

(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 emerges most attractive investment destination: EY**

With relaxation in FDI norms to boost investor sentiments, India has emerged as the most attractive investment destination surpassing neighbouring China and the US, says a report. The global survey of leading consultancy firm EY has ranked India as the most attractive investment destination followed by Brazil and China at second and third positions, respectively. While Canada has cornered fourth spot, the US is placed at fifth position. Other nations in the top ten are South Africa (6), Vietnam (7), Myanmar (8), Mexico (9) and Indonesia (10). "With sharp currency depreciation and opening up of FDI in various sectors, India has become an attractive destination for foreign investors," EY, earlier known as Ernst & Young, said. In August, the government announced relaxation in Foreign Direct Investment (FDI) norms in many sectors, including multi-brand retail and telecom.

*The Economic Times - 15.10.2015*

<http://economictimes.indiatimes.com/india-emerges-most-attractive-investment-destination-ey/articleshow/26313801.cms>

## **India ranks third globally in number of startups: Nasscom report**

India is third globally with the number of startups crossing 4,200, says industry body Nasscom's latest report. The report, titled 'Start-up India -- Momentous Rise of the Indian Start-up Ecosystem,' says the Indian technology startups landscape has seen a tremendous growth in the emergence of innovative start-ups and creative entrepreneurs. In terms of providing a conducive ecosystem for the startups to thrive, India has emerged as the fastest growing base of startups worldwide. India is one among the first five largest start-up communities in the world with the number of startups crossing 4,200. R Chandrashekhar, president, Nasscom, said, "The maturing Indian start-up ecosystem is now contributing to the Indian economy in many ways. Apart from positively impacting the lifestyles of citizens involved, startups are now creating innovative technology solutions that are addressing the key social problems that India is facing and creating significant growth opportunities for every stakeholders."

*The Times of India - 13.10.2015*

## **India economy insulated from global slowdown, claims FM Arun Jaitley**

Union Finance Minister Arun Jaitley on Saturday said that the Indian economy is insulated from the global slowdown, as the factors responsible for slowdown around the world, such as commodity and oil prices, are having a positive impact on the Indian economy, as India is the buyer of such products. "The factors that are slowing down the world, namely commodity prices and oil prices, India is net buyer of these products. So, what is adversely affecting the world, is helping us," Jaitley said, while addressing Pune's top 20 industrialists here. Jaitley further said that the export-led China is now transforming into domestic consumption-based economy and has moved from manufacturing to service sector as a result of global slowdown.

*DNA - 17.10.2015*

<http://www.dnaindia.com/money/report-india-economy-insulated-from-global-slowdown-claims-fm-arun-jaitley-2135946>

## **Disinvestment department seeks tax incentives for retail investors**

In a bid to broad base retail participation in stock markets the Department of Disinvestment (DoD) has suggested tax incentives for small investors to invest in the equity market. The DoD wants a broad based retail market to be created to get good value for the government stake sale planned in several PSUs. The department has made a formal proposal for tax incentives to the Department of Economic Affairs (DEA) in the Finance Ministry, a senior official said. "The DoD has said for retail investors to invest in equities there is a need to have some incentive scheme, preferably in the form of a tax incentive," the official told PTI. The DoD has been long trying to attract more retail investors into the equity market so that they can own a pie in the government companies as and when PSU stake sales happen. According to the DoD, a tax incentive would attract retail investors to equities of both public and private companies, widen the retail investor base in the securities markets and ensure financial inclusion.

<http://timesofindia.indiatimes.com/business/india-business/India-ranks-third-globally-in-number-of-startups-Nasscom-report/articleshow/49338236.cms>

## **India's manufacturing sector benefits from China's challenges; but pitfalls remain**

Play-Doh, Monopoly and practically all of Hasbro's other toys were made in China for decades. Now, Hasbro is changing course. While the company still sources expensive, complex toys like the electronic FurReal Friends from China, Hasbro has contracts for production in Turkey, Indonesia, Vietnam and Mexico. It has moved most aggressively into India, where Hasbro now buys from several sizable factories, and another is planned. Multinationals around the globe have begun to look seriously at manufacturing in India, with its plentiful and inexpensive labor pool. But the investment doesn't mean doing business in India is getting easier. Rather, it is a sign that doing business in China is getting more difficult. The Hong Kong-based Musical Group decided to build the latest Hasbro factory in India after facing severe labor shortages and soaring wages at its main factory in southern China. But Musical, like many companies, is running headlong into India's bureaucratic morass over land purchases, and the project is months behind schedule.

