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STANDING CONFERENCE OF PUBLIC ENTERPRISES



## **REFORMING PUBLIC SECTOR CORPORATE GOVERNANCE**

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# MESSAGE



In today's dynamic, market driven environment, organizations need to continually grow and evolve to gain a competitive advantage and business excellence. SCOPE, as an apex body of Public Sector Enterprises (PSEs), has been playing a catalyst role in helping PSEs to emerge as innovative and multidimensional entities in national and global arena. It has been facilitating the interactions of CPSEs with policy makers on the issues concerning them. To provide a Forum for constructive and indepth interactions, it has been organizing seminars, conferences, awareness and experience sharing workshops in different regions of the country.

One of the issues with reference to the PSEs is Contract Labour as it is inevitable for any entity to engage contract labour for non core activities. The Government of India has taken initiative to codify labour laws and published Wage Code Bill and Social Security Code Bill etc. Keeping in view the proposed reforms in labour laws and also sharing experiences of good practices of management of contract labour, outsourcing of business, a two-day seminar on **"Labour Laws focusing on Contract Labour, Outsourcing and the Proposed Changes/Reforms in the Labour Laws"** is being organized in July 2016 at Shillong. A **Two Day symposium on RTI Act 2005 in CPSEs is also being organized in Shillong in July 2016**. SCOPE expects to have a large participation in these programmes which will be addressed by senior officials from Government, Professionals and experts in the area.

Leadership plays an important role in achieving business success and meeting organizational goals. Top Management of PSEs has been facing vexing and often paradoxical strategic issues, leadership and transformation challenges to steer their

organizations in the new economic environment. **Advanced Global Leadership Programme** organized by SCOPE aims to develop better understanding of the global economic environment and provides unique learning opportunities to help participants to emerge as strategic leaders. The programme, 5th in the series, is being organized in August-September this year, which include topics viz., strategic thinking, environment and boundary management, corporate governance, risk management, value based leadership etc.

Image Management plays a crucial role in the changing environment. For building brand image, organizations need to excel, able to compete with the competitors and attract & retain talents. With the growing proliferation of media, especially in the digital space, PR practitioners need to upscale the skills to meet the growing expectations of their myriad stakeholders. In order to provide a common platform to corporate communication and other management practitioners to deliberate on the newer knowledge of skill, SCOPE is **organizing Corporate Communication Summit 2016**

**on the topic Learning New Strategies – Scaling Newer Heights** in July 2016 at SCOPE Convention Centre. The Summit will provide opportunities to share learning experiences, challenges faced and new avenues to be undertaken to cope up with emerging digitalization, which aim to transform India into digitally empowered society and knowledge economy.

Public Sector is facing many challenges than ever before. They have to prove that they are next to none in terms of not only efficiency, proficiency and productivity but are also adopting best practices in corporate governance.

SCOPE invites valuable suggestions/feedback from PSEs which would help us to further add value to our activities for the betterment of PSEs and Nation as a whole.



**(Dr. U.D. Choubey)**  
Director General, SCOPE



# Academy of Public Sector Enterprises

Driven by its mission to promote excellence in Public Sector Enterprises SCOPE has taken a novel initiative to set up Academy of Public Sector Enterprise (APSE) for the employees of PSEs. APSE has been envisaged to impart comprehensive integrated training to PSE executives on lines of Lal Bahadur Shastri Academy of Administration, Mussoorie. APSE will function from Convention Centre located at SCOPE Minar, Laxmi Nagar Dist. Centre,

## Curriculum

The two week training programs for executives at entry level and those with a few years work experience would have an overall flavor of Public Sector. The curriculum has been structured into modular format consisting of three modules and would cover the following:

### Module I: Personal Transition

- Transition from academics to world of work
- Organizational role taking and management of multiple stakeholders
- Meeting standards of professional performance and accountability
- Working in teams and relationship management
- Insights into self and career planning

### Module II : Organizational Alignment

- Organization, Mission, Vision, Values and Culture
- Organization Strategy and Structure
- Operations Management Process and Practices
- Product innovation, research and

development process and practices

- People Management processes and practices
- Finance Management systems and practices

(Module II is organization specific where the entire batch consists of trainees from one PSE only and to be provided against specific demand)

### Module III: Contextual Alignment

- History and key developments in evolution of PSEs
- Structure of PSE Boards and delegation of authority
- The Institution of Memorandum of Understanding (MoU)
- Corporate Governance
- Corporate Social Responsibility
- Reservations and affirmative action
- Right to Information Act

### Duration of the Program

The Executive Development Programs have been designed as two week (Ten Working Days) Residential Programs. The first batch would begin in July 2016.

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## Interactive Seminar on **Labour Laws with Special Reference to Contract Labour, Outsourcing**

**Dates:** 15th & 16th July, 2016 • **Venue:** Hotel Pinewood, Shillong, Meghalaya

One of the issues with reference to the PSEs is Contract Labour which occupies an important place as much as it is not practicable or necessary to have a permanent workforce in all spheres of business activities. It is inevitable for the PSEs to engage Contract Labour. Owing to the complex situation of labour market and pending Contract Labour Laws Reform, it is necessary to sensitize officials of public sector enterprises dealing with labour contracts to make them aware of legal implications of engaging contract labour, Principal Employer's responsibilities and liabilities and best practices of engaging contract labour.

Keeping in view the proposed changes and reforms in the labour laws and also sharing of experiences of good practices of management of Contract Labour, outsourcing of business, SCOPE is organizing a two day Interactive Seminar on Labour Laws focusing on Contract Labour, Outsourcing and the Proposed Changes/Reforms in the Labour Laws.

### **Broad Coverage**

- Sharing experiences in the matter of implementation of labour laws and they day to day problems being faced and affecting the functioning of CPSEs
- Provide conceptual clarity about the scope and coverage of various labour laws
- Underline the obligations of Principal Employer and contractors
- Implications of various provisions of the Contract Labour (Regulation & Abolition) Act, 1970
- Work out a pragmatic compliance mechanism
- Discuss important judgments of the Supreme Court and High Courts
- Suggest measures/ideas in connection with proposed amendments reforms to the labour laws

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# Reform Committee on Corporate Governance by CPSEs



**Dr. U. D. Choubey**  
Director General, SCOPE

**Corporate world, has witnessed continued pressure for professionalization of Boards to reflect better governance. Accordingly, governance structure of the corporate is increasingly getting aligned with the best practices in corporate governance. A strong network of corporate governance ensures transparency, integrity, responsibility, accountability and long term strategic plans, effective risk management plans and corporate social responsibility. The term corporate governance has acquired special significance in case of Public Sector Enterprises (PSEs) in India.**

**I**t is beyond doubt that PSEs role in accelerating the pace of development in the country has been facilitated by sound, prudent and transparent business principles and practices. Their Corporate Governance practices are robust which rest on the four fundamental pillars of Fairness, Transparency, Accountability and Responsibility. Much before the corporate governance code was put in place they were required to comply with several rules and regulations under an elaborate system of Parliamentary and governmental control. They have gone extra miles and have taken structured initiatives, beyond

mandatory stipulations, for the benefit of various stakeholders. There have been several systems and mechanisms of compliance for ensuring accountability and good governance in PSEs.

Presently, apart from Parliament, PSEs are accountable to other authorities under several regulations like the Comptroller and Auditor General of India, Central Vigilance Commission, CCI and the Right to Information Act etc. Besides, listed companies are governed by SEBI norms. There can be no two opinions that these checks and balances have assured high level of transparency in their functioning. In fact, these have

contributed greater credibility and investor's confidence enjoyed by PSEs. This can be validated by the fact that a handful of PSEs (46 listed companies i.e. one percent of the total companies listed on Bombay Stock Exchange) account around 15% of market capitalization at BSE.

PSEs have well structured vigilance department with network units across various regions with the mandate to disseminate principles and practices related to integrity and transparency across all levels of organization. More than 100 PSEs have also signed Integrity Pact with Transparency India International. Under MoU



system PSEs undertake to achieve targets set in the agreement between management of PSEs and Government of India. Emphasis is placed to give them more operational autonomy to face competition and at the same time ensuring accountability in their operations. Right to Information Act is applicable to all public authorities and is also applicable to Public Sector Enterprises while the same is not applicable to private sector, thus denying the PSEs with a level playing field.

As guardian or trustees of precious public money, they have upheld high values to achieve goals and objectives for which they have been established. Their significant contribution to the national economy can be judged from the fact that 290 PSEs with a total investment of Rs 9.92 lakh crore have earned a net profit of Rs 1.29 lakh crore during 2013-14. Their turnover of Rs 20.61 lakh crore is equal to approximately 20 percent of GDP of the country. They contributed Rs. 2.20 lakh crore to the central exchequer by

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way of dividend, taxes etc. In addition to above, contribution of CPSEs (by way of taxes and duties, net profit, dividend, disinvestment proceeds) has increased by 149% in the past decade (2004-05 to 2013-14).

Besides, PSEs have played a leading role in fulfilling social obligations and have gone a long way in achieving their goals and translating their policies into deliverable to achieve positive interventions in social upliftment programmes. They have adopted very innovative practices and are implementing their CSR activity in project mode addressing their infrastructure deficit, socio economic development of surrounding communities, environment, education and drinking water. Development of backward regions, creation of industrial and social infrastructure, employment to a large number of people, and production of essential products and services at a reasonable price speaks volumes of their CSR activities.

The commitment of the CPSEs towards CSR can be seen from the fact that out of top 100 companies contributions to CSR activities, 25 are CPSEs. PSEs have been imparting the best practices in corporate governance. However, there has always been tendency to term them as non compliant in some parameters of corporate governance. One of the non compliance pointed out is with respect to appointment of Independent Director. Before, we comment on the non compliance, we need to first understand how the Independent Directors

are appointed in a CPSE.

It is beyond doubt that institution of independent director has emerged as cornerstone of corporate governance. It requires Boards to be properly structured with adequate number of Non-Executive and Independent Directors to ensure independence and objectivity. They are expected to exercise oversight on the functioning of the Board and Board Committees viz., Audit Committee, Remuneration Committee etc based on best practise of governance and ethical standards. At present, Independent Directors for 'Ratna' CPSEs (i.e. Maharatna, Navratna and Miniratna) are recommended by the Administrative Ministry to the Public Enterprises Selection Board ('PESB'). The selection is then made by a 'Search Committee' which includes the Secretary, Department of Personnel and Training (DoPT) as Chairperson of the Committee, Secretary, Department of Public Enterprises ('DPE'), Secretary of the Administrative Ministry, and two non official Members. The list of shortlisted candidates is then sent to the Administrative Ministry and then finally for approval of ACC. As you don't find any role of PSEs in Selection of Independent Directors, it is total injustice to hold PSEs responsible for non compliance of SEBI regulations for appointment of Independent Directors or Audit Committee or Remuneration Committee etc.

The general view and negative perception about PSEs is that they are not fulfilling the

**In past, we had a number of Committees on Reform for Corporate Governance. However, there has been a paradigmshift in governance norms after the global recession and melt down seen in 2008-09. As the role of government as owner and facilitator has greater importance in the process of global competitiveness and best practices in corporate governance, time has come to appoint a new Reform Committee in Corporate Governance.**

corporate governance norms related to appointment of audit, nomination and corporate social responsibility committees. Appointment of Independent Directors is not in the hands of public sector enterprises and the same should be viewed as per the procedure of appointment mentioned above. For the better professionalization of boards of PSEs, the process of appointment of Independent Directors needs to be accelerated.

A professionally run organization having competent board and full

operational autonomy can perform optimally and its members can be held accountable through a structured performance evaluation system. PSEs run on professional lines. Several of our PSEs have become important players in the global market. To help PSEs to embrace global business standards and to improve their performance in a transparent and ethical way, the issue which are not within the control of PSEs need to be timely addressed.

World over, notable corporate governance reforms have been taken to strike a right balance between autonomy and State control. Some of the developed countries have created Independent Sovereign Committee, away from the control of Administrative Ministry that monitors the implementation part, succession planning and also selects the Independent Directors. In India also, there is need to review Corporate Governance norms in line with the worldwide trends. It may lead to improve investor's confidence and enhance competitiveness of PSEs. In past, we had a number of Committees on Reform for Corporate Governance. However, there has been a paradigm shift in governance norms after the global recession and melt down seen in 2008-09. As the role of government as owner and facilitator has greater importance in the process of global competitiveness and best practices in corporate governance, time has come to appoint a new Reform Committee in Corporate Governance. ■■■



# Audit Committee - Backbone of Corporate Governance



**B. B. Goel**

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The business environment in present era abounds with varied complexities, viz., competition, litigations, corporate re-engineering, economic recession and technological advances. The dramatic collapse of Anderson, Enron, WorldCom, Parmalat, Satyam and many other multinationals is a testimony that despite stringent regulations of accounting and auditing, questions are raised with regard to efficacy of Board to safeguard interests of stakeholders. These risks can be partly mitigated by having Special Purpose Committees which serve as the “eyes, ears and nose” in efficient Board performance. The Committees with clear cut goals, objectives, term of reference, life span, role and responsibilities facilitate specialized, focused and technical discussions. Formation of Committees especially Audit Committee in addition to several other Functional Committees (Risk Management, Ethics, Project Management, Corporate Governance, CSR, Stakeholders Relationship, Remuneration, Sustainable Development etc.) has been recognized as Best

Practices in realm of Corporate Governance. To Arthur Levitt, a former Chairman of US SEC, a qualified, committed, independent and tough-minded Committee represents the most reliable guardian of public interest.

Audit Committee is main pillar of corporate governance in steering an enterprise to path of progress, growth and prosperity. It plays vital role in increasing level of assurance against catastrophic failures, ensures financial reporting and control of non-financial risks, integrity of audit and internal control processes, fosters a culture and expectation of effective oversight. Besides, independence of Committee from executive management, open mind of committee members, restraining itself from undertaking duplicate role of executive or auditors, capability of picking up signs of early trouble and preventing a drift towards worst, and review of whistle blower’s mechanism, are some of its hall marks. It bridges gap between management, Board and external and internal auditors; provides

confidence of stakeholders in published financial information duly reviewed; and performs powerful oversight role around the year. Audit Committee is thus guardian of the integrity of financial statements and performance of an entity.

## Historical Perspective

Audit Committee came in lime light on recommendations of UK’s Cadbury Committee. Later on, Smith Report (2003) and UK Code and Guidance on Audit Committees (2012) while rejecting ‘one size fits all’ rule, fine-tuned its composition, function and oversight role. The Committee consisting of at least three members was to represent independent non-executive directors out of which, one must have significant and relevant financial exposure. Chairman of enterprise was not eligible to become member. The Committee was to meet at least thrice a year and interact with internal and external auditors without presence of management. Smith Report inserted a separate section on Audit Committee for monitoring



integrity of financial statements, appointment and assessment of external auditors, oversight of internal control system, quizzing Finance Director and external auditors, and ensuring risk management system in proper place.

In USA, Blue Ribbon Committee (1999) and SOX Act 2002 brought pragmatic changes in role of Audit Committee. To them, a single appropriate template is neither feasible nor practicable and restricted its role to monitoring and not auditing the auditors. This robust role can be possible only if Full Board including Audit Committee, management including internal auditors and outside auditors, form a three-legged stool. Accordingly, Audit Committee was to consist of minimum three independent directors, each one financially literate with higher compensation for performing arduous responsibilities. Besides, a Charter was devised so that Committee can act as a torch-bearer and watch-dog in qualitative financial reporting.

### Audit Committee

**An Indian Saga:** The genesis of Audit Committee can be traced from Rahul Bajaj Task Force (1998). It averred that Audit Committee alone is the via-media to ensure long term good-will of governance. Birla Committee (1999) on whose recommendations Clause 49 was inserted in Listing Agreement, spelled out its composition, functions and role to act as a catalyst for financial reporting. Naresh Chandra Committee (2002) favored tightening its composition (exclusively Independent Directors) and insisted upon a distinct Charter where under, chairman was required to annually certify whether

**The Committee is mandated to perform varied functions grouped into various heads viz., recommendations for appointment, remuneration and terms of appointment of auditors; review and monitor auditor's independence and effectiveness of audit process; approval of related party transactions; valuation of assets; evaluation of external financial controls; and monitoring use of funds.**

and to what extent, each function was discharged. Narayana Murthy Committee((2003) stressing mandatory responsibilities of Audit Committee explicitly clarified terms "financial literate" and "financial management expertise" - a pre-requisite for membership. Naresh Chandra's Task Force (2009) reiterated that for bolstering independence of internal and external auditors and ensuring free and frank discussion, Committee should have majority of Independent Directors. Similarly, Revised SEBI's Clause 49 held Audit Committee in high esteem. It even restrained a Board member to act as chairman of more than five Committees across all enterprises to devote time and energy for Committee work.

### Audit Committee

**Companies Act 2013 & Rule 6 & 7 (2014):** All Listed Companies and other classes of companies with paid up capital of Rs.10 crore or more, turnover of Rs.100 crore or more and companies having aggregate outstanding

loans/ borrowings/ debentures/ deposits exceeding Rs. 50 crore or more, are required to constitute Audit Committee. Besides, such Committee existing prior to commencement of Act has to be re-constituted on or before 31st March 2015.

### Composition, Eligibility, Chairman, Meetings

The Committee has to consist of minimum 3 Directors with Independent Directors forming majority. Majority of members including Chairperson should have ability to read and understand financial statements. No specific criteria have been laid down for election of chairman and his right to attend AGM. While Committee in Listed concerns has to meet at least quarterly to approve financial results, minimum one meeting per annum is a must for others.

### Functions, Powers, Vigilance mechanism & Evaluation

The Committee is mandated to perform varied functions grouped into various heads viz., recommendations for appointment, remuneration and terms of appointment of auditors; review and monitor auditor's independence and effectiveness of audit process; approval of related party transactions; valuation of assets; evaluation of external financial controls; and monitoring use of funds. It has power to call comments of auditors about internal control system, scope of audit and review of financial statements before submission to Board; discuss matters with internal and statutory auditors and management; investigate any matter referred to it by Board; seek outside

professional advice; and have full access to information available with the company.

In this context, while auditors and Key Managerial Personnel have right to give their explanations on matters relating to audit report, they have no right to vote. Further, if Board does not accept recommendations of Committee, the same has to be disclosed in Board's report along with reasons there for. A vigilance mechanism has also been established for directors and employees to report genuine concerns or grievances. Above all, legislation provides for performance evaluation of Committee Members.

### DPE Guidelines

Department of Public Enterprises being nodal agency for CPSEs (both Listed and Non-listed) has been formulating Guidelines for bringing uniformity, consistency and effectiveness in functioning of Audit Committee. These too call for constitution of qualified and independent Committee more or less aligned with SEBI's mandate and Companies Act. The Guidelines assign prominent role to the Committee over and above Clause 49 namely:

- Review follow-up action on C&AG observations.
- Review follow-up action taken on recommendations of Committee on Public Undertakings.
- Review with independent auditor coordination of audit efforts to ensure completeness of coverage.
- Review with independent auditor and management adequacy of internal controls and recommendations of auditors together with



management response.

- Review with management, internal auditor and independent auditor significant findings during the year including status of previous audit recommendations; and difficulties encountered during audit.

### Audit Committee Vs Clause 49 & Companies Act

Undoubtedly, Clause 49 insists for strict requirements in respect of Audit Committee compared to latest Act. Unlike 2013 Act, where Committee has minimum three Directors, with majority of Independent Directors and majority (including Chairman) should have ability to read and understand financial statements, Clause 49 clearly stipulates that Committee should have minimum 3 Directors, 2/3rd of them being Independent and all of them must be financially literate (including one of them having accounting/ financial management expertise). Besides, Chairman should be Independent Director.

Similarly, comparison of Companies Act 1956 Vs 2013 reveals both positive and negative features.

Unlike 2013 Act, old legislation was silent with regard to financial literacy of members, terms of reference, whistle blower mechanism and performance evaluation of Audit Committee. However, new provisions are silent for electing Chairman of Committee by members. Similarly, previously recommendations of Committee if not accepted by Board were to be recorded in Minutes of Board meeting and reasons for such refusal were to be communicated to shareholders to ensure transparency. These are now confined to be merely disclosed in Board's report thereby circumventing openness in deliberations. Same is true in respect of discretionary powers of Audit Committee under new dispensation to hold discussions with auditors on crucial aspects like internal control system and scope of audit.

### Critical Appraisal

A deep examination of actual functioning of Audit Committee reveals startling revelations. The author had the benefit of Member of this Committee both in Central/State PSEs and Corporate houses and inferences drawn are

primarily based on his observations. Majority of Committees members do not possess required knowledge, aptitude and experience to perform. They have to be tough, knowledgeable and independent minded to bring appropriate skills and energy to the tasks assigned to them. Secondly, they have very little familiarity with latest International Financial Reporting Standards/ home grown standards/ Companies Act. Thirdly, experienced members serving on too many Audit Committees at the same time affect their commitment to a particular entity. NYSE regulations discourage members to serve more than three committees. Fourthly, unlike Board membership, there is no capping to remain member of Audit Committee in 'n' number of concerns. Fifthly, there is always dearth of adequate number of Independent Directors with required business acumen and accounting background. The dilly-dallying approach of Government in filling these positions in CPSEs has created a huge vacuum in constituting Audit Committees thereby jeopardizing business proficiency. In their absence, Government nominees from Ministries are called upon to shoulder responsibility in addition to their heavy workload which again hampers pace of effectiveness of an enterprise. Sixthly, with stringent provisions under the Act inviting personal responsibility and sometimes penalties, Board members are reluctant to serve on Audit Committee as they are expected to perform impartially for risky propositions. Seventhly small size companies find difficult to have a full dress Audit Committee in view of dearth of competent, talented and

**Audit Committee is main pillar of corporate governance in steering an enterprise to path of progress, growth and prosperity. It plays vital role in increasing level of assurance against catastrophic failures, ensures financial reporting and control of non-financial risks, integrity of audit and internal control processes, fosters a culture and expectation of effective over-sight.**

willing Independent Directors. Eighthly, in majority of concerns, Audit Committee Chairman happens to be a weak personality and dances to the tunes of management resulting in disastrous outcomes. Ninthly, Security markets do not have wherewithal's to ensure compliance from enterprises stipulated in Committee's charter. Tenthly, since its recommendations are not binding, instances galore when Committee adopts escape mechanism to evade responsibility. Thus, allowing Board to overrule recommendations tantamount to stark reality that it is dominated by insiders. Even in USA, SOX Act reaffirms that Audit Committee is directly responsible for appointment, compensation, retention and oversight of auditors. Eleventhly,

Committee meeting barely lasts for 1-2 hours and takes place on the day Board has to meet. It implies that meetings are held just to comply with statutory requirements as no worthwhile discussion takes place in limited span of time. Twelfthly, terms like "financial literacy" and "management expertise" are too broad and open ended. Given new accounting standards and complexities, it is difficult to adjudge suitability of a candidate to become member of Committee. Finally, performance evaluation of members is rarely carried out thereby giving cushion to perform in the manner one likes.

