

(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 plans asset reconstruction like company to revive or sell sick public sector units

The government plans to set up a company on the lines of an asset reconstruction firm that will have the mandate to revive or sell sick state-run enterprises. A senior official told ET that the company will be funded by cash surplus public sector units. "The new approach will weed out those companies which are not financially viable," the official said.

"The rest can be taken by these PSUs as per the strategic advantages these sick companies may have to offer." The heavy industry ministry is of the view that an independent firm will be better equipped to assess the viability of a company. "So, if it is decided that a particular company is not fit for revival, its administrative ministry may take a call to keep it or go for any form of stake sale," a ministry official said.

The Economic Times - 06.08.2014

<http://economictimes.indiatimes.com/news/economy/policy/government-plans-asset-reconstruction-like-company-to-revive-or-sell-sick-public-sector-units/articleshow/39714090.cms>

Profit, not turnover to decide stable terms: Govt to tell 100 PSU chiefs

The terms of the chiefs of top 100 public sector corporations will be based on their record of showing profits instead of just expanding their turnover, according to a plan drafted by the government. The plan also entails slashing a number of other public sector units by merging them with the viable ones or closing them, eventually.

The Prime Minister's Office has instructed the 25 ministries across which these 100 companies are located to send details of their performance under the current chief executives. The re-organisation of the public sector space is meant to make them operate on a scale where they can take on global competition effectively. The ministries have been asked to show whether the chiefs have only expanded the top line of these companies without any commensurate rise in their bottom lines.

The Indian Express - 05.08.2014

<http://indianexpress.com/article/business/business>

Riding on PSU ETF success, govt to launch second such fund in FY15

Buoyed by the good response from investors to the public sector units' exchange traded fund (PSU ETF) launched in FY14, the government is looking to come out with a similar ETF this fiscal. The finance ministry has roped in ICICI Securities to prepare a report on the feasibility, size and the basket composition of the ETF, government officials told FE, adding the new fund could include PSUs which were not part of the previous one.

"ICICI Securities is advising the disinvestment department on the matter. As of now, the size and the basket composition has not been decided. ICICI is expected to submit a report soon. Once we take that into consideration, we will prepare a note to send to Cabinet on a second PSU ETF," a senior finance ministry official said.

The Financial Express - 08.08.2014

<http://www.financialexpress.com/news/riding-on-psu-etf-success-govt-to-launch-second-such-fund-in-fy15/1277518>

Private persons cannot be hired for CPSEs: Government

Private sector applicants cannot be hired for board-level posts in Central Public Sector Enterprises (CPSEs), the government said today.

As per rules, Public Enterprises Selection Board (PESB) is responsible for selection and placement of personnel in the posts of Chairman, Managing Director or Chairman-cum-Managing Director and Functional Director as well as in posts at any other level as may be specified by the government.

"At present, applicants working in private sector are not eligible to apply to board-level posts in any CPSE," Minister of State for Personnel, Public Grievances and Pensions Jitendra Singh told Rajya Sabha in a written reply.

The Economic Times - 07.08.2014

<http://economictimes.indiatimes.com/jobs/priv>

[s-others/profit-not-turnover-to-decide-stable-terms-govt-to-tell-100-psu-chiefs/](#)

41 central public sector enterprises failed to comply with CSR norms in 2012-13: CAG

Forty one central public sector enterprises, having annual profit of at least Rs 10 crore, failed to comply with government's spending norms on social welfare activities during 2012-13 fiscal, apex auditor CAG said today. A review of the CSR budget/expenditure by the CPSEs during 2012-13 was conducted in respect of 103 central public sector enterprises (CPSEs) with profit of above Rs 10 crore. "Out of the 103 CPSEs, 41 CPSEs did not comply with the DPE guidelines in terms of the minimum CSR budget/expenditure. The compliance was not satisfactory in case of CPSEs earning profit between Rs 10 crore and Rs 500 crore, as 29 out of 65 CPSEs failed to comply with the guidelines".

