

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be e-mailed on every Monday.)

Balmer Lawrie launches CSR initiative, to train 100 girls

Balmer Lawrie and Co Ltd, a PSU under the Ministry of Petroleum and Natural Gas, GoI, launched a Corporate Social Responsibility (CSR) initiative in collaboration with IATA Training and Development Institute and Trade-Wings Institute of Management in the city.

The company would be imparting three month training in travel and tourism to 100 girls from economically weaker sections across the country during 2011- 12. The objective is to improve the employability of girl students, said a press release issued by the company.

The three month training programme will be conducted at IATA approved training centre of Trade-Wings. After completion of the course, successful candidates will be eligible for a dual diploma in travel and tourism management. The successful candidates would also be eligible to appear for IATA's foundation course examination held on a quarterly basis. The programme was inaugurated by P P Sahoo, executive director, HR, Balmer Lawrie and Co Ltd. The programme was scheduled to commence in Mumbai in mid- December. The programmes in Kolkata and Chennai have already started. The trainees would also be given Rs 3000 per month as stipend.

Indian Express - 18.12.2011

<http://www.indianexpress.com/news/Balmer-Lawrie--launches-CSR-initiative--to-train-100-girls/889146/>

Balmer Lawrie launches CSR initiative, to train 100 girls

Express India - 18.12.2011

<http://www.expressindia.com/latest-news/balmer-lawrie-launches-csr-initiative-to-train-100-girls/889146/>

Govt to park PSU assets in new company

The finance ministry will move a cabinet note next week seeking to dissolve the specified undertaking of UTI (SUUTI) and transfer its assets to a new company which can tap the reserves of cash rich firms to help government meet its disinvestment target of Rs 40,000 crore this financial year. Under the plan, the assets of SUUTI, estimated at around Rs 50,000 crore, will be pledged to the new government-owned company, which in turn can utilise the proceeds to buy government equity in state-owned firms.

"The cabinet note will be moved next week for setting up the new holding firm," a finance ministry official said on Thursday. Although the government has plans to raise Rs 40,000 crore from disinvestment in the current fiscal, it has not been able to make much headway because of uncertain market conditions.

So far, it has raised only Rs 1,144 crore from stake sale in Power Finance Corporation (PFC). There are some companies that have more surplus cash than their annual turnover. That surplus can be invested in some state-owned

All PSEs to be asked to set up renewable energy projects: Government

In an effort to encourage the ongoing renewable energy propagation, government has decided to ask central public sector enterprises (CPSEs) to set up renewable energy projects or procure Renewable Energy Certificates (RECs). This activity has been introduced to expand the scope of Energy Management Programme, followed by these PSEs for sustainable development.

The Department of Public Enterprises under the Ministry of Heavy Industries and Public Enterprises has issued Office Memorandum, which asks for use of renewable energy. It will become a part of the MoUs signed by the CPSEs and the administrative ministries/departments is expected to accelerate the growth of the RECs in the country and make it a valuable business model. G.B. Pradhan, Secretary, Ministry of New and Renewable Energy said that the move is expected to give a big boost to the efforts of the ministry, which has been providing several

blue-chip companies.

Deccan Herald - 29.12.2011

<http://www.deccanherald.com/content/215327/go-vt-park-psu-assets-company.html>

27 state PSUs making profits, says minister

Twenty seven out of 33 working state public sector undertakings are making profits with the state government committed to step up their profitability further and also transform loss making units into profitable ones. This was stated by state minister for finance and public enterprises Prafulla Chandra Ghadai.

"The department of public enterprises has initiated a programme to increase profitability of firms that are already making profits. Presently, 27 out of 33 working state PSUs are earning profits while the remaining six are incurring losses. Our department is also focused on wiping out losses of such units and is committed to convert them into profitable firms," Ghadai told newsmen here. The department has taken several steps to improve the organizational efficiency of the state PSUs like inculcating high standards of professionalism among the employees and appointing independent directors, the minister said.

Business Standard - 29.12.2011

<http://www.business-standard.com/india/news/27-state-psus-making-profits-says-minister-/460061/>

Achievements of Department of Public Enterprises During the Year 2011

The Department of Public Enterprises (DPE) laid down a number of policy guidelines for performance improvement, evaluation, autonomy and financial delegation, personnel management and other related areas for the Central Public Sector Enterprises (CPSEs), during the year 2011. It acted as an interface between various parliamentary and government organizations and the CPSEs. Production of the CPSEs under the Department stood at Rs. 28575.68 crore during April to November, 2011 as against the Rs. 25002.19 crore during the corresponding period of last year. This shows positive growth of 14.29% compared to the last year.

