

(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.)

Economy poised to grow faster than 7.5%: PM Narendra Modi

Development in India was "gathering speed now" amid the global slowdown and the country was growing at 7.5% with faster growth expected in the coming years, Prime Minister Narendra Modi said on Sunday. Addressing the Indian diaspora on the second day of his three-day visit to Malaysia, he said: "We are making government transparent and accountable. We are eliminating corruption at all levels. We are making governance driven by policies and systems, not by discretion of individuals." The Prime Minister's comment comes ahead of the GDP data for the second quarter of FY16 expected this week. India's economy grew by 7.3% in FY15 and by 7% in Q1FY16. With contraction in all but ten of the 30 major commodities, India's merchandise exports have fallen a steep 17.5% annually to \$21.35 billion in October, sustaining the shipments in negative territory for a long 11 months. While the government is making efforts to push investment, especially in infrastructure sectors like power, roads and ports, the industrial production data have for several months now been not giving definite signals of a strong revival.

The Financial Express - 23.11.2015

<http://www.financialexpress.com/article/economy/economy-poised-to-grow-faster-than-7-5-pm-narendra-modi/169166/>

China's economic slowdown adversely affected India: Rajan

China's pain of economic slowdown is India's pain too, RBI Governor Raghuram Rajan said contradicting government assertions that India will not be affected by deceleration of Chinese economy. "The Chinese slowdown is a concern for the whole world. There is a lower demand for some of our exports to China. But indirectly too, many of the countries are not exporting to China as much as they did and they are buying less from us," Dr. Rajan said in an interview with Hong Kong-based South China Morning Post. "But India being a commodity importer, has been helped a bit by cheaper commodities. So the impact has not been as bad as it could have been. Still, on the whole, we have been adversely affected by the

Rise in oil consumption hints at likely economic lift-off

A bunch of key barometers of economic health has shown steady improvement in the past months, an encouraging sign that growth may be finally picking up momentum. Commercial vehicle sales, a key indicator to activity in the economy, have been buoyant of late. While passenger vehicle sales have also been up, consumption of petrol and diesel has surged as crude prices have remained soft. Sales of petrol by volume have been rising for three months in a row, diesel by two and passenger cars for seven. Petrol sales, a gauge of discretionary demand, have risen 14.77 per cent to 17,493 thousand metric tonnes since the beginning of the year, the most in a decade. Diesel sales, a measure of economic activity, grew 5.64 per cent to 60,071 thousand metric tonnes in the same period, the highest in three years, according to Petroleum Planning & Analysis Cell (PPAC) data compiled by ET Intelligence Group. To be sure, this has to be balanced with the cost of increasingly polluted cities thanks to vehicular and other emissions that are taking a toll on the health of Indians.

The Economic Times - 23.11.2015

<http://economictimes.indiatimes.com/news/economy/indicators/rise-in-oil-consumption-hints-at-likely-economic-liftoff/articleshow/49885611.cms>

Ratings to face stress if reforms stray; GST crucial: S&P

Expressing concern over slowdown in the pace of reforms, Standard & Poor's has said India's rating could come under stress if the Government fails to pursue reforms agenda and overshoots fiscal deficit target. It ruled out a rating upgrade for the country in the next 12-18 months but said that in case the Government is able to get the Goods and Services Tax (GST) bill passed in the forthcoming Winter Session of Parliament, it would be a credit positive. "GST will bring in a simple tax regime and a business friendly environment. Passage of GST bill will be credit positive for India. It would indicate that the Government's reform initiative is picking up pace with a strong momentum," S&P's Rating

Chinese slowdown because China's slowdown has impacted global growth and India is very well integrated into the global economy", Dr. Rajan said. Finance Minister Arun Jaitley had told a gathering at Columbia University last month that India is "not impacted" by the slowdown as it is not part of Chinese supply chain and India could become the "additional shoulder" the global economy needs to stand on as China slows.

