

(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.)

Balmer Lawrie in News

Flexible Packaging Market in India – Trends, Forecast & Growth Prospects Published by Technavio

Balmer Lawrie & Co. Ltd., Jindal Poly Films Ltd. and Max India are three key vendors highlighted in a new Technavio report. Technavio has published a new report on the flexible packaging market in India, which is expected to grow at a CAGR of more than 24% from 2015-2019. Technavio's report analyses the solutions and products offered by market vendors and presents a comprehensive breakdown in terms of market segmentation for different applications, including bags, pouches, squeezable bottles, stand-up pouches, medicine bottles, CD cases, foam packaging, and laminated tubes. Additionally, analysts have segmented market projections by key geography, and also by end-users, focusing on the food, beverage, healthcare and cosmetic industry.

Yahoo Finance - 02.07.2015

<https://uk.finance.yahoo.com/news/flexible-packaging-market-india-trends-144500943.html>

Global economy will grow by 2.4% in 2015: Fitch Ratings

In its latest Global Economic Outlook (GEO) Fitch Ratings forecasts the global economy will grow by 2.4% in 2015, followed by 2.9% in 2016 and 2.8% in 2017, the new horizon added to the forecast. The pick-up in 2016 reflects a recovery from recession in Brazil and Russia, albeit a weak one; while the structural slowdown in China is weighing on global growth potential. Meanwhile we forecast growth in major advanced economies (MAEs) at 1.8% in 2015, 2% in 2016 and 1.8% in 2017. Fitch's global growth forecast (which is weighted at market exchange rates) has weakened since March's GEO by 0.3pp for 2015 - due mainly to US revisions - and is practically unchanged for 2016. The US Fed will start the global monetary tightening cycle with the first rate increase before the end of 2015, followed by the Bank of England. However, the pace and extent of the tightening will be subdued by historical norms. Fitch forecasts the key US policy interest rate to average 1.1% in 2016 and 2.3% in 2017. The ECB and the Bank of Japan will continue their QE programmes.

India Infoline - 30.06.2015

http://www.indiainfoline.com/article/news-top-story/global-economy-will-grow-by-2-4-in-2015-fitch-ratings-115063000510_1.html

RBI says economy recovering, exposure to Greece limited

India has limited direct exposure to Greece and the country's steady economic fundamentals will help reduce the impact of global volatility, said Reserve Bank of India (RBI) governor Raghuram Rajan on Thursday. The RBI has conducted an internal assessment to look at the direct financial and real sector exposure to Greece, said Rajan, following a meeting of the RBI board in Chennai. "The direct exposure to Greece is very limited for India. There is of course the indirect exposure. For instance, how will the Euro react to the Greece? Or could developments in Greece lead to a risk-off situation among global investors? But after the initial burst of volatility, investors will start differentiating and they will see that the India story continues to be a good one," Rajan said, adding that strong foreign exchange buffers will help deal with short-term volatility. According to the RBI, the Indian economy continues to be in a recovery phase with some signs of a pick-up in capital investment. "There are some signs of a pick-up in capital investment, which is good.

Mint - 02.06.2015

<http://www.livemint.com/Industry/TkyI271x62zMXxc9CSCdPI/RBI-says-economy-recovering-exposure-to-Greece-limited.html>

Moody's lists rating irritants

Rating agency Moody's Investors Service today said a weak rural economy will be credit negative for India's sovereign rating and that there were growing concerns about the risk of policy stagnation and "some disappointment" has emerged over the pace of reforms under the Narendra Modi-government. In its latest edition of Inside India, a quarterly publication that looks at credit trends in the country, Moody's said it expected the country's rural economy to remain subdued in this fiscal, particularly if the risk of below average rainfall materialises. "A sustained soft patch for India's rural economy would weigh on private consumption and non-performing assets in the agricultural sector, a credit negative for the sovereign and banks," Rahul Ghosh, Moody's vice-president and senior research analyst, said. The publication also includes key takeaways from a number of audience polls carried out in May. According to the poll results, the consensus view on India's economic growth prospects is relatively optimistic and in line with Moody's baseline forecast of 7.5 per cent expansion in the current fiscal. "This forecast represents the highest projection among G20 economies, and provides a key pillar of support for the Baa3 sovereign rating and positive outlook," Moody's said.

