

(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.)

## **A holding company: Best way to leverage PSE strength**

India's central public sector enterprises (PSEs) represent a large chunk of corporate India. Most of them are in vital sectors of the economy. Some of them defy the stereotype of lumbering, struggling giants.

Some of them, in fact, are world-class. Together, they command a huge valuation on the stock market, in the case of those that are listed. Their combined reserves run to lakhs of crore rupees. But they suffer from three serious debilities. They lack synergy amongst themselves and work in silos.

Their functional autonomy, ability to act with speed and with strategic rather than short-term intent stands compromised. The way their top leadership is appointed tends to run into controversy. In a private sector group of companies, technology and learning by one company are swiftly leveraged to benefit other members of the group.

*The Economic Times - 25.01.2014*

<http://economictimes.indiatimes.com/opinion/editorial/a-holding-company-best-way-to-leverage-pse-strength/articleshow/29327608.cms>

## **Divestment, dividend to fetch govt Rs 55,000 cr**

After struggling to rein in the fiscal deficit to the targeted level for most of the year, the government is likely to get a booster dose in the form of revenue worth about Rs 55,000 crore in the ongoing quarter of 2013-14.

This may not improve the government's financial health drastically and the government would ultimately have to severely cut plan expenditure – a move which is learnt to have been taken and be announced at the time of vote on account next month – to check fiscal deficit at the targeted 4.8 per cent of GDP (gross domestic product) for 2013-14.

*Business Standard - 24.01.2014*

[http://www.business-standard.com/article/economy-policy/disinvestment-dividend-to-add-rs-55-000-cr-in-govt-kitty-114012301196\\_1.html](http://www.business-standard.com/article/economy-policy/disinvestment-dividend-to-add-rs-55-000-cr-in-govt-kitty-114012301196_1.html)

## **Dividends by private firms rise faster than PSUs**

Private companies have been increasing their dividend payouts at a much higher pace than their public-sector counterparts, though some state-run companies are making huge payouts in absolute terms.

Private companies have increased their dividend payouts at a compound annual growth rate (CAGR) of 22.5 per cent, compared with public-sector undertakings' (PSUs') 16.7 per cent, over the past four years, an analysis of BSE-200 companies shows.

While PSUs distributed Rs 46,198 crore in dividends in 2012-13, bulk of this was accounted for by just a handful of companies. The top five among 36 government-owned companies that paid dividends accounted for nearly 60 per cent (Rs 27,325 crore) of the total payout.

*Business Standard - 21.01.2014*

[http://www.business-standard.com/article/companies/dividends-by-private-firms-rise-faster-than-psus-114012000387\\_1.html](http://www.business-standard.com/article/companies/dividends-by-private-firms-rise-faster-than-psus-114012000387_1.html)

## **Find ways to channelize unorganized workforce: SCOPE**

There is a need to find ways to channelize the unorganized workforce into the mainstream of the organization, the apex body of public sector units SCOPE said today.

SCOPE Chairman C S Verma said that more than 90 per cent of the unorganised workforce do not have sufficient and reliable access to promotional and protective social security measures undertaken by the government from time to time.

*Business Standard - 21.01.2014*

[http://www.business-standard.com/article/pti-stories/find-ways-to-channelise-unorganised-workforce-scope-114012101216\\_1.html](http://www.business-standard.com/article/pti-stories/find-ways-to-channelise-unorganised-workforce-scope-114012101216_1.html)

## **PPPAC Recommends PPP Projects Worth Rs. 7595.19 crore**

The Public-Private Partnership Appraisal Committee (PPPAC) recommended Public-Private Partnership (PPP) Projects worth Rs. 7595.19 crore while the Empowered Committee (EC) approved Viability Gap Funding (VGF) of Rs. 1280.65 crore for PPP Projects.

*Business Standard - 20.01.2014*

[http://www.business-standard.com/article/news-cm/pppac-recommends-ppp-projects-worth-rs-7595-19-crore-114012000646\\_1.html](http://www.business-standard.com/article/news-cm/pppac-recommends-ppp-projects-worth-rs-7595-19-crore-114012000646_1.html)

## **Air India likely to join Star Alliance in summer**

Putting an end to the long wait, national carrier Air India is likely to join the global network of airlines, Star Alliance by this summer season if all goes well. "Without giving a specific date, one can say that we will complete all the ground work and formalities of Air India's entry into Star Alliance club by this summer. After that, they will be ready to join straightaway," Star Alliance CEO Mark F. Schwab told reporters here on Sunday.

