

(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.)

Balmer Lawrie in News

Maritime trade poised for a big leap

Visakhapatnam-Chennai Industrial Corridor (VCIC) and Sagar Mala project proposed by Prime Minister Narendra Modi would take port-based development in Andhra Pradesh to the centre-stage, said Visakhapatnam Port Chairman M.T. Krishna Babu on Thursday. Delivering the theme address at the third edition of East Coast Maritime Business Summit organised here by 'Maritime Gateway' in collaboration with Visakhapatnam Port and Visakha Container Terminal, he admitted negligence of East Coast compared to West Coast in encouraging maritime-based industries. Customs Commissioner C. Rajendran said Visakhapatnam would emerge as a logistics hub with the development of multi-modal container freight stations by CONCOR and Balmer Lawrie. Nepal Consul General Chandra Kumar Ghimire, Kolkata Port Deputy Chairman Manish Jain and Maritime Gateway editor Ramprasad spoke

The Hindu - 23.01.2015

<http://www.thehindu.com/news/cities/Visakhapatnam/maritime-trade-poised-for-a-big-leap/article6814572.ece>

High stakes, ambitious targets

While the mega stake sale in Coal India and ONGC is still uncertain, the government appears set to miss the Rs.52,000 crore disinvestment target, as Rs.15,000 crore estimated from the residual stake sale in HZL and Balco is also unlikely to come this year. The stake sale in FY15 drawing just Rs.1,800 crore with less than two and half months remaining in the fiscal, the whole process is again one of fixing high targets in the Budget to keep the fiscal deficit low and then falling short.

The way disinvestment is tackled in the Budget for FY16, therefore, would be crucial in terms of both policy and fiscal strategy. With Narendra Modi in favour of strengthening PSUs, the government may look at disinvestment differently and instead of going for mega stake sales, it can look at getting more dividends by improving the health of PSUs. But given the resource requirements, disinvestment in small packets of 5% and 10% along with dilution of SUUTI, which alone can give R61,000 crore and residual stake sale in HZL Balco can help government garner additional revenue that can help boost investment.

The Financial Express - 20.01.2015

<http://www.financialexpress.com/article/fe-columnist/high-stakes-ambitious-targets/32743/>

Modi, Obama unveil steps to take business, trade ties to new high

India-US business links were set for a quantum jump with Prime Minister Narendra Modi's assurance of "consistent policies", "welcoming environment" and "predictable taxes" while US President Barack Obama announced steps to take trade and investment to \$4 billion. He however raised issues like intellectual property rights.

"Over the next two years, our Export Import Bank (EXIM) will support \$1 billion Made In America goods exports to India. Our Overseas Private Investment Corporation will support lending small and medium businesses across India in more than \$1 billion in loans. And our US Trade and Development Agency will invest nearly \$2 billion in renewable energy in India," Obama said in his address at the US-India Business Summit here Monday. Listing out more steps, he said the US was ready to help in broadband connectivity and build better roads. "We need to make sure that economic growth in both India and US is inclusive. Diaspora investment initiative will aid India," he said.

Business Standard - 26.01.2015

http://www.business-standard.com/article/news-ians/modi-obama-unveil-steps-to-take-business-trade-ties-to-new-high-intro-roundup-115012600815_1.html

Stake sale in IOC, BHEL and NALCO: Govt seeks merchant bankers' assistance

The Government has sought merchant bankers to help it in disinvestment of three PSU majors: IOC, BHEL and NALCO. The Centre aims a disinvestment target of Rs 43,425 crore for this fiscal, says a media report. The stake sale in these companies would fetch about Rs 13,000 crore to the exchequer. Centre wants to sell its 10 percent stake each in Indian Oil Corporation (IOC) and National Aluminium Company Limited (NALCO), while it will put on block its 5 per equity shares in Bharat Heavy Electrical Ltd (BHEL).

IOC, a Maharatna public sector undertaking under the administrative control of ministry of petroleum & natural gas, is likely to fetch Rs 8,100 crore to the government at the current market price. Disinvestment of government stake in BHEL would be worth about Rs 3,500 crore, while NALCO is likely to fetch about Rs 1,230 crore. Government stake in IOC is 68.57 percent, 63.06 in BHEL and 80.93 percent in NALCO. In IOC, government would be selling 24.27 crore shares and 25.77 crore in aluminium major NALCO, while it plans to sell 12.23 crore shares in power equipment major BHEL through offer for sale (OFS) route. Employees of the three PSUs would get five percent discount for buying shares in IOC, BHEL and NALCO.

