

(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.)

PSUs that cannot invest their surpluses should issue special dividends

Finance minister P Chidambaram says public sector undertakings (PSUs) that fail to meet their planned investment targets must surrender their funds. This is fair and correct.

PSUs should not be allowed to sit on a mountain of cash at a time when the economy desperately needs investments to grow. They should spend the cash-pile to expand capacity, especially in sectors such as power, coal and gas where capex needs are huge.

Failure to do so is unfair to the dominant shareholder - the government - that provides capital to build assets and create value for the company. It also deprives the shareholder of alternative investment choices.

The Economic Times - 20.11.2012

<http://economictimes.indiatimes.com/opinion/editorial/psus-that-cannot-invest-their-surpluses-should-issue-special-dividends/articleshow/17289264.cms>

Why government should move on with divestment, not worry about price

The government has done well to kickstart the stalled divestment plan despite the lacklustre market. It raised about Rs 800 crore by selling 5.58% stake in Hindustan Copper in a share auction on Friday.

And shares were bought at an average price of Rs 156.56, a tad above the floor price of Rs 155 per share. What is not so welcome is state-owned financial institutions turning out to be the only buyers. While it is true that in the past, such purchases of good PSU stock by state-owned financial institutions have fetched them decent profits over time, in principle, the government should make more serious efforts to find private sector buyers for the shares it wants to sell.

The Economic Times - 26.11.2012

<http://economictimes.indiatimes.com/opinion/editorial/why-government-should-move-on-with-divestment-not-worry-about-price/articleshow/17367308.cms>

PSU disinvestment: Govt plays it safe

After the fiasco over share sale of Oil and Natural Gas Corporation (ONGC) in March this year, the government has softened its stand over the pricing of its share sales. The floor price for sale of government's 4 percent stake in state-run Hindustan Copper was set at Rs 155 a share today. This is at 41.79 per cent discount to company's current share price at Rs 266 on the stock exchanges, which is a steepest discount the government has offered ever for selling its stake in any company. The offer for sale will open on Friday.

Experts say, this floor price may ensure that the issue sales through and create a feel good factor in the stock market too. The government is planning share sale in Oil India Ltd and NMDC by December 20.

Business Standard - 22.11.2012

<http://business-standard.com/india/news/psu-disinvestment-govt-plays-it-safe/196924/on>

Govt clears 9.5 % stake sale in NTPC, may get Rs. 13,000 crore

The government today approved 9.5 per cent stake sale in state-run power producer NTPC, hoping to garner around Rs 13,000 crore. "The Cabinet Committee on Economic Affairs has approved 9.5 per cent paid-up equity capital (about 78.33 crore shares) in NTPCBSE -2.57 % out of government's shareholding of 84.50 per cent, a proposal by Department of Disinvestment, Ministry of Finance," sources said.

At the current market price, the stake sale is likely to fetch Rs 13,000 crore for the exchequer. However, it has failed to come out with any public offering in over seven months of 2012-13. The government has set a disinvestment target of Rs 30,000 crore for the current fiscal.

Economic Times - 22.11.2012

http://economictimes.indiatimes.com/news/economy/policy/govt-clears-9-5-pc-stake-sale-in-ntpc-may-get-rs-13000-cr/articleshow/17325497.cms#Scene_1

NMDC disinvestment likely by Dec 15

Encouraged by the response to its stake sale in Hindustan Copper, the government on Friday said disinvestment of its 10 percent shares in NMDC (National Mineral Development Corporation) is likely to take place in first half of December. "Disinvestment in NMDC should be in the first fortnight of December... They have estimated about Rs 7,000 crore. Let's see," disinvestment secretary M Haleem Khan said.

In October, the government had approved a 10 percent stake sale in the country's largest iron-ore miner NMDC that could fetch the exchequer over Rs 7,000 crore. The disinvestment, like in the case of Hindustan Copper, will be through offer-for-sale (OFS) route, popularly known as auction method.

Moneycontrol.com - 23.11.2012

http://www.moneycontrol.com/news/business/nm-dc-disinvestment-likely-by-dec-15_786674.html

Govt hopeful of achieving Rs 30,000 crore disinvestment target

Encouraged by the success of Hindustan Copper disinvestment, Finance Minister P Chidambaram today exuded confidence that the government would be able to meet the Budget target of raising Rs 30,000 crore from stake sale in public sector undertaking during the current fiscal.

