

(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.)

## Govt set to overhaul investment fund

The government is set to overhaul the National Investment Fund (NIF) from April 1. From the next financial year (FY14), the government will utilise the disinvestment proceeds for recapitalisation of banks and subscribing to the shares of Central Public Sector Enterprises (CPSEs) and preferential allotments. The Cabinet is slated to take up the finance ministry's proposal on NIF restructuring tomorrow, which also proposes to end the four-year moratorium on putting the stake sale money into the fund.

Officials in the know said that according to the proposal, all disinvestment proceeds will be transferred to NIF and will remain there till they are withdrawn. The fund will be used to subscribe shares issued by CPSEs, including public sector banks and public sector insurance companies, on rights basis so as to ensure the overall government holding does not fall below 51 per cent.

*Business Standard - 17.01.2013*

<http://www.business-standard.com/india/news/govt-set-to-overhaul-investment-fund/499085/>

## Moody's flags fiscal deficit concerns

Retaining India's credit rating at the existing level, global agency Moody's has cautioned that a high fiscal deficit could pull down the growth in the coming years. "Large government deficits and debt ratios as well as supply constraints in the form of infrastructure, policy and administrative inefficiencies constrain the sovereign credit profile," Moody's said in India rating report.

On the positive side, the global rating agency reaffirmed sovereign credit rating of India at Baa3, which indicates investment grade, with a stable outlook. "Government finances are the weakest aspect of India's macroeconomic profile... We expect the government's fiscal position to remain weaker than peers over the medium term," it said, adding sustained improvement in public finances could result in rating upgrade.

*Times of India - 21.01.2013*

<http://timesofindia.indiatimes.com/business/india-business/Moodys-flags-fiscal-deficit-concerns/articleshow/18109514.cms>

## Sebi to soften rules in order to boost govt's disinvestment programme

Stock market regulator Sebi will this week consider large-scale changes to rules governing Offers for Sale (OFS) of equity by listed firms, potentially boosting the government's disinvestment programme that has emerged as a key plank of its deficit reduction efforts.

The Securities & Exchange Board of India (Sebi) board will on January 18 discuss a proposal to exempt institutional investors from stumping margin money upfront to buy shares in an OFS, making it easier for them to participate more enthusiastically in upcoming equity offers. But in lieu of getting this benefit, investors will not be permitted to make downward revisions to both the price and quantity of the shares they bid.

*Economic Times - 14.01.2013*

<http://economictimes.indiatimes.com/markets/regulation/sebi-to-soften-rules-in-order-to-boost-governments-disinvestment-programme/articleshow/18011499.cms>

## India to be among 3 largest economies by 2050: PwC

Emerging economies are set to grow faster than the developed economies over the next four decades and India is likely to become one of the three largest economies by 2050, estimates a PwC report.

According to the report, 'World in 2050 The BRICs and Beyond: Prospects, Challenges and Opportunities', the global financial crisis has accelerated the shift of the economic centre of gravity and China is expected to surpass the US to become the largest economy in the world by 2050. By the year 2050, China, the US and India are likely to be the three largest economies in that order, while Brazil could overtake Japan to be the fourth largest economy.

*Moneycontrol - 16.01.2012*

[http://www.moneycontrol.com/news/features/india-to-be-among-3-largest-economies-by-2050-pwc\\_808766.html](http://www.moneycontrol.com/news/features/india-to-be-among-3-largest-economies-by-2050-pwc_808766.html)

## **Air India's CMD, MD earn less than other colleagues**

Air India's chairman and managing director takes home a lighter pay packet than some of the clerical staff, an anomaly that underscores the skewed salary structure at the struggling state-owned airline. The CMD's total pay packet of Rs 1.30 lakh a month amounts to a take-home salary of about Rs 80,000 for the 1985-batch bureaucrat on deputation.

Similarly, the joint managing director, an officer of the Indian Revenue Service, takes home about Rs 70,000 of his total monthly salary of about Rs 1.10 lakh. In contrast, some of the debt-laden carrier's 500-odd clerical staff, who draw between Rs 60,000 and Rs 1.10 lakh a month, excluding emoluments, get more than the top two executives.

*Economic Times - 14.01.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/air-indias-cmd-md-earn-less-than-other-colleagues/articleshow/18013279.cms>

## **Partial deregulation of diesel prices to be a credit positive for PSU OMCs: ICRA**

ICRA says there is lack of clarity on the quantum and timelines of revision of diesel prices given the politically sensitive nature of the issue.

"It may be highlighted that in the past, on some occasions OMCs kept the price of petrol unchanged and sold the petrol below market-determined prices despite petrol being a completely deregulated product," ICRA said.

