

(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.)

CPSEs contribution to GDP on the decline

The contribution of public sector enterprises towards GDP in terms of gross value addition was declining for three years up to 2012-13, according to figures presented in Parliament today. "The turnover of central public sector enterprises (CPSEs) for the last three years, 2010-11, 2011-12 and 2012-13 was Rs 14,98,018 crore, Rs 18,22,049 crore and Rs 19,45,777 crore respectively".

"The contribution of gross value addition of CPSEs in gross domestic product (GDP) is 6.18 per cent, 6.14 per cent and 5.85 per cent respectively," Minister of State for Heavy Industries & Public Enterprises P Radhakrishnan said in a written reply to the Lok Sabha. Moreover, the percentage increase in turnover of CPSEs also reduced considerably from 20.34 per cent in 2010-11 to 6.79 per cent in 2012-13, according to figures.

Percentage wise increase in GDP at current market prices also witnessed a downward trajectory. It was reported at 12.25 per cent in 2012-13, down from 15.74 per cent in 2011-12 and 20.17 per cent in 2010-11.

Business Standard - 14.07.2014

http://www.business-standard.com/article/pti-stories/cpses-contribution-to-gdp-on-the-decline-114071400696_1.html

Government agrees to boost public holding in PSUs

The government has agreed to enhance public holding in public sector undertakings (PSUs) from 10% to 25% as proposed by the Securities and Exchange Board of India (Sebi) a month ago—a move that will help it raise much-needed money through the sale of its stake in these companies. The government, in the budget presented on 10 July, said it expects to raise Rs.58,425 crore by selling part of its stake in state-owned firms.

However, at least some of this will come from firms in which its stake is already lower than the Sebi recommended 75%. For instance, the government holds less than 75% in Oil and Natural Gas Corp. Ltd (ONGC) in which it proposes

PSUs will have to procure 20pc from MSEs, come April 2015: Govt

All public sector undertakings (PSUs), Central government Ministries and Departments will have to procure at least 20 per cent of the products and services required by them from micro and small enterprises from April next year, Parliament was informed today. "The Public Procurement Policy for micro and small enterprises (MSEs) has become effective from April 1, 2012. However, the provision of 20 per cent procurement of products produced and services rendered by MSEs will be mandatory from April 1, 2015 for Central Ministries/Departments/PSUs," MSME Minister Kalraj Mishra said in a written reply to Rajya Sabha.

As per data available with the micro, small and medium enterprises (MSME) Ministry, procurement of approximately Rs 14,442 crore, Rs 12,931 crore and Rs 3,799 crore was made from MSEs by Central Ministries/ Departments / PSUs in the year 2011-12, 2012-13 and 2013-14 respectively. This shows a steep decline in procurement from MSEs by them in the previous fiscal as compared to the preceding two years.

Business Standard - 15.07.2014

http://www.business-standard.com/article/pti-stories/psus-will-have-to-procure-20pc-from-mses-come-april-2015-govt-114071500640_1.html

Number of profit-making PSUs decline sharply: Government

The number of profit-making PSUs in the country declined sharply in 2012-13, according to figures presented in Parliament today. As per the information shared by Minister of State for Heavy Industries & Public Enterprises P Radhakrishnan in the Rajya Sabha, the number of profit-making central public sector enterprises (CPSEs) came down to 149 in 2012-13, from 161 in 2011-12 and 158 in 2010-11. However, the total profit earned by CPSEs stood at Rs 1,43,559 crore in 2012-13, Rs 1,25,929 crore in 2011-12 and Rs 1,13,944 crore in 2010-11.

The Cash & Balances of all CPSEs was Rs

to sell 5% stake to raise around Rs.18,000 crore. The announcement on the government's acceptance of Sebi's suggestion is expected soon, said two government officials familiar with the matter who declined to be named.

Live Mint - 18.07.2014

<http://www.livemint.com/Money/neu03l3uSJmlAidcjWzOQI/Government-agrees-to-boost-public-holding-in-PSUs.html>

Foundation to revive viable PSUs proposed

The Centre is likely to go in for privatisation of some of the sick public sector undertakings (PSUs) while setting up a foundation for the revival of those which are viable. An indication to this effect was given by the Minister of State for Industry, Mrs. Krishna Sahi, at a day-long meeting of the chief executives of public enterprises under the Department of Heavy Industry. Responding to the far-reaching recommendations of the six working groups that went into the various aspects of public sector operations for charting out strategies to stay afloat, Mrs. Sahi said exports had to form a major thrust area for the future operations of PSUs.