Memorandum of Understanding (MoU) of CPSEs - 197 CPSEs signed MoU for the period 2011-12. The performance evaluation of MoUs of 2009-10 of 145 CPSEs was completed by the DPE. Guidelines on Sustainable Development, Human

incentives for setting up of the renewable energy projects in the country.

The Economic Times - 29.12.2011

http://articles.economictimes.indiatimes.com/2011-12-29/news/30568800_1_renewable-energy-certificates-recs-cpses

PSEs are not excited about share buyback proposal'

With a bearish trend ruling in the stock markets, the government's plan to raise Rs 40,000 crore in the current fiscal by divesting a part of its shares in the central public sector enterprises (CPSEs) through public offers has run aground. Now the government has mooted the idea of CPSEs buying back the shares from government, in a change of disinvestment strategy to raise funds. UD Choubey, director general, Scope, a representative body of CPSEs, spoke to FE's Noor Mohammad about merits and demerits of the new proposal. Excerpts:

Do you see any possibility that the government would raise a decent amount through the disinvestment route?

Almost every year, the government has been fixing a target for disinvestment in public sector enterprises. For 2010-11, the government had set a target of Rs 40,000 crore, but could mop only Rs 22,762.96 crore despite comparatively better market conditions.

The Financial Express - 02.01.2012

<http://www.financialexpress.com/news/pses-are-not-excited-about-share-buyback-proposal/894539/>

State PSUs yield poor returns on government investments

The investments made by the state government on public sector undertakings (PSUs) in the past five years have yielded lacklustre returns. While the government has invested Rs 2,190.37 crore on statutory corporations, rural banks, joint stock companies and cooperatives by the end of 2010-11, the returns from this investment were negligible on absolute terms.

The latest report on state finances for the year ended March 31, 2011 says the average return on this investment was a meagre 8.44 per cent in the last five years. The return obtained from these PSUs in 2010-11 was Rs 101.58 crore, meaning only 4.64 per cent of the committed investment.

The state government, on the contrary, paid an average interest in the range of 7.39 per cent

Resource Management and Research and Development for MoUs of CPSEs were issued in September, 2011.

Policy for Acquisition of Raw Material Assets Abroad by CPSEs - During this year the Government approved the policy for acquisition of raw material assets abroad by CPSEs.

Investment India - 30.12.2011

<http://investinindia.com/news/achievements-department-public-enterprises-during-year-2011>

Indian e-commerce players bullish

The year 2011 clearly belongs to India's e-commerce story, both in terms of investments the sector received and actual transactions made by customers. The year 2012, say industry experts, will be about consolidating growth and increasing market share. Next year will also be about separating men from boys. The challenges that can bring down this growth include a nascent supply chain system, a weak logistics network, quality of services and customer satisfaction.

Business Standard - 28.12.2011

<http://business-standard.com/india/news/indian-e-commerce-players-bullish-/460002/>

The right PSU glue for fiscal holes

With barely Rs 1,200 crore out of its targeted Rs 40,000 crore receipts from disinvestment raised so far this fiscal, the Government is now eyeing the bank balances of public sector undertakings (PSUs). The options on the table are asking PSUs to fork out special dividends, acquiring governmental equity in one another and making buyback offers restricted to the Government. Given the moribund markets - that rule out direct equity sales - these seem to offer the easiest routes for monetising the Government's holdings for now. One only hopes that in its anxiety to bridge its fiscal shortfall, the Government does not compromise minority shareholder interests, or impair the long-term profit potential of these firms.

Most arguments in favour of PSUs disgorging their 'excess' cash tend to be short-termist. Many top PSUs have large bank balances. Since they have made relatively low capital investments in recent years, the money in excess of their expansion plans, so goes the argument, should be returned to shareholders. Now, if that were the only criterion, it ought to equally apply to leading private sector companies as well. If ONGC and NMDC had large cash balances of (over Rs 20,000 crore each) in September 2011, so did Reliance Industries (Rs.36,000 crore) or Infosys (Rs 17,000 crore). The latest balance sheets of 1,600 listed companies show state-owned firms to be only as guilty of hoarding money as their private sector

to 8.18 per cent on its borrowings during 2006-07 to 2010-11. The returns fetched by the government from these PSU stood at Rs 49.39 crore in 2006-07, Rs 140.93 crore in 2007-08, Rs 252.85 crore in 2008-09 and Rs 250.78 crore in 2009-10.

