

(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.)

Over 13,000 hired in 32 PSUs in last 3 years

The government has hired over 13,000 employees in 32 public sector units operating under the Department of Heavy Industry since 2009-10.

"There were 13,329 number of newly appointed employees during the last three years," Minister of Heavy Industries and Public Enterprises Praful Patel said in a written reply in the Rajya Sabha.

He said the total number of employees in 32 state-run firms, including BHEL, has increased to 1,14,249 during 2011-12 compared to 1,13,311 in 2010-11. "The total number of employees during 2011-12 were 1,14,249 compared to 1,13,311 in 2010-11," Mr Patel added.

Rajasthan Electronics and Instrument, HMT (International), Bridge and Roof Company, Bharat Pumps and Compressors and Hindustan Paper Corporation are among 32 units operating under the Department.

The Hindu Business Line - 08.05.2012

<http://www.thehindubusinessline.com/industry-and-economy/article3397503.ece>

CAG suggests easy exit option for sick PSUs

The Comptroller and Auditor General (CAG) has advocated for a comprehensive exit policy with legal sanctity on the lines of the one proposed in the national manufacturing policy, to deal with growing sickness in public sector undertakings (PSUs) and boost confidence of domestic and foreign investors.

"An effective exit law promotes responsible corporate behaviour by encouraging higher standards of corporate governance, including financial discipline, and mitigates the consequences of insolvency," CAG said in its performance audit report of sick state-owned companies.

This will also enhance the confidence of investors, for whom the state of existing law is an important criterion for making investment decisions, the CAG report, tabled in parliament, said.

Smaller PSUs told to shed 10% stake

The Department of Disinvestment (DoD) has asked small PSUs, which intend to hit capital markets, to come with initial public offering (IPO) of more than 10 per cent of their paid-up capital.

In a communication to the Department of Heavy Industries, the Department of Disinvestment has said that all profitable companies which come under the ministry should consider offers of 15-20 per cent of their paid-up equity.

"To make the IPO cost effective we have asked the department to consider share sale to raise maximum resources," a top government official said.

The Department of Heavy Industries has under its administrative control 22 companies and 10 subsidiaries. Apart from power equipment maker BHEL, the rest are all of small size companies.

Deccan Herald - 13.05.2012

<http://www.deccanherald.com/content/249242/smaller-psus-told-shed-10.html>

CAG for new framework for sick PSUs

The Comptroller and Auditor General (CAG), concerned by inordinate delay in revival of sick public sector undertakings, on Thursday asked the government to develop a new framework to deal with the issue of sickness and also closure of PSUs which cannot be revived.

"The government should consider formulating a new framework to address early identification of sickness in CPSEs and timely formulation of proposals for (their) revival/closure..." said the report of the Comptroller and Auditor General (CAG) which was tabled in Parliament.

The new mechanism, it added, should also focus of ensuring better synergy between the various agencies involved in revival or closure exercise and effective monitoring of implementation of the scheme.

Referring to delay in revival of PSUs the CAG said in certain cases the government has taken

Financial Chronicle - 13.05.2012

<http://www.mydigitalfc.com/news/cag-suggests-easy-exit-option-sick-psus-619>

PSEs Revival by BRPSE

The Board for Reconstruction of Public Sector Enterprises (BRPSE) has made recommendations for revival of 59 Central Public Sector Enterprises (CPSEs).

The Government has approved revival of 43 CPSEs. The remaining cases are under examination/process by the concerned administrative Ministries /Departments.

The Government had approved, on the recommendations of BRPSE, a scheme for attracting top managerial talent to sick CPSEs. It provides for considering extension of tenure upto 65 years of Chief Executives and Functional Directors, who have contributed to the turnaround of the sick CPSE and a lump-sum incentive upto maximum of Rs. 10 lacs out of the profits of the CPSE.

On the basis of recommendations of BRPSE, the Department of Public Enterprises is in the process of formulating a policy for enhancement of age of superannuation from 58 to 60 years for employees of sick and loss making CPSEs. The above information was given by the Minister for Heavy Industries & Public Enterprises Shri Praful Patel in a written reply in the Lok Sabha today.

Press Information Bureau - 10.05.2012

<http://pib.nic.in/newsite/erelease.aspx?relid=83571>

House panel blasts tourism ministry

A Parliamentary panel rebuked tourism ministry, saying the country's global tourism share of 0.6% is dismal considering the fact that it has a wide variety of tourist attractions. In the report tabled in Parliament, the Standing Committee on Tourism and Culture reprimanded the ministry for spending R194 crore till February 2012 on overseas promotion and that the expenditure was not commensurate with foreign tourist arrivals.

The Sitaram Yechury-led Committee pointed out that India had higher tourism potential as compared to popular destinations such as Thailand and Singapore but lack of facilities remains a hindrance. "Even though India has vast variety of tourist attractions from ancient to modern, the global tourism share is less than 0.6% annually in terms of world arrivals. The Committee feels that this percentage is just unacceptable, and what we are aiming at is to achieve 1% during the 12th

18 years to approval of revival schemes.

The Financial Express - 11.05.2012

<http://www.financialexpress.com/news/CAG-for-new-framework-for-sick-PSUs/947906/>

Corporate apathy renders culture fund redundant

The National Culture Fund (NCF), set up with much fanfare in 1996, has utterly failed in its aim to preserve and promote Indian culture with the help of public private partnership (PPP) owing to the dismal response from the PSUs and corporate sector.

