

(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.)

Panel may consider new MoU norms this month

A High-Power Committee, headed by Cabinet Secretary Ajit Kumar Seth, may take a final call this month on proposed new norms to provide greater operational flexibility to PSUs in achieving their annual targets.

The Department of Public Enterprises (DPE) has prepared the draft Memorandum of Understanding (MoU) norms based on the recommendations of a Working Group on MoU norms for Central Public Sector Enterprises (CPSEs), which was headed by P G Mankad.

The Group was set up by DPE in May last year to examine the current system of setting targets and suggest measures to improve the MoU procedure. "The proposed MoU norms are ready. The HPC is expected to meet this month and finalise these norms," said DPE Secretary O P Rawat.

Business Standard - 01.08.2013

http://www.business-standard.com/article/economy-policy/panel-may-consider-new-mou-norms-this-month-113080100665_1.html

Govt moots new norms for independent directors at PSUs

The government has approved a proposal that restricts an independent director at a public sector enterprise from holding directorships in more than 10 private companies. The move, reducing the earlier limit of about 20 private firms, is primarily aimed at strengthening corporate governance practices at Central Public Sector Enterprises (CPSEs) amid challenging economic conditions. According to a government official, the decision has been taken amid reports that independent directors were unable to give adequate time to understand issues pertaining to the concerned PSU and "were not aware of the developments taking place in the company".

The Economic Times - 04.08.2013

<http://economictimes.indiatimes.com/news/economy/policy/govt-moots-new-norms-for-independent-directors-at-psus/articleshow/21595916.cms>

Government's dash for cash triggers meltdown in PSU stocks

Finance Minister P Chidambaram is busy devising new ways to use public sector undertakings' (PSU's) balance sheets to shore up public finances and improve India's macroeconomic ratio.

The move has triggered a massive sell-off in PSU stocks. In the last two months, listed government-owned companies lost nearly a quarter of their combined market value worth \$58 billion (Rs 3.48 lakh crore).

About 98 per cent of the fall is accounted for by central government-owned and promoted enterprises, such as oil and gas majors, banks and metal and mining companies. The rest is accounted for by various state government firms.

Business Standard - 05.08.2013

http://www.business-standard.com/article/companies/government-s-dash-for-cash-triggers-meltdown-in-psu-stocks-113080500021_1.html

New investment fund for PSU scrips

With only four working days for adhering to the minimum public shareholding norms, the Cabinet Committee on Economic Affairs (CCEA) has approved a mechanism to bring down the government equity in its six sick companies to the required 90 per cent or less. The CCEA decided that a Special National Investment Fund will be created to transfer shares of these companies — HMT, Scooters India, Hindustan Photo Films Manufacturing Co, ITI, Andrew Yule & Co and Fertilizers & Chemicals (Travancore) Ltd. According to the Securities and Exchange Board of India's minimum public holding norms, all government-owned units will have to have at least 10 per cent of public holding. This has to be met by the coming Thursday.

Business Standard - 03.08.2013

http://www.business-standard.com/article/economy-policy/new-investment-fund-for-psu-scrips-113080200937_1.html

Investors lose heavily in PSU offers for sale

The offers for sale (OFS) of shares in public sector undertakings (PSUs) or state-backed firms have been nothing short of a disaster for long-time investors in such stocks. They have been hit by sharp discounts in OFS offered by the government alright. But even those who invested in OFS issues perceiving them to be a steal, are realising they miscalculated. A study of the past nine OFS issues reveals that all of them lost money for investors. The stocks concerned tanked 23% on an average in one month prior to the OFS issue. That is not all. The stocks lost a further 25.7% till date post the OFS issues.

