

(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.)

## 'Government should divest stake in cash-rich PSUs to revive economy'

The new government should divest stake in the top 10 cash-rich PSUs to raise Rs 1 lakh crore and utilise the money to provide the much-needed push to economic growth and tide over revenue shortfall, an industry chamber said today. The new government to be formed at the Centre after the results next week of the ongoing general elections should capitalise on the buoyancy in the stock market and robust FII inflows, ASSOCHAM said.

"The new government should take advantage of robust state of the stock market helped by heavy inflow of funds from the foreign institutional investors (FIIs) and help its exchequer which faces constraint of lower tax earnings because of slowdown in economy," ASSOCHAM President Rana Kapoor said. The top 10 PSUs in which the government can divest 10 per cent or more stakes are: ONGC, Coal India, State Bank of India, NTPC, Indian Oil Corporation, NMDC, Power Grid Corporation, Bharat Heavy Electricals Ltd, GAIL (India) Ltd and Bank of Baroda.

"The new government can easily raise Rs 1 lakh crore by divesting 10 per cent or more stake in top 10 PSUs to overcome the immediate problems of budgetary revenue in the face of economic slowdown," ASSOCHAM said.

*The Economic Times - 09.05.2014*

<http://economictimes.indiatimes.com/news/economy/policy/government-should-divest-stake-in-cash-rich-psus-to-revive-economy/articleshow/34885665.cms>

## RBI may not ease rates till Jan 2015: Icria

The Reserve Bank of India (RBI) is unlikely to ease rates till early 2015 as the possibility of a below-average monsoon will make it difficult to contain inflation at the targeted 8 per cent by next January, rating agency Icria said. It, however, said that in spite of this, there will be a pick-up in GDP growth to up to 5.5 per cent in the current fiscal.

"The expectation of below-average rainfall in conjunction with the structural factors that exert stickiness on food and non-food CPI inflation would make it challenging for the RBI to contain

## Minus extra benefits, CPSE ETF loses charm

It's been a month since the Government of India off-loaded a part of its stake in state-owned companies through an exchange-traded fund (ETF); a first in India.

Goldman Sachs Asset Management Co. (India) Ltd's Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF) was launched on 18 March. Equity shares of 10 public sector units (PSUs) worth Rs.3,000 crore, which were owned by the central government, were on offer through this ETF. The fund overshot the target of Rs.3,000 crore by collecting Rs.4,400 crore and allotting units proportionately to unitholders at a price of Rs.17.45.

As it turns out, unitholders have already made a gain of 14% between the day it got listed (4 April) and 28 April. On the other hand, there is ample liquidity on the National Stock Exchange (NSE) for the ETF. Between 9 April and 25 April, on an average 360,000 units were traded daily, according to Bloomberg data. The recent run-up in the stock markets has pushed up the prices of PSUs. Since mid-February 2014, while CNX Nifty has risen 11.9%, CPSE index has risen 16.58% and CNX PSU index 40.52%, mostly in anticipation of a new strong central government.

*Live Mint - 05.05.2014*

<http://www.livemint.com/Money/1lew1hFb7PKH9gHKu09BpJ/Minus-extra-benefits-CPSE-ETF-loses-charm.html>

## Average growth in 12th Plan period may be below 6%

*Very poor performance in manufacturing is one of the reasons for the slowing growth*

Marred by domestic and external problems, the Indian economy's annual average growth rate may not exceed 6% during the 12th Five-Year Plan (2012-17), compared with the target of 8%. "Latest estimates worked out by the Planning Commission reveal that it will be difficult to achieve an annual average growth rate of more than 6% during the 12th Plan period," a source said.

CPI inflation below 8 per cent by next January," the rating agency said on Thursday. Therefore, "the most likely scenario" is an extended pause for policy rates and monetary easing will be delayed until, at least, early 2015, the agency added.