It calls for pro-active than a reactive approach on the part of Audit Committee. It ought to have strong and practical determinants including method of appointment, quality of members and their exposure, knowledge, integrity, business intelligence and succession planning. It has to act like a Working Committee and meet more frequently than a full Board. Its Charter should be reviewed, updated and tailored into annual work agenda. It should make use of in-camera or executive sessions for improved productivity. It must take care of risk management policy. It should promptly initiate investigations where accounting practices are problematic or susceptible. Given such an environment, Audit Committee can drastically reduce inside abuse, cosmetic accounting, collusion and falsification of accounting information, unethical behavior and illegality; improve performance against global standards; and ensure that its 'independence' is as real as perceived. ■■■



# The Diversity Differentiator

## Managing Board Dynamics & Achieving Effectiveness



**Nesar Ahmad\***

The board of directors is the most important decision-making body in a corporation. Boards are responsible for approving major strategic, central idea, financial and non-financial decisions, such as mergers & acquisitions (M&As), takeover, strategic planning for business diversification, etc. to name a few. Not surprisingly, substantial research focuses on the workings of corporate boards. But researchers focus on varying aspects of boards. Some researchers view that board, as a group of diverse individuals who have different biases and prejudices and whose behavior is affected by social constraints and power relations. This perspective suggests that director heterogeneity plays a key role in how boards function. In contrast, most researchers in economics, consider the board as a single entity. The only heterogeneity considered is whether directors are independent from managers. All other director characteristics are usually deemed unimportant unless they are somehow related to (formal or real) independence. More recently, an increasing amount of economic research on board diversity can be found in the academic pipelines.

This article discusses current board diversity literature. The article mainly focuses on the recent contribution of economists to this topic but also provides some discussion of the noneconomic literature. Specifically, the article attempts to provide partial answers to three questions: What can be learnt about diversity by studying boards? What can be learnt about corporate governance from studies of board diversity? Is research on board diversity useful for policy discussions? Directors may differ in many important characteristics, such as educational and functional background, industry experience, social connectedness, insider status, gender, and race.

The responsibilities of the board of directors have been on the corporate agenda for years. Acting as the agents of shareholders, directors are expected collectively to devise operational and financial strategies for the organization and to monitor the effectiveness of the company's practices.

### Definition of Board Diversity

Over the years, regulators have placed great emphasis on addressing different matters relating to the board of directors.

Two prominent examples were: (i) stressing on the roles of non-executive directors as well as the importance of independence of the board in the Higgs Review in 2003; and (ii) emphasizing the significance of balancing skills and experience of the board members as in the Walker Review in 2010. Until recently, there has been an urge for diversifying the board. Intuitively, diversity means having a range of many people that are different from each other. There is, however, no uniform definition of board diversity. Traditionally speaking, one can consider factors like age, race, gender, educational background and professional qualifications of the directors to make the board less homogenous. Some may interpret board diversity by taking into account such less tangible factors as life experience and personal attitudes.

In short, board diversity aims to cultivate a broad spectrum of demographic attributes and characteristics in the boardroom. A simple and common measure to promote heterogeneity in the boardroom – commonly known as gender diversity – is to include female representation on the board.

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## Benefits of Board Diversity

Diversifying the board is said broadly to have the following benefits:

- More effective decision making.
- Better utilization of the talent pool.
- Enhancement of corporate reputation and investor relations by establishing the company as a responsible corporate citizen.

**1. More Effective Decision Making:** It is believed that a diverse board is able to make decisions more effectively by reducing the risk of 'groupthink', paying more attention to managing and controlling risks as well as having a better understanding of the company's consumers. These benefits are further elaborated below.

Directors are responsible, as mentioned previously, for devising strategies through critical analysis and effective problem solving. One of the pitfalls behind the decision-making process in the boardroom is 'groupthink', which is described as a psychological behavior of minimizing conflicts and reaching a consensus decision without critically evaluating alternative ideas in a cohesive in-group environment. Combining contributions of a group of people with different skills, backgrounds and experiences is assumed to be able to approach problems from a greater range of perspectives, to raise challenging questions and to debate more vigorously within top management groups. Such a multiple-perspective analysis of problems can change the boardroom dynamics and is more likely to be of higher quality than decisions made under a 'groupthink' environment. Diversified

board members are more likely to possess different personal characteristics, which lead to dissimilar leadership, thinking, emotional styles and even risk preferences and behaviors. Not only may this foster creativity in delivering solutions to problems, but also provide a more comprehensive oversight to the operations of the organization through a further enhancement of the company's sensitivity to a wider range of possible risks such as reputation and compliance risks. This may then support a greater supervision on the boards in its performance evaluation and in the decision-making process.

Further, companies are competing in a global environment nowadays. In order to achieve organizational goals and objectives, directors need to understand diverse stakeholders' claims – in particular the needs of customers – well. A balanced board will have more representatives of users and customers of its products in the boardroom to make informed judgment. This may be especially important for consumer-facing industries to have women directors and for multinational companies to include foreign nationals on the board. Dissimilar backgrounds, experience and social networks in the boardroom may therefore improve their understanding of the stakeholders, provide diverse connections with the external environment and help address stakeholders' claims in a more responsive manner.

**2. Better utilization of talent pool:** Stakeholders are demanding more from directors, in particular from non-executive directors (NEDs). Having NEDs on the board has already been a common requirement across



countries. NEDs are, however, often criticized for having insufficient devotion of time and effort in understanding the business and representing stakeholders to scrutinize executive directors in making appropriate decisions.

One of the problems of searching for suitable directors lies on the limited number of candidates – there is especially a tendency to search for board members with typical characteristics, such as male directors. If directors expand the pool of potential candidates by considering more diversified attributes, like women and ethnic minorities to be included in the boardroom, it will alleviate the problem of 'director shortage' and therefore better utilize the talent pool. It is therefore vital for companies to initiate tapping into the under-utilized pool of talent through board diversity.

**3. Improving reputation and investor relations:** Having a heterogeneous board one can enhance corporate reputation through signaling positively to the internal and external stakeholders that the organization emphasizes diverse constituencies and does not discriminate against minorities in climbing the corporate ladder. This may somehow indicate an equal opportunity of employment and the management's eagerness in positioning

the organization as a socially responsible citizen.

It is also argued that board diversity reflects the diversity of the society and community served by the organization. This reflection strengthens the social contract between a business and its stakeholders, which, in turn, improves its strategic fit that the business has with its environment. As a result, it is suggested that a diverse board can help a company build its reputation as a responsible corporate citizen that understands its community and deserves its trust. Further, more institutional investors have taken into account board diversity as a factor for investment evaluation due to the reasons that: (i) a number of academic research articles indicated the positive correlation between firm value and board diversity; and (ii) institutional investors are placing greater emphasis on corporate social responsibility and Business Responsiveness of Corporates by following guidelines and parameters laid down by various national and international institutions like MCA (NVG), SEBI, GRI, PRI, ICGN, etc. Board diversity can, therefore, to a certain extent, improve its investor relations.

### Impact of Board Diversity on Revenue and Profit

Companies with the most women board directors, especially those with three or more women board directors, had better financial performance than those with the least women board directors. Since 2004, a series of catalyst studies has shown that companies that achieve diversity in their management and on their corporate boards attain better financial results, on average, than

**So far as Indian Law is concerned, appointment of women director is compulsory for the certain companies prescribed by the Central Government. Further the new company law also recognizes the board diversity by having certain terminologies like director elected by small shareholders, independent director, nominee director etc.**

other companies. Catalyst's 2011 study found that companies with the most women board directors outperformed those with the least on return on sales (ROS) by 16 percent and return on invested capital (ROIC) by 26 percent. Companies with sustained high representation of women—three or more women board directors in at least four of five years—significantly outperformed those with no women board directors. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8 percent. Racial and ethnic diversity has a stronger impact on financial performance in the United States than gender diversity, perhaps because earlier efforts to increase women's representation in the top levels of business have already

yielded positive results.

### Regulatory Initiatives of Board Diversity

Board diversity can be promoted by a number of methods. Measures currently adopted by different regulatory bodies are generally classified into the following approaches: (i) through imposing quotas on the board; and (ii) enhancing disclosures using the 'comply or explain' approach.

Imposing quotas refers to mandatory requirement in appointing a minimum number of directors with different attributes on the board. This legislation enactment mainly deals with gender diversity to tackle the relative underrepresentation of women in the boardroom. For example, since 2008, each listed company in Norway has had to ensure that women fill at least 40% of directorship positions. Spain and France are implementing similar mandatory requirements for gender diversity. This approach increases the number of women on the board at a faster rate and forces companies to follow the legislation.

Another measure to enhance board diversity is through transparency and disclosure. Companies, under corporate governance codes, are required to disclose their diversity policy in appointing directors so that investors and stakeholders can make proper evaluation. Those who fail to implement such measures have to explain their non-compliance in the corporate governance report or equivalent. The Corporate Governance Code (2010) of the United Kingdom, for example, stipulates that companies are required to: (i)

incorporate diversity as a consideration in making board appointments; and (ii) disclose in their annual reports describing the board's policy on diversity, as well as its progress in achieving the objectives of that policy. Australia and Hong Kong are promoting diversity using a similar 'comply or explain' approach. Supporters of this approach believe that board appointments should be made on the basis of business needs, skills and ability instead of legislative requirements, which may sometimes be considered excessive in the market. So far as Indian Law is concerned, appointment of women director is compulsory for the certain companies prescribed by the Central Government. Further the new company law also recognizes the board diversity by having certain terminologies like director elected by small shareholders, independent director, nominee director etc. Also SEBI has prescribed composition of the Board with executive, non-executive and independent director. Moreover the new law further recognizes 'comply or explain' approach in certain areas like CSR.

### Balance Board Rooms for Good Corporate Governance

The board of directors forms one of the pillars of a robust corporate governance framework. This is evidenced by the Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance stating that 'the corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the

company and the shareholders'. This, in turn, links to the fundamental concepts of corporate governance – namely, judgment, responsibility and accountability.

Recent academic literature suggests that one of the ways to enhance corporate governance, arguably, is to diversify the board, which is a new topic added to the Article P1, Governance, Risk and Ethics syllabus in 2013 formulated by Association of Chartered Certified Accountants, a leading international accountancy body located in UK.

### Addressing challenges faced by a diverse board and preparing for the future

- Strategy in delivering innovation and understanding of technology as an enabler of growth will be a key factor for many boards.
- Shareholder activism is globally expected to continue challenging the boardroom dynamics.
- Rise in Cyber-Attacks.
- Diversity has become more main stream thinking in the modern enterprise.

### Conclusion

Board diversity is justified as a key to better corporate governance. The following extract from academic literature by Conger and Lawler (2001) serves as a good summary of board diversity:

'The best boards are composed of individuals with different skills, knowledge, information, power, and time to contribute. Given the diversity of expertise, information, and availability that is needed to understand and govern today's complex businesses, it is unrealistic to expect an

individual director to be knowledgeable and informed about all phases of business. It is also unrealistic to expect individual directors to be available at all times and to influence all decisions. Thus, in staffing most boards, it is best to think of individuals contributing different pieces to the total picture that it takes to create an effective board.' In implementing policies on board diversity, both the company's chairman and the nomination committee play a significant role. The chairman, being the leader of the board, has to facilitate new members joining the team and to encourage open discussions and exchanges of information during formal and informal meetings. To create such a well-functioning team, the chairman further needs to commit and support mentoring, networking and adequate training to board members. The nomination committee should give consideration to diversity and establish a formal recruitment policy concerning the diversity of board members with reference to the competencies required for the board, its business nature as well as its strategies. The committee members have to carefully analyze what the board lacks in skills and expertise and advertise board positions periodically. They are strongly encouraged not to seek candidates merely through personal contacts and networks in order to carry out a formal and transparent nomination process.

The most important ingredient to the success of board diversity, however, would most probably be the board members' changing their mindset to welcome a more heterogeneous board, as well as to place greater trust in one another and work together more effectively. ■■■



# The Performance Evaluation System for Philippine SOEs

State-Owned Enterprises (known as “GOCCs”<sup>1</sup> in the Philippines) are created by special charters or under the Corporation Code.<sup>2</sup> From a small number of 37 GOCCs in 1965, the GOCC/SOE sector ballooned in 1984 to 303 GOCCs that were not centrally monitored and supervised, and the lack of accountability led to losses that drained the government’s coffers. The reform movement of the Sector started during the incumbency of President Corazon C. Aquino, who in February 1988 issued Administrative Order (A.O.) No. 59 (Rationalization of the Government Corporate Sector) which recognized the “need to improve the efficiency of government-owned and controlled corporations and their subsidiaries in order to promote economy, efficiency and effectiveness in the delivery of public services”.

Twenty-three years later, the basic principles and guidelines laid down in A.O. No. 59 have found themselves sanctified into the provisions of Republic Act No. 10149, otherwise known as the GOCC Governance Act of 2011. It was a culmination of the reform movement, embodying the lessons learned from the challenges

encountered in implementing the policies and guidelines in A.O. 59. In order to reinforce the State Ownership Policy, the thrust of R.A. No. 10149 concentrated on corporate governance and the effective exercise of the State’s ownership rights through a central advisory, monitoring and oversight body—the Governance Commission for GOCCs (GCG).

During his first State of the Nation Address in July 2010, President Benigno S. Aquino III called for strong reforms in the GOCC Sector in the wake of abuses on compensation and cases of mismanagement in certain GOCCs under the previous administration. At the core of the controversy on compensation however was the need to turn the tide on the culture of entitlement and usher in a performance-oriented culture, not only in GOCCs but in all of government.

After directing the development of a common compensation system for GOCCs and imposing a moratorium on increases pending completion of the study in December 2010<sup>3</sup>, President Aquino directed the harmonization of all national government performance monitoring systems in September 2011.<sup>4</sup>

Administrative Order No. 25, s. 2011 was then followed up with Executive Order No. 80, 2012, directing the adoption of a performance based system for civil servants that would be linked to organizational performance. This was a significant breakthrough for government, as it was the first time that performance incentives of civil servants were formally and systematically linked to organizational performance.

Together with R.A. No. 10149, these reforms led to GCG’s establishment of the performance Evaluation System (PES) for the GOCC Sector in 2013. Backed by a corresponding Performance-Based Bonus and Incentive system, the PES ultimately aims to establish a culture of excellence and improve public service in the GOCC Sector. It recognizes the key role that performance measurement systems play in developing strategic goals, and more importantly, in evaluating the achievement of organizational objectives and correspondingly rewarding employees and officials.<sup>5</sup>

## Institutional Strategic Performance Management

The PES allows the Governance

<sup>1</sup> Government-Owned or –Controlled Corporations. <sup>2</sup> Baas ambaries Big 68 – The Corporation Code of the Phillipines. <sup>3</sup> Executive Order No. 7, s. 2010. <sup>4</sup> Administrative Order No. 25, s. 2011. <sup>5</sup> Innovation in performance measurement: Trends and research implications, Ittner, Christopher D; Larcker, David F. Journal of Management Accounting Research 10 (1998): 205-238.



Commission to assess the operations of GOCCs and utilize such evaluation in determining the eligibility of GOCCs for their bonuses for the year. Concretely, the PES is pursued through annual Performance Agreement Negotiations (PAN) between the GCG and the Governing Boards and Management of GOCCs, which ultimately lead to the establishment of the GOCCs' Performance Scorecards.

Although the PES was built on the platform of the Balanced Scorecard, the Governance Commission crafted Performance Scorecards in its first two years based on the Organizational Performance Indicator Framework (OPIF) used by the Department of Budget and Management (DBM). The framework not only allows budget allocation and monitoring but also performance management built on a results-based budget system. This system is anchored on a development perspective and has emphasis on core services and functions. It was an interim process intended to align GOCCs with the National Government budget system since unbridled Board autonomy under previous Administrations resulted in varying budget systems hindering comparative analysis and effective oversight over the budgets of GOCCs.

For 2015 targets, the Governance Commission migrated GOCCs to the Balanced Scorecard as it recognized the ability of the same to not only assess how an organization has performed in delivering its services but also in measuring the organization's capacities and

<b>Social Impact</b>	what is the strategic impact of the GOCC in the context of inclusive growth and economic development? what are the measurable breakthrough results in the next 5-10 years? Introduced by GCG
<b>Finance</b>	How do we ensure the company's financial viability? what is the outcome of responsible financial stewardship? e.g. EBITDA
<b>Customers/ Stakeholders</b>	Who are our key customers/stakeholders? what critical services do we need to deliver? e.g. customer Satisfaction survey rating
<b>Internal Processes</b>	In what processes do we need to excel to provide excellent service delivery to our stakeholders/customers? e.g Turn-around time, automation
<b>Learning &amp; Growth</b>	How do we effectively equip our people to execute the processes that are key to the strategy? e.g. improvement of human capital based on competency framework

capabilities to deliver such services. The Balanced Scorecard enabled better analysis of the drivers of performance as opposed to the standard regulatory measures for General and Administrative Support Services under OPIF.

All GOCCs under the jurisdiction of GCG are directed to develop their own vision and mission pursuant to their respective mandates, core values essential in their business operations, and Performance Scorecards must be largely based on their strategy maps, which ultimately reveal the story of how value is created for the organization as it show a logical, step-by-step connection among all strategic objectives.

While recognizing the peculiarities of the operations of each GOCC, the Governance Commission also ensured a proper balance by enforcing standard in operational areas that were common across all GOCCs were required to establish Quality Management Systems in lines with ISO 9001:2008, adopt

Stakeholder Satisfaction surveys, and develop competency models for their officers and employees in their Performance Scorecards.

At the end of each calendar year, all GOCCs are required to submit their self-assessment for validation by the Governance Commission. Supporting documents are presented to Corporate Governance Officers while ocular visits are like wise held in order to concretely evaluate the performance of the GOCC. Assessment reports on the performance of the GOCCs are published in the GCG website<sup>6</sup> to ensure full disclosure, transparency, and full accountability.

Only GOCCs that achieve a weighted score of 90% based on their annual targets as well as satisfy the Good Governance Conditions prescribed by GCG,<sup>7</sup> will be eligible to grant their bonuses. Appointive Directors, on the other hand, will only receive their Performance-Based Incentives if their GOCC meets 90% of its targets and they attend 90% of all Board and committee

<sup>6</sup> www.gcg.gov.ph. <sup>7</sup> see GCG MC No. 2015-05.



meetings, as validated through their Directors Performance Review (DPR). Such a paradigm shift in GOCC performance management was not easily received by GOCCs. In fact only 64% of the GOCCs under the jurisdiction of the Governance Commission participated in the 2013 Performance Agreement Negotiations (PAN). A number of GOCC officials even expressly contested the authority of the Governance Commission to conduct these negotiations, questioning the legality and wisdom of the policy.

	2011	2012	2013	2014
GOCCs Participating in PES	N/A	80	78	90

Over time however, GOCCs began to see the relevance of the PES. Philippine Ports Authority General Manager Juan C. Sta. Ana shares in his summary report of PPA's accomplishment. "When I step out of the hall of PPA. I am confident that I am leaving an organization that is strong and it getting stronger. I would like to gratefully acknowledge the commitment of the PPA officers

and employees, the support of the PPA Board of Directors and PPA stockholders and the guidance of the GCG to PPA's journey under the regime of good governance<sup>8</sup>."

At the end of the day, the PES allows every GOCC to be directly accountable to the Filipino people by fulfilling their committed targets. However, more than ensuring accountability, the PES enables the GOCCs to plan for long-term breakthrough results and strengthens their awareness of their respective areas of influence. More importantly, the PES

enhances the ability of GOCCs to act as stewards of the people's resources.

### Professionalizing board governance

Good governance entails more than organizational and management performance; it must involve evaluation of individual director performance given that ensuring good corporate governance of GOCCs in a transparent, responsible and accountable manner is ultimately the responsibility of the Governing Board.

The Code of Corporate Governance for GOCCs (GCG M.C. No. 2012-07) provided for the development of an Annual Performance Evaluation of the Board that would further strengthen the competence and character of the Members of the GOCC Governing Boards. According, in 2014 the Governance Commission issued GCG M.C. No. 2014-03 to establish the Performance Evaluation for Director (PED) in the GOCC Sector based on a review of existing Board performance evaluations in the private sector,



<sup>8</sup> Sta. Ana, Juan C. Letter to the Governance Commission for GOCCs 28 December 2015.

both in the Philippines and abroad, specifically through their Board Attendance, Chairman, self and Peer Appraisal Reviews, and GOCC Performance.

Prior to the enactment of the GOCC Governance Act of 2011, many Appointive Directors held their positions for fixed terms regardless of performance. Through the PED, all appointive Directors may only be recommended reappointment if he or she meets an average rating of 85%. The said policy enabled the Governance Commission to recommend the replacement of non-performing Board directors. For purposed of being able to report to the President the performance of Ex Officio Directors, as well as to allow the GCG to develop and evolve a good governance system for Ex Officio Directors in the GOCC sector, the PED also covers the Ex Officio Directors and their Alternates. In 2015, the PED system has been taken online with the internet-based PED (PED) to facilitate submission and analysis of thousands of rating forms submitted from over 700 encourages the Directors to submit

well-governed GOCCs, raise corporate governance standards and practices, and encourage GOCCs to adopt the best practices on corporate governance. In line with the thrust of R.A. No. 10149 on enhancing transparency,<sup>10</sup> the CGS and the other transparency initiatives of GCG<sup>11</sup> set the GOCC sector on the path of becoming as transparent and accountable as public-listed companies in line with the recommendation of OECD on corporate governance of SOEs.<sup>12</sup>

Each GOCC shall be appraised of its performance and its level of adherence to the best practices and international standards of corporate governance. Assessment shall be based on the disclosures in the GOCC's website.

### Towards performance-driven goocs

With the introduction of the Performance Evaluation System, the Performance Evaluation for Directors and the Corporate Governance Scorecard, it is evident that steps have been taken in order to instigate a performance-driven culture within the GOCC sector. GOCCs are now more accountable to the Filipino people; results became more concrete and evident. There are established basis for the eligibility to allowances and bonuses, thus limiting the possibilities of corruption in this aspect of public service. It is undeniable therefore that one of the legacies of the Aquino administration is the institutionalization of linking performance to rewards. ■■■

#### PED COMPONENTS



DPR Overview	
Categories where Directors are Rated	DPR Breakdown
<ul style="list-style-type: none"> <li>• Knowledge and Personal Development</li> <li>• Preparedness and Participation</li> <li>• Teamwork and Communication</li> <li>• Conduct/ Behavior</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman's Appraisal (12.5%)</li> <li>• Peer Appraisal (12.5%)</li> <li>• Self Appraisal (5%)</li> </ul>

honest evaluation and share comments or recommendations for improvement.

### Raising corporate governance to international standards

To further promote the need for good corporate governance, the institute of Corporate Directors (ICD) collaborated with the Governance Commission in

introducing the Corporate Governance Scorecard (CGS) for GOCCs. The CGS is a quantitatively-driven evaluation tool extracted from existing and globally accepted standards and practices that assesses the corporate governance performance of GOCCs as based on the OECD Principles of Corporate Governance and the ASEAN Corporate Governance Scorecard.<sup>9</sup> It aims to recognize

<sup>9</sup> R.A. No. 10149: "Code of Corporate Governance for GOCC's (GCG MC 2012-07); OECD Principles of Corporate Governance for State Owned Enterprises; and the ASEAN Corporate Governance Framework. <sup>10</sup> See Sec. 25, R.A. No. 10149 on Mandatory disclosures.

<sup>11</sup> Other major transparency initiatives include the PES, CRS, No Gift Policy, as well as future initiatives such as mainstreaming of the substance Development Framework of the Global Reporting initiative. <sup>12</sup> OECD (2015), OECD Guidelines on Corporate Governance of State-Owned Enterprises 2015. OECD Publishing.

