

(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.)

## **Cabinet likely to take up proposed reforms for PSUs in Sept**

The Cabinet is expected to take up the proposed reforms for State-owned companies, including a three-year fixed tenure for CPSE heads, next month. The Department of Public Enterprises has held consultations with the ministries concerned on reform measures that have been accepted by the Group of Ministers (GoM) headed by Finance Minister P. Chidambaram. "We have already processed the Roongta Committee recommendations (on PSUs reforms) and they should be coming to the Cabinet in a short time," Minister of Heavy Industries and Public Enterprises Praful Patel told presspersons on the sidelines of a CII function here.

*The Hindu Business Line - 27.08.2013*

<http://www.thehindubusinessline.com/economy/cabinet-likely-to-take-up-proposed-reforms-for-psus-in-sept/article5064557.ece>

## **Plan panel to give push to public-private partnership projects**

Close on the heels of the government clearing stalled power projects; the Planning Commission has decided to strengthen the regime governing public-private partnership (PPP) projects to ensure their smooth implementation. The move is seen as an attempt at boost investor confidence and to ensure smooth execution of around 779 PPP projects with an investment of around Rs 4.68 lakh crore which are under implementation. Around 712 projects with an investment of Rs 1.61 lakh crore have already been completed.

*The Times of India - 31.08.2013*

<http://timesofindia.indiatimes.com/business/india-business/Plan-panel-to-give-push-to-public-private-partnership-projects/articleshow/22177726.cms>

## **43 CPSEs incurring losses for 3 years: Patel**

As many as 43 Central Public Sector Enterprises (CPSEs) including Air India, MTNL, BSNL and HMT Ltd have been incurring losses for the last three years, Parliament was informed today. As on March 31, 2012 there were 260 CPSEs in the country, of which 225 were in operation, Minister

## **Govt mulls buyback as weak mkt hits PSU divestment plans**

The current volatility in the market is forcing the government to go ahead with its plans of divestment. The main public sector units (PSUs) that may be considered for buybacks are NMDC, NTPC, NHPC, and Coal India, reports CNBC-TV18's Aakansha Sethi. Coal India board has already given its nod for a buyback. Other companies are yet to give their approval for the same. The impact of this step will be directly on their balance sheets and their valuations. India has seen a tough time to sell stake in PSUs. Coal India's 10 percent stake sale was to fetch the exchequer Rs 25000 crore. This is now likely to be only five percent.

*Money control - 30.08.2013*

[http://www.moneycontrol.com/news/cnbc-tv18-comments/govt-mulls-buyback-as-weak-mkt-hits-psu-divestment-plans\\_943011.html](http://www.moneycontrol.com/news/cnbc-tv18-comments/govt-mulls-buyback-as-weak-mkt-hits-psu-divestment-plans_943011.html)

## **10 PSUs to raise Rs 15,000 cr via Sovereign Wealth Funds**

In an effort to boost forex inflows, the Finance Ministry has worked out a strategy for as many as 10 public sector entities to tap Sovereign Wealth Funds (SWFs) to raise at least Rs 15,000 crore in foreign currency. This will be part of a tax-free bond issue. This is the first time that such funds have been allowed to be part of a tax-free bond issue. SWFs are normally state-owned, with funds collected from budget and trade surpluses. The money is normally invested in real and financial assets at home and abroad. Oil-rich West Asian nations own many of the world's largest SWFs.

*The Hindu - 28.08.2013*

<http://www.thehindubusinessline.com/industry-and-economy/10-psus-to-raise-rs-15000-cr-via-sovereign-wealth-funds/article5068684.ece>

## **India's economic growth slows to four-year low in June quarter: Govt**

Economic growth in India in the April-June quarter of this fiscal slipped to 4.4 per cent, the slowest pace in at least four years, dragged down by a contraction in manufacturing and mining sectors. The country's gross domestic product (GDP) had expanded by 5.4 per cent in

for Heavy Industries and Public Enterprises Praful Patel said in a written reply to the Lok Sabha. "Out of these 225 CPSEs, 43 units have been incurring losses continuously for the last three years," he added.

*Business Standard - 29.08.2013*

[http://www.business-standard.com/article/companies/43-cpses-incurring-losses-for-3-years-patel-113082900903\\_1.html](http://www.business-standard.com/article/companies/43-cpses-incurring-losses-for-3-years-patel-113082900903_1.html)

### **Task force set up for currency swap arrangement**

Rattled by the continued decline in the value of rupee, the Commerce and Industry Ministry has constituted a task force comprising representatives from the Ministry, Department of Economic Affairs, Reserve Bank of India (RBI), SBI, industry bodies FICCI, CII and Federation of Indian Exporters Organisation (FIEO) to work out currency swap arrangements with key trading partners of India. An official statement said that in view of the rising trade deficit and consequent CAD, a need has been felt to examine the role of currency swap arrangement/agreements in order to suggest a possible mechanism to address the issue. It has been decided to constitute a Task Force.

