

(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.)

India on a 'Mission' to help PSU firms abroad looking for acquisitions

The government has directed its missions to offer "critical" inputs to state-run firms looking for acquisitions abroad, mirroring an effort by the Chinese government to assist its companies in their hunt for scarce raw materials.

The external affairs ministry has told its missions to not only actively participate in the process but also provide information on infrastructure development, grant of concessional credit or other inputs that could facilitate a successful acquisition.

"The missions will collect information on likely raw materials in which investments by central public sector enterprises is possible and share such intelligence with ministries," said a government official requesting anonymity. Officials said such information related to extending a line of credit would provide the competitive edge to Indian companies.

The Department of Public Enterprises, a nodal agency for all 246 state-run firms, has also directed PSUs to inform the external affairs ministry about any acquisition plans even at the preliminary stage.

"PSUs should consult missions, which will facilitate government-to-government interaction required to expedite the process," said DPE official. The government had last year approved a policy for buying raw material assets abroad by PSUs that notched up profits in the past three years.

Under the policy, navratnas can invest up to Rs 3,000 crore in such assets without approval against the earlier limit of Rs 1,000 crore.

The Economic Times - 09.02.2012

<http://economictimes.indiatimes.com/news/economy/policy/india-on-a-mission-to-help-psu-firms-abroad-looking-for-acquisitions/articleshow/11815775.cms>

Govt may follow auction route to divest 5% stake in ONGC

With less than two months remaining in the current financial year and the divestment target of R40,000 crore far from achieved, the government is looking at the auction method to partly divest

CVC for value-based system to check graft in corporates

The Central Vigilance Commission has emphasised upon "value-based system" to promote good governance and check corruption in corporates.

"Companies based on transparent and efficient systems which provide fair treatment and quality output to all its stake holders are as important to democracy as political institutions. Companies founded on ethics and good governance are the foundation of sound market economies. Improved corporate governance, however, does not solely rest on control through increased regulations. After all, good behaviour cannot be legislated. Enforcing corporate governance through a value-based system of self-regulation is more sustainable and meaningful," Central Vigilance Commissioner Pradeep Kumar said today.

He said that good corporate governance creates safeguards against mismanagement and acts as an antidote to corruption. Kumar also hailed India Inc for incorporating some of the best international corporate governance and disclosure practices close on the heels of international developments.

The CVC cited Clause 49 of the Listing Agreement of the Securities and Exchange Board of India (SEBI) and the proposed new Companies Bill, 2011 which covers the fundamentals of effective governance in private companies through improved corporate social responsibility, appointment of independent directors, serious fraud investigations, and investor protection especially of minority shareholders.

Economic Times - 06.02.2012

http://articles.economictimes.indiatimes.com/2012-02-06/news/31030841_1_corporate-governance-companies-bill-check-graft

Now, defence PSUs can have JVs with corporates

The government on Thursday made a significant step for bolstering domestic defence industrial base by clearing of guidelines for its defence PSUs to establish joint ventures with

its stake in ONGC. A panel of ministers will meet later this month to finalise the stake sale.

A senior oil ministry official said on Monday that the government might auction 5% holding in ONGC to bring down its stake from the current 74.14% to 69.14%. The stake sale will comprise around 427.77 million shares.

"Auction is favourable. We can do it quickly. There is less paperwork involved," said the official. Incidentally, last week disinvestment secretary Mohammad Haleem Khan also said that the government is looking at a possible follow-on offering or an auction to sell 5% stake in ONGC. The government's plan of raising R40,000 crore through divestment in the current financial year has largely remained on paper as until December the equity market outlook remained quite bleak. In FY12, the government has managed to raise only R4,578 crore through its follow-on public offering (FPO) in Power Finance Corporation.

Financial Express - 07.02.2012

<http://www.financialexpress.com/news/govt-may-follow-auction-route-to-divest-5-stake-in-ongc/908744/>

Good corporate governance will help channelise investments better: Moily

Inclusiveness and growth must complement each other and should go together, according to Mr M. Veerappa Moily, Union Minister for Corporate Affairs.

Addressing a meet organised by the Ministry, CII and MCX'SX on 'Corporate Growth, Governance and Inclusion' in Bangalore on Friday, Mr Moily said "A day will come when we will be saying inclusiveness sustains growth."

Emphasising, the importance of good corporate governance in public sphere he said that good governance would help channelise greater investments into the capital market.

Mr Moily said it is the time to talk about 'Green Growth' minus corruption. 'Green Growth' with no corruption should be applied not only to the business but also to politicians or public sphere. "It is time for us politicians to learn and sustain long-term in political sphere with value-creation."

The Hindu Business Line - 10.02.2012

<http://www.thehindubusinessline.com/industry-and-economy/article2879952.ece>

EU extends special status for Darjeeling tea

Darjeeling tea has become the first product from India to be protected as a geographical indication

private firms. This could increase opportunities for obtaining advanced technologies from foreign sources. However, though the defence sector was opened up in 2001-02 to 100% private investment, with up to 26% FDI, it did not have the desired impact on the performance of the eight defence PSUs.

"The Union Cabinet today approved the guidelines for establishing Joint Venture Companies by Defence Public Sector Undertakings (DPSUs). The guidelines contain provisions for important matters that are critical from a national security perspective," an official release said. There was urgency in laying down guidelines as the government is in the process of negotiating over 40 offset contracts worth Rs 50,000 crore with global armament firms. Besides, the \$20 billion MMRCA project will have 50% offsets.

