

(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.)

Govt wants profit-making subsidiaries of PSUs to go public

The government is mulling a proposal for encouraging profitable subsidiaries of public sector units (PSUs) to seek listing and raise funds from the capital market.

"The proposal is at conceptual stage at the moment. The Department of Disinvestment (DoD) would soon discuss the proposal with the concerned ministries to find out its feasibility," a source told PTI. The DoD has called a meeting, next week, to discuss the proposal with the representatives of the concerned ministries including coal and petroleum. "The Central Public Sector Enterprises (CPSEs) operating in sectors like oil, power, coal and steel have profitable subsidiaries which could be listed on the bourses," the source added.

The listing of subsidiaries will help in raising resources for the PSUs and paying better dividends to the government. The fund flow will encourage CPSEs to buyback their shares and promote the disinvestment programme of the government. The government proposes to raise Rs 30,000 crore in the current fiscal from disinvestment. During 2011-12, the government raised only Rs 14,000 crore as against the target of Rs 40,000 crore. Of the total 220 operational CPSEs, 158 units were profit-making as on March 2011.

The Economic Times - 08.04.2012

<http://economictimes.indiatimes.com/news/economy/policy/govt-wants-profit-making-subsidiaries-of-psus-to-go-public/articleshow/12580451.cms>

Government discusses possibility of listing PSU subsidiaries

The Disinvestment Department (DoD) today held inter-ministerial discussion on the possibility of listing profitable subsidiaries of public sector units (PSUs), a move that would enhance financial resources of the state-owned companies and promote disinvestment programme.

"The meeting was for preliminary exchange of views and ideas. It was for understanding of the concept," a senior government official said. It is

Today, giant PSEs are symbols of management excellence

SCOPE's initiative to celebrate Public Sector Day has become an important day in the history of public sector enterprises in India. This year, it will be a week-long event from April 10 to 17. The president will be chief guest at the main function, which will be synchronised with SCOPE Meritorious Awards in specialised fields of environmental excellence, corporate governance, corporate social responsibility, human resource management, R&D, technology development and innovation, best managed bank, financial institution or insurance company and best managed PSE set up under section 25.

How has the performance of public sector enterprises been since liberalisation of Indian economy?

Central PSEs have displayed extraordinary resilience in successfully meeting the challenges thrown up by liberalisation and globalisation of Indian economy. They have also withstood the global meltdowns and domestic turbulence giving much needed strength to the Indian economy. They continue to prosper and grow. Today, giant PSEs are symbols of management excellence and have pride of place in the hierarchy of corporate India. They are pace setters in corporate governance, CSR and actively contributing towards inclusive growth of the country.

The Hindustan Times - 08.04.2012

<http://www.hindustantimes.com/India-news/NewDelhi/Today-giant-PSEs-are-symbols-of-management-excellence/Article1-837555.aspx>

PSUs wait out choppy mkts before floats

A host of public sector firms, wary of riding into rough weather in the prevalent turbulent market conditions, are shying away from launching public offers even as the finance ministry is trying to finalise a disinvestment game plan 2012-13.

"We want to encourage state-run firms to list in the market as a means to improve corporate governance. But not many firms have shown

understood that representatives of the concerned ministries including oil, power, coal and steel attended the meeting and gave their views on the proposed concept. The listing of subsidiaries will help in raising resources for the PSUs, paying better dividends to the centre and promoting disinvestment by encouraging state-owned companies to buy back their equity from the government.

The Economic Times - 09.04.2012

<http://economictimes.indiatimes.com/news/economy/policy/government-discusses-possibility-of-listing-psu-subsidiaries/articleshow/12597476.cms>

Government approves Public Procurement Bill

The Cabinet on Wednesday approved a bill that seeks to regulate government purchases of above Rs 50 lakh through a transparent bidding process.

