

(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.)

PSUs sitting on Rs 2 lakh-crore cash

The government's attempt to spearhead the investment cycle by prodding central public sector undertakings (PSUs) sitting on cash to scale up capital expenditure may have a subdued impact because of a decline in their profits in the past three years. At the end of March 2014, 54 major listed central government enterprises were sitting on cash and equivalents worth Rs 2 lakh-crore, unchanged from a year ago. The amount is around a fifth of the cumulative investment in fixed assets by these companies. The bulk of this cash lies in bank deposits that earn little as interest. These companies can expand their capacity by around a fifth if they use all their cash. In the past five years, the combined capital expenditure by these companies grew at a compound annual rate of 13.7 per cent. In 2013-14, the companies together commissioned projects worth Rs 1.15 lakh-crore and another Rs 51,000 crore worth of projects were being implemented.

Business Standard - 23.12.2014

http://www.business-standard.com/article/companies/psus-sitting-on-rs-2-lakh-crore-cash-114122300054_1.html

Modi govt may offer surplus PSU land for new infra projects to sidestep lengthy land acquisition process

The government is eyeing nearly 18 lakh acres of land — or nearly five times the area of Delhi — available with various state-run companies, to quickly get manufacturing and infrastructure projects off the ground.

"The idea is that since land acquisition is a very long-drawn process, we can identify the land available and then match it with the requirements of a new project," said a senior official of the ministry of heavy industries and public enterprises. Special emphasis is on projects that can be executed quickly with the help of the recently concluded the India-Japan investment promotion partnership, the person told ET.

The ministry has sought details of land available with public sector companies (PSUs) and a meeting is likely to be held next week to firm up details.

PSUs' investments steadier than private sector

The fluctuation in private corporate investment since the year 2000 has been more than that in public investment, data shows. Recently, the government's mid-year economic review made a case for reviving public investment as an engine for economic growth. Chief Economic Advisor Arvind Subramanian had said: "In the medium term perspective, as growth slows, one way to revive it will be through public investment. The possibility of public investment being an engine of growth should be given more serious consideration." An analysis of gross capital formation (GCF) in the two sectors since 1999-2000 has brought out some clear trends. Both public and private investment grew with the economy during the boom years and slowed after the global financial crisis, which began in late 2008. However, the fluctuation in private investment was distinctly more pronounced.

Business Standard - 23.12.2014

http://www.business-standard.com/article/companies/psus-investments-steadier-than-private-sector-114122200898_1.html

Centre revamps stake sale process for PSUs

The government is set to try a new approach to stake sales in state-owned companies from early 2015-16, having learnt lessons from past failures to achieve disinvestment targets. The new process starts with a multi-year rolling disinvestment list that will rely on cutting the time taken in regulatory processes to ensure market bears do not bring down the share prices of public sector undertakings (PSUs) up for divestment. Additionally, unlike the usual practice of starting stake sales in the second half of any financial year, the plan envisages year-round issues hitting the market. Business Standard has learnt the finance ministry's department of disinvestment (DoD) has in its new rolling list included almost all PSUs, among them those in which the government's stakes need to be brought down to 75 per cent in the next two-and-a-half years. This was mandated by the Securities and Exchange Board of India (Sebi) in its June board meeting this year.

The Economic Times - 29.12.2014

<http://economictimes.indiatimes.com/news/economy/policy/modi-govt-may-offer-surplus-psu-land-for-new-infra-projects-to-sidestep-lengthy-land-acquisition-process/articleshow/45671217.cms>

Achieving more for less in infrastructure

London has reduced peak traffic congestion by 30% through congestion pricing, enforced by cameras linked to automatic licence-plate readers. Some 30% of freshwater demand in Singapore is being met through water reclamation and recycling. A Chinese developer completed a 30-storey hotel in 30 days to demonstrate how new industrial approaches could revolutionise construction. These are just a few examples of the staggering efficiency improvements that technology is bringing to the infrastructure sector around the world.

India has more to gain from these developments than many countries, given its struggles with inadequate and inefficient infrastructure. The average time for clearing cargo at Indian ports is about 19 days, compared with three to four days in Singapore. Inefficient logistics impose a heavy burden on competitiveness: logistics in India is about 14% of total cost of goods, compared with 6% to 8% globally. Citizens suffer from infrastructure deficiencies—the water supply in Indian cities is at least 25% less than the minimum required norm, and just 30% to 40% of urban sewage is treated.

