

(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.)

Achieving current fiscal disinvestment target a tough task

Inter-ministerial differences, trade union protests and unfavorable market conditions have left the government's PSU disinvestment programmes high and dry prompting Prime Minister Manmohan Singh to intervene to speed up the process to achieve the Rs 40,000 crore target through this route. The government's ambitious disinvestment target for 2013-14 was left stranded after few initial PSU stake sales. Besides, works on setting up the Exchange Traded Fund (ETF) also kept the disinvestment department busy.

Business Standard - 18.12.2013

http://www.business-standard.com/article/economy-policy/achieving-current-fiscal-disinvestment-target-a-tough-task-113121800384_1.html

PSU exchange-traded fund to be launched by February

A Central Public Sector Enterprises (CPSE) Exchange-Traded Fund is likely to hit the market in February. According to Finance Ministry officials, the Department of Disinvestment has identified 11 listed public sector enterprises, including blue chips, such as Coal India, ONGC, Indian Oil, Power Grid, Rural Electrification Corporation and Power Finance Corporation. These firms have been selected on the basis of their five-year dividend record. Now, an Empowered Group of Ministers will finalise the composition of the proposed fund. It will also take a call on the timing, the official added. Goldman Sachs will manage the ETF.

The Hindu Business Line - 20.12.2013

<http://www.thehindubusinessline.com/markets/stock-markets/psu-exchangetraded-fund-to-be-launched-by-february/article5483475.ece>

CPSEs to pay rich dividends to government this fiscal

State-owned firms including Oil and Natural Gas Corp, Coal India and SAIL this fiscal will pay Rs 28,595 crore in dividend to the cash-strapped government. The dividend payout by 23 profit-making central PSUs is about Rs 2,000 crore higher than the last year and has already been indicated or promised by the heads of the major

Finance Ministry promises more steps, hopeful of growth revival

Committing to more steps to boost economy, the Finance Ministry said initiatives taken by the government in the past one year will boost investment and revive the sagging growth. "The government is committed to take all necessary steps to revive growth, boost investment, create conducive business environment, improving efficiency and depth of the markets, wider participation of investors and strengthening of the regulatory and institutional framework to channelize greater investments and to achieve potential growth of the Indian economy," Finance Ministry said.

NDTV Profit - 19.12.2013

<http://profit.ndtv.com/news/economy/article-finance-ministry-promises-more-steps-hopeful-of-growth-revival-375305>

PSU cash reserves can cut fiscal deficit by Rs 20,000 cr: CRISIL

Mumbai-based research and ratings agency, CRISIL has estimated the government can cut its fiscal deficit by Rs 20,000 crore in the current financial year by using cash reserves of top 20 public sector undertakings (PSUs). The state-owned companies are likely to have a pre-dividend corpus of Rs 1,60,000 crore at the end of March 2014. The PSUs can easily pay special dividends worth Rs 27,000 crore, in addition to their individual dividend payouts without any impact on capital expenditure plans.

Business Standard - 24.12.2013

http://www.business-standard.com/article/economy-policy/psu-cash-reserves-can-cut-fiscal-deficit-by-rs-20-000-cr-crisil-113122300526_1.html

PSEs perform below expectation in 12-13

Close on the heels of weak economic climate in the country, the performance of public sector enterprises (PSEs) in the country for 2012-13 showed a mere 5 per cent growth in turnover and a 2 per cent in profit year-on-year, according to a performance report prepared by the Heavy Industries and Public Enterprises

PSUs in a recent meeting with the Finance Minister P Chidambaram.

The Economic Times - 25.12.2013

<http://economictimes.indiatimes.com/news/economy/finance/cpses-to-pay-rich-dividends-to-government-this-fiscal/articleshow/27923124.cms>

Govt clears Rs 3-lakh cr investments in public enterprises

The Government has so far cleared pending projects involving Rs 3 lakh crore of investment by Public Sector Enterprises, according to O.P. Rawat, Secretary, and Department of Public Enterprises. To improve the performance of public sector enterprises, the Government is considering allowing Maharatna and Navaratna companies to take independent decision involving investments up to Rs 10,000 crore.

The Hindu Business Line - 26.12.2013

<http://www.thehindubusinessline.com/economy/govt-clears-rs-3lakh-cr-investments-in-public-enterprises/article5504873.ece>

Rajan's policies helping global funds return to Indian bonds

Global funds are returning to Indian bonds after an unprecedented \$14 billion selloff as Reserve Bank of India's (RBI) steps to stabilize the rupee and tame inflation revive confidence, even as the US prepares to cut stimulus. International investors raised holdings of rupee debt by \$932 million this month to about \$25 billion, exchange data show, after reducing them in each of the last six months. Asia's highest investment-grade yields are helping spur inflows into India, where 10-year government notes now pay 8.89%, compared with 2.98% on US treasuries.

Livemint - 27.12.2013

<http://www.livemint.com/Money/JXWebBuaBEUJbTf0cpOazI/JPMorgan-sees-Raghuram-Rajan-winning-trust-as-selloff-ends.html>

Govt lifeline for bleeding PSUs

For most public sector firms, periodic lifelines from the government form the very basis of survival. The Department of Telecommunications has recently circulated a draft note for inter-ministerial consultations proposing "preferential treatment to Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) services in central government ministries, central government PSUs and other autonomous bodies. The proposal, the note says, is "not contrary to

ministry. Comparatively, this was way below the 23 per cent growth in turnover and 10 per cent in profit by PSEs in 2011-12 annually.

