

(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.)

Select companies for disinvestment from well-performing sectors: government official

Disinvestment candidates should be selected from sectors which are performing well in stock markets and stake sale in PSUs should not be just for fund raising, a top government functionary said today.

"I think we should look at sectoral performance (of PSUs) and some sectors are doing well on stock markets," he said.

Stating the example of stake sale in NMDC, he said the company did well in terms of disinvestment because it is a resource firm and also a sought-after scrip on stock exchanges compared to some other PSUs operating in sectors like capital goods.

The NMDC's 10 per cent stake sale was oversubscribed 1.73 times in December, fetching the exchequer Rs. 6,000 crore on good participation from FIIs and state-run insurer LIC.

NDTV Profit - 09.01.2013

<http://profit.ndtv.com/news/market/article-select-companies-for-disinvestment-from-well-performing-sectors-government-official-315821>

Govt to infuse Rs 12,200 cr in banks; will sell 10% in EIL

The Cabinet Committee on Economic Affairs (CCEA) today cleared the proposal to infuse Rs 12,200 crore in public sector banks. Speaking to the press after the meet, finance minister P Chidambaram said around 9-10 banks are likely to be recapitalised. PSU banks are plagued by rising non-performing assets (NPA) and write-offs.

Chidambaram said the combined injection of capital would not exceed the Rs 15,000 crore provisioned in the budget for the fiscal year ending 2013, which is short of the banks' requirements. Banks like Union Bank of India were gunning for Rs 1,500 crore recapitalisation.

The CCEA also cleared 10 percent disinvestment in Engineers India. The government currently holds 80.50 percent stake in EIL. This divestment is part

Disinvestment in Oil India, NTPC soon: DK Mittal

Govt plans to offload 10% stake in Oil India and 9.5% in NTPC

The government is likely to come out with 10% stake sale offer of Oil India in the second fortnight of this month, followed by NTPC's issue in the first 14 days of February, a Finance Ministry official said today.

"We will come out with Oil India issue in the second fortnight of January and in the first fortnight of February NTPC will hit the markets," Disinvestment Secretary DK Mittal told reporters here.

As part of the its Rs 30,000-crore disinvestment target for this fiscal, the government plans to divest 10% stake in Oil India, which could fetch around Rs 2,700 crore at the prevailing market price.

Besides, a 9.5% stake sale in NTPC could reap over Rs 12,000 crore for the exchequer. The government proposes to divest 9.5% stake in NTPC via Offer for Sale (auction) route.

Business Standard - 07.01.2013

<http://business-standard.com/india/news/disinvestment-in-oil-india-ntpc-soon-dk-mittal/201817/on>

Govt approves 14 FDI proposals worth over Rs 1,300 cr

The government today said it has approved 14 FDI proposals worth about Rs 1,311 crore including that of Hindustan Port Ltd.

"Based on the recommendations of FIPB in its meeting held on December 21, government has approved 14 proposals of foreign direct investment amounting to Rs 1,310.60 crore approximately," the Finance Ministry said in a statement. The proposal of Mumbai-based Hindustan Port Ltd to induct foreign funds worth Rs 440 crore for investment in downstream companies was among those cleared by FIPB.

The Foreign Investment Promotion Board, headed by Economic Affairs Secretary Arvind Mayaram, has also allowed pharma firm

of government aim to raise Rs 30,000 crore from share sales in state-run companies in fiscal year 13. Thus far, it has managed to garner just under 25 per cent of that target.

Moneycontrol.com - 10.01.2013

http://www.moneycontrol.com/news/business/govt-to-infuse-rs-12200-crbanks-will-sell-10eil_805978.html

PSU stake sale every fortnight; to achieve Rs 30k cr target

Working against time to achieve Rs 30,000 crore disinvestment target, the government has decided to come out every fortnight with one PSU public issue, beginning with Oil India. "We are planning Oil India stake sale this month. From February onwards there will be one issue every fortnight and in March it could be every week," a senior finance ministry official said.

As per the roadmap worked out by the disinvestment department, disinvestment in OIL will happen in January, followed by NTPC, NALCO in February and MMTC, SAIL, EIL and Rashtriya Chemical and Fertilisers in March. On the possibility of government achieving the Rs 30,000 crore target, the official said that in case the government is able to sale its equity in SAIL the target would be met. However, he added, Rs 25,000 crore will still come if the government fails to offload its minority stake in steel major SAIL.