*The Economic Times - 15.10.2015*

<http://economictimes.indiatimes.com/news/economy/indicators/indias-manufacturing-sector-benefits-from-chinas-challenges-but-pitfalls-remain/articleshow/49378672.cms>

## **Export slide show continues**

Exports fell for the tenth month in a row by 24.3 per cent to \$21.84 billion in September because of a steep fall in the shipments of petroleum products, iron ore and engineering goods amid a weak global demand. Imports fell 25.4 per cent year-on-year to \$32.32 billion and the trade deficit narrowed to \$10.48 billion from \$12.5 billion in August mainly on lower gold and oil imports, according to the commerce ministry data. Gold imports fell 45.6 per cent to \$2 billion, while oil imports dropped 54.5 per cent to \$6.62 billion owing to a slump in global crude prices. "The trade data reinforce our views of export growth remaining soft as global demand remains subdued, and trade deficit showing a gradual uptick in line with domestic recovery and normalisation in gold demand," Yes Bank in a research note said. It said the export numbers were a validation of slowing global trade. The WTO has slashed the trade growth forecast for 2015 by 50 basis points to 2.8 per cent.

*The Economic Times - 18.10.2015*

<http://economictimes.indiatimes.com/news/economy/finance/disinvestment-department-seeks-tax-incentives-for-retail-investors/articleshow/49438312.cms>

## **American manufacturing is in a recession**

American manufacturing is in recession. On Thursday, regional manufacturing reports for October showed very slight improvement but made clear that the sector is in contraction. In September, all seven regional manufacturing purchasing manager's indexes fell into contractionary territory. The Empire State manufacturing index from the New York Federal Reserve for October was -11.36, improved from -14.67 in September, but still indicating contraction in the New York region. The Philly Fed's index came in at -4.5 for the month, also an improvement from September's reading but still pointing to a deceleration in manufacturing activity. And the details of the latest regional indexes paint an even bleaker picture than the headlines, according to Pantheon Macroeconomics' Ian Shepherdson. For instance, new orders in the Philly Fed's index fell to -10.6 from +9.4, the lowest since June 2012. Employment plunged to -1.7 from 10.2. And, shipments tumbled to -6.1 from 14.8. The dollar's rapid rise over the past year has slowed down a bit, but is still putting pressure on US exports, and by extension, manufacturers.

*Business Insider - 15.10.2015*

<http://www.businessinsider.in/American-manufacturing-is-in-a-recession/articleshow/49392065.cms>

## **India's defence exports likely to double this year; may cross Rs 1,200 crore: Manohar Parrikar**

India's defence exports are likely to double this year, Defence Minister Manohar Parrikar today said and called for tapping friendly countries to increase sale of military equipment. India could export defence equipment to friendly countries and also neighbours as such a move would help in strengthening relations with them, he said. He was speaking at Global Business Forum organised by the IIT Alumni Association at Bambolim on the outskirts of Panaji. The technocrat-turned-politician, an IIT Bombay graduate, is a member of the association. "Export should be encouraged as we have friendly relations with many countries. These countries look towards India for their defence needs and if India does not give them the required equipment, it does not make you real friends," Parrikar said

*The Economic Times - 16.10.2015*

*The Telegraph* - 15.10.2015

[http://www.telegraphindia.com/1151016/jsp/business/story\\_48268.jsp#.ViRp49IrLIU](http://www.telegraphindia.com/1151016/jsp/business/story_48268.jsp#.ViRp49IrLIU)

### **Ease of doing business: Government likely to remove sectoral conditions like minimum capitalisation**

India is expected to remove sectoral conditions such as minimum capitalisation, shareholding restrictions and non-compete clauses for foreign investors to create a level playing field with domestic companies as part of the next phase of a proposed ambitious clean-up of FDI policy. Foreign investors will be subject only to those norms imposed by sector regulators or departments, ensuring parity with domestic investors. Sectors that would benefit the most from this clean-up are nonbanking finance, venture capital, construction, pharmaceutical and retail. The attempt would be to remove most conditions tied to foreign direct investment, retaining only those that have strategic or national security considerations. "Sectoral conditions only burden the FDI policy...They also lead to duplicity of conditions," said a government official. "A call would be taken keeping in view sensitivities of the sector."

