

(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.)

## **Negative marking for CPSEs not following corporate governance norms**

Central Public Sector Enterprises (CPSEs) that fail to comply with corporate governance norms will get negative marking from next fiscal, Department of Public Enterprises Secretary O P Rawat said on Thursday.

The DPE has done away with 5% weightage to the compliance of corporate governance guidelines as CPSEs are expected to comply with these, he said at a function organised by the Standing Conference of Public Enterprises (SCOPE). "The public enterprises will get a negative marking (from next fiscal) in case they do not comply with the guidelines in true spirit and deliver the best results," Rawat said.

In the Memorandum of Understanding for 2013-14, compliance of corporate governance will not be a parameter under the non-financial parameters. Under the MoU, which is signed between a CPSE and its administrative ministry, there are two parameters - financial and non-financial. At present, corporate governance is a part of non-financial parameter and has a weightage of 5 marks in the MoU.

*The Economic Times - 22.02.2013*

<http://economictimes.indiatimes.com/news/economy/policy/negative-marking-for-cpses-not-following-corporate-governance-norms/articleshow/18620885.cms>

## **Govt may relax rules for PSU ETF manager**

***Plans to issue fresh bid document, launch could be delayed to FY14***

The government is planning to relax rules for selecting a fund manager to manage the proposed PSU ETF (public sector undertakings-based exchange-traded fund) after potential bidders stayed away due to several structural issues. The department of disinvestment (DoD) is likely to issue a relaxed Request for Proposals (RFP) soon.

The move is likely to push the launch of the ETF to the next financial year. The government is proposing to launch the ETF as an alternative platform to execute its divestment programme.

## **Economy is set to grow at 6.8 percent in 2013-14: CMIE**

After facing headwinds for two consecutive years, the economy is set to grow at 6.8 per cent next fiscal on reversal in deterring factors, says the economic think tank Centre for Monitoring Indian Economy (CMIE). "The economy is set to grow at 6.8 per cent in 2013-14, after showing a sharp deceleration in the preceding two years," the CMIE said in its February review of the economy.

It said the slowdown is due to supply constraints emanating from mining and agricultural sectors, slow implementation of projects and a slowdown in discretionary spends. In FY14, "growth will be aided by easing supply constraints, lower inflation, softening of interest rates and fast-tracking of investment projects," it said. However, it is not very soft on headline inflation numbers which it sees settling at 6.8 per cent in FY14.

As per the advance CSO estimate, the GDP may grow a decadal low of 5 per cent. An upbeat CMIE expects it to touch 5.7 per cent this fiscal, 2 bps above even the Finance Ministry's projection.

*Economic Times - 17.02.2013*

[http://articles.economictimes.indiatimes.com/2013-02-17/news/37144575\\_1\\_cmie-pegs-central-statistical-organisation-cent-growth](http://articles.economictimes.indiatimes.com/2013-02-17/news/37144575_1_cmie-pegs-central-statistical-organisation-cent-growth)

## **FinMin to prepare cabinet note for setting up PSU ETF**

The Finance Ministry will prepare a Cabinet note on framework of the Exchange Traded Fund (ETF) for state-owned companies with a view to attract investment and also promote government's disinvestment drive. The Department of Disinvestment (DoD), which is the nodal department for carrying out PSU stake sale, will finalise the cabinet note after appointment of asset management companies (AMCs) to handle PSU ETF.

"The DoD is in the process of coming out with fresh guidelines for appointment of AMCs to manage PSU ETF. After the appointment, the DoD will draft a fresh Cabinet note for floating

*Business Standard - 19.02.2013*

[http://www.business-standard.com/article/markets/govt-may-relax-rules-for-psu-etf-manager-113021900434\\_1.html](http://www.business-standard.com/article/markets/govt-may-relax-rules-for-psu-etf-manager-113021900434_1.html)

## **UAE agencies can buy divested PSU shares**

In a move that could significantly boost investor confidence, the government is set to allow UAE's investment agencies - including its sovereign wealth funds - to pick up equity in India's state-owned enterprises as it moves to boost the disinvestment programme to earn additional revenues in a slowing economy.

The government would look at disinvestment in another top 10 public sector undertakings by divesting 5-10% stake in each. As per prevailing regulations of the Securities and Exchange Board of India (SEBI), any investor can acquire up to 25% of shares on offer provided he pays a price higher than other investors.

*Hindustan Times - 21.02.2013*

<http://www.hindustantimes.com/business-news/WorldEconomy/UAE-agencies-can-buy-divested-PSU-shares/Article1-1015356.aspx>

## **Bleak market conditions hit travel industry**

The once high-flying travel industry here has now been grounded thanks to the grim market conditions, said tour agents and officials. With prices of air tickets, hotels, etc. soaring, many travel agencies complained of a significantly reduced clientele, which is now refraining from splurging on getaways like before.

*The Times of India - 20.02.2013*

[http://articles.timesofindia.indiatimes.com/2013-02-20/hyderabad/37199683\\_1\\_bookings-travel-agents-travel-agencies](http://articles.timesofindia.indiatimes.com/2013-02-20/hyderabad/37199683_1_bookings-travel-agents-travel-agencies)

## **Air Asia to make strong sales pitch, ties up with portals, agents**

A poor sales network was one of the factors behind Air Asia's limited success to India but that is set to change now. Air Asia is expanding its distribution network increasing its offline travel trade partners. The company has already tied up with online portals including MakemyTrip.com and Yatra.com.