*The Hindu - 28.08.2013*

<http://www.thehindu.com/business/Economy/govt-sets-up-task-force-for-currency-swap-arrangement/article5068066.ece>

### **Cash-rich public firms underperform private peers**

Several cash-rich state-owned companies have underperformed their private sector peers, which have a cash hoard, as well as benchmark indices in the past year, reflecting the lack of confidence of investors in the ability of the government which is the promoter of such firms to utilise the cash pile efficiently and boost growth when the economy is slowing down.

*The Economic Times - 02.09.2013*

<http://economictimes.indiatimes.com/markets/stocks/stocks-in-news/cash-rich-public-firms-underperform-private-peers/articleshow/22216589.cms>

### **LTC scam: Air India, RS officials to be questioned**

The CBI has handed over the probe into the Leave Travel Concession (LTC) scam involving central government officials to its anti-corruption (headquarters) unit. The agency will register cases

the April-June quarter of the last fiscal. On a sequential basis, the growth rate declined from 4.8 per cent in the January-March period of 2012-13. Commenting on the data, Economic Affairs Secretary Arvind Mayaram said, "Growth in the second quarter will improve and growth in the third and fourth quarters would be better."

*Indian Express - 30.08.2013*

<http://www.indianexpress.com/news/indias-economic-growth-slows-to-four-year-low-in-june-quarter-govt/1162348/>

### **India needs a lot more reforms, not less: FM**

On a day when the rupee continued its downhill journey and closed at an all-time low of 66.24 against the dollar, the finance minister P Chidambaram said the solution was not less reforms but "more reforms and less restrictions" and averred that all options including a sovereign bond issuance were on the table. Replying to a debate on the state of the economy in the Lok Sabha on Tuesday, Chidambaram outlined 10 specific steps to invigorate the economy including a strong push to the PSUs' capital expenditure plans, an expeditious resolution to the stagnation in coal production and ending the "impasse" in the iron ore sector.

*Financial Express - 28.08.2013*

<http://www.financialexpress.com/news/india-needs-a-lot-more-reforms-not-less-fm/1160886>

### **Cut-throat pricing: Indian airlines selling tickets at lowest price in last 2 years**

Despite soaring costs primarily due to the rupee depreciation, Indian carriers are selling tickets at the lowest price levels in the past two years, say airline executives and travel companies. If that isn't enough, airlines fear that due to low demand, they won't be able to raise fares by any significant amount, even when the festive season starts in October.

*The Economic Times - 27.08.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/cut-throat-pricing-indian-airlines-selling-tickets-at-lowest-price-in-last-2-years/articleshow/22082902.cms>

### **Airport privatisation may lead to higher fares: IATA**

The global airline industry has warned the Indian government that flier in the country would end up paying much higher airfares if six major public sector airports in two metro cities

and will begin questioning Air India and Rajya Sabha secretariat officials by next week, sources said. Officials said they were seeking documents from departments where irregularities were cited by the CVC, including Rajya Sabha secretariat and Ordnance Factory Board (OFB), Jabalpur.

*The Times of India - 02.09.2013*

<http://timesofindia.indiatimes.com/india/LTC-scam-Air-India-RS-officials-to-be-questioned/articleshow/22217816.cms>

### **Govt open to offering 100 % stake to private parties at six airports**

The Ministry of Civil Aviation will soon float request for qualification (RFQ) document for six airports, including the recently refurbished Chennai and Kolkata airports, and is open to offering 100 per cent stake to private players. Highly placed sources in the Aviation Ministry said the RFQ for Kolkata and Chennai airports along with four others — Guwahati, Jodhpur, Ahmedabad and Kolkata — would also be issued in the next few weeks.

*The Hindu - 29.08.2013*

<http://www.thehindu.com/business/Industry/govt-open-to-offering-100-stake-to-private-parties-at-six-airports/article5071644.ece>

### **Yebhi-powered IRCTC's e-commerce site goes live, retailing apparel, electronics & more**

Indian Railway Catering and Tourism Corporation (IRCTC), a subsidiary of the government controlled Indian Railways that handles the catering, tourism and online ticketing operations, has finally launched its e-commerce portal which will be powered by Yebhi.com.

*Tech Circle - 29.08.2013*

<http://techcircle.vccircle.com/2013/08/29/yebhi-powered-irctcs-e-commerce-site-goes-live-retailing-apparel-electronics-more/>

### **AP set to become major sea, air logistics hub**

Andhra Pradesh commanded a lion's share of over 46 per cent in the total basket of new port projects being implemented across Indian maritime States. The port sector in Andhra Pradesh is set to receive a significant boost with the decks cleared for setting up of a second major port in the State. The proposal to set up the port, with an initial capacity of six berths in Prakasam district, has been already placed before the Union

and four state capitals are privatised after thousands of crores of public money have been spent to modernise them.

