

(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.)

## **Delay in vigilance clearance not to stop PSUs appointment: Government**

In order to avoid delay in filling senior posts in Central Public Sector Enterprises (CPSEs), the government has decided to go ahead with the selection process in case vigilance clearance against eligible candidates is not received within stipulated time of two months. Also, authorities won't take cognizance of any complaint of alleged graft against the eligible candidate received within six months prior to the initiation of the selection process.

"It has been observed that the timelines prescribed for processing the proposals for appointments to board level posts in CPSEs are not being adhered to. The resultant delay in filling up the board level vacancies has been a matter of serious concern for the government," the Department of Personnel and Training (DoPT) said in guidelines issued for processing CPSEs appointments. Government's head hunter--Public Enterprises Selection Board (PESB)--will initiate the process for filling up of board level vacancies at least one year prior to the date on which the vacancy arises. The Ministry concerned shall be responsible to intimate all anticipated vacancies to the PESB well in time for this process to commence.

*The Economic Times - 28.10.2014*

<http://economictimes.indiatimes.com/news/politics-and-nation/delay-in-vigilance-clearance-not-to-stop-psus-appointment-government/articleshow/44959426.cms>

## **Centre eases norms for granting extension to top honchos of PSUs, public sector banks**

The Centre, on Thursday, eased norms for granting extension to top officials of public sector units and public sector banks. The new policy defines guidelines for extension of tenure of board level incumbents where vigilance clearance is not available. The guidelines have been issued by the Department of Personnel and Training. Recently, there have been two cases where the Government has waited till the last day and beyond for vigilance clearance, before deciding on granting extension. Earlier this week, Chairman and Managing Director of Punjab National Bank KR Kamath was denied extension on the last day of

## **Holding Co for all PSUs soon, to report to PMO**

The Narendra Modi-led government plans to give more administrative and financial powers to the top management of central public sector undertakings (CPSUs) in order to reduce political interference and bring in accountability. This has been suggested in a draft note on CPSU restructuring floated by the ministry for heavy industries and public enterprises. Also on the cards is a single holding company for all CPSUs that would report directly to the Prime Minister's Office.

"At present, there is a lack of ownership (neither the board nor the holding ministry has the power to take important decisions independently), which leaves scope for formal and informal interference," said a senior official at the ministry. The note also suggested a long and uninterrupted tenure for the top executive, separation of ownership and management, enhanced investment limits and financial autonomy. Oil PSUs had sought more autonomy since its absence hindered their efforts to acquire oil-fields abroad. Moreover, major telecom, power and banking PSUs are currently functioning without CMDs, hampering performance.

*Hindustan Times - 28.10.2014*

<http://www.hindustantimes.com/business-news/holding-co-for-all-psus-soon-to-report-to-pmo/article1-1279948.aspx>

## **Narendra Modi govt to build ports, industrial clusters along river Ganga**

The reform-minded Narendra Modi government is considering riverside ports at major cities and industrial clusters on the Ganga to boost its 'Make in India' initiative. Converting waterways into commerce way is now a priority for the government, a senior official told IANS.

For this, a detailed Request for Qualification (RFQ) tender will soon be issued to private players who are ready to manage and successfully run the system. Port infrastructure is planned at cities like Varanasi, Allahabad and Patna among others, the official added. The development comes following Shipping Minister

his term, although he had slightly over a year before turning 60 years.

*The Hindu Business Line - 30.10.2014*

<http://www.thehindubusinessline.com/news/centre-eases-norms-for-granting-extension-to-top-honchos-of-psus-public-sector-banks/article6549292.ece>

## **Donations to Swach Bharat Kosh, Clean Ganga now part of CSR**

The Ministry of Corporate Affairs (MCA) has included donations to the Swach Bharat Kosh and the Clean Ganga Fund — set up by the Central government — as part of corporate social responsibility (CSR) spends by India Inc. This notification was issued last Friday, October 24. As donations made to eligible funds qualify for certain tax breaks, India Inc is eagerly looking forward to a notification from the Central Board of Direct Taxes (CBDT). In February, MCA had amended Schedule VII of the Companies Act, 2013 and a final set of CSR activities were outlined. These included activities for improving sanitation — donations to Swach Bharat Kosh now fall in this segment, whereas donations towards the Clean Ganga Fund qualify as an 'activity for conservation of natural resources and maintaining the quality of water'.

