

(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.)

## **Govt may offload 9.5% stake in NTPC for Rs 13,000 crore: Veerappa Moily**

Power minister M Veerappa Moily on Tuesday said the government was examining the option of offloading 9.5% stake in NTPC, even as the state run generation utility called for bids seeking supply of seven million tonne of imported coal for its 16 power stations.

Power secretary P Uma Shankar said the ministry of finance, which handles disinvestment, has sought the power ministry's views on the planned stake sale. The NTPC management is opposed to the stake sale at this point since they fear it would not fetch good price in view of the poor market condition, problems in fuel supplies and unwillingness of banks to extend loans for financing projects.

But the government appears to be firm on selling about 78.33 crore shares (9.5% stake) as part of plans to meet the target of raising Rs 30,000 crore through disinvestment this fiscal. The NTPC disinvestment is expected to fetch about Rs 13,100 crore. Sources said the government is looking at selling the stake by way of Offer for Sale (OFS) of shares through the stock exchanges. The government now holds 84.5% in the company, which would come down to 75% after the disinvestment.

*The Economic Times - 10.10.2012*

[http://articles.economictimes.indiatimes.com/2012-10-10/news/34363414\\_1\\_ntpc-plans-coal-imports-stake-sale](http://articles.economictimes.indiatimes.com/2012-10-10/news/34363414_1_ntpc-plans-coal-imports-stake-sale)

## **Why executives are moving from PSUs to private sector**

From the board of Reliance Industries to chief executives in London-listed Essar Energy and Reliance Power, the hunt for talent often leads to the doors of state enterprises. Most government employees join private firms post retirement, but there are some who leave early for bright prospects and fat pay packages. Those who join private companies say working with PSUs gives exposure to employees, as they are involved in policy-making, but the experience is rewarded well by private sector companies.

Essar Energy chief executive officer Naresh

## **S&P threatens rating downgrade, wants more government action**

Not impressed by a series of economic reforms, global agency Standard & Poor's today threatened to downgrade India's sovereign credit rating to junk grade within 24 months in absence of steps to check fiscal deficit and improve investment climate.

"A downgrade is likely if the country's economic growth prospects dim, its external position deteriorates, its political climate worsens, or fiscal reforms slow," the agency said in a report.

S&P, however, said that it could improve rating outlook from negative to positive if "the government implements initiatives to reduce fiscal deficit, improves its investment climate, and increases growth prospects".

The rating agency in April had changed the rating outlook of India from stable to negative, reflecting the possibility of a downgrade.

The country's present rating is BBB-(Negative), the lowest investment grade rating, and a downgrade would result in India's rating slipping to junk status, raising the cost of overseas borrowings by domestic corporates.

*Business Standard - 10.10.2012*

<http://www.business-standard.com/generalnews/news/sp-threatens-rating-downgrade-wants-more-government-action/66690/>

## **India's industrial output rises 2.7 per cent in August**

Reversing the trend of contraction, India's industrial production grew 2.7 per cent in August, led by a rebound in manufacturing activities, government data showed Friday.

Factory output, measured in terms of the index of industrial production (IIP), had contracted 0.18 per cent in July and 1.8 per cent in June largely due to slump in the manufacturing sector.

According to data released by the Central Statistical Office (CSO), the manufacturing

Nayyar, who served Indian Oil Corp for 30 years before joining the Ruias, says that in public sector companies human resource systems and processes have a "human touch" but the relationship between performance and reward is not as strong as in the private sector.

*The Economic Times - 13.10.2012*

<http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/why-executives-are-moving-from-psus-to-private-sector/articleshow/16791637.cms>

## **India receives 4.15 lakh FTAs in Sept 2012**

India recorded 4.15 lakh Foreign Tourist Arrivals (FTAs) in September, 2012 as compared to FTAs of 4.02 lakh during the same period last year, registering a growth of 3.2 per cent. From January to September 2012, 46.33 lakh foreign tourists visited India as compared to 43.75 lakh FTAs during the corresponding period last year, which is a growth of 9.9 per cent.