Mint - 22.12.2014

http://www.livemint.com/Opinion/ZdLt32m08SoS_PiQWbppchL/Achieving-more-for-less-in-infrastructure.html

ONGC faces profit strain due to weak crude, condensate output

Oil and Natural Gas Corp. Ltd (ONGC), the nation's biggest energy explorer, is set for a weak year in terms of profit, as the company continues to report falling crude oil production and has also seen a drop in production of condensates, which are used in the production of value-added products. ONGC, which had forecast an increase of over a million tonnes in net crude oil production in fiscal 2015, is still to see a turnaround in output. The company has failed to increase net production till November.

To the contrary, the company has seen a 2.34% year-on-year drop in crude oil production until November, according to the latest data from the Petroleum Planning and Analysis Cell (PPAC), a statistical body under the ministry of petroleum and natural gas. For April-November period, ONGC's crude oil production stood at 12.5 million tonnes, compared to 12.8 million tonnes in the

Business Standard - 26.12.2014

http://www.business-standard.com/article/economy-policy/centre-revamps-stake-sale-process-for-psus-114122500326_1.html

Provident Fund makeover may bring down employee outgo

The Employees' Provident Fund Organisation has proposed sweeping changes in practices that are more than half-a-century old as it looks to widen the social security net by bringing more people into its fold besides encouraging the regularisation of low income, blue-collar workers. It has suggested that the compulsory 12 per cent of salary paid by employees to EPFO be reduced or even waived for a certain period. In addition, the labour ministry has proposed scrapping schedule I of the law governing EPFO, thus widening its scope to every establishment employing 10 or more people, down from 20 or more now. It's also looking to moderate the powers of scrutiny of its officers, set up an appellate committee and establish a multi-member tribunal to address grievances of EPFO subscribers. The proposals are in line with the Narendra Modi government's vision to provide social security cover to a larger number of people besides creating a conducive environment for companies.

The Economic Times - 23.12.2014

<http://economictimes.indiatimes.com/industry/banking/finance/finance/provident-fund-makeover-may-bring-down-employee-outgo/articleshow/45609826.cms>

Cabinet clears road for CIWTC sale

The Union Cabinet on Wednesday gave its approval to a proposal that will facilitate the Narendra Modi-led government's first strategic sale of a public sector unit (PSU). It cleared an improved voluntary retirement scheme (VRS) for employees of the near-defunct Central Inland Water Transport Corporation (CIWTC), so that it becomes easier for the government to sell the Kolkata-headquartered unlisted company to an investor.

CIWTC has been making losses since its inception in 1967, set up with the purpose of operating a fleet of ships on rivers in West Bengal and Assam. The government has been trying to divest the company since 2004. "Implementation of the improved VRS package would offer a better severance package to the employees of CIWTC. This would improve the prospects of finding an investor to either take over the assets or ensure viable commercial use of assets," the Centre said in a statement

year earlier, according to the PPAC data. For the month of November, ONGC's crude oil production fell to 1.5 million tonnes from 1.6 million tonnes in the year-ago period.

Mint -25.12.2014

<http://www.livemint.com/Companies/hN74oFlhyLVvoGRvSCnmiM/ONGC-faces-profit-strain-due-to-weak-crude-condensate-output.html>

Nitin Gadkari announces investments in ports, roads in Bengal

Minister for shipping, road transport and highways Nitin Gadkari today announced massive investments in ports and roads sector in West Bengal which would help boost the state's economy. Gadkari, who met West Bengal Chief Minister Mamata Banerjee at the state secretariat here, told the media that the Kolkata Port Trust (KoPT) along with the state government would construct a port in the Sagar Islands at an investment of Rs 12,000 crore. He said that there was also a need to construct a bridge or an underground tunnel for this purpose in addition to a railway line, adding a consultant was to be appointed for this. In addition to the Sagar port, Gadkari had also announced additional investments of Rs 3350 crore in the port sector like floating storages, dry bulk cargo handling terminal among others.

The Economic Times - 23.12.2014

<http://economictimes.indiatimes.com/news/politics-and-nation/nitin-gadkari-announces-investments-in-ports-roads-in-bengal/articleshow/45619047.cms>

Modi rules out Railways privatisation

Prime Minister Narendra Modi on Thursday ruled out privatisation of Railways while asking trade unions to stop worrying about foreign investments coming in the sector, saying these will be used for greater development of the national transporter. "There is a misunderstanding that Railways is being privatised. However, I want to make it clear that we are not privatising Railways. We cannot go in this direction. You don't have to worry. It is neither our wish nor thinking," he said. Modi was in Varanasi to mark Good Governance Day, on BJP leader Atal Bihari Vajpayee's birthday. The Prime Minister was obviously seeking to dispel apprehensions among railway unions over the issue. The unions had even planned to hold protest against the proposal to invite FDI in railways. Anticipating protests against the Centre over several issues, police detained more than 23 people from different areas as they were planning to stage demonstrations during Modi's visit here. Five members of the Railways employee union, who were planning to protest against the government's decision to allow 100 per cent FDI in

after the Cabinet meeting, chaired by Prime Minister Narendra Modi.

