

(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.)

Modi effect: Daily average turnover of ETFs on NSE doubles in first quarter

Market participants' interest in exchange traded funds (ETFs) has increased substantially since the first quarter of this fiscal, reflecting their optimism in the Indian economy. The positive economic outlook after the Narendra Modi Government took over in June has played a crucial part in increased investor interest, especially in equity-based ETFs. The initiative to roll out ETFs around Central Public Sector Enterprises (CPSEs) also helped boost interest, say industry observers.

The daily average gross turnover on ETFs (both equity and gold-based) at the NSE in April-June zoomed to Rs 74.06 crore, against Rs 28.24 crore in January-March 2014. The number of clients who traded in ETFs on the NSE — the country's largest bourse — also surged to 1.41 lakh during April-June, against 83,294 in January-March. The expectation that the bull-run in equities is here to stay has added to investor interest in ETFs in Q1, say capital market observers. However, ETFs still represent only 1.5 per cent of all mutual fund assets and more work needs to be done in promoting their benefits and educating investors, John Davies, Vice-President, Global Exchange Traded Products, S&P Dow Jones Indices, told Business Line.

The Hindu Business Line - 21.08.2014

<http://www.thehindubusinessline.com/markets/modi-effect-daily-average-turnover-of-etfs-on-nse-doubles-in-first-quarter/article6339178.ece>

Company board decisions to be shared within 15 minutes: SEBI

Market regulator SEBI Tuesday proposed that listed companies should intimate the stock exchanges, within 15 minutes of closure of board meetings, on decisions taken on dividends, financial results, cash bonus, share buy back, fund raising, issue of bonus shares and others. In order to have a better disclosure regime, the Securities and Exchange Board of India (SEBI) has come out with a discussion paper on which comments are invited by Sep 12.

As to the need for review of the existing regulations, SEBI said examination of disclosures made by listed entities under clause 36 and other

One platform for all project okays

The government has launched a fresh initiative to help companies get over five dozen approvals to start a project through a single online platform as part of its attempt to make it easier to do business. Sources told TOI that the Project Monitoring Group (PMG) in the cabinet secretariat had initially identified two dozen approvals that are required from the central government, while another 35 clearances needed from the states but the first round of discussions has shown that the number of online approval is set to rise significantly.

So, clearances from Sebi, Employees Provident Fund Organization, Reserve Bank of India as well as from states, including those related to the land acquisition law, town and country planning department or the Electricity Act will be available through one platform, e-biz. The idea is to digitize the processes and then get on e-biz, which was conceived five years ago by the department of industrial policy and promotion but has failed to take off as other government agencies have refused to cooperate. As a result, investors can only get two clearances — an Industrial Entrepreneur Memorandum and an Industrial Licence — via e-biz.

Times of India - 19.08.2014

<http://timesofindia.indiatimes.com/business/india-business/One-platform-for-all-project-okays/articleshow/40384981.cms>

Ministry asks Sebi to explain stricter governance norms

The Securities and Exchange Board of India (Sebi) and the Union finance ministry are having discussion over the stricter corporate governance code prescribed by the former for listed companies. The talks are on whether there is a need to have a different corporate governance code for listed companies than what is prescribed in the new Companies Act, said sources.

Although Sebi's new corporate governance code is largely aligned to the latter requirements, it has also has prescribed stricter norms for publicly listed companies. Its new

related clauses over a period has brought out disparities in disclosures across listed entities and stock exchange(s), leading to unequal information being available with the investors. Further, the material information disseminated by listed entities through various modes is, at times, not notified to the stock exchanges. One of the reason for such disparity appears to be lack of sufficient clarity on "materiality" and "price sensitive information", SEBI said. According to the proposed norms, listed companies have to inform the bourses within 15 minutes of the closure of the board meeting matters relating voluntary delisting, reissue of forfeited shares/securities, alterations of capital, and financial results.

Business Standard - 19.08.2014

http://www.business-standard.com/article/news-ians/company-board-decisions-to-be-shared-within-15-minutes-sebi-114081901473_1.html

Govt says no to PPP model for reviving sick PSUs

The government has ruled out taking the support of private companies in reviving sick Central public sector enterprises, effectively burying a proposal of its predecessor that had floated the idea. The government, instead expects stronger PSUs to come to the aid of weaker ones. In September 2013, the UPA government explored options for revival of these PSUs through a tie-up with private companies in the public-private partnership model. That proposal never took off due to the lack of synergy between the PSUs and the private companies.

"There is no proposal on the table to rope in private companies to revive the sick central PSUs through public private partnership," a senior official of the department of public enterprises (DPE) said. One reason for ruling out equity participation from private companies relates to the surplus lands with the PSUs. The government felt that there could be a conflict on ownership and utilisation if joint ventures were to take place.