"GDP growth will improve somewhat to 5-5.5 per cent in FY15, factoring in a mild improvement in manufacturing growth and a pick-up in investments from the second half of the fiscal," it said. It can be noted that according to official estimates, GDP growth in FY14 is expected to come in at 4.9 per cent, up from 4.5 per cent in FY13, Icra said.

*Business Today - 01.05.2014*

<http://businesstoday.intoday.in/story/rbi-may-not-ease-rates-till-jan-2015-icra/1/205752.html>

### **Indicators poor, but India is hopeful**

After a continued to decline in manufacturing output, the services sector activity contracted for 10th straight month in April. Despite the dismal numbers, the hope appears to be buzzword for businessmen, traders, CFOs and analysts. According to HSBC, Purchase Managers Index for services in India is still below 50 points — the red line which hints at the contraction. However, it rose to 48.5 in April from 47.5 in March, but was still below the 50-mark.

The services sector accounts for around 60 per cent of India's GDP. HSBC pinned hope on the new government to improve the sentiments. It said that the weak growth is the result of the lingering structural constraints, which may only be lifted very gradually after the elections. Chief financial officers, however, are quite optimistic about an improvement in the overall macro-economic conditions, despite overall bad macro numbers. According to a survey done by Dun & Bradstreet, around 44 per cent of the chief financial officers (CFOs) expect liquidity position of their company to increase and around 45 per cent expect availability of funds in the market to improve.

*Deccan Chronicle - 07.05.2014*

<http://www.deccanchronicle.com/140507/business-latest/article/indicators-poor-india-hopeful>

### **British Airways launches visa-linked offer for travelers**

After Indian carriers wooed the travellers with discounted fares, it is now the turn of foreign player British Airways (BA) to launch an offer which allows customers avail a discount that equals the cost of their six-month UK visa. The offer is valid for tickets booked till June 30 for outbound travel. Journey under the offer can be undertaken by December 31, British Airways said

The forecasts are being worked out in view of the ongoing process for preparing a draft note for the mid-term appraisal of the 12th Plan, the source said. According to him, the very poor performance in manufacturing is one of the reasons for the slowing growth, apart from lower exports and other global factors. During the April-February period of 2013-14, the index of industrial production (IIP), a measure of factory activity, declined 0.1% compared with a meagre growth of 0.9% in the corresponding period of 2012-13.

*Business Standard - 12.05.2014*

[http://www.business-standard.com/article/economy-policy/average-growth-in-12th-plan-period-may-be-below-6-114050400139\\_1.html](http://www.business-standard.com/article/economy-policy/average-growth-in-12th-plan-period-may-be-below-6-114050400139_1.html)

### **SCOPE mulls Singapore-style holding company model for PSUs**

With public sector undertakings (PSUs) facing stiff competition from private players, companies under the Standing Conference of Public Enterprises (SCOPE) are formulating steps for functional autonomy for higher growth and profits. CS Verma, Chairman of SCOPE as well as of SAIL, explains to Business Line SCOPE's plans to put together a growth strategy for PSUs.

How has been the performance of PSUs so far?

Currently there are 229 (public sector) companies operating in different spheres. They offer direct employment to 1.4 - 1.5 million people and their combined turnover is equivalent to 20 to 24 per cent of the country's GDP. During FY13, the net profit of these companies stood at ₹1.15 lakh crore, net worth was ₹8.67 lakh crore while investments were to the order of ₹8.51 lakh crore. These central public sector enterprises have made a contribution of ₹1.63 lakh crore during FY13 to the Central exchequer. Having said this, not all companies are doing well.

*Hindu Business Line - 07.05.2014*

<http://www.thehindubusinessline.com/companies/scope-mulls-singaporestyle-holding-company-model-for-psus/article5986327.ece>

### **Real time tracking of all passenger and cargo flights made mandatory**

The DGCA has issued guidelines to all flight operators making real time tracking of all aircraft that carry passengers and cargo mandatory. The ACARS or Aircraft Communications Addressing and Reporting System/Automatic Dependent Surveillance - Broadcast (ADS-B) will be used for this purpose. This will significantly help in search

in a release here.