Business Standard - 25.12.2014

http://www.business-standard.com/article/economy-policy/cabinet-clears-road-for-ciwtc-sale-114122500072_1.html

Railways reform must go beyond symbolism

The NDA government's election manifesto included modernising India's railway system. It is well known that the current system is grossly inefficient and inadequate. It loses large amounts of money, and its poor state represents a significant drag on Indian economic growth. What is being done?

The Prime Minister understands the value of symbolism in improving the system. A few high-speed trains are being introduced, and even a flagship bullet train is on the cards. The PM has spoken of upgrading train stations—starting with perhaps a dozen—to be like airports. He is willing to privatise the operation of train stations, and use their real estate more effectively, adding commercial space overhead, above the tracks. He recognizes the importance of connecting India's Northeast to the rest of the country, and internationally, through rail links.

The Financial Express - 23.12.2014

<http://www.financialexpress.com/article/fe-columnist/columns-railways-reform-must-go-beyond-symbolism/22168/>

Aviation ministry may cap economy class air fares at Rs 20,000

The aviation ministry is planning to regulate fares by fixing Rs 20,000 as the highest economy class fare to be charged on domestic routes. This follows instances of some airlines charging exorbitant rates during the ongoing Spicejet crisis. Even spot fares (tickets purchased at the last minute which always go for the highest price) are not supposed to go beyond the limit the ministry plans to set. "The SpiceJet crisis happened, among other things, due to the extremely low fares it charged this year. We have to stop predatory pricing to prevent other airlines from meeting the fate of a Kingfisher or SpiceJet. We are going to set minimum and maximum fare for airlines," said a senior official. On December 18, TOI had first reported about the move to put in place a floor and a cap on air fares. Till now, fares have not been regulated by the ministry. Airlines give a range of minimum and maximum fares to the directorate general of civil aviation (DGCA) every month for each route.

their sector, have been detained as a precautionary measure.

The Hindu Business Line - 26.12.2014

<http://www.thehindubusinessline.com/news/politics/modi-rules-out-railways-privatisation/article6725378.ece>

International tourism numbers to hit record high: UNWTO

The latest UNWTO World Tourism Barometer states that international tourism is set to hit a new record by the end of 2014 with over 1.1 billion international tourists travelling the world in one single year. During the first ten months of 2014 the number of international tourists increased above expectations, growing by five per cent. Between January and October 2014, the volume of international tourists (overnight visitors) reached 978 million, 45 million more than in the same period of 2013.

With an increase of 4.7 per cent, international tourism continues to grow well above the long-term trend projected by UNWTO for the period 2010-2020 (+ 3.8 per cent), and is set to end the year at over 1.1 billion. By region, the strongest growth was registered in the Americas (+ eight per cent), followed by Asia and the Pacific (+ five per cent) and Europe (+ four per cent). By sub-region, North America (+ nine per cent) and South Asia (+ eight per cent) were the star performers, as well as Southern and Mediterranean Europe, North-East Asia and Northern Europe (all + seven per cent).

The Financial Express - 22.12.2014

<http://www.financialexpress.com/article/lifestyle/travel-tourism/international-tourism-numbers-to-hit-record-high-unwto-2/22039/>

Tourism, hospitality will reap the benefits of government steps in 2015

The coming year could be one of cheer for the Indian travel and hospitality industry that has been facing the rough weather for long. Government measures like extension of tourist visa on arrival (VoA), electronic travel authorisation (ETA), lifting restrictions on gaps for re-entry are all likely to trigger an uptake in 2015. This time around, more properties and destinations have recorded higher bookings as compared to what it was last year. According to a few industry experts, both leisure and corporate travels this year have been on the higher side since July and is expected to see a 15% growth

The Times of India - 24.12.2014

<http://timesofindia.indiatimes.com/india/Govt-considering-cap-on-maximum-economy-airfare-at-Rs-20000/articleshow/45632816.cms>

Trends in the Online Travel segment in 2014

From online travel agents like MakeMyTrip and Cleartrip among others witnessing increase of traffic from mobile platforms, to them launching online wallets, to online publishing companies & e-commerce ventures entering the online travel space, 2014 has been a busy year. Let's take a look at some of the trends in the online travel segment that emerged this year. Cleartrip's search traffic from mobile devices increased from 30% in July 2014 to 40% in September 2014 to 43% in November 2014.