The Hindu - 21.11.2015

<http://www.thehindu.com/business/Economy/chinas-economic-slowdown-adversely-affected-india-says-rbi-governor-raghuram-rajan/article7903518.ece>

September quarter corporate earnings mirror two-speed economy

Downgrades notwithstanding, there was a distinct divergence in earnings trends during the September quarter. Export-led sectors dragged down overall revenue and net profit from a year ago, while the inward-looking segments of the corporate sector that rely on domestic consumption buffered the show. True, there were more downgrades than upgrades to the earnings estimates of fiscals 2016 and 2017 after the quarter's earnings came to light. However, Edelweiss Research, in its earnings review, says 90% of the downgrades were from exports, commodities (they toe the global trend) and industrials. Domestic sectors such as packaged consumer goods, media and telecom fared better. Similarly, a review report of the September-quarter results by Motilal Oswal Financial Services Ltd says the share of global cyclicals in earnings fell in the three months. The reasons are fairly obvious. In October, Indian exports fell 17.3% year-on-year, making it the eleventh successive month of contraction.

Mint - 23.11.2015

<http://www.livemint.com/Money/zUUDExPn39424iyRW4uBM/September-quarter-corporate-earnings-mirror-twospeed-econom.html>

Govt, PSUs show less spend, more thrift

Although the busy season is well under way, spends by the government and the country's public sector corporations on infrastructure projects have risen just 8% year-on-year in October. Even more disappointing is the fact that the value of tenders floated fell by nearly 30% y-o-y. Investments by the government assume importance since most companies in the private sector remain over-leveraged and, therefore, are unable to add new capacity. Moreover, surplus capacity across sectors and the lack of visibility on demand have made the private sector cautious. As such, the loss of momentum in government

Services India Sovereign Analyst Kyran Curry told PTI. Reforms like land acquisition Bill and GST have been stuck due to political logjam in Parliament. "In our analysis, in the past six months, the progress of reform has slowed down," Curry said while ruling out a rating upgrade over the next 12-18 months. US-based S&P has assigned 'BBB-' rating on India with a stable outlook. 'BBB' is the lowest investment grade rating.

The Hindu Business Line - 22.11.2015

<http://www.thehindubusinessline.com/economy/ratings-to-face-stress-if-reforms-stray-gst-crucial-sp/article7905317.ece>

Exports volume intact

The volume of the country's exports have remained largely intact and in some cases such as automobile have increased, even when exports have slumped over 15 per cent in value terms because of a fall in global crude and commodity prices. "The aggregate 15.1 per cent year-on-year fall in merchandise exports in the US dollar terms over the 10 months ended September was mainly driven by a fall in global commodity prices and a sharp weakening of the euro. The volume demand for exports may not have suffered significantly during the period. In fact, export volumes in certain categories such as automobiles continued to increase," India Ratings said. Exports of crude oil and its products fell 45.4 per cent year-on-year in value over December 2014 to September 2015 in line with the fall in crude prices. Agriculture exports declined 19.1 per cent year-on-year on account of a fall in the prices of agricultural commodities. The decline in these two categories alone accounted for about three-fourth of the overall fall in merchandise exports.

The Telegraph - 23.11.2015

http://www.telegraphindia.com/1151123/jsp/business/story_54509.jsp#.VIKxsdIrLIU

Government tweaks procurement norms to benefit MSEs

Central government ministries and PSUs would now be required to procure "at least" 20 per cent of their annual value of goods or services from micro and small enterprises (MSEs) with the government tweaking provisions of the procurement policy. Government had introduced the Public Procurement Policy for Micro and Small Enterprises (MSEs). Under the Policy, every Central Government Ministries, Departments and Public Sector Undertakings shall procure a minimum 20 per cent of their total annual value of goods or services from

spending in October is discouraging. According to Centre for Monitoring Indian Economy, the pace of India's investment recovery, which had been on an upswing since mid-2014, moderated in Q2FY16. Incremental investment was flat quarter-on-quarter in the three months to September as the private sector remained virtually on the sidelines. Worse, the value of stalled projects rose sharply to Rs 9.8 lakh crore, the biggest rise in any quarter since 2012.

