

(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.)

Government plans sale of PSU shares, hopes to raise Rs 23,000 crore

Encouraged by its recent success with miner NMDC, the government is targeting a string of similar sale of PSU shares in the next three months together with changes in the way it sets the price in share auctions and incentivises banks.

The department of disinvestment (DoD) in the finance ministry, which last week successfully sold a 10 per cent stake in NMDC for Rs 5,980 crore, has drawn up plans to complete at least six more such stake sale before the end of March, potentially raising another Rs 23,000 crore. This could meet the Centre's disinvestment target for the year and help its efforts to rein in fiscal deficit.

At the core of the department's latest push will be a two-pronged strategy - setting realistic floor prices in share auctions that are linked to market realities as opposed to unrealistic book values, and better incentives to merchant banks to prod them to go out and aggressively woo genuine investors.

The Times of India - 17.12.2012

<http://timesofindia.indiatimes.com/business/india-business/Government-plans-sale-of-PSU-shares-hopes-to-raise-Rs-23000-crore/articleshow/17646841.cms>

CVC asks PSUs not to pass on govt contracts to pvt cos

The Central Vigilance Commission has asked central government departments and its Public Sector Undertakings not to pass on contracts to private entities and strictly follow its guidelines.

The action came after the anti—corruption watchdog noted irregularities in award of contracts by certain government departments and PSUs without competitive bidding and through “back to back tie ups”.

The Commission has been emphasising on the need for observing integrity, transparency, fairness and equity in all aspects of decision making including in tendering and award of contracts.

“However, the Commission is still receiving complaints regarding adoption of non—

CPSEs want group of secretaries to resolve issues

CPSEs have suggested to the government setting up of an Empowered Group of Secretaries, under the aegis of Prime Minister's Office (PMO) to resolve various issues being faced by them. On October 23, 2012, the chief executives of more than 20 CPSEs met Prime Minister Manmohan Singh along with senior ministers and government officials and made a presentation related to various issues," Minister of Heavy Industries and Public Enterprises Praful Patel said today.

"On the issue of ownership of CPSEs, it was presented that as CPSEs are answerable to multiple bodies, no single point ownership is identifiable and it was suggested that an Empowered Group of Secretaries under the aegis of PMO may be constituted for every sector," he said in a written reply in the Rajya Sabha.

The Economic Times - 11.12.2012

<http://economictimes.indiatimes.com/news/economy/policy/cpses-want-group-of-secretaries-to-resolve-issues/articleshow/17570710.cms>

Maharatna status proposals for BHEL, GAIL to soon go to panel: Official

The proposals for grant of Maharatna status to power equipment-maker BHEL and gas utility GAIL will soon be referred to a high-level secretaries' panel, headed by Cabinet Secretary Ajit Kumar Seth, according to an official.

At present, BHEL and GAIL are Navratna PSUs. A Maharatna firm can take investment decision of up to Rs 5,000 crore without going to the government. For Navratna firms, this limit is Rs 1,000 crore."The Search Committee has scrutinised and cleared applications of BHEL and GAIL for awarding Maharatna status. The proposals would soon be sent to the apex committee for its consideration," an official told PTI.

Besides the Cabinet Secretary, other members of the apex panel are secretaries of the

transparent methods in tendering and award of contracts. A number of such complaints pertain to award on nomination (single source procurement) basis instead of following a process of open competitive bidding," the CVC noted.

Hindu Business Line - 14.12.2012

http://www.thehindubusinessline.com/industry-and-economy/economy/cvc-asks-psus-not-to-pass-on-govt-contracts-to-pvt-cos/article4199840.ece?ref=wl_industry-and-economy

PM says to speed up sale of stakes in PSUs

India will speed up the sale of stakes in state companies to revive the stock market and will push ahead with reforms aimed at spurring an investment recovery in the flagging economy, Prime Minister Manmohan Singh said on Saturday.

Selling equity in large public industries is a central plank of the government's plan to bring down a wide fiscal deficit, a major weakness in Asia's third largest economy. This week, the sale of 10 percent in state miner NMDC raised \$1.1 billion and the government is aiming for 300 billion rupees from such partial privatisations by March.

"We will speed up the disinvestment process, which will also revive our equity markets," Singh told a gathering of industry representatives in New Delhi. However, he did not give details of a new timetable for the sales, which is due to include energy exploration major Oil India.

