

(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.)

Centre may sell BHEL stake to other state-owned firms

After using the mechanism to reduce its holding in Indian Oil Corporation, the Government may opt for the cross-holding route to dilute its stake in Bharat Heavy Electricals Ltd. Cross-holding involves selling shares of a central public sector enterprise (CPSE) to other CPSEs.

"We have ruled out going to the market (to sell the Government's stake in BHEL). Now, one of the options is cross-holding," confirmed Heavy Industries Minister Praful Patel, speaking to newsmen on Wednesday.

The Government is looking to sell a 5 per cent stake in BHEL, which could give it Rs 1,300 crore. Recently, the Centre sold 10 per cent of its stake in refining-cum-retailer Indian Oil Corporation to ONGC and Oil India.

The Hindu Business Line - 29.01.2014

<http://www.thehindubusinessline.com/markets/cp-ses-may-pick-up-govts-5-stake-in-bhel/article5630255.ece>

Makemytrip's Q3 net revenue climbs 27.7% as air ticketing growth accelerates; hotel booking continues to outpace

NASDAQ-listed online travel services firm MakeMyTrip (MMT) reported a 27.7 per cent rise in revenues less service costs which stood at \$28.5 million for the third quarter ended December 31, 2013 over the year-ago period. Overall revenues rose 9.6 per cent to \$69.9 million in the quarter even as gross bookings, which represent the total amount paid by a customer while booking on its platform, declined 4 per cent to \$311.3 million.

The third quarter is crucial for OTAs like MMT as it captured the holiday season. This is the second straight quarter that its revenues less service costs (a crucial metric for OTAs) rose.

Tech Circle - 30.01.2014

<http://techcircle.vccircle.com/2014/01/30/makemytrips-q3-revenue-climbs-27-7-as-air-ticketing-growth-accelerates-hotel-booking-continues-to-outpace/>

Distorting divestment

Hats off to all the great men who have thought of the ingenious ways of meeting the disinvestment target (read, meeting the fiscal deficit). Disinvestment has, for long, meant diluting a small part of the government-holding in PSUs by way of a capital market offering. The stated objective, on one hand, has been to broaden and deepen the capital market and, on the other, bring about more transparency and better corporate governance in PSUs.

Over the last few years, this indeed has been the case. During its entire history, some of the highest sums mobilised through divestment have been in the recent years—R23,857 crore last fiscal, followed by R22,763 crore in FY11 and R21,305 crore in FY10. The intervening year 2011-12 had witnessed a mobilisation of R14,036 crore. The ambitious target for the current fiscal is R40,000 crore through disinvestments and R14,000 crore through the sale of residual stakes.

The Financial Express - 31.01.2014

<http://www.financialexpress.com/news/distorting-divestment/1221902>

Gulf carriers like Emirates, Qatar Airways and Etihad slash fares to draw hub traffic from India

Gulf carriers which aggressively increased flights to the west in the last two years are now undercutting each others' ticket prices to get the biggest chunk of their hub traffic from India.

For instance, Emirates started this year with discounted ticket fares up to travel in June on destinations as Zurich, London, New York and Houston from Mumbai. The economy class fares under the scheme were Rs 42,099, about a 5%-7% cut on its earlier fares.

The Economic Times - 30.01.2014

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/gulf-carriers-like-emirates-qatar-airways-and-etihad-slash-fares-to-draw-hub-traffic-from-india/articleshow/29571611.cms>

February cheapest month to fly in India: Survey

The cheapest month to fly in the country is February, when consumers save about 18 per cent on airfare, while booking 22 weeks in advance usually results in around 15 per cent savings, a recent study said.

The cheapest flight tickets from India are available 22 weeks in advance of travel, on average. However, three years of booking data also show that price patterns can vary by type of airline, distance of travel, and hence is destination-dependent, global travel search site Skyscanner's 'Best Time to Book' analysis revealed.

The Economic Times - 31.01.2014

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/february-cheapest-month-to-fly-in-india-survey/articleshow/29665901.cms>

Low airfare offer gets mixed response

The discounted fare offers made by airlines last week evoked mixed response as Internet-savvy flyers seem to have booked more tickets as compared to those booking through travel agencies. While the online travel agencies like yatra.com and makemytrip.com have reported substantial jump in booking during the offer period, the offline travel agencies said the offers had witnessed lukewarm response.

Airlines declined to reveal the number of seats sold during the promotional offer period citing company policy, but according to travel industry officials, Indigo and Air India managed to attract more number of flyers as compared to other airlines.

The Hindu - 28.01.2014

<http://www.thehindu.com/business/Industry/low-airfare-offer-gets-mixed-response/article5623795.ece>

Air India enters fare war, offers discount on domestic routes

Air India joined Spice Jet, IndiGo and Jet Airways to offer advance purchase discount fares for travel during the pre-summer weeks. This is the second time in a fortnight that both the low-cost airlines and full service ones have offered discounts on advance buys.

Spice Jet had on Friday had announced a rerun of its 30-day advance purchase discount scheme and it was followed by IndiGo and Jet Airways announcing similar schemes later in the day. Air

Foreign trips to get cheaper, as A380s allowed to land

The civil aviation ministry has lifted a prohibition on the Airbus A380s to land in India. This may lead to a drop in international airfares, possibly at the cost of Indian carriers flying abroad.