The Financial Express - 18.11.2015

<http://www.financialexpress.com/article/industry/companies/govt-psus-show-less-spend-more-thrift/167141/>

Why India is still hot for FIIs despite their slow show

Foreign institutional investors (FIIs), who led the 30 per cent rally in benchmark indices in the calendar year 2014, have gone slow on their spending. The outflows were largely in line with a global sell-off in the emerging market space on concerns of a US Federal Reserve rate hike, slowdown in global economy and China jitters. Redemption pressure in top EM funds also added to the pressure. But despite this trickle, experts are of the view that India still remains one of the top investment destinations for foreign investors in the EM basket and the inflows that have dried up will resume soon supported by continuations of reforms from Modi-led government as well as bounce back in earnings growth. FIIs have made net investments of Rs 27,699 crore, or around \$4.25 billion, during the period, compared to Equity MFs that have seen net inflows of Rs 80,580 crore, or about \$12.5 billion, so far in 2015 (till October), said reports. In the calendar year 2014, FII inflows in the country totalled Rs 98,177.9 crore

The Economic Times - 20.11.2015

<http://economictimes.indiatimes.com/markets/stocks/news/why-india-is-still-hot-for-fiis-despite-their-slow-show/articleshow/49856510.cms>

PSUs fare poorly in corporate governance

Conventional wisdom suggests that since it's the government that formulates rules, state-owned companies would be at the forefront of abiding by them. However, according to an analysis by a proxy firm shared exclusively with TOI, it appears that it's the public sector undertakings (PSUs) which have scored poorly on corporate governance norms mandated by the government. These state-owned companies have violated guidelines related to board independence, appointment of audit, nomination and corporate social responsibility committees, and women

Micro and Small Enterprises. The change has been made in the provision 6 of the Policy wherein the phrase "up to" has been substituted with "at least". As per the revised norms, MSEs are now eligible to supply "at least" 20 per cent of the requirement at the lowest quoted price in a bidding. The earlier provision was that MSEs were allowed to supply only "up to" 20 per cent at the lowest price.

The Economic Times - 16.11.2015

<http://economictimes.indiatimes.com/news/economy/policy/government-tweaks-procurement-norms-to-benefit-mses/articleshow/49808047.cms>

Seventh Pay Commission: Government employee's highest salary will be 2.5 lakh, regulatory bodies' heads to get Rs 4.5 lakh per month

The seventh central pay commission on Friday recommended a 23.55 per cent increase in the cumulative earnings of serving and retired central government employees, saddling the Union government with a bill of Rs 1.02 lakh crore in the next financial year. The figure of 23.55 per cent covers the increases in pay, allowances and pension. It has been revealed that this raise would enhance the maximum salary of government employees to be Rs 2.5 lakh. This is nearly thrice than the previous salaries of government employees. The highest salary used to be Rs 90,000. The minimum salary that was given to government employees had been Rs 6,600. Now, it will be Rs 18,000. The heads of regulatory bodies will get Rs 4.5 lakh per month as salary. PTI reported that the recommended raise in basic pay, a key segment that determines several allowances, is only 14.27 per cent – the lowest in 70 years.

ABP Live - 20.11.2015

<http://www.abplive.in/india-news/government-employees-highest-salary-will-be-2-5-lakh-will-get-performance-linked-incentives-247623>

Cabinet nod to disinvest 10 percent stake in Coal India

The union cabinet on Wednesday approved a further divestment of 10 percent government stake in Coal India Ltd. (CIL). "The disinvestment of 10 percent stake in Coal India Ltd. was one of the major cabinet decisions today (Wednesday)," Coal and Power Minister Piyush Goyal told reporters here after the meeting. "The terms and time of the divestment will be decided by the finance ministry and the department of disinvestment," he added. The government hopes to raise between Rs.23,000 crore and Rs.24,000 crore through this stake

directors on the board. Proxy advisory firm Stakeholders Empowerment Services (SES) studied the top 27 listed PSUs with a market capitalization of Rs 11,22,036 crore (as on October 26), where the highest market cap was that of ONGC at Rs 2,20,774 crore, and PTC India had the lowest market cap of Rs 1,961 crore. According to the SES analysis, 13 PSUs among the top BSE100 companies accounted for 14.1% of that index's total market cap, and nearly all the PSUs are non-compliant for one reason or other.