The Telegraph - 01.07.2015

http://www.telegraphindia.com/1150701/jsp/business/story_28801.jsp#.VZUe8xuqqko

April-May fiscal deficit 37.5% of full year target

The government maintained above trend spending pace in a bid to support the economy, data released for May showed. The total spending in the first two months of FY16 was pegged at 14.8% of the budget estimate, marginally lower than last year but well ahead of the trend in earlier years. Fiscal deficit in the first two months of FY16 was 37.5% of full year estimates, much better than 45.3% at the same time last year. In absence of private investment, the government is trying to frontload spending to give a push to the economy also struggling with weak demand. The ministry of road transport and highways has already spent 22% of its plan allocation in line with the government's effort to revive investments through this stalled sector. The rural development ministry, which has one of the biggest budgets, has spent 26% of its Plan allocation in the first two months itself, which will provide support to the rural economy that is widely believed to be in deep stress.

The Economic Times - 30.06.2015

Core growth at 4.4% in May

The output of eight core sector industries expanded for the first time in three months in May to 4.4 per cent helped by a recovery in the production of electricity, cement and oil refining. This is the highest growth since November 2014 and reflects a pick-up in the investment cycle and the economy. "The considerable improvement in core sector growth would support a pick-up in the pace of industrial expansion in May, although the extent of the same would be tempered by factors such as an adverse base effect, contraction of non-oil merchandise exports and automobile production trends," Aditi Nayar, senior economist with rating agency Icria, said. The output of eight core industries - coal, crude oil, natural gas, refinery, fertilisers, steel, cement and electricity - had contracted 0.4 per cent in April and grown 3.8 per cent in May 2014. During April-May, output grew 2.1 per cent compared with 4.7 per cent during the same period last year. The core sector contributes 38 per cent to the overall industrial output. In May, coal output rose 7.8 per cent, refinery products 7.9 per cent and electricity 5.5 per cent. However, the growth on crude oil output was sluggish at 0.8 per cent and fertiliser at 1.3 per cent.

The Telegraph - 01.07.2015

http://www.telegraphindia.com/1150701/jsp/business/story_28800.jsp#.VZUfyBuqqko

Government looks to rework FTA strategy

The government is set to rework the way it does free trade agreements (FTAs), moving to a more liberal regime on routing of third-country goods, as it revives its push for bilateral deals to corner a greater share of the export market. Rules of origin are at the heart of these agreements as they are meant to check routing of third-party goods via countries with which an agreement is signed. Over the years, India has insisted on a system where at least 30-35% value addition takes place in a country with which it signs a trade agreement. In addition, there has to be a change of heading, which means steel sheets should be finished into a product. Easier rules of origin are a key element of the two trade agreements — the one with Australia and the Regional Comprehensive Economic Partnership (RCEP), which includes China and will create the world's largest free trade area. Under the two treaties, the government is expected to move to a product-specific approach covering each category separately, a source told TOI.

The Times of India - 05.07.2015

<http://economictimes.indiatimes.com/news/economy/indicators/april-may-fiscal-deficit-37-5-of-full-year-target/articleshow/47881952.cms>

Services PMI falls for the second straight month in June

A day after Reserve Bank of India (RBI) governor Raghuram Rajan said economic growth is recovering, the country's largest sector, services, contracted for a second month in a row in June, showed Nikkei Purchasing Managers' Index (PMI) as new work declined. Even then, service providers hired staff, though marginally. PMI fell to 15-month lowest at 47.7 points in June from 49.6 in May. This was the lowest figure since March 2014. A reading below 50 means a fall in activity, and above 50 means a rise in activity. (PMI for services is based on responses from around 350 private sector companies.) Underlying the drop in services activity was a further contraction in new business, said Markit Economics, which compiles PMI data. Business activity fell in five of the six monitored categories, the exception being hotels and restaurants. Pollyanna De Lima, economist at Markit, said, "June's Indian service sector data disappointed, with reductions in both activity and new business accelerating since May."

