

(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 may raise dividend receipt target from public sector undertakings

The government may raise the dividend receipt target from state-run firms and link it with their ability to achieve capital expenditure plans, a move aimed at discouraging "idle money" at these firms and generating more revenues to contain the fiscal deficit. The country's fiscal deficit stood at 4.5% of GDP in 2013-14. The government has targeted to bring it down to 4.1% in the current fiscal. "Instead of forcing PSUs to shell out last minute special dividends, the overall cap may be increased, which will be linked with the achievement of their capital expansion plans," a senior government official told ET on condition of anonymity.

In the 2014-15 interim budget, the government estimated receipt of around Rs 27,815 crore from dividend and profit of PSUs, against the revised estimate of Rs 43,074 crore in the previous fiscal. At present, the dividend payout is limited to 20% of the profit after tax (PAT) or 20% of a company's equity. Oil and infrastructure firms, however, have to shell out 30% of their PAT as dividend.

Economic Times - 16.06.2014

<http://economictimes.indiatimes.com/news/economy/policy/government-may-raise-dividend-receipt-target-from-public-sector-undertakings/articleshow/36625125.cms>

Invest in PSUs but not due to Modi factor

Government-owned companies are on fire at Dalal Street. In the past month, the market value of public sector companies (PSUs), excluding the banking & finance and oil & gas sectors, is up 41 per cent, compared to a 21 per cent rise in the benchmark S&P BSE Sensex during the period. The bulls are betting on faster growth in government-owned companies. The optimism is based on assumption of a general revival in economic growth under the new government in Delhi and a good show by Gujarat government-owned companies under Modi rule.

Betting on a Modi touch for a sharp turnaround in PSU fortunes seems ambitious. There is no conclusive evidence to suggest that Gujarat PSUs grew faster than central PSUs during Modi rule in Gandhinagar. In fact, central PSUs (excluding oil &

PSUs' ETF gives 56% returns in just 75 days

Proving a host of sceptics wrong, the UPA government's last endeavour to divest part of its holdings in some public sector undertakings through the exchange traded fund (ETF) route has proven to be a huge success, more so for retail investors. Christened CPSE ETF, which was conceptualized and is now also being managed by the Indian arm of Goldman Sachs Asset Management, the scheme has given a return of 55.8% to retail investors in just about two and a half months.

To make things even better for small investors, if those who were allotted CPSE ETF units in the NFO (new fund offer) in March hold on to their investments for a year, they will get one bonus unit for every 15 units held by them—that too at the then prevailing value. The NFO for CPSE ETF opened in mid-March, the units were allotted at Rs 17.45 each to investors on March 28, and were listed on April 3.

The Times of India - 11.06.2014

<http://timesofindia.indiatimes.com/business/india-business/PSUs-ETF-gives-56-returns-in-just-75-days/articleshow/36365722.cms>

FinMin asks DoD to complete groundwork for PSU stake sale

The Finance Ministry has asked the Department of Disinvestment to complete the groundwork for stake sales in state-owned companies soon after the budget to take advantage of the bull phase in the stock market. The government is expected to retain the disinvestment target of Rs 36,925 crore proposed in the interim budget for 2014-15 when it presents the final budget next month.

A good realisation from the sale of shares held by the government is needed to keep the fiscal deficit under check. The benchmark 30-share BSE Sensex has gained 14.5 percent in this financial year, with the PSU index touching a 52-week high of 9,091.04 on June 10. "Current market conditions will offer good valuations for

gas and financials) outperformed Gujarat PSUs on both revenue growth and capex. During the 10 years ending March 2013, central PSU revenues grew at a compounded annual growth rate (CAGR) of 14.9 per cent from around Rs 1.25 lakh crore in FY03 to 4.36 lakh crore in FY13.

Business Standard - 10.06.2014

http://www.business-standard.com/article/opinion/invest-in-psus-but-not-due-to-modi-factor-114061001050_1.html

Government plans to sell sick state-run companies

The heavy industries ministry is in the process of identifying sick state-run companies that it believes are terminally ill and can be sold off. There are about 15 companies on the ministry's radar, including HMT Bearings, Tyre Corporation of India, Tungabhadra Steel, Richardson & Cruddas, Hooghly Dock & Port Engineers and CITW. Earlier, the Board for Restructuring of Public Sector Enterprises (BRPSE) had recommended revival of seven companies through joint venture or disinvestment.

The government has already decided to appoint valuers for its 29.54 per cent stake in Hindustan Zinc, sending a signal that it is not averse to exiting assets. According to senior officials, the ministry of heavy industries and public enterprises has pitched for greater powers for BRPSE.

