

(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.)

Capacity utilization level comes down

Productivity of central public sector enterprises, when measured on parameters like capacity utilisation, inventory-to-sales ratio and energy use, has shown a mixed trend in recent years. Measured on capacity utilisation, CPSEs' productivity has declined over the last three years. But their efficiency in terms of inventory management has improved. So far as energy efficiency is concerned, the picture is mixed.

According to the latest public enterprises survey, 48 (72%) out of a sample of 60 PSUs achieved capacity utilisation of more than 75% in the financial year 2010-11. Against that, only 40 (60%) PSUs reported a similar level of capacity utilisation in 2012-13. The number of PSUs with less than 50% capacity utilisation increased from 10 to 17 during the same period.

The Financial Express - 09.04.2014

<http://www.financialexpress.com/news/capacity-utilisation-level-comes-down/1239291>

Risk takers can opt for CPSE ETF

With the listing of the Goldman Sachs Mutual Fund – Central Public Sector Enterprises (CPSE) exchange-traded fund (ETF) – retail investors who did not get a chance to participate in the new fund offering can do so by buying or selling at the exchanges. And the initial performance has been quite good. On the first day of trade, the fund rose 10.88 per cent against its issue price (Rs 17.45).

As on April 9, in less than a week, it has returned 13 per cent. The CPSE ETF basket consists of shares of 10 big public sector units (PSUs) – Oil & Natural Gas Corp (ONGC), GAIL India, Coal India, Indian Oil, Oil India, Power Finance Corporation (PFC), Rural Electrification Corporation (REC), Container Corp, Engineers India and Bharat Electronics.

This is a great way to add some PSU flavour to your portfolio if you don't have any. "It's a good idea to invest in CPSE ETF even now. It has good PSU stocks. If there is a stable government at the Centre, then there will be good appreciation in these stocks. Plus, PSU stocks give high dividend yield," says Certified Financial Planner Pankaj Mathpal.

How PSUs can be put on a high-growth path

The way state-owned companies have grown over the last 20 years in India is noteworthy. They contribute significantly to India's economy and promote industrial and urban infrastructure. They are big employers and contribute large portions of their profits towards development and corporate social responsibility.

The contribution of central PSUs in terms of total turnover has been 20-24 per cent of India's GDP during 2008-12. Despite subdued growth, the PSUs clocked a net profit of Rs 1,15,300 crore in 2012-13, a 17 per cent jump over the previous fiscal. They employ 14.04 lakh people, and spent Rs 1,16,375 crore on salary and wages in 2012-13.

The Economic Times - 14.04.2014

<http://economictimes.indiatimes.com/opinion/comments-analysis/how-psus-can-be-put-on-a-high-growth-path/articleshow/33713916.cms>

Trade credit and receivables exchange for MSMEs

Payments and settlements between PSUs and government departments that constitute a large market for the micro and small enterprises-MSEs have been very inefficient and these have been responsible for the creation of the NPAs in MSMEs. Micro, Small and Medium Enterprises (MSME) occupy an important space in the Indian economy both from the points of growth and employment. Still they suffer from serious disabilities due to their excessive dependence on debt markets.

The window of opportunity that opened through the SME Exchanges has muted responses thus far. One of the key factors in the working capital cycle – credit sales suffer from payments beyond the due dates putting them in the non-performing asset (NPA) bracket – most often not on account but in spite of them. It is highly commendable that the Reserve Bank of India (RBI) has recently put out a document on the subject for comments from the public, as a sequel to the recommendations of the Committee on Financial Sector Reforms (2011-Raghuram Rajan). The issues raised are

Business Standard - 10.04.2014

http://www.business-standard.com/article/pf/risk-takers-can-opt-for-cpse-etf-114041000882_1.html

Rise in foreign tourist arrivals

Foreign Tourist Arrivals (FTAs) in March has shown an increase as compared to the corresponding period last year. "Foreign Tourist Arrivals (FTAs) in March, 2014 was 6.69 lakh which was 6.40 lakh in March, 2013, marking a growth of 4.5 per cent," an official release said.

The Tourism Ministry also said Foreign Exchange Earnings (FEEs) from tourism in rupee terms in March this year was Rs 10,257 crore in comparison to Rs 9,553 crore in March last year. According to the Ministry, FTAs during the period January-March 2014 were 21.27 lakh, showing a growth of 4.9 per cent, as compared to the FTAs of 20.27 lakh with a growth of 3.0 per cent during January-March 2013 over the corresponding period of 2012.

Business Standard - 07.04.2014

http://www.business-standard.com/article/pti-stories/rise-in-foreign-tourist-arrivals-114040701261_1.html

ETA will help boost tourism in India: Tourism Secretary

The move to grant in principle approval for Electronic Travel Authorisation (ETA) to travellers from 180 countries to India will boost tourism in the country, Tourism Secretary Parvez Dewan said on Tuesday.

"Travelling to India will be made easy once the ETA to visit the country becomes operational," he said. ETA, which will allow foreign travellers to apply for a visa from home and receive an online confirmation in five working days, is expected to become operational by October. Barring eight prior reference countries, which include Pakistan, Afghanistan, Iran, Iraq, Somalia, Sudan, Nigeria and Sri Lanka, government has decided to give e-visa to all the 180 countries.

The Hindu - 08.04.2014

<http://www.thehindu.com/business/Industry/eta-will-help-boost-tourism-in-india-tourism-secretary/article5887933.ece>

SpiceJet unveils new low-fare scheme

Following the R1 offer which invited the wrath of the aviation regulator recently, budget airline

highly relevant and need resolution sooner than later. This brief only addresses the concerns raised in the document.