The offer is valid only for visas issued on or post April 8. Passengers have the flexibility to obtain longer term visas but the maximum amount that can be reimbursed by British Airways will be Rs 8,400, the release said. The UK carrier currently operates 48 flights a week from London Heathrow to Delhi, Mumbai, Chennai, Bangalore and Hyderabad. Globally, it has a network of 170 destinations spread across 75 countries.

*Business Standard - 06.05.2014*

[http://www.business-standard.com/article/pti-stories/british-airways-launches-visa-linked-offer-for-travellers-114050601126\\_1.html](http://www.business-standard.com/article/pti-stories/british-airways-launches-visa-linked-offer-for-travellers-114050601126_1.html)

### **AirAsia all set to fly in India; first flight slated for July**

With AirAsia getting an operating permit from the Directorate General of Civil Aviation on Wednesday, the new carrier is set to start operations by July, report the Bureaus in Mumbai and New Delhi. In the process, it becomes the first airline to enter the domestic market under the government's new policy unveiled in September 2012 allowing foreign carriers to have up to 49% stake in Indian airlines.

"We have granted the Air Operator's Permit (AOP or flying licence) to AirAsia India, subject to the final decision of the high court and that is under the directions of the Supreme Court," DGCA chief Prabhat Kumar said.

*The Financial Express - 08.05.2014*

<http://www.financialexpress.com/news/airasia-all-set-to-fly-in-india-first-flight-slated-for-july/1248442>

### **SpiceJet announces 25% discount on family travel**

Taking a cue from its competitor IndiGo, no-frill carrier SpiceJet today announced up to 25% discount on tickets for four or more passengers travelling together on domestic flights. Under the 'Friends and Family' offer, four to nine air travellers can travel together on domestic routes and get a discount of up to 25% on the base fare. However, a limited number of seats were available under the offer on each flight.

In a statement, the airline gave the instance of travel on the Delhi-Mumbai sector for tomorrow, saying that instead of Rs 44,088 for four passengers flying together, they would have to pay Rs 36,368 under this scheme. Spicejet has consolidated its base fare by including fuel surcharge in it.

*Business Standard - 09.05.2014*

<http://www.business->

and rescue operations.

During the past five years, there have been two occasions when large commercial transport aircraft went missing and their last position was not accurately known. While commercial air transport aircraft spend considerable amount of time operating over remote areas, there is currently no international requirement for real time tracking of the aircraft.

*IBN Live - 06.05.2014*

<http://ibnlive.in.com/news/real-time-tracking-of-all-passenger-and-cargo-flights-made-mandatory/470196-3.html>

### **Singapore Airlines announces 10 per cent discount on premium ticket**

Singapore Airlines, which plans to start the Airbus A380 operations to India from May 30, announced special fares for premium seats and bonus frequent flyer miles to mark the launch of the superjumbo flights in the country.

As part of the launch offer, the PPS Club - the frequent flyer club for Singapore Airlines' premium passengers, will get a 10% discount on the 'Suites' ticket on the Airbus A380. 'Suites' is Singapore Airlines' first class product on the A380 which offers full bed in addition to other amenities. The offer is for tickets purchased between May 1 to May 15 for travel between June 1 and July 15.

*The Economic Times - 07.05.2014*

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/singapore-airlines-announces-10-per-cent-discount-on-premium-tickets/articleshow/34785286.cms>

### **Foreign Tourist Arrivals Show a Growth of 11.5% in April 2014 over April 2013**

Foreign Tourist Arrivals (FTAs) in April, 2014 was 5.04 lakh which was 4.52 lakh in April, 2013 with a growth of 11.5%. Foreign Exchange Earnings (FEEs) from tourism in Rupees terms in April, 2014 were Rs.8,909 crore in comparison to Rs.7,252 crore in April, 2013.