DNA - 02.08.2013

<http://www.dnaindia.com/money/1868773/report-investors-lose-heavily-in-psu-offers-for-sale>

Govt sells stake in Neyveli, STC, ITDC; raises Rs 395cr

In a boost to the government's disinvestment programme, stake sale offers in Neyveli Lignite, STC and ITDC today got fully subscribed garnering Rs 395 crore for the exchequer. The 3.56 per cent stake sale in Neyveli Lignite Corporation (NLC) fetched Rs 360 crore to the exchequer with all of the shares being picked up by five Tamil Nadu government firms. Besides, the sale of 5 per cent stake, or 42.88 lakh shares, in ITDC fetched over Rs 30 crore. Another Rs 4.54 crore came in from STC disinvestment of 1.02 per cent, or 6.13 lakh shares.

Money Control - 02.08.2013

http://www.moneycontrol.com/news/market-news/govt-sells-stakeneyveli-stc-itdc-raises-rs-395cr_929786.html

Steel ministry becomes first central ministry to bag ISO 9001 tag

The ministry of steel has become the first central ministry to be awarded ISO 9001:2008, Quality Management System certification. The Bureau of Indian Standards has conferred the Ministry with the certification for three years, from June 25, 2013 to June 24, 2016. Sunil Soni, DG-BIS (Directorate General, Bureau of Indian Standards) presented the certificate to the Union Steel Minister, Shri Beni Prasad Verma in New Delhi on Wednesday.

Economic Times - 31.07.2013

http://articles.economictimes.indiatimes.com/2013-07-31/news/40915620_1_ministry-iso-indian-standards

PSUs' foreign bond trip feasible but has cost risk

At a time when the government is working overtime to make the rupee stable, an idea is doing the rounds to nudge public sector units (PSUs) to raise money through foreign markets to bring in dollars. While the idea is feasible, it might not be practically easy to use this route, due to issues surrounding hedging costs and usage. According to analysts, SAIL, Engineers India, NHPC, Power Finance, Power Grid, NTPC, NMDC and Power Finance are capable for tapping the international funds, given their needs of funds and financial strength. Flagging the risks associated with such a step, bankers said it could hit the balance sheets of PSUs.

Business Standard - 02.08.2013

http://www.business-standard.com/article/finance/psus-foreign-bond-trip-feasible-but-has-cost-risk-113080101201_1.html

Govt wants 7 Maharatnas to change logos, but PSUs not keen

Seven Maharatna Central public sector enterprises are fighting a Government suggestion to change their logos. "Indian Oil has informed us (that it is) not changing their logo, while six others have said they are studying the Government's suggestions," O.P Rawat, Secretary, Department of Public Enterprises, told Business Line. Apart from Indian Oil, this group includes ONGC, SAIL, Coal India, BHEL, NTPC and GAIL. It was the Deputy Chairman of the Planning Commission, Montek Singh Ahluwalia, who had floated the idea of reviewing the existing logos.

Hindu Business Line - 01.08.2013

<http://www.thehindubusinessline.com/industry-and-economy/govt-wants-7-maharatnas-to-change-logos-but-psus-not-keen/article4978490.ece>

LIC not salvaging PSU sell-offs: FinMin

The finance ministry on Monday said that majority of the investment in government's stake sale in public sector units during 2012-13 came from foreign institutional investors (FIIs) and that Life Insurance Corporation (LIC) is not salvaging the disinvestment programme. According to a statement issued by the ministry, during 2012-13, the government divested stake in seven PSUs through the offer-for-sale (OFS) route and raised about Rs 23,830 crore.

The Indian Express - 30.07.2013

<http://www.indianexpress.com/news/lic-not-salvaging-psu-selloffs-finmin/1148541/>

Cabinet decision to increase retirement age deferred

A proposal to increase the retirement age of government employees from 60 to 62 years came to the Cabinet on Thursday but a decision was deferred. The government might make the announcement in the Prime Minister's Independence Day address, his last before general elections in 2014. The ministry of personnel, public grievances and pensions has proposed an increase in retirement age of government employees from 60 to 62 years, top sources confirmed. There are around five million central government employees in India. The previous occasion the government raised the retirement age of central government employees was in 1998, from 58 to 60 years.