Business Standard - 04.07.2015

http://www.business-standard.com/article/economy-policy/services-pmi-falls-for-the-second-straight-month-in-june-115070300221_1.html

Central Govt Employees now need permission to go abroad

Central government employees going abroad need to disclose estimated expenditure and source of funds prior to their visits, according to a draft policy formed by the Centre. Besides, they also need to give details of such trips taken by them during the past four years. According to the draft policy formed by Department of Personnel and Training (DoPT), the employees may be denied permission due to administrative exigencies and other factors. The DoPT has also come out with a new pro-forma for seeking permission for foreign visits. Employees need to give details of period of travel, name of countries to be visited, purpose, estimated expenditure (travel, boarding, lodging, visa, miscellaneous, etc.) and sources of funds. They need to write in the proforma the details of foreign travel undertaken in the past four years, name of countries visited and purpose, it said. In case due to specific nature of work in a department, administrative exigencies or some adverse factors against the government servant etc.

<http://timesofindia.indiatimes.com/business/india-business/Government-looks-to-rework-FTA-strategy/articleshow/47950813.cms>

Manufacturing PMI weakens in June on slow business orders

India's manufacturing activity slowed in June as new business orders eased after a robust performance in the previous month, a private survey showed on Wednesday. Inflationary pressures remained muted and are expected to give greater flexibility to the central bank during global economic pressures. The Nikkei India Manufacturing Purchasing Managers Index, compiled by Markit, eased to 51.3 points in June from 52.6 in the previous month, marking the 20th straight month of expansion. A reading of over 50 signals growth, while a lower figure indicates contraction. "...June PMI data pointed to a slowdown in India's economic upturn. New business expanded at a noticeably weaker pace, in part reflecting a loss of momentum in export business. Moreover, manufacturers remained in cautious spirits and employment numbers were unchanged once again," said Pollyanna De Lima, economist at Markit and author of the report. India's economy expanded 7.3% in 2014-15, up from 6.9% in 2013-14.

The Economic Times - 02.07.2015

<http://economictimes.indiatimes.com/news/economy/indicators/manufacturing-pmi-weakens-in-june-on-slow-business-orders/articleshow/47903683.cms>

Government sets the ball rolling for divestment worth Rs 20,000 crore in 10 PSUs

After a two-month lull, the government's disinvestment drive for 2015-16 seemed to be back in focus. The Centre on Friday issued requests for proposal (RFP) for merchant bankers and legal advisors for stake sale in 10 state-owned companies - Oil India, Container Corp, NMDC, MMTC, ITDC, NTPC, Engineers India, BEL, Nalco, and Hindustan Copper. The selection of legal advisors and merchant bankers will be followed by investor roadshows and the stake sales on the exchanges through the offer-for-sale (OFS) route. The government also issued a request for proposal (RFP) inviting legal advisors for the Goldman Sachs-managed Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF). The last date for applications for all the proposals is July 24. The department of disinvestment (DoD) issued two RFPs for selecting merchant bankers.

Business Standard - 04.07.2015

Sakshi Post - 30.06.2015

<http://www.sakshipost.com/index.php/news/national/58967-central-gov-employess-now-need-permissions-to-go-abroad.html?psource=Home-Latest>

Oil hits three-week lows as Greek crisis worsens; eyes on Iran

Crude futures hit 3-week lows on Monday as Greece shut its banks and imposed capital controls, causing widespread risk aversion, while Iran looked likely to extend nuclear negotiations with the West to export more of its oil into an oversupplied market. The dollar initially surged against the euro on the Greek jitters, but it later retreated, limiting the downside for oil. A softer dollar makes commodities priced in the greenback more affordable for holders of other currencies. Brent crude futures settled down \$1.25, or almost 2 percent, at \$62.01 a barrel, its weakest finish since June 5. U.S. crude closed down \$1.30, or 2.2 percent, at \$58.33 a barrel, its lowest settlement since June 8. "It's all about Greece today," said oil bear Tariq Zahir of Tyche Capital Advisors in Laurel Hollow, New York. "Also, the Iran deadline for a nuclear pact could be pushed out by a week or so from tomorrow, so it's a risk-off day." Greeks woke up on Monday to shuttered banks, closed cash machines and a climate of rumours and conspiracy theories as a breakdown in talks between Athens and its creditors plunged the country deep into crisis.

