

(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.)

## **DEA to draw up plan to use surplus cash of CPSUs for overseas buys**

The Prime Minister's Office (PMO) has asked the Department of Economic Affairs (DEA) to work out an institutional mechanism for pooling surplus cash of Central Public Sector Undertakings (CPSUs) to make acquisitions abroad.

The decision to work out this new mechanism comes after the DEA conveyed to the PMO that the current reserve position does not allow the Government to have a sovereign wealth fund (SWF) to acquire assets. It said the constitution of a SWF is possible only when the current account is surplus.

"In the prevailing situation of deficit in the revenue account and the apprehension of devaluation of rupee vis-à-vis the dollar, it would be advisable if PSUs with adequate surplus funds and technical knowhow consider acquiring assets based on commercial gains," the DEA has stated.

The PMO has asked the DEA to get a study conducted on utilising CPSU surpluses and other funds for making investments abroad by acquiring critical assets.

*The Hindu* - 12.04.2013

<http://www.thehindu.com/business/Economy/dea-to-draw-up-plan-to-use-surplus-cash-of-cpsus-for-overseas-buys/article4610691.ece>

## **The economy has begun to turn around**

Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India, exudes confidence in India achieving its growth targets with the Finance Ministry charting out clear plans for fiscal consolidation and drawing in investments. "There is a lot of liquidity in the world economy and India is still seen as one of the countries whose economic performance could be quite good."

*The Hindu Business Line* - 10.04.2013

<http://www.thehindubusinessline.com/opinion/the-economy-has-begun-to-turn-around/article4598873.ece>

## **FinMin pitches for ratings upgrade for economy with Fitch**

The Finance Ministry today made a strong case for rating upgrade of Indian economy by global agency Fitch on the back of increasing investments, declining import of gold and government's commitment to fiscal prudence.

The issue of rating upgrade was raised by Finance Ministry officials at a meeting with the representatives of Fitch here. The meeting was attended by Department of Economic Affairs Secretary Arvind Mayaram, among others.

"Fitch raised concerns on how deficits will be met and how the government will be able to meet revenue targets. We said we are confident, gold import is declining and investment in our economy is going to start increasing," a top Finance Ministry official said.

The official further said the Ministry also expressed confidence that Current Account Deficit (CAD) will come down as oil prices are stable and the rupee has been range bound.

*Moneycontrol* - 14.04.2013

[http://www.moneycontrol.com/news/economy/finmin-pitches-for-ratings-upgrade-for-economyfitch\\_851798.html](http://www.moneycontrol.com/news/economy/finmin-pitches-for-ratings-upgrade-for-economyfitch_851798.html)

## **Inflation-indexed bonds may be issued in a month: RBI**

The Reserve Bank is expected to launch within a month the inflation-indexed bonds (IIBs), with 7-15 years maturity, which will help investors hedge their savings against inflation.

"This was announced in the Budget. We have also announced in our auction calendar and we hope (to issue IIBs) within a month's time," RBI Deputy Governor H R Khan said on the sidelines of an event organised by National Housing Bank here.

*Economic Times* - 11.04.2013

[http://articles.economictimes.indiatimes.com/2013-04-11/news/38463427\\_1\\_khan-rbi-deputy-governor-h-retail-investors](http://articles.economictimes.indiatimes.com/2013-04-11/news/38463427_1_khan-rbi-deputy-governor-h-retail-investors)

## **Indian economy to remain subdued, gradual recovery seen: Poll**

India's economic growth will remain subdued this year and any recovery will be gradual as government spending and interest rate cuts from the RBI revive domestic demand, according to a Reuters poll of economists.

Although inflation is expected to ease, it will not fall near the Reserve Bank of India's perceived comfort level of around 5 per cent, reducing the chances of aggressive policy action to pull the economy out of its slowest pace of expansion in a decade. Economists polled for the latest quarterly survey lowered their growth forecast for Asia's third largest economy for the eighth consecutive time.

*Economic Times - 11.04.2013*

[http://articles.economictimes.indiatimes.com/2013-04-11/news/38463355\\_1\\_growth-forecast-poll-cent](http://articles.economictimes.indiatimes.com/2013-04-11/news/38463355_1_growth-forecast-poll-cent)

## **Privatisation of PSEs on Modi's wish list**

Making India a hub for defence manufacturing, giving states the exclusive right to decide on labour laws and an aggressive privatisation of the public sector are on the wish list of prime minister aspirant and Gujarat chief minister Narendra Modi.

Speaking at two events on Monday in the city, Modi vigorously supported an open architecture of Centre-state relations to provide the room for faster development.

According to him, meeting the education gap and health needs for India's young population was a bipartisan requirement. "Political parties need to rise above the rhetoric to provide for these concerns on priority," he said.

*Financial Express - 09.04.2013*

<http://www.financialexpress.com/news/privatisati-on-of-pses-on-modi-s-wish-list/1099424>

## **Cheap fares push domestic travel bookings up 57%**

Domestic travel may see a massive leap this summer. Going by air bookings, there has been a 57% hike in the number of people planning to travel this summer as compared to last year.

