

(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.)

## Four companies, including ITC interested in investment in West Bengal: Industry Minister Partha Chatterjee

Four companies, including ITC, have expressed interest to invest in West Bengal, state Industry Minister Partha Chatterjee said today. Chatterjee said the ITC is interested in projects on biscuits, fast food and a food processing unit and **Balmer Lawrie** on setting up an industrial hub in Hooghly district after acquiring land by themselves.

Badrinarayan Alloys and Steels Ltd is interested in a Rs 500 crore project on 60 acre to create employment for over 3,000 people, he said. Mohan Industrial Machines wants to invest to set up a unit to produce corrugated board sheet near Bagnan in Howrah district.

"Once we receive the proposals officially, we shall refer them to the high-power committee headed by the Chief Minister for approval," Chatterjee said.

*The Economic Times - 02.11.2012*

<http://economictimes.indiatimes.com/news/economy/finance/four-companies-including-itc-interested-in-investment-in-west-bengal-industry-minister-partha-chatterjee/articleshow/17067451.cms>

## More dividend from CPSEs difficult in FY13

It will be difficult for the government to collect additional revenue this financial year from Central Public Sector Enterprises (CPSEs) through dividends, despite pressure from the Prime Minister's Office on the cash-rich ones to either step up investment or pay special dividends.

Analysis of the dividends issued by CPSEs in 2011-12 after sustained pressure from the finance ministry shows those capable of paying more have already stretched themselves. More, very few were significant contributors in meeting the target enhanced in the revised estimate last year. The target for dividends from CPSEs in 2011-12 was kept at Rs 23,494 crore and revised to Rs 28,087 crore.

The top four CPSE dividend contributors in 2011-12 were Oil and Natural Gas Corporation, Coal

## Govt seeks special dividend from PSUs

In a bid to shore up its revenue kitty, the government plans to ask public sector units (PSUs) to shell out more dividends in the form of "special dividends" during the current fiscal year. The finance ministry is left with little headroom to cut further expenditure and could look at tapping cash-rich PSUs as part of its plan to boost revenues and fuel growth, said official sources.

"The finance ministry, already betting big on the disinvestment exercise and sale of spectrum to boost revenues and contain fiscal deficit, is also looking for more avenues that generate revenue to tackle the fiscal deficit." Finance minister P Chidambaram has said the government would meet the Rs. 30,000-crore disinvestment target and raise Rs. 40,000 crore from spectrum auction.

*The Hindustan Times - 01.11.2012*

<http://www.hindustantimes.com/business-news/WorldEconomy/Govt-seeks-special-dividend-from-PSUs/Article1-953520.aspx>

## Govt plans to reduce fiscal deficit to 3% by 2017: FM

Worried over high budget deficit derailing growth, Finance Minister P Chidambaram on Monday unveiled a five-year road map for fiscal consolidation to promote investments, contain inflation and take India to high growth trajectory.

The government, the Minister said, will continue efforts to restrict fiscal deficit in the current financial year to 5.3 percent of the Gross Domestic Product (GDP) and reduce it to 3 percent by 2016-17. The fiscal deficit was 5.8 percent in 2011-12.

"As fiscal consolidation takes place and investors' confidence increases, it is expected that the economy will return to the path of high investment, higher growth, lower inflation and long-term sustainability", he said.

India, NTPC and NMDC.

*Business Standard - 03.11.2012*

<http://www.business-standard.com/india/news/more-dividendcpses-difficult-in-fy13/491500/>

## **Govt tenders above Rs 25L to take the e-route**

Finally, e-governance is all set to make its presence felt in government departments and public sector units in the state. All departments and PSUs under the state government will switch to the 'e-tendering' mechanism for inviting tenders worth above Rs 25 lakh by March 31. According to a government order in this regard, the decision to introduce e-tendering mechanism in all government departments, PSUs and boards was taken to ensure more transparency, efficiency and real time monitoring facility in all public procurement activities.

State government had introduced e-tendering in certain government departments, including public works department and KSRTC on pilot basis in 2011.

*The Times of India - 05.11.2012*

<http://timesofindia.indiatimes.com/city/thiruvananthapuram/Govt-tenders-above-Rs-25L-to-take-the-e-route/articleshow/17094631.cms>

## **Industry feels let down**

The profitability of industry is under stress and needs to be addressed by encouraging investments in the supply side infrastructure. Industry has reacted strongly to the Reserve Bank of India (RBI) not changing policy rates despite lower industrial production, slow credit growth and dwindling investments.

