

(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.)

Outcome of ONGC auction tarnished PSU's image: Moody's

Ratings agency Moody's today said the result of the government stake auction in ONGC has tarnished the image of the oil major.

"The result of the ONGC auction highlights how the government's own weak finances and policies tarnish the perceived value of the companies it owns," Moody's said in a statement. On March 1 the government had auctioned 5 per cent of its stake in ONGC. Although the issue was subscribed 98.3 per cent and fetched the government Rs 12,767 crore, as much as 84 per cent of the shares on the block were bought by state-run LIC.

"Poor private interest in the shares of one of India's largest firms (by market capitalization and profits) is credit negative for the Indian government," it said. Moody's said that one of the reasons for investors staying away from the ONGC auction was that the shares were priced higher than the market price. While the shares were trading around Rs 286 a piece, the government fixed the floor price for auction at Rs 290.

Economic Times - 05.03.2012

http://articles.economictimes.indiatimes.com/2012-03-05/news/31123938_1_ongc-auction-moody

Value of LIC investment in ONGC slips by Rs 900 crore in 2 days

LIC, which saved the much-hyped ONGC share auction, has lost around Rs 900 crore in market value of the acquired stake in the oil major in just two trading sessions after the Offer for Sale (OFS) on Thursday. LIC, according to official sources, picked up 40 crore shares, or 95 per cent of the state-owned ONGC shares on offer, sold through the auction route and witnessed substantial erosion in value of its investments thereafter. Taking into account the average price of Rs 303.67 per share, the acquisition of 40 crore shares of ONGC, or about 4.6 per cent stake, through the auction route would have cost the LIC about Rs 12,146.80 crore.

Economic Times - 04.03.2012

http://articles.economictimes.indiatimes.com/2012-03-04/news/31121408_1_ongc-shares-share-auction-floor-price

Don't regret setting ONGC floor price at premium: Govt

Despite LIC's bailout, Siddharth Pradhan, additional secretary of the Department of Disinvestment tells CNBC-TV18 that they do not regret setting the ONGC auction floor price at a premium. "If we had given a discount, the government would have lost about Rs 2000 crore," he said.

The government received Rs 12766 crores from the ONGC auction in its account which will go towards fulfilling FY12's divestment target. In a filing to exchanges, ONGC said that over 88% of the shares on offer were bought by LIC.

Pradhan goes on to say that they have not yet received any official indication as to what went wrong with the auction process. "We have heard that the goof up was done by the Stock Holding Corporation, but unless I get an authentic report, I can't go and take action against anybody," he said.

Moneycontrol.com - 06.03.2012

http://www.moneycontrol.com/news/business/dont-regret-setting-ongc-floor-price-at-premium-govt_676759.html

Government holding in ONGC comes down to 69% following stake sale

ONGC said the government's holding in the company has come down by 4.91% to 69.23% following stake sale last week. Prior to the Offer for Sale, the government had 74.14% stake in ONGC. The government sold 42.04 crore shares in ONGC and garnered Rs 12,766 crore, ONGC said in a filing on the BSE. Of the 42.04 crore shares auctioned last week, state-owned insurance giant LIC picked up 37.71 crore shares in the company and its total holding has gone up to 9.48%. Taking into account the average price of Rs 303.67 a share, the country's largest insurer would have invested around Rs 11,450 crore during the first ever auction of PSU shares.

Economic Times - 06.03.2012

http://articles.economictimes.indiatimes.com/2012-03-06/news/31127126_1_stake-sale-crore-shares-ongc

Tourism has potential to create 25 million jobs by 2016: Subodh Kant Sahai

Highlighting India's tourism potential, Tourism Minister Subodh Kant Sahai said the sector has the capacity to create 25 million jobs in the coming years. "India has the potential market for tourism and has set a target to achieve 12% growth in tourism sector by 2016. If this is achieved, we will be able to create 25 million additional jobs," Sahai said while inaugurating the Indian pavilion at ITB, the tourism fair in Berlin. He said in order to achieve the target, the ministry has already taken concrete steps to increase tourist traffic to India in the coming years.

Sahai said it has been decided to appoint marketing representatives in other countries where it does not have tourism offices. Currently, Tourism Ministry has 14 overseas offices including in New York, Toronto, Frankfurt, Dubai and Paris.

