

(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.)

Govt issues fresh guidelines for appointments in CPSEs

The government today issued fresh set of guidelines to ensure that board level vacancies in Central Public Sector Enterprises (CPSEs) were filled in time.

In case of regular vacancies, the advertisement needs to be published one year before the expiry of tenure of an incumbent in a CPSE by Public Enterprises Selection Board (PESB). A time limit of 60 days has been fixed for receiving application by PESB, as per the guidelines issued by the Department of Personnel and Training (DoPT).

The PESB's recommendation should be available with the administrative ministry within six months from the expiry of tenure of the incumbent, they said. The administrative ministry has been given 10 days' time to submit their proposal to the Establishment Officer in this regard, the guidelines said. Any unanticipated vacancies in the CPSEs must be reported to PESB immediately, the guidelines said adding that PESB recommendation for such postings must be made available with the administrative ministry within four months' time.

Business Standard - 31.07.2014

http://www.business-standard.com/article/pti-stories/govt-issues-fresh-guidelines-for-appointments-in-cpses-114073101600_1.html

Economic slowdown leads to mounting of bad loans of PSU banks

Finance minister Arun Jaitley said the non-performing assets (NPAs) of PSU banks have mounted due to economic slowdown even as recovery increased to Rs 33,486 crore in 2014. The minister said bad loan amount in the last fiscal has mounted to Rs 2,45,809 crore from Rs 1,83,854 crore in 2012-13 and Rs 1,37,102 crore in 2011-12.

"NPAs have increased as the economy of the country has slowed down in the last two years," he said during Question Hour in Lok Sabha. Jaitley said the total gross NPA ratio has gone up to 4.03 percent in 2013-14 from 3.42 percent in 2012-13 and 2.94 percent in 2011-12. India's economy has been reeling under tremendous pressure to post a positive growth rate for the last two consecutive

Finance Ministry Prefers Offer for Sale Route for Disinvestment: Report

Gearing up to meet the Rs. 43,000 crore disinvestment target, the Finance Ministry has decided to go in for the offer for sale (OFS) route to sell government stake in the state-owned companies starting with SAIL in September. The OFS is the most preferred route for stake sale and has evoked good response from investors and hence the government has decided to stick to it, sources said. Efforts, they said, are being made to increase retail participation in the OFS from the current 10 per cent.

The Department of Disinvestment (DoD) and the Finance Ministry's capital market division are in talks with market regulator Securities and Exchange Board of India (Sebi) in this regard. A 35 per cent retail quota has been earmarked for every issue undertaken through follow-on public offer (FPO). Sources said the ministry is of the view that since the FPO route takes about 3-4 months for all regulatory clearances, the OFS route would be better as the exercise is completed within 15 days to one month for launching the issue.

NDTV Profit - 28.07.2014

<http://profit.ndtv.com/news/corporates/article-finance-ministry-prefers-offer-for-sale-route-for-disinvestment-report-595017>

PM Modi Launches Portal for Citizens to Contribute to Governance

Prime Minister Narendra Modi today launched a website MyGov that aims to help citizens contribute in governance by giving their opinions and views on important issues like clean river Ganga or skill development. The inauguration of the people-centric platform also marks the completion of 60 days of the new government.

The Prime Minister said that in the past 60 days, the experience of his government was that there were many people who wanted to contribute towards nation-building and devote their time and energy, an official statement said. MyGov (mygov.nic.in) is a technology-driven medium that will provide citizens an opportunity to contribute towards good

financial years. Jaitley said many industries have suffered losses in the last two years leading to their inability to repay the loans.

Indian Public Sector - 02.08.2014

<http://www.indiapublicsector.com/2014/08/economic-slowdown-leads-to-mounting-of.html>

SpiceJet displaces Air India to become third-largest carrier

Firm's share increased to 19% in June, while Air India's share closed at 18.5%; IndiGo maintained its lead with 31.6% market share. Budget carrier SpiceJet's aggressive move to expand its share in June on the back of persistent offering of discounts on fares, helped the airline company race ahead of the national carrier Air India to snatch the third spot.

As per the data by Directorate General of Civil Aviation (DGCA), SpiceJet's market share increased by 1.1% (month-on-month) to 19% in June from 17.9% in May, ahead of Air India, which closed at 18.5%. IndiGo maintained its lead with 31.6% market share during the month.

DNA - 29.07.2014

<http://www.dnaindia.com/money/report-spicejet-displaces-air-india-to-become-third-largest-carrier-2006144>

SpiceJet, Jet Airways start another airfare war

Even as the aviation regulator has been frowning upon the unsustainable fare war, Jet Airways Group today announced up to 50 per cent discounts, with SpiceJet following suit. The Jet offer for pan-India sales begin as low as Rs 1,499 on all its economy class domestic networks.