"Out of 38 CPSEs with profit of more than Rs 500 crore, 12 CPSEs did not comply with the minimum requirement," the Comptroller and Auditor General (CAG) said in a report. Under the new Companies Act, certain class of profitable entities are required to shell out at least two per cent of their three-year annual average net profit towards Corporate Social Responsibility (CSR) activities.

Economic Times - 04.08.2014

http://articles.economictimes.indiatimes.com/2014-08-04/news/52428272_1_cpse-csr-guidelines-csr-norms

Sebi talks tough on Oct 1 deadline for new corporate governance norms

With less than two months to go for implementation of the new corporate governance norms, Securities and Exchange Board of India (Sebi) has warned India Inc to comply or face the music. The capital markets regulator has ruled out extension of the October 1 deadline. Nearly 1,000 companies are yet to comply with some or the other provision of the corporate governance norms.

U K Sinha, the chairman of Sebi, hinted on Monday that it would act against non-compliant companies as briskly as it did last year against those which'd failed to meet the 25 per cent minimum public shareholding requirement. "We passed an order against non-compliant companies a day after the deadline for meeting the minimum public shareholding norms got over. That should indicate our seriousness over compliance issues," he said.

Business Standard - 04.08.2014

<http://www.business-standard.com/article/markets/sebi-talks-tough-as->

[ate-persons-cannot-be-hired-for-cpses-government/articleshow/39814786.cms](#)

Govt expects PSEs to meet high standards in CSR: Radhakrishnan

Asking public sector enterprises to weave their CSR activities around long-term sustainable development, the government has said state-run units should earmark more resources towards areas like health, education, drinking water and skill development.

"Our government encourages and expects PSEs to meet high standards in CSR and discharge their responsibilities in a planned manner. Their approach towards CSR planning should be based on long term sustainable development," MoS Heavy Industries & Public Enterprises P Radhakrishnan said at a function organised by public sector body SCOPE.

"I appeal to PSEs to further leverage your CSR efforts in the area of health, education, drinking water, skill development etc. For underprivileged and marginalized persons so as to develop our society, economically socially and environmentally," he added.

Business Standard - 10.08.2014

http://www.business-standard.com/article/pti-stories/govt-expects-pses-to-meet-high-standards-in-csr-radhakrishnan-114081000132_1.html

Oil PSUs seek subsidy of Rs 13,410 cr for Q1 FY15

The oil companies have sought a subsidy of around Rs 13,140 crore for the first quarter of the current financial year 2014-15. The demand has been raised on an urgent basis towards under recovery of oil marketing prices. According to official sources, the first quarter results for the oil marketing companies are due any time and thus these payments are under serious consideration of the Finance Ministry.

The total under recovery for the first quarter is around Rs 28,690 crore, out of which the upstream contribution from oil exploration companies are at Rs 15,546 crore. Public sector oil marketing companies (PSU OMCs) last week had decided to increase retail diesel price by Rs 0.50 a litre and cut retail petrol prices by Rs 1.09 a litre. The under-recoveries for the financial year 2014-15 are projected to be Rs 91,665 crore while the figure was Rs 1,39,869 crore in 2013-14.

Business Standard - 06.08.2014

<http://www.business->

[deadline-for-governance-norms-nears-114080401010_1.html](http://www.economicstimes.indiatimes.com/industry/energy/oil-gas/india-to-be-developed-as-a-refinery-hub-government/articleshow/39614056.cms)

India to be developed as a refinery hub: Government

India refines more oil than the domestic requirement and the government seeks to develop the country as a refinery hub, Lok Sabha was informed today. Petroleum Minister Dharmendra Pradhan said domestic requirement is 160 MMT, while India refines 215 MMT.

He said it helps the country earn foreign exchange. Pradhan said the country also seeks to fulfil the need of SAARC countries and other developing economies. He said while some Gulf countries produce crude, they lack refining capacity. This, he said, has led to a situation where crude is cheaper while refined product is costly in those countries. The Minister was responding to a supplementary on country reaching a saturation point in refined oil production. He said while several companies have applied for refinery in the private sector, Essar and Reliance have been contributing to the country's refinery production.

