

(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.)

## **Government says steps taken to narrow current account deficit**

The government today said it has taken several steps to narrow the current account deficit (CAD), which touched a record high of 4.8 per cent of GDP in 2012-13 mainly due to high petroleum product and gold imports. In a written reply in the Rajya Sabha, Minister of State for Finance Namo Narain Meena said the high CAD mainly reflected widening of the trade deficit on account of subdued external demand and relatively inelastic imports of petroleum, oil, lubricants, gold, silver and lower invisible surplus.

"The government has taken a slew of initiatives to boost exports and reduce imports to lower trade deficit and thereby CAD, and also to encourage capital flows to facilitate the financing of CAD," he said. In absolute terms, the CAD in 2012-13 was USD 88.2 billion, compared with USD 78.2 billion in the previous financial year.

*The Economic Times - 06.08.2013*

<http://economictimes.indiatimes.com/news/economy/finance/government-says-steps-taken-to-narrow-current-account-deficit/articleshow/21649042.cms>

## **Rupee seen gaining this week on new RBI measures; government steps eyed**

The rupee is likely to get some reprieve this week as the Reserve Bank will be sucking more money out of the system beginning this Monday and the government promising more steps to woo foreign inflows to help partly fill the large current account gap. The rupee is expected to inch up to 60 or even higher against the dollar this week, said many treasury officials. "The rupee will be appreciating after the new measures (to sell Rs 22,000 crore worth of cash management bills every Monday) announced by the Reserve Bank," Jayesh Mehta, managing director and country treasurer for global markets group at Bank of America-Merrill Lynch told PTI.

Echoing similar sentiment, a StanChart treasury official said the proposed government measures as well the latest RBI steps will send in a strong signal to the market, which will help prop the battered rupee.

*The Economic Times - 11.08.2013*

## **FinMin working on additional steps to contain rupee fall**

Worried over the widening current account deficit (CAD) and the sliding rupee, Finance Minister P Chidambaram today held a series of meetings with top officials to firm up additional steps to support the currency. The measures could include further relaxation of external commercial borrowing (ECB) norms for state-owned companies, curbs on import of non-essential goods and encouragement to exports, sources said.

Chidambaram also held deliberations with Commerce Secretary S R Rao. The Ministry, according to sources, is likely to announce additional steps soon to contain CAD and check volatility in the forex market. Chidambaram had earlier said the government would be looking at "some compression in non-oil and non-gold imports, especially of non-essential goods."

*The Economic Times - 09.08.2013*

<http://economictimes.indiatimes.com/news/economy/policy/finmin-working-on-additional-steps-to-contain-rupee-fall/articleshow/21727571.cms>

## **Leveraging PSU balance sheets may prove a zero-sum game for govt**

Finance Minister P Chidambaram last week said financially-strong public-sector undertakings (PSUs) could be asked to raise funds abroad. Leveraging the balance sheets of non-financial PSUs by up to 50 per cent of their net worth is estimated to raise about \$30 billion (Rs 1,80,000 crore) — close to a fifth of the combined market capitalisation of top non-financial state-run companies in July. However, experts do not seem to be convinced with the idea of such a move.

"Raising \$25-30 billion through PSUs won't be a problem, given the size and financial strength of large ones. But the question is, why will you do that and what will the PSUs do with the funds so raised?" asks India Ratings Director (Ratings) Deep Narayan Mukherjee. He says the biggest issue will be transmission of the fund to PSU banks, which are in need of fresh capital.

<http://economictimes.indiatimes.com/markets/for-ex/rupee-seen-gaining-this-week-on-new-rbi-measures-government-steps-eyed/articleshow/21757443.cms>

## **Blue-chip PSUs may get nod to raise funds abroad**

In an attempt to finance the ballooning current account deficit (CAD), the finance ministry is planning to ask state-owned companies, namely ONGC, IOC, GAIL, HPCL, BPCL and SAIL, to raise money abroad through long-term bonds backed by sovereign guarantee to the bond issuer. Working out an action plan to fund the CAD, finance minister P Chidambaram last week said, "We will ask some public sector companies to raise money abroad". Sources told FE that apart from these blue-chip PSUs, the finance ministry is likely to allow state finance companies, such as IIFCL, PFC and IRFC, to raise money through long-term bonds. The option to allow public sector banks is also on the table. Although the government has not decided how much each of these companies will raise, it has kept the target at \$20 billion through a combination of these bonds.