Moneycontrol.com - 14.01.2013

http://www.moneycontrol.com/news/business/psu-stake-sale-every-fortnight-to-achieve-rs-30k-cr-target_807234.html

Govt to fill senior level slots in 19 PSUs

The government is looking to fill board level positions in at least 19 public sector companies, including the top posts for six entities such as Scooters India, Nalco and Rashtriya Ispat Nigam Ltd (RINL).

The Public Enterprises Selection Board (PESB), which advises and helps government in selection of board members at public sector firms, is in the process of screening applications for these positions, a number of which have already fallen vacant.

The positions for which PESB has sought applications include the Chairman and Managing Director for at least four companies: Bharat Electronics, Nalco, RINL and Scooters India.

Besides, the applications have been invited for the position of Managing Director at two companies: Biecco Lawrie Ltd (BLL) and North Eastern Regional Agricultural Marketing Corp Ltd (NERAMAC).

Aanhaneya Lifecare to raise funds worth Rs 405 crore through issue of foreign currency convertible bonds.

Business Standard - 11.01.2013

<http://business-standard.com/india/news/govt-approves-14-fdi-proposals-worth-over-rs-1300-cr/202390/on>

Govt set to go ahead with OIL disinvestment this month

The stage has been set for 10 per cent promoter's stake sale offer of Oil India Ltd (OIL) sometime this month. Though the investor response has been enthusiastic, there are concerns on the uncertainty in Government's subsidy policy.

As part of the Rs 30,000-crore disinvestment target for this fiscal, the Government proposes to divest 10 per cent stake in Oil India. This is expected to fetch around Rs 2,700 crore at the prevailing market price. For the stake sale Oil India is also targeting foreign investors.

At present, the Government of India, as the promoter, holds 78.43 per cent of the total issued and paid-up capital of the company. The balance 21.57 per cent of the equity capital is held by others.

Hindu Business Line - 13.01.2013

<http://www.thehindubusinessline.com/industry-and-economy/govt-set-to-go-ahead-with-oil-disinvestment-this-month/article4304816.ece>

Barclays sees India's GDP growth rate at 6.6% in FY'14

India's economy is likely to grow at 6.6 per cent in the next financial year (FY14) on the back of expected monetary easing by the Reserve Bank, coupled with possible policy initiatives by the Government, Barclays has said in a report.

"More accommodative monetary policy and government policy initiatives should help some recovery in growth in FY14. The likely absence of headwinds from weather aberrations (such as in 2012) should help agriculture and consumption demand, while industrial growth will enjoy favourable base effects. Accordingly, we expect GDP growth to reach 6.6 per cent in FY14 from (estimated) 5.6 per cent in FY13," according to the report released today.

It, however, added that growth of Asia's third largest economy would stay below its historical averages. "We would view it as a move towards normalisation of economic activities

In addition, the PESB has also initiated the process for filling Director-level positions at a number of other companies such as BHEL, NTPC BSNL, RITES, Mahanadi Coalfields Ltd, Eastern Coalfields Ltd, Moil Ltd, ITI Ltd and Oil India.

Economic Times - 13.01.2013

http://articles.economictimes.indiatimes.com/2013-01-13/news/36311334_1_pesb-scooters-india-applications

Govt considers Vijay Kelkar Committee report; diesel, LPG prices may be hiked

Diesel, kerosene and cooking gas LPG prices may be hiked soon as the government considers Vijay Kelkar Committee recommendations on cutting fiscal deficit.

The Kelkar Committee, which was appointed by Finance Ministry to suggest a roadmap for fiscal consolidation, has suggested immediate hike in fuel prices and complete deregulation of diesel prices by start of 2014-15 fiscal. It also suggested raising kerosene and LPG rates.

"That (Vijay Kelkar committee recommendation on deregulating diesel and raising kerosene and LPG rates) is a proposal. It is still at proposal stage. The (Petroleum) Ministry is only processing that report and we are yet to take a decision," Oil Minister M Veerappa Moily told reporters here.

Financial Express - 04.01.2013

<http://www.financialexpress.com/news/govt-considers-vijay-kelkar-committee-report-diesel-lpg-prices-may-be-hiked/1054585>

Govt not worried about downgrade, will contain deficit: FinMin

The Finance Ministry today said it is not worried about the threat of ratings downgrade by global agencies like Fitch as it is moving on the right track and will restrict fiscal deficit to 5.3% of the GDP in 2012-13.