The Economic Times - 04.08.2014

<http://www.economicstimes.indiatimes.com/industry/energy/oil-gas/india-to-be-developed-as-a-refinery-hub-government/articleshow/39614056.cms>

India Passenger Traffic Increases by 4.2 Per Cent: International Aviation Body

India's domestic passenger traffic grew by 4.2 per cent in June as compared to the corresponding period of last year, aviation body International Air Transport Association (IATA) said today. According to IATA, revenue passenger kilometres (RPKs) which measures actual passenger traffic grew by 4.2 per cent in the period under review.

"Growth in India so far this year has been at two percent. Although there is positive sentiment toward the new government, inflation is high and consumer demand remains constrained," IATA said in its passenger market analysis.

The domestic available seat kilometres (ASK) which measures available passenger capacity grew by 7.1 per cent, while passenger load factor stood at 73.1 per cent.

NDTV - 07.08.2014

<http://www.ndtv.com/article/india/india-passenger-traffic-increases-by-4-2-per-cent-international-aviation-body-571881>

[standard.com/article/companies/oil-psus-look-for-subsidy-of-rs-13-410-cr-for-q1-fy15-114080600844_1.html](http://www.business-standard.com/article/companies/oil-psus-look-for-subsidy-of-rs-13-410-cr-for-q1-fy15-114080600844_1.html)

Global air traffic demand growth decelerates in June

Global air traffic saw a modest deceleration in demand growth in June compared to May, with airlines body International Air Transport Association (IATA) cautioning that Ebola could be one of the biggest regional challenges for the airlines industry.

"June traffic growth at 4.7 per cent is encouraging even though it is a slight weakening on May's performance. Earlier signs of a softening in demand are dissipating. While that's good news there are many risks in the political and economic environment that need careful monitoring," IATA's Director General and chief executive Tony Tyler said in a release.

According to IATA, the total revenue passenger kilometres (RPKs) rose 4.7 per cent over the year-ago period, which was below the 6.2 per cent year-on-year increase recorded in May 2014.

Business Standard - 06.08.2014

http://www.business-standard.com/article/pti-stories/global-air-traffic-demand-growth-decelerates-in-june-114080601547_1.html

Global air freight market grew faster at 4.1% in first half of 2014: IATA

Global air freight volumes grew at an average rate of 4.1 per cent in the first six months of 2014 (January-June) although the air freight market grew at a slower pace of 2.3 per cent in June, compared to the 4.9 per cent growth reported for May, data released by the International Air Transport Association (IATA) showed.

The growth in demand of the air freight market (measured in freight tonne kilometres) during the first half of 2014, at 4.1 per cent, was much stronger than the weak 1.4% increase reported for the full-year 2013 over 2012 levels. The strengthened growth has been underpinned by improving global trade and stronger business activity over the past year, IATA noted.

Domain B - 05.08.2014

http://www.domain-b.com/aero/aero_general/20140805_freight_market.html

AirAsia Offers Promotional Fare From Rs. 438

It's raining discounts. Budget carrier AirAsia India has introduced a promotional offer under which all-in fares start as low as Rs. 438.

AirAsia's special offer is valid on bookings made till August 9 and for travel between August 11, 2014 and January 29, 2015.

Under this offer, tickets on Chennai-to-Bangalore flights start from Rs. 438. Fares from Bangalore to Chennai, Goa and Kochi range onwards of Rs. 635. On Kochi to Bangalore and Goa to Bangalore routes, fares start from Rs. 990.

From September 5, AirAsia India will start flights from Bangalore to Jaipur and Bangalore to Chandigarh. This would be the budget carrier's first push into north India. Currently, it operates flights on Kochi-Bangalore-Chennai-Goa routes.

On the Bangalore-Jaipur and Bangalore-Chandigarh routes, tickets start from an all-in Rs. 3,999 under another promotional offer.

Ndtv Profit - 08.08.2014

<http://profit.ndtv.com/news/corporates/article-airasia-offers-promotional-fare-from-rs-438-619825>

Shipping ministry may redefine role of port rate regulator

The shipping ministry plans to amend a key maritime law to free rates and redefine the role of the tariff regulator for the 12 ports owned by the Union government. An amendment is necessary because the Tariff Authority for Major Ports (TAMP) was set up in 1997 through an modification to the Major Port Trusts (MPT) Act, 1963, when India opened its ports sector to private funds.

