

(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.)

India's public-private sector investments down at 10-year low in 2015: World Bank

India recorded a 10-year low in investments in public-private sector in the year 2015, adding to contraction that pulled down the global investment to below its five-year average of \$124.1 billion, the World Bank has said. In its latest annual report, the World Bank said global investment in 2015 decreased to \$111.6 billion, below the five-year average of \$124.1 billion from 2010 to 2014. "This contraction resulted from lower investments in Brazil, China and India," the Bank said yesterday in its latest report on Private Participation in Infrastructure Database. "India recorded a 10-year low in investments, as only six road projects usually a rich source of PPI over the past 10 years reached financial closure," the World Bank said. In South Asia, there were 43 deals for a combined total of \$5.6 billion that closed in the region, representing 5% of the total investment a decline of 82% from the five-year average of \$30.5 billion.

DNA - 14.06.2016

<http://www.dnaindia.com/money/report-india-records-10-year-low-in-investments-in-public-private-sector-world-bank-2223633>

Cash-rich PSUs may give stellar returns in next 2 to 3 years

Last week many listed public sector undertakings (PSUs) announced buyback (as much as 25% of paid up capital) of their shares from the shareholders. However, the domestic equity markets haven't reacted in any significant manner to a majority of these PSU stocks for two reasons. Firstly, there is a wrong perception that the PSU stocks generally do not create wealth in the domestic stock markets. Secondly, some of the cash-rich PSUs, which have announced buybacks, made more profits through the interest income from the cash holdings rather than from the operating profits from the core business in the latest quarter. For example, for some of these companies, the interest income accounted for 55% to almost 100% of PBIT (Profit before interest and tax), based on annualised profits of the latest quarter. In contrary to the belief of the

India's exports contract 0.79% in May, imports slip 13%

India's merchandise exports contracted at their slowest pace in 18 months in May as non-petroleum exports finally turned positive, led by exports of engineering goods and gems and jewellery. Data released by the commerce ministry showed exports contracted 0.79% in May while imports slipped 13.16%, leaving a trade deficit of \$6.27 billion. The growth in exports have fallen for USA (6.15%), European Union (1.42%), Japan (0.75%) but China exhibited positive growth (11.4%) for March 2016 over the corresponding period previous year as per WTO (World Trade Organization) statistics," the statement said. Commerce minister Nirmala Sitharaman told the Hindustan Times on Tuesday that negative news about exports is going to stop soon and fall in outward shipments has bottomed out. "The pickup in exports may be slow and not rapid on the back of new markets. (But) I am glad to say that it is no longer going to be 'Oh my god! What's happening to exports'," Sitharaman said.

Mint - 16.06.2016

<http://www.livemint.com/Politics/CGmIpliSZdwV28sntNa4NN/Indias-exports-contract-079-in-May-imports-slip-13.html>

Narendra Modi govt increases investments in PSUs

Narendra Modi government will ask profit making public sector units to buy the land and assets of perennially loss making central public sector units (CPSU). The decision to prioritize PSUs over private companies is seen as a safe route to monetise the assets without inviting criticism of selling off family silver. "As of now, that is our decision", Union Minister of Heavy Industry & Public Enterprises Anant G. Geete said. Addressing a press conference to announce the two years' achievements of his ministry in New Delhi on Wednesday, Geete said that the decision to sell of the loss making PSUs will be taken by the respective administrative ministries. Acknowledging the receipt of the recommendations on the Niti Aayog on loss making PSUs, the minister said that the matter will have to be scrutinized by the government

PSUs not helping the investors in creating wealth, several times the PSU stocks have created substantial wealth over the last two decades.