*The Economic Times* - 15.10.2015

<http://economictimes.indiatimes.com/news/economy/policy/ease-of-doing-business-government-likely-to-remove-sectoral-conditions-like-minimum-capitalisation/articleshow/49367597.cms>

### **India's Sept fuel demand rises at fastest pace in a decade**

India's fuel demand in September rose at the fastest pace in more than a decade, providing further evidence of a pick-up in industrial activity in Asia's third-largest economy. Fuel consumption, a proxy for oil demand, surged 15.1% in September from the same month a year ago, the biggest rise since August 2005, according to data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry. The fuel consumption figures come days after data showing India's industrial production expanded at its fastest pace in nearly three years, helped by a surge in capital investment. Fuel sales in the world's fourth-largest oil consumer totalled 14.70 million tonnes last month, the data showed, led by robust sales of gasoil and gasoline. Diesel consumption, which accounts for about 40% of refined fuels used in India, rose 20.1% to 5.89 million tonnes, the strongest rise since August 2005. Weak monsoon rains spurred demand for diesel-fuelled generators used to power pumps for wells, as roughly half of India's farmland lacks irrigation.

*Mint* - 17.10.2015

<http://economictimes.indiatimes.com/news/defence/indias-defence-exports-likely-to-double-this-year-may-cross-rs-1200-crore-manohar-parrikar/articleshow/49421078.cms>

### **Modi wants all PSUs to list by March 2017**

In what could fire up the capital market and garner the much needed resources for capex, the Narendra Modi government has issued a notification calling for listing all CPSUs by March 2017, sources told Bloomberg TV India on Tuesday. Shares of listed PSUs which could see further divestment or those who can list their subsidiaries surged on the news—Coal India was up 1.75 per cent, BHEL 1.4 per cent, MTNL 10 per cent, RCF 3 per cent, Nalco and HMT 2.8 per cent each by 3PM in a weak Mumbai market whose benchmark Sensex was down 0.17 per cent. Confirming the directive issued by Department of Public Enterprises calling for their listing, PSU officials say the government's focus is on listing HAL, Heavy Engineering Corporation, ONGC Videsh, RINL, Nuclear Power Corporation of India Ltd, BSNL, IREDA and Coal India subsidiaries. The listing of PSUs is being perceived as a means of deepening the Indian bourses. The government seeks to instil a greater stability and to prevent market fluctuations.

*Bloomberg TV* - 13.10.2015

[http://www.btv.in.com/article/read/stock\\_market/2947/exclusive---modi-wants-all-psus-to-list-by-march-2017](http://www.btv.in.com/article/read/stock_market/2947/exclusive---modi-wants-all-psus-to-list-by-march-2017)

### **New marginal oil fields policy comes into effect**

The oil ministry today announced the new Marginal Fields Policy approved by the cabinet last month has become operational with immediate effect. The policy aims at bringing into production 69 economically unviable oil and gas fields with Rs 75,000 crore worth of reserves on the back of a slew of fiscal incentives. The fields with 89 million tonne reserves were earlier rejected by national oil companies Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL). These companies are now allowed to bid for the blocks apart from domestic and foreign private sector explorers. The policy allows for grant of a single license for exploiting conventional and non-conventional hydrocarbons, lifts restriction on exploration activity during contract period, exemption from payment of oil cess and customs duty on machinery and equipment. Contractors would be free to sell crude oil exclusively in the domestic market through a transparent bidding process on arm's length basis

*Business Standard* - 15.10.2015

<http://www.livemint.com/Industry/va0L6IIDILuLr5g3cjmGWN/Indias-Sept-fuel-demand-rises-at-fastest-pace-in-a-decade.html>

