

(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.)

## Finance ministry to ensure PSUs meet investment target

The finance ministry is contemplating a raft of measures to ensure that the cash-rich state-run companies stick to their investment targets. Officials told ET that the ministry has proposed to review the performance of these companies on a quarterly basis.

The ministry is also likely to suggest that performance-linked pay of senior executives be held back in case the company fails to meet its investment goals. If the companies still do not fall in line, the ministry may ask them to surrender their cash to the government through big dividends, these officials said.

*The Economic Times - 17.09.2012*

<http://economictimes.indiatimes.com/news/economy/finance/finance-ministry-to-ensure-psus-meet-investment-target/articleshow/16428517.cms>

## Eight PSUs likely to hit market in Q3: Secy Divest MH Khan

As part of the government's disinvestment plans, around eight public sector companies are likely to hit the capital market in the October-December period, a top official has said. BHEL, SAIL, Hindustan Copper, Nalco, NMDC, NTPC, Neyveli Lignite and RINL are lined up for disinvestment in the next quarter, disinvestment secretary MH Khan said.

"We have taken a broad decision that in this third quarter we have to do so many things... I think, there are decent numbers... seven or eight companies are lined up and they are at various level of preparations," Khan told PTI on the sidelines of a workshop on ETF in Mumbai on Monday evening. Though all these PSUs are lined up for stake sale, whichever is ready first will hit the market, he said, adding, it will be difficult to predict which company will hit the market first as it depends on many factors. Through the disinvestment process, the government will offload at least 5% of its holding in these companies.

*Hindustan Times - 11.09.2012*

<http://www.hindustantimes.com/business-news/CorporateNews/Eight-PSUs-likely-to-hit-market-in-Q3-MH-Khan/Article1-928230.aspx>

## PSUs rank low on corporate governance

A recent survey on the levels of corporate governance in Indian firms has put government-owned entities on the bottom of the list. Institutional investors rated multinational firms with the best governance levels, followed by professionally managed businesses.

According to the survey conducted jointly by the Confederation of Indian Industry (CII) and the Institutional Investor Advisory Services (IIAS), nearly 85% of the respondents felt that corporate governance played an important role in deciding whether or not to invest in a target company.

*The Financial Express - 17.09.2012*

<http://www.financialexpress.com/news/psus-rank-low-on-corporate-governance/1003639/>

## Govt in hunt for advisors to start ETF

The department of disinvestment will soon appoint internationally-reputed advisors for setting up an exchange-traded fund (ETF) for selling shares of public sector units to meet the year's disinvestment target of Rs 30,000 crore. "Internationally reputed merchant bankers, investment bankers, consulting firms and asset management companies, who have advised or have launched an equity ETF could be made eligible (as advisor)," an official told PTI.

After the appointment of the advisor, the department would appoint an ETF provider, which will manage the fund on behalf of the government. The government would soon appoint advisors on its proposal to attract investors by setting up an exchange-traded fund for central public sector enterprises. As per the request of proposal to be floated by the dept of disinvestment, the bidders of global merchant bankers should have advised or have been involved in a relevant capacity or have launched an equity ETF of Rs 1,000 crore or more between September 2009 and June 2012.

*Business Standard - 17.09.2012*

<http://www.business-standard.com/india/news/govt-in-hunt-for-advisors-to-start-etf/486670/>

## **PSUs ready to invest more; want govt to address coal issue**

Heads of infrastructure sector PSUs on Wednesday met Finance Minister P Chidambaram and committed to step up investments, while suggesting to the government that it address the issues related to project clearances and availability of coal. Talking to reporters after the meeting, NTPC Chairman and Managing Director (CMD) Arup Roy Choudhury said the company plans to invest Rs 20,000 crore in the current fiscal and was confident of the capex plan. "Discussion (was) on speedy achievement on capex and (we) are confident of achieving capex commitment," he added.

According to BHEL Chairman and Managing Director B Prasada Rao, "Order book at the end of Q1 is at Rs 1.35 lakh crore. Our basic trouble is the various problems plaguing the power sector. Our investments are connected to the power sector. Clearances and also coal linkages continues to be a problem."