The Economic Times - 09.03.2012

<http://economictimes.indiatimes.com/news/news-by-industry/jobs/tourism-has-potential-to-create-25-million-jobs-by-2016-subodh-kant-sahai/articleshow/12197333.cms>

Accumulated losses of Assam state PSUs over Rs 1,000 cr: CAG

The state public sector undertakings of Assam have incurred accumulated losses of a staggering Rs 1,091.09 crore at the end of the last fiscal, according to a report by the Comptroller and Auditor General of India.

The CAG, which submitted its report in the Assam Assembly last week, said the losses were mainly caused by deficiencies in management and other operational factors and called for better management. However, the CAG noted, the accumulated losses came down from Rs 6,465.55 crore in 2005-06 to Rs 1,091.09 crore in 2011-12. Still, the auditor said, nearly Rs 1,700 crore constituted 'controllable' losses.

Economic Times - 08.03.2012

http://articles.economictimes.indiatimes.com/2012-03-08/news/31135944_1_cag-psus-comptroller-and-auditor-general

Indian ports lag behind in competency: Study

In a development that would put the Indian ports on the defensive, the Centre for WTO Studies on trade facilitation in India has come up with findings that ports in India lags behind their international peers in terms of efficiency. It takes a total of nine to 10 days for a ship to complete the formalities in any of the Indian ports, by in

Govt aims to create 77.5mn jobs in tourism and hospitality sector by 2016

The government aims at creating 77.5 million jobs in the tourism and hospitality sector by 2016 by adopting a "pro-poor" approach to the development of the sector in the twelfth five year Plan.

"Initiatives to be taken towards the development of the tourism and hospitality sector in twelfth Plan will aim at increasing net benefits to the poor from tourism and ensure that tourism growth contributes to poverty," a Tourism Ministry official told Deccan Herald.

The total employment in hospitality sector is estimated to be at 47.26 lakh in the year 2012-13 and 63.79 lakh in the year 2016-17. "To meet this requirement, there are plans to initiate a number of skill development programmes," official said.

Deccan Herald - 05.03.2012

<http://www.deccanherald.com/content/232372/govt-aims-create-775mn-jobs.html>

Budget 2012: Logistics sector should get industry status, says TCI

The government should look at according industry status to the logistics sector which will help the transporters avail the benefits of being part of an industry, said Vineet Agarwal, Joint MD, Transport Corporation of India.

Currently India's logistics cost is among the highest in the world - estimated to be almost 13 per cent of its GDP. TCI suggested setting up a separate regulatory authority for the logistics sector in accordance to the Insurance Regulatory & or Telecom Regulatory Authority of India as it would help to coordinate between the various ministries for an integrated policy for the sector.

The Economic Times - 09.03.2012

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-/transport/budget-2012-logistics-sector-should-get-industry-status-says-tci/articleshow/12198767.cms>

Hauer, US logistics institute bring new certification system to India

Indian container terminals have no way of benchmarking with the best in business - those in Hamburg or Valencia. TEU, or twenty-foot equivalent unit, the most talked-about parameter for container terminals, tells almost nothing about a terminal's efficiency. That's precisely the gap that the New York-based

countries like Singapore, the entire process will be completed in a couple of hours.

The poor show of the country's ports reflects well on its ranking also. The World Bank's report on 'Doing Business' ranks India in the 109th position in terms of trading across borders, far below its neighbours China (60), Sri Lanka (53) and Pakistan (75). The major source of delay in the delivery of goods from Indian ports is the frequent error found in the filing of IGM. Once an error comes up in the IGM, it will have to be refiled after rectification causing serious delay in the delivery. More importantly, the errors dissuade advance filing of IGMs, the study pointed out.

IBN Live - 05.03.2012

<http://ibnlive.in.com/news/indian-ports-lag-behind-in-competency-study/236172-60-122.html>

DB Schenker Logistics Rechristens Beverage Logistics Service

Effective immediately, DB Schenker is pooling its ocean freight solutions tailored to the special needs of the beverage industry – from alcohol-free soft drinks through wine and sparkling wine all the way to liquor – under the new product name DB SCHENKER beverages. With the change in name, the specialists at DB Schenker are catering to customer wishes in the sector. Until now, the service was offered as DB SCHENKER wine.