"We are not worried. We have been saying we are on right track. But people still distrust us and ask whether we will be able to achieve fiscal deficit target... We will adhere to fiscal consolidation roadmap", Department of Economic Affairs (DEA) Secretary Arvind Mayaram told PTI, when asked about the threat of rating agencies like Fitch to downgrade the country's rating.

The government has taken a number of steps to restrict the fiscal deficit to 5.3% of the GDP during the financial year, he said, adding that the process would continue in the subsequent years as well.

In view of rising expenditure and subdued growth in revenue collection, the Finance Ministry has

rather than as a sharp turnaround in growth momentum."

Economic Times - 10.01.2013

http://articles.economictimes.indiatimes.com/2013-01-10/news/36258443_1_gdp-growth-fiscal-deficit-india-s-gdp

Fitch renews warning on India's outlook; rupee falls

Fitch Ratings reiterated on Tuesday its "negative" outlook on India's sovereign credit rating, citing concerns about slowing economic growth, persistent inflationary pressures and an uncertain fiscal outlook.

The comments from Fitch sovereign analyst Art Woo sent the rupee lower, reinforcing worries that India is still at risk of losing its investment-grade rating from the credit agency.

Although Woo described India's fiscal and economic reforms last year as a "step in the right direction," he also expressed concern that the government would miss its fiscal deficit target for the year, while saying the structural reform process was "sluggish."

Moneycontrol - 08.12.2013

<http://www.moneycontrol.com/news/economy/fitch-renews-warningindias-outlook-rupee-falls-804808.html>

PSUs to meet minimum public holding requirement deadline: Sinha

The government has assured Sebi that listed public sector undertakings will meet the August 2013 deadline to meet the capital markets regulator's mandatory public shareholding norms, Sebi Chief UK Sinha said on Wednesday.

"I am happy to inform that we have received confirmation from government that it will abide by public shareholding guidelines within the timeframe," Sinha said at a conference organised by industry body Assocham. According to Sinha, the promoter holding in Indian companies is very high as compared to other Asian markets and Sebi took up the matter with the government as it feels that the PSUs should also follow the rules, Sinha said.

Under the norms, privately promoted companies are expected to have a public shareholding of 25% by June 2013, while the same for the state-run listed companies has

already raised the fiscal deficit target to a more acceptable level of 5.3% of Gross Domestic Product (GDP), as against 5.1% estimated earlier.

Business Standard - 08.01.2013

<http://business-standard.com/india/news/govt-not-worried-about-downgrade-will-contain-deficit-finmin/201961/on>

GDP: India to grow at 6.7% in 2013-14, says CRISIL Research

CRISIL Research, India's largest independent and integrated research house, predicts that India's GDP will grow at a higher rate of 6.7 per cent in 2013-14 in comparison to 5.5 per cent estimated for the current fiscal due to a revival in consumption. A pick-up in agriculture, predicated on a normal monsoon, lower interest rates and higher government spending will support private consumption demand. The improved agricultural output, along with a stronger rupee and lower crude oil prices will also help in reducing Wholesale Price Inflation (WPI) to around 7 per cent from 7.7 per cent projected for 2012-13.

Moneycontrol.com - 09.01.2013

http://www.moneycontrol.com/news/crisil-research/gdp-india-to-grow-at-672013-14-says-crisil-research_805596.html

PSEs: There should be a transparent policy in place, says Maira

Planning commission member Arun Maira has cautioned more public outcry in light of the recent mistrust in governance in implementing transparent policies and good corporate governance norms. At an ASSOCHAM event, Maira said, Public Sector Enterprises (PSEs) should create role model in best use of the available land with them, spending of 2% of profits on Corporate Social Responsibility (CSR) and bringing public first in their contractual agreements for public private partnership (PPP).

Myiris - 09.01.2013

<http://www.myiris.com/newsCentre/storyShow.php?fileR=20130109161159718&dir=2013/01/09>

Extra airport development fee to be refunded

The aviation ministry has directed airlines to refund the excess airport development fee to passengers flying from Delhi who booked at the older rates but will be travelling after January 1 when lower rates came in force. The earlier ADF of Rs 200 and Rs 1,300 for each outbound domestic and international passenger from Delhi airport has been lowered to Rs 100 and Rs 600 in the new year.