*Zee News - 12.09.2012*

[http://zeenews.india.com/business/news/companies/chidambaram-to-meet-psus-heads-to-chart-out-investment-plan\\_60116.html](http://zeenews.india.com/business/news/companies/chidambaram-to-meet-psus-heads-to-chart-out-investment-plan_60116.html)

## **PSUs discuss capex plans with FM**

Cash-rich public sector units (PSUs) on Wednesday shared their capital expenditure plans with the government and agreed to step up investment. In a meeting with Finance Minister P Chidambaram on Wednesday, heads of PSUs also raised issues related to the supply of coal and project clearances. The PSUs, sitting on a cash pile of about Rs 1.8 lakh crore, committed investments running into few thousand crores over the next five years, but cautioned they were facing some issues and those should be addressed, especially problems in the power sector.

*Business Standard - 13.09.2012*

<http://www.business-standard.com/india/news/psus-discuss-capex-plansfm/486309/>

## **Growth rate unlikely to slip to 5% this fiscal: Montek**

The Planning Commission today said the economic growth is unlikely to slip to 5% in the current fiscal as things are set to improve in the second half of 2012-13. "I don't think growth would come down to 5% in the current fiscal... The government is taking number of steps which will bring growth up. We would expect to see an improvement," Planning Commission Deputy Chairman Montek Singh Ahluwalia told reporters here, after a meeting with Finance Minister P

## **Advice to PSUs on spending**

Finance minister P. Chidambaram has convened a meeting later this week of top PSUs, who together hold cash reserves of Rs 1.8 lakh crore, to make them spend on pending projects.

If a PSU is unable to spend or does not have viable projects, it may be asked to either buy back its own shares or pay special dividends to shareholders. The government as the most important shareholder will be the major beneficiary.

Also under consideration is a proposal to make the PSUs park their spare cash in government securities or even mutual funds.

Firms invited to the meet include ONGC, Coal India, SAIL, Oil India, GAIL, NHPC, BHEL and NMDC. Coal India, ONGC, NMDC and SAIL have the largest reserves among the PSUs.

*The Telegraph - 11.09.2012*

[http://www.telegraphindia.com/1120912/jsp/business/story\\_15966005.jsp#.UFAVrIqdGY](http://www.telegraphindia.com/1120912/jsp/business/story_15966005.jsp#.UFAVrIqdGY)

## **Disinvestment back on agenda**

As part of the big-ticket reforms package, the government finally unveiled its disinvestment programme for the current fiscal.

The Cabinet Committee on Economic Affairs (CCEA), on Friday, gave the go-ahead to equity stake sale in four PSUs, which is likely to mop up nearly Rs.15,000 crore or about 50 per cent of the Rs.30,000-crore divestment target set for 2012-13.

*The Hindu - 14.09.2012*

<http://www.thehindu.com/business/companies/article3897383.ece>

## **Dismal industrial production in July**

In yet another signal for urgent corrective action to spur capital investment and put the economy on a higher growth trajectory, industrial production in July witnessed a dismal overall expansion of 0.1 per cent, mainly owing to the manufacturing sector continuing to be a laggard. The sharp pull-down in industrial growth during the month, when compared to a comparatively healthy 3.7 per cent expansion achieved in July, 2011, can squarely be attributed to the manufacturing sector being

Chidambaram.

The 12th Plan (2012-17) draft document, which will be placed before the meeting of Full Planning Commission, which will be chaired by Prime Minister Manmohan Singh on Saturday, has reportedly warned that persistent "policy logjam" could pull down the growth rate to 5%. The Commission is aiming an average annual growth of 8.2% during the 12th Plan.

*Moneycontrol - 13.09.2012*

<http://www.moneycontrol.com/news/economy/growth-rate-unlikely-to-slip-to-5-this-fiscal-montek-757446.html>

### **Amadeus extends its global content agreement with FCm Travel Solutions for 5 years**

Amadeus, a travel technology partner and transaction processor for the global travel and tourism industry, and global corporate travel and expense management specialist FCm Travel Solutions, have renewed their global content agreement for five years. Under this agreement, Amadeus content will continue to be available to FCm's partner network via Amadeus Selling Platform and Amadeus' e-Travel Management booking tool.

Gregory Lording, Global Brand Leader at FCm Travel Solutions, said, "Amadeus' global expertise in distribution, IT and support is highly regarded. We look forward to working closely with Amadeus to ensure our global business achieves more consistency across its IT processes."