The Times of India - 23.11.2015

<http://timesofindia.indiatimes.com/business/india-business/PSUs-fare-poorly-in-corporate-governance/articleshow/49887036.cms>

Exploration of oil and gas to see a paradigm shift with new reforms

The government plans path-breaking reforms in oil and gas exploration to allow pricing freedom for gas produced from new exploration blocks that companies can carve out themselves and bid for whenever they want instead of waiting for an auction round. It also plans to offer a unified licence to allow companies to explore oil and gas, shale reserves and coal-bed methane in its area. Further, it proposes to end the current system of profit sharing and introduce revenue sharing, which will insulate firms from intrusive audits and government involvement in the day-to-day affairs of oil and gas fields. When the contract involves sharing of profit, the state needs to monitor expenditure carefully because its share will fall if costs are inflated or mismanaged. The measures are expected to give another boost to the oil and gas sector that has already seen major reforms such as market pricing of diesel, a decision to auction small and marginal field where oil or gas has already been discovered and direct subsidy transfers for cooking gas.

The Economic Times - 17.11.2015

<http://economictimes.indiatimes.com/industry/energy/oil-gas/exploration-of-oil-and-gas-to-see-a-paradigm-shift-with-new-reforms/articleshow/49809288.cms>

Crude oil plunges over 2% on supply glut woes

Crude futures lost ground in early Asian trading on Monday, with US oil plunging over 2 per cent on festering worries over a global supply surplus. US crude's West Texas Intermediate (WTI) January contract had dropped 78 cents or 1.86 per cent to \$41.12 a barrel by 0340 GMT. It had hit \$40.96 a barrel earlier in the session, near levels seen on Friday before the US crude December contract expired. Benchmark front-month Brent futures for January fell 47 cents or 1.05 per cent to \$44.19 a

sale. "The government of India intends to disinvest 10 percent paid-up equity capital (63,16,36,440 shares with a face value of Rs.10 each) of CIL out of its shareholding of 78.65 percent through the offer for sale of shares by the promoters through stock exchanges method as per the Securities and Exchange Board of India rules and regulations," a notice from the department of disinvestment said earlier this year.

Business Standard - 18.11.2015

http://www.business-standard.com/article/news-ians/cabinet-nod-to-disinvest-10-percent-stake-in-coal-india-115111800790_1.html

Oil prices edge up on reports of falling inventories, but glut remains in place

Oil prices edged up on Wednesday following reports of falling stockpiles and rising refinery activity, but analysts said the market would remain under pressure for the rest of the year and into 2016. Industry group American Petroleum Institute (API) said on Tuesday that U.S. crude stockpiles fell last week by 482,000 barrels due partly to higher refinery runs. This helped push front-month U.S. crude futures up 29 cents from their last settlement to \$40.96 a barrel at 0552 GMT. The gain followed an over \$1 fall the previous session. Official inventory data is due later on Wednesday from the U.S. government's Energy Information Administration (EIA). Internationally traded Brent crude futures were up 35 cents at \$43.92 per barrel. Despite the slight gains on Wednesday, most analysts expect prices to remain at low levels for the rest of the year and into 2016 as production continues to outpace demand. "Oil market sentiment has turned back to 'max bearish' mode.

The Financial Express - 18.11.2015

<http://www.financialexpress.com/article/markets/commodities/oil-prices-edge-up-on-reports-of-falling-inventories-higher-refinery-runs/167161/>

Oil ministry wants cess on crude oil to be scrapped or reduced

The oil ministry wants the cess on crude oil to be scrapped or reduced as it is a huge burden on companies in a low price regime and is not being used to develop the sector, but the finance ministry does not relish the prospect of losing about Rs 16,000 crore a year which the levy brings. Oil producers such as Oil and Natural Gas Corporation, Oil India and Cairn India have been lobbying the government to reduce cess that has been hurting profitability since crude oil prices

barrel, recovering from a session-low of \$44.04. "The burden of carrying high US crude oil inventories is large," Kang Yoo-jin, commodities analyst at NH Investment and Securities in Seoul, said in a note on Monday. "The markets would likely rebound only if they saw a fall in US crude inventories, while declining US crude output and seasonal demand provide some support to oil at low prices." Daniel Ang at Phillip Futures noted that a string of US economic data scheduled for release this week could test the US dollar's recent strength.

