATA Institute of Social Sciences (TISS) Dr. Parasuraman met on 20th November, 2010 to discuss the establishment of the National Hub in the premises of the Institute. Elaborating on the purport of the CSR Guidelines issued by DPE, Shri Chatterjee emphasized the necessity of the activities of the Hub being in line with the provisions and spirit of the same. Speaking of the requirement for training on the subject,

the Secretary suggested that the Hub should have tailor made training courses for CPSE staff, facilitating NGOs and trainers that would run simultaneously and may also be conducted by a network of franchisees across the country, thereby increasing the coverage. Dr. Parasuraman assured Shri Chatterjee that all targets for the quarter would be met and that TISS would develop the agenda for research in CSR.

PSEs meet to understand CSR

A two-day workshop on "Excellence in Execution of CSR Projects" was organized on October 19-20, 2010 at the SCOPE Convention Centre, to create improved understanding of the issue and approaches to implementing the guidelines on CSR. Secretary DPE, Shri Bhaskar Chatterjee delivered the keynote address.

Mr. Bhaskar Chatterjee in his address, urged the public sector enterprises to undertake CSR activities with commitment to meet genuine needs and requirements of the community. CSR activity should create assets, generate community goodwill and have a positive social impact. However, it should not be a charity. CSR activity should help in brand building and creating a positive image of the company in public perception, he added.

"CSR activities are not charity. They should help in brand building and creating a positive image of the company in public perception."

Shri Bhaskar Chatterjee,
Secretary DPE

Secretary DPE said investment in CSR should be project based. Projects identified under CSR should be implemented by specialized agencies and every care should be taken to ensure that there is no duplication of CSR projects with that of the programmes run by Central, State and Local Governments but these could be supplemented or synergized. He also highlighted the need for monitoring the project and Third Party evaluation. He said a National CSR Hub has been created in Tata Institute of Social Sciences, Mumbai to undertake research and documentation of PSEs CSR activities. It may also enlist Implementing Agencies at national level to help CPSEs in selecting appropriate partners.

Dr. U.D. Choubey, DG, SCOPE in his address said that even if PSEs focus only on skill development, education and upliftment of people in rural India, this alone would add to three percent growth in GDP. However to do serious CSR work, there is a need for change in the mindset and for transformation of heart.

"ILO can play an important role in raising awareness on relevant conventions and recommendations and provide tools to better understand the labor dimensions of CSR."

Ms. Tine Staermose Director,
ILO, DWT for South Asia

In the concluding session, Dr. Nitish Sengupta Chairman BRPSE while delivering the Valedictory Address, said that while the name of Corporate Social Responsibility is new, the concept is not. Businesses have run schools and built hospitals and temples out of their profit as part of Indian tradition. Dr. Sengupta said the allocation of a specified amount for CSR is of lesser concern to the companies than the need of the country for developmental programs and initiatives.

"The primary duty of corporate is to recognize and imbibe CSR as an essential part of a company's business and bridge the gaps between the haves and the have nots, the rich and the poor and the educated and the uneducated."

Ms. Tine Staermose,
Director, ILO, DWT for
South Asia

Memorandum of Understanding (MoU)

The Syndicate Group on Sick & Loss making CPSEs submitted their recommendations on MoU format, parameters, inter se weightage to Department of Public Enterprises (DPE), while the final meeting of Syndicate Group on Section 25 Companies was held to finalize recommendations on the same issues. The task force members of all Syndicate groups evaluated the performance of 144 CPSEs culminating in the MOU Excellence Awards presented by the Hon'ble PM in a joint function of DPE and SCOPE.

The draft Guidelines on inclusion of R & D as a component of the MoU procedures of 2011-12 have been posted on the DPE's website, soliciting views/comments from all stake holders and the general public before incorporation. Meetings were also held in order to discuss the viability of inclusion of Sustainable Development as a mandatory component of the MOU.