Business Standard - 28.12.2011

<http://www.business-standard.com/india/news/state-psus-yield-poor-returnsgovernment-investments/459804/>

High rates hit margins; sales growth declines to 20pc in Q2

Sales growth of about 6,500 companies declined by 7 percentage points to 20 per cent in the July-September quarter compared to the previous quarter, a study by ASSOCHAM has said. "With rising interest rates, the cost of borrowing has increased, investments have dried up and profit margins have taken a hit," the study said.

The Economic Times - 26.12.2011

<http://economictimes.indiatimes.com/news/economy/indicators/high-rates-hit-margins-sales-growth-declines-to-20pc-in-q2/articleshow/11256893.cms>

India should not fritter away PSU profits from commodity boom

Slowing tax revenue and rising government spending on food security and universal health threaten to send the fiscal deficit skyrocketing next year. To check this, many experts want to raid the surpluses of public sector undertakings (PSUs).

These surpluses have ballooned thanks to a global commodity boom hugely benefiting mineral-producing PSUs, such as ONGC, Coal India, NMDC and Oil India. These profits are unearned windfalls. They should not be frittered away in current government spending. Part of the windfall should be conserved for future generations, in the manner than Norway, Chile, Kuwait and Saudi Arabia have done through sovereign wealth funds. T V Mohandas Pai and Gautam Seshadri wrote an article in this space calling for a massive special dividend to be paid by PSUs (Why Borrow? Reward Yourself, ET, Dec 16).

They said that the four big mineral producers plus Bhel could easily pay special dividends totaling Rs 53,000 crore. This would not jeopardize their future investment plans. Others have suggested two variations on this theme. One is a buyback of shares by PSUs. The second is for PSUs to use their surpluses to buy out minor stakes of the government in other PSUs.

counterparts: Both parked 25 per cent of their total assets in cash and investments. Would they too be guilty of disregard for the highest standards of corporate governance?

The Hindu Business Line - 20.12.2011

<http://www.thehindubusinessline.com/opinion/ editorial/article2732367.ece?homepage=true>

Raiding PSU reserves unsustainable way of plugging budget deficits

The fiscal deficit looks like widening by at least one percentage point above the budgeted 4.6% of GDP. Economic growth could slow down next year. Meanwhile the government has ambitious but expensive new schemes in mind, for food security and universal health. So, many analysts want the government to take advantage of tens of thousands of crores lying in the reserves of public sector undertakings (PSUs). When a private sector owner is in trouble, without a second thought he transfers sums from profitable companies to meet his current spending. Many analysts think the government should do the same. However, such transfers are one-off affairs and cannot be sustained over time. They can be justified in difficult times, but should not become a habit. Spectrum sales have in the past been taken to be current revenue, whereas they should actually be shown in the capital account as a reduction of assets. In the case of manufacturing PSUs, their cash surpluses are not large in relation to their investment plans, and these should not be commandeered by the government.

The Economic Times - 20.12.2011

<http://economictimes.indiatimes.com/opinion/ editorial/raiding-psu-reserves-unsustainable-way-of-plugging-budget-deficits/articleshow/11174831.cms>

Tourism ministry launches campaign

India has tourist spots galore but they all need a wash before they can draw the kind of tourist flows they have the potential to attract. Feeling that a thorough scrubbing is in order, ministry of tourism launched Campaign Clean India.

In addition to the Atithi Devo Bhawah campaign, which has already raised hygiene issues, this one seeks to bring together stakeholders in the tourism industry and encourage a more active participation in promoting cleanliness in general and at tourist spots in particular.

The launch also brought together stakeholders for a national-level workshop on the campaign. Along with government officials, students and teachers, NGOs, media professionals, tour operators and representatives from corporations discussed within their groups and came up with recommendations.

The Times of India - 21.12.2011

The Economic Times - 21.12.2011

<http://economictimes.indiatimes.com/opinion/columnists/swaminathan-s-a-aiyar/india-should-not-fritter-away-psu-profits-from-commodity-boom/articleshow/11188212.cms>

PSUs to get more financial powers

The Union Government is looking at giving more financial powers to Maharatna public sector undertakings (PSUs) by allowing them make investments up to Rs.5,000 crore without taking approval from the Cabinet or their respective administrative ministries. At present, these PSUs need to take clearance from the government before making any investment decision.