The Hindu Business Line - 23.11.2015

<http://www.thehindubusinessline.com/markets/commodities/crude-oil-plunges-over-2-on-supply-glut-woes/article7908217.ece>

e-Tourist Visa draws hordes of foreign visitors to India

The e-Tourist Visa scheme notched a phenomenal growth of 1987.9 per cent in terms of tourist arrivals in October 2015 when 56,477 tourists landed in India compared to just 2,705 in the same month last year, an official said here on Wednesday. Similarly, between January-October 2015 a total of 258,182 tourists arrived on e-Tourist Visa compared to 21,995 in the same period in 2014, registering a growth of 1073.8 percent, virtually spelling a goldmine for the country's tourism industry. This robust growth is attributed mainly to introduction of e-Tourist Visas to 113 countries as compared to earlier when only 12 countries were covered under it. In terms of arrivals in October 2015, the maximum share was grabbed by New Delhi airport with 50.93 percent of all tourists landing there, followed by Mumbai airport (20.54 percent). Bengaluru stood next (5.90 percent), Chennai (5.61 percent), Goa (4.39 percent), Kochi (3.71 percent), Hyderabad (2.29 percent), Kolkata (2.23 percent), according to the official.

The Economic Times - 18.11.2015

<http://economictimes.indiatimes.com/nri/visa-and-immigration/e-tourist-visa-draws-hordes-of-foreign-visitors-to-india/articleshow/49830651.cms>

Govt plans to put small towns on aviation map

The government's move to connect airports in smaller towns seems to be gathering pace with around three dozen locations with existing airstrips expected to be on the aviation map soon. While no names have been finalized, places such as Salem, Kota, Jaisalmer and even Pune and Bhagalpur may see local players fly small aircraft under a new scheme being discussed by the aviation ministry. While the ministry would leave

started crashing in the middle of 2014. Prices have plummeted two-thirds since then, but the cess has remained unchanged at Rs 4,500 per tonne. At a recent meeting, top officials at the finance ministry, which collected Rs 15,934 crore as cess on crude oil in 2014-15, sought to know from their counterparts in oil ministry if the loss from the proposed scrapping or reduction of cess could be recovered from an alternative source of taxation.

The Economic Times - 18.11.2015

<http://economictimes.indiatimes.com/industry/energy/oil-gas/oil-ministry-wants-cess-on-crude-oil-to-be-scrapped-or-reduced/articleshow/49832709.cms>

Domestic air traffic surges 19% to 70 lakh passengers in October

Maintaining the growth trajectory, domestic air traffic rose nearly 19% to 70.39 lakh passengers in October as onset of tourist season saw more number of fliers. Low cost carrier IndiGo, which recently got listed on the bourses, maintained its leadership position with a market share of 36.8% in October. It flew as many as 25.90 lakh passengers last month. With a load factor of 93%, rival SpiceJet saw the maximum occupancy in its planes in October while its market share stood at 12.8% during the same period. Load factor refers to seat occupancy per aircraft. Latest data from the Directorate General of Civil Aviation (DGCA) showed that local carriers flew 70.39 lakh passengers last month compared to 59.25 lakh people in the same period of 2014. "The passenger load factor in the month of October 2015 has shown increasing trend compared to previous month primarily due to the onset of tourist season," DGCA said. During October, national carrier Air India ferried 10.88 lakh passengers and its market share reached 15.5%.