# Ease of doing Business in India Are we on a Right Track?



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**D**ebate continues on whether good days have finally arrived in India. India is a country with second largest population, one of the G-20 major economies, a member of BRICS, global hub of Information technology related services like business process outsourcing and highest growth rate (over 7% in last two decades) in the world. With strong domestic demand base, the growth looks sustainable and economy looks strong.

Modi Government's new initiatives like 'Start up in India' and 'Make in India' have set the tone and made intentions clear. At present, without doubt, India is one of the best investment destinations in the world. Policies are being framed, rules are being written, schemes are being floated to make it better. A lot is dependent on the implementation of policies, rules and schemes at the ground level.

Let us look at some other facts as well. World Bank provides ranking to 189 countries on Ease of Doing Business in 10 different

topics. In report of 2016, India stands at rank number 130, 4 points improvement since last year of 134. Separately looking at all the 10 topics, it has improved its ranking in 3 topics, gone down in 2 and remains constant in 5.

One topic, where Indian ranking, 8 is quite good is 'Protecting Minority Investors'. Whereas for 'Enforcing Contracts' the ranking is almost hitting the bottom at 178. In topic of 'Starting Business' India ranks 155 which is slight improvement from last year rank of 164. Let us have a look at all the 10 topics (or say categories).

In 5 categories, no change of rank when compared with last year, improvement in 3 and ranking further went down in 2. We will be discussing all the ten topics and analysis of Indian Ranking.

## Starting a Business

In the study of 2016, India ranks 155, which is a 9 points improvement from 2015 ranking of 164. It ranked last out of 8 South Asian countries, including Pakistan, Afghanistan, Bangladesh, Nepal, Bhutan, Srilanka and Maldives in this topic.

Many approvals required for







starting a manufacturing unit or a business. One has to run from pillar to post before starting a business. Approvals from various government departments and registrations in number of regulatory authorities makes it complex for sure.

Single window systems in Tamil and Gujrat are successful models of how to encourage starting a business. Many other states are trying to join the league, but progress is slow. 'Start up in India' initiative of the Government is right step in direction of improvement.

### Dealing with Construction Permits

India ranks 183 out of 189 countries. Though improvement of 1 point from 2015 ranking of 184, this area needs improvement from any stretch of imagination. It ranks 7 out of 8 south Asian countries.

Parallel economy of unaccounted funds (read black money) is a major hurdle. Though window has

**India ranks 136, same as last year. Passing of Insolvency and Bankruptcy Code by Parliament will certainly provide a modern framework to ease out this area. Though few areas like cross border insolvency issues might need little more clarification, this is a major development in recent past. If one looks objectively, there is movement in almost all the areas and significant developments can be noticed. Though long way to go, the directions seem in focus and as they say, "Where there is a will, there is a way", it appears that our regulators have the will.**

been provided through the disclosure schemes under Income tax act in different forms during last year and current year, it remains a major task at hand of the Government. In 2015, India introduced Black Money Act to bring back undisclosed Income back to the main stream.

### Getting Electricity

India ranks 70. If compared with points of improvement from last year, it has performance because of 22 points improvement from 92. Still long way to go.

In 2015, towards power sector reforms, the Government launched a scheme called UDAY (UjwalDiscom Assurance Yojna) to rescue position of electricity retailers. It also provides measures to cut power thefts and align consumer tariff with cost of generating electricity.

### Registering Property

This topic examines the steps, time and cost involved in registering a property. India rank 138, same as what was last year. Indian Land Acquisition Act 1894 is quite old and need reforms. The Real Estate (Regulation and Development) Act 2016 got president accent on 25th March and hope to bring in fresh reforms in this area.

### Getting Credit

India Ranks 42 – performance down by 6 points as last year it was 36. Annual results of banking industry saw quite a few red numbers this year. As per

<sup>1</sup> <http://in.reuters.com/article/india-cenbank-loans-idINKCN0Z00LO>

an article published at Reuters<sup>1</sup> Indian banks are grappling with about \$120 billion in stressed loans, or 11.5 percent of the total, and RBI Governor Raghuram Rajan has set a deadline of March 2017 for them to clean up the bad loans on their balance sheets. Further steps are being taken and guidelines are being issued to help bankers in restructuring large stressed loans.

### Protecting Minority Investors

Best performer at ranking 8 same as last year. The Companies Act 2013 has various new provisions with enormous responsibilities on senior management. Introduction of reporting on Internal Financial Controls by the auditors besides board of directors is another step in direction of risk management and enhancing confidence of investors. The Penalty provisions along with prosecutions will certainly bring seriousness into the task of board of directors especially independent directors.

### Paying Taxes

We stand at 157 – one-point improvement from last year of 156. The new initiatives of present government, including bringing in Goods and Service Tax (GST) will certainly help the cause. This one initiative will help in increase of GDP of growth by more than one percentage, some experts believe. The speed at which is this Government is working has surprised many.

Notifying Income Computation and Disclosure Standards (ICDS) appear to bring consistency in tax



payments in changing scenario of accounting. As you may be aware, new standards are becoming applicable in phases starting 2016-17. These new accounting standards (Ind AS) are converged with International Financial Reporting Standards (IFRS) and hope to bring consistency with global accounting norms.

### Trading Across Borders

India ranks 133 and there is no change in the status from last year. Prime Minister's global visits and participating in various international activities will start seeing results in next couple of years. Opening of economy and attracting Foreign Direct Investment through various incentives appear to be among the top priority of this Government.

### Enforcing Contracts

India ranks poorly at 178, which is same as last year. Small reforms in this area, like removing redundant Acts and regulations will prove to be a big leap. Judiciary reforms are also one of the top agenda items of this government.

Many people have approached Ministry of Corporate Affairs with a complaint that section 185 and 186 of the Companies Act 2013 (regulating related party transactions) are hurdle in ease of doing business in India. However those transactions need to be seen from different perspective, in order to mitigate risks of irregular practices.

### Resolving Insolvency

India ranks 136, same as last year. Passing of Insolvency and Bankruptcy Code by parliament will certainly provide a modern framework to ease out this area. Though few areas like cross border insolvency issues might need little more clarification, this is a major development in recent past.

If one looks objectively, there is movement in almost all the areas and significant developments can be noticed. Though long way to go, the directions seem in focus and as they say, "Where there is a will, there is a way", it appears that our regulators have the will. ■■■

# Yoga: A Miracle for Healthy Heart, Healthy Mind & World Peace



**Dr. H. K. Chopra\***

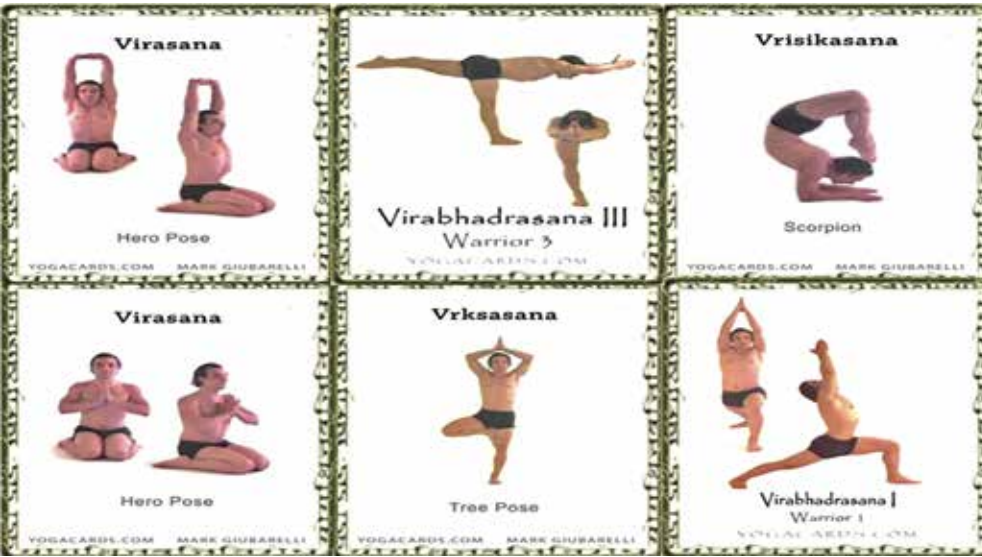
**I**n Ayurveda, the exercises are recommended according to dosha dominance and it recommends exercise regularly seven days a week. These exercises are doshas specific, kapha type for example requires strenuous exercise and vata require least strenuous exercise and pitta fall somewhere in between. If you have large muscular body then kapha is your dominant dosha. If your muscular and physical development is more modest then you should put yourself in vata category, which requires light exercises. If you are in between then you should put yourself in pitta category. For kapha types running, weight training, aerobics, rowing and dance are appropriate. For vata types yoga aerobics light bicycling, walking, and wagging are excellent exercises. Too much exercise can turn vata out of balance. Pitta types of exercise is more vigorous such as jogging, running, hiking, mounting, climbing and swimming. Two excellent ayurvedic exercises that focus on breathing are known as Bhastrika Pranayama

and Kapalabhati. In Bhastrika the abdominal muscles work like bellows. You have to sit straight up on floor or in the chair, your arm should be parallel to your sides and bent upwards at the elbows, with your hands in the fists are approximately shoulder height. Then inhale and exhale a single deep breath through your nose then as you take another deep breath raise your arms straight up and as they reach full exertion open your fists and extend your fingers. Now quickly lower your arms back to the starting position while simultaneously exhaling through your nose. Keep your hands facing forward throughout this exercise. Continue for two or three sets of fifteen repetitions. Kapalabhati is another breathing exercise which is equivalent to jogging. A Kapalabhati exercise cleans metabolic wastes from the body. This exercise accelerates heart rate without requiring a great deal of exertion from the large muscle groups of the body, it is particularly useful exercise for the people who aren't at the high level of physical conditioning

required by conventional athletics. The technique consists of short, powerful exhalations, each followed by a passive inhalation. To begin, sit with your back straight, either on the floor or in a chair. Your shoulder should be back, and your abdominal muscle should be free to move. Correct posture is extremely important in kapalabhati, because the abdominal muscles must be able to relax thoroughly when you inhale. Once your posture is established, begin breathing through your nose to establish a rhythm of deep, even breathes. Then, just when you're about to exhale, contract your stomach muscles quickly and powerfully, which will force air out through your nostrils. This exhalation should be as complete as possible in one short, powerful blast. When you first learning this exercise, try to exhale approximately once per second. Then gradually increase the rate to twice per second, but don't try to go any faster than that. You can also use in mantra to increase the benefit of exercise such as silently repeating the syllable

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“so” each time you inhale and then, repeat the syllable “hum” when you exhale. Remember that the best times to exercise are during kapha period from 6 am to 10 am or 6 pm to 10 pm.

**Yoga**

Yoga is derived of the word ‘Yoke’ which means union of body, mind, soul, spirit and environment. It is a way of life which endows perfect health thereby enhancing optimal integration of body, mind, soul, spirit and environment and thus enhances physical, mental, social, spiritual and environment wellbeing. There are eight limbs of Yoga, which are :

- 1) Yama (Restraints or Do’s and Don’ts),
- 2) Niyama (Self Discipline),
- 3) Asana (Postures),
- 4) Pranayama (Breathing exercise),
- 5) Pratyahara (Contemplation),
- 6) Dharana (Concentration),
- 7) Dhyana (Meditation) & 8) Samadhi (Transcend).

**Sun Salutation**

It includes a series of twelve flexion and extension exercises that integrate the mind, body, and

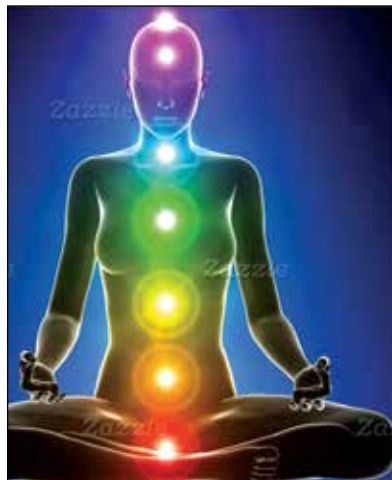
breath. The Sun Salute lubricates the joints, conditions the spine, and strengthens every major muscles group in the body. It creates balance, stability, suppleness and flexibility.

When you do the Sun Salute, allow a half-hour before a meal and three hours after a meal. If you practice other meditation programs or yoga postures, the Sun Salute can be performed before them. One cycle of the Sun Salute, consisting of twelve postures. Do not strain. If you start to breath heavily or begin perspiring, lie

down and rest for a minute or two. Hold each position for about five seconds. The Eight Limbs Position (position 6) is the only exception, as it is held only one second. Do not rush through the exercises; maximum value comes from doing them slowly. Each cycle takes one to two minutes. After completing the final cycle, lie down on your back, arms at your sides, with palms facing upward, for two minutes. One should definitely not feel pain or discomfort while doing these exercises. If even minimal performance of a particular posture causes discomfort, omit that posture. If one has back problems, consult a physician before starting these exercises.

**How to do One Cycle of the Sun Salutation**

- **Salutation Position:** Start the Sun Salute with your feet parallel and your weight distributed evenly over your feet. Place your hands together, palms touching, at chest level. Breathe easily for about five seconds.
- **Raised Arms Position:** As you inhale, lift your hands over your head, lengthening your spine easily in an extension posture.





- **Hand to foot position:** As you exhale, bend your body forward and down into a flexion posture. Allow your knees to bend.

- **Equestrian position:** On the inhalation, extend your left leg back, knee to the ground. Allow your right leg to bend and your right foot to stay flat on lengthen upward.

- **Mountain position:** As you exhale, place your right leg back, even with your left leg, pushing the buttocks up into a flexion posture. The body forms an even inverted V from your pelvis to your hands and from your pelvis to your heels.

- **Eight limbs position:** Carefully drop both knees to the ground and allow your body to slide down at an angle, with your chest and chin briefly on the ground. Hold this for a second and then move smoothly into the next position.

- **Cobra position:** As you inhale, lift your chest up and slightly forward while pressing down with your hands. Keep your elbows close to your body. Allow your spine to lift your head-do not start the movement with your head or lift your body with your neck.

- **Mountain position:** While exhaling, raise your buttocks and hips in a flexion posture, the same as position 5.

- **Equestrian position:** As you inhale, bring your right leg forward, between your hands, the same as position 4. Let your left leg extend backward, with the knee touching the ground. Your right knee will be bent and your right foot flat on the floor.

- **Hand to foot position:** Repeat position 3. As you exhale, bend



your body forward and down, coming down into a flexion posture. Allow your knees to bend.

- **Raised arms position:** Repeat position 2. As you inhale, lift your hands over your head, lengthening your spine easily in an extension posture.

- **Salutation position:** Repeat position 1, ending the Sun Salute the same way you began, with your hands folded, palms together, in front of your chest. Breathe easily for about five seconds. Then begin the next cycle. (Position 12 becomes the first position for the second cycle; you can go directly into position 2 from here.)

### How to do Pranayama

This simple neurorespiratory exercise, called Pranayama, creates balance throughout your body. It's ideal to do Pranayama after the neuromuscular integration exercise and before meditation.

- Sit easily and comfortable with your spine as straight as possible.
- Close your eyes and rest your left hand on your knees or thighs. For this exercise you will be using

your thumb and the middle and ring fingers of your *right* hand.

- Using your right thumb, close off your right nostril. Start by exhaling through your left nostril. Then inhale easily through your left nostril.

- Now use your ring and middle fingers to close your left nostril. Exhale slowly through your right nostril, and then easily inhale.

- Continue alternating nostrils for about five minutes. Your breathing should be natural, or exaggerated. It may be a little slower and deeper than usual.

- When you are finished, sit quietly with your eyes closed for a few minutes while breathing easily and normally.

### Tips for Exercise

Exercise daily for 30 minutes including yoga. Have your exercise protocol by your Doctor after the age of forty especially if you have coronary artery disease or had heart disease or attack, asthma, hypertension etc. Avoid extremes of weather for exercise and vigorous exercise. Best time for exercise is Kapha period that is 6 am

to 10 am or 6 pm to 10 pm. Avoid vigorous exercise.

Daily exercise is a very important integral component of our ideal lifestyle. Exercising daily for thirty minutes help in maintaining optimum integration of various components of health including body, mind, soul, spirit and environment. Those who exercise they live long. Exercise has a tremendous impact on our personality, potentials, achievements, success and happiness. Unfortunately most of us exercise after we have bypass surgery or after having any such major ailments.

### Classification of Exercise

The exercises can be classified as (1) Heart friendly or health friendly or aerobic exercises (2) Heart unfriendly or health unfriendly or anaerobic exercises (3) Unaccustomed. The heart friendly exercises are walking, wagging, jogging, swimming, dancing, cycling, skiing, rowing, walking on treadmill etc are good for heart and require oxygen. The aerobic system is more efficient, it increases oxygen-rich blood to your muscles and the heart unfriendly or anaerobic exercises are weight lifting, isometric contractions such as pushups etc., which build the muscles and does not require oxygen and are not friendly for healthy heart. The anaerobic system is designed for short, quick, intense bursts of energy, the kind you use such as sprinting or dashing for a train. An aerobic exercise generate large amount of waste product such as lactic acid, which causes muscle cramps, soreness and pain. Unaccustomed exercise are such as pushing a car or changing wheel of a car or starting jogging for the first time at the age of 50

or 60 or exercising in extremes of weather either too hot or too cold or too humid or without awareness of our effort tolerance. One should perform the exercises which he or she is used to and should be aware of warming up and conditioning effects of exercise.

### Exercise is beneficial in natural environment

Exercise session contains three phases: warm up phase, exercise phase and cool down phase. The warm up phase is for five to ten minutes. This helps to make transition from anaerobic to aerobic metabolism. During this time you gradually increase your heart rate and blood pressure and body temperature to help to avoid injuries and muscles soreness. Start your warm up with gentle stretching of muscle you plan to use. For example the leg muscles

if you are not going to walk. This followed by exercise phase of 20 to 30 minutes of aerobic exercise of your choice. This followed by cool-down phase of five to ten minutes. Cool-down phase is at least as important as warm up phase. During aerobic exercise, your blood vessels begin to dilate in order to supply more blood to your muscles. The cool down phase allows time for your blood vessels and your heart to resume their normal state.

### Hazards of not exercising

There is a nice ancient saying "Use it or lose it". This holds true for our physical body and as well as our mental capacities. Exercise has direct impact on our physical or mental health. It was well documented in one of the study of London that heart attacks are more amongst bus drivers as compared to bus

## A healthy mind and Healthy Heart resides only in a healthy body



conductors, postmasters as compared to postman. The incident of heart attack is reduced by 50% by those who exercise regularly and mortality reduced by 30% were engaged in regular moderate exercise program. Sedentary habits and lack of exercise give arise to a new emerging syndrome throughout the world called as – Metabolic syndrome, Cardiac Metabolic syndrome (syndrome X), Insulin Resistance Syndrome, Reaven’s syndrome, Deadly Quartet Syndrome, Civilization Syndrome, New World Syndrome, CHAOS Syndrome as per ATP III and WHO, this syndrome has high mobility and mortality due to faulty lifestyle specially lack of exercise and faulty eating habits. This syndrome is characterized by Pot Belly where abdominal girth is more than 40” in men and more than 36” in women, levels of triglycerides are more than 150 mg , HDL less than 50 mg, in women and less than 40 mg in men Glucose intolerance and hypertension. It may also be associated with increased levels of uric acid, polycystic ovaries, Insulin

Resistance and Endothelial dysfunction etc. When healthy men were assigned to bed rest for few weeks as an experiment, it was noticed that they suffered rapid deterioration of their cardio vascular and respiratory functions.

### Hazards of unaccustomed exercise

Unaccustomed Exercise or Excessive physical training is Hazardous as it gives rise to higher incidence of arthritis, hypertension, heart attacks and sudden cardiac death. In USA professional athletes don’t live as long as an average American. The life expectancy on an average in football player is somewhere in late fifties as compared to average American which in the late seventies. Sudden deaths are well documented while doing strenuous exercise or unaccustomed exercise. Dr. Paul Thompson reported that one death per year occurred in every 7,620 joggers. Death rate during jogging was estimated seven times more than during sedentary activities. The risk of sudden death was particularly high for men who were

unaccustomed to physical activity. Moderate exercise, like walking helps protect against the risk of sudden cardiac death or risk of injury. Over exercising create lots of health hazard. Unaccustomed exercise such as starting jogging protocol for the first time after the age thirty, pushing a car, participating in vigorous exercise program, changing wheels of a car, exercising in extremes of weather are hazardous.

The recommendation is one should exercise in a moderate manner right from the childhood, boy or girl, man or woman, young or old, everyone should exercise according to the need and recommendations and not in a unaccustomed manner. Optimum exercise may help you to be healthier, happier and more dynamic in life.

### Exercise and special situations

- Smoking after exercise or exercise after smoking both are harmful. Smoking reduces blood’s oxygen carrying capacity and narrows coronary arteries, which supply blood to the heart. Thus may lead to angina (chest pain) or may precipitate heart attack.
- Alcohol after exercise or exercise after alcohol consumption are hazardous. It may precipitate heart arrhythmias or accelerate hypertension.
- Extremely hot weather greatly reduces your exercise tolerance and may produce heat cramps, dehydration and heat stroke. This is to when it is humid because humidity makes your body difficult to cool itself as sweating, evaporates less readily. It is therefore recommended to exercise for a very short duration with less intensity and allow your body more





time to warm and cool down and drink more fluids preferably water before during and after exercise to ensure efficient body's cooling system.

- In cold weather the arteries (blood channels) narrows thereby increase workload on the heart, it may precipitate angina (heart pain), heart attack or accelerate hypertension. Cold weather may also cause frostbite or hypothermia. You must wear a hat and gloves to protect yourself.

- Avoid exercising when you are ill especially when you have fever. Exercise may exacerbate the illness.

- Higher you go, less oxygen is available to breath. It is therefore recommended to decrease both intensity and duration of exercise at high altitude.

- Heavy meal diverts blood toward the stomach for digestion of the food. If you exercise after heavy meal it may precipitate angina, not to exercise after meals.

- Don't over exercise upto the level of fatigue. It may adversely strain your heart.

- If you experience dizziness, giddiness, blackout, unexplained inappropriate heavy sweating, unusual shortness of breath or choking, feeling of palpitation or "Missed Beats", chest pain or pain in the arms, jaw or back during exercise then take rest and consult your doctor.

- Exercise after heart attack, PTCA, CABG, Pacemaker implantation, AICD implantation. A cardiologist should recommend exercise protocol. Similarly exercise after orthopedic injury or paralysis should be recommended by the specialist concern.

- **Exercise and medication**

– Exercise when the drug levels are constant and at their peak levels to avoid undue strain over the heart.

- **Exercise and diabetes** – Physical activity has insulin like effect on the body. Therefore one should be aware of hypoglycemic symptoms (low blood sugar) during exercise and immediately afterwards. These hypoglycemic symptoms may be dizziness, hunger and weakness. Therefore it is recommended that you should monitor your blood sugar before and after activity and modify your insulin dose accordingly. Avoid exercising at times of peak insulin response.

- **Exercise and hypertension** – Although exercise raise your blood pressure while you exercise, however regular exercise lower your blood pressure rest of a time. Regular exercise helps prevent high blood pressure. Blood pressure medications sometimes alter individual's blood pressure response to exercise.

- If you have osteoarthritis, avoid any exercise that produces excessive stress on your affected joints. However exercise is important to increase and maintain flexibility, range of motion and strength in a joint.

- Individuals who have peripheral vascular disease must have daily activities because they develop leg pains (claudication) during exercise. Regular aerobic exercise will often help to increase the time they can exercise before getting claudication. You may do aerobic exercise for 20 – 30 minutes such as cycling, swimming or walking at a slow pace.