"I am happy that issue has been fully subscribed. This is the resumption of the disinvestment process and we will go forward with the disinvestment processes as approved by the CCEA between now and March," Chidambaram told reporters here. "...I hope that we can collect the targeted Rs 30,000 crore," he added.

Economic Times - 23.11.2012

<http://economictimes.indiatimes.com/news/economy/finance/govt-hopeful-of-achieving-rs-30000-crore-disinvestment-target/articleshow/17337123.cms>

ONGC, GAIL among CPSEs that don't have required number of independent directors

Of the 25 listed Central Public Sector Enterprise (CPSE) that does not have required number of independent directors seven belonged to oil and gas sector. "The main reason for this delay in appointment of requisite number of independent directors on the Boards of these 25 CPSEs is the non-initiation of the proposals for appointment of independent directors by the concerned administrative ministries/departments in time," the Minister of Heavy Industries & Public

17 PSUs including ONGC, OIL and NTPC committed to investing over Rs 1.63 lakh crore in FY'13

The government today said 17 central public sector enterprises, including, ONGC, OIL and NTPC, have committed to invest over Rs 1.63 lakh crore during the current financial year.

"The total capital available with Central Public Sector Enterprises (CPSEs), at present which could be invested is the cash and bank balance...stand at Rs 2,84,153.22 crore...," Minister of heavy Industries and Public Enterprises Praful Patel said in a written reply in the Lok Sabha.

Economic Times - 22.11.2012

http://articles.economictimes.indiatimes.com/2012-11-22/news/35300969_1_cpses-capital-investment-central-public-sector-enterprises

PMO backs super board to boost investments

In a bid to steer in big investments and push India's sagging economic growth, the Prime Minister's Office (PMO) has lent its shoulder to a proposal for setting up a National Investment Board/Authority, notwithstanding concerns raised by environment minister Jayanthi Natarajan.

In an internal PMO note, C Rangarajan, chairman of the Prime Minister's Economic Advisory Council, has underlined the need to set up the NIB, as envisaged by finance minister P Chidambaram, at the earliest to help clear pending mega investment proposals within a stipulated time. Nearly a dozen big ticket proposals entailing investment in excess of Rs. 100,000 crore are in a limbo for want of approvals.

Hindustan Times - 18.11.2012

<http://www.hindustantimes.com/business-news/WorldEconomy/PMO-backs-super-board-to-boost-investments/Article1-961094.aspx>

No proposal to relax norms for Navratna tag

The government has said there is no proposal to relax guidelines for granting Navratna status to central public sector undertakings. "There is no proposal to relax the norms for granting the Navratna status to Central Public Sector Enterprises (CPSEs)," Minister of Heavy Industries and Public Enterprises Praful Patel said yesterday in a written reply in the Lok Sabha.

To qualify for the Navratna status, a CPSE

Enterprises, Praful Patel, informed Lok Sabha today.

The oil and gas companies were ONGC, GAIL (India), Oil India, Hindustan Petroleum Corporation, Bharat Petroleum Corporation, Chennai Petroleum Corporation of India, and Mangalore Refinery and Petrochemicals.

Hindu Business Line - 22.11.2012

<http://www.thehindubusinessline.com/industry-and-economy/ongc-gail-among-cpses-that-dont-have-required-number-of-independent-directors/article4123495.ece>

Indian economy could have grown by over 5.5 pc in Q2: Moody's

Rating agency Moody's today said Indian economy is expected to have grown by little more than 5.5 per cent in last quarter, and an initial spike in investor sentiment after recent reforms has faded and the "reality of India's deep-seated structural problems" has begun to set in.

The reforms proposed by the government may help reduce the key risks facing the economy but cannot lift the near-term outlook, Moody's said, while adding that the economy is growing well below its long-term potential. It, however, said that the growth rate could be near the bottom of its current downward cycle.

Economic Times - 22.11.2012

http://articles.economictimes.indiatimes.com/2012-11-22/news/35300785_1_gdp-growth-gdp-numbers-indian-economy

Industrial growth, monetary policy disconnect

The slump in manufacturing growth in the first half of this fiscal (2012-13) is in sharp contrast to the 12-14 per cent growth envisaged in the New Manufacturing Policy. Even the long-run growth trend in the index of industrial production (IIP) is below its potential. Average annual growth rate in IIP during FY 2001-2012 was lower than that of GDP.

