

(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 to ask PSUs for Rs 10,000-cr special dividends

To bridge the likely shortfall in the Rs 40,000-crore disinvestment target for this financial year, the government might soon direct cash-rich public sector undertakings (PSUs) to announce special dividends. The Centre was looking at around Rs 10,000 crore from special dividends, said a Department of Disinvestment (DoD) official. The special dividend would be over and above the dividends state-owned companies pay the government every year.

"The disinvestment target will be met this financial year. We have lined up two large issues of Indian Oil Corporation and Coal India. Other instruments such as buyback and special dividends from cash-rich PSUs are also being explored," the official said. PSUs sitting on huge cash piles without any immediate capita expenditure plans are likely to be directed to pay the dividend. Currently, Coal India tops the list of cash-rich PSUs, followed by NMDC and ONGC. "The bulk of the special dividend might come from Coal India. The company is sitting on a huge cash pile, but doesn't have big capex lined up," said an investment banker familiar with the government's disinvestment plans.

Business Standard - 03.12.2013

http://www.business-standard.com/article/companies/govt-to-ask-psus-for-rs-10-000-cr-special-dividends-113120201313_1.html

Cabinet may take decision soon on fixed tenure for PSU heads

The Cabinet is likely to consider a proposal to fix tenure for chiefs of Central PSUs, irrespective of their superannuation age, later this month. "A fixed tenure for the Chairman and Managing Directors (CMDs) could be implemented with retrospective effect," a Senior Government official told Business Line. But, the final call on the issue will be taken by the Cabinet.

If this happens, it could benefit some like the ONGC Chairman Sudhir Vasudeva and Rashtriya Ispat Nigam Ltd chief A.P. Chaudhry. Vasudeva is due to retire in February while Chaudhry is superannuating on December 31. According to the proposal, a minimum three-year fixed tenure may

Prime Minister pushes for more disinvestment in PSUs

As the fiscal draws to a close, Prime Minister Manmohan Singh has asked Ministries concerned to push for various options to meet revenue targets, which include more disinvestment in public sector undertakings such as Bharat Heavy Electricals Ltd. (BHEL) and Coal India Ltd (CIL). "BHEL and Coal India have been asked to come back with various options. These options are buy-back, dividend payments, disinvestment... Ministry of Heavy Industries, Coal Ministry [have been asked] to work out the best option for raising proceeds as an alternative to disinvestment.

The money has to be raised through these options," Union Finance Minister P. Chidambaram told journalists here on Tuesday. Mr. Chidambaram met the Prime Minister along with Coal Minister Sriprakash Jaiswal and Heavy Industries Minister Praful Patel to iron out differences over disinvestment in CIL and BHEL and speed up their disinvestment planned for the current financial year. Mr. Jaiswal said: "Discussions are under way [on disinvestment in Coal India] and no decision was taken [at the meeting]."

The Hindu - 04.12.2013

<http://www.thehindu.com/news/national/prime-minister-pushes-for-more-disinvestment-in-psus/article5418793.ece?homepage=true>

Editorial: Divestment vs dividend

Though purists will argue the finance minister should not demand special dividends from PSUs, not only does he have few other options to meet the year's Rs 54,000 crore disinvestment target, he is well within his rights to do so. Including the money that will be raised from PowerGrid's Rs 7,000 crore FPO, the government has just collected a fraction of its target by selling shares in NLC, MMTC, STC and others.

Theoretically, it can get Rs 17,000-18,000 crore from the HZL/Balco residual sale, but that has got stuck in a legal tangle. Selling off SUUTI's shares in Axis Bank, L&T and ITC can also fetch a tidy sum, but for some reason the

be considered for PSU chiefs, the official said. This would mean their term will continue even after the age of 60. At present, there is no fixed tenure for them but the retirement age is fixed at 60 years.

The Hindu Business Line - 05.12.2013

<http://www.thehindubusinessline.com/industry-and-economy/cabinet-may-take-decision-soon-on-fixed-tenure-for-psu-heads/article5426353.ece>

Challenges for India Inc to continue in 2014: Moody's

Reflecting macroeconomic challenges over the next 12 months, Moody's expects challenges for Indian non-financial corporates to continue in 2014. "India's GDP growth to remain weak at 5.5 percent in the fiscal year ending March 2015, as elections in mid-2014 will delay reforms needed to revive the economy," Moody's Investors Service said in a report.