- If you have cervical spondylolysis

or cervical disc prolapse then don't indulge in vigorous neck movement exercise or strenuous flexion and extension exercises of neck. It may aggravate giddiness.

- Yoga postures cannot be practiced by every individual. Therefore, skilled yoga teacher from a yoga academy should be utilized for health friendly yoga postures on individual basis. Indiscriminate use of yoga posture may be hazardous. One should use thin pillows. If you have lumbar spondylolysis or lumbar disc prolapse then do not indulge in jogging or forward or backward or sideward spine movement exercises. Do not travel in any vehicle which produces jerky moment and strain in the spine.

- If you have significant osteoarthritis of the knee joint then cycling is a good exercise for you and avoid strenuous knee exercises.

The Yoga asanas are excellent form of stretching exercises, which tones up the muscles. The bending and stretching provides a kind of internal massage, which improves the functioning of vital organs and also produce the feeling of tranquility of mind. Besides Yoga asanas, regular meditation, dietary optimization with more fruits vegetables, nuts, milk and milk products, regular massage with optimize oil are excellent for health and longevity.

Live longer and live younger with regular yogic practices and create productivity, development and world peace.

*"Path of Yoga is Path to Health, Moksha and Nirvana". ■■■*



# Safety by Heart



**B. B. Chakravorty**

Sr. Consultant, HSE  
Former Exe. Director, IOC

**S**urely, organizations are realizing that sustainable safety excellence can only be achieved by establishing strong safety culture, which is not possible without whole-hearted participation of its employees and contract workers. In that direction, organisations launched “Behaviour Based Safety” (BBS) program to correct at-risk behaviours like – procedural mistakes, non-compliance to rules, regulations & violations. World wide experience of BBS program has not been consistent as it failed to bring long term changes in attitude to & perception of safety of the workforce. Incidents still fluctuated over time. Behaviour change without change of heart & mind, is unsustainable. Various studies show that consistent safe behaviour is linked to self-motivation and commitment to safety. Self motivation & commitment to safety are matters of cognitive psychology, greatly influenced by heart & mind of individual. Recently, western organizations have started people centric programs meant to inspire self motivation and commitment to safe behaviours.

## What is safety by heart?

To date, all our safety management systems, rules & regulations

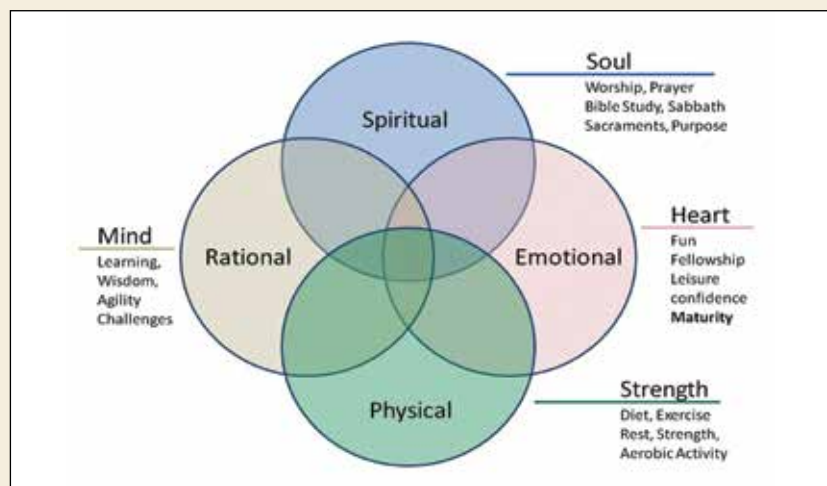


Figure : 1

focus on RISK, be it process or work. We are busy in managing hazards, statistics, behaviours, failures & many other things, in other words managing SAFETY all the time. Whereas, SAFETY as a CULTURE, should influence us to do the things in certain ways, in other words, safety shall be a FEELING, BELIEF & VALUE which would guide organizations & its people to develop positive safety attitude, intrinsic safety motivation & commitment. When I say I believe and value safety, then my heart feels “love” – a positive emotion, for safety. Safety has “heart.” All people in the organization actually should “love” safety. That is “safety by heart”. This can only happen

when organizations & leaders put first: people, learning, relationship, respect, living & care. On the part of its employees and workers – they need to increase safety knowledge, safety perception & awareness, which would increase involvement in safe behaviours.

## Know your “HEART & MIND”

A few questions that bother all of us:

- Why people work dangerously and do not learn from past experiences?
- Why some people are habitually non-co-operative, non-participative, non-communicative?

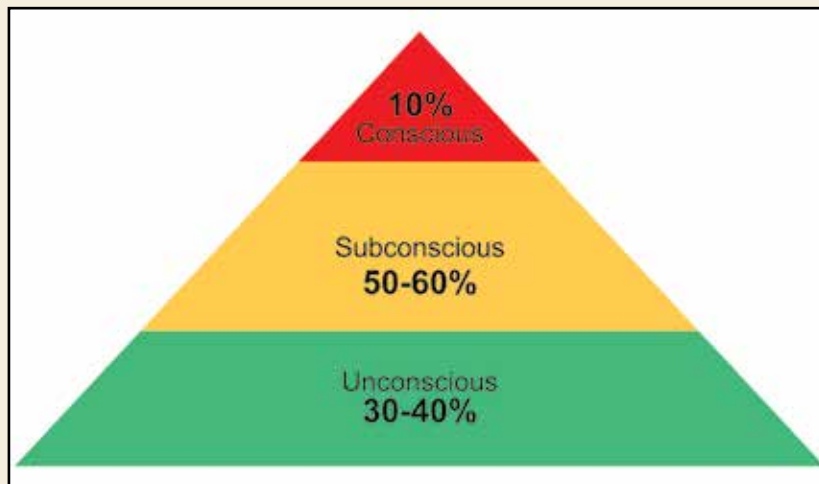


Figure : 2

- What is more crucial for work place – the workers or their behaviours?
- Regardless of training, some workers are safer than others – why?
- Why in many people, intelligence and passion for safe work do not co-exist?
- Why leaders & managers are not that serious to know heart & mind of their reports?

Answer can be found in an age old saying - “ many men many minds.” Humans are same yet so different. To understand that, we shall look into the elements, we are made of, see Fig -1 below.

It appears that heart & mind play a bigger role to deal with life situations & activities. So, a person would perform better, if he poses strong psychological power & ability, particularly cognitive psychology. What we think, attend, perceive, learn, remember, believe, feel - called psychological factors which lead to our attitude, emotions, behaviors.

Human mind works at three levels of consciousness - conscious,

subconscious & unconscious, see the Fig - 2 below.

Conscious mind occupies 10% of brain activities hence gets overburdened with thoughts. So we cannot carry out many activities at a time. Whereas, subconscious mind and unconscious mind put together, called heart, occupies 90% of brain activity. It means heart plays greater role in our day to day thoughts, feelings & reasoned behaviours. Subconscious mind has ability to filter out useless & unreal inputs from mind and allow us to carry out the desired & necessary activities. Conscious mind is supposed to be always in the state of awareness of what is going on in the environment surrounding us. It communicates through five sense organs. Whatever we sense externally, it shows up instantly in our conscious mind. Whereas, subconscious mind has a short-term memory ( called working memory) of all knowledge gathered from external or internal inputs. It works on current knowledge based programs needed for day to day works, such as, thoughts, perceptions,

awareness & experiences. If the working memory lack these programs, then heart would not support safe behaviours. Fortunately programs can be easily replaced by changing thoughts, perceptions and practices.

### Educating heart & mind

Our unconscious mind which resides “deep within” is the place where our instinct & intuition emanate from. It is said, very little that comes naturally from heart can be wrong or misleading. Basic intuitions can, in some situations, help us know the good from bad, or right from wrong, but not in all situations, particularly those unique ones, found in industries. Safety risks of various nature are unique situations in industries. These need to be known & understood. So the importance of safety management programs. Organisations conduct regularly safety programs for their employees & contract workers. Yet safety awareness & safety perception levels are not adequate. Reason is lack of intrinsic motivation to learn safety from the programs as well as work experiences. Intrinsic motivation to learn comes from self- thinking, self- experience and desire, feelings, drive, passion for safety. Educating heart is always by educating people to be able to gather, store, access, process experiences & respond to knowledge. Managers & leaders have great responsibility educating people develop & enhance these abilities. Statistically, only about 30% – 40% workforce take interest in self- learning & self determined motivation to safety. Some activities & work culture in the organizations, can influence develop intrinsic motivation to safety, develop right perception to distinguish between safe and

unsafe behaviours. These are as follows:

- Touch and read people's heart & mind
- Be sensitive in handling emotions & attitudes
- Respect people's experiences, skill, knowledge, their aspirations & encourage their inquisitiveness.
- Establish open communication systems & information/ experience sharing throughout the organization.
- Involve & inspire people in problem solving & decision making
- Connect safety beliefs & values with performance goals
- Demonstrate at all levels of management, commitment to safety as core value – “seen as desirable.”
- Make work environment conducive to innovation, sharpen skills, prove ability, honesty & participation.
- Encourage people move from “have- to- follow” to “want – to – learn” culture.
- Build trust, respect & relationship beyond work place.
- Show people on the ground that management at all levels is committed for their health & safety.

### Barriers to intrinsic safety motivation

There exist many real and some perceived barriers due to which intrinsic safety motivation is not up to the mark in most organizations. Some of these barriers can be identified as below.

- Lack of competent managers & supervisors leading health safety matters at work place
- Most of the front line safety

leaders are not perfect role models for the followers ( workforce).

- Top / Senior management commitment to safety is not adequately visible at site.
- Many a times, violations of instructions, rules & procedures are tolerated & shown blind eyes by managers & supervisors.
- High work & time pressure cause stress, de-motivation & encourage by-passing of safety rules & regulations.
- Work culture is more aligned to production than safety.
- Safety management system implementation is half- hearted.
- Work area & facilities often not conducive to safe work.
- Safety beliefs & values remain mostly hidden by unchallenged & inappropriate work practices supported by managers / supervisors.
- Only a chosen few are encouraged for interesting & challenging activities & no efforts are made to develop others.
- Managers/ supervisors do not devote time to converse & share experiences with their reports on safety related issues & incidents.

### Controlling and directing heart & mind

If people want change their safety belief, value, feelings, attitude & behaviours to build a strong safety culture, then they need to control and direct their heart & mind accordingly. All mental events are the responses of our heart to an external or internal inputs and all behaviours are driven by the mental events. So controlling mental events is the key. Next we have to know the things that control mental events. These are all things that people can do & achieve with their heart & mind.

- Perception of safe work activities & work situations
- Awareness & knowledge of safe work practices, procedures & related information
- Ability to reflect, recall information / knowledge for decision making & problem solving
- Thinking & reasoning

Change is a top down approach. It has to start with “change thoughts” in conscious mind. This requires mind to focus on perceived changes. Then changes get reprogrammed in subconscious mind which transforms these into changed knowledge for use.

### Conclusion

If we look at organizational culture map, we find safety culture is still on the periphery. Reason, people are yet not central to safety management activities. This is so because management does not spend enough time & have adequate resources to understand the psyche of the people about safety. Managers and supervisors believe that safety instructions, messages through safety displays, posters would motivate their reports to participate in work safety. This has not been very successful. Many a times we find the workforce unmindful, careless & forgetful, at work place. They take risk, take wrong decisions. Root causes are that - their thoughts & actions are not from their rational mind & knowledgeable heart. Safety rules & regulations, safety operating procedures are not perceived as value and does not evoke any feelings as knowledge in their hearts. This paper tries to outline the concept of safety by heart and some measures to be adopted by the organizations to make it happen. ■■■

# Performance Management System and its Implementation at THDC India Limited



**S. K. Biswas**  
Director (Personnel)  
THDC India Ltd.

**A company can have a world-class system in place - but it's only as effective as the managers who implement it**

In the era of globalization and fierce competition organizations around the world are facing challenges in the new century of complex governance from both internal and external environments. Performance is the true litmus test for survival in the marketplace. The role of HR in the present scenario has undergone a sea change and its focus is on evolving such functional strategies which enable successful implementation of the major corporate strategies.

Today, HR works towards facilitating and improving the performance of the employees by building a conducive work environment and providing maximum opportunities to the employees for participating in organizational planning and decision making process.

The major activities of HR are driven towards development of high performance leaders and fostering employee motivation. So, it can be interpreted that the role of HR has evolved from merely an appraiser to a facilitator and an enabler.

Performance Management is both a strategic and an integrated

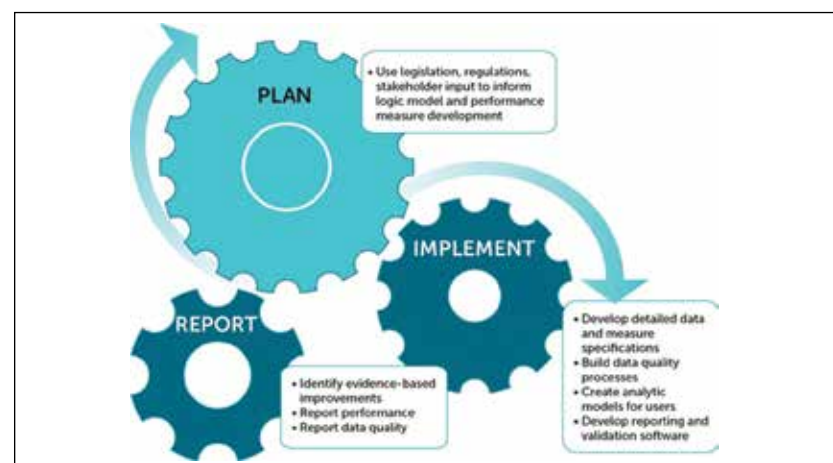
approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

The term performance management gained its popularity in early 1980's when total quality management programs received utmost importance for achievement of superior standards and quality performance. Tools such as job design, leadership development, training and reward system received an equal impetus along with the traditional performance appraisal process in the new comprehensive and a much wider framework. The term gained its

importance from the times when the competitive pressures in the market place started rising and the organizations felt the need of introducing a comprehensive performance management process into their system for improving the overall productivity and performance effectiveness.

The performance management process evolved in several phases.

**1. First Phase:** The origin of performance management can be traced in the early 1960's when the performance appraisal systems were in practice. During this period, Annual Confidential Reports (ACR's) which was also known as Employee service Records were





maintained for controlling the behaviors of the employees and these reports provided substantial information on the performance of the employees.

Any negative comment or a remark in the ACR used to adversely affect the prospects of career growth of an employee. The remarks of these reports were never communicated to the employees and strict confidentiality was maintained in the entire process. The employees used to remain in absolute darkness due to the absence of a transparent mechanism of feedback and communication.

**2. Second Phase:** This phase continued from late 1960's till early 1970's, and the key hallmark of this phase was that whatever adverse remarks were incorporated in the performance reports were communicated to the employees so that they could take corrective actions for overcoming such deficiencies. In this process of appraising the performance, the reviewing officer used to enjoy a discretionary power of overruling the ratings given by the reporting officer. The employees usually used to get a formal written communication on their identified areas of improvements.

**3. Third Phase:** In this phase the term ACR was replaced by performance appraisal. One of the key changes that were introduced in this stage was that the employees were permitted to describe their accomplishments in the confidential performance reports. The employees were allowed to describe their accomplishments in the self appraisal forms in the end of a year. Besides inclusion of the traits in the rating scale, several new components were considered by many organizations

**Performance management systems, which typically include performance appraisal and employee development is the pillar of human resources management. Performance management is a highly personal and often threatening process for both managers and employees. Managers are reluctant to provide candid feedback and have honest discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to get work done. Employees feel that their managers are unskilled at discussing their performance and ineffective at coaching them on how to develop their skills.**

which could measure the productivity and performance of an employee in quantifiable terms such as targets achieved, etc. Certain organizations also introduced a new section on training needs in the appraisal form. However, the confidentiality element was still being maintained and the entire process continued to be control

oriented instead of being development oriented.

**4. Fourth Phase:** This phase started in mid 1970's and its origin was in India as great business tycoons like Larsen & Toubro, followed by State Bank of India and many others introduced appreciable reforms in this field.

In this phase, the appraisal process was more development driven, target based (performance based), participative and open instead of being treated as a confidential process. The system focused on performance planning, review and development of an employee by following a methodical approach.

In the entire process, the appraisee (employee) and the reporting officer mutually decided upon the key result areas in the beginning of a year and reviewed it after every six months. In the review period various issues such as factors affecting the performance, training needs of an employee, newer targets and also the ratings were discussed with the appraisee in a collaborative environment.

This phase was a welcoming change in the area of performance management and many organizations introduced a new HR department for taking care of the developmental issues of the organization.

**5. Fifth Phase:** This phase was characterized by maturity in approach of handling people's issues. It was more performance driven and emphasis was on development, planning and improvement. Utmost importance was given to culture building, team appraisals and quality circles were established for assessing the improvement in the overall employee productivity.

The performance management system is still evolving and in the near future one may expect a far more objective and a transparent system.

Performance management systems, which typically include performance appraisal and employee development is the pillar of human resources management. performance management is a highly personal and often threatening process for both managers and employees. Managers are reluctant to provide candid feedback and have honest discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to get work done. Employees feel that their managers are unskilled at discussing their performance and ineffective at coaching them on how to develop their skills. Many complain that performance management systems are cumbersome, bureaucratic and too time consuming for the value added. The fundamental goal of performance management is to promote and improve employee

effectiveness. It is a continuous process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his or her overall contribution to the organization.

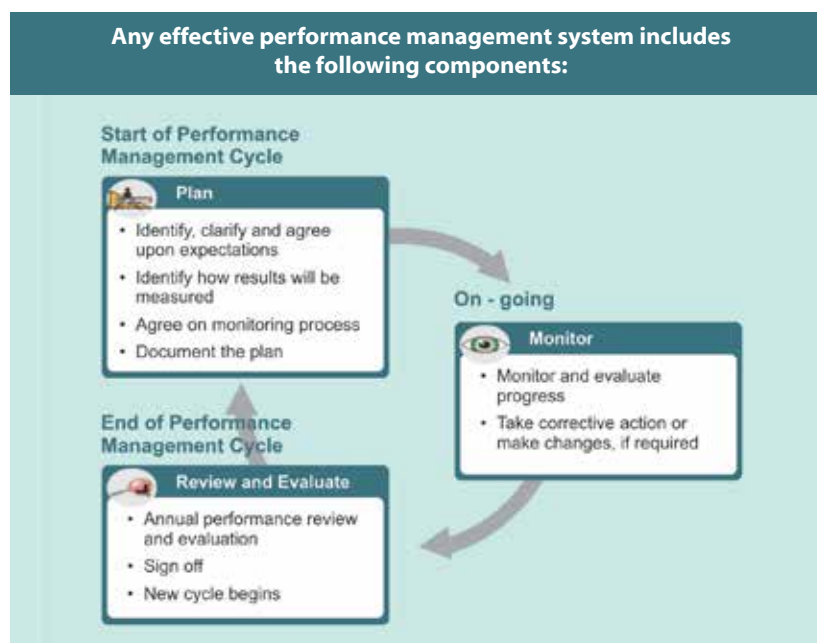
Performance management is a much broader and a complicated function of HR, as it encompasses activities such as joint goal setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programmes and rewarding achievements.

Performance management can be regarded as a systematic process by which the overall performance of an organization can be improved by improving the performance of individuals within a team framework. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable benchmarks.

High-performing employees contribute superior performance, giving the companies they work for a competitive advantage -- and their extra effort differentiates great organizations from merely good ones.

**1. Performance Planning:** Performance planning is the first crucial component of any performance management process which forms the basis of performance appraisals. Performance planning is jointly done by the appraisee and also the reviewee in the beginning of a performance session. During this period, the employees decide upon the targets and the key performance areas which can be performed over a year within the performance budget., which is finalized after a mutual agreement between the reporting officer and the employee.

**2. Performance Appraisal and Reviewing:** The appraisals are normally performed twice in a year in an organization in the form of mid reviews and annual reviews which is held in the end of the financial year. In this process, the appraisee first offers the self filled up ratings in the self appraisal form and also describes his/her achievements over a period of time in quantifiable terms. After the self appraisal, the final ratings are provided by the appraiser for the quantifiable and measurable achievements of the employee being appraised. The entire process of review seeks an active participation of both the employee and the appraiser for analyzing the causes of loopholes in the performance and how it can be overcome. This has been discussed in the performance feedback section.



### 3. Feedback on the Performance followed by personal counseling and performance facilitation:

Feedback and counseling is given a lot of importance in the performance management process. This is the stage in which the employee acquires awareness from the appraiser about the areas of improvements and also information on whether the employee is contributing the expected levels of performance or not. The employee receives an open and a very transparent feedback and along with this the training and development needs of the employee is also identified. The appraiser adopts all the possible steps to ensure that the employee meets the expected outcomes for an organization through effective personal counseling and guidance, mentoring and representing the employee in training programmes which develop the competencies and improve the overall productivity.

### 4. Rewarding good performance:

This is a very vital component as it will determine the work motivation of an employee. During this stage, an employee is publicly recognized for good performance and is rewarded. This stage is very sensitive for an employee as this may have a direct influence on the self esteem and achievement orientation. Any contributions duly recognized by an organization helps an employee in coping up with the failures successfully and satisfies the need for affection.

### 5. Performance Improvement Plans:

In this stage, fresh set of goals are established for an employee and new deadline is provided for accomplishing those objectives. The employee is clearly communicated about the areas

in which the employee is expected to improve and a stipulated deadline is also assigned within which the employee must show this improvement. This plan is jointly developed by the appraiser and the appraisee and is mutually approved.

**6. Potential Appraisal:** Potential appraisal forms a basis for both lateral and vertical movement of employees. By implementing competency mapping and various assessment techniques, potential appraisal is performed. Potential appraisal provides crucial inputs for succession planning and job rotation.

A performance management system includes the following actions.

- Developing clear job descriptions and employee performance plans which includes the key result areas (KRA) and performance indicators.
- Selection of right set of people by implementing an appropriate selection process.
- Negotiating requirements and performance standards for measuring the outcome and overall productivity against the pre-defined benchmarks.
- Providing continuous coaching and feedback during the period of delivery of performance.
- Identifying the training and development needs by measuring the outcomes achieved against the set standards and implementing effective development programs for improvement.
- Holding quarterly performance development discussions and evaluating employee performance on the basis of performance plans.
- Designing effective compensation and reward systems for

recognizing those employees who excel in their jobs by achieving the set standards in accordance with the performance plans or rather exceed the performance benchmarks.

- Providing promotional/career development support and guidance to the employees.
- Performing exit interviews for understanding the cause of employee discontentment and thereafter exit from an organization.

A performance management process sets the platform for rewarding excellence by aligning individual employee accomplishments with the organization's mission and objectives and making the employee and the organization understand the importance of a specific job in realizing outcomes.

The contemporary organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. The traditional performance appraisal system did not suffice the needs of the changing scenario as it was mainly used as a tool for employee evaluation in which the managers were impelled to make subjective judgments about the performance and behavior of the employees against the predetermined job standards. Performance appraisals were mostly carried out annually for measuring the degree of accomplishment of an individual and were implemented on a top down basis.

Performance appraisals were mostly narrowly focused and



functioned in isolation without bearing any linkage with the overall organizational vision or goals. The side effects of the performance appraisal system was it generated skepticism amongst the managers and the employees on any new initiative of the HR.