## **Cox & Kings buys UK's Laterooms**

Holiday-maker Cox & Kings has acquired UK's online hotel booking site Laterooms for 8.5 million pounds, or Rs 84 crore, from rival tour operator TUI, expanding its e-commerce presence and marking the company's eighth acquisition in the last ten years. Laterooms.com, which offers 54,800 properties globally and has 93 million customer visits, generated net revenues of 50 million pounds (about Rs 492 crore) in the financial year ended September 30. The online hotel specialist's parent company also owns Asiarooms.com. Cox & Kings management said that the acquisition will boost its delivery capabilities in the leisure business. The India-headquartered travel services company also plans to drive synergies and value from Laterooms' association with Cox & Kings' UK unit SuperBreak Mini-Holidays, a short break vacation specialist which derives 17% of its business online. Cox & Kings' CFO Anil Khandelwal said that while Laterooms is currently focused exclusively on the hotels space, there is an opportunity to incorporate transport and entertainment ticketing such as mini-cruises and theatres.

*The Times of India - 14.10.2015*

<http://timesofindia.indiatimes.com/business/india-business/Cox-Kings-buys-UKs-Laterooms/articleshow/49345389.cms>

## **For better flight deals, go for last-minute bookings**

The early birds may not get to fly cheaper any more. Airlines seem to be reducing fares closer to the travel date, an analysis of tickets on offer for travel on six key sectors showed. The fares quoted for travel on October 17 were more expensive when booked 30 days in advance than 10 days. These select trunk routes have seen capacity addition by airlines in recent times. "With the added capacity on the top metro routes, and lower load factors in the first half of October compared to last year, airlines have reduced fares closer in to get more people to fly," said Amit Taneja, chief revenue officer at online travel portal Cleartrip. The lower fares benefit customers and airlines are also seeing higher overall revenue as the lower fuel prices enable them to operate profitably even at low fares, said Taneja. About 63 flights operate from Delhi to Mumbai and vice versa. Other city pairs like Bengaluru-Mumbai and Mumbai-Hyderabad have 32 and 21 daily direct flights, respectively, and many more flights with stopovers. Pune and Chennai and Kolkata-Bengaluru have seven and 12 flights, respectively.

[http://www.business-standard.com/article/economy-policy/new-marginal-oil-fields-policy-comes-into-effect-115101501280\\_1.html](http://www.business-standard.com/article/economy-policy/new-marginal-oil-fields-policy-comes-into-effect-115101501280_1.html)

## **Draft aviation policy in public domain by month-end: Civil aviation minister**

The draft civil aviation policy is likely to be made public by this month-end seeking views and suggestions from stakeholders and other people, Union minister Ashok Gajapathi Raju said. The civil aviation minister said the government would give about 10 days' time to the public to give their views after which the policy would be given final shape for its implementation. "We are hopeful of completing the exercise (consultations with the stakeholders)... the policy should be out in public domain by the month end," he told reporters on the sidelines of an international conference on general aviation organised by the national chopper operator Pawan Hans. The government would give about 10 days' time to stakeholders and the public at large for their suggestions on the draft policy, he said adding, "we don't want to miss anything in the policy". The policy would be given final shape for its implementation once this exercise gets completed, he added without giving any timeline.

*The Times of India - 16.10.2015*

<http://timesofindia.indiatimes.com/india/Draft-aviation-policy-in-public-domain-by-month-end-Civil-aviation-minister/articleshow/49419550.cms>

## **Wee hour domestic flights take off**

Domestic passengers, pressed for time and scouting for bargain options, can look forward to early-morning flights now. These flights between 12am and 5am are commonly called "red-eye" in the West in reference to the sleep-deprived passengers who get off them. They are substantially cheaper than daytime flights. Airlines such as Jet Airways, SpiceJet and IndiGo are launching the flights as they enable business and budget fliers to save on travel costs. SpiceJet will operate its first red-eye flight on the Delhi-Bangalore and Delhi-Nanded routes from November 2. Last week, low-cost airline IndiGo started these flights to Mumbai, Bangalore and Chennai from Delhi. Jet Airways, which operates eight late night/early morning flights, announced additional flights to Calcutta and Mumbai from Chennai. According to analysts, red-eye flights increase asset utilisation because aircraft can be used for more hours. This helps the airline to lower its cost per available seat kilometre. Airlines will also be able to add capacity during the upcoming peak travel season without having to fight for daytime slots at prime airports.



