

(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

Business Economics, 16-28 February, 2014

Balmer Lawrie acquires Vacation Exotica

Diversified PSU Balmer Lawrie & Co has acquired tour operator Vacations Exotica for ₹20 crore giving a boost to its package-tour business. "We are not that strong in



package tours as we are in ticketing. That is why this acquisition will add synergy to our business," said Viren Sinha, Chairman and Managing Director of Balmer Lawrie. The acquisition is supposed to enhance the revenue to ₹300 crore in 2014-15, he said. Vacations Exotica Destinations Pvt Ltd started its business in 2007 and is yet to reach breakeven. Vacations Exotica with national presence runs outbound tour packages mostly to Europe, the Far East and South Africa, he said.

TravelBiz Monitor, 16-28 February, 2014

[TRADE]

Balmer Lawrie & Co. acquires Vacations Exotica

By P. Krishna Kumar, New Delhi



VIREN SINHA
Chairman & MD
Balmer Lawrie & Co.



RAVI SHANKAR
COO
Vacations Exotica

IN one of the major acquisitions in the travel tourism business, Balmer Lawrie & Co. Ltd., a mini-ratna public sector undertaking with diversified business portfolios, has bought over country's leading outbound travel company, Vacations Exotica. With this take over, Balmer Lawrie Tours & Travels, one of the largest travel and tour agents and the oldest IATA accredited agency in India, will strengthen its foothold as one of the top five players in the outbound travel segment. The acquisition will also help Kolkata-based Balmer Lawrie to expand its value proposition and offer end-to-end services in the tours and MICE segment as Vacations Exotica brings with it a multi-talented work force and a wide range of holiday packages. The take over was facilitated by Mumbai-based investment banking firm, Singhi Advisors.

"We are into ticketing business and Vacations Exotica is into tours. Therefore we felt lot of synergy

between the two. With this acquisition about 110 people with experience in holiday packaging will become part Balmer Lawrie family," said Viren Sinha, Chairman & Managing Director, Balmer Lawrie & Co. While Balmer Lawrie has presence in 90 locations, Vacations Exotica has offices in eight cities and more than 100 preferred agents. Combining these together, Sinha felt, would bring in huge synergies.

When contacted by **TravelBiz Monitor**, Ravi Shankar, COO, Vacations Exotica said that the acquisition will help the Vacations Exotica as a brand to take its growth to the next level and make it compete and expand the business further. "Balmer Lawrie & Co. is a good company with a captive client

base of half-a-million. While their travel business is pretty large, Vacations Exotica has a good stake in the leisure business. The synergy between the two will help future growth," he said. He said that Vacations Exotica will continue to function as a Holiday brand of Balmer Lawrie. He said Vacations Exotica is a Rs 150 crore turn over company with eight branch offices and 118 distribution partners across the country.

Commenting on the deal, Ajoy Lodha, Partner, Singhi Advisors, said, "Travel business is going through a phase of consolidation as service providers are looking keenly to add value added services which can enhance margin in their business. The reduction of credit periods in ticketing business and price wars have pushed margins down in air ticketing business significantly. The packaged tours business especially outbound has reasonable entry barriers and also far better margins and there for attractive to players strong in ticketing space." ■

Sebi's PSU push could add up to Rs 2.74 lakh cr to MF money

Only select PSUs can invest in MFs as per current rules

The Securities and Exchange Board of India's (Sebi) proposal to the government asking all public sector companies to be allowed to invest in mutual funds (MFs) could potentially add up to Rs 2.74 lakh crore to MF assets. The calculation is based on the cash and bank balances of existing public sector companies, currently not allowed to invest in MFs.

"In case the base of the CPSEs (Central Public Sector Enterprises) is expanded and all the CPSEs are allowed to invest in MFs, such a provision would lead to a substantial inflow in MFs," says the minutes of Sebi's board meeting early this month.

The regulator noted the Public Enterprises Survey 2011-12 pegged the total cash and bank balance

Minimum investment for CPSE ETF units is Rs 5,000

Retail investors can participate in the government's PSU stake sale programme by investing a minimum of Rs 5,000 to buy units of CPSE Exchange Traded Fund that comprises shares of 10 blue-chip companies, including ONGC, IOC and Coal India.

As per the draft offer document filed by the Finance Ministry with market regulator Sebi, individual investors can invest a minimum of Rs 5,000, while the maximum limit Rs 10 lakh. The CPSE ETF is an open-ended fund and the units would have a face value of Rs 10 per unit.