Hindu Business Line - 21.07.2014

<http://www.thehindubusinessline.com/opinion/foundation-to-revive-viable-psus-proposed/article6230943.ece>

India Inc gets relief under Companies Act

There is some relief for India Inc from the stringent provisions on related-party transactions under the new Companies Act after the government issued clarifications last week. To begin with, a circular issued by the ministry of corporate affairs exempted contracts entered before the commencement of the act from the stipulations. Contracts of related parties or persons with significant shareholding as well as regular business with the company were put through the government scanner under the old act. The clarification has now cleared the air.

Similarly, under Section 188 of the new law, all related parties would have been precluded from voting on any transaction with another related party, even if they weren't a party to that specific transaction. This proposal was causing a lot of hardship to companies where all the shareholders were related parties. There were also cases where the principal shareholders would have been denied voting rights to secure their interests on transactions in which they weren't a party.

Times of India - 21.07.2014

2,66,600 crore as on March 31, 2013, the Minister said in a written reply. Oil explorer ONGC emerged as the highest profit-making PSU of the country during 2012-13 while telecom major BSNL turned out to be the biggest loss-making enterprise, according to the Economic Survey.

The Economic Times - 18.07.2014

<http://economictimes.indiatimes.com/news/politics-and-nation/number-of-profit-making-psus-decline-sharply-government/articleshow/38547680.cms>

Finmin aims to outstrip disinvestment target

The government's FY15 proceeds from disinvestment including that from "SUUTI stake sale", ambitiously pegged at R63,425 crore in the recent Budget, could turn out to be even higher if a plan prepared by the finance ministry materialises. According to the ministry's internal estimate, reviewed by FE, from the stake sales being lined up for the year in 11 PSUs, including ONGC, Coal India, SAIL and NHPC, the government could fetch R13,732 crore more than the R43,425 crore budgeted.

The Financial Express - 19.07.2014

<http://www.financialexpress.com/news/finmin-aims-to-outstrip-disinvestment-target/1271405>

CAG points to gaps in petroleum pricing

In its audit report on public sector oil marketing companies (OMCs), the Comptroller and Auditor General of India (CAG) on Friday said the government's methodology for pricing petroleum products had led to undue benefits to private refiners. In 2011-12, Reliance Industries and Essar Oil had benefited to the tune of Rs 667 crore on diesel alone, it estimated. Government refineries lift petroleum products from standalone refineries to address the gap between production and domestic demand, for which they pay import-linked prices, or refinery gate prices (RGP). But private refiners exported their remaining products at a price lower than the RGP, CAG said.

It added there was no explicit and consistent government policy on sharing of under-recoveries (losses due to subsidised sales) by each shareholder, which adversely affected both upstream companies and OMCs.

Business Standard - 19.07.2014

<http://www.business->

<http://timesofindia.indiatimes.com/business/india-business/India-Inc-gets-relief-under-Companies-Act/articleshow/38773438.cms>

Proposal under consideration for setting up Petroleum and Natural Gas Industry Safety Board

The Minister of State (I/C) in the Ministry of Petroleum & Natural Gas Shri Dharmendra Pradhan informed the Rajya Sabha in a written reply today that a separate proposal for setting up of Petroleum & Natural Gas Industry Safety Board (PNGISB) is under consideration in the Ministry.

Gas pipelines are built as per international standards/regulations and the operation and maintenance of the pipelines is also carried out at par with global practices. Gas pipelines are subject to periodic audits by PNGRB/OISD. Safety audits are carried out at regular intervals and the observations during audit are complied with.

In order to ensure safety and security of gas pipelines, various measures are already in place which are being carried out regularly.

Press Information Bureau - 16.07.2014

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=106758>

'Discount fare offers revive domestic air travel market'

The numerous discount fare offers launched by low-cost carriers in the past few months seem to have revived the otherwise anaemic domestic air travel market. Besides encouraging flyers to buy air tickets, these offers also expanded the market as data collected by an online travel portal showed that about 24% of those who purchased tickets during a recent sale were first time buyers.

Since the last week of January, SpiceJet has heralded numerous sale offers, prompting other airlines follow suit. For the consumer, the year has been providing one opportunity after another to bag a deal. Currently an offer is on for travel between August 18 and September 30.