*Times of India - 28.10.2014*

<http://timesofindia.indiatimes.com/business/india-business/Donations-to-Swach-Bharat-Kosh-Clean-Ganga-now-part-of-CSR/articleshow/44954763.cms>

## **No preference for local companies in oil PSU contracts**

In a big boost to managing costs and bringing latest technology in projects of state firms, the oil ministry has abolished the decades-old system in which domestic suppliers would win contracts even if their price bid was up to 10% higher than a competing foreign offer.

The change in the policy, which was implemented to help domestic supplier grow, will have a direct bearing on planned expenditure of Rs 421,229 crore on various projects of state-run oil and gas firms between 2012 and 2017, officials said. The government thinks that the policy of "price preference" has served its purpose as domestic suppliers have had adequate exposure to international competition, and they should now stand on their own feet.

This move is in continuation of recent policy reforms announced in oil and gas sector to global private investments that included deregulation of diesel prices and raising the price of domestic gas, government and industry sources said.

*Economic Times - 28.10.2014*

Nitin Gadkari's calculation which placed river transportation as the most cost-effective.

*Business Today - 28.10.2014*

<http://businesstoday.intoday.in/story/modi-govt-ports-industrial-clusters-river-ganga/1/211723.html>

## **Oil firms to tread with caution on diesel relief**

State-owned oil PSUs are unlikely to pass on the entire benefit of falling global crude prices to customers when they consider a diesel price cut on Friday. "The oil firms are expected to keep 50 paise to one rupee per litre for rainy days when the global prices spike. They are making a recovery of Rs 3.20 per litre now," industry sources said. The government, after a gap of five years, had cut diesel prices on October 18.

Prices were cut by Rs 3.51 per litre, but even then companies did not pass on the full extent of the crude price decline. PSU oil marketing companies review retail prices of petrol and diesel every fortnight. The next review is expected on Friday when senior executives of the oil marketing companies will decide the exact amount of change.

*The Telegraph - 30.10.2014*

[http://www.telegraphindia.com/1141031/jsp/business/story\\_18984094.jsp#.VFMU7fmUegY](http://www.telegraphindia.com/1141031/jsp/business/story_18984094.jsp#.VFMU7fmUegY)

## **Indians addicted to their smartphones, prefer travel booking via apps now**

It's official, Indians are thoroughly addicted to their smartphones according to an Expedia survey which notes that travelers from this country prefer using apps in order to make reservations. Expedia is an Internet-based travel firm headquartered in Washington, with localized websites for around 30 nations across the globe.

Out of the total number of survey respondents, a whopping 95 percent claimed to be extremely dependent on their devices. It revealed that Indians take the top spot when it comes to data roaming plans and app booking. Approximately 68 percent of folks from this country admitted to have subscribed to a roaming or international data plan when traveling out of bounds, with regards to their regular service provider's network. Almost 75 percent of Indians (highest as compared to other regions worldwide) apparently make hotel reservations from a smartphone or tablet, while only 28 percent use their desktops for

[http://articles.economictimes.indiatimes.com/2014-10-28/news/55521579\\_1\\_price-preference-oil-ministry-oil-and-gas-sector](http://articles.economictimes.indiatimes.com/2014-10-28/news/55521579_1_price-preference-oil-ministry-oil-and-gas-sector)

## **Airlines' special sales are a scam: Passenger association**

Have you ever managed to book air tickets under one of those hefty discount schemes offered by airlines? If the answer is a yes, please contact the Air Passengers Association of India (APAI), the apex air travellers' body, which has shot off a complaint to the Directorate General of Civil Aviation (DGCA) claiming such schemes are fraudulent. Alleging the airlines' discount schemes — wherein a single journey ticket is available for as less as Rs 899 — don't even exist, the association has asked the DGCA to ban such schemes altogether.