*The Economic Times - 15.10.2015*

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/for-better-flight-deals-go-for-last-minute-bookings/articleshow/49344886.cms>

## **PSUs to ink pact with domestic ships for 50% of imports**

In a step to boost domestic firms like Shipping Corporation, the government is considering a proposal to make it mandatory that public sector undertakings (PSUs) engaged in import of commodities, including oil and coal, sign a 5 year contract with them for the inbound cargo. The proposal, likely to be sent to cabinet "in a few weeks" time is in lines with nations like China, Japan and Korea to protect the domestic shipping industry. "An inter-ministerial group is at present considering the proposal that government PSUs, based on some international benchmarks, could give domestic ship liners contracts for cargo imports for five years," an official source said. The proposal involves giving 50% or more of the total cargo imports by oil, coal and steel etc PSUs to domestic ship liners, the source added. "The Indian shipping companies in turn, confident of the contracts at hand, could buy ships and increase the Indian tonnage. Five year contracts with PSUs would also provide confidence to the lenders to provide assistance to Indian companies," according to the source.

*Livemint - 14.10.2015*

<http://www.livemint.com/Industry/tpE9ThZhaDGKfr6MkygvKO/PSUs-to-ink-pact-with-domestic-ships-for-50-of-imports.html>

## **Centre to come out with National Minimum Wage Act soon: Bandaru Dattatreya**

The Centre will soon come up with a National Minimum Wage Act which all the state governments are required to implement, Union Labour Minister Bandaru Dattatreya said here. Speaking on the sidelines of the CII's national council meeting, Dattatreya said, "Minimum wage has to be fixed by the state government but we want a National Minimum Wage Act. We want enactment of a Law. It will be statutory and every state has to implement that minimum wage." The Minister said that the "formula" on the wages was ready and it would come out "shortly".

*The Economic Times - 13.10.2015*

<http://economictimes.indiatimes.com/news/politics-and-nation/centre-to-come-out-with-national-minimum-wage-act-soon-bandaru-dattatreya/articleshow/49336077.cms>

*The Telegraph - 18.10.2015*

[http://www.telegraphindia.com/1151019/jsp/business/story\\_48793.jsp#.ViSGT34rLIU](http://www.telegraphindia.com/1151019/jsp/business/story_48793.jsp#.ViSGT34rLIU)

## **New rules to boost India's shipping fleet; may dent foreign shippers: Source**

Indian state-owned firms may have to give half their freight business to local shippers to help rescue an industry battered by the global commodities downturn. India's cabinet could as early as next month consider making it mandatory for state-owned oil, steel, coal and fertiliser importers to route at least half of their cargoes through local shippers as part of a broader agenda of Prime Minister Narendra Modi to shore up and protect the ailing sector, a government source said. New Delhi is proposing importers sign 5-year contracts with local shipping firms in a move designed to shift freight worth billions of dollars to Indian flag carriers and help boost fleet companies like Shipping Corp of India, Mercator Ltd, Great Eastern Shipping Co and Essar Shipping. In 2013-14, India paid about \$57 billion in freight payments to foreign firms.

*The Economic Times - 13.10.2015*

<http://economictimes.indiatimes.com/industry/transportation/shipping/-transport/new-rules-to-boost-indias-shipping-fleet-may-dent-foreign-shippers-source/articleshow/49342527.cms>

## **CM's panel for Swachh cess on telecom, fuel**

The chief minister's panel on Swachh Bharat has suggested a cess on petrol and diesel as well as telephony services to raise funds for Prime Minister Narendra Modi's pet scheme. In a radical move, the panel has also recommended that anybody contesting an election for local bodies must have an individual household toilet. A levy on accumulated waste produced by mineral waste generation plants like coal, aluminum and iron ore and issuance of Swachh Bharat bonds by central and state governments to raise resources are among the other suggestions. The budget had allowed the government to levy a Swachh Bharat cess at a rate of 2% or less on all or certain services, if need be. According to estimates, the government can raise around Rs 15,000 crore if it imposes a 1% levy.

*The Times of India - 15.10.2015*

<http://timesofindia.indiatimes.com/india/CMs-panel-for-Swachh-cess-on-telecom-fuel/articleshow/49368512.cms>