International travel is also positively placed, though it has attracted comparatively less bookings than the domestic sector. Improved pricing and a slew of discounts offered in the first half of 2013 seem to have prompted the rush to

## **IIP growth slows to 0.6% in February; may prompt RBI to cut rates**

Sharp slippage in industrial growth to 0.6 percent in February coupled with marginal moderation in retail inflation has raised expectations of a rate cut by the Reserve Bank next month to boost growth.

Showing slump in the economy, the Index of Industrial Production (IIP) slipped to 0.6 percent in February from 4.3 percent in the corresponding month a year ago, mainly on account of contraction in power generation and mining output and poor performance of manufacturing sector.

*Zee News - 13.04.2013*

[http://zeenews.india.com/business/news/economy/iip-growth-slows-to-0-6-in-feb-may-prompt-rbi-to-cut-rates\\_74044.html](http://zeenews.india.com/business/news/economy/iip-growth-slows-to-0-6-in-feb-may-prompt-rbi-to-cut-rates_74044.html)

## **FY14 growth outlook cut to 6%**

*The Asian Development Bank says inflation to remain high in this fiscal as well*

The Asian Development Bank (ADB) today scaled down its projection for India's growth in 2013-14 from 6.5 per cent to six per cent. For 2012-13, growth in India's gross domestic product (GDP) was estimated at a decadal-low of five per cent.

In its report, Asian Development Outlook 2013, the Manila-based ADB said this financial year, inflation would stand at an average of 7.2 per cent, against 7.4 in the April-February period of 2012-13. It said inflation would fall to an average 6.8 per cent in 2014-15, provided the government corrected fuel prices and addressed supply-side constraints in food items.

*Business Standard - 10.04.2013*

[http://www.business-standard.com/article/economy-policy/adb-lowers-india-s-growth-projection-to-6-for-fy14-113040900525\\_1.html](http://www.business-standard.com/article/economy-policy/adb-lowers-india-s-growth-projection-to-6-for-fy14-113040900525_1.html)

## **Travel agent defaulting on Rs 120 cr sends airlines aflutter**

A travel firm from Delhi has sent airlines into a tizzy after defaulting on a payment of about Rs 120 crore for ticket sales in March. This is said to be one of the biggest defaults in the travel trade in India.

According to industry sources, the International Air Transport Association (Iata) has now stopped Spring Travels from selling tickets till it makes the payment. Travel agents

book.

*The Times of India 10.04.2013*

<http://timesofindia.indiatimes.com/business/india-business/Cheap-fares-push-domestic-travel-bookings-up-57/articleshow/19469975.cms>

### **India to get six ships from Iran joint venture**

To help ships owned by Irano Hind Shipping Co. escape Western sanctions, Shipping Corp. of India Ltd will get possession of six of the seven vessels owned by the joint venture after it was wound up last week.

The venture between India's biggest ocean carrier and Islamic Republic of Iran Shipping Lines was wound up on a proposal put forward by the Iranian government after the sanctions against the oil-rich country for its nuclear programme made it difficult for the fleet to secure business.

*Mint - 09.04.2013*

<http://www.livemint.com/Companies/RxTFaDX6Yut5tSmuAQImkK/India-to-get-six-ships-from-Iran-joint-venture.html>

### **Saudi firm to buy out Hinduja unit in lubricant venture: report**

Saudi Arabian family firm Dabbagh Group is in the advanced stages of buying out its Indian partner-Hinduja's stake in a lubricant venture in the kingdom, a deal prompted by strategy differences between the partners, three sources aware of the matter said.

*NDTV Profit - 09.04.2013*

<http://profit.ndtv.com/news/industries/article-saudi-firm-to-buy-out-hinduja-unit-in-lubricant-venture-report-320662>

participating in Iata's billing settlement plan (BSP) are required to make fortnightly payment for tickets sales.

*Business Standard - 09.04.2013*

[http://www.business-standard.com/article/companies/travel-agent-defaulting-on-rs-120-cr-sends-airlines-aflutter-113040800537\\_1.html](http://www.business-standard.com/article/companies/travel-agent-defaulting-on-rs-120-cr-sends-airlines-aflutter-113040800537_1.html)

### **Paradip port surging ahead in traffic handling**

Paradip Port Trust (PPT) has handled second highest throughput since its inception in 2012-13 even as it is on road to increase traffic handling capacity from 102 mtpa to 252.50 mtpa by 2020. The port achieved a traffic of 56.55 million tonne in the year against 54.25 million tonne in 2011-12, registering a growth of 4.24 per cent.

*The New Indian Express - 09.04.2013*

<http://newindianexpress.com/states/odisha/article1537154.ece>

### **Neeraj Mittal, Joint Secretary, MoPNG is BPCL's new Govt director**

Bharat Petroleum Corporation Ltd has informed BSE that Shri R. N. Choubey, Director General, Directorate General of Hydrocarbons, Government Director, has resigned from the Board of BPCL vide his letter dated April 10, 2013. Shri Neeraj Mittal, JS (M), Ministry of Petroleum & Natural Gas has been appointed as Government Director on the Board of BPCL with effect from April 11, 2013.

*Moneycontrol - 12.04.2013*