DNA - 19.11.2015

<http://www.dnaindia.com/money/report-domestic-air-traffic-surges-19-to-70-lakh-passengers-in-october-2146974>

India, Bangladesh sign SOP to operationalise "Agreement on Coastal Shipping"

India and Bangladesh signed Standard Operating Procedure (SOP) to operationalize the "Agreement on Coastal Shipping". The SOP was signed by the Joint DG (Shipping) Ministry of Shipping, Government of India and Chief Engineer and Ship Surveyor, Department of Shipping, Government of Bangladesh in the presence of Nitin Gadkari, Minister of Shipping

it to operators to decide on the sectors that they want to fly, it is considering easier rules and lowest possible burden on carriers, such as doing away with the need to furnish bank guarantees. At the same time, it is keen to ensure that the gains of connectivity are not confined to pockets of prosperity such as those in the South or West. "The idea is to ensure a balanced spread across the country," civil aviation secretary R N Choubey told TOI, while indicating that there could be some caps at least in the first year. The government's strategy -which envisages capping airfares for those spending less than 60 minutes in air at Rs 2,500 and a 2% levy on other sectors along with concessions from the state and the Centre -is expected to take off over the next few weeks.

The Times of India - 21.11.2015

<http://timesofindia.indiatimes.com/business/india-business/Govt-plans-to-put-small-towns-on-aviation-map/articleshow/49867317.cms>

State-owned ports to turn corporate entities in two-stage reform

The shipping ministry has drafted a two-stage plan to convert 11 of the 12 ports owned by the Union government into corporate entities from the existing trustee setup in a much-delayed structural reform of these harbours that handle about 57% of the country's overseas cargo shipped by sea. As a first step, these so-called major ports—Chennai, Cochin, Jawaharlal Nehru port, Kandla, Kolkata, Mumbai, New Mangalore, Mormugao, Paradip, V.O. Chidambaranar and Visakhapatnam—will be brought under a new law called Major Port Authorities Act, 2015. Currently, these 11 ports function as trusts under a law framed more than five decades ago called the Major Port Trusts Act 1963. Kamarajar Port Ltd is the only exception in this regard. Kamarajar, which runs the port at Ennore near Chennai, was formed as a company under the company's law of 1956 when it was opened in 2001. The 12 ports loaded a combined 581.34 million tonnes (mt) of cargo in the year to March, clocking a year-on-year growth of 4.65%

Mint - 19.11.2015

<http://www.livemint.com/Politics/xB9Sg0RxTNnAQFa4YzGCUM/Stateowned-ports-to-turn-corporate-entities-in-twostage-re.html>

and Road Transport and Highways on Sunday in New Delhi. Gadkari said that once it is operational, the Coastal Shipping Agreement will enable a huge saving in logistic costs of EXIM transport between the two countries. The SOP has been framed as per the terms and conditions of the Agreement on Coastal Shipping and both India and Bangladesh have agreed to its provisions. The Standard Operating Procedure will pave the way to promote coastal shipping between India and Bangladesh and would enhance bilateral trade between the two countries by bringing down the cost of transportation of EXIM cargo.

The Economic Times - 16.11.2015

<http://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/india-bangladesh-sign-sop-to-operationalise-agreement-on-coastal-shipping/articleshow/49802539.cms>

Air cargo industry seeks domestic capacity

Development of domestic air cargo capacity should be given top priority, as shippers are heavily dependent on foreign carriers for movement of cargo. This should be one of the main focus areas to be incorporated in the Civil Aviation Policy, say sources in the air cargo industry. The Ministry of Civil Aviation had last month released a draft policy to get comments from the trade on various issues. Comments may be sent by November 21. A strong domestic air cargo capacity will augur well with the Centre's Make in India programme, and will help shippers reduce cost, said B Govindarajan, Chief Operating Officer, Tirwin Management Services (P) Ltd, a consultancy firm on aviation. According to J Krishnan, former president of Air Cargo Agents Association of India, any economic superpower seeks a dominant logistics of their own flag or else this is a serious threat to the economic prosperity. During the late 1990s, when there was a demand and supply mismatch, foreign carriers providing freight capacity out of India demanded premium airfreight rates to accept and move the cargoes

The Hindu Business Line - 18.11.2015

<http://www.thehindubusinessline.com/economy/logistics/air-cargo-industry-seeks-domestic-capacity/article7892769.ece>