The Economic Times - 11.06.2014

<http://economictimes.indiatimes.com/news/economy/policy/government-plans-to-sell-sick-state-run-companies/articleshow/36368221.cms>

PSU banks rating outlook likely to be stable: Report

A strong government at the Centre and stability in macro-economic factors are likely to keep rating outlook of the country's public sector banks stable for some time, says a report by rating agency Fitch. The macroeconomic and political risks have abated in the country since the election of a new government with a decisive mandate, the report said. "That may have contained further downside risks, while it will take time to achieve a full recovery for the economy and the banks; therefore, rating outlooks (for state-run banks) are likely to remain stable for now," it said.

The appointment of Narendra Modi-led BJP government has improved investors sentiments and the key benchmark indices surged to record levels. Post the election, the BSE Sensex crossed 25,000 mark, while Nifty touched the 7,500 mark. The state-owned banks have been the most affected, in terms of rise in their non-performing assets, by the economic slowdown since 2011 and exposure to problematic infrastructure sector.

most PSUs. We will push for divestment of PSUs post-budget and we are doing due diligence for the same," official sources said.

Zee News - 15.06.2014

http://zeenews.india.com/business/news/finance/finmin-asks-dod-to-complete-groundwork-for-psu-stake-sale_101887.html

Soon, PSUs may have private sector experts at the top

Private sector honchos may soon head PSUs, starting perhaps with Coal India and NHPC. This will be breaking with the tradition of picking chairman and managing director of public sector undertakings from among bureaucrats or PSU officials. If implemented successfully, the same process could be adopted for other PSUs as well.

"The Power Secretary has been asked to move a note to the Department of Personnel and Training to hasten the process of hiring CMDs for NHPC and Coal India. The secretary has also been asked to tell the DoPT to look at the possibility of hiring someone from the private sector," said a top official of the Power Ministry.

The Hindu Business Line - 09.06.2014

<http://www.thehindubusinessline.com/companies/soon-psus-may-have-private-sector-experts-at-the-top/article6098205.ece>

SEBI's board to consider market reforms this week

With the aim of reviving the primary market, market regulator, The Securities and Exchange Board of India (SEBI) will this week consider wide-ranging rule changes, including the size of share sales and a mandatory minimum 25 percent public shareholding for listed PSUs. The proposed measures may help the government garner almost Rs 60,000 crore through share sales in listed public sector undertakings, deepen the markets and rationalise the regulatory framework for different sets of companies -- private, public, small and large.

According to senior officials, the SEBI will consider various reform measures in the primary markets, which have been finalised after taking into account suggestions made by the regulator's Primary Market Advisory Committee and representations from market participants. Under the new proposal, all companies with a post-issue capital above Rs 4,000 crore are compulsorily required to offer

Zee News - 15.06.2014

http://zeenews.india.com/business/news/economy/psu-banks-rating-outlook-likely-to-be-stable-report_101858.html

Government gives more time for companies to set up audit committee

Making another relaxation, the government has provided more time till March 2015 for corporates to set up audit, nomination and remuneration committees as mandated under the new companies law. The Corporate Affairs Ministry has given additional time for compliance following suggestions from various stakeholders. Under the new Companies Act, certain class of companies are required to have an audit committee, among others. Many rules have already come into force.

In a statement, the Ministry said it has been decided to amend Rule 6 of the Companies (Meetings and Powers of Board) Rules, 2014. "This will provide additional time for companies in constituting Audit Committees, and Nomination and Remuneration Committees till March 31, 2015," it said. Similarly amendments have been made to rules related to declaration and payment of dividend. "Clarifications have also been placed on the Ministry's website stipulating that Registers in the new format will not be required to be maintained in respect of records relating to loans/guarantee/security/acquisition of securities prior to April 1, 2014," the statement said. Already the Ministry has relaxed norms related to various provisions of the new law including those pertaining to independent directors and appointment of company secretaries.

Economic Times - 12.06.2014

http://articles.economictimes.indiatimes.com/2014-06-12/news/50536393_1_audit-committee-new-companies-act-ministry

Aviation sector asks government to slash taxes on jet fuel

Indian aviation industry today asked the government to slash taxes on jet fuel, exempt aircraft engines from customs duty and rationalise taxation of MROs, as the BJP-led dispensation prepared for the general budget for 2014-15. Senior airline, MRO (Maintenance, Repairs and Overhaul) and other aviation industry officials made their case on these and other issues at a pre-budget meeting with Civil Aviation Secretary Ashok Lavasa here, industry sources said. A similar meeting was convened by DGCA chief Prabhat Kumar yesterday. The meetings are apparently in preparation for the Civil Aviation Ministry's briefing for Prime Minister Narendra Modi in the next few days.

at least 10 percent stake in the IPO.