Companies will also face higher borrowing costs and tight funding conditions with monetary policy likely to remain tight, it said. Moody's could move to a stable outlook if its GDP growth expectations exceed 6 percent, the rupee stabilises such that one-year volatility falls below 5 percent -- and a development and reform-focused government is formed with a strong majority, it said.

Moneycontrol - 05.12.2013

http://www.moneycontrol.com/news/economy/challenges-for-india-inc-to-continue2014-moody39s_1002918.html

PSU tax-free bonds offer investors high returns

Three government-run institutions - NTPC, IIFCL and HUDCO - are in the market this month with bonds that are offering tax-free returns as high as 9.01% to retail investors. That's the good news. The bad news is any tax-free bond issue in the next few months may not offer such high rates. So investors would be wise to grab bonds being offered in these issues, financial advisers said. Currently, it's impossible for investors to get about 9% rate of interest from comparable bonds that are so highly rated (AAA and AA+). If we have to compare these rates with fixed deposit rates, we should remember that returns from FDs are taxable in the hands of investors while these infrastructure bonds are tax-free. So, one needs to look at returns from FDs after deducting the taxes.

Times of India - 04.12.2013

<http://timesofindia.indiatimes.com/business/india-business/PSU-tax-free-bonds-offer-investors-high-returns/articleshow/26815216.cms>

government isn't keen on selling these right now. With the government not letting PSUs like IOC hike LPG and kerosene prices in the homoeopathic way that has been done for diesel, this has badly hurt their attractiveness since each one is staring at large losses—when fund managers were approached to sell IOC's shares in June, they were worth Rs 7,000 crore versus today's value of under Rs 5,000 crore.

The Financial Express - 07.12.2013

<http://www.financialexpress.com/news/editorial-divestment-vs-dividend/1204365>

India will be largest source of oil demand growth after 2020: International Energy Agency

India will become the largest single source of global oil demand growth after 2020, the International Energy Agency said. Paris-based IEA in its annual World Energy Outlook said the centre of gravity of energy demand is switching decisively in favour of emerging economies, particularly China, India and the Middle East, which drive global energy use one-third higher.

"China dominates the picture within Asia, before India takes over from 2020 as the principal engine of growth... The shifting geography of demand is further underlined by India becoming the largest single source of global oil demand growth after 2020," IEA said.

Economic Times - 04.12.2013

http://articles.economictimes.indiatimes.com/2013-12-04/news/44757431_1_oil-demand-growth-iea-world-energy-outlook

Analysis: Why investing in PSUs is a good idea

Public Sector Undertakings (PSUs) are amongst the largest and most profitable organization in India. These enterprises have been set up to serve the broad macro-economic objectives of higher economic growth and self-sufficiency in production of goods and services.

PSUs are broadly classified in three categories: 1) CPSEs (Central Public Sector Enterprise) - Companies where the direct holding of the Central Government or of other CPSEs is 51% or more. As of 2012 there are as many as 260 CPSEs (excluding 7 insurance companies) of which about 50 are listed on stock exchange.

Moneycontrol - 05.12.2013

http://www.moneycontrol.com/news/market-outlook/analysis-why-investingpsus-isgood-idea_1002752.html#

Government keen on protecting AAI interests in privatization push

The civil aviation ministry is toeing a thin line to make the six airports, up for privatization, attractive for private investment even as it tries to protect the interest of state-run airport operator Airports Authority of India (AAI). The government plans to hand over operations and management of the six airports — Chennai, Kolkata, Ahmedabad, Guwahati, Jaipur and Lucknow — to private parties. However, attempts to ensure that AAI does not lose out on revenue could end up squeezing the potential margins for private airport operators who will ultimately manage these airports. "We will ensure that AAI does not lose out on revenue," said a senior civil aviation ministry official, preferring anonymity. "The private entity which ultimately takes charge of these airports will have to share both aeronautical and non-aeronautical revenues from these airports with the AAI.