*Financial Express - 06.08.2013*

<http://www.financialexpress.com/news/bluechip-psus-may-get-nod-to-raise-funds-abroad/1151533>

## **State-run firms meet public float requirement**

All public sector undertakings (PSUs) met the 10 per cent minimum public shareholding (MPS) requirement by Thursday, the deadline for doing so. Till about two months ago, the feat looked daunting with as many as 12 PSUs remaining non-compliant. However, by selling shares at sharp discounts and with help from the Securities and Exchange Board of India (Sebi), the government has ensured compliance for all PSUs. According to sources, Sebi has taken note of compliance with Clause 40A of the listing agreement (MPS norm) by all PSUs and won't pass any order against these as it did in the case of non-compliant private companies. The Centre sold shares in four companies last week, while it got Sebi's relaxation for five other ailing PSUs.

*Business Standard - 05.08.2013*

[http://www.business-standard.com/article/markets/state-run-firms-meet-public-float-requirement-113080801038\\_1.html](http://www.business-standard.com/article/markets/state-run-firms-meet-public-float-requirement-113080801038_1.html)

## **CAG says 20 PSUs paid Rs 414 cr in irregular leave encashment**

Deviating from norms, about 20 central PSUs,

*Business Standard - 07.08.2013*

[http://www.business-standard.com/article/economy-policy/leveraging-psu-balance-sheets-may-prove-a-zero-sum-game-for-govt-113080601071\\_1.html](http://www.business-standard.com/article/economy-policy/leveraging-psu-balance-sheets-may-prove-a-zero-sum-game-for-govt-113080601071_1.html)

## **Audit overhang prompts PSUs to go slow on forex hedging**

Despite the worrying depreciation in the value of rupee, domestic firms with sizeable forex exposures continue to display an almost stubborn reluctance to hedge their foreign exchange risks. One reason is that companies, especially mid-level private firms, do not want to lose out to competition in the future because their portfolios are aggressively hedged or miss out on the opportunity of locking in profits on their foreign exchange exposures, something that is particularly true of companies dealing with commodities and those in the IT/ITeS sectors. Apart from the fact that hedging requires expertise, it is also expensive and the advantage of the dollar loan is gone if companies cover their exposure to the greenback.

*Indian Express - 07.08.2013*

<http://www.indianexpress.com/news/audit-overhang-prompts-psus-to-go-slow-on-forex-hedging/1152113/>

## **Government approves revival of 44 Central Public Sector Enterprises**

The government has approved revival of 44 Central Public Sector Enterprises (CPSEs) with a total assistance of Rs 28,333 crore as on July 31, 2013, Parliament was informed today. "On the recommendations of the Board for Reconstruction of Public Sector Enterprises (BRPSE), the government has approved revival of 44 CPSEs as on July, 31, 2013 envisaging a total assistance of Rs 28,333 crore," Minister of Heavy Industries and Public Enterprises Praful Patel said in a written reply to the Lok Sabha. Of the total assistance, cash-assistance was to the tune of Rs 5,273 crore in the form of infusion of funds and non-cash assistance of Rs 23,060 crore in the form of waivers/write-offs of interest/loans and conversion of loans into equity, he added.

*The Economic Times - 08.08.2013*

[http://articles.economictimes.indiatimes.com/2013-08-08/news/41202308\\_1\\_cpses-central-public-sector-enterprises-non-cash-assistance](http://articles.economictimes.indiatimes.com/2013-08-08/news/41202308_1_cpses-central-public-sector-enterprises-non-cash-assistance)

## **Effective CSR spending needs a mindset change in top management: Praful Patel**

including BHEL, NMDC and Hindustan Petroleum, made irregular payments of about Rs 414 crore to employees towards leave encashment, the CAG said today.

"Encashment of half-pay leave/sick leave in deviation from Department of Public Enterprises guidelines resulted in irregular payment of Rs 413.98 crore from January 2007 to November 2012," the Comptroller and Auditor General (CAG) of India said in a report tabled in Parliament.