The Indian Express - 25.08.2014

<http://indianexpress.com/article/business/business-others/govt-says-no-to-ppp-model-for-reviving-sick-psus/>

Despite Companies Act mandate, 34 Central PSUs function without CEOs

MMTC Ltd, a frontline state-owned trading company that is listed on the bourses and has public shareholders, is operating without a full-time chairman and managing director for almost the last four years, ever since the vacancy arose at the helm on October 1, 2010. The trading firm

code -- revised clause 49 of the Listing Agreement -- will become applicable from October. The new norms impose more checks and balances on independent directors and auditors of listed companies, to increase transparency. It also has clauses that give more powers to minority shareholders to block abusive related-party transactions (RPT). Although corporate governance experts have welcomed the new norms, India Inc has raised concern over the increased regulatory burden. In various forums, business heads have voiced their reservations.

Business Standard - 19.08.2014

http://www.business-standard.com/article/markets/ministry-asks-sebi-to-explain-strict-governance-norms-114081900980_1.html

Telecom PSUs headless, key posts vacant for months

At a time when the NDA government is talking about efficiency and pace in decision-making, most crucial arms of the telecom ministry are headless. Chiefs of several entities, including CMDs of MTNL and BSNL, are yet to be appointed despite the posts lying vacant for months. The two PSUs remain headless despite the new government's assertion that it wants to turn around the ailing state-run companies, which have been a drag on the exchequer and are fast losing out to private operators.

After the retirement of R K Upadhyay in June, BSNL has been without a full-time CMD. Its affairs are being managed by A N Rai, director of its enterprise division, who has the additional charge of CMD. The Public Enterprise Selection Board (PESB) had recommended the name of Anupam Shrivastava (director for consumer mobile services) for the BSNL CMD's position in December last year during the term of the previous UPA government, but his appointment is yet to be cleared by the Appointments Committee of the Cabinet (ACC).

Times of India - 19.08.2014

<http://timesofindia.indiatimes.com/business/india-business/Telecom-PSUs-headless-key-posts-vacant-for-months/articleshow/40385049.cms>

ONGC divestment by Sept-Oct; govt may hire bankers in Aug

The government is pushing ahead with its disinvestment drive. According to sources, it aims to hire bankers for the ONGC stake sale by the end of August. The five percent sale in the company is expected to take place through the offer-for-sale (OFS) route between

is no exception. The posts of chief executives were vacant in 33 other state-owned firms as on July 15, including Coal India Ltd, a public sector company with a market capitalisation of over Rs 2,42,000 crore (as on August 1), BSNL, NHPC and railway unit IRCTC. Reasons include the scrapping of recommended panel of candidates by the government, delays in obtaining vigilance clearance or approval of competent authority and court cases filed by those lower down in the empanelment process.

Financial Express - 18.08.2014

<http://www.financialexpress.com/news/despite-companies-act-mandate-34-central-psus-function-without-ceos/1280283>

Government plans to set up Corporate Social Responsibility portal

To provide a "one stop virtual shop" for all social welfare spending needs of companies, government plans to have a Corporate Social Responsibility (CSR) portal along with data analytics platform. The proposal comes against the backdrop of the new companies law mandating certain class of profitable businesses to shell out at least two per cent of their three-year annual average net profit towards CSR activities. In the RFP (Request for Proposal) for setting up CSR portal, data analytics, e-learning and dissemination platform, it has been mentioned that these would be developed in partnership with IICA. The data analytics platform would have features such as sectoral and overall spend analysis, geographical location of CSR analysis and statistical reporting.

Economic Times - 21.08.2014

http://articles.economictimes.indiatimes.com/2014-08-21/news/53072889_1_csr-data-analytics-iica

'PSUs should have board level position for strategy and comm'

Emphasising on the importance of corporate communication in the changing business environment, public sector body SCOPE today said government-owned companies should have a board level position for strategy and communication. Business communication and strategy are an integral part of business communication and the two functions need to be integrated, a statement quoting Standing Conference on Public Enterprises (SCOPE) Chairman C S Verma said. He was speaking at the SCOPE Workshop on Media Management and Crisis Management. Verma "emphasised the need to have Board level position (Strategy & Communication) in central public sector enterprises (CPSEs)".

Business Standard - 20.08.2014

<http://www.business-standard.com/article/pti->

September and October this year, and should fetch the government between Rs 17,000 and 18,000 crore. However, the government is likely to clarify on gas prices and the subsidy sharing mechanism before the OFS takes place. As for the subsidy sharing mechanism, sources say the oil ministry is finalising a cabinet note to this effect.