The Cabinet meeting, chaired by Prime Minister Manmohan Singh, approved the public procurement bill that has a provision to debar bidders found engaged in corrupt practices, sources said. Currently, there is no overarching legislation governing public procurement by the central government and central public sector enterprises.

The General Financial Rules, 2005, govern procurements made by the Centre. The bill provides for a jail term ranging from six months to five years for public servants found guilty of demanding and accepting bribes from bidders of government contracts, the sources added.

The Times of India - 12.04.2012

http://articles.timesofindia.indiatimes.com/2012-04-12/india/31330371_1_union-cabinet-finance-minister-jail-term

President calls for more public-private partnership, priority to research in PSEs

The President, Ms Pratibha Devisingh Patil, said on Friday that the private and public need to work together more for the high demand from infrastructure investment. This is while higher priority must also be given to research and innovation in public sector enterprises (PSEs) through in-house R&D facilities, apart from sponsored research with universities and industry, particularly when foreign collaboration is involved.

"The test is to be nationally creative, globally competitive and efficient, ensure on-time deliverability and provide employment," Ms Patil said while presenting awards to top PSEs in the country for their operational excellence in 2010-11. The presentation took place during the Public

interest due to the poor market conditions," a finance ministry official said. The issue is understood to have been raised at an inter-ministerial consultation organised by the Department of Disinvestment (DoD) on Monday to discuss listing of subsidiaries of profitable public sector undertakings (PSUs). The 30-share sensitive Bombay Stock Exchange, Sensex, has fallen by 11.4 per cent in the last one year leading to many disinvestment issues being shelved in 2011-12.

The Financial Express - 11.04.2012

<http://www.financialexpress.com/news/psus-wait-out-choppy-mkts-before-floats/935128/>

Private companies, PSUs must hike public holding to 25% by August 2013: Sebi

Sebi today said that both public and private sector companies will have to increase public shareholding to a minimum of 25 per cent by August 2013 and there will be no relaxation of the guidelines. "Companies will have to see that public shareholding is 25 per cent as per the time-frame. As far as private listed companies are concerned, it is June 2013 and for the public sector firms it is August 2013," Sebi Chairman UK Sinha said.

There are 181 non-PSU firms that do not meet the minimum shareholding norms, he said, adding "around Rs 27,000 crore will have to be mobilised by June 2013. Sixteen PSUs will have to mobilise Rs 12,000 crore." On the revamping of Initial Public Offering (IPO) process, Sinha said, "entire process will be done in three-four months."

Economic Times - 13.04.2012

http://articles.economictimes.indiatimes.com/2012-04-13/news/31337389_1_consent-order-mimps-market-regulator

The President gave away the SCOPE Gold trophy to:

- ONGC for Environmental Excellence
- SAIL for Corporate Governance
- NTPC and THDC for Corporate Social Responsibility
- Indian Oil and BEL for R&D, Technology Development
- BHEL for Best practices in Human Resource Management
- PFC for best managed bank and financial institution
- NSFDC for best managed PSE setup under section 25.

Commendation certificates were given to:

- GAIL for Corporate Governance

Sector Day Celebrations organised jointly by Department of Public Enterprises (DPE) and Standing Conference of Public Enterprises (SCOPE).

The Hindu Business Line - 13.04.2012

http://www.thehindubusinessline.com/industry-and-economy/economy/article3311761.ece?ref=wl_industry-and-economy

Cos must get SCORES authentication before listing: SEBI

Companies can now list on the bourses only after they authenticate themselves on SEBI's complaint redressal system, SCORES. SEBI issued this mandate to exchanges on Friday evening. Stock exchanges have to comply with this SEBI mandate before granting listing approval to any company in the future.

With this, SEBI expects a reduction in the number of pending investors' complaints. SCORES is web-based grievance redressal system introduced by SEBI. It enables time-bound resolution of investor grievances by companies. SCORES has an online tracking facility for investors to monitor the status of their complaints.