In the present scenario, the organizations have shifted their focus from performance appraisals to performance management as a result of internationalization of human resources and globalization of business. The functions of HRM have become far more complicated as today the major focus of strategic HRM practices is on the management of talent by implementing such development programmes which enhance the competencies of the employees. The performance management approach focuses more on observed behaviors and concrete results based on the previously established smart objectives.

### PMS at THDCIL

The new Performance Management System was introduced in THDCIL during the year 2006-2008 which started with setting of targets/key result areas(KRA) in consonance

with the business objectives of the Organization. Department of Public Enterprises while approving the pay scales of Executives effective from 01.01.2007 introduced the concept of Performance Related pay based on physical and financial performance and directed all PSUs to develop a robust and transparent Performance Management System.

### The PMS process at THDCIL starts with Performance Planning

**Performance Planning:** This is one of the most important aspects of the Performance Management System. The Reporting Officer has to convene a meeting of the Executives working under them and discuss the expectations i.e. the work to be done and the specific targets to be achieved during financial year taking into account the MOU targets as well as departmental targets. While drawing the KRAs it should be ensured that the targets are specific, measurable agreed upon and time bound. The targets are set at equally challenging levels across departments. The task has to be differentiated based on their significance, complexity of the

task, special skills and innovation required.

**Mid Year Review:** Mid Year review is an important process in which the appraisee can revisit the KRAs and goals in the light of reasons which may be beyond the control of the appraisee. The review helps the Reporting Officer to review the progress of the agreed targets and provide early warnings of non-performance to the Appraisee for improvement.

**Annual Appraisal:** The objective of annual appraisal is to discuss and arrive at real performance with respect to agreed targets. It is necessary that due discussions take place between Appraisee and reporting officer before Annual Assessment. It is necessary that Reporting Officer performs his role so that reviewing officer and Accepting Authority do not face any problem in objective assessment.

**Appraisal of additional task/ Self-assigned task:** Under this column, special achievements of the Executives during the year are required to be recorded. Achievements like handling of emergency situations, process improvements, contributing articles, representing the corporation in competitions like Quiz, acquiring special competencies etc. should only form a part of this special achievements section. Reporting Officer can also assign specific task during the period under review and successful completion of the task can also form part of this section.

### Competencies and Core Values

This section deals with assessment of functional/ technical or managerial competencies. There

Performance Appraisal	Performance Management
Focus is on top down assessment	Stresses on mutual objective setting through a process of joint dialogue
Performed annually	Continuous reviews are performed
Usage of ratings is very common	Usage of ratings is less common
Focus is on traits	Focus is on quantifiable objectives, values and behaviors
Monolithic system	Flexible system
Are very much linked with pay	Is not directly linked with pay

is Competency Assessment Rating scale on which the assessment is to be made.

For the executives at the level of E5 to E7 the concept of KRAs based on Balanced Score Card has been introduced. The executives are required to plan their performance keeping in view the spirit of MOU targets. There are certain functions which have KRAs directly linked to MOU and their targets shall be based on MOU targets. The targets are required to be measurable in terms of measurable quantity, measurable time or measurable level of service quality. The executives whose KRAs are not directly linked with the MOU Targets they have to frame up Departmental Targets in consultation with their Reporting officer.

While setting targets by the executives 4( four) quadrants viz. Financial perspective, Customer perspective, Process improvement perspective and Employee Learning Perspective are to be considered to bring a balanced approach in the working.

### **I. Targets based on Financial Perspective**

The Targets on Financial Perspective have two dimensions i.e. increase in revenue and reduction in cost. While all departments do not directly deal with increase in revenue, reduction in operating cost in terms of their departmental operating expenses is applicable to all the departments.

### **II. Targets based on Customer Perspective**

The customer perspective has two dimensions i.e. internal customers and external customers.

All departments provide service to other departments thus departments receiving their service are their customers. Departments/groups are required to carry out a survey on various service parameters with their customer department to arrive at their current satisfaction level.

The survey is carried out twice a year i.e. six monthly and annually before evaluation. The feedback shall be required from the "same peer group"/ customers during both the surveys. The concerned executives will develop a suitable feedback format for the purpose of survey in consultation with the HOD.

For Liaison Deptt. the feedback will be based from HOD/Internal Customers.

For HR, F&A Deptt. the feedback will be based on survey from all the cross section of the employees.

### **III Targets based on Process Improvement Perspective**

This pertains to the targets to be worked out by the appraisee in consultation with the reporting officer for bringing about certain improvements in the work being carried out by them.

iv Targets based on Employee learning and growth perspective:

This perspective has two parts i.e. i) pertaining to meeting the training requirement as per the company training policy and initiatives for creating a learning culture in the department and ii) completion of annual appraisal of self and subordinates within the stipulated time. The performance descriptor against these targets for 50%, 75% and 100% level of performance is also to be defined.

The Performance Appraisal report also has a section of Individual Training and Development needs where appraisee mentions the type of training and exposure required to enhance job knowledge and managerial skills.

### **Normalization**

With the adoption of Pay Revision 2007 in THDCIL as per the direction of DPE all the executives of the Corporation are to be graded under Bell Curve Approach so that not more than 10% to 15% of the executives are graded as "Outstanding/Excellent" and 10% of the Executives should be graded as Below par for the purpose of distribution of PRP. These 10% executives will not be entitled for getting any PRP.

After the Final marks is given by the respected Accepting Authority and after the PMR disclosure process at each grade and PMR Appeal process is over the Normalization process starts. The Accepting Authorities at different levels are as under:

E2 to E5 Concerned General Manager of Higher Authority

E6 to E7 Concerned Directors or CVO

E8 to E9 CMD

Normalization process starts with the formation of Normalization Centres (NC) for different projects/units/departments.

Preferably NCs are formed of each grade of executives if sufficient population is available. Otherwise more than one executives grades are clubbed in a particular NC. Subsequently, a three member committee comprising of representatives of Director (Tech.), Director (Personnel) and Director(Finance) is constituted.

Minimum population for applying Bell Curve in THDC has been considered at minimum 8. For less than 8 executives pertaining to more than one Accepting Authority in a particular grade are clubbed. Since every human being has unique tendency of assessment, it is likely observed conservative markings and liberal markings given by the Accepting Authorities. This is conspicuous in the case of E2 to E5 level executives where numbers of Accepting Authorities are too many and population is less than 8 specifically.

Normalization Committee takes care of this aberration by grouping the Accepting Authorities in such a manner that executives with liberal markings come in particular group(s) and executives with conservative markings come in other group and apply Bell Curve approach in the groups. Thus liberal markings and conservative markings are brought on a common platform. All the graded executives pertaining to all projects/units/departments under different ratings are put together and sorted in descending order. Total executives falling under different rating groups are compared according to the Bell Curve Norms of the Corporation. If any adjustment is required it is done to match the norm as far as possible. While doing so the following guidelines are also kept in mind by the committee members: Everything being equal, criteria to be adopted in the process of normalization in the following order:

- Working at Operating Stations
- Working at Corporate Office who are extending effective assistance to Operating Stations/

Projects including design.

- Working at Construction Projects
- Working at Liaison Offices
- Generally ranking/ switching is made in the same discipline
- General perception of performance of the Appraisee shall be considered.

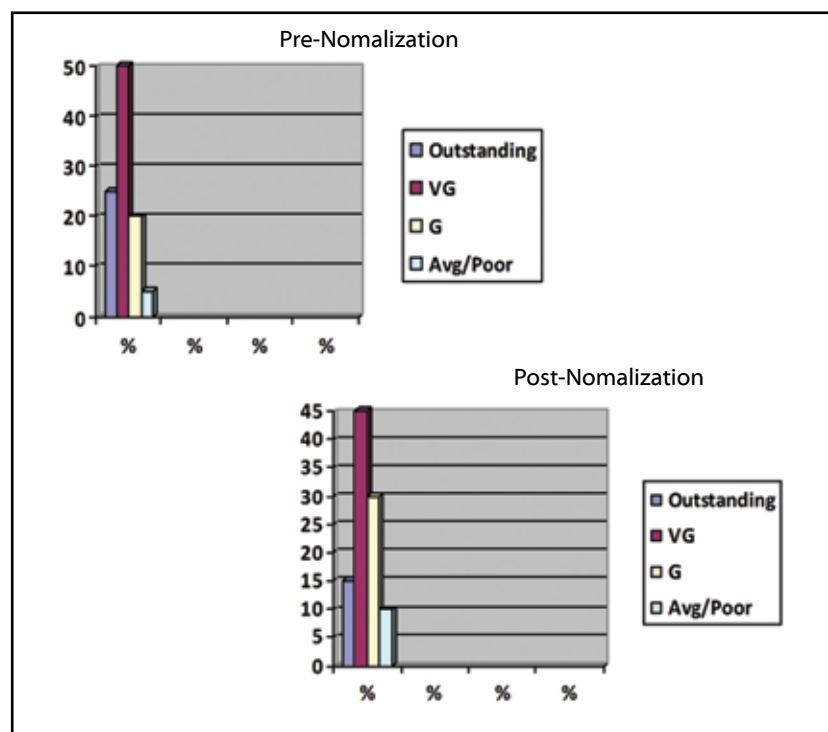
As per the Bell Curve Guidelines not more than 10% to 15% of the executives are graded as "Outstanding/Excellent" and 10% of the Executives should be graded as Below par for the purpose of distribution of PRP. Generally, a trend has been found PMRs are sent to Corporate Centre prior to Normalization do not meet the specified percentage criteria set as per Bell Curve and internal guidelines related to Bell Curve. The percentage of Outstanding which should not be more than 10% is generally found to be on the higher side similarly, PMRs

which should be rated as Very Good/Good/Poor are also not in the specified percentage.

After Normalization, it is ensured that the rated PMRs are as per the guidelines and specified percentage criteria in this regard. A pictorial representation is presented below:

In the interest of improving fairness and transparency in Performance Appraisal Process the copies of PMRs are given to executives to make appeal against the assessment made by the Accepting Authority through the hierarchical channel.

The Performance Management System in THDCIL is not only meant for objective assessment of performance but for further development and management of talent through recognizing the performers and awarding them. At the same time assist those who are lagging behind in performance by continuous feedback





and helping them improving their performance.

The PMS scores are also used in developing executives for future challenges and nominating them to different training programmes as well. The PMS is used in aligning KRAs with the business strategies and identifying superior performers in the organization by defining clear career paths and accountabilities. The rewards and recognitions are linked with the PMS. The new PMS has boosted the employee's motivation and performance. The job satisfaction has also improved due to the introduction of a fair and transparent PMS and linking it with reward system.

Most organizations consider performance assessment processes as being an important employee intervention activity. Most of them have at least one performance assessment cycle that is mandatory for all employees.

However, despite the understood importance of the process, in actual practice, performance assessment or employee appraisal largely remains an annual ritual in most organizations – file opened at the beginning of every year and closed at the end of every year—a process that has more to do with annual increments and yearly promotions.

A questionnaire developed to measure certain parameters related to PMS yielded the results presented below:

The results that questionnaire revealed that 61% of executive population is satisfied that PMS is serving the purpose performance evaluation, 51% each population is of the opinion that PMS is serving the purpose of performance planning, Internal feedback

**Most organizations consider performance assessment processes as being an important employee intervention activity. Most of them have at least one performance assessment cycle that is mandatory for all employees. However, despite the understood importance of the process, in actual practice, performance assessment or employee appraisal largely remains an annual ritual in most organizations – file opened at the beginning of every year and closed at the end of every year.**

and 59% opines it is serving the purpose of capturing Training Need. The overall satisfaction with regard to PMS came out to be 85% which is quite a healthy indication.

### Conclusion

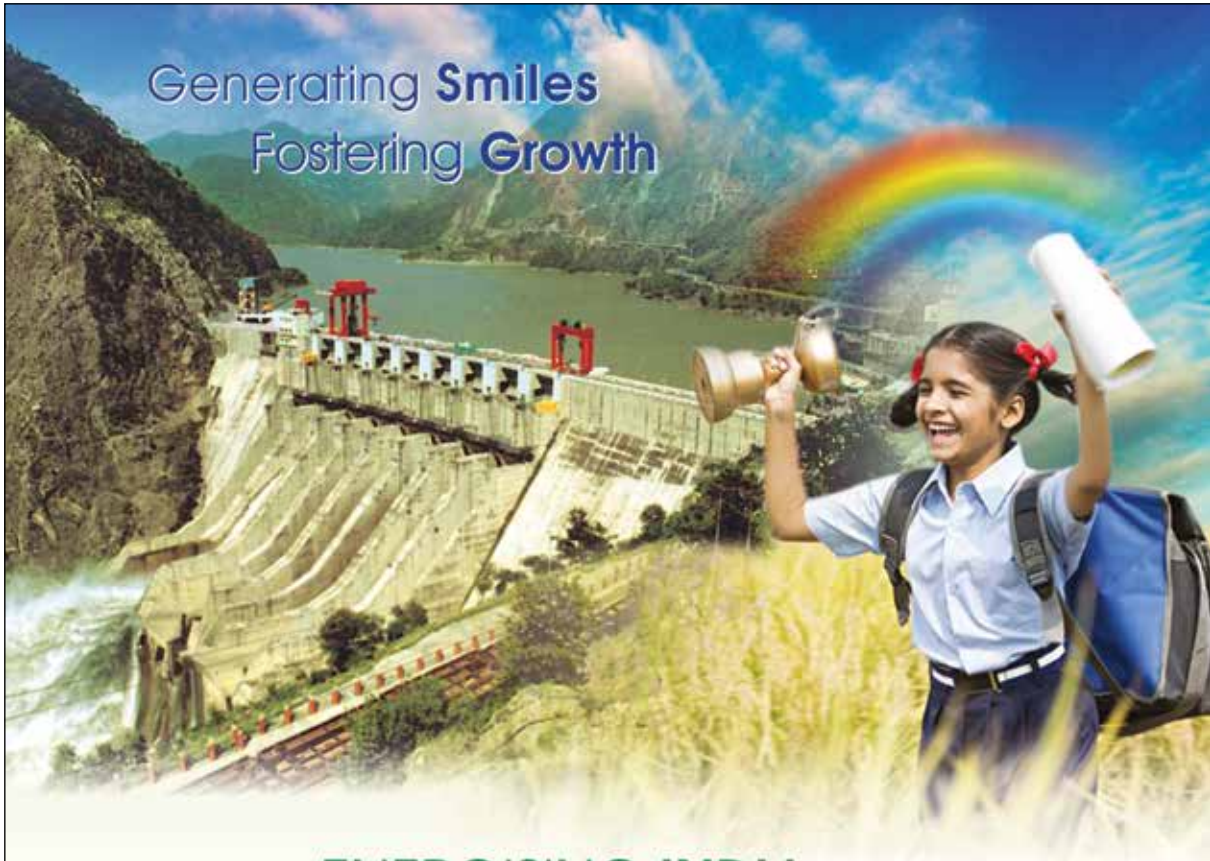
THDC India Limited has moved ahead of this annual ritual by making PMS a weapon to empower employees and create an atmosphere of performance and

recognition. This has fostered team work and aligned activities of employees with the organizational goal. There are aspects of PMS which needs to be further strengthened and an additional focus is required with regard to formal feedback, how to deal with Bell Curve when each individual considers himself/herself as outstanding contributor. Some amount of attention to these aspects will allow the performance management system to reach its full potential as a tool to fully utilize the potential of the existing workforce, to retain current employees and to attract additional talent as necessary.

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## DG, SCOPE addresses OECD Global Knowledge Sharing Conference on **Corporate Governance of SOEs**

**Dr. U.D. Choubey, Director General, SCOPE addressed OECD Global Knowledge Sharing Network on Corporate Governance of State Owned Enterprises (SOEs) held in Mexico City on 7-8 June, 2016. The Conference was organized to support ongoing efforts to help governments identify priorities for SOE reform and implementation through the process of knowledge sharing.**

**D**r. U. D. Choubey addressed the first session on 'Recent reform efforts: An overview of the revised OECD Guidelines on the Corporate Governance of State-Owned Enterprises.' Director General, SCOPE in his address presented the overall contributions of SOEs in key sectors of the economy as well as their contribution towards social development. He also explained the Governance Structure of SOEs to the participants.

Dr. Choubey apprised the participants about the strong vigilance procedure, internal & external audit system, which promotes good Corporate Governance practices in SOEs of India. He further said that SOEs are constrained with complex heterogeneous accountability system and there is need for convergence of accountability system.



Dr. U. D. Choubey, DG, SCOPE addressing OECD Conference in Mexico City.

Dr. Choubey emphasized the need of an ownership policy in SOEs in India. DG, SCOPE informed the members about various reforms initiatives in SOEs on the lines of OECD guidelines. He also talked about

various guidelines viz. Directive on Corporate Governance from Ministry of Corporate Affairs, Directive on Social Obligations by DPE and SEBI Regulations on Transparency Aspects, Companies Act etc. ■■■



# 10th Symposium on Implementation of Right to Information Act, 2005

## (Non-Residential Program)

**Dates:** 23rd-24th May, 2016 • **Venue:** Hotel Pinewood, Shillong, Meghalaya

Keeping in view the requests received from various CPSEs, SCOPE is organizing a two-day Symposium on "RTI Act, 2005 and its implementation in CPSEs" on 23rd & 24th May, 2016 for the PIOs/CPIOs and senior officials of CPSEs at Shillong.

During the Symposium, issues of concern and experiences of CPSEs in implementation of the RTI Act, important and the latest DoPT circulars, CIC and Court decisions shall also be deliberated. In order to provide maximum benefits to the participants, the senior resource persons (such as present & former Information Commissioners of CIC and SIC) senior executives from the ministries and CPSEs with rich experience and knowledge in RTI Act shall share their expert views.

### Broad Coverage

- Government perspective on RTI Act and latest development in the areas of RTI
- Public or private information : A challenge to CPSEs
- Disclosure of commercial information vs. larger public interest
- Personal information : what is to be disclosed or what is not to be disclosed
- Voluminous information vs. multi issue information
- Habitual information seeker vs. frivolous and vexatious information seeker
- Managing level playing fields for CPSEs
- Proactive Disclosure and effective application of exemptions
- Sharing of major CIC/Judicial decisions on RTI and their implications in CPSEs
- Interactive sessions with present and former Information Commissioners, CIC, SIC

**Program Facilitator:** Shri S.A. Khan, Group General Manager (CA), SCOPE

**Program Coordinator:** Shri O.P. Khorwal, Convener, Steering Committee on RTI, SCOPE, Email: okhorwal@yahoo.com  
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## Conference Facilities at SCOPE Convention Centre

The centrally air-conditioned SCOPE Convention Centre at SCOPE Complex, Lodhi Road, New Delhi provides excellent conference facilities to PSEs, Govt. Departments, Autonomous Bodies, Institutions/NGOs etc. The Auditorium and other Conference Halls are equipped with projector and screen facilities, sound & light control room with recording & P.A. facility, etc. Details of the capacity of the Auditorium and other Halls, which are available on nominal tariff are given below.

### Auditorium



The Auditorium having capacity of 310 persons (300 Chairs + 10 Nos. Chairs at stage) capacity equipped with mikes on dias and podium on stage.

### Mirza Ghalib Chamber



The chamber having capacity of 108 persons (102 Nos. Chairs + 6 Nos. Chairs on Dias) equipped with mikes on table, dias and podium.

### Tagore Chamber



The chamber having capacity of 92 persons (86 Nos. Chairs + 6 Nos. Chairs on Dias) equipped with mikes on dias, tables & podium.

### Bhabha Chamber



The chamber having capacity of 44 persons (24 Nos. Chairs on round table and 20 Nos. Chairs on sides) equipped with mikes on dias, tables & podium.

### Fazal Chamber



The chamber having capacity of 25 persons (15 Nos. Chairs on round table and 10 Nos. Chairs on sides) capacity with board room type sitting arrangement equipped with mikes.



## Business Centre



The Business Centre having capacity of 7 persons equipped with multi point Video Conferencing System (1+3), at three locations at a time for National & International both.

## Banquet Hall



The banquet hall having capacity of 500 Persons for the purpose of lunch & dinner. Sitting arrangement could be done for 90 persons.

## Annexe I



The Annexe-I having capacity of 25 Persons.

## Annexe II



The Annexe-II having capacity of 25 Persons.

## Tansen Chamber at UB



The Tansen Chamber having capacity of 50 persons having stage and podium.

## Amir Khusro Chamber at UB



The Amir Khusro Chamber having capacity of 50 persons having facility of stage and podium.

*For Booking & Tariff details please contact*

**Mr. A. Zaman**, Manager (HR)  
Mobile: 9868502306

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## Conference Facilities at SCOPE Minar Convention Centre

SCOPE Minar, an architecturally conceived in the form of two high rise curvilinear tower blocks sitting on a four storey circular Podium Block, is strategically located in Laxmi Nagar District Centre, Delhi -110092 and housing around 40 PSEs of repute. It is one of the known buildings of East Delhi. It has a very size Reception Foyer giving ambience look inside the building. There is a green environment all around the SCOPE Minar with large size planters all around. The building is also having state of art Convention Centre, comprising four halls i.e.

### Convention Hall



A large sized Convention hall having sitting capacity of 300 delegates. Various seminars, training programmes, presentations, get to gather etc. are conducted in Convention Hall. It provides ambient and peaceful environment for the programmes.

### VIP Lounge



VIP Lounge having sitting capacity of 60 delegates. The executives and higher level officers, Directors, CMDs can use it as waiting lounge also.

There is a wide space for vehicle parking that cater for a capacity of 700 cars, including the newly built good quality Banquet Hall wherein 300 delegates can comfortably dine at a time, makes it special to deliver an all-round conducive meeting environment.

### Meeting Hall



Meeting hall having “U” shaped table, with a meeting capacity of 65 delegates. Most widely used for small size meetings and training programmes, group discussion, power point presentations etc.

### Banquet Hall



A new beautiful Banquet Hall with latest specification of engineering has been created in SCOPE Minar. It has attached huge kitchen and washrooms facility. Around 300 persons can dine in the banquet hall including sitting of 50 persons.

*For Booking & Tariff details please contact*

**Mr. M. L. Maurya**, GM (Tech.) (M) 9313375238 **and Mr. Shubh Ratna**, DCE(C), SCOPE Minar  
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- Initiated Ship Breaking Project wherein condemned ships are to be broken up and scrap steel of various grades sold through e-Auctions

- Initiatives by MSTC ensure Research and Development in the field of recycling, create job opportunities, earn revenue for the Government and lessen dependence on imports thereby saving valuable foreign exchange

- Only stand-alone e-Commerce service provider with a robust and fully transparent infrastructure for e-Sale and e-Procurement

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## PSEs Celebrate 7th Public Sector Day



SCOPE & Public Sector Fraternity observed weeklong 7<sup>th</sup> Public Sector Day Celebrations from 10th April to 16th April, 2016. Various programs were conducted to celebrate the prestigious Public Sector Day with great enthusiasm throughout the nation and abroad.

### PDIL celebrates Public Sector Day



Mr. S. Venkateswar, CMD, PDIL during the Public Sector Day celebrations.

Projects & Development India Ltd. (PDIL) celebrated Public Sector Day from 10th April to 16th April 2016 at its all offices located at Noida, Sindri and Vadodara. Mr. S. Venkateswar, CMD, PDIL inaugurated the function by lighting the lamp in presence of other senior officials, and addressed the employees present at PDIL, Noida. On this occasion various competitions like Essay, Ex- Tempo elocution & Quiz based on GK about PSUs were organised. Prizes were also distributed to the winners.