Moneycontrol.com - 18.08.2014

<http://www.moneycontrol.com/news/economy/ongc-divestment-by-end-august-govt-aims-to-hire-bankers-1158873.html>

'Set up sovereign wealth fund to manage investments in PSUs'

Apex public sector enterprises body SCOPE today suggested setting up a sovereign wealth fund to manage investments in state-owned units. "Globally, many countries have created sovereign wealth fund or sovereign holding structure for their state-owned enterprises for improving governance and deliverability." Therefore, there is need for structural change which could be arrived at by wide deliberations between academicians, researchers, professional and government and people at large. This would help in improving corporate governance practices and far better professionalization," Standing Conference of Public Enterprises (SCOPE) Director General U D Choubey said in a statement.

Business Standard - 22.08.2014

http://www.business-standard.com/article/pti-stories/set-up-sovereign-wealth-fund-to-manage-investments-in-psus-114082201074_1.html

Arun Jaitley advocates for low tax regime in tourism sector

Advocating for low taxation regime, Finance Minister Arun Jaitley today said if higher taxes are levied on the tourism industry, then there will be less tourists and lesser revenue collection. "If tourism industry, state governments and the centre are loaded with higher taxes then we will have less tourists and lesser collection," he said at a Tourism Ministers conference here. Hinting at the existing higher taxation on tourism sector, Jaitley said, "Today, wealthy Indians are finding it cheaper to get their children married in Thailand than in Indian hotels. It's a hard reality." Tour operators are demanding reduction in various taxes for long particularly exemption of service tax on packaged tours as the payment is made in forex.

India TV - 22.08.2014

[stories/psus-should-have-board-level-position-for-strategy-and-comm-114082001008_1.html](http://www.indiatvnews.com/business/india/br eaking-news-arun-jaitley-tourism-sector-13969.html)

Government might take away overseas flying rights of airlines who fail to perform

Concerned over "unsatisfactory performance" of Indian airlines in taking on foreign competition, the government is considering a new strategy to motivate them to perform and take away overseas flying rights of those who fail to do so. "We have to work out a strategy that will motivate our players to perform. The reality is that Indian players are not able to perform - neither the public nor the private sector (airlines)," Civil Aviation Minister P Ashok Gajapathi Raju told PTI here. He was replying to questions on the performance of Indian carriers vis-a-vis the bilateral air traffic rights granted to them and foreign carriers to fly to each other's countries.

DNA - 24.08.2014

<http://www.dnaindia.com/money/report-government-might-take-away-overseas-flying-rights-of-airlines-who-fail-to-perform-2013179>

Jet, Vistara poised to offer more full-service options to Indian fliers

Jet Airways and the yet-to-be launched Vistara are poised to offer more full-service options to Indian airline passengers who are used to budget options, although analysts point out the move may be expensive and take time. Before Kingfisher Airlines wound up services in 2012, full-service carriers, including Jet Airways and Air India, used to fly over 50% of the passengers. Currently, low-fare carriers such as IndiGo, SpiceJet and GoAir rule the skies, offering about 80% of the nation's airline capacity and carrying over 65% of the fliers. They have also started offering premium services, which will make the shift to full-service even more competitive. Air India offers a large part of its capacity in the full-service space. Jet Airways has announced the dissolution of the Jet-Konnect brand and will offer only full service capacity to Indian consumers.

The Economic Times - 18.08.2014

http://articles.economictimes.indiatimes.com/2014-08-18/news/52942072_1_jet-airways-vistara-kingfisher-airlines

Domestic air traffic decreases by 10% last month: DGCA

According to a PTI report, the latest air traffic data released by Directorate General of Civil Aviation (DGCA) has revealed that domestic air traffic dropped by about 10 per cent last month compared to June 2014. As per the DGCA data, it

<http://www.indiatvnews.com/business/india/br eaking-news-arun-jaitley-tourism-sector-13969.html>

SpiceJet Offers Fares From Rs. 1,888 in Festive Season Offer

Budget carrier has come out with yet another discount offer. Under the festive season offer, SpiceJet is offering all-in fares from Rs. 1,888. This limited-period offer is valid on booking till August 27, 2014 (inclusive) and travel between September, 25, 2014 and January, 15, 2015 (both dates inclusive). This sale offer is valid for bookings made on SpiceJet's domestic network. SpiceJet has been one of the most aggressive carriers in offering discount schemes. SpiceJet started the fare war in January with up to 50 per cent discounted fares which was followed up all other airlines including the national carrier Air India. Since then SpiceJet has launched more than a dozen discount sales schemes.

