

(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.)

## FM's PSU meet next week may push divestment forward

With no equity disinvestment by the government in the first five months of the financial year, a meeting of Finance Minister P Chidambaram with heads of public sector companies next week is seen as crucial for stake sale in the remaining months of 2012-13.

The department of disinvestment (DoD) has set in motion a consultation process for the stake sales. It is scheduled to discuss with merchant bankers this week on the Steel Authority of India Ltd (SAIL) disinvestment. DoD expects the sell-off process to begin from September. In July, the cabinet had cleared sale of 10.82 per cent of government stake in SAIL, likely to fetch around Rs 4,000 crore. About half a dozen other companies, including Bharat Heavy Electricals, Oil India and NMDC are in the list. After burning its hand in the five per cent stake sale in ONGC through the auctioning route this March, the government is yet to finalise any single route for disinvestment.

*Business Standard - 06.09.2012*

<http://business-standard.com/india/news/fms-psu-meet-next-week-may-push-divestment-forward/485547/>

## Kamal Nath for PSU land monetization

The proposal of heavy industries ministry to monetize the land bank of sick PSUs found support from urban development minister Kamal Nath on Wednesday. He said that it's better to unlock value of such unutilized land for reviving these PSUs than government bailing them out now and then.

Addressing a seminar of urban development officials and mayors of different cities at CAG headquarters, Nath said such a move would bring more revenue to the PSUs and they wouldn't need any financial help from the Centre. The monetization could be in the form of lease or sale, said sources. According to estimates, close to 60 sick PSUs hold about 20,000 hectare of unutilized land.

*The Times of India - 06.09.2012*

<http://timesofindia.indiatimes.com/business/india-business/Kamal-Nath-for-PSU-land-monetisation/articleshow/16274660.cms>

## PSUs may be asked to hunt for cheap assets abroad

The finance ministry may ask cash-rich public sector undertakings (PSUs) to invest in foreign assets that are currently available at cheap rates due to the global economic slowdown. Finance Minister P Chidambaram would meet the heads of large PSUs next week to discuss their plans of utilising surplus cash.

"The finance minister will review the cash position of large central PSUs in a meeting next week. He will look at their reserves and discuss whether they would invest it somewhere," a finance ministry official told Business Standard on condition of anonymity.

The list of cash-rich PSUs includes ONGC, BHEL, BSNL, Coal India, GAIL India, NMDC and NTPC. The finance ministry feels foreign acquisitions by Indian companies at this juncture would be profitable, as PSUs can foray into markets that have good growth potential.

*Rediff - 05.09.2012*

<http://www.rediff.com/business/report/psus-may-be-asked-to-hunt-for-cheap-assets-abroad/20120905.htm>

## True valuation of PSUs yet to be fully reflected in market: Praful Patel

The true valuation of public sector enterprises, that could see disinvestment, is yet to be fully reflected despite improved capital market conditions, Minister of Heavy Industries and Public Enterprises Praful Patel said today.

Patel said even though disinvestment in a few PSUs was decided last fiscal, the process could not be carried out due to non-conducive market conditions. "Now, to some extent there are better conditions in some sectors. But suddenly disinvestment in companies operating in different sectors will not be possible as true valuation of the company is not reflected today," Patel said here.

*The Economic Times - 04.09.2012*

<http://economictimes.indiatimes.com/news/economy/finance/true-valuation-of-psus-yet-to-be-fully-reflected-in-market-praful-patel/articleshow/16252577.cms>

## **CAG reports say deficiencies in CPSEs' management: Govt**

CAG's audit reports of central CPSEs for 2008-2011 have said deficiencies in management have resulted in irregular payments, avoidable payments, wasteful expenditure and loss of revenue to the tune of Rs 1,846 crore, Rs 5,618 crore and Rs 7,800 crore, respectively.

The Comptroller and Auditor General (CAG) conducts the audit of central public sector enterprises (CPSEs), he said. In order to effectively monitor and expedite the follow up on the CAG report, each administrative ministry/department has set up a monitoring cell, he added.

Replying to another query, Patel said, "During 2010-11 there were 158 CPSEs which earned profit and 62 CPSEs that incurred losses." The total dividend declared by CPSEs was Rs 35,681 crore in 2010-11 compared to Rs 33,222 crore in 2009-10, he added.

*Financial Chronicle - 06.09.2012*

<http://wrd.mydigitalfc.com/news/cag-reports-say-deficiencies-cpses-management-govt-769>

## **190 projects on the Investment Tracking System**

After getting the PM's approval earlier this year, the Government of India has begun the reporting of projects under an Investment Tracking System. This is for projects with an investment of Rs.1000 crore and above. The purpose of this mechanism is to periodically monitor implementation of projects and identify systemic issues and attempt to have these resolved.

Under the Investment Tracking System, the National Manufacturing Competitiveness Council (NMCC) is mandated to track all Public Sector Undertaking (PSUs) projects with an investment of Rs.1000 crore and above and the Department of Financial Services, Ministry of Finance, is mandated to monitor projects with an investment of Rs.1000 crores and above in the private sector.

The details of such projects were sought from promoters, Industry Associations, Public Sector Banks, and few Private Sector Banks. An advertisement was also issued in major newspapers called for details. So far the information of 190 projects have been reported. The information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to a question in Lok Sabha today.

*iGovernment - 06.09.2012*

<http://www.igovernment.in/site/190-projects-investment-tracking-system>

## **Surplus Amount of CPSEs for Expansion and Overseas Acquisitions**

The Government has approved the implementation of a policy for acquisition of raw material assets abroad by CPSEs in October, 2011. The objective of the policy is to put in place a fast track and coordinated decision making process in order to facilitate acquisition of raw material abroad by CPSEs for the requirement of manufacturing sector in the country. As per Public Enterprise Survey 2010-11 placed in the Parliament on 22.03.2012 all Central Public Sector Enterprises (CPSEs) taken together have a total cash and bank balance of Rs. 284153 Crores as on 31.03.2011.