The Times of India - 16.07.2014

<http://timesofindia.indiatimes.com/city/mumbai/Discount-fare-offers-revive-domestic-air-travel-market/articleshow/38500580.cms>

SpiceJet, Indigo, GoAir roll out another sale offer starting Rs 1,699

Domestic budget carriers SpiceJet, Indigo and GoAir on Tuesday rolled out another sale offer with fares starting from Rs 1,699 for a limited period on domestic routes. The travel period for the three-day sale, which commences from

standard.com/article/economy-policy/cag-points-to-gaps-in-petroleum-pricing-114071800906_1.html

Railways Get Proposals Worth Rs 15,000 Crore

Railway Minister Sadananda Gowda termed the Railway Budget a budget with a difference, which has not focused on populism, but on completing the pending projects. The Lok Sabha passed the Rail Budget on Tuesday. During the discussion, Gowda defended his move to increase the Public-private Partnership (PPP) and FDI in the public transport. He defended the rail fare hike, as it was initiated by the previous government.

He said the Indian Railways had received proposals over Rs.15,000 crore from the private sector for investment in 79 mile connectivity projects; 22 private freight terminals; wagon investment and leasing schemes; container sector and setting up of production units.

The New Indian Express - 16.07.2014

<http://www.newindianexpress.com/nation/Railways-Get-Proposals-Worth-Rs-15000-Crore/2014/07/16/article2332608.ece>

Airlines' tug-of-war puts aviation min in a spot

Pressure from different airline lobbies is pulling the new government in opposite directions over the 5/20 rule for domestic airlines. A powerful lobby of incumbent airlines wants the rule to stay while another comprising new entrants wants it to be scrapped. So what exactly is this rule all about?

The battle for the skies has landed the Civil Aviation Ministry right in the middle of a tug-of-war. On one hand, newer airlines are pushing for quicker reforms and scrapping of old rules to allow them to expand and go international faster. On the other, older airlines have dug in their heels and are demanding a level playing field.

Money Control - 14.07.2014

http://www.moneycontrol.com/news/cnbc-tv18-comments/airlines-tug-of-war-puts-aviation-mina-spot_1127262.html

Amazon, Groupon work out unique deals to catch eyeballs of consumers

Even as they await clarity on FDI policy, online retailers are doing all they can to catch eyeballs of consumers for greater market penetration. Companies including Groupon and Amazon are working out unique deals to catch

Tuesday, will remain valid between August 18 and September 30. "Indian travellers have reason to rejoice this monsoon season with a new airfare sale valid for closer dates of travel — August and September this year. SpiceJet has announced fares starting Rs 1,999, while Indigo sales start at Rs 1,699 for select sectors," travel portal MakeMyTrip co-founder and chief executive for India Rajesh Magow said here.

Times of India - 15.07.2014

<http://timesofindia.indiatimes.com/Business/India-Business/SpiceJet-Indigo-GoAir-roll-out-another-sale-offer-starting-Rs-1699/articleshow/38431874.cms>

IATO links website with India Tourism online portal

In a bid to generate more business from the Inbound and Domestic Tourism segment, the Indian Association of Tour Operators (IATO) has taken an initiative to link their website with the India Tourism's online portal, www.incredibleindia.org. IATO organised a demonstration for the members of the IATO Maharashtra Chapter at a meeting in Mumbai last week to explain to them the benefits of linking the sites. The meeting being held just a day post the Union Budget announcement, Subhash Goyal, President, IATO congratulated the Ministry on behalf of the Indian tourism industry for proposing the best Budget till date in favour of tourism.

During the meeting, the web master of IATO, had a one-on-one conversation with each member and helped them set up their individual accounts on the IATO website. Through their account, IATO members can access queries of interested travellers on the India Tourism website for a range of itineraries. The query might then result subsequently into business for the member, thus proving the system effective for lead generation.

Travel Biz Monitor - 17.07.2014

<http://www.travelbizmonitor.com/iato-links-website-with-india-tourism-online-portal-24619>

Major Ports advisory councils scrapped; boards to be recast

The Union Government has proposed to reconstitute the boards of trustees of all Major Ports. The move assumes significance as it comes after last week's decision to terminate the advisory councils at all government ports constituted during the UPA regime. The Ministry of Shipping last week sent notices to all ports stating that the existing advisory councils would be terminated. These councils have representatives from trade associations, private terminal operators and experts. According to officials, the plan to recast the Major Ports' boards is mainly aimed at granting board representation to the Ministry of

the imagination of Indian middle class. On Thursday, Groupon India offered a cash back offer on rail fares, something never done before even by online travel portals. According to the offer, which goes live today, the company will offer 2,000 coupons every day for Rs 9. Using the coupon, consumers can book rail tickets using the Spice Safar app to get Rs 100 off on a transaction. The offer would be available for seven days.

