

(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 directs all ministries and departments to rejig annual targets to sync with BJP's election manifesto

Three months into the financial year, the new government has directed all ministries and departments to do a course correction on their annual targets, a move that comes after the Cabinet Secretariat found the targets out of sync with the ruling BJP's election manifesto and the President's address earlier this month. ET has accessed a 209-page document — 'Alignment of 2014-15 RFDs with BJP Manifesto' — prepared by the Cabinet Secretariat, which has spelt out how most targets fixed in the Result Framework Document (RFD) of all major ministries for 2014-15 "inadequately cover" what has been promised in the manifesto released ahead of the Lok Sabha elections and the action points in President's address.

RFDs of major ministries including those of corporate affairs, and information and broadcasting, have been found to be totally out of alignment with the manifesto. RFDs meant to be enforced during the current fiscal were prepared a little before April.

Economic Times - 30.06.2014

<http://economictimes.indiatimes.com/news/politics-and-nation/government-directs-all-ministries-and-departments-to-rejig-annual-targets-to-sync-with-bjps-election-manifesto/articleshow/37491055.cms>

Investors keep faith in oil PSUs despite worries over Iraq crisis

Despite turmoil in Iraq and a rise in global oil prices, investors continue to remain gung-ho on India's state-owned oil companies, confident that the subsidy reforms can unlock value. While the upstream companies ONGC and Oil India top investors' list, the downstream marketing companies also offer some interesting possibility of gains.

India's oil sector is dominated by public sector companies such as ONGC, Oil India, Indian Oil, BPCL and HPCL, which together have a market value of Rs 5,42,000 crore, while the book value of their equity put together is Rs 2,94,000 crore.

Initial CPSE ETF Investors Stay 'Loyal'

Despite a hefty gain of 50 per cent in less than three months for the initial investors in the disinvestment exchange traded fund (ETF), bulk of them continue to stay invested and are refusing to cash out. According to people in the know, over 20,000 of the initial 38,000 applicants in the new fund offer (NFO) of the so-called CPSE ETF continue to hold on to their units, which were allotted during the investment product was launched in March. A unit of CPSE ETF, which was allotted at Rs 17.45 in the NFO, now trades at Rs 26.11, a gain of almost Rs 9, or 50 per cent.

Experts said that the revival in market sentiment, specially towards the state-owned stocks, coupled with the loyalty bonus component offered by the government is luring investors to remain invested in the CPSE ETF, a first-of-its-kind investment product through which the government had raised Rs 3,000 crore at one go by divesting small stakes in ten public sector undertakings (PSUs). "Most of the initial investors continue to remain invested. The investor base now could have easily expanded to more than 50,000 as lot of new investors have purchased CPSE ETF units from the secondary market," said a person involved with the fund.

Business Standard - 23.06.2014

http://www.business-standard.com/article/pf/initial-cpse-etf-investors-stay-loyal-114062300878_1.html

Disinvestment target for 2014-15 likely to cross Rs. 60,000 crore

The government will likely set a disinvestment target of more than Rs. 60,000 crore for 2014-15, which it seeks to achieve by selling stakes in state-owned companies. This will be much higher than Rs. 36,000-crore target set in the Interim Budget. The capital market regulator Securities and Exchange Board of India had approved sweeping new norms, including measures that could force the government to cap its stake in listed state-owned companies at 75%.

There are a total 38 public sector undertakings, in which the public shareholding is less than

Considering their market domination, this valuation should be considered paltry, which is due to a long history of ad hoc subsidies, resulting in a total lack of control over profitability and a large debt burden. Expectations that subsidy reforms will completely change this picture have driven the share prices of these companies up 20-38% in the last three months.

Economic Times - 24.06.2014

<http://economictimes.indiatimes.com/markets/stocks/market-news/investors-keep-faith-in-oil-psus-despite-worries-over-iraq-crisis/articleshow/37107093.cms>

Government partially rolls back steep railway fare hike

The government partially rolled back a steep hike in rail passenger fares announced last week after protests from allies, highlighting the political realities facing the new prime minister in his push to cut the country's massive subsidy bill. Prime Minister Narendra Modi's government said late on Tuesday that fares for city commuters will now effectively be frozen, reducing the savings it will see from the fare rises by an estimated 14 percent or some \$180 million.