*The Economic Times - 27.08.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/airport-privatisation-may-lead-to-higher-fares-iata/articleshow/22081489.cms>

### **TripAdvisor to launch online resource for travel and hospitality professionals**

TripAdvisor will launch Travel Advisor Insights, a new online marketing resource for travel industry professionals. TripAdvisor Insights will provide the hospitality sector with access to the latest trends, studies, best practices and video content in a fully searchable online content library. The marketing resource will act as a daily source of news, tips, statistics and valuable information for TripAdvisor for Business owners and other members of the travel sector, as per a release.

*Travel Biz Monitor - 27.08.2013*

<http://www.travelbizmonitor.com/tripadvisor-to-launch-online-resource-for-travel-and-hospitality-professionals-21479>

### **Tour operators face margin pressure in outbound travel**

Tour operators hope to weather the rupee blues by promoting offbeat foreign destinations, shorter holidays and domestic tourism, but could face a hit on margins and profits in outbound business. "Bookings have slowed down this month and people are adopting a wait-and-watch mode because of the rupee movement. I anticipate tour companies to try and grab their share of customers by giving discounts for the winter packages.

*Business Standard - 31.08.2013*

[http://www.business-standard.com/article/companies/tour-operators-face-margin-pressure-in-outbound-travel-113082900494\\_1.html](http://www.business-standard.com/article/companies/tour-operators-face-margin-pressure-in-outbound-travel-113082900494_1.html)

### **Shipping Corporation: increase in rates offers scant comfort**

Shipping Corp. of India Ltd (SCI) has raised container freight rates on the Indian subcontinent to Europe service from 1 September. Of course, with increasing operational costs, the company had to resort to rate hikes. This is a positive development for SCI and particularly the liner business, which includes the container transport segment. In the June and March quarter, the liner business

Cabinet — the initial investment will be of Rs 8,000 crore. While the State Government will hold about 11 per cent stake in the project, the rest will be picked by the other PSUs such as NMDC and steel companies, who are the major users of the port facilities.

The Hindu Business Line - 29.08.2013

<http://www.thehindubusinessline.com/news/ap-set-to-become-major-sea-air-logistics-hub/article5071494.ece>

### **Port modernisation projects to add 220 million tonnes capacity**

Government said the 43 port modernisation and expansion projects under implementation at an estimated cost of Rs 12,000 crore are expected to add about 220 million tonnes capacity. Minister of State for Shipping Milind Deora said in Rajya Sabha that the capacity of all major ports, as on March 31, 2013, was 744.91 million tonne per annum (MTPA).

*The Economic Times - 29.08.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-transport/port-modernisation-projects-to-add-220-million-tonnes-capacity/articleshow/22138965.cms>

### **Ministry of Corporate Affairs plans social media initiatives to create more awareness**

To reach out and create more awareness among the general public, the Corporate Affairs Ministry plans to unleash online initiatives by tapping Twitter, Facebook and other avenues. The proposal also comes against the backdrop of rising incidents of common man getting duped by fraudulent schemes and preparations underway for the implementation of the much-touted new Companies Bill.

*Economic Times - 01.09.2013*

[http://articles.economictimes.indiatimes.com/2013-09-01/news/41663360\\_1\\_corporate-affairs-ministry-social-responsibility-more-awareness](http://articles.economictimes.indiatimes.com/2013-09-01/news/41663360_1_corporate-affairs-ministry-social-responsibility-more-awareness)

posted a loss at the earnings before interest and tax (Ebit) level of Rs.5 crore and Rs.36.7 crore, respectively. While it's difficult to foresee whether the current increase in rates will make the segment profitable, it should help reduce the losses.

Mint - 27.08.2013

<http://www.livemint.com/Money/zI6TYtPmMqJlCNPfIUwobI/Shipping-Corporation-increase-in-rates-offers-scant-comfort.html>

### **Coming soon, stricter CSR spend norms for PSUs**

With the passing of Companies Bill, 2013, the government is set to make stringent norms for Central Public Sector Enterprises (CPSEs) to implement the corporate social responsibility (CSR) projects. The corporate affairs ministry is working out the modalities with the department of public enterprises as for several years the profit-making maharatna and navratna CPSEs have not been fully utilising the CSR corpus.

*Financial Express - 28.08.2013*

<http://www.financialexpress.com/news/coming-soon-stricter-csr-spend-norms-for-psus/1160912>

### **CSR activities should bring smile to people; not profit for cos: Sachin Pilot**

As India Inc braces up for a mandatory social welfare spending regime, Corporate Affairs Minister Sachin Pilot has asked the companies to desist from spending on profit-earning activities to meet these norms. While he is open to the idea of the companies getting some tax benefits for CSR (Corporate Social Responsibility) spending, the minister has said that it would be against the "letter and spirit" of the new requirement if such activities are seen as yet another avenue for earning commercial profits.

*Economic Times - 01.09.2013*

<http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/csr-activities-should-bring-smile-to-people-not-profit-for-cos-sachin-pilot/articleshow/22204440.cms>