DNA - 14.06.2016

<http://www.dnaindia.com/money/column-cash-rich-psus-may-give-stellar-returns-in-next-2-to-3-years-2223290>

Panel wants Centre to pare stake in PSUs

The Centre's share in those public sector units (PSUs) where it holds around 60 per cent stake should be brought down to 49 per cent in one go. It is a view which seems to have been gathering ground within the panel constituted by the government for devising a disinvestment strategy. The recommendation is believed to be part of a second set of recommendations. Officials in the know say if the Centre's stake is lowered in one go, the PSUs would get better market capitalisation and it will also help in professional expertise, too, on their boards of directors. The panel has been constituted under the NITI Aayog. It has been tasked by the government to identify PSUs in which the Centre can lower its stake and also those where no stake sale can happen as they are sick units. And, to frame a policy for divestment and revival of sick state-owned units. The department of investment & public asset management (Dipam) and NITI Aayog started discussions in March to identify companies where the government could divest.

Business Standard - 15.06.2016

http://www.business-standard.com/article/economy-policy/panel-wants-centre-to-pare-stake-in-psus-116061401233_1.html

Disinvestment target Rs 56,500 cr

The Centre will set up a new exchange traded fund (ETF) to sell its shares in state-run as well as private companies to give a leg-up to the R56,500 crore disinvestment plan in FY17. "The proposed new ETF will serve as an additional mechanism for the government to monetise its shareholdings in listed central public sector enterprises (CPSEs) and other corporate entities that will eventually form part of the new ETF basket," the department of investment and public asset management (DIPAM) said while inviting applications for the post of adviser for the proposed new ETF. Besides some blue chip CPSEs, the Centre could pool in shares owned by it in private companies such as Tata Communications, IDFC and shares held through Specified Undertaking of Unit Trust of India (SUUTI). SUUTI holds minority stakes in Axis

and respective ministries before accepting it. Niti Aayog had suggested seven categories of revival, restricting and asset monetisation plans for loss making PSUs.

Business Today - 15.06.2016

<http://www.businesstoday.in/current/corporate/narendra-modi-govt-increases-investments-in-psus/story/233845.html>

Niti Aayog singles out 32 loss-making PSUs for strategic sale

Niti Aayog has identified 32 loss-making companies for strategic disinvestment, including central public sector enterprises (CPSEs) such as Bharat Pumps & Compressors, Tyre Corporation of India, Central Inland Water Transport Corporation and Bengal Chemicals & Pharmaceuticals, among others. Of the 32 companies, 10 could see strategic disinvestment right away while for the other 22 the suggestion is to revive while retaining a subsequent option for strategic disinvestment. A senior government official confirmed the development and said that the list has been submitted to the Prime Minister's office (PMO). "The government will now look into individual cases along with their respective administrative ministries. The firms where we may get some valuations will be put on the block first," he said. The government has budgeted Rs 56,500 from disinvestments in this fiscal, of which Rs 20,500 crore is from strategic sales. In case of moribund companies, the Niti Aayog recommends quick disinvestment.

The Economic Times - 15.06.2016

<http://economictimes.indiatimes.com/news/economy/policy/niti-aayog-singles-out-32-loss-making-psus-for-strategic-sale/articleshow/52754952.cms>

Not Prime Minister, ministers to decide additional charge of CMD, MD in PSUs

The additional charge of CMD and MD in Central Public Sector Enterprises (CPSEs) will now be decided by the minister concerned and not the Prime Minister. "The Appointments Committee of the Cabinet (ACC) has delegated its power to approve additional charge arrangements with respect to board level posts in Schedule 'C' and 'D' CPSEs to the Minister-in-charge of the concerned administrative ministry or department, irrespective of the period for which the additional charge is assigned," as per the new norms issued by Personnel Ministry. The ACC is headed by Prime Minister Narendra Modi and has Home Minister Rajnath Singh as its lone member. With the new rule, which amends 10-year-old guidelines, all additional charge

Bank, ITC and Larsen and Toubro. Using an extant CPSE ETF, which invested in a pool of 10 CPSE stocks, the government raised R3,000 crore in FY14.