*The Hindu - 20.01.2014*

<http://www.thehindu.com/business/air-india-likely-to-join-star-alliance-in-summer/article5597336.ece>

## **Airfare model on trains soon**

Cash-strapped railways are all set to earn more revenue by replicating the airlines fare model on some new trains. It is planning to introduce 20 new trains whose fares would be determined on the basis of the demand for their tickets.

The decision to introduce these trains has been taken after the pilot project, New Delhi-Mumbai premium trains, helped the railways earn 37 per cent more revenue than what it would have got through the current fixed fares.

*Deccan Chronicle - 27.01.2014*

<http://www.deccanchronicle.com/140127/news-current-affairs/article/airfare-model-trains-soon>

## **Surge in freight rates brings cheer to shipping firms**

The end of 2013 and the dawn of New Year have brought cheer to shipping companies, with freight rates touching a three-year high, mostly on the back of increased demand for movement of oil and

## **Civil Aviation Ministry may take time to decide on pending proposals**

The Civil Aviation Ministry is going slow on several pending proposals, including a revision of airport charges and enhancement of bilateral flying rights, as civil servants are reluctant to take decisions close to the upcoming general elections in April-May. Even granting a permit to Air Asia — which has entered into a joint venture with Tata Sons — may take more time than anticipated, say officials involved in the decision-making process.

*The Economic Times - 21.01.2014*

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/civil-aviation-ministry-may-take-time-to-decide-on-pending-proposals/articleshow/29133065.cms>

## **Air traffic registers 4.43% growth in 2013**

India's air passenger traffic grew 4.43% in 2013, reversing the decline of the previous year that also marked the grounding of Kingfisher Airlines Ltd. India's scheduled airlines carried 61.42 million passengers in 2013, compared with 58.81 million in 2012 and 60.66 million in 2011, according to the Directorate General of Civil Aviation (DGCA).

*Live Mint - 21.01.2014*

<http://www.livemint.com/Companies/pZ7o1VM5E8hWRKhZFer0aI/Air-traffic-registers-443-growth-in-2013.html>

## **Plan to bring port operators under single tariff regime unlikely to take off**

The government's plan to bring all port operators under a single tariff regime is unlikely to take off in the near future as at least half a dozen port companies are contesting various tariff-related issues in courts across the country. Even so, the government is trying to restructure existing and unviable port projects to try and send the right signal to domestic and international investors in the maritime sector.

*Live Mint - 21.01.2014*

<http://www.livemint.com/Politics/5JRZf4LFRnpW124WOrSThP/Govts-single-tariff-regime-plan-unlikely-to-take-off-in-ne.html>

## **New rules for shipping cargo on local routes put on hold**

The government has put on hold a new policy that gave first preference to ships made and registered in India to carry cargo on local routes after domestic fleet owners objected.

iron ore. Shipping companies that have been battling a lean freight market in the last few years are, however, still cautious about the outlook for the rest of the year.

*The Hindu Business Line - 20.01.2014*

<http://www.thehindubusinessline.com/industry-and-economy/logistics/surge-in-freight-rates-brings-cheer-to-shipping-firms/article5597812.ece>

### **Oil ministry plans to take 19 crucial policy decisions by February**

Oil ministry plans to take 19 crucial policy decisions by next month, which include seeking bank guarantees from Reliance Industries for a sharp fall in gas output from the KG-D6 block, revamping oil and gas contracts and concluding protected dispute with Essar on award of Ratna and R-series oilfields.

*Economic Times - 25.01.2014*

[http://articles.economictimes.indiatimes.com/2014-01-25/news/46601382\\_1\\_kg-d6-oil-ministry-new-gas-price](http://articles.economictimes.indiatimes.com/2014-01-25/news/46601382_1_kg-d6-oil-ministry-new-gas-price)

The policy change, made in November, was aimed at helping local shipbuilders.

Live Mint - 24.01.2014

<http://www.livemint.com/Companies/xZH1Qdo4e8XB8BAbGcsS7H/New-rules-for-shipping-cargo-on-local-routes-put-on-hold.html>

### **Crude oil production up 1.6%, natural gas down 10% in December**

India's crude oil production rose 1.6 per cent in December but natural gas output was down by 10 per cent by the flagging eastern offshore KG-D6 fields of Reliance Industries. Crude oil production in December rose to 3.25 million tonnes (MT) from 3.20 MT a year ago as higher output from Cairn India's Rajasthan oilfields negated a 3.1 per cent drop in production from state-owned Oil and Natural Gas Corp (ONGC) fields.

*The Economic Times - 24.01.2014*

<http://economictimes.indiatimes.com/news/news-by-industry/energy/oil-gas/crude-oil-production-up-1-6-natural-gas-down-10-in-december/articleshow/29312199.cms>