Non-institutional investors/qualified institutional buyers can invest in the scheme with a minimum investment amount of Rs 10 lakhs, the document said. The ETF, which is expected to hit the markets next month, could

of these 257 companies at Rs 2.74 lakh crore as of March 31, 2012. The figures of the Association of Mutual Funds in India peg the total assets under management (AUM) of the sector at Rs 9.03 lakh crore at the end of January.

Business Standard - 25.02.2014

http://www.business-standard.com/article/markets/sebi-s-psu-push-could-add-upto-2-74-lakh-cr-to-mf-aum-114022500895_1.html

Government to sell 5 per cent stake in Bhel to LIC; may get Rs 2,046 crore

The government will sell a 5 per cent stake in power equipment manufacturer Bhel to state-owned Life Insurance Corporation of India, fetching the exchequer about Rs 2,046 crore.

"Bhel disinvestment will happen this fiscal through a block deal to LIC," Disinvestment Secretary Ravi Mathur told reporters here. The Empowered Group of Ministers headed by Finance Minister P Chidambaram met today to decide on the timing and mode of disinvestment in Bharat Heavy Electricals Ltd (Bhel).

Economic Times - 28.02.2014

http://articles.economictimes.indiatimes.com/2014-02-28/news/47774412_1_bhel-stake-sale-bhel-disinvestment-bharat-heavy-electricals-ltd

Now, a website for hassle-free Tatkal booking

Now just log on to IRCTC Lite for hassle-free and faster booking of your Tatkal ticket. This additional facility, which opens 30 minutes before commencement of Tatkal booking at 10 a.m., is shorn of links and pop-ups to ensure better speed.

The Indian Railways Catering and Tourism Corporation says it has removed all links, images, advertisements, services and features, banners, alerts and updates and floating tabs from the home page. Facilities such as enquiries on refund status and cancelled history have been kept out of this section to reduce unnecessary hits, which hamper transaction speed.

The Hindu - 25.02.2014

<http://www.thehindu.com/news/national/now-a-website-for-hasslefree-tatkal-booking/article5723323.ece>

Railway takes U-turn, says refund can be claimed after two hours of train departure

Taking a U-turn, the Indian Railways has said that there will be no change in refund rules and passengers on a confirmed ticket can avail refund up to 50% of the fare provided the ticket is

fetch government Rs 3,000 crore.

Business Standard - 26.02.2014

http://www.business-standard.com/article/pti-stories/minimum-investment-for-cpse-etf-units-is-rs-5-000-114022601139_1.html

Travel portals see three-fold increase in flight bookings

The discounts announced by airlines recently have given a push to the aviation industry, with big online travel portals witnessing a three times increase in sales.

"We have witnessed up to three times increase in booking on our website. Since discounts are being offered by all airlines, bookings are across carriers," said Keyur Joshi, chief operating officer at Makemytrip.com, one of India's largest travel portals.

The Indian Express - 26.02.2014

<http://indianexpress.com/article/business/companies/travel-portals-see-three-fold-increase-in-flight-bookings/>

No railway refund for non-travellers

From March 1, passengers who do not undertake journey after booking tickets will not be paid any refund. Refund will also not be paid to those who have booked tickets as a part of a group and decide not to travel for any reason. The new rules come into effect after the railways modified its scheme on grant of refund from public reservation system (PRS) on cancellation of tickets.

Central Railway senior divisional commercial manager (SrDCM) Dr Sumant Deulkar confirmed that Railway Board vide a circular issued on February 21 to all general managers has intimated to implement the decision from March 1.

The Times of India - 26.02.2014

<http://timesofindia.indiatimes.com/india/No-railway-refund-for-non-travellers/articleshow/31010169.cms>

Govt should invest in building major ports: Panel

The government should invest in setting up 4-6 major ports in the next two decades, said the report of an expert committee. "A key government priority should be to invest in four to six mega ports over the next 20 years," said

cancelled within 2 hours of the train departure.

On February 21, it had issued a circular that from March 1, passengers not turning up or less number of persons travelling in groups will not be paid refund from public reservation system (PRS) on cancellation of tickets.

However, on February 24, the railways said if the ticket is presented for cancellation within two hours of actual departure of train then refund will be granted.

The Times of India - 28.02.2014

<http://timesofindia.indiatimes.com/India/Railway-takes-U-turn-says-refund-can-be-claimed-after-two-hours-of-train-departure/articleshow/31123011.cms>

Outlook for logistics sector stable: India Ratings

India Ratings has kept the outlook stable for the logistics sector for the next fiscal as it expects a moderate growth for the industry despite the slowdown in the economy.

"India Ratings & Research has assigned a stable outlook to the logistics sector for FY15. This is based on the strong likelihood of the sector continuing to display overall moderate growth rate despite a continued economic slowdown," said the Fitch group credit rating agency.