*Travel Biz Monitor - 14.09.2012*

<http://www.travelbizmonitor.com/amadeus-extends-its-global-content-agreement-with-fcm-travel-solutions-for-5-years-17721>

### **Tourism outlay to increase three-fold in 12th Five Year Plan period**

According to Subodh Kant Sahai, Minister for Tourism, Government of India, expenditure for implementing tourism plans will see a three-fold increase in the 12th Five Year Plan period (2012-17), compared with the 11th Plan period. The Planning Commission of India has sanctioned a plan outlay of Rs 16,000 crore for tourism, versus Rs 5,156 crore in the previous period.

Sahai said that the increased allocation was an indicator of the changing outlook of the government towards the tourism sector. He said that the ministry will soon convene a meeting of the National Tourism Advisory Council (NTAC) to chart plans for the next five years.

the worst performer.

Accounting for more than 75 per cent of the items in the IIP (index of industrial production), the sector saw its growth rate contract by 0.7 per cent in July, and strayed further into negative territory to show a decline of 0.9 per cent during April-July of the current fiscal.

*The Hindu - 12.09.2012*

<http://www.thehindu.com/business/article3888197.ece>

### **Air policy opening gets qualified welcome**

The Cabinet on Friday decided to allow foreign air carriers to take up to 49 per cent stake in domestic airline companies, ending five years of dithering in the face of opposition from sections of the political spectrum.

Addressing a press conference after the cabinet meeting, Anand Sharma, commerce minister, said: "Detailed rules for the FDI will be framed by the ministry of civil aviation. However, the chairman and two-thirds of the directors of the company have to be Indians." Reacting on the FDI approval, Ajit Singh, the civil aviation minister, completely ruled out Air India, the government-owned carrier, opting for FDI. He said, "The decision sends a clear message for the sector that is under stress. Now, the banks can look at them favourably. The managerial and technical expertise will be available to local airlines, plus everything that goes with this. Code sharing benefit will also be there."

*Business Standard - 15.09.2012*

<http://www.business-standard.com/india/news/air-policy-opening-gets-qualified-welcome/486514/>

### **Cochin Shipyard gets nod to set up repair facility**

The public sector Cochin Shipyard Ltd will set up a new ship repair facility in Kochi at an estimated cost of Rs 750 crore, the Union Shipping Minister G. K. Vasan said here on Friday. The new facility will come up at the 45-acre land owned by the Cochin Port Trust, which had announced its plan to lease out the plot for a ship repair yard.

The new facility will come up at the 45-acre land owned by the Cochin Port Trust, which had announced its plan to lease out the plot for a ship repair yard. The land, with an 800-metre waterfront, already has a small repair facility and is close to the Mattancherry Wharf.

*Travel Biz Monitor - 17.09.2012*

<http://www.travelbizmonitor.com/tourism-outlay-to-increase-threefold-in-12th-five-year-plan-period-17729>

### **Eastern ports' cargo traffic may rise 9%**

The importance of the east coast is growing in recent years and the cargo traffic from eastern ports is likely to grow by 8-9 per cent in the next few years, according to Ajeya Kallam, Chairman of the Visakhapatnam port. He said for long, India's east coast had lagged behind the west in terms of cargo movement. "Of the total cargo, 75 per cent is being routed through western ports and the rest through the eastern. But, according to a study by Ernst & Young, by 2014, the cargo from the eastern port would grow to 34 per cent and there would be a corresponding decline in cargo from the western ports," he said.

*The Hindu Business Line - 10.09.2012*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/article3882103.ece>

*The Hindu Business Line - 14.09.2012*

[http://www.thehindubusinessline.com/industry-and-economy/article3897210.ece?ref=wl\\_industry-and-economy](http://www.thehindubusinessline.com/industry-and-economy/article3897210.ece?ref=wl_industry-and-economy)

### **Global black tea output down 6%**

Global black tea production in the first seven months of current calendar year has fallen by 5.84 per cent over the corresponding period of 2011, reveals an analysis of the latest data available with producers' and traders' bodies.

*The Hindu Business Line - 11.09.2012*

[http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article3885834.ece?homepage=true&ref=wl\\_home](http://www.thehindubusinessline.com/industry-and-economy/agri-biz/article3885834.ece?homepage=true&ref=wl_home)