The Hindu Business Line - 25.11.2012

http://www.thehindubusinessline.com/industry-and-economy/banking/industrial-growth-monetary-policy-disconnect/article4127185.ece?homepage=true&ef=wl_home

Oil ministry seeks cash subsidy of Rs. 105,525 crore for FY13

The Oil Ministry has sought Rs 105,525 crore from the Finance Ministry this fiscal to subsidise diesel and cooking fuel, the Lok Sabha was informed today. State-owned fuel retailers are likely to end the fiscal with a revenue loss of over Rs 1,63,000

having a Miniratna Category-1 status should have a composite score of 60 or above out of 100 marks based on its performance during the last three years on the six identified parameters. These parameters include net profit to net worth (25 marks), earnings per share (10 marks), manpower cost to cost of production or services (15 marks) and gross profit out of turnover (15 marks).

Business Standard - 23.11.2012

<http://www.business-standard.com/india/news/no-proposal-to-relax-norms-for-navratna-tag/197046/on>

Govt source says fiscal deficit may widen more

A government source said the fiscal deficit could widen more than targeted for the year ending in March, potentially requiring additional market borrowing. The government source said the fiscal deficit could reach 5.5 to 5.6 percent of gross domestic product in 2012/13, which could require additional market borrowing of 350-400 billion rupees.

The benchmark 10-year bond yield rose to as high as 8.23 percent, up 3 basis points from levels before the news. The yield was last trading at 8.22 percent compared to its 8.21 percent close on Wednesday.

Moneycontrol.com - 22.11.2012

http://www.moneycontrol.com/news/wire-news/govt-source-says-fiscal-deficit-may-widen-more_786030.html

RBI may be able to cut interest rate as inflation eases: FM

Finance Minister P Chidambaram today expressed hope that the Reserve Bank would be able to reduce key interest rate with the further easing of inflation. "As inflation eases further, there will be an opportunity for monetary policy to take measures to mitigate growth risks," he said in a written reply to the Lok Sabha. Chidambaram said that high inflationary pressures had necessitated the adoption of tight monetary policy by the RBI.

Moneycontrol.com - 23.11.2012

http://www.moneycontrol.com/news/economy/rbi-may-be-able-to-cut-interest-rate-as-inflation-eases-fm_786660.html

Air travel sees steepest slide of 16% in Oct

With airfares defying gravity, the holiday season has failed to arrest the free fall in domestic air travel this year. October 2012 saw the highest ever year-on-year fall in domestic air travel with a 15.7% drop over the same

crore on sale of diesel, domestic cooking gas (LPG) and kerosene at government-controlled rates that are way lower than cost. Of this, close to Rs 60,000 crore will come from upstream companies Oil and Natural Gas Corp (ONGC), Oil India Ltd and GAIL India. For the rest, the oil ministry has asked finance ministry to give cash subsidy.

Economic Times - 24.11.2012

http://articles.economictimes.indiatimes.com/2012-11-24/news/35317357_1_fuel-sales-cash-subsidy-oil-ministry

Retail tea prices set to rise due to supply shortage

Retail tea prices in India, the world's second biggest producer, may go up as auction prices have inched up by 20-25% in the last one week due to supply shortage coupled with robust demand from local and overseas buyers for the ensuing winter season.

The Economic Times - 20.11.2012

http://articles.economictimes.indiatimes.com/2012-11-20/news/35226083_1_tea-prices-ctc-prices-auction-prices

period last year. The slide is accelerating as it is higher than the 12.4% recorded in the lean travel month of September 2012, over the same month last year.

The Times of India - 21.11.2012

<http://timesofindia.indiatimes.com/business/india-business/Air-travel-sees-steepest-slide-of-16-in-Oct/articleshow/17302399.cms>

Not happy with existing land policy in Bengal, says FICCI

The Federation of Indian Chamber of Commerce & Industry (FICCI) on Wednesday said it was not happy with the existing land policy in Bengal which negates the state's role in procuring land for private industry.

My Iris - 20.11.2012

<http://www.myiris.com/newsCentre/storyShow.php?fileR=20121120094234718&dir=2012/11/20>