

(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.)

Government asks cash-rich PSUs, including Coal India, BHEL and ONGC, to invest funds in expansion

The Finance Ministry has asked cash-rich public sector companies (PSUs) to utilise surpluses for expansion and overseas acquisitions, a move that will promote investments and growth. "We have asked cash-rich PSUs to expedite utilisation of surplus fund on expansion and overseas acquisition," a top Finance Ministry official said. The central PSUs, including some bluechip companies, are estimated to have surplus capital of over Rs 1.5 lakh crore and have not been able to work out plans for utilisation of funds.

Earlier this year, the Prime Minister's Office (PMO) had directed cash-rich PSUs to go for aggressive investments in the current fiscal, mainly in the infrastructure sector. The government wants PSUs to propel the economy with investments and help reduce the fiscal deficit to 5.1 per cent of GDP in the current fiscal. The government has constituted a committee of the Department of Public Enterprises (DPE), headed by Department of Economic Affairs Additional Secretary Shaktikanta Das, to review the guidelines on investment of excess cash available with state-owned units.

Economic Times - 19.07.2012

http://articles.economictimes.indiatimes.com/2012-07-18/news/32730735_1_cash-rich-public-sector-companies-psus-economic-affairs-additional-secretary

Yatra may go for US listing next year

Online travel company Yatra.com is likely to get listed on an American stock exchange, says chief financial officer Dhruv Shringi. It is expected to look at launching its initial public offer (IPO) in the next financial year. "The e-commerce market is nascent in India. However, in the US, such companies from various parts of the world are listed. There is much more market research around them, which is not possible in India," explained Shringi on the US preference.

The company, which recently made news for buying Travelguru.com, is keen on more acquisitions. The Travelguru deal, while increasing the product portfolio in the hotels segment, is helping it increase its valuation, say analysts. An IPO is likely to help the company grow its business

Bulk deposits: Government tells PSUs not to invite bids

The government has again asked state-run firms not to invite bids for bulk deposits from banks in a bid to reinforce its decision to put restrictions on banks on the funds banks can raise through such deposits. The department of public sector enterprises (DPE) is keen that state run companies should actively pursue their investment plans. "State-run firms are not banks who should make profits on account of their deposits. We have told them not to invite bids," said an official of the department.

Finance ministry had a week ago issue a circular to the state run banks asking them not to participate in bids for bulk deposits and the said bulk de-posits and certificate of deposits or CD over card rate should not be more than 15% of the total deposits. The ministry felt that competition for deposits was preventing a fall in interest rates. CD rates have dropped by over 50 basis points while the rate of corporate bonds has seen a decline of over 40 basis points ever since the restrictions on bulk deposits were imposed.

Economic Times - 23.07.2012

<http://economictimes.indiatimes.com/news/economy/finance/bulk-deposits-government-tells-psus-not-to-invite-bids/articleshow/15099550.cms>

Domestic air traffic falls 5% in June

Higher ticket prices and lower capacity led to a decline in the number of airline passengers in June, according to various online travel portals. The Directorate General of Civil Aviation (DGCA), which is yet to release the data for June, had said passengers flown by domestic airlines had declined to 5.44 million in May 2012, against 5.49 million in the year-ago period, a fall of one per cent. "Domestic passenger traffic seems to have fallen about five per cent year-on-year because of increased fares, which are 30 per cent higher than last year," said Sharat Dhall, President (online), Yatra.Com.

Given online travel portals account for 15-18 per cent of total domestic airline ticket sales,

inorganically in the hotel and holidays space, which are the focus areas for industry leader MakeMyTrip's growth in the past two years. Yatra would be following MakeMyTrip, which had a successful listing on the Nasdaq exchange in the US in August 2010. MakeMyTrip had been on an acquisition spree after its IPO, having raised \$70 million by selling five million shares at \$14 each, becoming the fourth Indian company to complete its IPO in the US since 1999. MakeMyTrip acquired a 79% stake in Luxury Tours & Travel Singapore; 29% in Delhi-based My Guest House Accommodations, a portal focusing on budget accommodation in India; and 19.9% in Ixigo, a leading travel meta-search engine in India.

Business Standard - 19.07.2012

<http://business-standard.com/india/news/yatra-may-go-for-us-listing-next-year/480855/>

Asean airlines may be allowed to operate unlimited flights to Delhi, other metros

The Indian Government could allow airlines from the 10-member Association of South East Asian Nations (Asean) to initially operate unlimited flights between their capitals and New Delhi.

Eventually, the exemption could be extended to flights to cities including Mumbai, Chennai and Kolkata. The acceptance of this proposal by the Indian Government will update the 2003 India-Asean open sky agreement that allows carriers to operate daily flights to various metros, including New Delhi.

The Hindu Business Line - 19.07.2012

http://www.thehindubusinessline.com/industry-and-economy/logistics/article3658711.ece?ref=wl_industry-and-economy

IPA expects major ports to do better this quarter

Indian Ports Association (IPA) is optimistic about a turnaround for major ports in the current quarter of the financial year after a dismal first quarter that saw cargo throughput falling as much as 20 per cent at some of the ports.

