

(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.)

## **Avoid shortcuts to bridging fiscal deficit**

The Finance Minister met the heads of select Central government public sector undertakings (PSUs) recently, asking them to generate higher dividends for the government. He is no doubt on an overdrive to contain the fiscal deficit to its target for the current year. The Budget for 2013-14 projects the dividend from PSUs at Rs 29,780 crore against the Budget estimate of Rs 27,178 crore for 2012-13.

The fiscal deficit target for 2013-14 is Rs 5.42 lakh crore (or 4.8 per cent of GDP, which could turn out to be a lower absolute target, given the slowdown). The Finance Minister is reported to have said 'The dividend should not be less than last year's'. By issuing such an instruction, the Finance Minister may well be trampling on the operational autonomy of public sector enterprises. It is a soft option – one that evades the need to carry out full-fledged reforms in a host of areas.

*The Hindu Business Line - 12.11.2013*

<http://www.thehindubusinessline.com/opinion/avoid-shortcuts-to-bridging-fiscal-deficit/article5343982.ece>

## **Govt plans stake sales in IOC, Coal India by mid-December**

India has revived plans to sell stakes in two state-owned companies to raise about \$2.3 billion to boost public finances, aiming to push through a sale by mid-December to take advantage of a share market rally. Two sources with direct knowledge of the matter said investor roadshows will be launched in the US on Tuesday for a 10% stake sale in state refiner Indian Oil Corp. Ltd (IOC).

The government's department of disinvestment (DoD), which oversees stake sales in state companies, has also completed most of the overseas roadshows to sell a 5% stake in state miner Coal India Ltd, which could fetch about \$1.5 billion, the sources told Reuters. The department hopes to launch the stake sales in the two state companies before December 15, they said, after

## **Sebi to make frauds disclosures a must; may unveil norms today to improve transparency**

India's capital market regulator plans to announce stringent rules that will make it incumbent upon companies to make disclosures relating to fraud, litigation against senior executives and their financial implications. These are among a series of changes that will help improve transparency and corporate governance standards.

According to the guidelines likely to be announced by the Securities and Exchange Board of India (Sebi) on Monday, companies will have to make public any fraud committed by directors and employees, litigation against them and the impact of this on financials, reveal details about shareholders and loan agreements besides providing estimates of losses caused by natural calamities. Sebi also intends to tighten rules on disclosures related to the filing of shareholding patterns and financial results by listed companies, said an official familiar with the matter.

*Economic Times - 18.11.2013*

<http://economictimes.indiatimes.com/markets/regulation/sebi-to-make-frauds-disclosures-a-must-may-unveil-norms-today-to-improve-transparency/articleshow/25958972.cms>

## **HAL divestment plan gains speed**

The proposed disinvestment of shares in defence public enterprise Hindustan Aeronautics Ltd. (HAL) could be picking up speed with the Secretary, Department of Disinvestment, Ravi Mathur, presiding over a high-level review meeting with the company's senior management here on Friday.

The process for the initial public offer (IPO) may roll out in January 2014, so that HAL might get listed on the stock exchanges by March 31, 2014 as planned, it is reliably learnt. The meeting thrashed out certain concerns about allowing the military aircraft manufacturer to be publicly traded on the bourses ahead of finalising the public offer documents, The Hindu learnt.

*The Hindu - 18.11.2013*

which overseas investors typically start to wind down for Christmas and New Year holidays.

*Livemint - 11.11.2013*

<http://www.livemint.com/Money/3clG97BAlMZOnK DgNKqpgK/IOC-share-sale-roadshows-to-start-on-Tuesday-sources.html>

### **Difficult disinvestment target: Right for govt to ask PSUs for more dividends to bridge deficit?**

In the past decade when disinvestment was still a gleam in the eye of India's minister for disinvestment Arun Shourie, one of the favourite arguments of those against selling of shares of public sector undertakings (PSUs) was that this would result in a substantial loss of dividend and tax income. These gentlemen would then need to be reminded that such a shortfall would be more than handsomely made up by more efficient deployment of capital by a promoter from the private sector.

A little over a decade later, the tables have turned a bit with a government that is now more focused on dividends rather than disinvestment. With good reason: at a time when the disinvestment target for the current fiscal year set in the Union Budget appears a distant pie in the sky, the government has made a fervent plea to the PSU brigade to pay out generously to help bridge the budgetary shortfall.

*Economic Times - 17.11.2013*

[http://articles.economictimes.indiatimes.com/2013-11-17/news/44138737\\_1\\_disinvestment-target-minimum-dividend-payout-more-dividends](http://articles.economictimes.indiatimes.com/2013-11-17/news/44138737_1_disinvestment-target-minimum-dividend-payout-more-dividends)

### **Govt servants can't draw pension from 2 employers**

A government employee cannot draw pension from his/her previous employer and simultaneously enjoy service gratuity benefits from another employer, the Delhi high court has ruled. The court clarified that a person on being re-employed will not be entitled to a separate pension or service gratuity for the period of his re-employment if he is already drawing pension from his previous employer.