*Business Standard - 25.02.2013*

[http://www.business-standard.com/article/companies/air-asia-to-make-strong-sales-pitch-ties-up-with-portals-agents-113022200463\\_1.html](http://www.business-standard.com/article/companies/air-asia-to-make-strong-sales-pitch-ties-up-with-portals-agents-113022200463_1.html)

the fund," official sources said.

*Business Standard - 20.02.2013*

[http://www.business-standard.com/article/economy-policy/finmin-to-prepare-cabinet-note-for-setting-up-psu-etf-113022000659\\_1.html](http://www.business-standard.com/article/economy-policy/finmin-to-prepare-cabinet-note-for-setting-up-psu-etf-113022000659_1.html)

## **'Lowest' airfare war: Air India jumps into the fray**

The war over air fares has intensified with all Indian airlines competing with each other to offer low ticket prices, as Air India also jumped into the fray. A day after Jet Airways offered 20 lakh seats at Rs 2,250 for travel till the year-end and all no-frill carriers - IndiGo, SpiceJet and GoAir followed suit, Air India on Wednesday evening launched special fares offering a discount of up to 40 per cent on one-way regular fare charged by it on its domestic flights.

*Money Control - 21.02.2013*

[http://www.moneycontrol.com/news/business/lowest-airfare-war-air-india-jumps-into-fray\\_828444.html](http://www.moneycontrol.com/news/business/lowest-airfare-war-air-india-jumps-into-fray_828444.html)

## **Tata plans return to aviation business with AirAsia**

The Tata group is joining AirAsia Bhd, Asia's largest low-fare carrier, and a local investor in seeking to enter the aviation market, 13 years after the conglomerate's bid to buy a stake in Air India in partnership with Singapore Airlines Ltd collapsed in the face of political and corporate intrigue.

*Mint - 20.02.2013*

<http://www.livemint.com/Companies/tTdpeeSh2mOtoqBqOgoBeM/AirAsia-plans-India-entry-with-Tatas.html>

## **Aviation may return to 11% CAGR growth in medium-term: ICRA**

Indian aviation industry: Operating environment improves even as cost-based headwinds persist, says ICRA. ICRA believes that while pressures in the near-term remains on the aviation industry, it would return to a growth of 11% CAGR over the medium-term as some of the cyclical variables become less spiteful.

*Money Control - 20.02.2013*

[http://www.moneycontrol.com/news/icra-reports/aviation-may-return-to-11-cagr-growth-medium-term-icra\\_828276.html](http://www.moneycontrol.com/news/icra-reports/aviation-may-return-to-11-cagr-growth-medium-term-icra_828276.html)

## **iXiGO.com Wins 'Travel Site of the Year'**

iXiGO.com, India's leading travel research & trip planning website has been adjudged as the Travel Site of the Year at the WATAwards 2013. The award was conferred during a ceremony held at The Orchid Hotel in Mumbai on February 15, 2013.

*Money Life - 18.02.2013*

<http://www.moneylife.in/business-wire-news/ixigocom-wins-travel-site-of-the-year/34397.html>

## **TVS Logistics looking to fuel growth through overseas acquisitions**

TVS Logistics Services Ltd, one of India's largest third-party logistics companies, is betting big on global acquisitions to fuel both its revenues and profits. The Chennai-based TVS group entity on Thursday announced the acquisition of UK-based Rico Logistics for Rs 100 crore. It plans to make three more acquisitions abroad before the end of this financial year.

TVS Logistics, which is likely to close 2012/13 with revenues of Rs 2,500 crore, has set an ambitious target of achieving a turnover of \$1 billion by 2015. "Acquisitions will help us fuel our growth and meet our target," said R. Dinesh, Managing Director, TVS Logistics Services Ltd, addressing the media in Chennai.

*Business Today - 21.02.2013*

<http://businesstoday.intoday.in/story/tvs-logistics/1/192569.html>

## **South India to overtake North India in tourist arrivals: MoT**

A recent study by the Ministry of Tourism (MoT), Government of India projects that the Southern region will far outstrip the North in tourist arrivals by increasing margins every year. The study projects that Domestic Tourism in the South will touch a staggering 1.6 billion visitors annually by 2022, rising by 91 per cent, while number of foreign tourists coming to the South will grow to 14 million by the same year.

*Travel Biz Monitor - 18.02.2013*

<http://www.travelbizmonitor.com/south-india-to-overtake-north-india-in-tourist-arrivals-mot-19426>

## **Zero iron filings in tea powder is not possible**

Do you know that tea powder can be contaminated with iron filings? The recent statutory advisory of the country's food safety and standards regulator has admitted this, stating that 'zero presence of iron filings is not possible in tea'.

The regulator Food Safety and Standards Authority of India has now capped the maximum limit for iron particles in tea powder at 150 mg per kilogram.

*The Times of India - 21.02.2013*

<http://timesofindia.indiatimes.com/city/pune/Zero-iron-filings-in-tea-powder-is-not-possible/articleshow/18600259.cms>