Reuters - 29.06.2015

<http://www.reuters.com/article/2015/06/29/us-markets-oil-idUSKCN0P90A020150629>

IOC, other state-run refiners turn sights to Latin America

Reliance Industries Ltd (RIL) may soon face competition from state-run companies such as Indian Oil Corp. Ltd (IOC) that plan to source heavy crude from Latin America, refine it in India, and ship the product back to those markets, making money on the margin—a model successfully followed by billionaire Mukesh Ambani-controlled RIL. India, the world's fourth-largest energy consumer, is recalibrating its crude sourcing strategy and wants to become a preferred refining hub. The country has been Asia's largest refined product exporter since August 2009. India is a net exporter of petroleum products and imported 189.43 million tonnes (mt) of crude oil in 2014-15. It exported 16.05 mt of petrol, 2.55 mt of diesel and other products such as jet fuel, lubricants and naphtha. The move, which oil minister Dharmendra Pradhan said in a 16 June interview would improve the profitability of Indian refiners, comes at a time when IOC plans

http://www.business-standard.com/article/economy-policy/government-sets-the-ball-rolling-for-divestment-worth-rs-20-000-crore-in-10-psus-115070400065_1.html

Petroleum product exports slip 6%

India's petroleum product exports slipped in 2014-15, the first time in six years, as domestic demand for products such as lubricants rose sharply and the home market also became more attractive because of the deregulation of diesel prices. Weak global demand, which have impacted exports across most sectors, also played a role. India exported a total of 63.92 million tonnes (MT) of petroleum products such as petrol, diesel, kerosene, naphtha, aviation turbine fuel (ATF) and fuel oil for the year ended March 2015. This was 6% below 67.86 MT exported in the previous fiscal year and the first fall in exports in six years, according to Petroleum Planning and Analysis Cell (PPAC), a statistical body under the ministry of petroleum and natural gas (MoPNG). The government freed diesel prices in October 2014, bringing private refiners such as Reliance Industries Ltd (RIL) and Essar Oil Ltd on par with the state-owned refiners who were earlier selling diesel at subsidized rates. This allowed private firms to reopen their retail fuel outlets and ramp up domestic retail sales of petrol and diesel.

Mint - 06.07.2015

<http://www.livemint.com/Industry/xRdYvFFxQSpOaJ6X21CchK/Petroleum-product-exports-slip-6.html>

Tourism sector sees dip in revenue despite increase in tourist inflow

Despite an increase in tourist inflow, earnings in the sector dropped from Rs 18.47 to Rs 5.32 crore in a single year, the Comptroller and Auditor General (CAG) report said on Tuesday. The CAG criticised the Delhi Tourism and Transportation Development Corporation (DTTDC) for having no perspective plan for tourism in the city despite its 39 years of existence. "Tourist inflow in Delhi as a whole registered an increase of 108 per cent, whereas it increased only by 30 per cent in the tourist spots owned by the company during 2009-14. Vacant craft and food stalls and non-holding of cultural events on regular basis at Dilli Haat led to declining footfall and consequent inadequate exposition of Indian art, culture and cuisine," the statement issued by the CAG said. "The net profit dipped from Rs 18.47 crore in 2012-13 to Rs 5.32 crore in 2013-14. Company's tourist sports viz Delhi Haat-Pitampura and Garden of

to fully operationalize its 15 million tonne per annum (mtpa) Paradip refinery. Built at a cost of Rs.34,555 crore, this is among the most advanced refineries in the world.

Mint - 06.07.2015

<http://www.livemint.com/Companies/X20PXhT92f6s1BstEoq6QN/Staterun-refiners-turn-sights-to-Latin-America.html>

Govt should leave airfares to market

The junior minister in the Union civil aviation ministry has announced the government's decision to reject a proposal, made by three low-cost airlines, to start offering a new category of zero-baggage fares. This would have enabled these airlines to offer a special discounted fare for those passengers who do not have any checked-in baggage. Another way of looking at the proposal is to henceforth get passengers to pay for the 15 kg of baggage that till now they are allowed to carry at no additional cost. The minister says that he does not want to "put this burden on passengers". The airlines have come up with this proposal, very much in vogue among budget airlines around the world, to take advantage of the ministry's decision earlier in the year to allow unbundling of fares. This rejection is retrogressive. It seems that old habits die hard despite a new government coming in with a reform agenda. Reports on the issue interchangeably use "civil aviation ministry" and "DGCA" (director general of civil aviation) when the latter, as regulator, should be independent of the ministry and a decision from the ministry and the regulator should not be one and the same thing.