MakeMyTrip had also mentioned in its June 2014 investor presentation that 29% of its traffic came from mobile (pdf) in the April-June period this year. Earlier this year, iXiGo CEO Alope Bajpai had also told Medianama that for most online travel companies more than 25% of their traffic and nearly 10% of their transaction volume is now coming from mobile devices. Goibibo, MakeMyTrip & Cleartrip all introduced online wallets this year to make the process of issuing refunds in case of booking cancellations easier. Goibibo's wallet goCash allows users to select between goCash or a direct refund to debit/credit card while cancelling a ticket. Also, users can combine goCash and credit/debit cards to pay for new bookings. MakeMyTrip & Cleartrip also offers users these two features.

Media Nama - 23.12.2014

<http://www.medianama.com/2014/12/223-trends-in-the-online-travel-segment-in-2014/>

Third Party Logistics market in India to reach Rs 48,000 crore by 2019

The Third Party Logistics (3PL) market in the country is expected to touch Rs 48,000 crore by 2019, mostly fuelled by outsourcing especially in retail, pharmaceutical, according to a survey.

"The Indian 3PL market is geared for a robust growth during 2014-2019. It is anticipated to grow at a CAGR of 21% to touch Rs 48,000 crore over the period 2014-2019. The 3PL market growth is fuelled by factors like the inclined outsourcing by Indian companies and many MNCs particularly in retail,

year-on-year. Sanjay Bhasin, CEO, Goibibo.com, said, "As we are nearing year-end and people are preparing for their last vacation this year, hotel transactions have witnessed a 120% growth over previous month giving the segment a significant boost. Flight bookings have also increased by 40% over last month and going by the increased traction, December seems to be a very promising month for Goibibo."

DNA - 25.12.2014

<http://www.dnaindia.com/money/report-tourism-hospitality-will-reap-the-benefits-of-government-steps-in-2015-2046829>

Railways want to protect dominance in cargo sector: Prabhu

Railway Minister Suresh Prabhu today said the railways would soon launch a logistics facility for integrated cargo movement to protect its dominant share in the cargo-movement services. Prabhu, who inaugurated a parcel management system at the Mumbai Central railway station here, said a two-third of the revenue of railways comes from cargo, and it subsidises passenger traffic fares. However, the railways were facing a serious competition nowadays from road transport with rapid expansion of the road network, he said. "Investment in road network is three times more than railways. Railway investment is .47 per cent of GDP while in roads it is three times more. However, unlike railways, road traffic is pollution generating," he said.

Business Standard - 27.12.2014

http://www.business-standard.com/article/pti-stories/railways-want-to-protect-dominance-in-cargo-sector-prabhu-114122700571_1.html

GST: a new road for transportation and logistics industry in India

India is all set to usher in a game-changing tax reform—the goods and services tax (GST). Apart from creating a unified market across India, GST will help make India's manufacturing competitive by cutting high logistics and warehousing costs. The regulatory reforms proposed in the GST presents a golden opportunity to revisit, rationalize and re-engineer transportation and logistics networks, given the inherent inefficiencies with taxes based on the crossing of administrative boundaries or border checkpoints. Taxation at a national level, rather than by each state, will result in more efficient cross-state transportation, streamlining paperwork for road transporters and bringing down logistics costs. Currently, each of

pharmaceutical, automobile and FMCG sectors," according to a report by research and consultancy firm RNCOS. The government's investment towards development of freight corridors, ports and highways, increasing demand by pharmaceutical industry and significant growth of e-commerce industry will be other growth drivers for the sector, it added.

DNA- 23.12.2014

<http://www.dnaindia.com/money/report-third-party-logistics-market-in-india-to-reach-rs-48000-crore-by-2019-2046464>

The opportunities at play from Goods and Services Tax

The Goods and Services Tax (GST), which the NDA government hopes to introduce from the next fiscal, is seen as a game changer for the logistics sector. Even a tiny player in the field is aware of its benefits and waiting for the day the country becomes a single unified market, ensuring seamless flow of goods across States. This will transform the structure of the supply chain infrastructure, particularly warehouses and distribution centres – the number of warehouses could come down but their size could go up. Eventually, it will reduce the logistics cost (estimates put cost of inefficiencies in the system at 2-3 per cent) and open up new growth opportunities. Investors positive- If news reports are any indication, there is a renewed investor interest. Private equity investors appear to be bullish, as reflected in the recent IPOs of logistics firms.

