

(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.)

Indecisiveness leaves key PSUs headless

The latest instance of this indecisiveness is the fact that two Navratna companies — National Aluminium Company Ltd (NALCO) and NMDC — are currently functioning without a regular head.

NALCO has been headless for the last 15 months, while NMDC has been managing its affairs without a proper Chairman-cum-Managing Director (CMD) since January this year i.e. almost five months. In fact public sector watchers point out that it is the Government's extra cautious attitude towards selecting a PSU head which has led to the delays, especially in the light of the amount of heat it has been facing on the issue of corruption, courtesy Team Anna.

The controversy surrounding the former Chief Vigilance Commissioner (CVC) PJ Thomas, sources say, had forced the Government to tread cautiously and any new appointment was being closely scrutinised by it before taking a final call.

Pioneer - 29.05.2012

<http://www.dailypioneer.com/home/online-channel/360-todays-newspaper/68994-indecisiveness-leaves-key-psus-headless.html>

Planning Commission may lower average growth target for 12th Plan to 8%

Faced with slowdown, the Planning Commission may lower the annual average growth target for the 12th Five-Year Plan (2012-17) to 8 per cent from 9 per cent envisaged earlier.

"The annual average growth rate in 12th Plan could be around 8 per cent. Achieving 8 per cent looks feasible," the Minister of State for Planning, Mr Ashwani Kumar, said.

The Commission, he further, held a series of meetings to consider the impact of the global problems on the domestic economy and it was generally agreed that 9 per cent growth in the Plan, which began on April 1, 2012, would be difficult. Hit by global woes and domestic problems, India's economic growth rate slowed to a nine-year low both in the January-March quarter at 5.3 per cent as well as in 2011-12 at 6.5 per cent. In the current fiscal, the growth rate has

How NBFCs can help meet infrastructure financing challenges

We will soon see the unveiling of the 12th Five-Year Plan that is set to make a bold projection of investment in infrastructure aimed at returning India to higher levels of sustainable growth. Infrastructure investment as a share of GDP was approximately 8 per cent at the end of FY12; over the next five years, it is expected to inch closer to 10 per cent of GDP. India is set to draw up a trillion-dollar road-map in the new Plan to create world-class infrastructure.

This is an increase in spending of nearly 150 per cent over the 11th Plan. Moreover, private sector contribution is expected to increase from Rs 6 lakh crore to Rs 21 lakh crore — a 250 per cent jump. With the government looking to adopt the public-private partnership structure in more sectors, the PPP framework will play a prominent role, given the need to build infrastructure quickly and the limited capital availability from budgetary sources.

The Hindu Business Line - 29.05.2012

http://www.thehindubusinessline.com/industry-and-economy/banking/article3462824.ece?ref=wl_industry-and-economy

PE investors 'cautiously optimistic' about India

With no let-up in inflation, rupee depreciation and rising deficits, private equity (PE) investors are "cautiously optimistic" about investing more in India.

But, as the economic cyclical downturn corrects and policymakers refine policies, India's growth story is likely to stay with rebounding investor confidence, concludes a paper on private equity jointly prepared by Deloitte and ASSOCHAM. The paper was released by the Corporate Affairs Minister, Mr Veerappa Moily, here on Tuesday.

For India to grow at nine per cent, the role of private equity and Government-led initiatives need to go hand-in-hand, says the paper. Mr Moily said the Government would pursue policy enhancements and also provide policy stability to attract more private equity investments.

The Hindu Business Line - 29.05.2012

been pegged at 7.6 per cent by the Government.
The Hindu Business Line - 03.06.2012
<http://www.thehindubusinessline.com/industry-and-economy/economy/article3486351.ece>

Economy may improve in next six months: Survey

The Indian economy may be facing tough and challenging times, but it is not all gloom and doom as the situation is likely to improve in the next six months, a Bizcon Survey done by ASSOCHAM has said.

"Despite the Indian economy facing tough and challenging times, it is not all gloom and doom. The situation is expected to improve in the next four—six months," it said.

A majority of respondents covered by the Bizcon Survey said that the situation would change for better after few months.

The chamber said it has surveyed over 300 CEOs of companies mainly operating in manufacturing and services sectors.

The Hindu Business Line - 03.06.2012
<http://www.thehindubusinessline.com/industry-and-economy/economy/article3486511.ece>

Govt announces austerity steps as economy hits air pocket

The cash-strapped government on Thursday announced a series of austerity measures including ban on holding seminars in five-star hotels and purchase of vehicles as it moved to restore the health of government finances. Earlier this month, FM Pranab Mukherjee had announced in Parliament that he would impose some austerity measures to tide over the tough fiscal situation. But the steps announced on Thursday may not be enough to help him meet his fiscal deficit target of 5.1% of GDP.

The finance ministry has asked each ministry and department to impose a mandatory 10% cut in non-plan expenditure. But, this will exclude interest repayment of debt, defence capital, salaries, pension and finance commission grants to the states. It also announced a 10% cut in budgetary allocation for seminars and conferences. Purchase of vehicles has been banned until further orders including against old vehicles.

The Times of India - 01.06.2012
<http://timesofindia.indiatimes.com/business/india-business/Govt-announces-austerity-steps-as-economy-hits-air-pocket/articleshow/13696253.cms>

http://www.thehindubusinessline.com/markets/stock-markets/article3470013.ece?homepage=true&ef=wl_home

Exports grow 3.2% in April

Exports grew by a meagre 3.2 per cent year-on-year to US\$24.4 billion in April 2012, prompting a worried government to declare it may extend sops for labour intensive sectors like textiles in the next few days.

Sharp deceleration in import growth to 3.8 per cent to US\$37.9 billion resulted in trade deficit narrowing to US\$13.2 billion, the lowest in the last seven months.