Business Standard - 15.12.2012

<http://www.business-standard.com/india/news/pm-says-to-speedsalestakes-in-psus/199646/on>

CIL, ONGC, SAIL did not fully utilise funds on CSR in FY'12

Blue-chip Central Public Sector Enterprises like Coal India, Indian Oil Corporation, ONGC and SAIL have not fully utilised their funds allocated for undertaking corporate social responsibility (CSR) projects in 2011-12.

Of the five Maharatna PSUs, four of them -- Coal India, Indian Oil Corporation, ONGC and SAIL -- have not fully used funds earmarked for CSR in the last fiscal, Minister of Heavy Industries and Public Enterprises Praful Patel said in a written reply to the Rajya Sabha today.

Economic Times - 11.12.2012

http://articles.economictimes.indiatimes.com/2012-12-11/news/35749657_1_csr-activities-csr-

Department of Public Enterprises, Department of Expenditure and in the Planning Commission. A company qualifying for the Maharatna status should have an average annual turnover of more than Rs 25,000 crore in the last three years, according to the guidelines. Among others, the PSU must have a net worth of over Rs 15,000 crore and net profit of more than Rs 5,000 crore during the last three years.

Economic Times - 10.12.2012

http://articles.economictimes.indiatimes.com/2012-12-09/news/35705482_1_maharatna-status-maharatna-scheme-bhel-and-gail

Finance Ministry may float Cabinet note on PSU ETFs soon

The Finance Ministry has initiated the process of setting up an Exchange Traded Fund (ETF) of 20 profit-making PSUs and will soon float a Cabinet note to seek opinion of other ministries.

"Finance Ministry is likely to float a Cabinet note on setting up of ETF of Central Public Sector Enterprises (ETF-CPSEs) soon. It will be sent for inter-ministerial consultation and within the next two weeks it would come up before Cabinet for approval," an official said.

The proposed ETF, which would be based on a basket of shares of 20 profit-making CPSEs, is aimed at obtain better price for equity of state-owned companies during the disinvestment process. The 20 companies would include blue chip PSUs like ONGC, Indian Oil, Power Finance Corporation, NTPC, NMDC and BHEL.

Economic Times - 16.12.2012

<http://economictimes.indiatimes.com/news/economy/policy/finance-ministry-to-move-cabinet-note-on-setting-up-etf-of-cpses/articleshow/17635452.cms>

HT exclusive: India plans fund to invest abroad

India is all set to join an elite club of 30 nations that have sovereign wealth funds (SWF) by dipping into an estimated surplus of Rs. 2,50,000 crore with cash-rich public sector companies in addition to using a small chunk of foreign exchange reserves. With only two months to go for the UPA government's last budget before the next general election, details of the fund are still being stitched up. One option being considered is to create special instruments that public sector companies can invest in and use the funds raised from them to shop overseas.

Hindustan Times - 12.12.2012

<http://www.hindustantimes.com/business->

[budget-corporate-social-responsibility](#)

World airlines on track for safest year ever: IATA

Global airlines are heading for the safest year on record with an average by the end of November of only one accident of any type for every 5.3 million flights, the international airline body IATA reported on Thursday. The Geneva-based IATA also said that so far in 2012 for the first time since the infancy of the industry in the second and third decades of the last century there had been not one loss of a Western-built jet aircraft among its 240 members.

DNA - 13.12.2012

http://www.dnaindia.com/world/report_world-airlines-on-track-for-safest-year-ever-iata_1777363

World tourist numbers hit 1 billion this week

The number of annual tourists crossing international borders will reach 1 billion this week, the United Nations World Tourism Organisation said on Wednesday, with Chinese travellers the biggest growth driver. Tourism grew between 3.5 percent and 4 percent in 2012, the secretary general of the UNWTO said, with the billionth tourist expected to touch down somewhere in the world on Thursday.

The Hindustan Times - 13.12.2012

<http://www.hindustantimes.com/Travel/Chunk-HT-UI-TravelSectionPage-TravelStories/World-tourist-numbers-hit-1-billion-this-week/Article1-972197.aspx>

Tea exports decline by 20% in Apr-Sept

Tea exports from India fell by 20 percent to 81.85 million kg in the first six months of the current fiscal due to drop in outbound shipments of the brew from North and South India, latest Tea Board data said.