PDIL is an ISO 9001:2008 Certified premier Consultancy and Engineering Organization which has played pivotal role in the growth of Indian Fertilizer Industry. It has over six decades of experience in providing Design, Engineering and related project execution services from concept to commissioning of various Projects.

### Public Sector Day celebrations at HPCL

The 7th Public Sector Day was celebrated all over HPCL with enthusiasm. Employees participated in large numbers in events, viz. essay writing, debates, seminars and quiz competitions etc and putting their thinking caps on came up with highly creative thoughts about public sectors in the course of week-long celebration recently.



Public Sector Day celebrations at HPCL.

HPCL has been one of the most shining examples amongst CPSEs for over 40 years and has signified an ever-radiant source of energy, making a big difference to millions of lives. Diversifying into oil Exploration and Production, Power Generation, Renewable Energy ventures and much more, HPCL is confident of creating a Future full of Energy. Salute to the dedication of employees of HPCL, and of CPSEs at large.





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# PSEs Register Impressive Performance during 2015-16

## SAIL Q4 and Annual Result FY'16

- SAIL clocks record sales of 3.79 MT in Q4, FY16 up 20% over CPLY
- Q4, FY16 EBIDTA improves by 26% over Q3, FY16
- Annual sales of 12.2 MT up 3.6% over CPLY
- Saleable Steel Output from new mills up 40% in Q4, FY16 vis-a-vis Q3, FY16
- Highest Ever Production of Crude steel in a year

Steel Authority of India Limited (SAIL) witnessed all round improvement in performance in Q4, FY16 clocking record sales of 3.79 Million Tonnes (MT), which is the highest ever in a quarter by the Company and higher by 30 percent over Q3, FY16 and 20 percent higher over corresponding period of last year (CPLY). During the quarter ending March 2016, the EBIDTA improved by 26 percent over the quarter ending December, 2015 in spite of a lower NSR. The debt equity ratio of the Company improved to 0.85 on 31st March 2016 from 0.90 on 31st December 2015. The management initiatives towards cost reduction and improved inventory management also contributed to the improvement in financial parameters. Expenditure per tonne of saleable steel came down by around 10 percent during Q4, FY16 as compared to Q3 on account of reduction in cost of production, higher volumes and other management initiatives.

Company's sales turnover in Q4, FY 16 was Rs 12,612 crs. as against Rs 9,928 crs. in Q3, FY 16 on account of higher volumes. In spite of 20 percent higher sales, SAIL's gross turnover for Q4, FY16 was impacted by lower NSR and it stood at Rs 12,612 crs. as against Rs 12,886 Crs. in Q4, FY 15. The Company's sales turnover for FY 16, inspite of higher volumes, was also lower at Rs 43,337 crs. compared to Rs

50,627 crs. in FY 15 due to reduction in NSR. The loss after tax for Q4 FY 16 was Rs 1,230 crs. against Profit After Tax of Rs. 334 crs. over CPLY due to reduction in net sales realization to the extent of 19 percent. The net loss for FY16 stood at Rs 4,137 crs. as against net profit of Rs 2,093 crs. in FY 15 on account of reduction in NSR, higher interest and depreciation charges.

In Q4, FY16, the Company's Value Added Steel registered an increase of 7 percent over Q3. Speaking on the occasion, Chairman, SAIL, Mr. P. K. Singh said, "The challenging conditions faced by domestic industry received some respite after introduction of the conducive policy measures by Government in the form of Safeguard duty and MIP. We have witnessed better figures in the last quarter of FY 16. We are targeting to complete the balance modernization and expansion with a focus on energy saving methods, enriching our product mix and introducing customer centric processes to meet the expected surge in demand of steel on account of government's emphasis on infrastructure development."

## Financial Results of RCF Declared

During the FY 2015-16, Rashtriya Chemicals & Fertilizers Ltd. (RCF) achieved a turnover of Rs. 8649.43 cr. registering an increase of about 12 percent over previous year turnover of Rs. 7713.45 cr. The Profit Before Tax (PBT) was Rs. 291.10 which is 43 percent lower than the previous year PBT of Rs. 509.63 cr. The Company has achieved Profit After Tax (PAT) of Rs. 191.23 cr. as compared to previous year PAT of Rs. 322.06 cr., resulting in a decrease of 41 percent. The Company achieved a lower fertilizer sales volume of 33.76 lakh MT during 2015-16 as compared to 37.38 lakh MT in the previous year as the Company's major markets were very severely hit by drought because of poor monsoon.

Besides lower sales, the Company's margins during the year have also been adversely impacted by the stringent energy norms specified by the Government with effect from 1st June 2015, higher





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*T Suvarna Raju, CMD*



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gas price for non-urea operations, lower IPP of urea for production beyond Re-assessed Capacity, higher financial cost, abundant availability of cheap imported chemicals, etc. The Company is also carrying out a number of energy conservation projects which will improve the profitability in the coming years.

## NCL posts record coal production, registers double digit growth

Northern Coalfields Ltd (NCL) has posted a record coal production of 80.22 million tonnes (MT) in the financial year 2015-16, against the assigned target of 78.10 million tonnes. The company has not only crossed the assigned target for FY 15-16, but registered the double digit growth of 10.7 per cent in comparison to the last year's coal output.

The Company has also crossed its coal offtake target of 78.10 million tonnes and has achieved 78.51 million tonnes in the just concluded financial year. Similarly, Company's over burden (OB) removal target for FY 15-16 was set at 260 Million cubic meters against which the company has achieved a 61.26 per cent growth rate with an output of 339.64 million cubic meters. CMD Mr. Nag said that keeping in view the stupendous performance of the company, NCL's coal production and off take targets for the new financial year 2016-17 have been set at 82 million tonnes each, which he hoped to achieve within time with the help of dedicated manpower and team work. The company's performance in the field of corporate social responsibility (CSR) has also been outstanding in the just concluded financial



Green coal handling plant (CHP) at Nigahi project of NCL

year. The company has spent approx. 175 cr. of rupees on CSR activities during the period, which includes a major work of construction and renovation of more than six thousand toilets in the government schools in 12 districts of Madhya Pradesh, under Government of India's Swachh Bharat Mission.

The company, well known for its environmental conservation works, planted about four lakhs saplings during the last fiscal and thus the number of trees planted by the company till date becomes more than 2.30 cr., which is highest amongst all subsidiaries of Coal India Limited. NCL also become the first subsidiary of Coal India Ltd (CIL) starting coal transportation through Belt Pipe Conveyor System in the fiscal 15-16. This is a major step of the company to achieve environmental excellence as 700 trucks transporting coal gone off-road by this state of the art technology, which is completely pollution free.

## MRPL posts Profit Before Tax (PBT) of Rs. 1,174 cr. FY 2015-16

The Board of Directors of Mangalore Refinery and Petrochemicals Limited, recently approved its Unaudited Financial Results for the fourth quarter of FY 2015-16 along with the Audited Financial Results for the FY 2015-16.

The Company achieved a throughput of 4.52 MMT for the Q4 FY 2015-16 as against 4.12 MMT in Q4 FY 2014-15. (i.e. 9.71 percent). MRPL posted for Q4 FY 2015-16 a net profit after tax adjustments of Rs. 1,353 Cr. (after considering Rs. 245 Cr. as Depreciation, Rs. 146 Cr. as Interest Cost, Net Foreign Exchange



A machine carrying coal at Jayant Project of NCL

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loss of Rs. 14 Cr.). The profit for the corresponding quarter of FY 2014-15 was Rs. 1,170 Cr. (after considering Rs.149 Cr. as Depreciation, Rs. 114 Cr. as Interest Cost and Foreign Exchange gain of Rs. 169 Cr.). The Company has achieved a throughput of 15.69 MMT for the whole year (FY 2015-16) as against 14.65 MMT during last year (FY 2014-15).

MRPL has achieved a turnover of Rs. 50,864 Cr. (Exports Rs. 12,616 Cr.) during FY 2015-16 as against Rs. 62,412 Cr. (Exports Rs. 22,790 Cr.) during the FY 2014-15 (overall decrease by 19 percent and Export by 45 percent). The decrease in sales is mainly on account of decline in product prices which in turn is linked to the declining crude prices and also on account of more domestic off take in case of export sales. MRPL has posted Profit After Tax of Rs. 1,148 Cr. (after considering Rs. 712 Cr. as Depreciation, Rs. 578 Cr. as Interest Cost, Net Foreign Exchange loss of Rs. 1,190 Cr.). The loss after tax during last year was Rs. 1,712 Cr. (after considering Rs. 499 Cr. as Depreciation, Rs. 407 Cr. as Interest Cost and Foreign Exchange loss of Rs. 684 Cr.). MRPL was awarded 'Niryat Shree' Gold Trophy in the Residual sector for Non-MSME category by Federation of Import Export Organization (FIEO).

## NBCC (India) Ltd. posts a Substantial 32 percent Growth in Top line

NBCC (India) Ltd. has registered a substantial 32 percent Growth in Top line during FY 2015-16 as compared to the previous year. The Annual Financial Results for FY 2015-16, announced recently, shows the Company posting a Profit of Rs.311 Cr. while its total Income has surged to Rs.5838 Cr.

Speaking to the Media on the occasion, Mr. Anoop Kumar Mittal, CMD of the company said that the Company had been consistently performing well and informed that the Order Book position of the Company as of now, stood at more than Rs.35000 Cr. and was likely to touch the figure of approximately 60,000 Cr. in next few months. Elaborating upon the business outlook, Mr. Mittal stated that the Company's focus areas in the coming years would primarily be PMC and Redevelopment works.

He said that NBCC already had huge work orders from the Government in respect of the redevelopment of properties which included Rs. 5000 Cr.

East Kidwai Nagar Redevelopment; Rs. 2149 Cr. Integrated Exhibition-cum-Convention Centre for ITPO; AIIMS Redevelopment Works of Rs. 5828 Cr. etc. He also informed that very soon NBCC would be adding to its kitty, three more Works of redevelopment of Govt. properties valuing approximately Rs. 25000 Cr. and located at Netaji Nagar, Sarojini Nagar and Nauroji Nagar in Delhi.

Giving an account of the Company's latest strategic moves in business operations, Mr. Mittal spoke of NBCC's recent initiative towards acquiring HSCL, a Central PSU under the Ministry of Steel. He said, "The excess land parcels now available with HSCL shall be conveniently monetized by the Company to pay off the former's bank loan not covered by the Government grant". Mr. Mittal also informed that the company had recently gone for stock split of each equity share of face value of Rs.10/- each into 5 equity shares of face value of Rs.2 to make Company script more affordable for the common investors. Mentioning about the future focus areas, Mr. Mittal stated that the Company in line with the Government's vision for development, would extensively be putting its emphasis in initiatives like Namami Gange, Skill Development, Housing for All, AMRUT, Real Estate Development in Tier II & III Cities, Swachh Bharat Campaign. In this context, he informed that NBCC had been implementing huge number of Bio-Digester Toilets/Public Toilets/NAMMA Model Toilets in various states of the Country and particularly in Girls Schools of Rural Areas.

## NLC registers a revenue growth of 5.84 percent in the FY 2015-16

Neyveli Lignite Corporation (NLC) kept its performance parameters up in the financial year 2015-16, despite set back to its operations due to incessant rain and floods for over a month in November/December 2015. The total revenue of the Company for the year 2015-16 rose to Rs. 7,194.20 Crs against Rs. 6,796.97 Crs of previous financial year registering a positive growth of 5.84 percent. Similarly, the Profit for the year 2015-16 before Interest, Depreciation and Tax also rose to Rs 2741.85 Crs as against Rs. 2627.88 Crs for the year 2014-15, registering 4.33 percent positive growth.

However, the Net Profit was impacted by



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\* An original picture of plantation on OB dump in Lakhanpur open cast mine of MCL.

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- Treating industrial waste water in Mine Discharge Treatment Plant and introducing Sedimentation ponds, oil & grease traps in workshops and domestic effluent treatment plant in colonies to help minimise pollution.



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**Mr. Sarath Kumar Acharya**  
CMD, NLC

non-stabilisation of Operation of newly commissioned Units of TPS- II Expansion resulting in an under recovery of capacity charges (operating loss) to the tune of Rs. 244.08 Crs and due to Rain and flood in Nov. /Dec. 2015, the Company suffered a Power Generation loss of 763.72 Million Units resulting in a consequential loss of estimated revenue of around Rs. 409.73Crs. These factors attributed to reduction in Net Profit after Tax to Rs. 1204.15 Crs (after adjusting exceptional item of expenditure of Rs.28.38 Crs) as against Rs. 1579.68 Crs (including exceptional item of revenue of Rs.345.57 Crs) in 2014-15. The Company, this year, has proposed to give a Dividend of 30 percent of its Equity as against 28 percent Dividend paid in last financial year. This would result in an additional financial commitment of Rs. 39.08 Crs and the Dividend Payout (including Dividend Distribution Tax) this year would work out to 50.31 percent of Profit after tax (PAT) as compared to 35.87 percent for FY 2014-15.

## **NFL records net profit of Rs. 197 cr. during 2015-16**

National Fertilizers Limited (NFL) reported a Profit Before Tax (PBT) of Rs. 283 cr. for the year 2015-16, after a gap of more than a decade. With this, the company has earned a net profit of Rs. 197 cr., a jump of 651 percent against Rs. 26 cr. in the previous year. During the year, the Company recorded ever highest Urea production of 38 Lakh MT with a capacity utilization of 118 percent. This accounts for 15.5 percent share of the total Urea production in the country. Almost all Units of the Company have achieved ever lowest energy consumption, which has significantly contributed to the profit. The company also recorded ever best production

of 567 MT of bio-fertilizers during the year. NFL's contribution shall immensely help to reduce the import of Urea and further enhance food security in the country. The above results were achieved with several new initiatives taken during 2015-16. After a gap of 20 years, Company has undertaken import of DAP and supplied it to farmers. The Company has also commenced Seed Multiplication Program for production and sale of quality seeds under its brand 'Kisan'.

## **Audited Financial Results of Oil India Limited, for FY 2015-16**

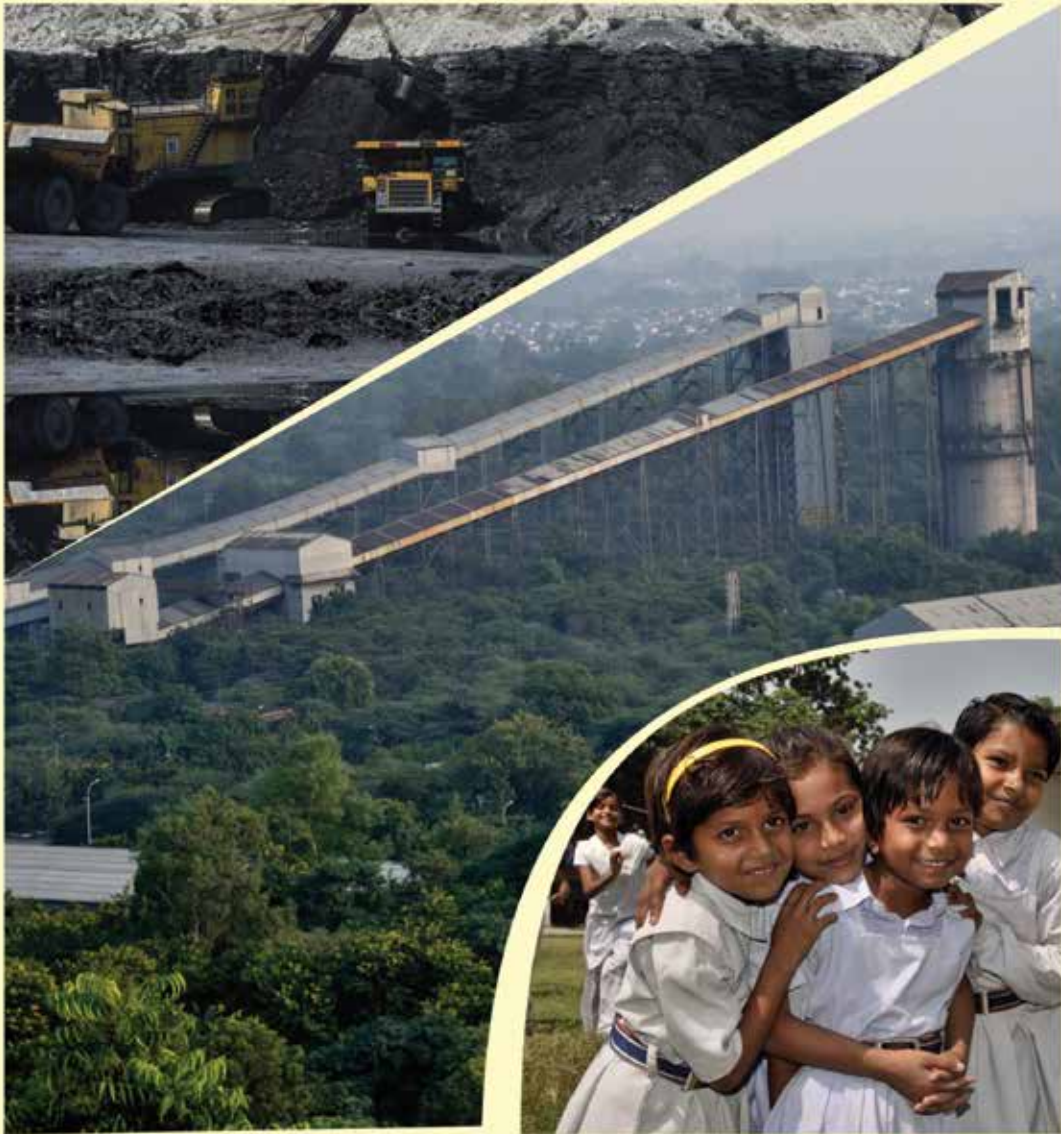
Oil India Board in its 464th Board Meeting held recently approved the Q4 and FY15-16 results. The company earned PAT of Rs. 2330 cr during FY 16 Rs. as compared to PAT of Rs. 2510 cr. in FY 15. PBT before exceptional items, i.e. impairment provision of Rs. 215 cr. in respect of certain overseas investments, for FY16 was Rs. 3678 cr. In spite of sharp fall in crude oil price realisation in Q4 FY16 by over 39 percent and, PAT for Q4 Rs. 469 cr. was lower by only 15 percent as compared to PAT of Rs.552 cr. during similar period last year. Oil India Limited (OIL) didn't share any subsidy burden during Q4 FY16 as well as Q4 FY15. For FY16, subsidy burden on OIL was only USD 1.04/BBL as compared to USD 37.13/BBL in FY15. Though the average gross crude oil price in FY16 was sharply lower at USD 46.35/BBL as against USD 84.25/BBL in FY15, due to lower subsidy burden in FY16, the net price realised was only marginally lower at USD 45.31/BBL as against USD 47.12/BBL in FY15. The average crude price realised by OIL during Q4 FY16 was USD 32.62/BBL which was 39 percent lower than the price of USD 53.64 / BBL realised during Q4 last year. The natural gas production of the company during Q4 FY-16 was 718 MMSCM which was 8 percent higher than the production during Q4 last year. The natural gas production for FY16 was 2838 MMSCM. Sale of Natural Gas during Q4 FY16 was 595 MMSCM. The natural gas sale during FY16 was 2314 MMSCM. The crude oil production during FY16 was 3.247 MMT. Crude oil sales during the year was 3.237 MMT.

## **REC registers its Highest Ever Annual Profit**

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declared its financial results for the quarter and year ended 31st March, 2016 as approved by its Board of Directors in a meeting held recently. Total Income of the company for the quarter and year ended on 31st March, 2016 increased to Rs. 6,084 cr. and Rs. 23,756 cr. respectively as against corresponding quarter and year ended on 31st March, 2015 of Rs. 5,371 cr. and Rs. 20,388 cr. respectively thus registering an increase of 13 percent for the quarter and 17 percent for the year. Profit after tax of the company for the quarter and year ended on 31st March, 2016 increased to Rs. 1,160 cr. and Rs. 5,628 cr. as against the corresponding quarter and year ended on 31st March, 2015 of Rs. 1,097 cr. and Rs. 5,260 cr. respectively, thus registering an increase of 6 percent for the quarter and 7 percent for the year. EPS for the quarter and year ended 31st March, 2016 stood at Rs. 11.75 and Rs. 56.99 respectively. Net worth of the company increased to Rs. 28,618 cr. as against Rs. 24,857 cr. over the corresponding period of last year, registering a growth of 15 percent.

## **Audited Financial Results of NTPC for FY 2015-16**

NTPC Ltd. having installed capacity of 47178 MW has declared the Unaudited Financial Results for 4th quarter of Financial Year 2015-16 along with Audited Financial Results for Financial Year 2015-16. During the Financial Year 2015-16, NTPC recorded highest ever generation of 241.975 Billion Units against 241.261 Billion Units generated during the previous year. The Audited Total Income for the Financial Year 2015-16 was Rs. 71,696.07 cr. and the Profit after Tax was Rs. 10,242.91 cr. For the financial year 2015-16, thermal PLF of NTPC Ltd. was 78.61 percent against the National PLF of 62.28 percent.

For the 4th quarter of Financial Year 2015-16, NTPC Ltd. generated 62.332 Billion Units against 61.313 Billion Units generated in the corresponding period of the previous year, up by 1.66 percent. The Unaudited Total Income was Rs. 18,560.70 cr. and the Profit before Tax was Rs. 3,571.24 cr. against the Profit before Tax of Rs. 3,122.20 cr. for the 4th quarter of Financial Year 2014-15, up by over 14 percent. The Profit After Tax for the 4th quarter of Financial Year 2015-16 was Rs. 2,716.41 cr.

The Board of Directors has recommended Final Dividend for the Financial Year 2015-16 @ Rs. 1.75 per share @ 17.50 percent of paid-up capital. The Company had paid Interim Dividend for the Financial Year 2015-16 @ Rs. 1.60 per share @ 16 percent of paid-up capital in February, 2016. Thus, total dividend for the Financial Year is @ 33.50 percent of paid-up capital.

## **SCI Doubles its profit to Rs. 377.29 Cr.**

The Shipping Corporation of India Ltd (SCI), has nearly doubled its net profit to Rs. 377.29 Cr. for the year ended 31st March 2016 as against a net profit of Rs.200.93 Cr. in the previous year. Despite providing for an impairment loss of Rs. 136.38 Cr. SCI has posted an impressive profit of Rs. 377.29 Cr. The overall financial performance of the company has also improved with enhanced Net worth and Earning Per Share.

The profit of SCI is creditable as there has been an unprecedented down turn in the dry bulk and container shipping sector worldwide.

## **DCI profit after tax for 2015-16 zooms to Rs. 7967 Lakhs**

For 2015-16, Dredging Corporation of India Ltd (DCI) earned a profit after tax of Rs.7967 lakhs which is the highest in the last eight years. The turnover of the Company for the year is Rs.67622 lakhs. The earnings per share of the company for the year is Rs.28.45. The Board of directors of the company in its meeting held recently while approving the results recommended dividend of 30 percent (Rs.3 per equity share of Rs.10/- each) for 2015-16 consecutively for third year for the approval of the shareholders in the next Annual General Meeting to be held by end of September 2016.