The APAI said on Sunday that it monitored the schemes offered by three leading domestic carriers — Indigo, SpiceJet, and Jet AirwaysJet Konnect — which had on Wednesday announced special fares for travel from November 1 to December 15. The airlines offered one-way tickets priced between Rs 899 and Rs 1,799 on a few sectors provided they were booked between October 22 (Wednesday) and October 26 (Sunday). The APAI said that it deputed three of its staffers to try and book the tickets, not just through the airlines' websites but also travel portals. "All we got was a 'sold out' response," APAI president D Sudhakara Reddy said.

*The Times of India - 27.10.2014*

<http://timesofindia.indiatimes.com/Business/India-Business/Airlines-special-sales-are-a-scam-Passenger-association/articleshow/44947759.cms>

## **Civil aviation ministry to start monitoring discount offers announced by airlines**

After receiving complaints from airlines, who termed discount schemes launched by carriers as predatory pricing, the civil aviation ministry is going to start monitoring the discount offers announced by airlines. The airlines feel that such offers are nothing but 'predatory pricing' and will lead to further losses for the sector.

"Tickets on discounts are surely sold at less than the cost and selling tickets at a price lower than the costs will lead to further losses for the airline. We need to ensure that the airlines do not go belly up due to such pricing. It would have made sense, if a financially strong carrier would have taken a lead to announce these discounts, which is not the case and that is a concern for us," said a senior civil aviation ministry official on a condition of anonymity. The official added that the fares will be

travel booking in general.

*Mobiletor - 28.10.2014*

<http://www.mobiletor.com/119841/indians-addicted-smartphones-survey/>

## **Save Up To 25% On Airfare By Cancelling And Rebooking Within 24 Hours**

All domestic and foreign airlines are required by the US Department of Transportation to allow travelers to either hold a reservation for 24 hours without payment or cancel a ticket within 24 hours without penalty if your flight is seven or more days away. Will you really save money using this cancellation policy to cancel a flight and then book it again? Probably.

Hopper analyzed just how useful the cancellation policy is, aiming to ultimately answer the question, 'How often will I find a cheaper price within the 24 hour cancellation window?' It turns out it's quite frequent: 68% of the over 16 million searches we tested dropped in price at some point during the 24 hours following the search (Table 2). 50% of the time, the lowest price seen within 24 hours was at least 5% lower than the original price, and 35% of the time the price was at least 10% lower. Given how much prices fluctuate, a savvy (and speedy) consumer could potentially book, cancel, and rebook repeatedly, using the 24 hour cancellation policy multiple times. A 25% price savings was found only 11% of the time, but even saving 5% on your plane tickets (50% frequency) is money in the bank.

*Lifehacker - 29.10.2014*

<http://www.lifehacker.co.in/life/Save-up-to-25-on-Airfare-by-Cancelling-and-Rebooking-Within-24-Hours/articleshow/44975885.cms>

## **Int'l freight volumes to increase at CAGR of 4.1% over next five years: IATA**

The International Air Transport Association (IATA) Airline Industry Forecast 2014-2018 shows that international freight volumes are expected to increase at a compound annual growth rate (CAGR) of 4.1% over the next five years. Emerging economies, particularly in the Middle East and Africa, will be the fastest-growing markets. "Air cargo remains as vital to the global economic system as ever. This year, more than \$6.8 trillion worth of goods, equivalent to 35% of total world trade by value, will be transported around the world by air. So it is welcome to see a forecast for a return to growth for the air cargo sector after several years in the doldrums. An average of more than 4% growth for the next five years would be a marked improvement on the performance of recent years. Since 2011, for

monitored by a team that will be formed in the ministry and necessary actions will be taken.

*The Economic Times - 29.10.2014*

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/civil-aviation-ministry-to-start-monitoring-discount-offers-announced-by-airlines/articleshow/44968515.cms>

### **Shipping ministry to seek attorney general's opinion on regulating stevedores**

The shipping ministry will seek the advice of the attorney general on a recommendation by a five-member panel to set rates for services rendered by stevedores and shore handling agents at non-public-private-partnership (non-PPP) berths of ports owned by the Union government. "That's the crux of the issue, whether the rates for stevedores and shore handling agents should be notified by the Tariff Authority for Major Ports (TAMP) or not," a spokesperson for the shipping ministry said. "The ministry is referring the matter to the law ministry for the opinion of the attorney general."