Reuters - 25.06.2014

<http://in.reuters.com/article/2014/06/25/india-economy-railway-idINKBN0F009D20140625>

Have asked states to cut jet fuel tax, aviation minister says

Civil aviation minister Ashok Gajapathi Raju said on Tuesday he had asked states to cut jet fuel tax, which the country's struggling airlines say makes it difficult for them to stay profitable. Raju said he believed aviation turbine fuel (ATF) was "taxed on the higher side" and that states should "bring down" the tax, without indicating what he considered an appropriate level.

High taxes — many of them set by individual states rather than central government — low fares and a highly competitive market mean all but one of India's big airlines are losing cash. Fuel costs are among the highest in the region.

The Times of India - 24.06.2014

<http://timesofindia.indiatimes.com/business/india-business/Have-asked-states-to-cut-jet-fuel-tax-aviation-minister-says/articleshow/37126157.cms>

Air India offers low-fare scheme on global routes from Rs 7,999

National carrier Air India Ltd is offering promotional discounted fares on its international routes on flights originating from India, according to the carrier's website. The scheme will be valid

25%. Bringing down the government's stake in these would mean that these companies will need to offload shares worth about Rs. 58,000 crore in all. Of these, one PSU alone - Coal India Ltd (CIL) - would have to sell shares worth nearly Rs. 37,000 crore, sources said.

Hindustan Times - 25.06.2014

<http://www.hindustantimes.com/specials/coverage/unionbudget2014/build-up-to-budget/disinvestment-target-for-2014-15-likely-to-cross-rs-60-000-crore/sp-article10-1233700.aspx>

Govt plans low-cost funding for shipping firms

The Union Government is planning a mechanism to make low-cost funds available to domestic shipping companies to buy ships. The idea is to raise foreign currency loans against long-term shipping contracts between Indian shipping lines and leading public sector companies, a Shipping Ministry official said. This would enable shipping lines to get dollar funds at 3-4 per cent as against rupee loans, which cost more than 10 per cent.

The Hindu Business Line - 26.06.2014

<http://www.thehindubusinessline.com/economy/policy/govt-plans-lowcost-funding-for-shipping-firms/article6152357.ece>

India's outbound tourism witnessing rush this summer: Survey

A growing number of Indians belonging to upper middle class families are opting for foreign holidays this summer, drawn by online travel portals, social media references and wooed by aggressive marketing by tour operators, says an ASSOCHAM survey. It is estimated that outbound tourists may increase by about 15 to 20 per cent this summer, although domestic destinations like Srinagar are also drawing a huge crowd as is witnessed by full flights to and from these destinations. Significantly, the outbound tourist rush is being witnessed even as the Indian economy is battling a slowdown.

The Economic Times - 29.06.2014

<http://economictimes.indiatimes.com/industry/services/travel/indias-outbound-tourism-witnessing-rush-this-summer-survey/articleshow/37451613.cms>

Airlines in fare war again: SpiceJet, IndiGo roll out discounts for the peak travel season

SpiceJet on Friday cut ticket prices for the peak travel season, from September till December, to induce travellers to book tickets in advance.

till Monday and is applicable to outbound flights till Jul 31. Under the scheme, different regions have different starting fares, which range from Rs 7,999, all inclusive, for flights to countries of the South Asian Association for Regional Cooperation, all of which are India's immediate neighbours, to Rs 64,999 for flights to North America.

Free Press Journal - 27.06.2014

<http://freepressjournal.in/air-india-offers-low-fare-scheme-on-global-routes-from-rs-7999/>

SpiceJet launches 'SpiceFlex' offer with add-on services

SpiceJet has launched "SpiceFlex" that offers multiple add-on services with benefits like complimentary meal, priority check-in, a choice to pre-assign preferred seats and waiver on change fees. Guests choosing SpiceFlex would be able to save up to 50 per cent on the regular price of these add-on services if they were to buy them as individual add-ons. Starting today, the airline is introducing a three-day limited period special offer wherein a guest can choose to upgrade to SpiceFlex at a further discounted price of just Rs 749 extra (fee excluding base fare). This offer is applicable for bookings made between June 26 and June 29 for travel between June 26 and September 2014.

The Hindu Business Line - 26.06.2014

<http://www.thehindubusinessline.com/companies/spicejet-launches-spiceflex-offer-with-addon-services/article6151064.ece>

For fifth year in a row, Google emerges as country's best company to work for: Survey

If you google 'India's best company to work for', the answer you will get is — Google. For the fifth year in a row, Google India has emerged the country's best company to work for followed by Intel, which remains in second place for the second year. Marriott Hotels is in third spot, a sharp improvement from ninth position last year, replacing American Express, which is in fourth place. Now in its seventh year, 'India's Best Companies to Work For' is a study conducted by The Economic Times and Great Place to Work Institute, based on a methodology that has been validated the world over. This year, 600 organisations spanning 20 industry categories participated in the survey, of which the top 50 in the list of 'India's Best Companies to Work For' were felicitated at a ceremony in Mumbai on Friday.