"Flyers will be able to enjoy substantial discount of up to 50 percent on the base fare and fuel surcharge, across all direct destinations on the airlines' domestic networks," Jet Airways senior vice-president Gaurang Shetty said. The four-day special fare offer from Jet will be open from August 1 to 4, with travel effective from September 1, onwards for all Jet group flights. The SpiceJet offer opens on August 1 and will run up to August 4, for travel between September 1 and December 15.

The Financial Express - 01.08.2014

<http://www.financialexpress.com/news/spicejet-jet-airways-start-another-airfare-war/1275465>

Online rail ticket bookings grew 12% in FY14

Booking rail tickets online is fast catching up in India. The Railways has recorded a growth of

governance, the statement added.

NDTV - 26.07.2014

<http://www.ndtv.com/article/india/pm-modi-launches-portal-for-citizens-to-contribute-to-governance-565635>

Carriers 'hoarding' seats may have to finally give them up

Indian carriers that are not utilising the seats allocated to them in the international sector, may have to surrender them, as the civil aviation ministry plans to review all bilateral entitlements and take back unutilised seats from airlines for disbursement.

"There are various sectors where international carriers are utilising their share of seats under bilateral entitlements, but our carriers do not utilise even when they have been allocated. This is not justifiable since we as a country are losing out due to hoarding by certain Indian carriers," said a civil aviation ministry official.

The Economic Times - 30.07.2014

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/carriers-hoarding-seats-may-have-to-finally-give-them-up/articleshow/39288504.cms>

Travel sector gears up for domestic tourism

It's a problem of plenty hemmed in by the inability to exploit the available opportunities. The exponential growth in the domestic tourism market has opened many avenues for the travel trade sector, which sees scope for good business in the coming days. Not wanting to be left out, the Travel Agents Federation of India has planned to work out a strategy to help tap the huge domestic tourism market potential for its members.

India had received over 69.7 lakh foreign tourists during 2013 while 1.663 crore Indians set out to explore exotic foreign destinations during the same year. The foreign exchange earnings through tourism for the country last year was pegged at a whopping Rs 1,07,671 crore.

Deccan Chronicle - 04.08.2014

<http://www.deccanchronicle.com/140804/nation-current-affairs/article/travel-sector-gears-domestic-tourism>

Govt to review crude oil sourcing norms of PSUs

India, with an annual oil import bill of nearly \$150 billion, would do anything to reduce this

close to 12 per cent in online ticket bookings, compared with a muted growth of below 1 per cent in offline bookings. The Indian Railways Catering and Tourism Corporation (IRCTC), the online ticket portal for the Railways, booked 15.7 crore e-tickets in 2013-14, up 11.7 per cent growth against over 14 crore online tickets booked in 2012-13.

Offline ticket reservation, which still caters to the bulk of rail passengers, logged bookings of over 46 crore. However, the growth in this segment was a mere 0.9 per cent, according to Indian Railways data. The share of online train bookings has gone up to 47-48 per cent in 2013-14 against 43-44 per cent last year, said Sunil Kumar, Group General Manager-IT, IRCTC, adding that the portal sold tickets worth Rs 15,700 crore. The average revenue per ticket is Rs 1,000, he added.

"The online booking portal has 3.7 crore registered users, of which 2.4 crore are active," he said. IRCTC defines active users as those who log into the system every six months and usually book a ticket.

The Hindu Business Line - 03.08.2014

<http://www.thehindubusinessline.com/industry-and-economy/logistics/online-rail-ticket-bookings-grew-12-in-fy14/article6277334.ece>

Tide Water Oil inks JV pact with Japan's JX Nippon Oil

Tide Water Oil (India), one of the leading lubricant manufacturers in India and known for its Veedol brand of lubricants, has signed an agreement with Japan's JX Nippon Oil & Energy Corporation to form a 50:50 JV firm - JX Nippon TWO Lubricants India - in India, on July 22, 2014.

The JV will be responsible for selling, marketing, distributing and manufacturing the ENEOS brand of lubricants in India, Nepal, Bangladesh and Bhutan apart from catering to the Genuine Oil requirements of, mainly, the Japanese and Korean original equipment manufacturers in the automotive and industrial segments. The JV will leverage the capabilities of both its parent companies the technical know-how of JX Nippon Oil and the distribution strength of Tide Water Oil to consolidate market share in the Indian lubricant market, the statement said.

Business Standard - 23.07.2014

http://www.business-standard.com/content/b2b-manufacturing-industry/tide-water-oil-inks-jv-pact-with-japan-s-jx-nippon-oil-114072401639_1.html

burden. The Ministry of Petroleum and Natural Gas is now taking a step in this direction. After a gap of almost 13 years it is reviewing the norms for crude oil sourcing by public sector oil refiners.