Business Standard - 03.08.2013

http://www.business-standard.com/article/economy-policy/cabinet-decision-to-increase-retirement-age-deferred-113080201034_1.html

Air passenger demand goes up globally

Air passenger demand has gone up as data released by the International Air Transport Association (IATA) showed a year-on-year growth of 6.0%.

"The robust growth, measured in revenue passenger kilometers (RPK), is ahead of the 4.8% demand growth reported over the first six months of 2013 compared to the same period in 2012," said a statement issued by IATA on Wednesday.

The Times of India - 31.07.2013

<http://timesofindia.indiatimes.com/business/india-business/Air-passenger-demand-goes-up-globally/articleshow/21509737.cms>

Indian travellers prefer online booking for hotels: MakeMyTrip

Indian travellers increasingly prefer to book hotels online, according to a survey by MakeMyTrip. 97 per cent Indians prefer booking a hotel online while 77 per cent have already booked a hotel online through an Online Travel Agent (OTA), the survey said. Interestingly, 40 per cent Indian travellers said they have booked last minute hotels for same day check-ins while 14 per cent Indians have used a mobile app to book hotels.

The Hindu Business Line - 31.07.2013

<http://www.thehindubusinessline.com/industry-and-economy/info-tech/indian-travellers-prefer-online-booking-for-hotels-makemytrip/article4973705.ece>

India Inc may get relief on CSR spending

India Inc is set to get relief on the implementation of the mandatory CSR norm as outlined in the new Companies Bill, 2012, which is set to be taken up by Rajya Sabha on Monday for consideration and passing. The draft rules, currently under works for Clause 135 dealing with CSR, will allow companies to fund other trusts, societies, NGOs and pool resources with other companies to undertake the CSR activities, subject to riders. All such funding of trusts and NGOs will need the mandatory approval of the CSR Board to be constituted by every company that is qualified for CSR activities.

Financial Express - 05.08.2013

<http://www.financialexpress.com/news/india-inc-may-get-relief-on-csr-spending/1151077>

Jet Airways sparks fare war with ticket prices as low as Rs 1777

Airline offers week-long sale of 700,000 low-fare tickets from 9 Aug, in a move to fill seats during lean season. Jet Airways (India) Ltd, the second largest airline by passengers carried, cut ticket prices on Saturday by more than half for bookings for seven days on or before 9 August in a move to stimulate the market and fill seats during lean season. According to Jet Airways website, the airline has launched seven day sales for 700,000 seats on its domestic flights starting Rs.1,777.

Live Mint - 03.08.2013

<http://www.livemint.com/Companies/DJ0JXj65TCB7rc5njWBzKO/Jet-Airways-unleashes-fare-war-with-cheaper-tickets-startin.html>

Cleartrip launches Waytogo route finder that combines planes, trains, buses and ferries

Online travel portal Cleartrip has launched, Waytogo, an online route finder that allows users to search for routes from one point to another across all forms of transport, globally. According to Cleartrip, Waytogo covers over 5 trillion routes, 2.5 million places, 670 airlines and 600 ground transportation providers (trains, buses, local transit, ferries, etc.) worldwide.

NDTV - 31.07.2013

<http://gadgets.ndtv.com/internet/news/cleartrip-launches-waytogo-route-finder-that-combines-planes-trains-buses-and-ferries-399482>

Air India generates cash surplus of Rs 460 crore in April-June

A series of cost cutting measures and an aggressive marketing strategy have led Air India to generate cash surplus of Rs 460 crore in April-June on the back of a consistent growth trend since last July. The all-round improvement resulted from a strategy that encompassed a review of Air India's fleet and network, pricing, schedules and revenue management, airline sources said.

The Economic Times - 04.08.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/air-india-generates-cash-surplus-of-rs-460-crore-in-april-june/articleshow/21592741.cms>

ATF price hiked by steep 6.3%

Jet fuel (ATF) prices were today hiked by a steep 6.3 per cent, the third consecutive increase since June, as a falling rupee made imports costlier. Aviation Turbine Fuel, or ATF, price at Delhi was hiked by Rs 4,169.4 per kilolitre (kl), or 6.3 per cent, to Rs 70,203.15 per kl with effect from midnight tonight, according to Indian Oil Corp, the nation's largest fuel retailer. The increase comes on back of a steep 5.8 per cent hike in jet fuel rates on July 1.