Indian Public Sector - 27.01.2015

<http://www.indiapublicsector.com/2015/01/stake-sale-in-ioc-bhel-and-nalco-govt.html>

India is poised to become the world's fastest-growing economy in two years: IMF

India is set to become the world's fastest-growing major economy in about two years from now, as China slows after tearing along at speeds in excess of 10 per cent at times over the past three decades or so, according to latest projections by the International Monetary Fund in the World Economic Outlook.

The IMF's flagship publication said India's gross domestic product is likely to grow at 6.3 per cent, marginally down from 6.4 per cent projected in October, in the next fiscal year and 6.5 per cent in year to March 2017, which will be the third year of the Narendra Modi government. The World Bank had said last week that it sees China being dislodged by its neighbour to the south in calendar 2017. Stocks ended at record levels following the IMF data release with the BSE Sensex closing at 28,784.67 points, up 1.85 per cent, and the NSE Nifty rising 1.7 per cent to 8,695.6.

The likely role switch comes amid the Chinese

ONGC, IITs ink MoC to boost Modi's 'Make in India' campaign

Responding to Prime Minister Narendra Modi's 'Make in India' initiative, PSU major Oil and Natural Gas Corporation Limited (ONGC) and Pan-IIT entered into a Memorandum of Collaboration (MoC) in New Delhi on January 19 to work towards a collective R&D programme for developing indigenous technologies to enhance exploration and exploitation of hydrocarbons and alternate sources of energy, the oil major said in a statement. Pan IIT is a consortium of seven premier Indian Institutes of Technology namely, IIT-Kharagpur, IIT-Kanpur, IIT-Madras, IIT-Mumbai, IIT-Delhi, IIT-Guwahati and IIT-Roorkee.

The MoC was signed by ONGC CMD Dinesh K Sarraf, and coordinating director for the Pan-IIT Forum Prof Partha P Chakrabarti, in the presence of HRD minister Smriti Irani and MoS (I/C) petroleum and natural gas Dharmendra Pradhan. Under the MoC, ONGC's R&D Institutes and the IITs shall jointly undertake advanced research and development projects for the E&P sector of the country in general and oilfield specific activities of ONGC in particular.

Indian Public Sector - 21.01.2015

<http://www.indiapublicsector.com/2015/01/ongc-iits-ink-moc-to-boost-modis-make.html>

Future divestment may go the FPO route

Even before the current fiscal comes to an end the finance ministry has already decided to go the Follow on Public Offer (FPO) route for future divestments. An official who did not wish to be quoted said that allowing fast tracking for all Central Public Sector (CPSE) stocks would give it more options for divesting government stake in public undertakings. "We had sought from the markets regulator to rationalize the FPO route to boost retail participation in divestment. The discussion paper by Securities and Exchange Board of India (Sebi) is encouraging as it envisages fast track for issues by PSU stocks," said a ministry official.

Sebi earlier this month had issued a discussion paper to speed up approval processes for issue of securities. SEBI had proposed to extend the fast track route to the CPSE without the requirement of a minimum average market capitalisation of public shareholding. Also, in case where any CPSE is not able to comply with any of these conditions, then the regulator

economy stumbling on bad loans from excessive spending and investment drying up. While India's growth forecast is broadly unchanged, that of China has been slashed by half a percentage point from October projections.

The Economic Times - 21.01.2015

http://articles.economictimes.indiatimes.com/2015-01-21/news/58306238_1_official-target-world-economic-outlook-growth-forecast

IMF report on India's future GDP growth peeves Chinese daily

Peeved over IMF's forecast that India's growth rate would surpass that of China by 2016, a state-run daily here on Wednesday said having overshadowed by the Communist giant for long, India is seeking evidence to show that "It is not inferior to China". "It's different in India. Long overshadowed by China, it is keen to become the best in some aspects. It is in dire need of evidence to show that it is not inferior to China," state-run Global Times said in its editorial, a day after IMF forecast that Chinese economy would continue to slowdown even next year and would fall behind

Besides posting its lowest growth of 7.4 % last year in two decades, during which China became the world's second largest economy, it also missed the official target of 7.5% for the first time in recent years, fuelling concerns about a prolonged slowdown.

The Economic Times - 22.01.2015

<http://economictimes.indiatimes.com/news/international/world-news/imf-report-on-indias-future-gdp-growth-peeves-chinese-daily/articleshow/45973051.cms>

New slab-based formula for petroleum subsidy on the anvil

The Centre is set to announce a fresh fuel subsidy sharing formula by next month which is likely to be a slab-based formula, taking off from the recommendations of the Kirit Parikh committee. "The petroleum ministry is working on a new subsidy sharing formula that is expected to take into account the declining global crude oil prices," said two officials familiar with the matter, adding that a decision is likely over the next few weeks.