According to industry estimates, by just correcting the existing sourcing norms, every dollar saved by the PSUs would shave almost \$450 million from the import bill. Constrained by Government norms, Indian Oil Corporation, Hindustan Petroleum Corporation and Bharat Petroleum Corporation end up buying crude oil at higher prices vis-à-vis their private sector counterparts.

PSU refiners are not allowed to negotiate with suppliers unlike their private sector counterparts. Neither can they procure distress cargo. They can buy their crude oil only from those multinational companies identified in the guidelines. "The Government is working on amending the norms ... even if a dollar is saved it makes a huge difference to the country's import bill," said a senior Ministry official.

The Hindu Business Line - 03.08.2014

<http://www.thehindubusinessline.com/economy/govt-to-review-crude-oil-sourcing-norms-of-psus/article6277588.ece>

Dharmendra Pradhan defends oil PSUs after CAG rap

With CAG castigating state-owned fuel retailers for overcharging customers by Rs 26,626 crore in five years, Oil Minister Dharmendra Pradhan today defended the PSUs saying they had absorbed Rs 28,680 crore in losses on fuel sales in the same period.

The Comptroller and Auditor General of India (CAG) in its latest report stated that Indian Oil Corp (IOC), Hindustan Petroleum Corp (HPCL) and Bharat Petroleum Corp (BPCL) overcharged customers by Rs 26,626 crore from 2007-08 to 2011-12 by charging notional levies like customs duty on fuel they sold. Pradhan defended the pricing methodology followed by oil firms of calculating the desired retail price in a manner as if the product was imported - adding customs duty, freight, insurance, ocean loss and wharfage charge to prevailing international price of petrol, diesel, LPG or kerosene.

Economic Times - 31.07.2014

http://articles.economictimes.indiatimes.com/2014-07-31/news/52284917_1_customs-duty-cent-import-duty-indian-oil-corp

Major ports to double capacity in next 5 years, says Nitin Gadkari

Union Shipping Minister Nitin Gadkari today said India's 12 major ports will double their cargo handling capacity to 1,600 million tonnes per annum (MTPA) in the next five years. "India plans to double the ports' capacity from the current 800 MT to 1,600 over the next five years," Gadkari said in an official release. Gadkari was speaking at a review meeting on the port sector attended by chiefs of all the 12 state-run major ports.

The Economic Times - 28.07.2014

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/major-ports-to-double-capacity-in-next-5-years-says-nitin-gadkari/articleshow/39179015.cms>

Government planning to convert 12 of 13 Union govt-owned ports into companies

The National Democratic Alliance (NDA) government is planning to convert 12 of the 13 ports owned by the Union government into companies to improve efficiency and competitiveness. The ports currently operate as trusts. The shipping ministry has initiated the process for appointing a consultant for corporatization of ports, a spokesman for the ministry said.

"We are planning to seek cabinet approval by March 2015 to enable corporatization of ports through amendments to the Major Port Trusts Act," he added. Currently, 12 of the 13 ports controlled by the Union government are run as trusts under a law framed about five decades ago, called the Major Port Trusts Act, 1963. Ennore Port in Tamil Nadu is the only exception. Ennore Port Ltd was formed as a company under the Companies Act, 1956, when it was opened in 2001. The 13 ports together account for some 52% of India's external trade shipped by sea. In the year to March 2014, these ports together loaded 555 million tonnes of cargo.

Live Mint - 31.07.2014

<http://www.livemint.com/Politics/1bNWZWafvfvLyVywQK6vvJ/Government-planning-to-convert-12-of-13-ports-into-companies.html>

Govt-owned ports may form company to build rail links

The shipping ministry is weighing a plan to set up a company exclusively to implement rail connectivity projects to ports owned by the Union government, at least two people familiar with the plan said. Under the plan, all these 12 ports will contribute equity capital of Rs.2-3 crore each in the company, the chairman of such a port located on India's western coast and one of the two people mentioned said. The company will have an authorized capital of Rs.100 crore and a paid-up capital of Rs.55 crore.

Live Mint - 29.07.2014

<http://www.livemint.com/Politics/xZli3NwNgIHwqYk9oWNbWK/Govtowned-ports-may-form-company-to-build-rail-links.html>

Public-private-partnership port projects worth Rs 30,221 crore under implementation

The government today said 44 projects worth Rs 30,221 crore are under implementation under public-private-partnership (PPP) mode in the ports sector. "Forty-four projects worth Rs 30,220.78 crore are at different stages of completion" under PPP mode in the ports sector, Minister of State for Shipping Krishanpal Gurjar told Lok Sabha in a written reply.

He said the government had taken a total of 72 projects for the sector under PPP mode and of these 28 projects of Rs 8,945.86 crore have completed. India has 12 major ports - Kandla, Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Ennore, V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia) which handle approximately 61 per cent of the country's total cargo traffic.

The Economic Times - 31.07.2014

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/public-private-partnership-port-projects-worth-rs-30221-crore-under-implementation/articleshow/39365633.cms>