The Company inspite of facing stiff competition from both within the country and outside the country has been able to improve its efficiency levels which has helped the company in earning good profits. The Company has executed works at ports/ projects at Kolkata/Halida, Murmugao, Visakhapatnam, Cochin, Ennore, Dhabol, Chennai during the year. ■■■



# NFL

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## Personalia



**Mr. E. S. Ranganathan**  
takes over as Managing Director,  
Indraprastha Gas Ltd.



**Mr. Girish Kumar**  
takes charge as Director  
(Bangalore Complex), BEL



**Mr. Nataraj Krishnappa**  
takes charge as Director  
(Other Units), BEL



**Mr. Mukesh Kumar Singh**  
is appointed as Director  
(Finance), IRCON



**Mr. Arun Kumar**  
takes over as Basin Manager, Western  
Onshore Basin, ONGC Vadodara



**Mr. S. K. Goyal**  
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# PSEs CSR Initiatives

## NBCC organizes Awareness Programme on “Organ Donation”



Awareness Programme on “Organ Donation” at NBCC.

Drawing inspiration from Prime Minister’s Appeal to the citizens for participation in Organ Donation Movement, NBCC partnered with PM’s vision in nation building exercise to create awareness for the theme and motivate the employees of Organization for the purpose. Under the guidance of Mr. Anoop Kumar Mittal, CMD, NBCC took the initiative to spread awareness amongst employees of the Company for “ORGAN DONATION” and accordingly organized a Programme on the theme recently at Corporate Office. National Organ and Tissue Transplant Organization (NOTTO), a National level Organization presented this programme. Dr. S. K. Badan, Consultant Coordinator, Ms. Rachna Singh, Consultant (R&D) & Ms. Anita Ahuja, Consultant (IEC), from NOTTO, conducted the Session, which



was attended by approx. 40 senior officers of the Company. A presentation on various topics relevant to Organ Donation and Role of NOTTO in facilitating Organ Donation was made by NOTTO Team.

## HAL Completes its Kumudvathi River Rejuvenation Projects



Mr. T. Suvarna Raju, CMD, HAL handing over documents related to Kumudvathi River Rejuvenation Projects to the village panchayat member at a program at Thymagondlu village, near Bengaluru recently.

Much to the relief of the parched land and water-starved population, Mr. T. Suvarna Raju, CMD, HAL handed-over the Kumudvathi River Rejuvenation projects to the beneficiary village panchayats of Nelamangala Taluk of Bengaluru rural district. “We are extremely happy to contribute to such a noble cause of reviving dried natural water resources at this critical juncture when water has become a precious commodity everywhere. Our efforts, we hope, gives a new lease of life to the natural habitat of the region and we will continue to support such ventures”, he said. The event Lokarpana was held at village Thyamagondlu, about 70 km from Bengaluru recently. The beneficiary villages are Doddabele, Kalalghatta, Kodigehalli, Thyamagondlu, Hasurahalli, Budihal, Kuluvanahalli and Shivgange.

HAL has spent Rs. 477 lakhs in the past two years on this project under Corporate Social Responsibility (CSR) by joining hands with International Association for Human Values (IAHV), a sister organization of the Art of Living to rejuvenate Kumudvathi river, a tributary of river Arkavathi that originates from Shivagange hills in Nelamangala





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3 जयुक्ता पराम हवाई अड्डे)  
**International Airports**  
(3 Civil Enclaves &  
3 Joint Venture Airports)

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**08**

कस्टम हवाई अड्डे  
(4 सिविल एन्क्लेव)  
**Custom Airports**  
(4 Civil Enclaves)

+

**77**

अन्तर्वेष्टीय हवाई अड्डे  
**Domestic Airports**

+

**19**

अन्य सिविल एन्क्लेव  
**Other Civil Enclaves**

=

**125**

हवाई अड्डे  
**Airports**





Mr. T. Suvarna Raju, CMD, HAL alongwith officials from HAL and International Association for Human Values at the Kumudhvathi River Rejuvenation Projects site.

Taluk of Bengaluru rural district. The river once catered to 30 percent of Bengaluru's water needs but now the whole river basin is "over-exploited".

Mr. V. M. Chamola, Director, HR (HAL), senior officials from IAHV, members of gram-panchayats and villagers were present on the occasion. Mr. Chamola in his speech called for collective responsibility of all the stakeholders involved in taking such environment friendly projects a complete success.

## CSR Initiatives by MDL in Beed District

On the advice of Defense Minister, Mr. Manohar Parrikar, Mazagon Dock Limited initiated activities to help drought affected farmers in Marathwada



RAdm R. K. Shrawat, CMD inaugurating the fodder and mineral mixture distribution for cattle at Rohat wadi Chara Chhavini, Beed.

region of Maharashtra. RAdm R. K. Shrawat, CMD, MDL along with Cmde Rakesh Anand, Director (CP&P) visited Parner village, Tal Patoda, District Beed recently to review the initiative taken by the MDL's CSR team to bring in relief to farmers and their cattle, affected by successive droughts in the area. During the visit, Village Development Project activities like distribution of Mineral Mixture at the Cattle Camp at Rohat wadi and tree plantation drive at Parner Village were inaugurated. The work of cleaning/ deepening the public well & removal of weeds around the pond were commenced. CMD also reviewed the plan of widening/digging canal near Parner village.

Addressing farmers and government officials on the occasion, Adm Shrawat said that MDL aims to plant approximately 50,000 trees, provide fodder and mineral mixture for about 1500 cattle. He said that our special focus will be on deepening of wells and ponds, excavation of canals and building check dams for water conservation and creating Farmer's Self Help Group as well as providing training for enhancing agricultural productivity. The initiative is expected to benefit 1000 farmer families.

## Lanka IOC donates ambulance



Mr. Maithripala Sirisena, President of Sri Lanka and Mr. Shyam Bohra, MD, Lanka IOC, handing over the key of the ambulance to Dr. Pramitha Ratnayake, Provincial Director of Health Services and Dr. Anurasiri Jayasinghe, Medical Superintendent.

His Excellency, President of Sri Lanka, Mr. Maithripala Sirisena, recently handed over an ambulance, donated by LIOC to Medirigiriya Base Hospital in Polonnaruwa District, in the presence of



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Mr. Shyam Bohra, MD, Lanka IOC and other senior LIOC officials and the officials of the Government of Sri Lanka. It was another CSR initiative taken by the company under the banner “WE CARE” and was greatly appreciated by the President.

Dr. Pramitha Ratnayake, Provincial Director of Health Services, Medirigiriya, along with Dr. Anurasiri Jayasinghe, Medical Superintendent, received the ambulance on behalf of the health authorities.

## NALCO assumes a bigger role in Titanium Slag Project



Dr. Tapan Kumar Chand, CMD, NALCO and Mr. D. Singh, CMD, IREL.

Indian Rare Earths Limited (IREL) and NALCO had agreed to set up a 1-lakh TPA Titanium Slag Project in Joint Venture, at Chhatrapur in Ganjam district of Odisha, with an investment of Rs.750 crore. For this, a pre-feasibility report was prepared and IREL had floated Expression of Interest for technology supply. However, since no global technology supplier evinced interest, now NALCO has taken the lead in attracting global technology suppliers. This was discussed between Dr. Tapan Kumar Chand, CMD, NALCO and Mr. D. Singh, CMD, IREL, in presence of senior officials of both the companies, recently.

“Titanium is regarded as a high-end metal and NALCO aims to enter into a niche market with this venture. The company, by virtue of its strong international presence, would play a vital role in attracting reputed suppliers for this project,” said Dr. Chand. “In fact, during the recent visit of our Director (P&T) Mr. N.R. Mohanty to China,

Chalieco had expressed interest in participating in the project. NALCO will also scout for other global suppliers in countries like Russia, Ukraine and the US,” Dr. Chand added.

## CCL Ke Lal perform outstandingly

Central Coalfields Limited under its new CSR initiative i.e., CCL Ke Lal, which is a programme for imparting better education facilities to wards of Project Affected People, land oustees and villagers staying within command area of the company, have created history in the academic world in 12th Class CBSE examination. The company have been providing free fooding & lodging and coaching facilities to the 17 meritorious students.



Mr. Gopal Singh, CMD, CCL with Meritorious students of CCL's Kayakalp Model.

“CCL Ke Lal” is the brainchild of Mr. Gopal Singh, CMD, CCL so that meritorious students having rural background in the command areas of the company get opportunity to study in the state capital of Jharkhand and they can be groomed for not only scoring high marks in the CBSE Examination but crack the tough IIT Examination and other premier engineering colleges of the country. The company is now centred on Inclusive Growth through a series of initiatives based on “KAYAKALP MODEL” under the leadership and guidance of Mr. Gopal Singh, CMD, CCL. Mr. S C Vishwakarma, Mr. S L Ghosh, Mr. Jitendra Kumar, Mr. Akhilesh Kumar and Mr. N. Srivastava, who are mining engineers in the company but they are voluntarily teaching these students before and after office hours on the working day and during holidays/weekend as per need of the students. ■■■





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- To bring to a common platform CC/PR and other Management practitioners to discuss and deliberate on the newer areas of knowledge and skills required in the practice of CC/PR and the need for interdisciplinary approach in addressing organizational goals.
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# PSEs Celebrate Swachhta Pakhwada

Responding to Prime Minister's call for 'Swachh Bharat', a large number of PSEs organized Swachh Bharat Pakhwada from 16th - 30th May, 2016. During this period, various activities such as cleaning of offices, awareness programmes, painting and essay writing competition etc. were organized.

## Swachh Bharat Awareness Campaign by KIOCL Ltd.



Swachh Bharat Awareness Campaign by KIOCL Employees.

KIOCL Ltd. observed Swachh Bharat Fortnight recently at all the units of the company. The employees took Swachh Bharat pledge and participated in the "Shramadhaan" with brooms to reiterate their commitment for the "Swachh Bharat Mission" and cleaned the company premises, KIOCL's Colony and its surrounding areas.

A special awareness drive was conducted in surrounding of Madiwala market area for the vegetable vendors and tea sellers on cleanliness. The employees have appealed to public to wholeheartedly join hands in their collective quest to make Swachh Bharat a reality.

## NFL undertakes Cleanliness Drive during "Swachhta Pakhwada"

In line with Swachh Bharat Abhiyan launched by Prime Minister, National Fertilizers Limited organized a cleanliness campaign during "Swachhta



CMD & Directors, NFL conducting cleanliness drive outside office premises during Swachhta Pakhwada

Pakhwada" recently. Mr. Manoj Mishra, CMD along with Directors and all employees of NFL's Corporate Office undertook the cleanliness drive of the office premises and areas around the premises recently.

In addition to this, during the fortnight, many activities such as essay & slogan competition, inspection of desks of employees etc. were also organized to spread awareness about cleanliness. Some dustbins were also installed at the strategic places.

The Company has pledged to actively spread awareness about hygiene and cleanliness in all the spheres. Various programmes such as cleaning drives and other community activities were undertaken by all the Units and offices of the Company during "Swachhta Pakhwada".

## AAI organizes Swachh Bharat Pakhwada

Swachh Bharat Pakhwada & Pledge taking ceremony on 'Mission Swachh Bharat' was launched at Airports Authority of India, Corporate Headquarters, Rajiv Gandhi Bhawan recently.

Mr. S. Raheja, Chairman, AAI administered the





Mr. S. Raheja, Chairman, AAI with other officials at Swachh Bharat Pakhwada at Corporate office.

pledge taking ceremony at CHQ, R.G. Bhawan wherein a large number of officials were present and emphasized to give two hours per week for cleanliness drive to realize the dream of Mahatma Gandhi - 'Swachh Bharat'. The Chairman also conveyed the message that the cleanliness drive should be continuous part of life and not limited to mere a day. A large number of senior officers and staff cleaned the area at Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi.

The Swachh Bharat Pakhwada was also organized at all the airports and AAI offices in the country.

## BEML celebrates Swachh Bharat Pakhwada



Mr. P. Dwarkanath, CMD, BEML leading the cleanliness drive during Swachh Bharat Pakhwada.

BEML celebrated 'Swachh Bharat Pakhwada' recently at its HQ and Divisions. The Swachh Bharat Pakhwada (Fortnight) was celebrated across the Company to comply with the policies of the Govt.

In BEML, Mr. P. Dwarakanath, CMD, alongwith Mr. D. K. Hota, Director (HR) and Mr. B. R. Viswanatha, Director (Mining & Construction) administered the Pledge of Swachh Bharat amongst Executives and Employees of the Company and later lead all for a cleaning drive of the Company's premises. Besides, saplings were also distribution to employees and executives to promote greenery.

BEML has chalked out various intensive cleaning programmes in and around the Company premises for implementation during the fortnight.

## Swachh Bharat Pakhwada at MDL



RAdm R. K. Shrawat, CMD, MDL along with Directors and CVO administering Swachh Bharat Shapath to all employees

RAdm R. K. Shrawat, CMD, MDL recently administered the Swachh Bharat Shapath to all employees as part of the 15 day "Swachh Bharat Pakhwada" celebrations. In line with the Government of India, Ministry of Defence directives Swachh Bharat Pakhwada was organized in various defence establishments in the country.

The Pakhwada commenced with the Oath taking ceremony, followed by a March Past in the Yard wherein six contingents from various divisions displayed posters and banners and spread awareness about cleanliness among the employees. Various





activities were conducted during the 15 day drive which included cleanliness drive in and around MDL, disposing scrap in organized manner, educating employees on segregation of organic and recyclable waste, tree plantation drive, painting & essay writing competition, organizing seminar etc. Swachh Bharat Pakhwada concluded with a prize distribution ceremony.

## BDL observes Swachh Bharat Pakhwada



CMD, BDL Mr. V. Udaya Bhaskar sensitizing employees of the Company as a part of "Swachh Bharat" Pakhwada held at BDL.

Swachh Bharat Pakhwada (Swachh Bharat Fortnight) was observed by Bharat Dynamics Limited (BDL) recently at all the three units of the Company viz., Hyderabad, Bhanur (Medak District) and Visakhapatnam.

CMD, BDL Mr. V. Udaya Bhaskar administered oath among employees of the Company to mark the inauguration of Swachh Bharat Pakhwada. He exhorted the employees to maintain cleanliness inside the factory premises as a part of industrial wellness and concern for environment.

Cleanliness drive, on a large scale, was carried out throughout the company by taking up activities such as disposing off of unrequired office items, sensitizing employees and their families about segregation of organic and recyclable waste, disposing off of scrap material in the factory premises and plantation of saplings.

Painting and essay writing competitions, on

importance of cleanliness for children of the employees, were held. Posters and banners were displayed to enhance cleanliness awareness. Swachh Bharat Pakhwada concluded with prize distribution.

## BEL launches Swachh Bharat Pakhwada



Senior officers take out a march past to raise awareness on cleanliness at BEL's Bangalore Complex as part of the 'Swachh Bharat Pakhwada'.

Responding to Prime Minister Mr. Narendra Modi's call for 'Swachh Bharat' and to realise Mahatma Gandhi's dream of a clean India, Bharat Electronics Limited (BEL) launched a cleanliness campaign titled 'Swachh Bharat Pakhwada' recently. As part of the campaign, under the leadership of the BEL Management, employees took the 'Swachh Shapath' and cleaned up their workplaces, office surroundings, removed weeds and other vegetation on the roadside and planted saplings.

At BEL's Bangalore Complex, the programme was inaugurated by Mr Girish Kumar, Director (Bangalore Complex). Around 750 employees participated along with their families and organised a march past at the BEL Township in Bengaluru to create awareness on cleanliness, displaying placards and banners.

BEL Management with employees after cleaning up their office premises and planting saplings, at the BEL Corporate Office Senior officers take out a march past to raise awareness on cleanliness at BEL's Bangalore Complex as part of the 'Swachh Bharat Pakhwada'

## SECI organizes “Chintan Baithak”



Dance drama on Swachhta Mission being presented in SECI.

Solar Energy Corporation of India Ltd. (SECI) organized a “Chintan Baithak” recently. In this meeting Secretary, Ministry of New and Renewable Energy, and other officials of SECI, IREDA, NISE and MNRE were present. On this occasion a small dance drama on Swachhata Mission was presented by the artists of Songs and Drama Division, a Government of India undertaking. It underlined the necessity of keeping surrounding clean and to ensure all households have a toilet. The dance drama also showed how we can harness solar energy to make cleanliness a self-sustaining effort. It was part of the SECI’s Swachhata mission.

## CRWC organizes Awareness programme on cleanliness



CRWC Senior Officers handed over Gift Hamper to Incharge of Primary School J.J. Shaddipur-I for the using in day to day uplifting of hygiene and cleanliness standards in the School.

Central Railside Warehouse Company Ltd organized “Swachhta Pakhwada” in corporate office as well as its field units recently an Awareness programme on cleanliness and Sanitation was also conducted in Delhi Municipal Corporation Girls Primary School, J.J. Shadipur-I, New Delhi in order to promote the Swachh Bharat Mission and also encourage them to be an active contributor for the better future of everyone. ■■■

## Inauguration of ITBP Tezpur, Implemented by HSCL

The Residential and Non-Residential Building campus and Sector Head Quarters for the 4th Battalion of the Indo Tibetan Border Police (ITBP) implemented by Hindustan Steelworks Construction Limited at Rangamati, Assam , was inaugurated by Mr. Krishna Choudhary , DG, ITBP recently. He also laid the foundation stone for Phase-II construction at Yupia , Arunachal Pradesh. He appreciated HSCL for completing the complex within the timeframe. Mr. Moyukh Bhandari, CMD, HSCL assured him for completing the other projects of ITBP, under execution by HSCL, shortly.







## CSL Lays keel of second double ended **RoRo Ferry**

The keel of the second double ended RoRo Ferry being built for the Kochi Municipal Corporation was laid by Mr. Amit Meena, Secretary, Kochi Municipal Corporation at Cochin Shipyard Limited recently. Prominent members of the Corporation as well as Mr. Madhu S. Nair, CMD, Mr. Paul Ranjan, Director (Finance), Mr. Sunny Thomas, Director (Technical), Mr. Suresh Babu N.V., Director (Operations) and senior officials of CSL and the Corporation were present on the occasion.



Keel laid by Mr. Amit Meena, Secretary, Kochi Municipal Corporation.

### CSL delivers the Fast Patrol Vessel (BY517) to the Indian Coast Guard

CSL delivered "ICGS Arush", the Seventeenth



Mr. Suresh Babu NV, Director (Operations) CSL & Commanding Officer (Designate) of vessel Cmdt. Pramod Pokhriyal after signing the Protocol of Delivery and Acceptance.

vessel in the series of twenty Fast Patrol Vessel under construction for the Indian Coast Guard, ahead of the contractual schedule recently. The Protocol of Delivery and Acceptance was signed between Mr. Suresh Babu NV, Director (Operations), CSL and Commanding Officer (Designate) of the vessel Cmdt. Pramod Pokhriyal.

DIG T.P. Sadanandan, Principal Director (Materiel), Mr. Madhu S. Nair, CMD, CSL, DIG G. Devanand, CGRPS (KOC) and other senior officials of ICG and CSL were present on the occasion. ■■■

## MCL Celebrates Miners' Day Awards 76 Coal Miners



Mr. A. K. Tiwari, Director (Tech. Operations), MCL addresses the audience.

Mahanadi Coalfields Ltd. (MCL), awarded the best performers of the company to mark the Miners' Day (May Day) celebrations held at the country's largest Talcher Coalfields in Angul district of Odisha. A programme was organised at Bharatpur Area of MCL in Talcher Coalfields wherein Director (Technical/Operations) Mr. A. K. Tiwari was the chief guest while Director (Technical/Projects and Planning) Mr. J. P. Singh, Director (Personnel) Mr. L. N. Mishra, trade unions' representatives Mr. K. C. Patel, Mr. K. C.





Patra, Mr. Anik Chakraborty, Mr. Ajay Biswal, Mr. S. C. Mahallick, Mr. Sahab Singh (CMOAI), General Manager (Bharatpur Area) Mr. M. S. Tenurnikar

and Chief Manager (P/NEE/IR) I/c were prominent among a large number of senior officers, staff and their family members. Addressing the gathering, Mr.

Tiwari congratulated coal miners for their contributions in making MCL the largest coal producer of the country. ■■■

## Development by WCL Transforming Lives of Rural Youth

Western Coalfields Limited (WCL) has taken initiatives to make people employable in the rapidly changing economy, ensuring livelihood, especially rural youth in and around the command area of its operations in Maharashtra & Madhya Pradesh. This effort by WCL is contributing positively to the “Kaushal Bharat – Kushal Bharat” program, the skill development initiative by the Government.

During last one year WCL established Four Skill Development Centres, two in Maharashtra - one each at Nagpur & Chandrapur and two in MP at Chhindwara.

At the Chandrapur Skill Development Centre, WCL has joined hands with CIPET (Central Institute of Plastic Engineering and Technology) working under Ministry of Chemicals & Fertilisers, for imparting job oriented vocational skill development training of 4 to 6 months under its CSR banner, especially for rural youth & Project Affected Persons (PAPs) in the trade encompassing fields like Machined Operator – Injection Moulding, Plastic Extrusion, Blow Moulding, Plastic Processing. At present skill



Skill Development Centre established by WCL.

development training for the duration of four months is provided by CIPET under two modules i.e Machine Operator Injection Moulding (MO-IM) & Machine Operator Blow Moulding (MO-BM). Placement of the trained candidates is also mandated by CIPET under MoU with WCL thus ensuring 100% placement for every trainee. Chandrapur Centre is also conducting various courses like refrigeration & air condition, tailoring course, dehydration of fruits & vegetables/ food processing, etc.

Skill Development Centre at Indora, Nagpur is imparting

technical training like refrigeration & air condition, mechanical fitter, training of tipper operator, etc.

About 6000 rural youth and project affected people will be trained during current fiscal. Going ahead, WCL plans to impart certification programmes by tying up with MSME National Skill Development Mission, (Micro Small and Medium Enterprises), affiliation with Director General of Training (DGT) and collaboration with CII (Confederation of India Industry) to harness the benefits of imparting higher level skills. ■■■



## Central Vigilance Commissioner Addresses IOCIans



Mr. K. V. Chowdary, Central Vigilance Commissioner along with Mr. B. Ashok, Chairman, IndianOil and other Board Members.

Commemorating 2016 as the Year of Core Values, IndianOil has been organising various interactions and activities to reinforce & reaffirm its corporate core values of Care, Innovation, Passion and Trust. In line with its ongoing initiative, Mr. K. V. Chowdary, Central Vigilance Commissioner addressed IOCIans at Corporate Office recently. Addressing the gathering, Mr. Chowdary talked about the essence of proper and effective communication and its necessity for an organisation to achieve its goals. He said only a commonly understood and agreed form of communication leads to building of Trust which is among the core values enunciated by IndianOil. Trust, Mr. Chowdary asserted, takes eons to build but can be repudiated in minutes if not ingrained strongly. Therefore, it's imperative that an organisation works closely to build that Trust and develops a culture of corporate excellence that becomes its identity. He said it must be ensured that employees across the organisation respond to standard situations in a similar manner for the customers to

repose faith in the efficiency and productivity of the organisation. Speaking further, Mr. Chowdary added that demonstrating the values of Care, Innovation and Passion lead to generation of long term Trust and without these three, Trust can't be built. Mr. Ashok, Chairman, IndianOil said that their values get reflected across all their operations and functions, day in and day out. Chairman also cited the example of IndianOil officers who ensured smooth supply of Petroleum products during Chennai floods and lauded the efforts of IndianOil team that has unflinchingly risen to the occasion every time any part of the nation has been struck by an adversity. Mr. Sanjiv Singh, Director (Refineries), Mr. D. Sen, Director (P&BD), Mr. A.K. Sharma, Director (Finance), Mr. Verghese Cherian, Director (HR), Mr. Anish Aggarwal, Director (Pipelines), Mr. B. S. Canth, Director (Marketing), Ms. C. K. Deshmukh, CVO and other senior IndianOil officials were also present on the occasion. ■■■

## Chief Minister of Jharkhand inaugurates High level Garga Bridge

Hindustan Steelworks Construction Ltd. (HSLC) completed the construction of new high level RCC Bridge over Garga River in the 4th Km. of NH-23 (Chas-Ramgarh Section) at Bokaro recently with its departmental team of engineers and inputs. Mr. Raghubar Das, Chief Minister, Jharkhand formally dedicated the Bridge to the people of Chas-Bokaro. ■■■





## Maharashtra Day & World Labour Day Celebrated in RCF



Mr. R. G. Rajan, CMD, RCF during Maharashtra & Labour Day Celebrations.