NDTV Profit - 25.08.2014

<http://profit.ndtv.com/news/industries/article-spicejet-offers-fares-from-rs-1-888-in-festive-season-offer-653223>

AirAsia India's Limited Period Offer Starts from Rs. 990

Budget carrier AirAsia India has come up with another promotional offer ahead of its expansion into north India. In a limited-period offer, AirAsia India is offering all-inclusive tickets starting from Rs. 990. This special offer is available on bookings made between August 18-24, 2014 and travel period of September 5, 2014, and January 29, 2015. Under this offer, all-in fares from Bangalore to Chennai start from Rs. 990 and vice versa. On Bangalore-to-Kochi route, the all-in fares begin from Rs. 1,290 and vice versa. Bangalore-to-Goa fares start from Rs. 1,690 and vice versa. AirAsia India, which is the domestic arm of Malaysian no-frills carrier AirAsia, had at the time of entering in the Indian aviation market said that its fares will be 35 per cent cheaper compared to the segment players.

NDTV Profit - 18.08.2014

<http://profit.ndtv.com/news/corporates/article-airasia-indias-limited-period-offer-starts-from-rs-990-646100>

Cash-on-delivery rail tickets on IRCTC radar

Indian Railway Catering and Tourism Corporation (IRCTC), the nation's largest e-ticketing website, will for the first time offer the cash-on-delivery option for buying railway tickets, according to two people close to the

declined to about 70 per cent compared to around 80 per cent in June. However on a year-on-year basis, the domestic airlines flew 52.16 lakh passengers in July this year registering a growth of 7.19 per cent over the 48.66 lakh passengers flown during the same period in the previous year. The month-on-month decline of around ten per cent in passenger traffic was primarily a result of the lean season, coupled with an active monsoon in some parts of the country, official sources said. The figures showed IndiGo's continued dominance in market share with 30.7 per cent, followed by SpiceJet at 20.9 per cent, Jet Airways-JetLite combine with 19.6 per cent and Air India at 18 per cent. While Indigo flew the maximum number of passengers at 16 lakh in July this year, it was followed by SpiceJet at 10.92 lakh and Air India taking the third spot with 9.40 lakh. Jet Airways carried 8.17 lakh passengers; Go Air flew 4.80 lakh passengers, followed by JetLite 2.04 lakh.

Travel Biz Monitor - 21.08.2014

<http://www.travelbizmonitor.com/domestic-air-traffic-decreases-by-10-last-month-dgca-24977>

Indian e-commerce companies to invest up to \$1.9 billion on infrastructure by 2020

Buoyed by the growing popularity of online shopping in India, the e-commerce market, which is expected to reach \$ 20 billion by 2020, will see companies investing close to \$ 2 billion in logistics, infrastructure and warehousing in the next six years, a study said today. Buoyed by the growing popularity of online shopping in India, the e-commerce market, which is expected to reach \$ 20 billion by 2020, will see companies investing close to \$ 2 billion in logistics, infrastructure and warehousing in the next six years, a study said today. According to a joint study by consultancy firm PwC and industry body ASSOCHAM, Indian e-commerce industry will spend \$ 950-1,900 million by 2017-2020 on infrastructure, logistics and warehousing.

The Economic Times - 19.08.2014

<http://economictimes.indiatimes.com/industry/services/retail/indian-e-commerce-companies-to-invest-up-to-1-9-billion-on-infrastructure-by-2020/articleshow/40410582.cms>

development. The service, which is expected to help IRCTC cut the high transaction failure rate on its website and reduce traveller's dependence on agents, will be made available through a partnership with BookMyTrain.com, one of the two people said, declining to be identified. The website is expected to go live in the next four to six weeks, he said. It will be the first website to accept cash on delivery for railway tickets. Rivals Makemytrip, Yatra and Cleartrip allow customers to book railway tickets online but do not accept cash on delivery. The domain name BookMyTrain.com has been registered by Noida-based Anduril Technologies Pvt. Ltd. According to the company's website, Anduril was incubated at Amity Innovation Incubator, an initiative by Amity Business School, and founded by Pooja Chauhan and Anurag Bajpai.

Livemint - 19.08.2014

<http://www.livemint.com/Home-Page/ZxDWCVnLcHaaYgjoIv1PLM/Cashondelive-ry-rail-tickets-on-IRCTC-radar.html>

Moody's expects improvement in credit profile of Indian refiners

Moody's Investors Service says that it expects Indian refiners' credit metrics to improve over the next 12 months, while upstream producers' credit profiles should remain stable on the back of continued strong cash flow generation. "We expect total borrowings and interest cost for our rated downstream refiners in India to decline in tandem with the decrease in fuel subsidies in the country, which will improve their credit profiles," says Vikas Halan, a Moody's Vice President and Senior Credit Officer. Both refiners - Indian Oil Corporation (IOC, Baa3 stable) and Bharat Petroleum Corporation Limited (BPCL, Baa3 stable) - reported stronger normalised earnings (excluding the impact of foreign-exchange fluctuations and fuel subsidies) and margins for the April-June 2014 compared to a year ago.

Business Standard - 20.08.2014

http://www.business-standard.com/article/news-cm/moody-s-expects-improvement-in-credit-profile-of-indian-refiners-114082000802_1.html