The country's Foreign Exchange Earnings (FEE) during September 2012 were Rs 6652 crore as compared to Rs 5748 crore last September. The growth rate in FEE in rupee terms in September 2012 over September 2011 was 15.7 per cent as compared to 22.9 per cent in September 2011.

*Hospitality Biz India - 12.10.2012*

<http://www.hospitalitybizindia.com/detailNews.aspx?aid=14869&sid=1>

## **Shipping freight rates on Asia-Europe route to go up**

At a time when Asia-Europe spot shipping freight is showing a not-so-encouraging trend, several shipping lines active on the route have announced their plans to hike rates, according to shipping industry sources.

Thus, the United Arab Shipping Company has levied from October 1 a rate increase on cargo from the western Mediterranean and Adriatic to the Indian subcontinent and the Arabian Gulf of \$200 per container as well as a \$500 per TEU hike on shipments from the western Mediterranean and the Adriatic to Iran. Hong Kong's Overseas Orient Container Line will increase its rate on cargo from Asia to Europe rate by \$525 per TEU from November 1.

*The Hindu Business Line - 08.10.2012*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/article3977557.ece?homepage=true>

## **Parekh panel suggests port tariff deregulation**

output, which has a 75.5 per cent weight in the index, grew 2.9 per cent from a year earlier in August, after falling 0.2 per cent in July.

C. Rangarajan, chairman of Prime Minister's Economic Advisory Council, said the monthly data indicated a turnaround in manufacturing.

*Asian Age - 12.10.2012*

<http://www.asianage.com/business/indias-industrial-output-rises-27-cent-august-952>

## **Kingfisher crisis to have minimal impact on air fares: Travel portals**

Even as the cash-strapped Kingfisher Airlines shut all its operations from October 1 due to the employees' strike, it has failed to make an impact on air fares.

Aviation industry experts and travel agents told Business Line that this is because Kingfisher has a market share of just three per cent, and hence, there is unlikely to be any significant movement in air fares in the near future.

*The Hindu Business Line - 06.10.2012*

[http://www.thehindubusinessline.com/companies/article3972429.ece?ref=wl\\_opinion](http://www.thehindubusinessline.com/companies/article3972429.ece?ref=wl_opinion)

## **Under pressure, port sector likely to see consolidation**

Is Indian port sector heading towards consolidation? Answers to that important question are not forthcoming from industry professionals who seem to have divided on the issue.

While most of them seem to agree that the sector is inching towards such a phase in the course of its development, there are others who prefer to think otherwise, even when they agree that many developers in Gujarat and elsewhere are interested in shaking off their stakes in port projects for good.

*The Economic Times - 08.10.2012*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping-/-transport/under-pressure-port-sector-likely-to-see-consolidation/articleshow/16721134.cms>

## **Tea producers suffer Rs 70 crore loss due to e-auction failure**

Tariffs at Union government-controlled ports should be deregulated, the high-level committee on financing infrastructure headed by banker Deepak Parekh has recommended.

This is the strongest endorsement yet to allow market forces to determine tariffs at Union government ports and bring them on par with those owned by coastal state governments that already enjoy such freedom.

*Mint - 08.10.2012*

<http://www.livemint.com/Politics/V9aC0XEf1uTZDxtCZLrnmM/Parekh-panel-suggests-port-tariff-deregulation.html>

Tea producers who offer teas at the Kolkata auctions are in a fix. A link failure at the e-auction has resulted in teas worth Rs 70 crore piled up at the auction centre last week.

They cannot sell teas through the manual open outcry system as the entire process has been replaced by electronic auction. This has pushed down prices of teas at the auctions at a time when there is a shortfall in production.

*The Economic Times - 08.10.2012*

<http://economictimes.indiatimes.com/news/economy/agriculture/tea-producers-suffer-rs-70-core-loss-due-to-e-auction-failure/articleshow/16724994.cms>