The Hindu Business Line - 23.12.2014

<http://www.thehindubusinessline.com/industry-and-economy/logistics/the-opportunities-at-play-from-goods-and-services-tax/article6719845.ece>

Vizag logistics hub dream hits hurdle

The AP government may have grand plans to develop Visakhapatnam as a logistics hub, but experts say an acute shortage of trained manpower in the transport sector may act as a major stumbling block. Experts further add that the government should set up skill development centres, and train the local people so as to meet the emerging challenges. There is also shortage of experienced drivers in the city. According to sources from the logistics sector, about 3000 trucks currently operate in Visakhapatnam district and that transporters already find it difficult to hire experienced drivers. If the city turns into a full-fledged logistics hub, the transport sector will further feel the shortage. Essem transport services

India's 29 states tax goods that move across their borders at different rates. As a result, freight that moves across the country is taxed multiple times. Worse, there are long delays at inter-state checkpoints, as state authorities review and examine freight and apply the relevant taxes and other levies.

Mint -26.12.2014

<http://www.livemint.com/Opinion/r2bFdm66acxASFWXICS0RP/GST-a-new-road-for-transportation-and-logistics-industry-in.html>

Why charge customers for using ATM, HC asks RBI

The Delhi High Court Wednesday issued notice to the Reserve Bank of India (RBI) on a plea against RBI's decision to impose a limit of five transactions per month from the customers' own bank ATM and charging Rs 20 per transaction beyond it. A division bench of Chief Justice G Rohini and Justice P S Teji also issued notice to Indian Banks' Association and State Bank of India along with the RBI and sought their response by Feb 18 on the PIL seeking directions to allow banking customers to make unlimited number of transactions free of any charge on own bank ATMs. During the hearing, the court even raised the question about banks charging Rs 20 from its own customers after five transactions. "You (banks) are unnecessary taxing your account holders," the bench remarked. The PIL filed by a practising advocate Swati Aggarwal, through advocate Vivek Kumar Tandon, sought quashing of the Aug 14 RBI direction that limited the number of monthly free transactions at own bank's kiosk to five beyond which banks can charge Rs.20 per transaction.

Business Standard - 24.12.2014

http://www.business-standard.com/article/news-ians/why-charge-customers-for-using-atm-hc-asks-rbi-114122400453_1.html

Shri Sunil Bhatia selected as Director (Fin), PDIL

PSEB has recommended the name of Shri Sunil Bhatia, GM, NFL, for the post of Director (Finance), Project Development India Limited (PDIL) at a Public Enterprises Selection Board meeting held on December 24, 2014.

PSEB - 25.12.2014

<http://pesb.gov.in/recommendation/Recommendation-24122014.pdf>

managing director Satya Boliseti says, "There is shortage of skilled drivers. There is virtually no expert driving institute in Vizag. The government wants to develop Vizag as a logistics hub, but first we need a training institute to meet the growing demand for capable drivers".

The Times of India - 26.12.2014

<http://timesofindia.indiatimes.com/city/visakhapatnam/Vizag-logistics-hub-dream-hits-hurdle/articleshow/45644147.cms>

Govt tells ministries and depts to shun use of private email

The government has asked all central and state departments and ministries to stop using private email services for official communication and instead use indigenous services provided by NIC, to prevent "misuse" or "leakage" of classified data. A recent circular issued to all government bodies by the CERT-In under the Union Ministry of Communication and Information Technology has stated that home grown and India-based email communication systems should be preferred for official work as the servers of private email service providers are based out of India and is prone to "misuse" or "leakage" of classified and proprietary data. "It has been observed that a number of officials in the ministries/departments in the central and state governments are using the private mail services particularly hosted and operated from outside India for official communications. Such official communications are government and also the public records. It is to mention that data pertaining to such emails and web services is stored by these service providers outside Indian and is fully under their control.

Millennium Post - 26.12.2014

<http://www.millenniumpost.in/NewsContent.aspx?NID=90111>

Shri R K Srivastava as Chairman, AAI issued

Jharkhand's RK Srivastava, a 1984-batch Jharkhand-cadre IAS officer, was on Friday appointed as the Chairman of the Airports Authority of India (AAI) for a five-year period.

News 18 - 23.12.2014

<http://www.news18.com/news/jharkhand/jharkhand-cadre-ias-officer-rk-srivastava-appointed-the-new-chairman-of-aii-660371.html>