The Financial Express - 20.06.2016

<http://www.financialexpress.com/article/economy/disinvestment-target-rs-56500-cr-check-out-govts-next-step/290266/>

Government panel to prepare road map for raising refining capacity

With India's oil demand projected to more than double in 25 years, government has formed an expert group to prepare blueprint for raising refining capacity by 2040. The 12-member Working Group for preparing Approach Paper for enhancing refining capacity by 2040 will be headed by Additional Secretary in the Oil Ministry and include directors of refineries at Indian Oil Corp (IOC), Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL). It would also comprise of representatives of private sector Reliance Industries and Essar Oil besides managing directors of Numaligarh Refineries Ltd, Mangalore Refineries Ltd and Chennai Petroleum Corp Ltd (CPCL), an oil ministry order constituting the Group said. India has a refining capacity of 232.066 million tons, which exceeded the demand of 183.5 MT in 2015-16 fiscal. According to International Energy Agency (EA), this demand is forecast to reach 458 MT by 2040.

The Economic Times - 14.06.2016

<http://economictimes.indiatimes.com/industry/energy/oil-gas/government-panel-to-prepare-road-map-for-raising-refining-capacity/articleshow/52744954.cms>

Oil price luck may be waning for Modi govt; here's what it should do without delay

Minister of state for finance Jayant Sinha has said that as long as oil prices stay within the \$40-60 range, the government's fiscal math and inflation calculations will not be affected, according to a PTI report. Sure. But what happens when prices do go up beyond \$60 per barrel and keep moving up? How will the government manage the demands that it should do something, anything, to soften the blow on the middle class? Indeed, the Narendra Modi government will now face a tricky political economic challenge it has been saved from till now. The government certainly was lucky to have oil prices starting to trend downwards about three months after it came to power. It did

arrangements for the post of Chairman- cum- Managing Director (CMD), Managing Director (MD) or Functional Directors will be decided by the ministers concerned only.

The Economic Times - 14.06.2016

<http://economictimes.indiatimes.com/news/economy/policy/not-prime-minister-ministers-to-decide-additional-charge-of-cmd-md-in-psus/articleshow/52729571.cms>

Moody's Raises Oil Price Forecast For 2016

Moody's Investors Service today revised upwards its price forecast for oil this year on the back of recent uptick in rates. "Moody's assumes a medium-term oil price band of \$40 to \$60 per barrel for both WTI and Brent crude and upwardly revised its shorter-term oil price estimates for these crudes to \$40 in 2016, \$45 in 2017 and \$50 per barrel in 2018," the rating agency said today. In March, Moody's estimated oil prices to be around \$33 per barrel in 2016, which will rise to \$38 next year and to \$43 in 2018. The rating agency said its medium-term outlook for the sector remains unchanged. Similarly, Moody's noted that adjusting to structurally lower oil prices will remain a medium-term fiscal and economic policy challenge for most oil-exporting sovereigns. Moody's underscored that while the near-term price gains have prompted an upwards revision of oil price estimates, the fundamentals that underpin its medium-term outlook - a key consideration for estimating financial performance and ratings of companies and countries - remain weak.

NDTV Profit - 17.06.2016

<http://profit.ndtv.com/news/energy/article-moodys-raises-oil-price-forecast-for-2016-1420381>

Oil prices fall back below \$50 as economic concerns rise

Oil prices fell in early trading on Monday, pulled down by rising economic concerns in Asia and a related strengthening in the U.S. dollar, which makes fuel imports for countries using other currencies more expensive. International Brent crude oil futures fell back below \$50 per barrel. The dollar has recovered some 1.3% from June lows against a basket of other leading currencies, pushed by the prospect of a potential hike in U.S. interest rates and by concerns over Asia's economy, which is dragging currencies there. But the main concerns in oil markets was Asia's darkening economic outlook. Japan's business survey index (BSI) of sentiment at large manufacturers stood at a negative 11.1 in

something smart – though highly unpopular - in increasing the excise duty on petrol and diesel, thus denying consumers the full benefit of falling prices. Between November 2015 and March 2016, the excise duty was hiked five times.