Standing Committee Constituted for the Evaluation and Development of SLPEs

A Standing Committee of Principal Secretaries/ Secretaries of Bureau of Public Enterprises/ Nodal Divisions on State Level Public Enterprises (SLPEs) in States & UTs has been constituted under the chairmanship of Secretary, DPE for the purpose of reviewing the progress of data entry for the Management Information System (MIS) on SLPEs, eliciting and evaluating suggestions for further improvement of the MIS, approval of the broad outlines of National Survey on SLPEs, identification of success stories in SLPEs for incorporation in the National Survey, review of progress made on the MoU System, Corporate Governance and CSR in SLPEs, deliberation on other measures to improve functioning of the SLPEs and discussion on methods for capacity building within SLPEs.

Meeting of the Reconstituted Department-related Parliamentary Standing Committee on Industry

The first meeting of the re-constituted Department-related Parliamentary Standing Committee on Industry was held on 5th October, 2010, wherein a detailed presentation was made on the functioning of the DPE.

Result Framework Document (RFD)

The Performance Management Division (PMD) of the Cabinet Secretariat was apprised of the achievements made against targets of the RFD - 2010-11 for the mid- year review.

Appointment of Non Official Directors

The Search Committee considered the proposals for appointment of non-official Directors on the Boards of Engineers India Limited, GAIL India Limited, Bharat Dynamics Limited, Ennore Port Limited, National Aluminium Company Limited, Central Coalfields Limited, Western Coalfields Limited, Northern Coalfields Limited, South Eastern Coalfields Limited, Central Mine Planning & Design Institute Limited, Mahanandi Coalfields Limited, Manganese Ore (India) Limited & MECON Limited in October. In November Boards of BHEL, IRCON International Limited, KIOCL Limited, Neyveli Lignite Corporation Limited, ONGC, IOCL, Rural Electrification Corporation Limited, STC, MMTC Limited, were considered While in December nominees were considered for HSCC India Limited, MSTC Limited, Hindustan Copper Limited, ConCor, Hindustan Newsprint Limited, HMT International Limited, Rajasthan Electronics & Instruments Limited and Hindustan Paper Corporation Limited.

Names were recommended in consultation with PESB for appointment of non-official Director on the Board of HMT Limited, Central Inland Water Transport Corporation Ltd, Uranium Corporation of India Ltd, Electronic Corporation of India Ltd, FCI Aravali Gypsum & Minerals (India) Ltd, NSIC Ltd and PDIL,

On level field: Mandatory PSU spend on social causes to fall

NEW DELHI: In what may come as a relief to state-owned companies, the government is considering a proposal to reduce the share of net profit these firms have to spend on social causes from the current 5%.

State-owned companies with a net profit of less than Rs 100 crore are required to set aside 5% of their profit for corporate social responsibility (CSR). The move follows a demand from several public sector units that their burden of corporate social responsibility should be in line with those of private companies, according to a senior official with ministry of heavy industries, who asked not to be named.

"There needs to be an alignment in this space," the official said. ET had reported last week that the ministry of corporate affairs has dropped a provision in the Companies Bill that would have made it mandatory for private sector firms to allocate 2% of their profits towards social causes. The new provision only requires these firms to have a policy that targets to spend 2% of their profit on CSR, although it seeks to make it compulsory for a company to give details of the money it has spent on CSR in its annual report. "Already, some different norms are being talked about mining companies," the official said hinting at the new Mining Bill that requires miners to share 26% of their profits with people affected by their projects.

A ministerial panel chaired by Finance Minister Pranab Mukherjee has approved the Bill. The rule would impact state-owned miners such as NMDC Limited, MOIL Limited and Steel Authority of India Limited (SAIL), among others. "It is like a double jeopardy," the official quoted above said. "Most of these companies are listed. The social obligations cannot overshadow commercial sense." The Standing Conference of Public Enterprises, the top body of Central government-owned public enterprises, has also objected to different norms for public and private sector.

