

(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.)

Recast corporate governance rules: Sebi

Market regulator Sebi on Friday released a consultative paper on corporate governance which proposes splitting of the post of chairman-cum-managing director, giving greater responsibilities and powers to independent directors. The regulator also pitched for aligning rules relating to listed entities along with the proposed Companies Bill that is awaiting Parliament's approval.

Among a slew of other proposals, the paper suggested that the appointment of independent directors should be only by minority shareholders, such directors should be formally trained to be on company boards and they should also be regularly evaluated for their performance.

The regulator has proposed separating the CMD position in a company mainly to avoid concentration of power with one person. This may lead to changes in the structure of a large number of Indian companies, mainly PSU and family-owned firms, where one person holds the position of chairman-cum-managing director (CMD), market players said.

The Times of India - 05.01.2013

<http://timesofindia.indiatimes.com/business/india-business/Recast-corporate-governance-rules-Sebi/articleshow/17892562.cms>

Sebi for tighter share buyback rule to make cos answerable

Companies which propose share buybacks merely to stabilize their sagging share price rather than for the stated purpose of improving shareholder value, may no longer find it easy to fool shareholders and the regulator.

The Securities and Exchange Board of India has proposed stringent rules for share buyback so that company managements are held to their word. Sebi has issued a discussion paper on its proposals and sought public feedback by January 31.

Moneycontrol.com - 02.01.2013

http://www.moneycontrol.com/news/market-news/sebi-for-tighter-share-buyback-rule-so-cos-dont-fool-shareholders_802624.html

Govt unveils norms for independent PSU directors

The government has come up with a set of guidelines for independent directors on boards of public sector units, defining their roles and responsibilities aimed at improving corporate governance in state-owned companies. Earlier, the department of public enterprises (DPE) had not defined these norms for non-official directors appointed on boards of central public sector enterprises (CPSEs). "This is the first time that role and responsibilities of independent directors for CPSEs have been defined. This is an improvement in respect to corporate governance and to advise independent directors to play their role more effectively," DPE Secretary O P Rawat said.

Under the norms, non-official directors should have a candid view of the faults or shortcomings of company's plans and accordingly suggest measures for improvement, he added. However, these guidelines would be reviewed in light of experiences gained and brought in line with the relevant provisions once the companies law comes into effect.

Business Standard - 02.01.2013

<http://www.business-standard.com/india/news/govt-unveils-norms-for-independent-psu-directors/497452/>

After months, investors are finally willing to invest in PSU stocks: Shashank Khade

After a long time, people invested in government stocks. After a long time, you have seen a change in mindset of investors, willing to invest in stocks like NMDC. It is not a question of how much money did they make but of whether people are willing to invest in these companies at all. That is a big change.

The Economic Times - 04.01.2013

<http://economictimes.indiatimes.com/markets/stocks/views/recommendations/after-months-investors-are-finally-willing-to-invest-in-psu-stocks-shashank-khade/articleshow/17882050.cms>

India's eco growth may not cross 6% in FY'13: Assocham

India's economic growth is unlikely to cross 6 per cent during the current fiscal due to the global uncertainties, an Assocham report today said. The chamber said that its report on the 2013 "economic situation does not see India's growth exceeding six per cent in the current fiscal, it may not exceed 6.2-6.5 per cent even in the FY'14".

Financial Express - 01.01.2013

<http://www.financialexpress.com/news/indias-eco-growth-may-not-cross-6-in-fy13-assocham/1052967>

Govt plans online travel planner to attract foreign travelers

New Delhi: The government wants to upgrade the "Incredible India!" website run by the tourism ministry to make it a one-stop shop for overseas visitors as part of efforts to double foreign tourist arrivals to about 12 million by 2016.

The website makeover will allow users to prepare itineraries from scratch, said tourism ministry officials on condition of anonymity. Prospective travellers will also be able to book tickets and find out more about destinations on the website.