First Post - 14.06.2016

<http://www.firstpost.com/business/oil-price-luck-may-be-waning-for-modi-govt-heres-what-it-should-do-without-delay-2831982.html>

Opec points to oil demand exceeding production

The Organization of the Petroleum Exporting Countries (Opec) forecast on Monday that the world oil market will be more balanced in the second half of 2016 as outages in Nigeria and Canada help to speed up the erosion of a supply glut. In a monthly report, Opec said its current production is lower than the average forecast demand for its crude in the second half of 2016. The last full quarter when Opec pumped less than demand for its crude was in 2013, according to past Opec reports. Oil has risen to \$50 a barrel from a 12-year low of \$27 in January as the outages curb excess supply. These, say Opec, are accelerating a tightening in the market it expected to happen anyway, as lower prices finally take their toll on higher-cost supply outside the group. "The excess supply in the market is likely to ease over the coming quarters," Opec said in the report, resulting in "a more balanced oil market toward the end of the year."

Business Standard - 14.06.2016

http://www.business-standard.com/article/international/opec-points-to-oil-demand-exceeding-production-116061400033_1.html

BPCL arm along with consortium to acquire 23.9% stake in JV

Bharat PetroResources Limited (BPRL), a 100% subsidiary of Bharat Petroleum Corporation Limited (BPCL), and its exploration and production arm, along with Oil India Limited and Indian Oil Corporation Limited, acting jointly as the Indian Consortium, signed definitive agreements to acquire, through a joint venture company formed by their wholly owned subsidiaries in Singapore, upto 23.9% shares of the charter capital of JSC Vankorneft, a company organised under the laws of the Russian Federation, which is the owner of Vankor and North Vankor Field licenses, from Rosneft Oil Company (Rosneft), a National Oil Company of Russia. The acquisition is subject to relevant Board, Government and regulatory approvals and is expected to close by September

April-June, compared with minus 7.9 in January-March, according to a joint survey by the Ministry of Finance and the Economic and Social Research Institute, an arm of the Cabinet Office.

The Hindustan Times - 14.06.2016

<http://www.hindustantimes.com/business/oil-prices-fall-back-below-50-as-economic-concerns-rise/story-j7bHXoJAKI2ulQpSculziJ.html>

IEA: Global oil market to hit surplus in early 2017

Oil supply and demand will balance after a series of unplanned production outages, but the market is expected to tilt into surplus in the first half of next year, the International Energy Agency said on Tuesday. The agency said demand growth in 2017 is likely to be flat at around 1.3 million barrels per day (bpd), the same level at which it estimates growth for this year, having revised up its May 2016 forecast of 1.2 million bpd. "Again, on the planning assumption that OPEC oil production grows modestly in 2017, we expect to see global oil stocks build slightly in the first half of 2017 before falling slightly more in the second half of 2017. For the year as a whole, there will be a very small stock draw of 0.1 million bpd," the IEA said in its monthly report. "At halfway in 2016, ; but we must not forget that there are large volumes of shut-in production, mainly in Nigeria and Libya, that could return to the market, and the strong start for oil demand growth seen this year might not be maintained," the Paris-based agency said.

The Economic Times - 14.06.2016

<http://energy.economictimes.indiatimes.com/news/oil-and-gas/iea-global-oil-market-to-hit-surplus-in-early-2017/52746412>

Govt protection one-sided to steel producers: FII

Indian steel processing industry body Federation of Industries (FII) on Sunday alleged that the government is providing one-sided protection to domestic steel producers. "The steel consuming industry sector has neither been consulted nor heard by the steel ministry before taking important decisions like imposing of MIP (minimum import price) and safeguard duty, increasing customs duty and also while placing steel imports under BIS (Bureau of Indian Standards) certification scheme," the Federation of Industries in India (FII) said in a letter to the Ministry of Steel. The government had increased import duty on steel to 12.5 percent from 5 percent to support primary producers and had imposed 20 percent safeguard duty, that would

2016. Rosneft Oil Company holds about 85% shares while ONGC Videsh Ltd (through its subsidiary) holds about 15% shares in JSC Vankorneft. Vankor field, located in East Siberia is Russia's second largest field by production and accounts for around 4% of Russian production