Business Standard - 26.12.2013

http://www.business-standard.com/article/companies/pses-perform-below-expectation-in-12-13-113122600600_1.html

New corporate governance norms soon, says SEBI

Markets regulator SEBI today said it would soon come out with new corporate governance norms. "We have already placed documents for consultation. Our consultation is almost over and we are now going to promulgate our rules very soon," SEBI chairman UK Sinha told reporters at a corporate governance summit organised by CII here. "For listed companies, we will like to tell you, if we are going to do something over and above what is specially mentioned in the Companies Act, in the interest of corporate governance of the large corporates, it would be after consideration with all of you (stakeholders)," he added.

The Tribune - 20.12.2013

<http://www.tribuneindia.com/2013/20131221/biz.htm#1>

In last reform push, govt proposes FDI in railways

The ministry of commerce and industry is set to approach the Union Cabinet with a proposal to allow 100 per cent foreign direct investment (FDI) in railways, in its final reform push before the General Elections next year. According to the proposal being finalised, 100 per cent FDI will be allowed in fixed line projects of railways such as freight corridors and high speed rail networks. In case of joint ventures, FDI of up to 74 per cent will be permitted in the sector.

The Indian Express - 23.12.2013

<http://www.indianexpress.com/news/in-last-reform-push-govt-proposes-fdi-in-railways/1210664/>

CSR rules to be finalised by January first week: Pilot

Moving ahead with implementation of the new companies law, government will soon begin notifying detailed rules for its various provisions, beginning with the much-awaited CSR norms in first week of January. Replacing the nearly six-decade old regulations for corporates, the new Companies Act makes it mandatory for certain class of profitable enterprises to spend money on social welfare

economic policy as it is limited to government employees for whom reimbursement facility from government is provided". The matter is currently under consultation and a decision is still awaited, with some ministries and a number of PSUs having protested citing the need to have more options in opting for basic infrastructure providers such as telecom services.

The Financial Express - 26.12.2013

<http://www.financialexpress.com/news/govt-lifeline-for-bleeding-psus/1211848>

No LTC benefits for employee facing disciplinary enquiry: Govt

An employee facing disciplinary enquiry will not be able to avail benefits of Leave Travel Concession (LTC) allowance as per rules, the Government said today. It said all government policies, including LTC policy, is timely reviewed and amended to check bogus claims and inflated air travel bills by government employees. "During the pendency of disciplinary proceedings, the government servant shall not be allowed the next two or more sets of LTC in addition to the sets already withheld," Minister of State for Personnel V Narayanasamy told Lok Sabha in a written reply.

The Economic Times - 18.12.2013

<http://economictimes.indiatimes.com/news/news-by-industry/jobs/no-ltc-benefits-for-employee-facing-disciplinary-enquiry-govt/articleshow/27592964.cms>

Second freight station comes up at international container transshipment terminal

The second container freight station (CFS) near the international container transshipment terminal (ICTT) at Vallarpadam is nearing completion. Being set up by MIV Logistics Private Limited, a special purpose vehicle (SPV) floated by the state government-promoted entity Inkel, CFS will have a capacity to handle 75,000 containers a year said Inkel officials. CFS is being set up on 18.3 acres of land leased to MIV Logistics by Cochin Port Trust (CPT) for 30 years against a one-time lease premium and annual rentals.

The Times of India - 23.12.2013

<http://timesofindia.indiatimes.com/City/Kochi/Second-freight-station-comes-up-at-international-container-transshipment-terminal/articleshow/27758344.cms>

activities and such expenses are estimated to total about Rs 15,000-20,000 crore a year. The rule-making process for Companies Act, 2013, saw extensive public consultations and the exercise is now nearing completion, while CSR regulations would be among the first to get a detailed set of rules.

Moneycontrol - 30.12.2013

http://www.moneycontrol.com/news/business/csr-rules-to-be-finalised-by-january-first-week-pilot_1015742.html

Airlines focus on innovating mobile payment offerings

The whitepaper, based on a research study of 56 global airline carriers – from low cost to traditional – found that mobile payments (payments for transactions made on a mobile device) are now a key area of focus for airlines: 57 per cent of airlines said mobile has the greatest potential to drive revenue over the next two years – equal to credit cards (57 per cent).

The Financial Express - 23.12.2013

<http://www.financialexpress.com/news/Airlines-focus-on-innovating-mobile-payment-offerings/1210821>

High-level panel approves Rs 17,630 crore port projects

The government today said a high-level committee has examined Rs 17,630 crore projects in the port sector, which are proposed to be awarded this fiscal under the public private partnership (PPP) mode. "The Public Private Partnership Appraisal Committee has appraised five proposals in the Port Sector. These projects will now be recommended for grant of final approval by the Cabinet Committee on Economic Affairs. The proposed projects are to create an additional capacity of 150 MTPA with an investment of Rs 17,630 crore," an official statement said.

The Economic Times - 27.12.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-transport/high-level-panel-approves-rs-17630-crore-port-projects/articleshow/28018463.cms>