The Economic Times - 04.12.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/government-keen-on-protecting-aai-interests-in-privatisation-push/articleshow/26816052.cms>

IndiGo maintains position as India's Favourite Domestic Airline: TripAdvisor Survey

TripAdvisor has announced the results of its third edition of India Airline Experience Survey 2013. The travel site surveyed over 2500 respondents. According to the findings, IndiGo has emerged as the Favourite in the Domestic Airline category leaving Jet Airways behind by a distinct margin as compared to last year. According to the Survey 53 per cent Indian travellers said they would prefer to fly TATA-SIA Airways first before they try AirAsia India while 48 per cent believe that AirAsia's entry into the Indian market will create a competitive environment and airfares will go down temporarily.

Travel Biz Monitor - 03.12.2013

<http://www.travelbizmonitor.com/indiGo-maintains-position-as-indias-favourite-domestic-airline-tripadvisor-survey-22485>

Airlines tap business with special deals, higher incentives

International airlines are pushing sales through a mix of promotion offers, higher agent incentives and innovative refund rules as travel from India to Europe and the US slows down in winter. British Airways has launched new refund rules allowing

Cleartrip launches visually-appealing travel guides, Collections

Online travel agency, Cleartrip, has launched Collections, a curated list of destinations, activities, travel themes and hotels that according to the company, will help users in their travel plans, guiding them in making a decision on where to go, what to do and where to stay. The website has partnered with Conde Nast Traveller which publishes consumer travel magazines and has launched a set of 45 Collections.

Collections are essentially curated lists that feature visually appealing images accompanied by trivia in a guide format. Each list item also features links to Explore, which is a guide to places and tips; Get There, which features the best routes through Cleartrip's Waytogo feature, and Stay, which looks for hotels. The Collections also offer information on the best time to visit.

NDTV Gadgets - 03.12.2013

<http://gadgets.ndtv.com/internet/news/cleartrip-launches-visually-appealing-travel-guides-collections-454002>

LTC Scam by Teachers Unearthed

A Rs 2-crore Leave Travel Concession (LTC) scam involving 2,582 teachers has come to light in the district. This comes close on the heels of the medical reimbursement scam. The education department detected the LTC scam while scrutinizing the bills submitted by the teachers in 2010 to claim LTC amounts for travelling to their home towns. The teachers were found to have submitted fake bills without travelling and siphoned off amounts ranging from Rs 8,000 to Rs 50,000 each. According to sources, the teachers are entitled to avail of Home Town LTC facility once in every two years. The travel charges of the teachers and their family along with other incidental expenses are reimbursed by the government. In this case, the teachers did not go on any tour but submitted fake bills.

New Indian Express - 04.12.2013

http://newindianexpress.com/states/andhra_pradesh/LTC-Scam-by-Teachers-Unearthed/2013/12/04/article1926601.ece

Domestic air traffic sees strong growth in October

India's domestic air traffic experienced a robust growth in October, as per the latest traffic analysis of the International Air Transport Association. As per IATA, domestic traffic in the country grew at 11.5% in October, slightly

passengers to claim full refund in case of visa rejection. Each airline has different refund rules and the amount depends upon the fare. The cancellation charges can vary from Rs 7,000-10,000 depending upon the fare type. Other than cancellation of the flight by the airline, full refund is given only in case of instances of death or hospitalization of an immediate relative.

Business Standard - 04.12.2013

http://www.business-standard.com/article/companies/airlines-tap-business-with-special-deals-higher-incentives-113120400759_1.html

Foreign exchange earnings in 2012 see 21.8 per cent growth

Foreign exchange earnings in the tourism sector in 2012 were Rs 94,487 crore, a growth of 21.8 per cent over the previous year. India ranked 16th in the world tourism receipts during 2012 according to UN World Tourism Organization's world tourism barometer, while in the Asia and Pacific region, it stood seventh, Minister of State for Tourism K Chiranjeevi today said. In 2011, the country earned Rs 77,591 crore and in 2010 Rs 64,889 crore. In a written reply in the Rajya Sabha, he said the government has amended its visa manual to extend collective landing permits facility with effect from April 1.