Equity Bulls - 18.06.2016

http://www.equitybulls.com/admin/news2006/news_det.asp?id=188162

New aviation policy

Consumers hailing from smaller towns and cities hitherto unconnected by flight have something to look forward to as they may soon get to fly more often and at affordable rates. The civil aviation policy has unveiled a regional connectivity scheme (RCS) that aims to connect smaller towns and cities to the main hubs and has capped the fare at Rs 2,500 per passenger for one-hour flights on the RCS routes that include unserved airports. To implement this policy, the government plans to revive 160 airports and airstrips each at a cost of Rs 50-100 crore. What this means is that while there would not be any change in fare for a Delhi-Chandigarh flight, for a destination not connected by air from Delhi today that gets connected tomorrow and can be reached in an hour, the fare would be capped at Rs 2,500 per passenger. To bridge the gap between actual cost and the capped fare, the government will provide viability gap funding (VGF) to airlines plying on the RCS routes.

The Financial Express - 16.06.2016

<http://www.financialexpress.com/article/industry/companies/new-aviation-policy-now-just-fly-forget-indian-railways/286569/>

Luxury travel outpaces the rest of travel industry: Amadeus report

Shaping the Future of Luxury Travel is a new report commissioned by Amadeus and developed with data from Tourism Economics with interviews of global luxury travel experts across specialist travel concierge agencies, airlines, hoteliers and intermediary suppliers through Connections, a global networking event organiser for luxury travel providers. The report revealed that India's luxury market compound annual growth rate (CAGR) of 13 per cent is higher than any of the other BRIC nations, and is the highest of the 25 countries explored in this report. Global consumers are increasingly spending their disposable income on experiences rather than material goods. Consumers' desire for life experiences is spurring a growth in luxury travel that is outpacing the rest of the travel industry. Between 2011 and 2015, luxury travel, in terms of outbound flights on business or first class, saw a 4.5 per cent CAGR, versus 4.2 per cent for overall travel.

be applicable till 2018, to protect them. In addition, it had also fixed a MIP for steel ranging from \$341 to \$752 per tonne and brought imported steel under mandatory BIS certification scheme.

The Dollar Business - 14.06.2016

<https://www.thedollarbusiness.com/news/govt-protection-onesided-to-steel-producers-fii/46959>

Smartphones making Indian travellers more spontaneous

As mobile devices continue to evolve, the Hotels.com Mobile Travel Tracker uncovers the impact of mobile phones on booking and travel behaviours. The study revealed that Indian travellers are becoming more spontaneous and placing less emphasis on price. 'Leisure' travel has emerged as the most prominent trend amongst Indian travellers, with 71 per cent of people admitting to booking hotel rooms for a business trip coupled with a short holiday as their travel purpose. Nearly one-fifth of Indians (18 per cent) admitted leisure as their primary purpose for travel, followed by 10 per cent acknowledging business as their primary purpose for travel. Some of the other prominent revelations from the survey include 81 per cent Indians choosing a laptop or computer as their means for booking a hotel room, while 73 per cent Indians book hotel rooms on mobile.

The Financial Express - 14.06.2016

<http://www.financialexpress.com/article/lifestyle/travel-tourism/smartphones-making-indian-travellers-more-spontaneous/283215/>

50% of MakeMyTrip's revenue now comes from hotel, travel bookings

Online travel agencies have found it hard to attract hotel customers for years. Now, MakeMyTrip Ltd claims that it has succeeded in doing so. The NASDAQ-listed firm used to earn 80% of its revenue from its flights or air business and the remaining from hotels and packages business in 2010-11. In 2015-16, MakeMyTrip earned 50% revenue from hotels and packages and the remaining from air ticket sales, the firm's co-founder and chief executive officer (India) Rajesh Magow said in an interview last week. "The goal is to take this to 70% from hotels and packages in the next two to three years. Essentially, we have been saying that the company needs to reduce its dependency on the air side and increase exposure to the non-air side of business, which is hotels and packages," Magow said. "Hotels and packages offer relatively higher margins in double digits while pure air ticketing offers single digit margins."