Moneylife - 11.04.2014

<http://www.moneylife.in/article/trade-credit-and-receivables-exchange-for-msmes/37001.html>

Forex earnings from tourism declines 2.7% to US\$ 17.85 billion in FY2014

Foreign tourists arrivals growth accelerates to 4.7% in FY2014 from 2.2% in FY2013. Foreign tourists arrivals (FTAs) to India increased 4.5% to 6.69 lakh in March 2014, compared to 5.5% growth at 6.4 lakh recorded in March 2013. FTAs increased 4.9% to 21.27 lakh in the first quarter of calendar year 2014, as compared to 3.1% growth recorded in the corresponding period of 2013 with the FTAs of 20.27 lakh.

FEEs from tourism increased 7.4% to Rs 10257 crore in March 2014, against 21.8% increase recorded at Rs 9553 crore in March 2013. The growth of FEEs during March 2014 was mainly driven by 12.4% weakening of Indian Rupee to Rs 61.09 per dollar on yoy basis.

Business Standard - 07.04.2014

http://www.business-standard.com/article/news-cm/forex-earnings-from-tourism-declines-2-7-to-us-17-85-billion-in-fy2014-114040700880_1.html

Tata SIA aims to start operations in October this year

Tata SIA Airlines Ltd expects to start flights in India in October 2014, having secured a No-objection Certificate (NoC) from the Ministry of Civil Aviation, Government of India to begin operations. The airline plans to launch flights in early October, according to a report by Tarun Shukla in Mint. The airline was granted an NoC by the Ministry last week, which is the most critical step in the process of obtaining an airline permit from the Directorate General of Civil Aviation (DGCA). The airline secured approvals from the Ministry of Home Affairs, Government of India and the Foreign Investment Promotion Board (FIPB) earlier. Tata SIA Airlines will time its entry with the start of what is traditionally the most profitable period for airlines in India.

Travel Biz Monitor - 08.04.2014

<http://www.travelbizmonitor.com/tata-sia-aims-to-start-operations-in-october-this-year-23667>

TripAdvisor launches holiday rentals in India; what's on offer?

TripAdvisor, an online travel review and

SpiceJet has announced a region specific network offer. This time, SpiceJet has come out with a three-day special promotional fare offer on its network for travel originating in the states of Andhra Pradesh, Tamil Nadu and West Bengal.

The Financial Express - 09.04.2014

<http://www.financialexpress.com/news/spicejet-unveils-new-lowfare-scheme/1239347>

Japanese trading houses put ports' expansion on hold in India

Japanese trading houses, Mitsui & Co and Sumitomo Corp, who were planning to invest in the Indian port sector for more than a year to gain from strengthening trade ties, have put their plans on hold recently due to by high asset valuations and corporate changes back home.

Japan's trading houses were interested in picking up a minority stake or in taking up operational control of a terminal to support their trading volumes. They evaluated and visited several ports in India until a year ago.

The Economic Times - 13.04.2014

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/japanese-trading-houses-put-ports-expansion-on-hold-in-india/articleshow/33700822.cms>

Dr M Ravi Kanth takes over as HUDCO CMD

PUBLIC sector housing entity Housing and Urban Development Corporation Limited (HUDCO) on April 11 got a new chief. Dr Medithi Ravi Kanth, a 1986 batch IAS officer of Kerala cadre took over as the chairman & managing director (CMD) of the PSU. Before joining HUDCO, Ravi Kantha was the CMD of Projects & Development India Limited (PDIL) on absorption basis.

India Public Sector - 12.04.2014

<http://www.indiapublicsector.com/2014/04/dr-medithi-ravi-kanth-takes-over-as.html>

recommendation site has launched holiday rentals on TripAdvisor Holiday Rentals India, allowing travellers to search and compare more than 5.5 lakh properties around the world. "An average Indian family comprising of two adults and two children can save up to 57 per cent in a destination like Venice by opting for holiday rental versus a regular hotel stay. We feel that this new offering will see a tremendous uptake among avid travellers in the country," said Nikhil Ganju, country manager, TripAdvisor India.

Tech Circle - 11.04.2014

<http://techcircle.vccircle.com/2014/04/11/tripadvisor-launches-holiday-rentals-in-india-whats-on-offer/>

India must accelerate port development: Experts

India must accelerate development of its deep sea ports to catch up with its rapidly growing foreign trade, experts attending a maritime conference in Singapore said.

They especially highlighted India's challenge in meeting increasing trade volume which calls for massive improvement in domestic transportation and investments in deep-sea ports for handling large size vessels.

The Economic Times - 08.04.2014

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/india-must-accelerate-port-development-experts/articleshow/33451496.cms>

Government plans detailed FAQs on CSR issues

To help companies for their social welfare activities under the new legislation, the government plans to come out with various initiatives including a detailed set of 'Frequently Asked Questions' (FAQs) for the stakeholders. Certain class of companies are now required to shell out at least two per cent of their three-year annual average net profit towards Corporate Social Responsibility (CSR) activities. The Corporate Affairs Ministry plans to put out detailed FAQs and their answers on CSR activities to provide more clarity for companies and other stakeholders, according to an official.

Economic Times - 13.04.2014

<http://economictimes.indiatimes.com/news/economy/policy/government-plans-detailed-faqs-on-csr-issues/articleshow/33701589.cms>