Money Control - 10.12.2012

http://www.moneycontrol.com/news/business/tea-exports-decline-by-20-pcapr-sept_793002.html

[news/WorldEconomy/HT-exclusive-India-plans-fund-to-invest-abroad/Article1-971633.aspx](#)

Domestic air demand down 5-8% in December

With airfares in the domestic skies spiralling Indians are preferring to travel abroad than fly within the country for their Christmas and New Year holidays. With air tickets at an average in the domestic sector up by 20-30 percent, bookings have fallen by 5-8 percent in the season say executives of leading online portals. The bright spot is that international travel has seen a surge in bookings.

Business Standard - 13.12.2012

<http://business-standard.com/india/news/domestic-air-demand-down-5-8-in-december/199404/on>

Air India offers promotional fares in international sector

Air India Ltd, on Tuesday, said it has launched special all-inclusive promotional return fares for its international destinations. In September, the state-run airline had slashed domestic ticket prices by as much as 15% on advance purchases of 30 days, forcing other airlines such as Jet Airways (India) Ltd and IndiGo to come up with similar offers.

Mint - 11.12.2012

<http://www.livemint.com/Companies/zg6zV0OfPVx46afq0OV6kL/Air-India-offers-promotional-fares-in-international-sector.html>

Assam tea industry to focus on export to ASEAN countries

Assam's tea industry will focus on increasing exports to ASEAN countries in view of the untapped markets there, an official of North Eastern Tea Association has said. "All the ASEAN countries are tea-drinking nations, but barring a few, the others do not produce the beverage and as such there is immense potential of exporting Assam tea to these countries," North Eastern Tea Association Chairman said.

Business Standard - 16.12.2012

<http://www.business-standard.com/generalnews/news/assam-tea-industry-to-focus-export-to-asean-countries/94926/>

Law of the land should have sanctity, no retropective tax: Ratan Tata

The outgoing Chairman of the Tata group Ratan Tata is 'rattled' by India's current image emerging from scams and retrospective taxation, and wants the government to give an "irreversible commitment" that law of the land has sanctity.

"Never before has India had that kind of image," he said three weeks ahead of his retirement on December 28 after serving the group for 50 years including 21 years as Chairman. In the hour-long interview, Tata, who turns 75 later this month, spoke about the major decisions taken during his chairmanship, the current investment scenario, and business ethics and crony capitalism. India has been "hurt" by scams, court process and some of the retrospective taxation acts which had given "a sense of uncertainty to investors in terms of the credibility of the government", he said.

"You get FIPB approval to invest in India and to own a company, you get a licence to operate and, then three years later the same government... tells you that your licences are illegal and that you have lost everything.

Indian Express - 10.12.2012

<http://www.indianexpress.com/comments/law-of-the-land-should-have-sanctity-no-restropective-tax-ratan-tata/1042645/>

How Indian Oil transformed its HR function using IT

An organization with more than 36,000 employees, Indian Oil Corporation Limited (IOCL) wanted to create and build a strong human resource management platform with organization-wide standards that could scale to support IOCL's growth, value chain integration and portfolio diversification strategy and unfasten newer dimensions like career planning, succession planning, performance management and Employee Self Services (ESS).

IOCL aptly named this project, as 'Driving HR Transformation through Information Technology'. The goal was to use Human Capital Management Restructuring, which could bring the entire corporation on a uniform personnel, enterprise and organizational structure using the uniform coding structure and definitions in SAP HR module. While the goal was ambitious, IOCL had to cross over numerous technical challenges.

For example, phased implementation and go-live over past 10 years covering 1,400 locations of IOCL made governance of SAP PA module enterprise and personnel structures difficult and non-uniform. The basic HR master record definitions were created at a divisional level instead of an enterprise-wide standard. Interdivisional discrepancies led to inaccurate data maintenance, thereby impacting the data trustworthiness. Additionally, IOCL had an IT infrastructure consisting of multiple legacy payroll systems and multiple legacy employee portals.

Informationweek.in - 10.12.2012

<http://www.informationweek.in/software/12-12-10/how-indian-oil-transformed-its-hr-function-using-it.aspx>