The Times of India - 11.01.2013

<http://timesofindia.indiatimes.com/india/Extra-airport-development-fee-to-be->

been relaxed to 10%, which has to be met by August 2013, Sinha said.

Business Standard - 09.01.2013

<http://www.business-standard.com/india/news/psus-to-meet-minimum-public-holding-requirement-deadline-sinha/202166/on>

India can achieve complete energy independence by 2030: Oil Minister Veerappa Moily

India must strive for complete energy independence by 2030, which is very much possible, Oil Minister Veerappa Moily said.

"I am already working for preparation of a detailed road map having well defined action plan to achieve the above target in a way that the import dependence is reduced by 50% by 2020, 75% by 2025 and 100% by 2030," he said at an industry meeting on Friday.

Economic Times - 04.01.2013

http://articles.economictimes.indiatimes.com/2013-01-04/news/36148822_1_natural-gas-mmscmd-rlng

Centre to give big push for tourism in north east

Public concerns over safety and lack of promotion has kept north eastern states out of average tourists' radar but things could change soon with the central government stepping up efforts. The tourism ministry is giving a push to tourism in the region inviting tourism ministers from South East Asia and over hundred tour operators from India and abroad for a travel mart at Guwahati next week.

Business Standard - 09.01.2013

<http://www.business-standard.com/india/news/centre-to-give-big-push-for-tourism-in-north-east/202115/on>

SpiceJet unleashes fare war with cheaper tickets

SpiceJet Ltd, India's second largest budget airline, on Friday cut ticket prices by more than half for travel between February and April in a move that forced its rivals to follow suit. IndiGo, run by InterGlobe Aviation Pvt. Ltd and the country's largest low-fare airline, and Go Airlines (India) Ltd's GoAir reacted to the move announced on Friday morning by matching the fare cuts. IndiGo, however, seemed to have rolled back the sale by the evening.

Mint - 11.01.2013

<http://www.livemint.com/Companies/T0cpoIXM>

refunded/articleshow/17977521.cms

Sharp drop in foreign tourist inflow growth in 2012

Foreign tourist inflow into India declined sharply in 2012, registering just five per cent growth, an eight per cent drop from 13 per cent in 2011, due to the ongoing slowdown in source markets abroad. Important source markets for inbound tourism such as Europe, the US and the UK have been reeling under slowdown pressures, thereby bringing down tourism.

Business Standard - 09.01.2013

<http://business-standard.com/india/news/sharp-drop-in-foreign-tourist-inflow-growth-in-2012/498268/>

Demand for container depot at Attari as boom in trade is expected

Hopeful of trade flourishing between India and Pakistan through the Attari-Wagah border in Punjab, customs officials have sought an Inland Container Depot (ICD) or a Container Freight Station (CFS) near the border town of Amritsar. "We have written to the Central Board of Excise and Customs [CBEC] and suggested the setting up of a dry port somewhere near the Integrated Check Post [ICP] at Attari. They are expected to take up the matter with the Commerce Ministry soon," said K.K. Sharma, Customs Commissioner, Amritsar.

The Hindu - 11.01.2013

<http://www.thehindu.com/news/national/demand-for-container-depot-at-attari-as-boom-in-trade-is-expected/article4295387.ece>

2uw4UEDyDyy7MN/SpiceJet-unleashes-fare-war-with-cheaper-tickets-IndiGo-fol.html

Railway fares hiked for first time in 10 years; increase across all classes

Ahead of the rail budget for 2013, Railway Minister Pawan Kumar Bansal on Wednesday announced a fare hike with effect from January 21-22 midnight. Addressing a press conference Bansal said that having hiked the railway fares now, the government will not increase the tariff in the budget.

The Economic Times - 09.01.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/railways/railway-fares-hiked-for-first-time-in-10-years-increase-across-all-classes/articleshow/17953423.cms>

Indian economy is not set to see the good times this year

The year began on a disturbing note.. Data released showed two low points — both fiscal and current account deficits — at worrisome levels. True, these numbers were not unexpected. However, the bigger concern is that even now there is very little that the government has to offer in terms of solutions. It is true that these core macro imbalances have no short-term answers. However, there is hardly any vision on statements coming from policymakers. For example, the high level of twin deficits triggered talks of raising import duties on gold.

The Economic Times - 10.01.2013

<http://economictimes.indiatimes.com/opinion/comments-analysis/indian-economy-is-not-set-to-see-the-good-times-this-year/articleshow/17960944.cms>