

(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 asks PSUs to put succession plans in place

Concerned over increasing number of PSUs becoming headless on account of poor succession plans, the government today said there is a need for better planning instead of finding a head at the eleventh hour.

"In most of the CPSEs, succession planning is poor. We invariably find a situation where on the last day when the CMD is retiring, we hand over the charge of the CPSE to the senior most executive in the company and it almost takes a year before the next person is actually given the charge," Heavy Industries and Public Enterprises Minister Praful Patel said. Speaking at SCOPE excellence awards for top-performing PSUs, he said, this is also not something which is desirable, specially in lieu of the fact that state-owned units account for 33% of India's total market capitalisation. Nearly a dozen central public sector entities do not have a full time Chairman and Managing Director (CMD) and in some cases, the post has been vacant for over a year.

These include country's top iron ore and miner NMDC, world's largest coal producer CIL, leading bullion giant MMTC, Nalco and SVJNL. On recent trend of not inducting people from the private sector on CPSEs board as independent directors, Patel said, it needs correction.

He said private sector initiatives should be welcomed in the management of CPSEs.

Business Standard - 31.01.2012

<http://business-standard.com/india/news/govt-asks-psus-to-put-succession-plans-in-place/156698/on>

New head for PSU officers body

National General Council of NCOA (National Confederation of Officers Association of central PSU's) held at Bangalore has re-elected Mr Ashok Rao as President and Mr Baby Thomas as Secretary General for a three year tenure. NCOA is the only national forum of officers of public sector enterprises having more than 3.5 lakh of executives in its fold.

The organisation is fighting against the

PSUs have major role in times of crisis: PM

Prime Minister Manmohan Singh has said that the public sector companies have to play a major role at a time when the country is facing a difficult global environment, and looking to domestic drivers of growth.

Singh who was speaking at SCOPE awards, lauded the efforts of 17 large state-run companies that have committed to investment plans amounting to 1,40,000 crore in the coming year.

"I would encourage the remaining central public sector units also to similarly pay attention to boosting the capital investments," he said, adding that the country needs huge amounts of investment, both public and private, particularly in the area of infrastructure.

Singh said that the PSU should step up their performance in mining and manufacturing sectors. "We must step up our performance in mining, particularly in the production of coal, petroleum and natural gas," he said.

Singh urged PSUs to embark upon ambitious plans of expansion to make the target of 12% to 14% growth in the manufacturing sector a reality.

The Economic Times - 01.02.2012

<http://economictimes.indiatimes.com/news/economy/indicators/psus-have-major-role-in-times-of-crisis-pm/articleshow/11707706.cms>

PSUs to invest Rs 1.40 lakh crore next year; PM wants more

As India looks at "domestic growth drivers" in a difficult global environment, 17 top PSUs will invest a whopping Rs 1,40,000 crore next year, Prime Minister Manmohan Singh said. Asking more investment from the state-owned firms, Singh said, "I would encourage the remaining central public sector units (CPSUs) also to similarly pay attention to boosting capital investment.

disinvestment process of PSU's and corruption in public sector. The Association is primarily for the welfare of PSE officers in the country negotiating for the welfare and wage related issues as well.

The Kerala chapter of NCOA has recently elected Mr Siby Michael (FACT) as President and Mr Anil Kumar G (ITI Ltd, Palakkad) as General Secretary. NCOA Kerala chapter represents officers of Cochin Shipyard Ltd, Hindustan Newsprint Ltd, FACT, HMT Ltd, Hindustan Insecticides Ltd and Indian Rare Earths Ltd.

The Council also registered distress and dissatisfaction over the Union Government's delay in bringing out suitable revival package for public sector units such as ITI Ltd and HMT, a release said.

The Hindu Business Line - 01.02.2012

http://www.thehindubusinessline.com/industry-and-economy/economy/article2851146.ece?ref=wl_industry-and-economy

PSUs: Govt policy drifts undermine their performance

Christened as Navratnas because of their towering economic strength, many of India's leading public sector firms have now been run into the ground with huge losses on their books. The government has destroyed its own assets with merciless indifference, allowing policy drift to undermine what were once considered its crown jewels.

Successive governments and ministers have delivered blow after body blow to these companies. But the last seven years of UPA have seen them hurtling from one crisis to another.

Business Today - 06.02.2012

<http://businesstoday.intoday.in/story/indias-leading-public-sector-firms-losses-policy/1/22173.html>

Logistics Industry may grow at 15-20% a year: Fitch Ratings

Fitch Ratings has come out with its outlook on Indian logistics industry. As per the rating agency the logistics industry is expected to grow at 15-20% a year to reach around USD350bn by 2015 from its current size of around USD80bn. Fitch Ratings believes third party logistic companies providing transportation and warehousing will show a slight increase in revenues, with operating profit margins remaining stable at current levels of 5-10% for transportation companies and 20-25% for warehousing companies.

Money Control - 31.01.2012

Giving away the SCOPE excellence awards to top-performing PSUs, the Prime Minister said, "I am extremely happy to learn that 17 of our largest CPSUs have committed to investment plans amounting to Rs 1,40,000 crore in the coming year". He also asked these firms, especially in the mining sector to scout for assets abroad for raw material security.

"Notwithstanding the difficulties, we must step up our performance in mining, especially in production of coal, oil and gas," Singh said, adding companies in the mining sector should "seriously explore opportunities for such acquisitions". The Union Cabinet recently approved a policy on acquisition of raw material abroad and the Indian missions have also been asked to chip in the strategic initiative.