Zee News - 15.06.2014

http://zeenews.india.com/business/news/finance/sebis-board-to-consider-market-reforms-this-week_101847.html

India Inc wants new Companies Act overhauled

Meeting the mandatory 2% corporate social responsibility (CSR) spend is proving to be a headache for some large public sector undertakings (PSUs), given the large sums involved. For instance, 2% of ONGC's net profit translates into close to Rs 450 crore for CSR, around Rs 350 crore for Indian Oil and over Rs 50 crore for SAIL. "It has led to the rise of a new class of consultants, who are advising companies on how to spend the money. Suddenly, some NGOs have cropped up," said a senior PSU executive, referring to the stipulation in the new Companies Act.

For several large corporate houses, which have traditionally spent funds on building and running hospitals or schools through trusts, it means a complete overhaul of the spending pattern as companies have to do it directly. A top executive at a conglomerate, which has interests across sectors, said the group's IT company is the only one which does not meet the 2% spending requirement but the restrictive rules are not making life easy. As the implementation of the new Companies Act kicks in, CSR is only a small worry for most companies as India Inc is now waking up to issues that threaten its day-to-day operations. Some go to the extent of demanding a repeal of the law.

Times of India - 16.06.2014

<http://timesofindia.indiatimes.com/business/india-business/India-Inc-wants-new-Companies-Act-overhauled/articleshow/36628714.cms>

Electronic visa caught in hurdles

Tourism is expected to get a boost in the upcoming budget with special allocation to get the Electronic Travel Authorisation (ETA) scheme rolling. With special thrust placed on the "untapped potential" of tourism first by PM Narendra Modi and now by President Pranab Mukherjee ETA is on the top priority in the 100-day agenda of the tourism ministry but not without its challenges. The latest hurdle that ETA is facing is shortage of trained manpower with the home ministry to implement the project. According to senior officials around 600 employees are required to process online visa applications.

Business Standard - 10.06.2014

<http://www.business-standard.com/article/economy->

The Economic Times - 10.06.2014
<http://economictimes.indiatimes.com/news/economy/policy/aviation-sector-asks-government-to-slash-taxes-on-jet-fuel/articleshow/36356225.cms>

24 more airports to have domestic cargo terminals

With the government focusing on expanding domestic air connectivity, the Civil Aviation Ministry has identified 24 airports for developing domestic cargo terminals to create a national logistic network for faster movement of goods. The Airports Authority of India (AAI) identified these airports for development of dedicated cargo terminals like those at Coimbatore, Trichy and Mangalore, at a review meeting chaired by Civil Aviation Secretary Ashok Lavasa here today.

The Economic Times - 11.06.2014
<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/24-more-airports-to-have-domestic-cargo-terminals/articleshow/36403540.cms>

Kuoni won't go travel portal way: Stefan Leser

Today, India is the brightest jewel in the \$6-billion corporation's emerging market crown. Kuoni is a global leader in visa services through VFS, whose origin, interestingly, is from India. VFS today accounts for a third of the firm's profits. On a short visit to India, Stefan Leser, Kuoni's outbound and specialists division CEO, talks to TOI about why the firm is not gung-ho on investing in travel portals, its strategy to ply along with local brands and how an injury scuttled his dreams of becoming a sports coach. Excerpts: Kuoni recently underwent a business restructuring globally. Where does India figure in the scheme of things?

We have let gone saturated markets where we had sub-scale tour activities, like in Spain, Italy, France and Russia. But we went out of Russia as the market is not structured, resulting in a huge cost disadvantage. Though, Russia is a growth market, we took a call that we should not be there. But India is important for us as here you have structures in place and it's only a matter of how you take things forward.

Times of India - 05.06.2014
<http://timesofindia.indiatimes.com/business/india-business/Kuoni-wont-go-travel-portal-way-Stefan-Leser/articleshow/36084152.cms>

Shell Lubes to Expand in Egypt

Shell Egypt will increase capacity of its lubricants blending plant near Cairo by more than 100 million liters per year by 2017, an official told Lube Report. "The fully-owned Shell plant will increase capacity by double digits [percent] in an

[policy/electronic-visa-caught-in-hurdles-to-get-big-push-from-tourism-ministry-114060900736_1.html](http://timesofindia.indiatimes.com/policy/electronic-visa-caught-in-hurdles-to-get-big-push-from-tourism-ministry-114060900736_1.html)

30 Navy officials to face case for fake travel bills

Exposing a major security hazard at Indian airports, the CBI has recovered a large number of forged rubber stamps of security checks of different airports, baggage identity stickers of different airlines of India and their blank boarding passes; blank tickets and boarding passes of directorate of shipping, which were being used by none other than officials of Indian Navy.