The Financial Express - 19.07.2014

<http://www.financialexpress.com/news/amazon-groupon-work-out-unique-deals-to-catch-eyeballs-of-consumers/1271067>

Govt revamps port trust boards to remove political appointees

The NDA government has started a clean-up drive against political appointees in port trusts. Shipping ministry officials confirmed that a reconstitution of the board of trustees at the 12 major ports is expected to be completed within a couple of weeks. The process has already begun and is likely to weed out the political nominees entrusted with plum posts on the board of all the major ports during the Congress led UPA's government.

Shipping ministry wants to include the people from environment and forest departments. In the process the idea is also to not the port trusts become parking slot for local politicians who often misused their position to influence contracts. "It is likely that the political nominees will have to vacate the posts to make way for the new members," a senior shipping ministry official said. The board of trustees in the major ports are appointed in three categories.

Business Standard - 15.07.2014

http://www.business-standard.com/article/economy-policy/govt-revamps-port-trust-boards-to-remove-political-appointees-114071400784_1.html

Adani Ports jumps 8% as MoEF grants environmental clearance for Mundra SEZ

Shares of Adani Ports and Special Economic Zone jumped as much as 8.4 per cent in trade to its 52-week high level of Rs 285.45 on Wednesday, after the company said it has got the environmental clearance for the special economic zone from the Ministry of Environment and Forests (MoEF) for the Mundra SEZ. The stock closed at Rs 281, up 6.8 per cent on the Bombay Stock Exchange. A total of 1.2 million shares changed hands compared to its two week average of 1.1 million shares on the BSE. The approval comes

Environment and Forests as port projects require environment clearance. However, port officials except the government move to bring about significant changes in the process of selection of board of trustees.

The Hindu Business Line - 14.07.2014

<http://www.thehindubusinessline.com/news/major-ports-advisory-councils-scrapped-boards-to-be-recast/article6210306.ece>

Tata Group spends Rs 8000 crore on CSR in 10 years

The Tata Group, which has been restructuring and realigning its philanthropic and corporate social responsibility (CSR) activities to address emerging societal challenges and also conform with the new regulatory requirements on Tuesday revealed that it has spent in excess of Rs 8,000 crore on CSR activities over the last decade between a medley of Tata trusts and group companies. Mukund Rajan, brand custodian and chief ethics officer of the Group, who also oversees the sustainability function, told media persons at a roundtable in Mumbai that the average spend on CSR in the last three years has been around Rs 1,000 crore a year in a ratio of 60:40 between the companies and trusts. The specific figure for Tata companies in 2013-14 stands at Rs 660 crore.

Even before the present set of mandatory CSR norms came into force, the group had been channelling a sizeable chunk of its profits back into the community as its business model had been designed for the purpose; 66% of the equity of Tata Sons, the holding company is held by philanthropic trusts. Sustainability and giving back to society has been integral to the business philosophy of the group. Only now it's beginning to address CSR in a more strategic and focused manner across the group; the Tata Council for Community Initiatives (TCCI), for instance, has been disbanded and a new Tata Sustainability Group (TSG) has been created at Tata Sons under the tutelage of Shankar Venkateswaran, formerly with PricewaterhouseCoopers. The TSG will draw guidance from a new Global Sustainability Council chaired by Rajan and CEOs of major group companies as members.

Economic Times - 16.07.2014

<http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/tata-group-spends-rs-8000-crore-on-csr-in-10-years/articleshow/38448566.cms>

two days after the Supreme Court on Monday asked MoEF to decide grant of clearance or denial to Adani Ports and SEZ.

Economic Times - 16.07.2014

http://articles.economictimes.indiatimes.com/2014-07-16/news/51600305_1_adani-ports-special-economic-zone-apsez

B Ashok takes over as IOC Chairman

B Ashok today took over as the Chairman of Indian Oil Corp, the nation's largest oil firm. Prior to his appointment as Chairman IOC, Ashok was Executive Director (Retail Sales) and Executive Director in the Corporate Office at New Delhi.

"Ashok has a wide experience in various roles of the Marketing Division and has also been a harbinger of the Business Development activities at its Corporate Headquarters," the company said in a statement here.

Having global exposure, he also has headed the overseas business of IOC in South-East Asia based at Kuala Lumpur, Malaysia and recently on Board of Lanka IOC.

A mechanical engineer from College of Engineering, Guindy, Madras University with a Post-Graduate Management degree from National Management Programme of Management Development Institute, Ashok has over 33 years of experience in the oil and gas industry.

Economic Times - 16.07.2014

http://articles.economictimes.indiatimes.com/2014-07-16/news/51600519_1_b-ashok-lanka-ioc-indian-oil-corp