The Times of India - 31.01.2012

<http://timesofindia.indiatimes.com/business/india-business/PSUs-to-invest-Rs-1-40-lakh-crore-next-year-PM-wants-more/articleshow/11701152.cms>

Budget 2012: Reforms-oriented budget to instil confidence among investors is sorely needed

Pre-budget consultations have commenced and it is time to address the challenges confronting our economy. While reviving growth momentum is the need of the hour, high inflation (albeit declining) and widening fiscal deficit have narrowed room for monetary and fiscal manoeuvrability. So, new avenues must be devised to augment investment without compromising on government's fiscal deficit which has the tendency to crowd out private investments and push up interest rates.

The Economic Times - 03.02.2012

http://articles.economictimes.indiatimes.com/2012-02-03/news/31021389_1_fiscal-deficit-foreign-investment-fiscal-responsibility

Heavy Industries Ministry for private experts on PSU boards

The Heavy Industries & Public Enterprises Ministry has pitched for resuming appointment of private sector professionals on the boards of public sector undertakings (PSU). It is also called for speedy appointment of PSU chairman.

The Hindu Business Line - 31.01.2012

<http://www.thehindubusinessline.com/industry-and-economy/government-and-policy/article2848157.ece>

http://www.moneycontrol.com/news/fitch-research/logistics-industry-may-grow-at-15-20year-fitch-ratings_659781.html

Procedural issues should not drag ICTT: Manmohan

Prime Minister Manmohan Singh on Tuesday instructed different departments to ensure that procedural issues did not come in the way of India's first International Container Transshipment Terminal (ICTT) at Vallarpadam, near the Kochi port, becoming a global cargo hub.

At a meeting of senior officials at the Prime Minister's Office (PMO), convened by his Principal Secretary, it was decided that the Department of Commerce and the Ministry of Shipping would make efforts to ensure that the first Container Freight Station (CFS) at the ICTT was operational by March 1, 2012, and the other three proposed CFSs were commissioned soon after that.

The Customs Department was asked to ensure that necessary arrangements were made in this regard.

The Hindu - 31.01.2012

<http://www.thehindu.com/news/national/article2848004.ece>

Industry road show to give tea FMCG colour

The tea industry, in a bid to eventually reach out to the domestic end-consumer, is planning to hold a road show that would enable it to establish direct contact with traders and retailers. The outreach programme, called India Tea Road Show, would be held in two phases across key markets. The move coincides with a repositioning of tea — from a commodity sold in bulk, mainly through auctions to a FMCG sold in packets with a distinct brand identity.

The Hindu - 31.01.2012

<http://www.thehindu.com/business/Industry/article2846904.ece>

More Indian tourists in South Africa: Tourism Minister

"South Africa is continuing to attract Indian tourists in great numbers, with 67 039 Indian tourists travelling to South Africa between January and September 2011, 29% more than over the same period in 2010," he said in Mumbai during a two-day visit to India, according to a statement

Zohra Chatterji assumes charge as Coal India CMD

Zohra Chatterji, the Additional Secretary in the Coal Ministry, today assumed additional charge of Chairman and Managing Director (CMD) of Coal India. Also, N Kumar Director Technical of Eastern Coalfields (CIL subsidiary) has been appointed as Director Technical, Coal India after the post fell vacant from today.

"Zohra Chatterji has assumed the charge of CMD with effect from February 1, 2012 in pursuance of office order of Ministry of Coal," CIL said in a filing to the BSE. Chatterji took over from N C Jha, who retired yesterday. Jha, Director (Technical) with the state-owned PSU had been given additional charge of CMD in March, 2011. Chatterji, a 1979 batch IAS officer of the Uttar Pradesh cadre, is also the government nominee director on the board of CIL. Chatterji is the first woman to become the CMD of CIL, the world's largest coal producer, which accounts for 80 per cent of domestic production of the dry fuel.

Economic Times - 01.02.2012

http://articles.economictimes.indiatimes.com/2012-02-01/news/31013039_1_coal-india-cmd-cil-n-c-jha

Sri Lanka's tea not diluted by drop in output

Even as Sri Lanka grossed more revenue over 2010, tea production dipped marginally in 2011, according to statistics released by brokers. In 2011, the production totalled 328.3 million kg against 331.4 mkg in 2010, said Forbers and Walker Tea Brokers. While high grown remained more or less static, mediums declined by 2.9 mkg and whole low grown gained a little. In 2011, Sri Lanka netted about \$1.5 billion.

The Hindu Business Line - 31.01.2012

http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article2848159.ece?ref=wl_industry-and-economy

Uncertainty looms over tourism projects

The fate of some of the multi-crore tourism projects signed amid much fanfare during the recent Partnership Summit 2012 organised by the Confederation of Indian Industry (CII) hangs in limbo, according to industry sources. The government succeeded in attracting

issued by his department.

Times Live - 31.01.2012

<http://www.timeslive.co.za/local/2012/01/31/more-indian-tourists-in-south-africa-tourism-minister>

investments worth Rs. 1,700 crore for 12 projects, including five major ones, involving investment in excess of Rs. 100 crore during the summit.

The Hindu - 01.02.2012

<http://www.thehindu.com/news/states/andhra-pradesh/article2848204.ece>