According to the officials, the new formula is expected to be a variant of the formula proposed by the Kirit Parikh committee, suggesting slab-based discounts following the global price of crude oil. The panel, in fresh recommendations submitted in 2013 had suggested further reworked the contribution formula for ONGC Ltd

could grant exemptions on the merits of the case.

Business Standard - 22.01.2015

http://www.business-standard.com/article/economy-policy/future-divestment-may-go-the-fpo-route-115012200102_1.html

No Iran role, oil PSUs tell US

Three state-owned oil sector companies have notified the US government that they are at present not involved in any project in Iran, notwithstanding New Delhi's professed defiance of the unilateral sanctions imposed by the US on the Islamic Republic.

Indian Oil Corporation, Oil India, and Oil and Natural Gas Corporation notified the US Government Accountability Office (USGAO) over the past two months that their contract for exploration at the Farsi Block of Iran had expired in 2009 and they were not presently involved in any activities in the Islamic Republic. The move by the three PSUs is apparently intended to get them dropped from the US government's lists of foreign companies active in Iran. The move is likely to upset Iran, but may pave the way for the three PSUs to enter into commercial deals with US entities. The move is significant, as it came in the interval between Prime Minister Narendra Modi's tour to Washington DC last September and the forthcoming visit of US President Barack Obama to New Delhi.

Deccan Chronicle - 21.01.2015

<http://www.deccanherald.com/content/454705/no-iran-role-oil-psus.html>

Government plans to extend e-visa facility in more countries

More than 14,000 tourists flew into India in December using the e-visa, or electronic tourist authorisation, facility that was rolled out on November 27. The number may increase significantly as the country plans to extend the facility to tourists from the UK, France, China, Spain and Italy, which together make up 63% of India's in-bound tourism source markets.

Under the e-visa facility, people from 43 countries can apply for a visa to enter the country online. Once cleared after a background check, the tourist can fly in to any of nine select international airports in the country and pay the visa fee there. Tourists from the US accounted for nearly one-fourth of the electronic visas issued last month and a

and Oil India Ltd to a 40 per cent share of the crude oil price when it was less than \$ 80 per barrel, hiking it to 40 per cent and \$0.25 each \$ 1 increase per barrel beyond \$80, and a 50 per cent share of the crude oil price when it moves beyond \$ 120 per barrel.

The Financial Express - 22.01.2015

<http://www.financialexpress.com/article/economy/new-slab-based-formula-for-petroleum-subsidy-on-the-anvil/33459/>

Air fares unlikely to fall alongside oil prices: Experts

Airlines are unlikely to cut fares following the dramatic fall in oil prices, aviation experts said on Tuesday, despite calls from politicians and consumer groups to pass on the savings to passengers. The global airline industry is expected to report a near \$5 billion increase in profits this year to \$25 billion, benefiting from cheaper fuel after crude oil prices slumped 60 per cent since June last year. Executives and analysts at the Airline Economics conference in Dublin said carriers would keep prices high as long as there was sufficient demand, except when paring back fuel surcharges on long flights.

"Ticket prices are market-driven not cost-driven," said Peter Davies, former chief executive of Air Malta, adding that lowering fares was not necessarily the correct response to lower oil prices.

The Economic Times - 21.01.2015

<http://economictimes.indiatimes.com/news/international/business/air-fares-unlikely-to-fall-alongside-oil-prices-experts/articleshow/45959978.cms>

Domestic air traffic registers 9.7% growth in 2014

Domestic air traffic grew by 9.7 per cent last year compared to 2013, driven by a series of discounted ticket offers by the Indian airlines, according to official data released here today.

Indian airlines together carried 673.83 lakh passengers in the previous year as against 614.26 flown by them in 2013, latest data released by the Directorate General of Civil Aviation (DGCA) showed. Of this, private airlines carried 549.58 lakh passengers or 81.6 per cent of the total passenger traffic. The share of the national carrier Air India stood at 18.4 per cent as it transported 124.25 lakh passengers during the reporting period. Private budget carrier IndiGo continues its domination in the domestic market, having flown 214,25 lakh passengers during the January-

majority 35% of the arrivals happened in Delhi. In the past, industry experts have said that e-visa facility could double annual tourist arrivals to over 12 million in five years.