Reduction in trade gap would at least lessen worries arising out of sharp decline in rupee against the US dollar.

The commerce ministry is expected to announce some incentives for the hard-pressed labour intensive export sector when it unveils the annual supplement of the Foreign Trade Policy.

Deccan Herald - 01.06.2012
<http://www.deccanherald.com/content/253739/indias-exports-rise-323-percent.html>

Falling rupee makes domestic tourism more attractive

With the sliding rupee making overseas travel 15-30% costlier, local hotspots have become favoured destinations for most Indian tourists this holiday season. As the domestic currency oscillated between 52 and 56 against the US dollar over the past month, the volatility forced Indian tourists to either postpone their vacation overseas or choose less costly domestic destinations. In some cases, people have shortened their foreign trips, travel experts said.

A broad cross-section of tourists are bearing the brunt of the falling rupee as they made travel plans well in advance.

"Last one month's trend show a flat or small growth in outbound tourism. The demand has not really taken off considering this is the peak season.

Business Standard - 29.05.2012
<http://business-standard.com/india/news/falling-rupee-makes-domestic-tourism-more-attractive/166176/on>

Global black tea output down 9%

Lower harvests in most producing countries have brought down the global output of black tea. In the first four months of the current calendar, output fell by 32.3 million kg or 9.11 per cent year-on-year.

"According to our compilation, world black tea production has dipped to 322.45 million kg (mkg) this year from 354.75 mkg," Mr Rajesh Gupta, Director, Global Tea Brokers, publishers of annual Global Statistical Tea Diary, told Business Line.

Indonesia is the only country where output has increased over last year. Till April, it produced 21.6 mkg, up 1.4 mkg.

The Hindu Business Line - 29.05.2012

<http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article3469918.ece>

Ports to witness 5.4% growth this fiscal: CMIE

Ports will witness a 5.4 per cent growth in traffic this fiscal, led by an increase at the privately-owned minor terminals, a report by an economic think-tank has said.

"The cargo traffic at all ports in the country (major and minor) is expected to grow by 5.4 per cent. The growth is likely to be supported by healthy growth of cargo at minor ports," the Centre for Monitoring Indian Economy (CMIE) has said in a report.

The major contributing factors for the jump will be a 6-8 per cent rise in crude imports and 12-15 per cent rise in coal traffic, which will go up on the back of demand from steel and power sectors, and higher container volumes, it said.

The Hindu Business Line - 03.06.2012

<http://www.thehindubusinessline.com/industry-and-economy/logistics/article3486255.ece>

Young jobseekers prefer PSUs, domestic companies

Indian students are veering towards public sector jobs and domestic firms to find a cushion against an uncertain economy, which clocked its lowest quarterly growth rate in nine years at 5.3%.

This trend, visible globally as well, reflects on how youngsters are looking at job security as one of the most important parameters while choosing their future employers.

Twenty new boutiques to help promote Darjeeling tea better

The Darjeeling Tea Association (DTA) has planned is planning to set up standalone Darjeeling tea boutiques across the country. The association has chalked out plans for 20 such exclusive Darjeeling tea boutiques across the country to promote this niche product in the domestic market, DTA chairman SS Bagaria told TOI.

DTA has requested the Tea Board of India to support this effort and include the programme in the 12th Plan that commenced from which started from April 2012. These 20 boutiques will come up in both tier I as well as tier II cities.

The Times of India - 30.03.2012

<http://timesofindia.indiatimes.com/city/kolkata/Twenty-new-boutiques-to-help-promote-Darjeeling-tea-better/articleshow/13651392.cms>

Karnataka approves Rs 1,000-cr investments in logistics

The Karnataka Government has cleared investments in logistics and warehouses to the tune of Rs 1,000 crore. Also on its own, the government plans to build four Logistics Parks with a total investment of Rs 1,800 crore through private partnership route.

To facilitate development across the state, the Infrastructure Development Department has initiated moves to build Logistics Parks in Bangalore, Hassan and Hubli on public-private partnership (PPP) mode. According to a senior Infrastructure Development Department (IDD) official, the government is looking for an integrated approach by providing multi-modal/integrated logistics transport centre, warehouses, inland container depots, domestic rail head, and air cargo centres.

The Hindu Business Line - 31.05.2012

http://www.thehindubusinessline.com/industry-and-economy/logistics/article3477219.ece?homepage=true&ref=wl_home

Coal India to recruit 5000 management trainees in next three years

Coal India is on a hiring spree. It has decided to recruit about 5,000 management trainees in the next three years including 2000 this year at a time when most companies have frozen recruitment or are rationalizing manpower. This, the company hopes, will bring down the average age of officers from around 50 now to less than 40 over the next three years and will

While the Reserve Bank of India (RBI) and State Bank of India (SBI) emerged as the most preferred employer for under-graduate business students in the country, engineering and MBA students chose technology giant-Google as their ideal employer in a survey conducted among 8,356 students across Indian colleges by Universum, a global consulting firm that helps companies improve their attractiveness to prospective jobseekers.

The Economic Times - 02.06.2012

<http://economictimes.indiatimes.com/news/news-by-industry/jobs/young-jobseekers-prefer-psus-domestic-companies/articleshow/13726103.cms>

fill up empty posts that are falling vacant at the rate of 750-800 every year.

"We had recruited around 1,800 last year. This was a mix of campus interview and direct recruitment through advertisements. This year, till now, we have already recruited around 800. Another 1,200 will be recruited during the year," R Mohandas, director personal told ET. "During the next three years, we will recruit around 1,500 to 2,000 every year, totalling 5,000," he said.

Economic Times - 31.05.2012

http://articles.economictimes.indiatimes.com/2012-05-31/news/31922046_1_coal-india-management-trainees-civil-engineers