Business Standard - 30.06.2015

http://www.business-standard.com/article/opinion/govt-should-leave-airfares-to-market-115063001332_1.html

Hike in ticket cancellation rates: DGCA enquiring; CCI probe sought

Aviation regulator DGCA is looking into the steep hike in ticket cancellation charges by airlines even as the flyers lobby, Air Passengers Association of India (APAI), said it would approach the anti-competition watchdog on the issue, alleging cartelisation. Three domestic carrier -- IndiGo, Jet Airways and SpiceJet -- have unilaterally revised upward their ticket cancellation fee in the recent past. "We are looking into the hike in ticket cancellation charges by the airlines," DGCA sources said. "Cancellation charges, in any case, should not be more than the ticket prices and so the airlines should keep these charges within those limits," they said adding that the airlines need to rationalise such charges. Budget carrier SpiceJet yesterday raised ticket cancellation

Five Senses incurred losses of Rs 5.58 crore respectively during 2009-14 due to low income and high fixed costs.

Deccan Herald - 02.07.2015

<http://www.deccanherald.com/content/486824/tourism-sector-sees-dip-revenue.html>

MakeMy-Trip, Thomas Cook, Mercury Travels in talks to buy Kuoni's India travel business

Online travel portal MakeMy-Trip, British travel major Thomas Cook and the Oberoi Group's Mercury Travels are among firms that are in talks to buy Swiss tourism major Kuoni's travel business in India, people close to the development said. Kuoni is expecting a valuation of \$50-60 million (Rs 315-380 crore) and the transaction could be concluded in the next two months, they said. Three US private equity firms and some other Indian firms, including Centrum Direct, which owns Club7 Holidays, too, are in the fray, sources said. Last month the Zurich-headquartered firm had, through an investment banker, invited bids for the India travel business. In an email response to ET, Rajeev Wagle, managing director for Kuoni India, said: "Numerous strategic buyers and private equity firms have shown interest in acquiring Kuoni India and the process for identifying the successful bidder is underway by Kuoni Group and it intends to find new owners for India in the course of 2015."

The Economic Times - 06.07.2015

<http://economictimes.indiatimes.com/industry/services/travel/makemy-trip-thomas-cook-mercury-travels-in-talks-to-buy-kuonis-india-travel-business/articleshow/47952115.cms>

Sluggish global air cargo growth continues: IATA

Freight tonne kilometers up 2.1%, the slowest rate this year and outpaced by a capacity expansion of 4.3%. The International Air Transport Association (IATA) released data for global air freight markets showing that growth continued to slow in May. Compared to May 2014, growth in freight tonne kilometers (FTK) was 2.1%, the slowest rate this year and outpaced by a capacity expansion of 4.3%. On a year-to-date basis, freight volumes are up 4% on the previous year, but much of that growth was realized in the latter part of 2014. Carriers in most regions, with the exception of those based in the Middle East, saw weak growth or even contractions. In aggregate, airlines in North and Latin America and Europe reported

charges for both domestic as well as international travel. According to the revised fee, which is effective from yesterday, the airline would now deduct Rs 1,800 as cancellation fee for a domestic ticket while calling off an international booking would be charged Rs 2,250.

The Economic Times - 05.07.2015

<http://economictimes.indiatimes.com/news/politics-and-nation/hike-in-ticket-cancellation-rates-dgca-enquiring-cci-probe-sought/articleshow/47947146.cms>

that their freight business was smaller in May 2015 than in the same month of 2014. Carriers in Asia-Pacific experienced slow growth as a result of poor import/export performance. "Cargo growth has undoubtedly come off the boil. The expansion in volumes we saw in 2014 has ground to a halt, and load factors are falling.

Business Standard - 01.07.2015

http://www.business-standard.com/article/news-cm/sluggish-global-air-cargo-growth-continues-iata-115070100647_1.html