Stevedores—who move cargo manually on and off ships—are just one link in the maritime logistics chain. After the cargo is unloaded from a ship and put on the wharf, it has to be taken to the stockyards and from there to railway wagons and trucks for transportation to end-use customers. This work is done by on-shore cargo handling agents. Their rates are currently not notified by TAMP, the rate regulator for ports owned by the centre, and this has prompted calls for such notification to be made a statutory requirement.

*Live Mint - 28.10.2014*

<http://www.livemint.com/Companies/1tuEWUITN1jzv5Zd9X1MK/Shipping-ministry-to-seek-attorney-generals-opinion-on-regu.html>

### **Government weighs levying cess on port cargo to fund Sagar Mala project**

The shipping ministry has flagged off a plan to levy a cess on cargo handled at ports to part-fund a so-called Sagar Mala project, emulating the cess on petrol and diesel collected by the government for over a decade to fund highway construction.

"Since the implementation of the Sagar Mala project would require considerable funding by government, a development cess of Rs.10 per metric tonne can be collected for handling export-import (EXIM) cargo. Similarly, a cess of Rs.5 per metric tonne can be levied on coastal cargo (non-EXIM cargo)," the ministry wrote in a concept paper on the Sagar Mala project that has been circulated for public debate. Mint has reviewed a copy. Based on the cargo volumes handled by

example, growth in freight tonnes has averaged just 0.63% per year," said Tony Tyler, IATA's Director General and CEO.

*Myiris - 22.10.2014*

<http://www.myiris.com/newsCentre/storyShow/20141022161824717/sector/Sector%20Stories/2014/10/27.html>

### **GST will cut high logistics, warehousing costs: WB**

Modi's make in India campaign will work only if goods and services tax, a game changing indirect tax reform, is rolled out rapidly to eliminate regulatory difficulties at 650 border check points. Apart from creation of a single market, GST will also help in making India's manufacturing competitive by drastically cutting high logistics and warehousing costs, the World Bank said.

The bank's prescription assumes significance as finance minister Arun Jaitley is widely expected to convene a meeting of state chief ministers soon to discuss the revised draft constitution amendment bill. The bill is expected to be taken up for passage in the winter session of parliament beginning in the third week of November. GST is considered to be the next reform agenda of the government. As economic reforms gain momentum, India's growth is likely to accelerate towards its high long-run potential of 7-9 per cent. GST combined with dismantling of inter-state check posts is the most crucial reform that can significantly improve domestic and international competitiveness of Indian manufacturing firms, said the latest India Development Update of the World Bank released on Monday.

*Mydigitalfc - 27.10.2014*

<http://www.mydigitalfc.com/news/gst-will-cut-high-logistics-warehousing-costs-wb-876>

### **Arun Kumar Sharma takes over as IOC Director (Finance)**

Arun Kumar Sharma has taken over as Director (Finance) of Indian Oil Corp (IOC), the nation's largest firm. A Chartered Accountant, Sharma has over three decades of experience in IOC and has handled the entire gamut of activities in the Finance function, the company said in a statement here.

Sharma has also served as Head of IOC's treasury where he was credited for issuing the first ever Foreign Currency Bonds (\$500 million) in 2010. Prior to joining the Board of IOC, he was Executive Director (Finance) of Refineries Division.

*Economic Times - 28.10.2014*

<http://articles.economictimes.indiatimes.com/2>

India's ports in the year to March, the cess will fetch about Rs.900 crore to the government, according to the ministry. The cess will be credited to the Consolidated Fund of India and will be administered by the shipping ministry for the exclusive purpose of funding the Sagar Mala project, it said.

*Live Mint - 01.11.2014*

<http://www.livemint.com/Politics/vCekFa6z2Cxuu55xWxMCsJ/Government-weighs-levying-cess-on-port-cargo-to-fund-Sagar-M.html>

[014-10-28/news/55521562\\_1\\_indian-oil-corp-executive-director-foreign-currency-bonds](http://www.pseb.org/014-10-28/news/55521562_1_indian-oil-corp-executive-director-foreign-currency-bonds)

### **Shri S Chakravarty selected as CMD, ECL**

PSEB has recommended the name of Shri S Chakravarty, DIR (TECH), ECL/CIL for the post of CMD, ECL.

*PSEB.nic.gov.in*