The Hindu Business Line - 14.04.2012

<http://www.thehindubusinessline.com/markets/article3314401.ece?homepage=true>

India working 'proactively' to attract 1 bn tourists: Union tourism minister Subodh Kant Sahai

Describing India as a high potential tourist destination, Union tourism minister Subodh Kant Sahai today said the government is working 'proactively' to achieve the target of one billion tourist footfalls every year.

"India is a high potential tourist destination. We want to double the number of tourists coming here every year to about one billion," Sahai said at an hospitality event being organised here. Addressing Great India Travel Bazaar here, Sahai said tourism sector is top priority for the government of India. "At present India gets about 5.7 million tourists annually, we want to double that as a target in the current five year plan," Sahai said.

The Economic Times - 15.04.2012

<http://economictimes.indiatimes.com//articleshow/12679194.cms>

Travel Agents face closure threat with airlines demand for weekly-settlement

TAAI and TAFI have decided to join hands to chalk out a future action plan to fight against the

- HPCL for Corporate Social Responsibility & Responsiveness
- EIL for human resource management
- NBCFDC best Managed Bank, Financial Institution or Insurance Company under section 25.

Listing of profitable subsidiaries will help PSUs: Praful Patel

Listing of profitable subsidiaries of public sector units (PSUs) is "good" and will help in enhancing valuation, Minister for Heavy Industries and Public Enterprises Praful Patel has said. "If the subsidiaries are making profits, listing is good. This will also help in reducing dependence (of the subsidiary) on the main company," Patel told PTI.

Last week, the Department of Disinvestment (DoD) held inter-ministerial discussions on the possibility of listing profitable subsidiaries of central public sector enterprises (CPSEs) in the stock market. At present, the proposal is at an initial stage.

The Economic Times - 15.04.2012

http://articles.economictimes.indiatimes.com/2012-04-15/news/31345271_1_subsidiaries-praful-patel-listing

TAAI demands rollback in proposed service tax hike

Travel Agents Association of India today urged the government to rollback the proposed hike in service tax to 14% on air tickets announced in this year's budget. The association has also appealed the government to look into the issue of weekly settlement, which it feels will have a negative impact on the industry. "Earlier, there

was a cap of 12% service tax on tickets. But the budget has removed that cap and also has raised it to 14% on the ticket amount. We want a roll back of the service tax

on ticketing as this will negatively affect the travel industry," Travel Agents Associations of India (TAAI) President Iqbal Mulla told reporters here.

Moneycontrol - 11.04.2012

http://www.moneycontrol.com/news/business/taai-demands-rollback-proposed-service-tax-hike_691494.html

Tea output declines 11% over a year

India's tea production fell 11 per cent to 18.7 million kg in January, on account of a drop in output in major producing areas. Output of the

implementation of weekly-settlements, which is slated to come in to effect from June 1, 2012. TAAI called for a joint meeting with TAFI on April 11, 2012 in Mumbai to discuss how to resolve the weekly-settlement and the Service Tax issues, which are affecting the travel trade fraternity in a big way. "Once the weekly-settlement system is implemented, a large number of travel agents will be forced to shut shop," stated Iqbal Mulla, President, TAAI.

Travel Biz monitor - 12.04.2012

<http://www.travelbizmonitor.com/travel-agents-face-closure-threat-with-airlines-demand-for-weeklysettlement-16148>

Tea exports to Pak to double in 3 yrs

Adding yet another leaf to the story of improving ties between India and Pakistan, the tea associations of the two countries signed a memorandum of understanding (MoU) on Tuesday to double the export of Indian tea to the neighbouring country in the next three years. According to the MoU, India is set to export about 50 million kg of tea to Pakistan by 2015, which will see a rise of 108 per cent to the current 24 million kg. "This is the fourth delegation from the Pakistan Tea Association (PTA) to India since 1997, when the talks began. The last delegation visit was in 2007, when we agreed to import about 25 million kg to Pakistan. Now, we are confident that in the next three years, we will be able to import 50 million kg from India," said Mohammad Hanif Janoo, chairman of PTA, who led the 13-member delegation, the visit coincided with Pakistan President Asif Ali Zardari's trip and also the meeting of commerce ministers of both countries on Friday.