**M**aharashtra Day and World Labour Day was celebrated in Rashtriya Chemicals and Fertilizers Ltd., (RCF) with great enthusiasm. Mr. R. G. Rajan, CMD, RCF garlanded the statue of Chatrapati Shivaji Maharaj and paid floral tribute to 106 martyrs who put their life for the formation of Maharashtra State and addressed the gathering in presence of Mr. C. M. T. Britto, Director (Technical), Mr. A. B. Ghasghase, Director (Mktg.), Mr. Suresh Warrior, Director (Fin.), Executive Directors, senior officials, representatives of various organizations and employees. ■■■

## BEML Enters Dredging Business



Mr. P. Dwarakanath, CMD, BEML and Mr. Rajesh Tripathi, CMD, DCI Ltd. in the presence of Mr. Nitin Gadkari, Minister for Road Transport and Highways and Shipping and Mr. Rajive Kumar, Secretary, Ministry of Shipping.

**W**ith an objective of strengthening the “Make in India” initiative by Government, BEML Ltd. signed a Memorandum of Understanding (MoU) with Dredging Corporation of India Ltd for indigenous design, development and manufacture of spares for dredgers. The MoU was signed by Mr. P. Dwarakanath, CMD, BEML and Mr. Rajesh Tripathi, CMD, DCI Ltd. in the presence of Mr. Nitin Gadkari, Minister for Road Transport and Highways and Shipping and Mr. Rajive Kumar, Secretary, Ministry of Shipping. The MoU is for supply of various type of spares for the existing Dredgers and also supply of Backhoe Excavators for new Dredgers. Spares include heavy fabricated and machined components and hydraulic aggregates. By leveraging the infrastructure and technology base developed for Mining & Construction Machinery, BEML has entered into Dredging Business. ■■■

## CMD, NBCC is the New President of DMA

**M**r. Anoop Kumar Mittal, CMD, NBCC, has been selected as the new President of Delhi Management Association (DMA). The Search Committee selected Mr. Mittal for the position, on consideration of his top-end professional expertise and experience in the field of construction industry and rich exposure in the management of industry affairs. Mr. Mittal took charge from Dr. A.K. Balyan, CEO, Oil & Gas, Reliance Group and the immediate past President of DMA. Mr. Mittal in his capacity as President will work to further promote the cause of the Association in totality. ■■■







# BHEL bags Rs. 1,600 Crore order for setting up Thermal Power Project in Odisha

**A**gainst International Competitive Bidding (ICB), BHEL has bagged an order for setting up a coal-based thermal power project in Odisha. The 1x250 MW coal-based thermal unit will be set up at Rourkela Power Project on Engineering, Procurement & Construction (EPC) basis. Valued at over Rs. 1,600 Cr., the order for the Stage-III of the brown-field power project, located in Rourkela district of Odisha, has been placed on BHEL by NTPC-SAIL Power Company Private Limited (NSPCL), a Joint Venture of NTPC & SAIL.

## BHEL commissions 600 MW Thermal Power Plant in Madhya Pradesh

Bharat Heavy Electricals Ltd. successfully commissioned a 600 MW coal-based thermal power plant in the state of Madhya Pradesh. The unit has been commissioned at the 1x600 MW Jhabua Thermal Power Project (TPP) located in Seoni district in Madhya Pradesh. The project is being developed by Jhabua Power Limited (JPL), a subsidiary of Avantha Power & Infrastructure Limited (APIL). This is the second project of APIL commissioned by BHEL, having earlier commissioned the 1x600 MW Avantha Bhandar TPP at Raigarh in Chhattisgarh. BHEL's scope of work in the contract envisaged design, engineering, manufacture, supply, erection and commissioning of Steam Turbine, Generator and Boiler, along with associated Auxiliaries and Electricals,

## CMD, BHEL Inaugurates BHEL's Inter-Unit Manufacturing Technology Meet



Mr. Atul Sobti, CMD, BHEL inaugurating Inter-Unit Manufacturing Technology Meet

Mr. Atul Sobti, CMD, BHEL inaugurated BHEL's two day inter-unit meet on Manufacturing Technology at BHEL's Haridwar unit. Speaking on the occasion, Mr. Sobti said that BHEL's products are manufactured in state-of-the-art facilities using leading contemporary technologies that are the best in the world. BHEL regularly upgrades its technology base through in-house R&D initiatives and by sourcing technologies from global leaders. Mr. Amitabh Mathur, Director (IS&P), BHEL; Mr. Subrata Biswas, Director (E,R&D), BHEL and other senior officials of the company were also present on the occasion.

besides state-of-the-art Controls & Instrumentation (C&I) and Electrostatic Precipitators (ESPs).

## BHEL commissions 500 MW Thermal power plant in Jharkhand

BHEL added another coal-based power plant to the grid by commissioning a 500 MW thermal unit in Jharkhand. The unit has been commissioned by BHEL at Bokaro Thermal Power-A Station of Damodar Valley Corporation (DVC) in Jharkhand. BHEL has executed the contract of setting up the 500 MW coal-based unit

on Engineering, Procurement & Construction (EPC) basis. With this, BHEL has supplied 84 percent of the total coal-based power generating capacity installed by DVC. BHEL-make sets of 500/520 MW rating class today form the backbone of the Indian power sector and have been performing much above the national average as well as international benchmarks.

## BHEL commissions 660 MW supercritical thermal plant in Maharashtra

BHEL commissioned a 660 MW

# NLC Celebrates 60<sup>th</sup> Raising Day

**N**LC celebrated its 60th Raising Day with festivity and enthusiasm by recalling historical occasion, 20th of May 1957, the day NLC's mining operations were commenced by the then Prime Minister of India Pandit Jawaharlal Nehru. Mr. Sarat Kumar Acharya ,



Mr. Sarat Kumar Acharya, CMD, NLC, Mr. M. P. Narayanan, Mr. A.K.Sahay, Mr. S.Jayaraman, Mr. Prasanna Kumar, Former CMDs of NLC, Directors and Senior Officials are seen after hoisting the NLC Flag at Lignite Hall, Neyveli on the occasion of the 60th Raising Day of the Company

CMD, NLC the chief guest of the occasion commenced the celebration by hoisting the NLC flag in the presence of the former CMD's of NLC, Mr. M.P Narayanan, Mr. A.K. Sahay, Mr. S. Jayaraman and Mr. J. N. Prasanna Kumar at the lawns of Lignite Hall at Neyveli.

In his address, Mr. Sarat Kumar Acharya recalled the relentless efforts and contributions of the earlier stalwarts and the former CMD's who graced the occasion, for the NLC's success in all fronts. He expressed his gratitude to all predecessors for being part of NLC's growth path. Earlier, to mark the occasion all former CMDs launched various initiatives like Up graded Web Portal of NLC, Jalparyapta, a water management scheme to ensure the water reserves, Earmarked the New Site to construct 130 MW Solar Power plant through Digital portal and Swachh Bharat Rally (importance of Cleanliness) with NLC school Children. Functional Directors Mr. Rakesh Kumar, Mr. Subir Das, Mr. V. Thangapandian, Mr. P. Selvakumar and Executive Directors were also present on the occasion. Earlier, in the morning the Unit heads of Mines, Thermal Power Stations and Administrative offices hoisted NLC flags at respective units. ■■■

supercritical thermal unit in Maharashtra. The unit has been commissioned at Mouda Super Thermal Power Station (STPS) at Mouda in Nagpur district of Maharashtra. The order for setting up two coal-based thermal units of 660 MW was placed on BHEL by NTPC Ltd. While the first unit has been commissioned, work on the other 660 MW unit is also in an advanced stage. Notably, BHEL has earlier set up two units of 500 MW each at Mouda STPS, which are in operation.

## First 800 MW Supercritical Thermal Power Plant in

## Karnataka commissioned by BHEL

BHEL commissioned the first 800 MW Supercritical thermal unit in Karnataka, which is also the highest rating unit in the state. The unit has been commissioned at the 2x800 MW Yeramarus Thermal Power Station (TPS) located in Raichur district of Karnataka. Yeramarus is being developed by Raichur Power Corporation Limited (RPCL) - a Joint Venture of Karnataka Power Corporation Limited (KPCL) and BHEL. The second unit of this project is also in an advanced stage of construction and

is expected to be commissioned shortly. BHEL's scope of work for the project envisaged design, engineering, manufacture, supply, erection and commissioning of state-of-the-art supercritical Boiler and Turbine Generators along with associated civil works and agreed Balance of Plant (BoP) packages. The key equipment for the project has been manufactured by BHEL at its Haridwar, Bhopal, Ranipet, Hyderabad, Jhansi, Thirumayam and Bengaluru plants, while the construction of the plant has been undertaken by the company's Power Sector-Southern Region. ■■■



## NTPC and Coal India Join Hands to Foray into Fertilizer Sector

A Joint Venture Agreement (JVA) was signed between NTPC Limited and Coal India Limited (CIL) for formation of a Joint Venture Company to take up the revival of Fertilizer Plants of Fertilizer Corporation of India Limited (FCIL) at Sindri, Bihar and Gorakhpur, Uttar Pradesh by setting up an Ammonia urea plant at each location. The JV Company would initially be incorporated with equal equity (50:50) participation from NTPC and CIL. JVA contains provision of inducting strategic partners at a later date depending upon business requirement of JV Company.

The Joint Venture Agreement was signed by Mr. Arun Kumar Gupta, General Manager



JVA documents being exchanged in presence of senior officials from NTPC & CIL.

(BD) from NTPC and Mr. T. Bandopadhyay, General Manager (Coal Videsh) from Coal India Limited in the presence of Mr. A. Panda, Director (Finance),

South Eastern Coal Field Limited (SECL). Mr. M. Viswanathan, Company Secretary, CIL and Mr. Murari Prasad, AGM (BD) were also present on the occasion. ■■

## NSIC Organizes Interactive Meet



Mr. Ravindra Nath, CMD, NSIC during the interactive meet.

Heads of Missions and representatives of 19 African countries visited NSIC Incubation Centre at Okhla, New Delhi recently. Mr. Ravindra Nath, CMD, NSIC briefed them about NSIC's activities in promoting and developing MSMEs. The delegates were impressed with model of NSIC's Rapid Incubation for development of "Self-Entrepreneurship" and expressed their desire to set up similar centre(s) in their country. Dr. Neena Malhotra, JS (E&SA), Ministry of External Affairs along with Under Secretary (E&SA) and Mr. P.Udayakumar, DPM were also present on this occasion. ■■■



# Awards & Accolades to PSEs

## RCF CMD Felicitated for CSR Activities by FAS



Mr. R.G. Rajan, CMD, RCF receiving the award.

Mr. R. G. Rajan, CMD, Rashtriya Chemicals & Fertilizers Ltd. (RCF) felicitated by Fine Arts Society(FAS) for its excellent contribution in the execution of activities of Corporate Social Responsibility especially in Chembur vicinity in presence of Mr. P. G. Deshpande, Executive Director (HR&CSO), Mr. P Karthikeyan, Executive Director (Mktg), & Mr. R. P. Jawale, Executive Director (Trombay) and other dignitaries in the function organized by Fine Art Society at Chembur, Mumbai.

## Director (Projects), EIL Honoured by IIT-BHU



Mr. Ashwani Soni, Director (Projects), EIL receiving the award.

Mr. Ashwani Soni, Director (Projects), EIL has been conferred with the IIT-BHU Alumni Excellence Award for 2016-17 for his outstanding contribution to hydrocarbon industry and unparalleled professionalism. The award was bestowed upon him recently at a function held in New Delhi. The occasion assumes much greater significance in view of the fact that this esteemed institute is celebrating its 100th glorious year of existence and a culture of imparting education of the finest quality, selflessly, for a century now.

Recognizing significant contributions by IIT BHU alumni in their respective professions, the Association of IIT-BHU Alumni, New Delhi honours Significant Contributors every year. The selection process is elaborate and executed through a competent jury comprising of 35 members, drawn from IIT BHU alumni and eminent personalities from the industry.

## BEML conferred with Equipment India Awards



Mr. B.R. Viswathana, Director (M&C), BEML receiving the award from Mr. Raghav Chandra, Chairman, NHAI.

BEML has won two awards in the 'Best Seller – Crawler Dozers' and 'Best Seller- Rigid Dump Trucks' at the 3rd Equipment India Awards-2016. The awards were received by Mr. B. R. Viswathana, Director (M&C) from Mr. Raghava Chandra, Chairman, NHAI, at a function held at FICCI Auditorium, New Delhi recently.



## Hindustan Copper wins Industry Leadership Award

Mr. K. D. Diwan, CMD, Hindustan Copper Limited, received the Industry Leadership Award – Base Metals on behalf of the Company at the 2016 Platts Global Metals Awards, held in London recently.



Mr K. D. Diwan, CMD, Hindustan Copper Limited, receiving the Industry Leadership Award – Base Metals at the 2016 Platts Global Metals Awards, held in London.

The award ceremony was hosted by S&P Global Platts, a leading global energy, metals and commodities information provider. The annual awards program honours exemplary performance in fifteen categories spanning the entire steel, metals and mining fraternity.

## NLC bags National Award for Outstanding Industrial Relations'



Mr. Sarat Kumar Acharya, CMD, NLC, along with Functional Directors of NLC, Mr. Rakesh Kumar, Mr. Subir Das, Mr. P. Selvakumar, and other senior officials of HR Dept., are seen with 'National Award for Outstanding Industrial Relations' conferred to NLC for the year 2014-15.

NLC has been conferred with the 'National Award for Outstanding Industrial Relations' for the year 2014-15 by All India Organization of Employers (AIOE).

Mr. Bandaru Dattatreya, Minister of Labour & Employment presented the award to NLC. Mr. Thiagaraju, GM,HR received the award on behalf of NLC at the Annual General Meeting of AIOE held recently in New Delhi .

## BHEL honoured with Excellence Award by POWERGRID



Mr. Amitabh Mathur, Director (IS&P), BHEL receiving the award from Mr. I. S. Jha, CMD, POWERGRID.

Bharat Heavy Electricals Limited (BHEL) was honoured for supply of quality Insulators by Power Grid Corporation of India Limited (POWERGRID), by way of an Excellence Award. Mr. Amitabh Mathur, Director (IS&P), BHEL received the Excellence Award from Mr. I.S. Jha, CMD, POWERGRID

## NRL Director Finance conferred Best CFO Award

The Institute of Cost Accountants of India has conferred the Best CFO award to Mr. S. K. Barua, Director (Finance), Numaligarh Refinery Limited for the year 2015. This award was presented by Mr. Najib Shah, Chairman, Central Board of Excise and Customs at a function held at Hotel Ashok, New Delhi recently.

The Institute of Cost Accountants of India, a statutory body under an Act of the Parliament,



# WAPCOS Successfully Commissions Salma Dam in Afghanistan



Shri Narendra Modi, PM, India & Dr. Ashraf Ghani, President, Afghanistan releasing the WAPCOS book on the making of Afghan-India Friendship Dam (Salma Dam).

Prime Minister of India Mr. Narendra Modi with the President of Afghanistan Dr. Ashraf Ghani jointly inaugurated the Afghan-India Friendship Dam (Salma Dam) at Chist-e-Sharif in Herat province in Western Afghanistan recently. The project was executed and implemented by WAPCOS Limited. Afghan-India Friendship Dam is a Multipurpose project planned for generating 42 MW of power, irrigating 75000 hectares of land, water supply and other benefits to the people of Afghanistan. It is a landmark Infrastructure Project undertaken by WAPCOS in most difficult working conditions. The successful commissioning of the Project represents culmination of years of dedication, devotion and hard work by WAPCOS' Personnel, Afghan Officials and many other Professionals in very tough conditions.



NRL Director Finance Mr. S. K. Barua (extreme left) receiving the Best CFO award from Mr. Najib Shah, Chairman, Central Board of Excise and Customs in New Delhi recently.

recognises the significant contribution of Cost and Management Accountants in improving corporate governance, value creation & preservations, managing risk and Implementing cost and management accounting practices. Numaligarh Refinery Limited is a leading Oil and Gas company with a strong record of corporate governance and has been able to create significant value to its stakeholders in the last couple of years.

In another category NRL's Ms Jumani Saikia Nath, Senior Manager (Finance) was also conferred the Best achiever award by the Institute for the year 2015.

## NSIC bags ADFIAP Award -2016 – It's First International Award



Mr. Ravindra Nath, CMD, NSIC during the award ceremony.

Mr. Ravindra Nath, CMD, NSIC, received "ADFIAP AWARD-2016" conferred by Association of Developing Financing Institution of Asia & Pacific on NSIC in recognition of its significant contribution for SME development through Raw Material Distribution- Benefit Cost Project for SMEs by providing stable access to inventory of raw materials at most competitive prices. Award was presented in the award ceremony held at Samoa. Hon'ble Prime Minister of Samoa also addressed the participants during the Ceremony ■■■





# PSEs Ink MoU

## OIL Signs MoU for extending its CSR Project 'SPARSHA'



MoU documents being exchanged in presence of senior officials from OIL & St. Luke's Hospitals & PSMRI.

Oil India signed an MoU with St. Luke's Hospitals & Piramal Swasthya Management & Research Institute for two years, to conduct the mobile healthcare project, "SPARSHA" recently. The two experienced agencies as part of the MoU will extend the Mobile healthcare Services to Dibrugarh, Tinsukia and in newly formed Charaideo districts of Upper Assam and in Miao & Manabhum areas of Arunachal Pradesh. The Mobile Healthcare Services of OIL have always been one of the most significant CSR activities of the Company. The MoU comes with a wider scope of extending primary health care service to OIL's operational areas.

The MoUs was signed by Mr. Pranjit Deka, GM (Public Affairs), OIL in presence of Mr. J. K. Borgohain, RCE, OIL, Mr. C Bose, ED (Production Project) & Chairman OIL's internal CSR Committee and Mr. C Pal, GM (Finance & Accounts). On behalf of Piramal Swasthya Management & Research Institute, Mr. Mahesh Deori, Head (Assam Operations) and for St. Luke's Hospitals N C Das, Administrator and Rev. Pradip Kawah, Administrator signed the MoUs.

Project Sparsha will target to conduct around 3,500 camps screening 6 Lakh patients in two years in OIL's operational areas.

## NALCO inks R&D Agreement with BARC



Dr. B.K. Satpathy, Executive Director (Business Development), NALCO and Dr. Jagtap, Director (Chemistry Group), BARC exchanging the MoU documents.

NALCO signed an MoU with Bhabha Atomic Research Centre (BARC), Mumbai, for Research and Development (R&D) cooperation in the fields of mutual interest. Under the MoU, R&D projects like: Extraction of Gallium from Bayer liquor, Extraction of Rare earth elements from Red Mud and Development of Reference Standards would be taken up within the framework of this MoU.

"Extraction of Gallium from Bayer Liquor will be NALCO's first R&D project with BARC with an objective to develop indigenous technology for this strategic metal, for our country" said Dr. Tapan Kumar Chand, CMD, NALCO.

The MoU was signed by Dr. B.K. Satpathy, Executive Director (Business Development), NALCO and Dr. Jagtap, Director (Chemistry Group), BARC in presence of NALCO CMD, Dr. Chand and Dr. Rajagopal Chidambaram, Principal Scientific Advisor to Govt. of India and Chairman, Scientific Advisory Committee to the Cabinet.

## NMDC to Identify Mineral Potential Areas using Satellite Remote Sensing



Mr. L N Mathur, ED (Resource Planning & Safety), NMDC and Dr. P G Diwakar Deputy Director, NRSC, ISRO signing the MoU in the presence of Mr. P K Satpathy, Director, Production, NMDC and Dr. V K Dadhwal, Director, NRSC, ISRO at NMDC, Hyderabad recently.

Further consolidating its leadership position in domestic mining exploration, NMDC is slated to be the first company under the Ministry of Steel to use satellite based geological mapping for mineral exploration. An MoU was signed recently between NMDC and ISRO's National Remote Sensing Centre opening up the possibilities for NMDC to use ISRO's technology for mineral exploration and a host of other related ventures. Mr. L. N. Mathur, ED (Resource Planning & Safety) and Dr. P.G. Diwakar, Deputy Director, Remote Sensing Application Area, NRSC signed the MoU on behalf of NMDC and NRSC, respectively, in the presence of senior officials from both organizations and also academics from Osmania University.

Terming the MoU a historic step for NMDC, Mr. P. K. Satpathy, Director (Production), NMDC said that "this will herald a new era of mining and open up immense possibilities for NMDC besides exploration and this day will be a milestone in the history of domestic mining." He further informed that NMDC's core competency in mining has been evident since 1958 and that the same has been recognized by the Ministry of Mines which has identified NMDC as a Nodal agency for conducting Exploration under Sub-section (1) of Section (4) of the MMDR Act 1957. "Signing of the MoU is a step

forward towards fulfilling the nation's dream of a "Digital India" as space technology provides real-time data for generation of digital maps," he said.

Based on the MoU, NMDC will establish a Remote Sensing & GIS Laboratory at its head office in Hyderabad for interpretation of satellite data that will help NMDC identify and limit mineral potential areas to a smaller zone thereby negating the need for wide physical exploration.

## THDCIL signs PPA with GUVNL for 50MW Wind Power Project at Patan, Gujarat



PPA documents being exchanged in presence of senior officials from THDCIL & GUVNL.

THDC India Limited (THDCIL) entered into the Power Purchase Agreement (PPA) for Wind Power Project (50 MW) with Gujarat Urja Vikas Nigam Limited (GUVNL) recently at Vadodara. The Agreement was signed by Mr. Ajay Mathur, General Manager (Commercial), on behalf of THDC India Limited (THDCIL) and Mr. K.P.Jangid, General Manager (Commerce) on behalf of GUVNL. Mr. M. K. Tyagi, DGM, Mr. S.Q. Ahmed, Company Secretary from THDCIL and Smt. Sailaja Vachhrajani, Chief Finance Manager, Independent Power Producer (IPP), Mr. A. N. Khambhatta, Superintending Engineer (Commercial), Mr. V. T. Patel, Deputy Engineer (Commercial) from GUVNL were also present on this important occasion. The signing of Agreement was preceded by several rounds of discussions between THDCIL officials and GUVNL officials. ■■■■





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- Thal expansion project to produce 1.27 million tonnes of urea per annum
- To set up fertilizer complex at Talcher in consortium with CIL, GAIL and FCIL through coal gasification route
- To set up JV projects for urea in resource-rich countries of Middle East
- To enter into long term off-take agreements for rock phosphate and potash
- Strong focus on sustainable development



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