Vishakapatnam port registered a fall of more than 20 per cent in cargo throughput during the April-June period this year in comparison to the first quarter last financial year. Paradip and Mormugao saw nearly 20 per cent fall. Ennore port, helped by diversion of dusty cargo from Chennai, was a striking exception with a growth of nearly 35 per cent.

The Hindu - 20.07.2012

<http://www.thehindu.com/business/Industry/article3658608.ece>

the overall fall in airline passenger traffic could be about one per cent, said an aviation expert. Noel Swain, executive vice-president (supplier relations), Cleartrip.com, said, "On an average, fares have risen 20 per cent, including the service tax. Fares to/from Delhi have risen 26-27 per cent because of the imposition of a user development fee. The industry was expecting four per cent growth in domestic air passenger numbers in the quarter ended June. However, growth would be flat or lower by one to two per cent. Traffic for June would be four-five per cent less."

Business Standard - 17.07.2012

<http://www.business-standard.com/india/news/domestic-air-traffic-falls-5-in-june-portals/480638/>

Mahindra Logistics scouting for overseas buyouts

Mahindra Logistics, a part of the diversified Mahindra Group, today said it is open to overseas acquisitions as part of its plan to become a \$ 1-billion firm. "To become a \$ 1-billion company, which is our objective in the mid-term, we will look at both organic and inorganic growth. So from a strategy perspective, we will keep targeting certain companies and see how we grow further," Mahindra Logistics CEO Pirojshaw Sarkari told reporters here. However, he neither put a timeline to become a billion-dollar entity nor disclosed the possible deal size.

The Economic Times - 19.07.2012

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping-/-transport/mahindra-logistics-scouting-for-overseas-buyouts/articleshow/15047526.cms>

Global tea production falls in first five months of 2012

Led by India, the global black tea production in the first five months of current calendar has fallen by 64.29 million kg over the same period of 2011, according to Indian tea trade. The global black tea production has dropped to 575.45 mkg from 639.74 mkg last year. "There is a drop in production in most of the tea producing nations. But India has been worst hit. Till May, tea production was down by 11.5%. In June and July, the production has not shown much improvement," said Mr Azam Monem, director of McLeod Russel India Ltd (MRIL).

The Economic Times - 20.07.2012

<http://economictimes.indiatimes.com/news/economy/agriculture/global-tea-production-falls-in-first-five-months-of-2012/articleshow/15054965.cms>

As inflation dips, industry asks for rate cut

India Inc has called for reversing the monetary policy stance of the RBI given that inflation has dipped to 7.25 per cent in June from 9.51 per cent during the same period last year. The figures clearly indicate that the current inflation is induced by shortages – in food articles, minerals, metals and products of upstream industries, the Assocham said in a statement.

“There is clearly a case for loosening of policy rates for encouraging investment and for taking initiatives for increasing supplies,” said Mr D.S. Rawat, Secretary-General, Assocham. The Confederation of Indian Industry (CII) too stressed the need to cut rates. CII noted that the high food and fuel prices have been the major contributors for June inflation and strongly recommended policy initiatives to ease the supply side bottlenecks in agriculture.

The Hindu Business Line - 16.07.2012

http://www.thehindubusinessline.com/industry-and-economy/article3645876.ece?homepage=true&ref=wl_home

ONGC will give 25 lakhs to each Indian Olympian

ONGC will give 25 lakhs to each Indian Olympian who secures a Gold medal for the country. Announcing this at an Official Send-off event organized by ONGC at New Delhi on 15th July 2012, ONGC CMD Mr. Sudhir Vasudeva said that this applies to not only ONGC Olympians, but to all Indian Olympians. “ONGC would give 15 lakhs for Silver and 10 Lakhs for Bronze”. ONGC is the Principal Sponsor of the Indian Contingent to London Olympics 2012, Mr. Vasudeva said that ONGC is proud to be contributing 20 per cent of the 81-member Olympics Contingent, which is the highest among Indian corporates.

Sarkaritel.com - 17.07.2012

<http://www.sarkaritel.com/ongc-announces-25-lakh-rupees-for-each-olympics-gold>

Govt to pursue reforms in monsoon session

Amid mounting pressure from India Inc and fears of a rating downgrade by Standard & Poor’s looming large, the United Progressive Alliance government may opt for reforms like partial decontrol of diesel prices, introduction of the Direct Taxes Code (DTC) Bill and the new Companies Bill in the monsoon session of Parliament.

It may also tweak the norms for foreign direct investment (FDI) in single-brand retail. However, reforms related to FDI in multi-brand retail, pension and commodity futures markets would have to wait, as no consensus has been reached on these.

Business Standard - 22.07.2012

<http://www.business-standard.com/india/news/govt-to-pursue-reforms-in-monsoon-session/481096/>

NTPC ranks 7th in Great Place to Work Survey

NTPC Limited has been ranked 7th overall in ‘India’s Best Companies to Work for 2010’, a study by The Great Places to Work Institute India and The Economic Times.

The Company is also ranked 1st among the large organizations with over 10,000 employees, 1st in the Public Sector Enterprises segment and 1st in the Manufacturing and Production Industry segment.

Sarkaritel.com - 21.07.2012

http://www.sarkaritel.com/news_and_features/june2010/21ntpc_awarded_great_place_to_work.htm