Most segments of the industry have low leverage, except the container freight station/inland container depot segment, giving industry players a degree of financial flexibility to weather the slowdown, India Ratings said.

The Hindu - 24.02.2014

<http://www.thehindu.com/business/Industry/outlook-for-logistics-sector-stable-india-ratings/article5722524.ece>

Govt panel proposes green cess on petrol, vehicles

Vehicle owners could soon be asked to pay more for environment. A green surcharge of Rs 2 on petrol sold across the country and green cess on existing personal vehicles at the rate of 4% of annual insured value are some of the recommendations of a government panel. The panel has suggested levy of 7.5% urban transport tax on purchase of new petrol cars and 20% in case of diesel cars.

The investment in transport sector needs to be increased from current 2.6% of GDP to about 3.3% in the 12th Five Year Plan (2012-17), says the panel.

The Times of India - 01.03.2014

<http://timesofindia.indiatimes.com/business/india->

the report of the National Transport Development Policy Committee.

Mega or major port is a port with two or more berths and facilities and equipment capable of discharging 1,00,000 tonnes of cargo per month. The committee, headed by former Reserve Bank Deputy Governor Rakesh Mohan, recommended setting up two to three (major ports) on each coast. An expert group should be set up to undertake detailed studies to identify potential location and modalities for creation of mega ports, it added.

Business Standard - 28.02.2014

http://www.business-standard.com/article/pti-stories/govt-should-invest-in-building-major-ports-panel-114022801172_1.html

Rail, coastal shipping will help cut logistics costs'

The need to bring down the high logistics costs in India by diverting freight from road to rail and coastal shipping was highlighted at a conference on Multi-Modal Logistics organised by the CII here on Wednesday.

Experts pointed out that the Indian road network was shouldering more than 60 per cent of the total domestic freight movement, leading to congestions and higher transportation cost.

The Hindu Business Line - 26.02.2014

<http://www.thehindubusinessline.com/news/states/rail-coastal-shipping-will-help-cut-logistics-costs/article5730002.ece>

Indian Oil Corporation (IOC) set to buy 10% stake in Petronas' LNG project for \$900 mn

Indian Oil Corporation (IOC) is set to buy a 10% stake in Malaysian firm Petronas' shale gas and liquefied natural gas (LNG) projects in British Columbia for \$900 million, sources said.

At a conference in Singapore on Tuesday, Shamsul Azhar Abbas, president and chief executive of Petronas, said the company had agreed to sell a 25% stake in its Canadian shale gas assets to an Indian company and an Asian gas buyer, reports said. The Malaysian firm is planning to build an LNG terminal off Canada's Pacific Coast for exporting natural gas to Asian markets.

DNA - 26.02.2014

business/Govt-panel-proposes-green-cess-on-petrol-vehicles/articleshow/31193852.cms

Nishi Vasudeva takes over as Hindustan Petroleum Corp Ltd chief

Nishi Vasudeva today became the first woman to head a blue-chip PSU when she took over as the Chairman and Managing Director of Hindustan Petroleum Corp Ltd (HPCL).

Vasudeva, who turns 58 this month, was Director (Marketing) in HPCL before replacing Subir Roy Choudhury as the head of the company. Choudhury retired yesterday on attaining the superannuation age of 60 years. Vasudeva, who had created history in July 2011 when she became the first woman ever to make to the board of cash-rich oil PSU, is also Vice President- Youth & Gender, World Petroleum Council, the company said in a statement here.

Economic Times - 01.03.2014

http://articles.economictimes.indiatimes.com/2014-03-01/news/47799538_1_subir-roy-choudhury-nishi-vasudeva-hindustan-petroleum-corp-ltd

<http://www.dnaindia.com/money/report-indian-oil-corporation-ioc-set-to-buy-10-stake-in-petronas-lng-project-for-900-mn-1965125>

D K Sarraf takes over as ONGC Chairman

Dinesh K Sarraf on Saturday took over as the new Chairman and Managing Director of Oil and Natural Gas Corp (ONGC), the nation's most profitable company. Sarraf replaced Sudhir Vasudeva, who was denied a post-retirement one-year extension of service even though Oil Minister M Veerappa Moily had strongly pitched for it.

Prior to this, Sarraf was Managing Director of ONGC's overseas arm, ONGC Videsh Ltd. Credited with reviving OVL, which had gone into a slumber following the disastrous acquisition of Russia-focused Imperial Energy in 2009, Sarraf brings to ONGC a no-nonsense approach and an eye for detail.

Economic Times - 01.03.2014

http://articles.economictimes.indiatimes.com/2014-03-01/news/47799570_1_d-k-sarraf-ongc-videsh-ltd-russia-focused-imperial-energy