From setting rates, the role of TAMP could be transformed into performance monitoring and redressing grievances. Last year, the ministry partially deregulated rates at the 12 ports by framing a new set of guidelines that linked tariff to the market. The new rules apply to projects bid out since August 2013.

The old private cargo handlers at the 12 ports have been demanding similar freedom on setting rates to bring all operators under a single tariff regime. The ministry has also decided to set up a panel to resolve tariff issues of existing public-private partnership (PPP) projects.

Live Mint - 05.08.2014

<http://www.livemint.com/Politics/nGiiat6h9t0Wpa>

Poor sales derail IRCTC's e-commerce tie-up with Yebhi

The e-commerce initiative of the Indian Railways Catering and Tourism Corporation (IRCTC) has come to a halt, with private partner Yebhi.com not extending its contract. The two had entered into a revenue sharing partnership about a year ago, with Yebhi's products sold under the IRCTC brand name.

IRCTC had plans to draw people who bought tickets on its site to shop online for products, including clothes and accessories, through its tie-up with Yebhi. "The partnership was based on the assumption that Yebhi will benefit from the huge traffic on the IRCTC site, especially from small towns. Though we were successful in getting some traffic, we didn't get the expected conversion rates," said Manmohan Agarwal, chief executive of Yebhi.

IRCTC dismisses this as a routine exercise. "Yebhi's contract was just for a year and we will float a tender in a couple of months for another player to come in," said an IRCTC spokesperson who did not wish to be named.

Business Standard - 06.08.2014

http://www.business-standard.com/article/economy-policy/irctc-e-commerce-hits-a-roadblock-114080600012_1.html

Corporate touch to get ports into ship shape

India is readying a blueprint to corporatise its major ports to infuse professionalism and efficiency in their functioning, besides giving greater financial autonomy. The Nitin Gadkari-led ministry has initiated work on a cabinet note for the changes in law that could be introduced as soon as the winter session of Parliament, according to a senior ministry official.

"Corporatisation has its benefits...It will give these ports access to private capital... This should be the way forward," the official told ET. The initiative involves ports being converted into entities under the Companies Act. This will give them flexibility in managing their affairs, operational autonomy and allow them to compete in a market environment. The new Narendra Modi-led government has identified infrastructure as one of its key focus areas and is in the process of streamlining mechanisms. India has 13 major sea ports, of which 12 are run directly by the government.

The Economic Times - 06.08.2014

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/corporate->

Work on logistic park apace

Work on the State's biggest infrastructure project post-bifurcation -- Rs.372-crore Multi Modal Logistic Park -- being developed by Container Corporation of India Ltd (CONCOR) is on track. The second phase being developed in 27 acres will be completed by January, 2015. The entire project, one of the largest in the country spreading over an area of 100 acres, will be fully operational by 2016-17. The first phase was developed in an area of 10 acres at a cost of Rs.16 crore and made operational some time ago.

It is located right opposite Visakhapatnam International Airport. A senior official of CONCOR has told The Hindu that warehousing facility in an extent of 50,000 square feet will be completed next month. Railway siding will be done in six to 12 months. CONCOR, a Navratna company incorporated in 1988 under the Ministry of Railways, is mobilising funds for the prestigious project from its internal accruals. It will have storage facility to boost export-import trade. Some issues pending before the Ministry of Civil Aviation are likely to be sorted out shortly. As part of the logistic park, two bridges and four railway lanes besides 50,000 square feet of temperature controlled warehouse will be created. Once completed, CONCOR is expected to handle 10,000 to 20,000 containers by rail, road, air, and sea. The carriage of containers by all modes will also help transform Visakhapatnam port into a gateway port.

The Hindu - 09.08.2014

<http://www.thehindu.com/news/cities/Visakhapatnam/work-on-logistic-park-apace/article6296174.ece>