Business Standard - 11.04.2012

<http://www.business-standard.com/india/news/tea-exports-to-pak-to-double-in-3-yrs/470843/>

Container Corp of India: Dominant position to ensure a steady ride for company

It is by far the largest player in the container rail business and has the added advantage of high entry barriers. As containerisation of goods grows and the economy picks up, the company is sure to benefit.

A near monopoly in the rail transportation business, increasing containerisation of goods and a strong balance sheet make Container Corporation of India (Concor) an attractive investment opportunity for the long-term. Concor is the largest player in the container rail transportation with a market share of more than

brew was 20.9 million kg in January last year, Tea Board said. Production in Assam, which accounts for a little more than 50 per cent of the total output in north India, by the Board classification, fell sharply. In south India, the decline was on account of fall in production in Tamil Nadu, Kerala and Karnataka. Production in Assam declined 43 per cent to 1.96 million kg in January, from 3.4 million kg in the same month last year. However, production in West Bengal rose marginally to 2.99 million kg in January 2012 from 2.93 million kg in the same period last year.

Business Standard - 10.04.2012

<http://www.business-standard.com/india/news/tea-output-declines-11-overyear/470716/>

Russia seeks details of dilution in Indian tea speciality tag

Russia has sought detailed information from India on complaints over alleged dilution of the speciality tag for Darjeeling, Assam and Nilgiris teas. The speciality tag known as Geographical Indication (GI) is given to products made or originating from a specific region as recognition of its unique qualities attributable to that particular region.

Several Indian tea makers had lodged complaints against alleged dilution of GIs of Darjeeling, Assam and Nilgiris teas through "mixing of these teas with other varieties" in Russia. The issue was taken up at an India-Russia bilateral meeting on the sidelines of the recent BRICS Summit.

The Hindu Business Line - 10.04.2012

http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article3297202.ece?ref=wl_industry-and-economy

Indian Railways to sign MoU with German Railways

Indian Railways is likely to sign an MoU with German Railways soon to pave the way for participation of companies based in that country in rail infrastructure development. "Indian Railways and DBAG, German Railways had a Memorandum of Understanding (MoU) for cooperation from 2006 to 2009. A fresh MoU between the two Railways is presently also under finalization," Railway Minister Mukul Roy said at a meeting with a visiting German delegation here today.

The Economic Times - 10.04.2012

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/railways/indian->

75%. The company is a subsidiary of Indian Railways and pays freight charges to the parent for transporting containers through its rail network. It operates through a fleet of more than 240 rakes.

In addition, it has more than 60 inland container depots (ICDs) at strategic locations across the country. An ICD is a facility located in a land-locked area, which is used for cargo stuffing & de-stuffing, and temporary storage of export & import or EXIM-laden containers.

The Economic Times - 09.04.2012

<http://economictimes.indiatimes.com/features/investors-guide/container-corp-of-india-dominant-position-to-ensure-a-steady-ride-for-company/articleshow/12571931.cms>

[railways-to-sign-mou-with-german-railways/articleshow/12613694.cms](http://www.thehindubusinessline.com/industry-and-economy/article3304242.ece?ref=wl_opinion)

Yasmine Hilton to head Shell India

Mumbai-born Dr Yasmine Hilton will be the new face of Shell Companies in India from November 1. She will be the first woman to head an energy company in India. After 24 years, Mr Vikram Singh Mehta, Chairman, Shell Companies in India, is stepping down with effect from October 31. Mr Mehta, who turns 60 this October, has himself decided to relinquish the post.

The Hindu Business Line - 11.04.2012

http://www.thehindubusinessline.com/industry-and-economy/article3304242.ece?ref=wl_opinion