"The object of law is twofold: firstly that the security in the form of pension has to be granted by one employer and not by two employers and secondly that both pension and service gratuity are not payable together as one is the substitute of the other," Justice Valmiki J Mehta said.

*Hindustan Times - 17.11.2013*

<http://www.hindustantimes.com/india-news/govt-servants-can-t-draw-pension-from-2-employers/article1-1152540.aspx>

<http://www.thehindu.com/business/Industry/hal-divestment-plan-gains-speed/article5361321.ece>

### **PESB examining reasons for sickness among PSUs**

The Public Enterprises Selection Board (PESB) is conducting a study to examine the reasons for sickness among some PSUs. "We have just initiated the exercise to examine the reasons for sickness among some PSUs," PESB Chairman Atul Chaturvedi told.

The Board would try to find out the factors, other than basic ones like funds shortage and obsolete technology, for sickness in public sector units (PSUs). "We are collecting the data. We are making an effort to analyse the fundamental reasons for sickness. Are there other reasons beyond the basic reasons like funds shortage or obsolete technology for sickness among PSUs? We want to know that," he said.

*Economic Times - 17.11.2013*

<http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/pesb-examining-reasons-for-sickness-among-psus/articleshow/25936280.cms>

### **India's GDP growth rate seen between 5-5.5 per cent in 2013-14: P. Chidambaram**

India is likely to achieve an economic growth of between 5-5.5 percent in this fiscal year, the finance minister P. Chidambaram said on Friday, despite wide expectations of growth slipping below 5 percent by private economists.

India's growth slowed to 5 per cent in the 2012/13 fiscal year that ended in March, its worst performance since it grew by 3.9 percent in 2002/03. "I am confident that the green shoots that are visible here and there will multiply and that the economy will revive, there will be an upturn in the second half of this year," P. Chidambaram said while speaking at a bankers' conference.

*Financial Express - 15.11.2013*

<http://www.financialexpress.com/news/indias-gdp-growth-rate-seen-between-5.5-per-cent-in-201314-p.-chidambaram/1195300>

## **No single data point to determine next move: Raghuram Rajan**

Reserve Bank of India chief Raghuram Rajan said on Friday that no single data point or number will determine the central bank's next move on managing India's high inflation. Rajan said that demand needs to be reduced without having severe effects on investment and supply. "This is a balancing act, which requires the Reserve Bank to act firmly so that the economy is disinflating, even while allowing the weak economy more time than one would normally allow for it to reach a comfortable level of inflation," he said in a speech.

*Moneycontrol - 15.11.2013*

[http://www.moneycontrol.com/news/economy/no-single-data-point-to-determine-next-move-raghuram-rajan\\_990774.html](http://www.moneycontrol.com/news/economy/no-single-data-point-to-determine-next-move-raghuram-rajan_990774.html)

## **RBI pegs CAD at \$56 bn, says no reason for rupee decline**

Seeking to reassure investors, RBI Governor Raghuram Rajan Wednesday said there is no fundamental reason for rupee to fall again, and pegged the current account deficit for 2013-14 at USD 56 billion, much lower than the quantum estimated earlier.

*Zee News - 13.11.2013*

[http://zeenews.india.com/business/news/finance/rbi-pegs-cad-at-56-bn-this-year-says-no-reason-for-rupee-decline\\_88726.html](http://zeenews.india.com/business/news/finance/rbi-pegs-cad-at-56-bn-this-year-says-no-reason-for-rupee-decline_88726.html)

## **Shocking! Air India discovers 400 'Ghost employees' including pilots and cabin-crew members**

After being notoriously lethargic, another startling revelation about state-owned airline Air India (AI) has sent the Human Resource (HR) department of the Public Sector Undertaking (PSU) in a state of shock. As per a report released by a national daily Indian Express, around 400 employees of AI have been 'missing' from duty. The report claims that around 50 pilots, 200 cabin crew and the rest belonging to the engineering and other departments have not reported on work, some of them for as long as 7 years. The discovery of the missing employees was made by the HR department last month and notices have been sent pertaining to the absenteeism.

*Daily Bhaskar - 13.11.2013*

<http://daily.bhaskar.com/article/MON-air-india-discovers-400-ghost-employees-including-pilots-and-cabin-crew-members-4432043-NOR.html>

## **Action plan soon to boost services sector**

The Commerce Ministry is working on an action plan for boosting performance in five services sectors and will soon start inter-ministerial consultations for inputs. The sectors that would be covered are logistics, IT, telecom, health-care and tourism, entertainment & creative arts, Commerce Secretary, S.R. Rao, said at the Services Conclave jointly organised by the CII and Centre for WTO Studies.