Data from the last three years show that only five PSUs -- Gas Authority of India Ltd (GAIL), National Thermal Power Corporation Ltd (NTPC), Oil and Natural Gas Commission (ONGC), State Bank of India (SBI), and Shipping Corporation, have committed financial assistance, though not very huge, to the fund.

"The scheme has failed to evoke response from the corporate sectors to donate liberally even though the Government provides income- tax exemption for donations," a senior official from the Culture Ministry said.

The NCF has Rs 19 crore in its corpus fund. The reluctance aside, the PSUs also double back on their donation promises many a times. Of a total Rs 8 crore promised by them in the last three years, a mere Rs 2 crore has been released so far.

Pioneer - 12.05.2012

<http://dailypioneer.com/nation/64892-corporate-apaty-renders-culture-fund-redundant.html>

Tourism industry hits rough patch

Travel agents are a worried lot. With the travel and tourism industry going through a rough patch, their problems have compounded. The recent hikes in air fares and airlines looking to pass on more costs to the customers only spell trouble, feels the travel agents Association of India.

In a press release, the association said the credit period to travel agents has been reduced from a fortnight to a week from June. Already the commission of travel agents has been reduced to zero. This implies that travel agents have to pay more payments in a month. In effect, the customer benefit of extended credit would be hit, says Mr Imtiaz Qureshi, Chairman of the AP Chapter of the Association.

In the case of corporates also, the travel agents association said it would be difficult to

Plan," it said.

The Financial Express - 08.05.2012

<http://www.financialexpress.com/news/House-panel-blasts-tourism-ministry/946746/>

India's forex earnings from tourists up slightly at \$1.31 billion in April

India's foreign exchange earnings from tourists arrivals during April 2012 stood at \$1.31 billion, compared with \$1.29 billion during April 2011 and \$1.01 billion in April 2010, showing year-on-year growth of 1.2 per cent and 27.3 per cent, respectively.

The country's foreign exchange earnings from foreign tourist arrivals during January-April 2012 stood at \$6.27 billion, up 14.6 per cent from \$5.47 billion in January-April 2011, which in turn had grown 12.4 per cent from the previous January-April of 2010.

Domain- B - 08.05.2012

http://www.domain-b.com/industry/Tourism/20120508_slightly.html

Container offices at Chennai port to expedite clearance

Five tailor-made 'container offices' have been installed at the Chennai Port Trust (ChPT) zero gate to expedite clearance of container-laden vehicles.

Fitted with air-conditioners these container offices fulfil the long felt need of Customs officials, who have been demanding proper facilities at the entry and exit gate to clear goods and vehicles as they had toil for long hours.

Triway Forwarders, which runs a private Container Freight Station in Manali New Town, has converted 10x10 foot containers into office space. The new facility was inaugurated by the Shipping Secretary, P.K. Sinha, on Friday.

The Hindu - 07.05.2012

<http://www.thehindu.com/news/states/tamil-nadu/article3394595.ece>

Decline in Export of Tea

India has been maintaining supply of 200 million kgs of exports during the last five years. The world export scenario indicates that India as a tea producing country has been facing tough competition from other principal producing countries like Kenya (primarily CTC variety), China (mainly Green tea) and Sri Lanka (primarily Orthodox variety).

offer credit facilities.

The Hindu Business Line - 08.05.2012

http://www.thehindubusinessline.com/industry-and-economy/economy/article3397967.ece?ref=wl_industry-and-economy

Travel firms shift focus from ticketing to packaged tours

Turbulent times in the aviation sector have forced travel agents and portals to focus on packaged tours. Besides, domestic carriers are also pushing for a reduced commission regime which makes the ticketing business unviable for these agents and portals.

For instance, Yatra.com's marketing strategy over the past two years has gradually shifted to packaged tours. Currently, packaged tours form nearly 30 per cent of its business.

The Hindu Business Line - 07.05.2012

http://www.thehindubusinessline.com/industry-and-economy/marketing/article3393774.ece?ref=wl_industry-and-economy

Gateway Distriparks launches CFS operations at Vallarpadam

Gateway Distriparks (Kerala) Ltd (GDKL) has started container freight station (CFS) operations, handling export container through the ICTT Vallarpadam.

This is the first container freight station located opposite to ICTT Vallarpadam to facilitate the exim trade in the region.

Spread across 6.5 acres, the CFS will have warehousing facilities and container storage facilities. It will also provide for a separate area which will permit Customs authorities to inspect cargo on wheels.

The Hindu Business Line - 09.05.2012

http://www.thehindubusinessline.com/industry-and-economy/logistics/article3400162.ece?ref=wl_industry-and-economy

Tea Board expects jump in Plan allocation

Tea Board is hopeful of receiving a significant jump in allocation in the 12th Plan. The increase is likely to be over two and half times the allocation made in the 11th Plan, according to Tea Board sources. The Board received Rs 730 crore in the 11th Plan and Rs 360 crore in the 10th Plan.

Press Information Bureau - 09.05.2012

<http://pib.nic.in/newsite/erelease.aspx?relid=834>

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The Hindu Business Line - 08.05.2012

<http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article3397411.ece>