Mint - 02.01.2013

<http://www.livemint.com/Politics/zs2GHJxUbV801hcRiICLYM/Govt-plans-online-travel-planner-to-attract-foreign-travelle.html>

Travel industry creates more jobs than mining, real estate industries in USA in 2012

David Huether, Senior Vice President of Economics and Research at the U.S. Travel Association has given an analysis of the Labor Department report on December 2012 employment numbers.

"After consistently adding jobs during the prior 12 months, travel industry employment edged down in December, falling by 2,900 jobs. However, one month does not make a trend and the travel industry remains a significant job creator for our nation's economy, adding 81,000 jobs in 2012."

Travel Biz Monitor - 06.01.2013

<http://www.travelbizmonitor.com/travel-industry-creates-more-jobs-than-mining-real-estate-industries-in-usa-in-2012-18962>

ONGC, RIL top list of potential CSR leaders

BSE 500 firms will be required to spend over Rs

India Inc upbeat on 2013 prospects

Corporate India hopes to put behind it the economic woes of 2012 and ring in the New Year with optimism. The challenges remain, but industry sees positive signs on the horizon.

"As we welcome the New Year, the outlook for most economies is brightening," says Kumar Mangalam Birla, Chairman, Aditya Birla Group.

The Hindu Business Line - 31.12.2012

http://www.thehindubusinessline.com/companies/india-inc-upbeat-on-2013-prospects/article4259628.ece?homepage=true&ref=wl_home

Foreign tourist arrivals grew 6% y-o-y

Foreign tourist arrivals in India till November in 2012 grew by 6 per cent according to Ministry of Tourism estimates.

The Ministry said despite negative signals from the global economy, the number of foreign tourist arrivals in the country in 2012 (up to November) showed an increase of about six per cent over the same period of 2011.

"During the period January-November 2012, 58.99 lakh tourists visited India against 55.72 lakh in 2011," the Ministry said.

The Hindu Business Line - 31.12.2012

<http://www.thehindubusinessline.com/news/travel/foreign-tourist-arrivals-grew-6-yoy/article4259132.ece>

Delhi-NCR logistics industry performs well despite temporary slump in economy

The logistics industry is in for good times. In spite of the temporary slump in the economy, huge investments in infrastructure, rise in domestic consumption and retail markets, and the potential growth offered by the manufacturing sector promises huge opportunities for the logistics industry in the NCR.

The size of this industry in the country has been estimated to be worth US \$80- \$100 billion. And players say that it has shown a growth at around 15 per cent CAGR in the last few years.

The Economic Times - 05.01.2013

http://articles.economictimes.indiatimes.com/2013-01-05/news/36161689_1_ncr-logistics-companies-logistics-industry

Don't treat CSR as an additional tax: Govt to companies

6,750 crore in the first year itself

Top listed firms will have to shell out hundreds of crores each in social sector initiatives if the new companies bill takes effect. The bill has been passed by Lok Sabha and is likely to be tabled in Rajya Sabha in the Budget Session. Officials are targeting the beginning of the new financial year (April 1, 2013) as the effective date for the new Act.

According to clause 135 of the bill, "Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year" shall make "every endeavour to ensure that the company spends, in every financial year, at least two% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy."

Business Standard - 02.01.2013

<http://www.business-standard.com/india/news/ongc-ril-top-listpotential-csr-leaders/201302/on>

Government wants the companies to have enough elbow room in deciding their CSR activities without the fear of it being seen as a "big brother" watching over them, but these spendings should not be treated as an additional tax, Corporate Affairs Minister Sachin Pilot has said.

At the same time, the Ministry would take up the matter with Finance Ministry to see whether the companies can get tax benefits for their CSR (Corporate Social Responsibility) spendings, Pilot said.

The new Companies Bill proposes that certain companies would need to spend two per cent of profits on CSR activities, unless they have a reasonable reason for not doing so.

Expecting "zero non-compliance" by the companies on this front, Pilot said that the government wants to leave it open-ended for the corporates to decide on ways in which they want to conduct their CSR activities.

Financial Express - 02.01.2013

<http://www.financialexpress.com/news/dont-treat-csr-as-an-additional-tax-govt-to-companies/1053374>