The government of India has decided to partially deregulate diesel prices, which implies that the PSU (public sector undertaking) oil marketing companies (OMCs) have been authorised to revise diesel prices, although by a small amount.

*Economic Times - 18.01.2013*

<http://economictimes.indiatimes.com/markets/analysis/partial-deregulation-of-diesel-prices-to-be-a-credit-positive-for-psu-omcs-icra/articleshow/18074978.cms>

## **Enhanced autonomy for PESB to expedite board level hiring**

Apex PSUs body SCOPE Thursday said the Public Enterprises Selection Board should be given enhanced autonomy for appointing board level executives in Central Public Sector Enterprises to expedite the appointment process. "With enhanced autonomy, Public Enterprises Selection Board (PESB) would be able to complete selection

## **Government begins hunt for Nalco chairman and managing director**

The government has flagged off the search for a fulltime chairman and managing director (CMD) for Nalco. The country's largest state-owned aluminium company has been without a regular chief for nearly two years following the suspension of former CMD, A K Srivastava on graft charges in February 2011. With the mines ministry terminating his services on December 11, 2012, the Public Enterprises Selection Board (PESB) has invited applications for the post of Nalco CMD.

"The termination of Mr Srivastava's service paved the way for PESB, which recommends candidates for top PSU jobs, to bring out ads for the appointment of a CMD. The last date for filing applications is February 14, 2013," said a top government source.

*Economic Times - 19.01.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/jobs/government-begins-hunt-for-nalco-chairman-and-managing-director/articleshow/18086227.cms>

## **Govt directs PSU officials to fly on cheapest ticket instead of flying Air India**

National carrier Air India could lose its exclusive clientele base as the Department of Public Enterprises has directed all officials of the 246 state-owned companies to avail of the cheapest air ticket available for official travel instead of indiscriminately flying Air India.

In a letter dated January 7, 2013, the ministry of heavy industries and public enterprises has instructed officials of all Central Public Sector Enterprises (CPSEs) to avail of "cheapest discounted air fare of the entitled class" for work-related travel.

*Economic Times - 17.01.2013*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/govt-directs-psu-officials-to-fly-on-cheapest-ticket-instead-of-flying-air-india/articleshow/18054939.cms>

## **Proposal cleared to confer Maharatna status on BHEL: Patel**

The Committee headed by the Cabinet Secretary has cleared the proposal to grant 'Maharatna' status for Bharat Heavy Electricals Ltd (BHEL), Union Minister for Heavy Industries and Public Enterprises Praful Patel has said.

*Economic Times - 17.01.2013*

<http://articles.economictimes.indiatimes.com/2>

process within a short span," Standing Conference of Public Enterprises (SCOPE) Director General U D Choubey said in a statement.

*Zee News - 17.01.2013*

[http://zeenews.india.com/business/news/companies/enhanced-autonomy-for-pesb-to-expedite-board-level-hiring\\_68362.html](http://zeenews.india.com/business/news/companies/enhanced-autonomy-for-pesb-to-expedite-board-level-hiring_68362.html)

### **Despite slowdown, long term prospects look bright for logistic companies**

Although the current economic downturn has led to a subdued earnings outlook for the next few quarters, the long-term prospects remain promising for the industry. Due to relative underperformance, these stocks look attractive at these levels. In the past six months, revenues of logistic companies have been hit due to flat exports. In addition, the recent container freight hike has added the woes of the companies. As a result, the stocks of these companies have underperformed the benchmark Sensex. In the last one year, ET Logistics has given a return of just 8%, while the benchmark BSE-Sensex has grown by 21%.

*Economic Times - 18.01.2013*

[http://articles.economictimes.indiatimes.com/2013-01-18/news/36415472\\_1\\_logistic-companies-allcargo-gateway-distriparks](http://articles.economictimes.indiatimes.com/2013-01-18/news/36415472_1_logistic-companies-allcargo-gateway-distriparks)

[013-01-17/news/36394221\\_1\\_bhel-employees-praful-patel-high-pressure-boiler-plant](http://www.moneycontrol.com/news/36394221_1_bhel-employees-praful-patel-high-pressure-boiler-plant)

### **Budget 2013: India Inc calls for low rates, taxes in pre-Budget FM meet**

Finance minister P Chidambaram held a pre-Budget consultation with state finance ministers and industry chambers on Wednesday. The issue of proposed Goods and Services Tax (GST) figured prominently in the Union finance minister's meeting with state finance ministers, as the Centre is keen on early implementation of the tax regime.

*Money Control - 17.01.2013*

<http://www.moneycontrol.com/smentor/news/indian-markets/budget-2013-india-inc-calls-for-low-rates-taxespre-budget-fm-meet-808923.html>