Logistics Week - 05.03.2012

<http://logisticsweek.com/news/2012/03/db-schenker-logistics-rechristens-beverage-logistics-service/>

GoAir diversifies into online travel agency

The Wadias, who control Bombay Dyeing, Britannia and GoAir, among others, are enhancing their exposure to the travel business with the launch of an online travel agency, Go Travel. This is the first time a budget airline company in India has diversified into the online travel agency business to compete with the likes of MakeMyTrip, Yatra. Go Travel is a one-stop shop which addresses all travel needs of customers including holiday packages, air, hotel and ground transportation.

Financial Chronicle - 05.03.2012

<http://www.mydigitalfc.com/news/goair-diversifies-online-travel-agency-230>

Tata Steel, ONGC in Fortune's most admired companies list

Two Indian companies -- Tata steel and ONGC -- have made it to a list of the world's most admired companies, compiled by management consultancy

Global Institute of Logistics is trying to fill.

The institute has in recent years developed and promoted what it refers to as a uniform global system to evaluate container terminals, in a business where such systems are few and far. And it is now bringing that system, called Container Terminal Quality System, to India via a tie-up with Chennai's Hauer Associates. CTQS assesses container terminals across 80 indicators right from crane productivity to staff training programmes. Those that muster enough points get certified.

The Economic Times - 02.03.2012

http://articles.economictimes.indiatimes.com/2012-03-02/news/31116902_1_container-terminals-jm-baxi-indian-ports

Exxon to sell UK lubricants unit Comma to Cosan

Cosan SA Industria e Comercio, Brazil's largest sugar and ethanol company by revenue, said it signed an agreement to acquire lubricant maker Comma Oil and Chemicals, a unit of ExxonMobil. Comma produces and distributes vehicles lubricants in the UK. Cosan, which didn't disclose the exact price of the acquisition, said it will pay less than \$100 million. Comma produces and distributes vehicles lubricants in the United Kingdom, Cosan said.

Base Oil Report

<http://www.baseoilreport.com/20120503/exxon-sell-uk-lubricants-unit-comma-cosan>

Decline in UK tea drinking worries Indian tea industry

The United Nations food agency, the Food & Agriculture Organization (FAO), has forecast that by 2021, Britons will be consuming 15% less tea than 15 years earlier. This decline has emerged as a concern for the Indian tea industry, whose exports to the UK have dwindled to 16 million kg from 22 million kg over the last five years. A delegation from the Indian Tea Association (ITA) and the Tea Board of India will visit the UK on March 17 for talks with the UK Tea Council as well as with buyers.

The Economics Times - 08.03.2012

http://articles.economictimes.indiatimes.com/2012-03-08/news/31135914_1_instant-tea-tea-industry-indian-tea-association

Power ministry expects long, dark hours ahead

Despite the apparent policy stress on the power sector, India's capacity addition has remained far below target, including the

giant Hay Group and global business magazine Fortune.

While the global rankings of the Indian companies were not known, the worldwide list has been topped by US-based technology giant Apple. While Apple has topped the list for the fifth consecutive year, it is followed by internet major Google and online retailer Amazon are ranked second and third respectively in the latest list for the year 2012.

The list comprises of a total 358 companies, but mentions specific rankings for only the top-50 companies -- globally and for the geographic regions. Tata Steel has been ranked 17th in the Asia-Pacific region. However, Tata Steel has been assigned an overall score of 6.46 and state-run energy giant ONGC of 5.86 points. Apple has topped the global rankings with a score of 8.42 points, while Unilever, ranked 50th, has scored 6.84 points.

Economic Times - 05.03.2012

http://articles.economictimes.indiatimes.com/2012-03-05/news/31123965_1_global-rankings-tata-steel-companies-list

Eleventh Five-Year Plan ending this month. The dismal performance is expected to continue during the Twelfth Plan period beginning next month, with the power ministry now expecting substantially lower capacity addition at 45,000-55,000 MW, compared with the ambitious 100,000 MW proposed earlier.

This means fuel shortage and flagging reforms will continue to cripple the critical sector for years to come, despite the award of several ultra-mega power projects (UMPPs).

The power ministry's revised assessment comes in the backdrop of India being tipped to surpass China as the world's biggest thermal coal importer in 2012-13 and consequently higher costs. Estimates are that India will import 120 million tonnes of coal next fiscal, as against some 70 mt this year.

Financial Express - 12.03.2012

<http://www.financialexpress.com/news/power-ministry-expects-long-dark-hours-ahead/922474/>