"It is unfortunate," said Seshagiri Rao, joint managing director and CFO, JSW Steel. Industry has been going through a painful phase of high interest rates, declining demand and insufficient availability of working capital. "The puzzle," said Rao, "remains how inflation is inching up structurally with virtually no pricing power with the industry. Industry is not able to pass on even the cost due to inflationary impact. It clearly establishes that the high costs of goods and services are due to constraints attributable to expensive supply-side logistics." In sum, industry says profitability is being squeezed and needs to be addressed by encouraging investments in supply-side infrastructure, not constricting investment demand with unaffordable interest rates.

*Business Standard - 31.10.2012*

<http://business-standard.com/india/news/industry-feels-let-down/491219/>

*Zee News - 29.10.2012*

[http://zeenews.india.com/business/news/economy/fm-unveils-5-yr-road-map-for-fiscal-consolidation\\_63202.html](http://zeenews.india.com/business/news/economy/fm-unveils-5-yr-road-map-for-fiscal-consolidation_63202.html)

## **PSUs spending more on cases than compensation**

Lamenting the rise of pending litigation, the National Commission has observed that public sector undertakings (PSUs) spend more money contesting cases than the amount they might have to pay claimants. The court made the observation while fining the Haryana Urban Development Authority (HUDA) Rs 50,000 for filing a revision petition.

"Petitioners shall recover the cost amount from the salaries of the delinquent officers who have been pursuing this meritless and frivolous litigation with the sole aim of wasting the public exchequer," the commission said.

*The Times of India - 05.11.2012*

<http://timesofindia.indiatimes.com/city/mumbai/PSUs-spending-more-on-cases-than-compensation/articleshow/17093748.cms>

## **Thomas Cook to invest in technology to sell travel products**

Leisure tour operator Thomas Cook is eyeing over 20% growth in its outbound travel business, company's managing director Madhavan Menon has said. Fairbridge Capital, an arm of Canadian company Fairfax Financial Holdings took control of Thomas Cook India from its UK-based parent company for Rs 810 crore two months ago.

"The way Fairfax works it leaves you to run the business. They do not bring change. They do not drive change. We are now looking at technology in a big way. We will invest in technology and bring more services online," Menon said. Thomas Cook launched its multi-currency travel card on Thursday and will compete with banks including State Bank of India, Citibank and ICICI sell travel cards. Thomas Cook is only non-banking institution to partner with Master Card to launch it.

*Business Standard - 01.11.2012*

<http://www.business-standard.com/india/news/thomas-cook-to-invest-in-technology-to-sell-travel-products/194020/on>

## **Now, IRCTC lets you book air tickets online**

Indian Railways Catering and Tourism Corporation (IRCTC) is looking to break free from the Indian railways. Most well-known in the eyes of the public as the company which runs the widely used railways e-ticketing site, the company also acted as caterer for food served on trains.

However, under a new catering policy in 2010, IRCTC was stripped of the licence to provide catering services to railways except for a handful of trains and a minimal number of food units on station premises. Now, the company serves just 33 trains, compared with 285 earlier.

*The Times of India - 27.10.2012*

<http://timesofindia.indiatimes.com/tech/enterprise-it/services-apps/Now-IRCTC-lets-you-book-air-tickets-online/articleshow/16977974.cms>

## **Kolkata Port Trust cries conspiracy, demands damages**

A day after Haldia Bulk Terminals walked out of Bengal, Kolkata Port Trust (KoPT) has replied to its letter, refuting all the charges. Significantly, nowhere has KoPT denied that there was a deterioration of law and order in Haldia. However, it holds HBT responsible and accuses it of "concealing facts".

KoPT also blamed the HBT management for failing to co-ordinate with the administration on security. It demands compensation from HBT for "loss of revenue and face".

*The Times of India - 02.11.2012*

<http://timesofindia.indiatimes.com/city/kolkata/Kolkata-Port-Trust-cries-conspiracy-demands-damages/articleshow/17055803.cms>

## **Uttarakhand logistics hubs to boost industrial growth**

With the mushrooming of industry in Uttarakhand, the state government is setting up two logistics hubs at Pantnagar and Haridwar. This will enable freight traffic to switch from the road to the rail network and help industrialists save time and money.