Foreign Tourist Arrivals (FTAs): FTAs during the Month of April 2014 were 5.04 lakh as compared to FTAs of 4.52 lakh during the month of April 2013 and 4.48 lakh in April 2012. There has been a growth of 11.5% in April 2014 over April 2013 as compared to a growth of 1.0% registered in April 2013 over April 2012.

*Business Standard - 09.05.2014*

<http://www.business->

[standard.com/article/companies/spicejet-announces-25-discount-on-family-travel-114050901304\\_1.html](http://standard.com/article/companies/spicejet-announces-25-discount-on-family-travel-114050901304_1.html)

## **Investment boom in the ports sector tell a good tale of growth**

There is a veritable investment boom in the ports sector. Reports say that revised tariff norms and attendant policy reform in the past one year have led to a smart, threefold rise in investment in port projects underway, from that in the previous year. And for the 2013-14 fiscal, ongoing harbour and berth projects add up to over 217 million tonnes per annum, the highest ever in what is a crucial sector in a fast-globalising economy. It is true that the turnaround time in Indian ports remains far greater than in major ports in other parts of the world, but bridging the infrastructure deficit at our major ports should change this for the better.

The point also is that it is entirely possible to tide over faltering investment and funds flow by focused policy intervention. Note that the earlier port tariff guidelines did not quite provide for a level playing field and competitive entry for potential investors. This has changed with the new tariff regime, which makes user charges essentially market linked; it has raised investor interest and consequent bidding for port projects.

*The Economic Times - 06.05.2014*

<http://economictimes.indiatimes.com/opinion/editorial/investment-boom-in-the-ports-sector-tell-a-good-tale-of-growth/articleshow/34706397.cms>

## **Shipping firms hope freight market will improve after July**

Shipping companies had to navigate a sedate freight market in the last three months after experiencing some spikes in the tanker and dry bulk rates during the December-January period.

Earnings pressure: Shrinking trade volumes, especially those from China, and the glut in the shipping tonnage due to addition of new vessels led to the fall in freight rates. "We expect the markets to pick up from the current low levels after July-August, as there are indications that Chinese export-import trade could gather some momentum," says AR Ramakrishnan, Managing Director of Essar Shipping. Last quarter earnings will thus be under pressure for most shipping companies, especially those which have substantial presence in the spot market, where rates were lower than long-term charter rates, analysts say.

*The Hindu Business Line - 06.05.2014*

<http://www.thehindubusinessline.com/economy/shipping-firms-hope-freight-market-will-improve-after-july/article5982982.ece>

[standard.com/article/news-cm/foreign-tourist-arrivals-show-a-growth-of-11-5-in-april-2014-over-april-2013-114050900590\\_1.html](http://standard.com/article/news-cm/foreign-tourist-arrivals-show-a-growth-of-11-5-in-april-2014-over-april-2013-114050900590_1.html)

## **Cargo traffic at 12 major ports up by 8.9% in April**

Cargo traffic at 12 major ports in the country recorded an increase of 8.90% at 47.37 million tonnes (MT) during April as against a year-ago period. The cargo handled by 12 major ports stood at 43.50 MT in 2012-13. Kandla port handled the highest 6.94 MT traffic during February, followed by 6.41 MT cargo by Paradip Port and 5.42 MT by Jawaharlal Nehru port, as per the data by Indian Ports Association (IPA). Mumbai port recorded 5.05 MT traffic while Visakhapatnam Port received 5.01 MT cargo and Chennai Port 4.39 MT traffic.

These ports had handled 555.50 MT cargo in 2013-14 recording a marginal increase of 1.78% over the previous year. The cargo handled by these ports stood at 545.79 MT in 2012-13. The present capacity of major ports is only about 700 MT, while the Maritime Agenda of the Ministry has fixed a target of 3,130 MT capacity addition by 2020.