The Economic Times - 22.01.2015

<http://economictimes.indiatimes.com/nri/visa-and-immigration/government-plans-to-extend-e-visa-facility-in-more-countries/articleshow/45973028.cms>

Tour operators, portals see a jump in bookings around Jan 26 weekend

Online travel portals have witnessed a surge in bookings for travel around January 26 on the back of lower airfares with demand for destinations including Puri, Puducherry and Gangtok. "Keen holiday planners are exploring interesting and offbeat destinations for the Republic Day weekend. On Cleartrip, we are seeing places like Puducherry, Puri and Gangtok debut amongst the Top 10 destinations that Indians are visiting this January while destinations like Goa and Jaipur continue to be amongst the favourites.

Advance purchase for this weekend has spiralled too. At Cleartrip, over 82% people booked their travel for the Republic Day Long Weekend, over 30-days in advance. Interestingly, over 25% of these bookings were made on Cleartrip Mobile," said Samyukth Sridharan, president of Cleartrip.

Business Standard - 20.01.2015

http://www.business-standard.com/article/companies/tour-operators-portals-see-a-jump-in-bookings-around-jan-26-weekend-115012000636_1.html

Go Air offers fares at Rs 1,468

Go Air has announced a special scheme with fares starting at as low as Rs.1,468. Tickets under the special scheme can be booked till January 21, 2015 for travel period April 15 2015, the airline said. Earlier this month, Air India cut its fares by up to 50 per cent at the start of lean season in the industry.

Jet Airways and Indigo followed suit offering their customers hefty discounts. Incidentally, the domestic operators are engaged in a fare war at a time when the Government is mulling a cap on the minimum and maximum fares to check both "over charging" and predatory pricing by the airlines. Jet Airways has also decided against charging any fee for cancellation and date change requests within 24 hours from passengers who book their

December 2014 period and cornered a 31.8 per cent market share in this period.

The Economic Times - 20.01.2015

http://articles.economictimes.indiatimes.com/2015-01-19/news/58231330_1_seat-factor-dgca-data-domestic-air-traffic

Right on track: National carrier Air India to cut expenses by Rs.1,400 crore

In a bid to maintain a healthy balance sheet, state-owned passenger carrier Air India plans to cut its total expenses by Rs.1,400 crore in the coming financial year. In a circular issued to all employees, Air India plans to stop hiring all non-essential staff, curbing transfers, field visits and holding meetings and conferences in five star hotels. The circular asked employees to return immediately from outstation assignments to save on hotel and other costs. Employees have also been told that nearly 10 percent of their reimbursement amounts will be deducted to let the airline remain afloat.

Wages owed on account of extra time will also be reduced. No new vehicles, office machinery and non-essential items will be bought. Immediate sales of old computers and other items has been mandated. The airline has also been advised to use less space at major airports like Delhi and Mumbai to reduce rentals. The staff has also been advised to curtail outstation travel, engineers have been asked to service aircraft at only major stations and airport managers are to identify extra manpower that can be asked to go. Costs on account of promotional activities, freebies and entertainment allowances will also be reduced.

Indian Public Sector - 20.01.2015

<http://www.indiapublicsector.com/2015/01/right-on-track-national-carrier-air.html>

E-commerce drives demand for warehousing, office space

Demand for warehousing and office space picked up in 2014 on the back of growth in e-commerce segment that led to increased leasing by e-retailers, property consultant CBRE said today. "Almost 25 per cent of the total warehousing/logistics space uptake across the country in 2014 was by e-retail players, while the uptake of logistics space rose by more than seven times over that of 2013," CBRE said in a statement.

The consultant, in its report India Online Retail Driving Realty, said absorption of warehousing space by e-retailers has increased to 17 lakh sq. ft in 2014 from 2.3 lakh sq. ft in the previous year across leading cities such as Mumbai, Chennai, Bangalore, Kolkata and Delhi NCR. "The growth in

tickets through the airline's website.

Business Today - 19.01.2015

<http://businesstoday.intoday.in/story/jet-airways-indigo-air-india-discount-on-fares/1/214737.html>

Railways posts 12.23% jump in freight earnings between April-December '14

Indian Railways has posted over 12 per cent growth in earnings from freight traffic between April and December, 2014. While it had earned Rs.67,705.11 crore from freight traffic during April-December 2013, it collected Rs.75,986.04 crore in the corresponding period last year -- the increase in revenue standing at 12.23 per cent, the government said in a statement here. During the April-December 2014 period, it carried 808.57 million tonnes of commodity-wise freight as compared to the 769.74 million tonnes ferried during the corresponding period in 2013. This constituted a jump of 5.04 per cent.

In December last year, the public transporter generated Rs 9,775.45 crore, of which Rs 4,595.42 crore came from ferrying 48.91 million tonnes of coal, Rs 751.07 crore from transporting 9.15 million tonnes of iron ore for export, steel plants and other domestic users, the statement said.