"We are looking at revisiting the investment cap...the Rs.5,000-crore cap for Maharatna in today's climate and overseas assets which they are looking at would not be enough," Heavy Industries and Public Enterprises Minister Praful Patel told journalists here. Pointing out that more investment autonomy was necessary particularly when the value of rupee was declining, Mr. Patel said: "The limit cannot be relevant in terms of buying large assets abroad...we need to relook at the issue. "The Department (of Public Enterprises) will first internal discussions and later take the matter to other ministries. Then, we will take it to the Cabinet."

The Hindu - 17.12.2011

<http://www.thehindu.com/business/Industry/article2723916.ece>

PSUs' contribution to exchequer up 16% in 2010-11

Public sector companies made a higher contribution to the government exchequer by way of taxes and duties in 2010-11 compared with the preceding year. But the ratio between the contribution made by the companies to the exchequer and their total income declined due to new duty concessions.

The contribution to the exchequer normally includes excise duty, sales tax, wealth tax, income tax, fringe benefit tax and deferred tax. The contribution to the exchequer for 50 public sector companies (central and state) fell by 2.6% to Rs 93,613 crore in 2009-10 from Rs 96,177 crore in 2008-09 and rose by 16.3% to Rs 1.09 lakh crore in 2010-11. The ratio of contribution made to exchequer to total income increased from 9.65% in 2008-09 to 9.73% in 2009-10 and fell to 9.41% during 2010-11.

<http://timesofindia.indiatimes.com/city/delhi/Tourism-ministry-launches-campaign/articleshow/11186381.cms>

Railways' freight revenue up 9.26% during April-November 2011

The Indian Railways generated revenue earnings of Rs 43,106.76 crore from freight traffic during April-November 2011, up 9.26 per cent from the Rs 39452.32 crore achieved in the corresponding period of the previous year

Net India - 19.12.2011

<http://netindian.in/news/2011/12/19/00017794/railways-freight-revenue-926-during-april-november-2011>

Chennai Port rejects Mundra's Rs 3,700-cr bid

Chennai Port Trust (CPT) has rejected a bid by Mundra Port and Special Economic Zone (MPSEZ) for its ~3,700-crore mega container terminal project in this metropolis. Reason: the revenue share offer of five per cent was "too low", according to CPT. The port is planning a rebid for the deepwater container terminal, the country's first, to give another opportunity for those companies which participated in the project's request for qualification stage, according to a senior CPT official today. He said the five per cent revenue share offer by the Adani Group-led Navi Mundra Port, the sole bidder for the project, "is the lowest compared to similar projects in the port sector".

Business Standard - 30.12.2011

<http://business-standard.com/india/news/chennai-port-rejects-mundras-rs-3700-cr-bid/460203/>

The Financial Express - 19.12.2011

<http://www.financialexpress.com/news/psus-contribution-to-exchequer-up-16-in-201011/889389/>

Tea industry grows at 15%, turnover to touch R33,000 cr by 2015: Study

The total turnover of the tea industry in India is likely to touch Rs 33,000 crore by 2015 from the current level of about Rs 19,500 crore. With nearly six lakh hectares under tea cultivation, the domestic tea industry is growing at a compound annual growth rate (CAGR) of about 15%, according to a study titled 'Indian Tea Industry' by the Associated Chambers of Commerce and Industry of India (Assocham).

The Financial Express - 20.12.2011

<http://www.financialexpress.com/news/tea-industry-grows-at-15-turnover-to-touch-r33-000-cr-by-2015-study/889690/>

Finance Ministry to set up special group to deal with impact of global crisis

The Finance Ministry today decided to set up a Crisis Management Group (CMG) to deal with the impact of the global problems on the domestic economy, especially on the financial sector.

The decision to set up a CMG was taken at a meeting headed by R Gopalan, Secretary Department of Economic Affairs (DEA) in the Finance Ministry.

"The group will work towards developing an early warning mechanism to avert a crisis," a senior Finance Ministry official said, adding it would also include experts.

Economic Times - 26.12.2011

http://articles.economictimes.indiatimes.com/2011-12-26/news/30559107_1_finance-ministry-impact-of-global-crisis-kaushik-basu