Economic Times - 10.02.2012

http://articles.economictimes.indiatimes.com/2012-02-10/news/31046494_1_jv-partner-defence-public-sector-undertakings-defence-production-policy

CII awards 27 firms for environment best practices

The Confederation of Indian industry, through CII-Shohrab Godrej Green Business Centre (GBC), presented the Environmental Best Practices Awards for 2012 across different project categories and segments on Friday.

Twenty seven short-listed companies have achieved an annual recurring saving of Rs 54 crore, the findings of the entire survey leading to awards revealed. Ms Suchitra K Ella, Vice-Chairperson, CII-Andhra Pradesh, today presented awards for 14 projects under "Most Innovative Environmental Project" category and 13 Projects under "Innovative Environmental Project" segment and 3 projects as Most Useful Presentation (selected from the short-listed companies).

ITC, Tata Motors, The Sirpur Paper Mills, Ultra Tech Cement, Hindustan Zinc, Madras Cements, Bangalore International Airport Limited., RIL, NFCL were among 27 participants chosen for awards.

The Hindu Business Line - 10.02.2012

<http://www.thehindubusinessline.com/industry-and-economy/economy/article2879928.ece>

Tea production at record high in 2011, says ITA

According to figures released by the Indian Tea Association (ITA), output was up 21.92 million

(GI) in the European Union (EU), according to the Tea Board. With this, the Darjeeling tea confirms its position among the world's best known teas and the qualities of Darjeeling tea are now legally recognised and protected in India and in the EU, says the Board.

The Hindu Business Line - 06.02.2012

<http://www.thehindubusinessline.com/industry-and-economy/article2866170.ece>

Tea output misses 1 billion kg mark in 2011; rises 2 %

Missing the 1 billion kg production mark by a whisker, the country's tea output stood at 988.32 million kg in 2011, a marginal rise of 2 per cent over that in the previous year. Tea exports fell by 3 per cent to 186.73 million kg in 2011, according to the official data.

The country had produced 966.40 million kg of the brew in the 2010 calendar year, while it had exported 193.29 million kg of tea in the same period, the Tea Board said.

The Economic Times 09.02.2012

<http://economictimes.indiatimes.com/news/economy/agriculture/tea-output-misses-1-billion-kg-mark-in-2011-rises-2-/articleshow/11821819.cms>

Foreign exchange earnings from tourism surge 50%

Foreign exchange earnings from tourism in India surged by 49.3 percent to Rs.8,623 crore in January year-on-year on the back of 9.2 percent growth in the number of tourist arrivals, official data showed Monday.

Foreign exchange earnings in January 2012 were Rs.8,623 crore as compared to Rs.5,777 crore in January 2011 and Rs.5,593 crore in January 2010, according to data released by the ministry of tourism here.

This is a significant jump in the earnings from tourism when compared with the previous year's data. The annual growth in January 2012 was 49.3 percent while it was just 3.3 percent in January 2011.

Zee News - 06.02.2012

http://zeenews.india.com/business/economy/foreign-exchange-earnings-from-tourism-surge-50_38455.ht

Credit Suisse will steer Thomas Cook foreign exchange business sale

UK-headquartered Thomas Cook Group has appointed Credit Suisse Group to sell off its foreign exchange business in India, according to a Sunday Times report. The paper didn't divulge the

kg to 988 million kg till December, as against 966 million kg last year. The estimated year-end figure, however, fell short of tea players' expectations of achieving production of one billion kg.

Business Standard - 09.02.2012

<http://www.business-standard.com/india/news/tea-production-at-record-high-in-2011-says-ita/464106/>

India among top 5 tourist generating markets for Singapore

The number of Indian tourists flocking to Singapore has gone up steadily, making India one of the five top tourism generating nations for the city state. Of the total 13.2 million international tourists who visited Singapore last year, 8,69,000 tourists were from India, an increase of five per cent over 2010, according to data released by the Singapore Tourism Board.

The Economic Times - 07.02.2012

<http://economictimes.indiatimes.com/news/news-by-industry/services/travel/india-among-top-5-tourist-generating-markets-for-singapore/articleshow/11793835.cms>

Thomas Cook's India exit triggers industry frenzy

The impending exit of Thomas Cook from India has sent ripples across the travel industry. While consumers may not be impacted significantly by the development initiated by the 170-year-old travel company, the pertinent industry can expect much action in the coming days.

The sale of the India business of the British giant is likely to offer an opportunity to several players keen on entering this market. "Getting a strategic partner will bring gravitas to the company. In that, it is a good step," a senior travel industry executive said today. "However, in the current form, no one will buy the company. Forex and travel will have to be sold separately."

Business Standard - 09.02.2012

<http://www.business-standard.com/india/news/thomas-cook%5Cs-india-exit-triggers-industry-frenzy-/464155/>

Cabinet okays national cold chain centre

The Cabinet today cleared the notification of National Centre for Cold Chain Development (NCCD), tasked with establishing infrastructure and logistics to preserve fruit, vegetables and

source though.

The tour operator is learnt to be pushing ahead with divestments of its non-core assets to raise £200 million in an attempt to lighten its debt load and shore up the balance sheet. Repeated calls and an e-mail seeking clarifications to the management went unanswered.

DNA - 07.02.2012

http://www.dnaindia.com/money/report_credit-suisse-will-steer-thomas-cook-foreign-exchange-business-sale_1646826

other perishable items as a registered society. The society will be a public-private initiative involving two leading industry chambers as well. India is the second largest producer of horticulture commodities such as fruits, vegetables and flowers in the world. But a significant part of that goes waste due to lack of cold chain facilities.

The Tribune - 09.02.2012

<http://www.tribuneindia.com/2012/20120210/main4.htm>