*Business Standard - 06.05.2014*

[http://www.business-standard.com/article/economy-policy/cargo-traffic-at-12-major-ports-up-by-8-9-in-april-114050600979\\_1.html](http://www.business-standard.com/article/economy-policy/cargo-traffic-at-12-major-ports-up-by-8-9-in-april-114050600979_1.html)

## **No penalty if minimum balance not kept in dormant bank account**

The Reserve Bank of India has asked banks not to penalise account holders for not maintaining minimum balance in their inoperative accounts. The banking regulator had announced its intention in a recent policy statement. "It is advised that henceforth banks are not permitted to levy penal charges for non-maintenance of minimum balances in any inoperative account," RBI said in a circular issued to all commercial banks.

The central bank had said that it proposes to frame comprehensive consumer protection regulations based on domestic experience and global best practices in its annual policy statement in April. "Banks should also not take undue advantage of customer difficulty or inattention," said the governor's policy statement.

*Economic Times - 07.05.2014*

<http://economictimes.indiatimes.com/industry/banking/finance/banking/no-penalty-if-minimum-balance-not-kept-in-dormant-bank-account/articleshow/34742879.cms>

## **Bombay High Court says Sebi can seek call data, but must act with care**

The Securities and Exchange Board of India (Sebi) can seek call data records of any person against whom an investigation is being carried out from telecom service providers (TSPs), according to a Bombay High Court ruling. The court said although the capital market regulator is empowered to call for information from persons associated with the securities market under the Sebi Act, it must exercise caution as this power is capable of misuse and can violate a person's right to privacy.

"...it is made clear that such a power cannot be exercised by Sebi for conducting a fishing enquiry. It cannot be a blanket power to hunt out information without any pending inquiry or investigation. This power can only be exercised by Sebi in respect of any person against whom any investigation or inquiry is being conducted," the court said. "Further, such information can be called for only by an officer duly authorised by Sebi to call for information with regard to call data records from the telecom service provider," it said.

*Economic Times - 06.05.2014*

<http://economictimes.indiatimes.com/markets/regulation/bombay-high-court-says-sebi-can-seek-call-data-but-must-act-with-care/articleshow/34705827.cms>

## **Delhi most polluted city in the world : WHO**

Delhi is the most polluted city in the world, says a study released by World Health Organisation (WHO) on Wednesday. The 2014 report of the Ambient Air Pollution (AAP) database contains results of outdoor air pollution monitoring from almost 1600 cities in 91 countries.

The national capital has the highest concentration of PM2.5 — particulate matters less than 2.5 microns— form of air pollution, which is considered most serious and can cause respiratory diseases and other health problems. The situation is so bad in Delhi that its air has PM2.5 concentrations of 153 micrograms and PM10 concentrations of 286 micrograms—much more than the permissible limits, says the WHO.

In comparison, Beijing, which was once considered one of the most polluted cities, has PM2.5 concentration of 56 micrograms and PM10 concentration of 121 microgrammes.

*The Indian Express - 07.05.2014*

<http://indianexpress.com/article/cities/delhi/delhi-most-polluted-city-in-the-world-who/>

## **President to dedicate indigenous card payment network 'RuPay'**

President Pranab Mukherjee will dedicate India's own card payment network 'RuPay' to the nation here on Thursday. The RuPay card is accepted at all ATMs (1.6 lakh plus), 95 per cent of PoS terminals (9.45 lakh plus) and most of the eCom merchants (about 10,000) in the country, an official statement said.

A variant of the card called 'Kisan Card' is now being issued by all the public sector banks in addition to the mainstream debit card which has been issued by 43 banks. A variant of pre-paid RuPay card would shortly be launched by IRCTC. More than 150 cooperative banks and the regional rural banks (RRBs) have also issued RuPay ATM card. The total number of cards issued as on date is 17 million and is growing at a rate of about 3 million per month, the statement added. RuPay, a new card payment scheme, is the coinage of two terms Rupee and Payment.

*Times of India - 07.05.2014*

<http://timesofindia.indiatimes.com/business/india-business/President-to-dedicate-indigenous-card-payment-network-RuPay/articleshow/34785460.cms>