These planes have been cleared for landing at Delhi, Mumbai, Bangalore and Hyderabad airports, the only ones equipped to handle the A380. The ban stemmed from concerns that foreign airlines operating A380s will grab a larger share of international traffic, thereby hurting Indian players, especially Air India.

My Digital FC - 27.01.2014

<http://www.mydigitalfc.com/news/foreign-trips-get-cheaper-a380s-allowed-land-452>

Travel companies see a lucrative lesson in education tourism

As learning moves out of the four walls of the classroom, travel companies are making the most of this opportunity. You could go cycling from Seattle to San Francisco, bike across Coorg and Uroli, go star gazing in astronomy camps or visit villages and take part in local projects, master kite-flying, photography while on a camp in Uttarakhand or take nature walks and learn to preserve environment.

The idea is not just limited to sight-seeing but also to build life skills such as leadership, teamwork, innovation, etc.

Business Standard - 01.02.2014

http://www.business-standard.com/article/companies/travel-companies-see-a-lucrative-lesson-in-education-tourism-114020100991_1.html

Energy giant Shell posts sliding 2013 profits

Oil giant Royal Dutch Shell on Thursday posted a 39-percent slump in annual net profits, two weeks after shocking the market with a profit warning. Earnings before taxation dived to USD 16.371 billion last year, compared with USD 26.712 billion in 2012, the London-listed company confirmed in a results statement.

The Anglo-Dutch energy major also outlined plans to sell off USD 15 billion of assets over the next two years and slash capital

India matched the fares on Saturday.

The Economic Times - 02.02.2014

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/airlines/-aviation/air-india-enters-fare-war-offers-discount-on-domestic-routes/articleshow/29743088.cms>

India overtakes Japan as world's No 3 crude importer

India has overtaken Japan as the world's third-biggest crude oil importer in 2013, data showed on Thursday. India imported 3.86 million barrels-per-day of crude oil last year, tanker arrival data compiled by Reuters from trade sources showed on Thursday.

India's imports were nearly 6 percent higher than Japan's customs-cleared imports of 3,648,372 bpd (211,716,710 kilolitres).

Economic Times - 30.01.2014

http://articles.economictimes.indiatimes.com/2014-01-30/news/46828497_1_importer-tanker-arrival-data-japan

New tariff guidelines for major ports soon

The Shipping Ministry has proposed that the 12 major ports in the country should have the freedom to fix tariff in tune with market forces, a plan aimed at making them competitive. The development comes in the backdrop of non-major ports eating into the share of major ports.

"There is no parity in the regulation mechanism between the major port trusts and the non-major ports. Whilst tariffs of major port trusts are regulated following cost plus return approach, non-major port trusts do not fall under tariff regulation. A need is, therefore, felt to give flexibility to the major port trusts to react to the market forces," the Shipping Ministry has said.

The Economic Times - 02.02.2014

<http://economictimes.indiatimes.com/news/news-by-industry/transportation/shipping/-transport/new-tariff-guidelines-for-major-ports-soon/articleshow/29758469.cms>

expenditure. Shell shocked investors earlier this month with its first profit warning in a decade, blaming high exploration costs, pressures across the oil industry and disruption to Nigerian output.

Zee News - 30.01.2014

http://zeenews.india.com/business/news/companies/energy-giant-shell-posts-sliding-2013-profits_93539.html

Union govt-owned ports set to reap a rate hike bonanza of 35%

The dozen ports controlled by the Union government, some of which are cash-strapped, will get a rate-hike bonanza of as much as 35% over existing rates for the services they provide, according to a proposal drafted by the shipping ministry.

If the new rules are finalized in their current form, exporters and importers will have to pay 35% more for sending and receiving cargo through these 12 ports, which account for about 42% of India's external trade by sea.

Live Mint - 29.01.2014

<http://www.livemint.com/Industry/pBTK3SkL0JPb9P4hNyqEyL/Union-govtowned-ports-set-to-reap-a-rate-hike-bonanza-of-35.html>

Air Cargo industry must act now to avoid leadership crisis

A task force led by The International Air Cargo Association (TIACA) with active participation from the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO) and the International Federation of Freight Forwarder Associations (FIATA) has published the results of a two-year research project. The research project focused on identifying educational needs for the next generation of managers for the worldwide air cargo industry.

The task force concludes that managers not only must possess basic skills and detailed operational knowledge, but also the so called

“higher-skills”, which include leadership, team-building as well as market and financial analysis techniques.

While numerous training programmes are available to teach the fundamental skills, the availability of air cargo-focused programmes that teach these higher-level skills is limited.

The researchers agreed that the industry as a whole must address this deficiency to ensure it maintains its long history of innovation, quality service provision and financial robust performance. The potential for the creation of a certificated and preferably accredited programme may assist in this goal. As part of

its effort, the task force compiled a comprehensive educational matrix identifying existing courses and areas of deficiency.

The report stresses that without access to such programmes, the air cargo industry faces the additional difficulty of attracting and equipping qualified talent to successfully lead the industry through future challenges. Another consequent risk without such an offering is the loss of rising managers to other sectors of the logistics industry or to other industries completely as workforce dynamics become more fluid. Both situations would put the air cargo industry at a competitive leadership disadvantage.