Economic Times - 31.07.2013

http://articles.economictimes.indiatimes.com/2013-07-31/news/40915521_1_kl-hike-average-international-price-jet-fuel

Get ready for more frequent hikes in rail fares now

Get ready for more frequent hikes in rail fares. In a move aimed at increasing the earnings of the cash-strapped railways, the cabinet on Thursday approved an "independent" tariff body for the state-owned transporter. The setting up of Rail Tariff Regulatory Authority will largely de-link passenger fares from political process. Populism practised by successive rail ministers left the fares — a political hot potato — largely unchanged for 10 years, till January.

The Hindustan Times - 02.08.2013

<http://www.hindustantimes.com/India-news/NewDelhi/Get-ready-for-more-frequent-hikes-in-rail-fares-now/Article1-1102071.aspx>

Shreyas Shipping to start container service linking ports on East, West coasts

Shreyas Shipping and Logistics Ltd said on Tuesday that it will start two new coastal

Flying abroad gets cheaper as international airlines cut fares

International airlines cut ticket prices by as much as 20% to fill seats during lean season; Jet Airways follows suit. International airlines have reduced fares by as much as 20% to fill seats during the August-October lean season. On Saturday, Jet Airways (India) Ltd, the nation's second-largest airline by passengers carried, also cut ticket prices by more than half for bookings before 9 August, a move that some of its local rivals may follow.

Live Mint - 04.08.2013

<http://www.livemint.com/Companies/7nLEbTNPSI7WSzO2pzb5vK/Flying-abroad-gets-cheaper-as-international-airlines-cut-far.html>

With new app, passport services now on phones

Ministry of external affairs on Monday launched its ambitious mobile app, MEAIndia, described by foreign secretary Ranjan Mathai as a one-stop shop. The app will make it possible to apply for passport and avail other services related to the travel document — as also visas and consular assistance anywhere in the world — using your smartphone or other handheld devices.

The Times of India - 30.07.2013

<http://timesofindia.indiatimes.com/tech/enterprise-it/services-apps/With-new-app-passport-services-now-on-phones/articleshow/21474147.cms>

India's logistics likely to cross the \$200 billion by 2020

India's logistics sector is likely to cross the USD 200 billion by 2020, Minister of State for Road Transport Sarvey Sathyanarayana said today. "The connectivity and the convenience in operations is the key for sustaining the global trade growth. Currently India's logistics sector is valued at around USD 125 billion and is likely to cross the USD 200 billion by 2020," he said.

The Economic Times - 30.07.2013

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-transport/indias-logistics-likely-to-cross-the-200-billion-by-2020/articleshow/21490988.cms>

Govt plans to boost port infra fails to excite operators

The government wants to boost investment in port infrastructure by allowing port operators to tweak freight handling tariff for new public-

container services linking, for the first time, all major ports on the East and West coasts — from Mundra (Gujarat) to Kolkata — from August 15. The first, from Kochi to Kolkata, linking Chennai and Vizag will be a fortnightly service initially. On the west coast, Shreyas already has a service from Kochi to Mundra via Mangalore. The second, a weekly service, will link Hazira with Mundra and Jawaharlal Nehru ports.

The Hindu Business Line - 30.07.2013

<http://www.thehindubusinessline.com/industry-and-economy/shreyas-shipping-to-start-container-service-linking-ports-on-east-west-coasts/article4970733.ece>

private partnerships projects in the 12 government-owned ports. CNBC-TV18's Archana Shukla reports on the impact of these new rules on the ground.

Money Control - 02.08.2013

http://www.moneycontrol.com/news/cnbc-tv18-comments/govt-plans-to-boost-port-infra-fails-to-excite-operators_929916.html