*The Hindu Business Line - 13.11.2013*

<http://www.thehindubusinessline.com/industry-and-economy/action-plan-soon-to-boost-services-sector/article5347926.ece>

## **Govt eases visa norms for conferences, seminars**

In a significant step, the government has liberalized visas required for conferences and meetings. Visas for conferences organized by public institutions, public sector undertakings, central educational institutions, RBI, UN and affiliated organizations can be approved by Indian missions and posts and do not have to be referred to the home ministry for security clearance. The move is expected to give a much required boost to MICE (meetings, incentives, conferences and events) tourism.

*The Times of India - 15.11.2013*

<http://timesofindia.indiatimes.com/india/Govt-eases-visa-norms-for-conferences-seminars/articleshow/25782360.cms>

## **Now, book 'current' tickets at 'Indian Railways Current Ticket Booking counter' after charting**

The unique option of booking current tickets after chart preparation proves to be a savior for people who have to travel on an urgent basis. Based on the availability of the seats after charting, the 'current reservation counter' right next to the 'enquiry' counters. Current reservation can be done at the source station after the preparation of chart but before the departure of train. After chart preparation the seats available for the current reservation can be known at the counter next to the enquiry and not at the regular advanced ticket reservation counter.

*Daily Bhaskar - 14.11.2013*

<http://daily.bhaskar.com/article/NAT-TOP-now-book-current-tickets-at-indian-railways-current-ticket-booking-counter-after-4434037-PHO.html>

## **India assures Japan to augment port infrastructure**

India today assured Japan to augment its port infrastructure, particularly at Ennore and Chennai to facilitate import of automobile components and cars from Japan and at the same time, evinced interest in seeking assistance for its port projects. The development comes in the wake of Shipping Minister G K Vasan leading a delegation to Japan, which met Minister of Land, Infrastructure, Transport and Tourism, Japan, Akihiro Ohta.

*The Hindu Business Line - 11.11.2013*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/india-assures-japan-to-augment-port-infrastructure/article5339350.ece>

## **Mumbai port looking at sites to set up bunker terminal**

Mumbai port proposes to set up a bunker terminal to supply fuel to ships calling at the port. The Port Trust has commissioned consultancy firm i-maritime to prepare a detailed project report, Chairman Rajeev Gupta told Business Line. Currently bunkering is done at the port through barges. "Traditionally, India has never been an attractive place for establishing a bunker terminal. However, the recent reductions in excise and custom duties on fuel give us the feeling that the time is right for a facility in Mumbai," Gupta said.

*The Hindu Business Line - 12.11.2013*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/mumbai-port-looking-at-sites-to-set-up-bunker-terminal/article5344065.ece>

## **Gautam Roy selected as MD, CPCL**

PESB recommended the name of Shri Gautam Roy, ED [IOCL] for the post of Managing Director, Chennai Petroleum Corporation Limited (CPCL).

*PSEB.nic.com - 12.11.2013*

<http://pesb.gov.in/recommendation/recommendation-12112013.pdf>

## **Shreyas Shipping starts Kochi-Kollam container service**

Coastal shipping in Kerala is likely to get a boost with Shreyas Shipping starting a Kochi-Kollam container service. The container ship "OEL Victory" had its inaugural service last week from Vallarpadam terminal in Kochi to Kollam carrying 25 containers loaded with floor tiles and marbles. The frequency of the service will be announced later depending on the volume of trade, said a company official.

*The Hindu Business Line - 11.11.2013*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/shreyas-shipping-starts-kochikollam-container-service/article5339784.ece>

## **Container expansion decision next week**

With Chennai Port Trust (CPT) abandoning plans to set up a mega container terminal earlier this month, the focus has now shifted to Visakhapatnam Port Trust (VPT) as the latter is expected to take a decision on the expansion of its existing container terminal run by Visakha Container Terminal Private Limited (VCTPL) early next week. A senior VPT official said, "The bid opening will be on November 18 and then depending on the revenue share quoted by the bidder, the port will take a decision."

*The Times of India - 16.11.2013*

<http://timesofindia.indiatimes.com/city/visakhapatnam/Container-expansion-decision-next-week/articleshow/25852753.cms>

## **Govt appoints first chief of Bharatiya Mahila Bank**

The Centre has appointed Usha Ananthasubramanian as the first Chairman and Managing Director of the Bharatiya Mahila Bank, the country's first all-woman bank. She is currently an executive director at Punjab National Bank, a leading public sector lender.

*Hindu Business Line - 11.11.2013*

<http://www.thehindubusinessline.com/industry-and-economy/banking/govt-appoints-first-chief-of-bharatiya-mahila-bank/article5339837.ece>