Times of India - 12.06.2014
<http://timesofindia.indiatimes.com/india/30-Navy-officials-to-face-case-for-fake-travel-bills/articleshow/36411648.cms>

Lubricant Manufacturers' Market Expected to Reach \$8.5 Billion by 2019

The global independent lubricant manufacturers' market is expected to reach \$8.5 billion by 2019, according to a new report by Transparency Market Research. Growing applications in the automotive and industrial sectors are likely to drive the market growth rapidly over the coming years. However, volatility in mineral oil prices and the high cost of bio-based lubricants are some of the key challenges that are expected to confine the market growth.

Increased research and development efforts are expected to pave the way for new opportunities for independent lubricant manufacturers worldwide. The independent lubricant manufacturers market is classified based on key product segments including automotive and industrial lubricants. The industrial lubricants product segment dominated the overall market in 2012. Rising automotive sales are expected to fuel the demand for automotive lubricants over the forecast period.

Machinery Lubrication - 05.06.2014
<http://www.machinerylubrication.com/Articles/ViewAll/IndustryNews>

Indian shipping needs a tug and a shove

The contours of global maritime trade movement are changing. Our infrastructure needs to change, too.

India is becoming a major trading partner in world commerce. A large proportion of the

incremental three year period," Shell Egypt Lubricants' sales manager Saher Hashem said. Shell did not disclose the plant's current capacity or the costs of the expansion project but noted that the investments will also be incremental. The expansion will result in more storage space both for raw materials and finished lubricants, as well as new filling lines, blending lines and packaging capabilities.

Lubes Report - 11.06.2014

http://www.lubesngreases.com/lubereport/14_24/facility-news/-7097.html

Cabotage rule relaxation likely

The government is planning to relax cabotage norms for all the major ports for empty containers. The move would make it possible for foreign flagged vessels carrying empty containers to ply on India's coastline from one port to another without restriction. The Union Shipping Ministry has also asked for the response of the Directorate General Shipping on this matter since it is the directorate which regulates shipping in the country through its notifications. Cabotage refers to the transport of goods or passengers between two points in one country by a ship or aircraft registered in another country. The move is expected to boost transporting transshipment cargo along the coastline.

Business Standard - 09.06.2014

http://www.business-standard.com/article/economy-policy/cabotage-rule-relaxation-likely-114060900740_1.html

Export growth hits 7-month high

India's exports rose over 12% to \$28 billion in May, the fastest pace of growth in seven months, on the back of improving demand in the developed markets and partly due to depreciation of the rupee against the dollar. Lower trade deficit, on back of continued fall in imports also, raised the pitch for easing gold import restrictions that were imposed last year to bridge the gap. The recent run of good numbers — from exports to core sector and auto sales — have also raised expectations of a better positive industrial growth when the numbers are released on Thursday. Factory output has been falling for two straight months and is putting pressure on the overall growth rate.

Times of India - 12.06.2014

<http://timesofindia.indiatimes.com/business/india-business/Export-growth-hits-7-month-high/articleshow/36405266.cms>

country's trade with the rest of the world moves on containers. In their quest to improve the efficiency and cost competitiveness of international container movement, shipping companies have introduced new super-ships to service. Currently, very few international ports can berth the Class-E and Class-EEE container ships that can carry 13,000 and 18,000 containers, respectively. The new deep-sea terminal at the Port of Colombo is able to berth and service the new mega-size container ships.

The Hindu Business Line - 11.06.2014

<http://www.thehindubusinessline.com/opinion/indian-shipping-needs-a-tug-and-a-shove/article6104908.ece?homepage=true>

JN Port moves to scrap freight station contract

The trust that runs India's busiest container port, Jawaharlal Nehru (JN) Port, in Nhava Sheva near Mumbai has moved to scrap the contract of DBC Port Logistics Ltd for running a container freight station (CFS) at the port, citing poor performance, unsatisfactory service and non-compliance with the terms of the contract. A CFS is an off-dock facility licensed by the customs department to help decongest a port by shifting containerized cargo and customs-related activities outside the port area. Due to customs procedures and space constraints at India's ports, customs clearance happens at the CFS.

Live Mint - 10.06.2014

<http://www.livemint.com/Companies/5RFBvgvugwYTRzSlpxfZEP/JN-Port-moves-to-scrap-freight-station-contract.html>