The Financial Express - 14.06.2016

<http://www.financialexpress.com/article/travel/management-travel/luxury-travel-outpaces-the-rest-of-travel-industry-amadeus-report-2/283231/>

West Bengal government identifies land to set up new sea port

West Bengal government has identified an area at Tajpur-Shankarpur in East Midnapore district to set up a new minor deep sea port at an estimated cost of Rs 4,231 crore. This was informed by state finance minister Amit Mitra here today. According to the feasibility report of the project, the total cost is estimated at around Rs 4,231 crore. According to the feasibility report of the project, the total cost is estimated at around Rs 4,231 crore. The project would be placed in the cabinet for approval very soon, following which a competitive bidding process would start, Mitra said. He further said that the erstwhile Left Front government's letter of intent given to a company for setting up a minor sea port at Rasulpur without going through the competitive bidding process was not in order. The minister claimed that the project conceived during the Left Front regime was "totally flawed" entailing an expenditure of more than Rs 8,000 crore.

The Economic Times - 17.06.2016

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/west-bengal-government-identifies-land-to-set-up-new-sea-port/articleshow/52799552.cms>

Coming soon: Freight trains with assured transit time at no extra cost

Indian Railways is looking to launch time-tabled freight train for containerised routes within a few days without charging any extra freight charges, said multiple sources in the know. This was one of the announcements made by Railway Minister Suresh Prabhu in the Railway Budget. Container train operators (CTO) have been demanding trains with assured transit time for many years now. A few years ago, the Railways had launched assured transit time trains on certain routes with higher freight charges than those on which it did not charge any premium. This time, the Railways plans to launch time-tabled train for containerised cargo without charging a premium on existing freight charges, the source said

The Hindu Business Line - 15.06.2016

<http://www.thehindubusinessline.com/economy/logistics/coming-soon-freight-trains-with-assured-transit-time-at-no-extra-cost/article8727884.ece>

Mint - 15.06.2016

<http://www.livemint.com/Companies/gzDDrB5WwCFwbG4Snif4eN/MakeMyTrip-is-doing-everything-to-get-its-hotels-and-package.html>

Proposed market-driven pricing at India's major ports is a chimera

If you thought that a new law planned to govern 11 of the 12 ports owned by the Indian government would solve the complex rate-setting problems at these ports, think again. It is nothing but old wine in a new bottle. It is widely acknowledged that rate regulation has stifled the growth of the 11 ports and led to a diversion of cargo to private ports that are outside the control of the Indian government and where rates are decided by market forces. India's shipping ministry has been looking at ways to create a level-playing field between the major ports (Union government-owned) and private ports either by winding down the Tariff Authority for Major Ports (TAMP) or by enacting a new law to govern the 11 ports which would render the rate regulator redundant. And, this is one issue where even the stubborn workers unions are on the side of the government. A close scrutiny of the draft of the Central Port Authorities Act 2016 clearly indicates this lack of clarity on the issue.

Mint - 17.06.2016

<http://www.livemint.com/Opinion/aCmqK6SZjUcPUj6JfFn8XP/Proposed-market-driven-pricing-at-Indias-major-ports-is-a-c.html>

Shell Lubricants appoints Mansi Madan Tripathy as new MD

Shell Lubricants India today announced the appointment of Mansi Madan Tripathy as its new Managing Director. Tripathy, former CMO of Shell Lubricants, will succeed Nitin Prasad, who will take over as the chairman of Shell companies in India with effect from August 1, 2016, a company statement. She will be responsible for leading all the businesses activities of the lubricants segment in India, Bangladesh, Sri Lanka and Nepal, it said. With her knowledge of the market structure, consumer psychology and trade dynamic, her focus will be to strengthen the company's presence in India, it added.

The Economic Times - 14.06.2016

<http://economictimes.indiatimes.com/industry/energy/oil-gas/shell-lubricants-appoints-mansi-madan-tripathy-as-new-md/articleshow/52745970.cms>