Decisions on investment/utilization of surplus funds in various projects, expansion, diversification, joint ventures, subsidiaries etc. are taken by the Board of the CPSEs based on their corporate plans. This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to a question in Rajya Sabha today.

*Press Information Bureau - 05.09.2012*

<http://pib.nic.in/newsite/erelease.aspx?relid=87520>

## **Govt kicks off PSU stake sales**

The government on Friday initiated the process to sell stakes in two bluechip PSUs - Nalco and NMDC - which could help it mop up around Rs 9,000 crore based on present stock prices and bridge the large deficit that the Centre is staring at.

In both cases, the disinvestment department has started the process of appointing merchant bankers, while making it clear that the stake sale would be through the auction route that was first used earlier this year to sell shares in ONGC.

Last week, it had sought merchant bankers for Neyveli Lignite, where it plans to sell 5% stake, again through the auction window. The Tamil Nadu-headquartered firm to help the government rake in over Rs 600 crore, and could take the mop up close to the Rs 10,000 crore mark. The valuation could come down marginally as the government is expected to reserve 0.5% of the offer in all three cases for employees of the PSUs. In case of Neyveli it has already made public its intent, although the modalities are yet to be worked out.

*The Times of India - 08.09.2012*

<http://timesofindia.indiatimes.com/business/india-business/Govt-kicks-off-PSU-stake-sales/articleshow/16305641.cms>

## **PSEs could keep 5% of shares being offloaded for employees**

The finance ministry has suggested that public sector enterprises (PSEs) could reserve up to 5% of the shares being offered to investors under the disinvestment initiative for its employees. It has said that employees could subscribe to the shares at a discount of 5% to the lowest cut-off price or the price discovered after the completion of share sale under the offer for sale (OFS) or the institutional placement programme (IPP) routes.

Companies are now not permitted to reserve shares for their employees under either OFS or IPP routes that would be adopted widely for PSE share sale offers this fiscal.

*The Financial Express - 10.09.2012*

<http://www.financialexpress.com/news/ps-es-could-keep-5-of-shares-being-offloaded-for-employees/1000308/>

## **US embassy unveils new system for faster visa clearance**

The US embassy on Wednesday unveiled a new visa application process that involves the Internet and mobile phones for fee payments and scheduling appointments for interviews—a move that industry analysts have largely welcomed.

The new system that will come into effect across India on 26 September is part of a global effort launched by the US State Department, Julia Stanley, minister-counsellor for consular affairs, told reporters in New Delhi on Wednesday. This involves outsourcing collection of biometric data, though visa interviews will happen at the US embassy or consulates.

*The Mint - 05.09.2012*

<http://www.livemint.com/2012/09/05234912/US-embassy-unveils-new-system.html?h=B>

## **Right time for port expansion**

Emerging Kerala comes around the time Cochin Port Trust has invited tenders for its ship-building repair yard and the centre has announced disinvestment of Cochin Shipyard Ltd as part of supporting its financial requirements for expansion. According to a recent study by the Associated Chambers of Commerce and Industry of India (Assocham), the country's ship-building and repair industry is expected to grow to Rs. 9,200 crore from the present level of Rs. 7,310 crore. While this is just one per cent of the global industry, any increase in this will be big for the country.

*Asian Age - 05.09.2012*

<http://www.asianage.com/kochi/right-time-port-expansion-439>

## **India aims at 1 per cent global tourist arrivals by 2017**

The country aims to attract one percent of the global tourist arrivals by the end of 12th Five Year Plan (2012-2017) from the current 0.58 percent, Union Tourism Minister Subodh Kant Sahai said. "We aim to increase the number of global tourist arrivals in the country to one percent, which will create a lot of employment opportunities," Sahai said.

Last year, 6.29 million foreign tourists came to India, which resulted in earning of \$16.56 billion of foreign exchange. Majority of them were from Western Europe and US. The Minister also said he would push for 'infra' status for the tourism sector.

*The Economic Times*

<http://economictimes.indiatimes.com/articleshow/16298048.cms>

## **Indian ports caught in shallow waters**

Traffic at Indian ports grew by just 2 per cent in 2011-12 (a sharp contrast from 9.2 per cent CAGR recorded during 2005-06 to 2010-11). Had it not been for the healthy 25 per cent increase in coal traffic and a modest 8 per cent increase in container traffic, overall growth in port traffic may well have been negative during the year.

Despite lower utilisation rates, congestion issues continue to beset ports as turnaround times for most of the major ones still remain significantly high. This is because utilisation rates have been largely pulled down only by capacities handling iron ore and certain pockets of non-major ports.

*The Hindu - 09.09.2012*

<http://www.thehindu.com/business/Industry/article3874592.ece>

## **SAIL elevates 27 GMs to Executive Directors**

In a drive to fill vacancies at the level just below the board of directors, SAIL has elevated a total 27 General Managers to the Executive Directors' positions. It has also ordered a parallel transfer at the ED level this month.

SAIL's strength of EDs will now shoot up to 74 from the current 47. According to SAIL sources, the exercise will involve major relocation of the senior executives. In terms of numbers, this top level changes is the major initiative for the public sector steel maker.

*The Hindu Business Line - 03.09.2012*

[http://www.thehindubusinessline.com/companies/article3855121.ece?ref=wl\\_opinion](http://www.thehindubusinessline.com/companies/article3855121.ece?ref=wl_opinion)