The Economic Times - 20.01.2015

http://articles.economictimes.indiatimes.com/2015-01-19/news/58231772_1_freight-traffic-april-december-2013-indian-railways

Ports asked to develop two berths for coastal cargo

In a move to boost coastal shipping as an alternate to road and rail transport, shipping ministry has asked all 12 major ports to develop two berths each exclusively to handle coastal cargo. Each such berth would need an investment of about Rs 250 crore, sources said. The shipping ministry recently issued a circular asking the major ports to submit the proposal of building at least one berth by this year end.

"They must plan for the second one subsequently. There is huge scope for coastal shipping in the country. Once we have exclusive berths and the process is simpler, there will be good flow of coastal cargo. This sector is going to grow rapidly," a senior

e-retailing has spawned growth in organised real estate as well - particularly in logistics infrastructure and large office spaces...While warehousing has been a key beneficiary of the E-commerce boom, ripples have also been felt in the office space market," CBRE said.

The Economic Times - 21.01.2015

<http://economictimes.indiatimes.com/wealth/real-estate/news/e-commerce-drives-demand-for-warehousing-office-space/articleshow/45967763.cms>

Attorney general clears decks for migration of old cargo handlers to new rate regime

The concession agreements signed by cargo-handlers with Union government-owned ports about 15 years ago does not prevent private firms from moving to a new tariff regime, attorney general Mukul Rohatgi has said, clearing the decks for these firms to migrate to a more favourable rate structure announced in July 2013 and end the dispute that has dampened investor sentiment in the sector. The shipping ministry had sought the opinion of the attorney general on whether the migration to the new rate regime is legally and contractually tenable for old cargo handlers, besides issues such as calculation of surplus earned by the terminal operator over and above the permissible limits and the quantum of royalty paid by these firms to the government-owned ports as a pass-through in setting rates. The attorney general submitted his opinion last week. The migration would not require re-working the concession agreements—a document that sets out the terms and conditions of a port contract.

Mint - 24.01.2015

<http://www.livemint.com/Politics/38TrgpoFEIMxAf7c303leM/Attorney-general-clears-decks-for-migration-of-old-cargo-han.html>

SBI figures among top 50 most-valued global banks

India's largest public sector lender State Bank of India (SBI) and private sector bank HDFC figure in a list of the top 50 global banks in terms of market capitalisation. HDFC Bank, India's second-largest private lender in terms of asset size, ranks 45th, with a market capitalisation of \$39 billion. With a market capitalisation of \$38 billion, SBI is ranked 46th. ICICI Bank, ranked 53rd, is the only other Indian entity to figure in the list of the 100 most valued global banks.

Indian Public Sector - 19.01.2015

<http://www.indiapublicsector.com/2015/01/sbi-figures-among-top-50-most-valued.html>

ministry official said. Already some of the ports have introduced a "green channel" facility for faster evacuation of coastal cargo. Earlier it had directed major ports to provide priority berthing to coastal vessels to reduce waiting time of such vessels.

The Times of India - 21.01.2015

<http://timesofindia.indiatimes.com/business/india-business/Ports-asked-to-develop-two-berths-for-coastal-cargo/articleshow/45961331.cms>

Kolkata Port Trust to get royalty of Rs 14.77/tonne of cargo handling

Kolkata Port Trust (KoPT) is poised to get a royalty of R14.77 for per tonne of cargo handling with Ripley & Co emerging as the highest bidder following a tender for granting handling agency licence. This can fetch the ailing port revenue of above R60 crore per annum. The selected agent will be required to do shore handling as well as supply man power and equipment for handling dry bulk cargo.

Prior to tendering, stevedores have been carrying out shore operations without paying any royalty to the ports. Ripley was charged of carrying out restrictive trade depriving the port of legitimate revenue. But with a new government at the Centre, paying royalty has been made mandatory in the country's major ports. Ripley chief executive officer Shoumik Bose said the company was not averse to paying royalty and so participated in the tender.

The Financial Express - 24.01.2015

<http://www.financialexpress.com/article/economy/kolkata-port-trust-to-get-royalty-of-rs-14-77tonne-of-cargo-handling/34411/>

M. K. Goel appointed as CMD, PFC

Government of India has appointed M. K. Goel as Chairman and Managing Director, Power Finance Corporation Limited for a period of 5 years or till his superannuation, whichever is earlier. Shri M. K. Goel has assumed the charge of CMD, PFC w.e.f. 22nd January 2015.

Sarkaritel - 23.01.2015

<http://www.sarkaritel.com/m-k-goel-appointed-as-cmd-pfc-186315/>