*Economic Times - 08.08.2013*

[http://articles.economictimes.indiatimes.com/2013-08-08/news/41202033\\_1\\_encashment-psus-auditor-general](http://articles.economictimes.indiatimes.com/2013-08-08/news/41202033_1_encashment-psus-auditor-general)

### **Sri Lanka opens expanded port to take large ships**

Sri Lanka marked the opening of its expanded Colombo port Monday, a \$400 million project that aims to transform the Indian Ocean island into a regional trading hub by allowing a new, bigger generation of cargo vessels to dock. The project will enable the port to double its current capacity by accepting mega-cargo ships that hold as many as 18,000 shipping containers to enter the port, helping to reduce freight rates and making Sri Lanka a more attractive port of call.

*New Indian Express - 05.08.2013*

<http://newindianexpress.com/world/Sri-Lanka-opens-expanded-port-to-take-large-ships/2013/08/05/article1719745.ece>

### **India poised for giant role in aerospace, aviation**

India, which today stands 9th in aviation and aerospace, in both defence and civil, would in the next five years become the fifth biggest. This is based on the fact that the Indian aviation sector could see the purchase of 1,200 to 1,400 aircraft in the next few years. As of now defence is the biggest importer, with \$100 billion worth of imports

*Business Standard - 05.08.2013*

[http://www.business-standard.com/article/economy-policy/india-poised-for-giant-role-in-aerospace-aviation-113080501296\\_1.html](http://www.business-standard.com/article/economy-policy/india-poised-for-giant-role-in-aerospace-aviation-113080501296_1.html)

### **TourinfoLine.Com Announces Its Official Launch**

TourinfoLine.com, a travel website for traveller community, has announced its official launch. The website will provide you exclusive travel deals and offers throughout the year. TourinfoLine.com is like a search engine for travellers looking for holiday information. The website empowers

Spending on CSR activities by central undertakings was mandatory since 2010. The passage of Companies Bill is expected to give further boost for public and private companies for effective spending on CSR.

In an exclusive interview with Sanjay Jog, Union Minister for Heavy Industries & Public Enterprises Praful Patel speaks at length on the issue.

*Business Standard - 12.08.2013*

[http://www.business-standard.com/article/economy-policy/effective-csr-spending-needs-a-mindset-change-in-top-management-praful-patel-113081100308\\_1.html](http://www.business-standard.com/article/economy-policy/effective-csr-spending-needs-a-mindset-change-in-top-management-praful-patel-113081100308_1.html)

### **Current business conditions support growth in air travel: IATA**

Worldwide airline share prices rose 3% in July, but underperformed the broader market on weakness in Asia Pacific. Initial second quarter financial results show solid improvement in profits across all regions, most significantly in North America, the International Air Transport Association (IATA) said. Jet fuel prices climbed back above USD 120/bbl in July as a result of temporary supply and demand impacts.

*Myiris - 05.08.2013*

<http://www.myiris.com/newsCentre/storyShow.php?fileR=20130805170334715&dir=2013/08/05>

### **IRCTC to revamp website by early 2014**

The Indian Railway Catering and Tourism Corporation Ltd (IRCTC) is planning to revamp its train ticket booking website and relaunch it by early next year, as per a TOI report. Currently, the website books 2,000 tickets a minute. The new site, to be built at an investment of more than Rs 100 crore, will be able to make 7,200 transactions a minute.

*Travel Biz Monitor - 05.08.2013*

<http://www.travelbizmonitor.com/irctc-to-revamp-website-by-early-2014-21245>

### **No domestic air traffic growth this year despite airfare cuts**

A significant lowering of airfares has not led to any growth in domestic air traffic in the first six months of this year compared to the same period last year, though the travel trade hopes of an improvement from the busy winter season starting October. Air fares are almost

travellers to discover, plan holidays and share holiday experiences. Tourinfo.com has made alliance with various travel agents to promote their packages and provide rich information and insights on places, hotels, and restaurants.

*Indiantelevision.com - 06.08.2013*

<http://www.indiantelevision.com/release/y2k13/auug/augrel27.php>

20 percent lower this year than in 2012 and the trend is likely to continue this month too, but passenger traffic has remained at the same levels as January- June last year.

*ZeeBiz - 11.08.2013*

[http://zeenews.india.com/business/news/companies/no-domestic-air-traffic-growth-this-year-despite-airfare-cuts\\_81740.html](http://zeenews.india.com/business/news/companies/no-domestic-air-traffic-growth-this-year-despite-airfare-cuts_81740.html)