The government-owned State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (Sidcul) has formed a joint venture with Container Corporation of India Ltd (Concor), a public sector enterprise, to develop the two logistics hubs.

*Business Standard - 30.10.2012*

## **Next wave will come from niche play and not from generic OTAs: Deep Kalra of MakeMyTrip**

MakeMyTrip is now 12 years old, having pivoted in 2005 from being an online travel agency (OTA) focused on US-based NRIs to take the first step and eventually emerge as the largest player in the mature Indian OTA business. It was also the time when the Indian air travel market saw its early set of low-cost carriers open up a business opportunity. The firm has moved up from about \$20 million in gross value of tickets booked to around \$1 billion in FY12, which means over 50x growth in the 7-year period, and has had a successful NASDAQ listing.

*Tech Circle - 01.11.2012*

<http://techcircle.vccircle.com/500/next-wave-will-come-from-niche-play-and-not-from-generic-otas-deep-kalra-of-makemytrip/>

## **Shipping ministry finalises plan for ports in AP & Bengal, to move cabinet note soon**

The shipping ministry has firmed up port projects in West Bengal and Andhra Pradesh and expected to take cabinet's approval for its implementation this month, new minister of state for shipping Milind Deora said. "Our priority is faster implementation of port and shipping projects, attract private investments in the sector and utilise India's vast coastline for economic development," Deora said on Wednesday after assuming additional portfolio of shipping. He is also holding the charge of telecom & IT as minister of state.

*The Economic Times - 01.11.2012*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping-transport/shipping-ministry-finalises-plan-for-ports-in-ap-bengal-to-move-cabinet-note-soon/articleshow/17041311.cms>

## **Walmart spurs Transport Corp's spending on logistics**

Transport Corp of India, the nation's third-largest logistics company, plans its biggest investment in five years to prepare for a jump in freight demand as retailers such as Walmart Stores Inc open outlets.

The company will spend Rs 150 crore (\$28 million) in the year to March 31 to add more trucks and build warehouses, Joint Managing Director Vineet Agarwal said in an interview. The spending may help Transport Corp's supply chain division, which offers warehousing and packaging, to expand more than 20 per cent annually through 2017, he said.

<http://www.business-standard.com/india/news/uttarakhand-logistics-hubs-to-boost-industrial-growth/491038/>

### **Teas from Lanka fetch higher price**

Sri Lanka teas continued to fetch the world's highest price average, reveals the latest data available with the different auction centres around the globe. In the first seven months, the Island's teas fetched an average price of \$3.01 a kg at Colombo auctions – 9.34 per cent lower compared with \$3.32 got in the same period of 2011.

*The Hindu Business Line - 25.10.2012*

[http://www.thehindubusinessline.com/industry-and-economy/agri-biz/teas-from-lanka-fetch-higher-price/article4031654.ece?ref=wl\\_industry-and-economy](http://www.thehindubusinessline.com/industry-and-economy/agri-biz/teas-from-lanka-fetch-higher-price/article4031654.ece?ref=wl_industry-and-economy)

### **India fastest growing Internet market among BRIC nations: Study**

A study by Assocham and ComScore has found that India is one of the three fastest growing Internet markets globally. Among the BRIC (Brazil, Russia, India, China) nations, India has emerged at the top by adding more than 18 million Internet users till July 2012, an annual rate of 41 percent. India now has 125 million Internet users.

*Tech 2 - 31.10.2012*

<http://tech2.in.com/news/general/india-fastest-growing-internet-market-among-bric-nations-study/543952>

*Business Standard - 25.10.2012*

<http://www.business-standard.com/india/news/walmart-spurs-transport-corp%5Cs-spendinglogistics/490606/>

### **Supply crunch to push up tea prices this winter**

Tea drinkers may have to shell out more for this winter. An erratic weather condition throughout the year is likely to cut tea production to 940 million kg compared to 980 million kg in 2011. Though Tea Board is yet to come out with production figures, industry people say that production was down by 25-30 million kg till September.

*The Economic Times - 01.11.2012*

<http://economictimes.indiatimes.com/markets/commodities/supply-crunch-to-push-up-tea-prices-this-winter/articleshow/17041996.cms>