Multinational companies, whose human resource

The offer included the eye-catching figure of Rs 1,999 for a trip between Delhi and Goa though tickets would have to be bought before 30 June. IndiGo responded with a similar offer. "A popular route like Delhi-Goa is on offer at Rs 1,999 (one way) while the spot-fare for the same route is Rs 11,253.

The Economic Times - 28.06.2014

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/airlines-in-fare-war-again-spicejet-indigo-roll-out-discounts-for-the-peak-travel-season/articleshow/37348942.cms>

No decision taken to privatise Air India: Govt

No decision has been taken to privatise Air India, with the government saying it was close to finalising a short-term strategy to strengthen the burgeoning civil aviation sector, including slashing taxes on jet fuel. "By and large, there is a general feeling that the aviation sector in India is no way near its potential. So we are working on that and trying to achieve that potential... We are working out a short-term strategy, setting some goals for ourselves within the ministry," Civil aviation minister Ashok Gajapathi Raju told reporters. He was responding to a question whether the ministry had formulated a 100-day plan for the aviation sector after he recently met Prime Minister Narendra Modi.

Times of India - 24.06.2014

<http://timesofindia.indiatimes.com/Business/India-Business/No-decision-taken-to-privatise-Air-India-Govt/articleshow/37125241.cms>

Slum redevelopment a CSR activity: Ministry of Corporate Affairs

Slum-redevelopment, road safety awareness and consumer protection services will be treated as Corporate Social Responsibility (CSR) activities, according to clarifications issued by the ministry of corporate affairs in response to queries from stakeholders. BJP's election manifesto had promised to usher in a low-cost housing policy that would ensure every family in India a home by 2022. The ministry, in a circular, has clarified that slum-redevelopment or housing for economically weaker sections could be covered under the eligible CSR category of 'measures taken for reducing inequalities faced by socially and economically backward groups'.

Activities relating to road safety promotion, which is a dire need in India, are also likely to get a major fillip as the ministry has clarified these would also be treated as eligible CSR activities. Promoting road safety awareness

practices are handed down from the parent, have tended to dominate the list in the past, and this year is no exception. But two desi companies — Godrej Consumer Products and Ujjivan Financial Services — are in this year's top 10, at seventh and ninth places, respectively. Employee perceptions form the core of the Best Companies to Work For study.

Economic Times - 30.06.2014

<http://economictimes.indiatimes.com/industry/jobs/for-fifth-year-in-a-row-google-emerges-as-countrys-best-company-to-work-for-survey/articleshow/37489940.cms>

A.K. Dubey new Coal India chairman

Dubey will serve his post as an additional charge till a full-time chairman is appointed

Nearly a month after the resignation of Coal India Ltd's chairman and managing director S. Narsing Rao, the Centre has appointed additional secretary A.K. Dubey as the new chairman of the state-owned miner. The appointment for three months will take place from immediate effect, the Centre told Coal India on Wednesday. Dubey will serve his post as an additional charge till a full-time chairman was appointed. Dubey is also a government-appointed director at the mining firm.

Livemint - 25.06.2014

<http://www.livemint.com/Companies/rAqKN0ZsRr bFejX1IubHLO/Govt-appoints-AK-Dubey-as-new-Coal-India-chairman.html>

through print, audio and visual media would qualify as a CSR activity under the broad head of 'promoting education'; providing trainers to drivers would fall under 'promoting vocational skills'; and social projects like giving medical and legal aid, treatment to road accident victims would fall under the eligible category of 'promoting health care', explains the circular.

Economic Times - 26.06.2014

<http://economictimes.indiatimes.com/articleshow/37238345.cms>

Oil Minister Approves Appointment of New IOC Chairman

Petroleum Minister Dharmendra Pradhan has approved appointment of B Ashok as the head of India's largest oil firm, IOC, in what will be the first top level appointment by the new government. B Ashok, Executive Director (Retail Sales) at Indian Oil Corp (IOC), was on October 9, 2013, chosen to head the company by Public Enterprise Selection Board (PESB), but the previous UPA government could not appoint him before its tenure ended.

NDTV - 26.06.2014

<http://www.ndtv.com/article/india/oil-minister-approves-appointment-of-new-ioc-chairman-548468>