The body has argued that state-owned companies are already contributing over Rs 1.66 lakh crore by way of taxes and duties to the exchequer.

State-owned firms will be evaluated in 2010-11 on the basis of their CSR activity, which means that this will play a crucial role in their enjoying financial and managerial autonomy.

ONGC bags awards on Best Financial Performance and Corporate Governance

December 01, 2010

ONGC bagged the award on Best Financial Performance and Corporate Governance awards given by Department of Public Enterprises Government of India in association with Indian Chamber of Commerce and Deloitte the Knowledge Partner at a glittering ceremony function organized at Hotel Hyatt Regency, New Delhi today.

Mr. R S Sharma CMD, ONGC received the awards on behalf of all ONGCians from the Hon'ble Union Minister of Heavy Industries and Public Enterprises, Mr. Vilas Rao Deshmukh at a Summit on India Public Sector Agenda @ 2015 organized on the occasion.

There are seven categories under which the awards have been categorized. The First category of Best Financial Performance went to ONGC and NTPC with both of

them bagging the award by scoring equal points, while the second category of award on Corporate Governance went to ONGC.

The awards have been given to acknowledge the contribution made by PSUs in today's competitive environment, what PSU's have been doing and highlighting the best practices in creating new benchmarks.

The exercise for the awards started three months back with Deloitte being the monitor implementer and partner in the exercise. The methodology was discussed in detail and a very detailed and transparent process was taken up under the guidance of Ministry of PSE in association with Deloitte.

The jury for these awards was chaired by very senior officials comprising of Mr. Nitish Sengupta who is the Chairman of the Board

of Reconstruction of the Public Sector Enterprises, Mr. Bhaskar Chatterjee, Secretary, Department of PSE, Mr. Anil Razdan, Former Power Secretary, Dr. A S Ganguly, Chairman of Board on Governance & Nomination Committee and Compensation Committee, Mr. Arvind Pande, Former CMD, SAIL, Dr. Reena Ramchandran Former CMD, Hindustan Organic Chemicals, Dr. U D Choubey, Chairman - Summit and Director General - SCOPE. The whole exercise was diligently carried out in a very structured and a detailed manner with Deloitte being the knowledge partner.

Speaking on the occasion, Mr. Sharma said "The credit goes to the entire team of efficient ONGCians. It is because of their hard work and contribution that ONGC has been recognized for these prestigious awards"

PSU directors' selections to be simpler, time-bound

NEW DELHI: With the regulator making it mandatory for PSUs to have adequate number of independent directors for tapping the stock market, the government is making the procedure of their appointment simpler and time-bound.

The Department of Public Enterprises (DPE) has not only defined the clear procedure for appointment of independent directors on the boards of PSUs, it expects different departments to complete the appointment formalities within a maximum period of six months.

At present, there is no time limit for these appointments and "sometimes it takes years," DPE secretary Bhaskar Chatterjee said. He said the new

guidelines for independent directors has been cleared by the appointment committee of the cabinet.

As per the Clause 49 of the listing agreement, any listed firm must have at least half of its board constituted by independent directors or non-executive directors, if it is headed by an executive chairman. In case the chairman is non-executive, the rules demand that at least one-third of the board should comprise independent directors.

According to the new guidelines, time limit has been set for each stage of clearance. For instance, the administrative ministry of the concerned PSUs will be required to take a decision on the recommendations of the

search committee within one month. In case no decision is taken and placed before the ACC within one month by the administrative ministry, the search committee recommendation would be placed directly before ACC by the DPE.

Even when it has been made necessary for a PSU to have the required number of independent directors, the Comptroller and Auditor General (CAG) has found lapses on this count in the case of several listed state-owned firms. Out of 47 listed government companies, the boards of 17 companies like Indian Oil, BHEL and SAIL do not have the required number of independent directors," said a CAG report.



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