Business Standard - 06.12.2013

http://www.business-standard.com/article/pti-stories/foreign-exchange-earnings-in-2012-see-21-8-per-cent-growth-113120600897_1.html

Weak demand forces airlines to drop fares

Tour operators and travel agents say bookings for holiday travel have been slow and overall demand for air travel during Christmas and New Year break is tepid. On Friday SpiceJet and IndiGo lowered fares on certain domestic and international flights with low loads in a limited sale offer. GoAir too is offering 50 percent discount on selected flights. The third quarter is traditionally good quarter for the domestic airlines due to Diwali and Christmas holidays. This period also sees a lot of arrivals of foreign tourists and NRIs which helps to improve load factors. This year however due to 20 percent higher fares demand has remained slack forcing airlines to offer discounts. A lukewarm travel season means bad news for airlines which have not been able to recover their operating costs and are making huge losses.

higher than the growth reported by the Directorate General of Civil Aviation (DGCA) which was 10.7%. IATA said that airlines have experienced substantial volatility in traffic and is likely that the increase is a result of unusually low volumes a year ago rather than growth in October. According to IATA's analysis, average load factors during the month was 72.1%, significantly higher than DGCA's data which stated average load factors were 69%.

The Economic Times - 06.12.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/domestic-air-traffic-sees-strong-growth-in-october/articleshow/26926990.cms>

IRCTC logs back with new business plans

Three years after the Indian Railway Catering and Tourism Corporation (IRCTC) lost its Rs 400-crore on-board railway catering business, the PSU is back with an e-retailing website, air-ticketing portal, chain of cafes at educational institutions and catering service for corporates. "With a slew of new business plans, IRCTC aims to double its revenue in another five years. We expect to be a Rs 1,500-crore company by 2017. For air-ticketing and tourism business, we have tied up with 30 ministries to be their ticketing and travel agency. We have also joined hands with around eight PSUs and five big corporates for the same. We are already booking around 1,500 sectors every day," IRCTC chairman & managing director RK Tandon told FE.

The Financial Express - 07.12.2013

<http://www.financialexpress.com/news/IRCTC-logs-back-with-new-business-plans/1204356>

Companies follow poor disclosure norms on CSR, says proxy advisory firm

Top companies in India follow poor disclosure standards when it comes to revealing the details of their spending on corporate social responsibility (CSR) initiatives, says a recent report by proxy advisory firm Institutional Investor Advisory Services (IiAS).

The report says Indian companies spend almost half of what they are required to do on CSR activities under the Companies Act, 2013. The report tracked 51 companies that are part of the Bombay Stock Exchange's Sensex and the National Stock Exchange's Nifty indices.

These companies spent Rs 2,660 crore on CSR activities in 2012/13, which is one per cent of the average profit before tax of the preceding

Business Standard - 07.12.2013

http://www.business-standard.com/article/companies/weak-demand-forces-airlines-to-drop-fares-113120700570_1.html

Sushma Singh to take over as new Chief Information Commissioner

Sushma Singh will be the next Chief Information Commissioner (CIC) of India and will succeed Deepak Sandhu, who is due to finish her term at the end of December this year. The decision on appointing Ms Singh, a former IAS officer, as the next CIC was taken unanimously by a panel comprising Prime Minister Manmohan Singh, Leader of the Opposition in Lok Sabha Sushma Swaraj and Law Minister Kapil Sibal.

Ms Singh will be the second woman to become the Chief Information Commissioner. Being the senior-most Information Commissioner, Ms Singh was the unanimous choice for the post of CIC, sources said.

NDTV - 05.12.2013

<http://www.ndtv.com/article/india/sushma-singh-to-take-over-as-new-chief-information-commissioner-454767>

three years, it says.

Business Today - 04.12.2013

<http://businesstoday.intoday.in/story/companies-follow-poor-disclosure-norms-on-csr-says-proxy-advisory-firm/1/201206.html>

Narendra Kothari to be NMDC's new CMD

Narendra Kothari, currently CEO of SAIL's Burnpur plant, will take over as the new Chairman and Managing Director of state-run iron ore producer NMDC, which is running without a full-time head for the last two years. "We have chosen Kothari as the next regular CMD of NMDC," Steel Minister Beni Prasad Verma told today. Asked if the decision was final, Verma said, "Yes, it is." Kothari is likely to assume charge from the beginning of the next year.

News 24 - 06.12.2013

http://news24online.com/index.aspx/images/OnlineForm/FormDownload/Image/images/images/narendra-kothari-to-be-nmdcs-new-cmd_LatestNews24_30286.aspx#