

(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.)

World economy to pick up in 2016: UAE

The global economy is expected to improve by 2016 as Asian countries are growing faster, the United Arab Emirates' (UAE) minister of economy said. "The world economy is definitely going to pick up. For 2016, or the second half of next year, the expectation is that the economy of many parts of the world is going to rise," Xinhua quoted Sultan Al-Mansouri as saying at the World Economic Forum (WEF) Summit on the Global Agenda 2015, that kicked off here on Sunday. He said the current oil price level of around \$50 per barrel is a challenge for the UAE and the rest of the world alike. He said that there is also a forecast that a pick-up in the price of oil would take place. The UAE has a clear plan to reduce the share of oil in the economy by 10% within the next 15 to 20 years, he said. Currently, oil stands for 29% of the gross domestic product of the UAE that harbours 7% of the world's known oil reserves. Last week, Masood Ahmed, director of Middle East and Central Asia at the International Monetary Fund (IMF), said the UAE would record a fiscal deficit of 3.5% of gross domestic product.

Business Standard - 26.10.2015

http://www.business-standard.com/article/international/world-economy-to-pick-up-in-2016-uae-115102600122_1.html

India's fuel consumption to be higher in 18 months, says Moody's

Projecting Indian economy's growth at 7 per cent in the current fiscal and 7.5 per cent in the next one, Moody's Investors Service today said GDP growth and low oil prices will lead to higher fuel consumption over the next 18 months. "We expect the Indian economy to grow at a faster pace, with GDP growth for the fiscal year ending March 2016 at 7 per cent and 7.5 per cent for the following year," it said in a report titled 'Refining and Marketing - Asia Outlook Stable on Modest EBITDA Growth, Easing Supply Overhang'. Improving economic growth along with low oil prices will support higher consumption of refined petroleum products in India over the next 18 months, it said. Refined products demand grew 6.7 per cent year-over-year in April to August 2015, significantly better than the 2 per cent growth rate achieved in

S&P retains India rating at 'BBB-' with stable outlook

International rating agency Standard & Poor's has affirmed its 'BBB-' long-term and 'A-3' short-term sovereign credit ratings for India. The outlook for country remains stable, the agency said in a statement on Monday. The ratings on India reflect the country's sound external profile and improved monetary credibility, it said. These factors, combined with strong democratic institutions and a free press, both of which yield policy stability and predictability, underpin the investment-grade rating on India. "These strengths are balanced against vulnerabilities stemming from the country's low per capita income and weak public finances," it said. India's governing parties have made progress in building consensus on a passage of laws to address long-standing impediments to India's growth, it said. These include strengthening the business climate (such as through simplifying regulations and improving contract enforcement and trade), improving labour market flexibility, and reforming the energy sector.

The Economic Times - 19.10.2015

<http://economictimes.indiatimes.com/news/economy/indicators/sp-retains-india-rating-at-bbb-with-stable-outlook/articleshow/49455626.cms>

Exports decline to continue this year

India's goods exports contracted for a 10th straight month in September, surpassing the prolonged decline during the 2008 financial crisis. With the International Monetary fund (IMF) and the World Trade Organization (WTO) lowering their target for world trade, India's growth faces an export challenge. "It is due to the combination of weak global demand and the fall in commodity prices," says Devendra Pant, chief economist, India Ratings. The IMF lowered its forecast for world trade to 3.2 per cent in 2015, from its July forecast of 4.1 per cent. Projections for emerging markets were cut to 1.3 per cent, from 3.6 per cent in its July forecast. In large parts, the revisions are on account of a slowdown in China. It will have a limited direct impact on India as China accounts for only four per cent of India's goods exports

the fiscal year ended March 2015. "Lower crude prices will reduce refiners' feedstock costs and minimise working capital requirements, which together with healthy earnings, will boost cash flows and allow refiners to reduce borrowings," Moody's said.

Business Standard - 26.10.2015

http://www.business-standard.com/article/economy-policy/india-s-fuel-consumption-to-be-higher-in-18-months-says-moody-s-115102600584_1.html

Indians most optimistic about their economy: Emerging Affluence Report 2015

Indians are very optimistic about their economy. Standard Chartered Bank's The Emerging Affluence Report 2015 has found Indians' optimism to be far higher than that of their counterparts in other emerging economies. Confidence of respondents in home market's growth prospects over the next year: India 95% Average 75%; Reasons for confidence in India: strong national economy 41%, strong government leadership 24% and appropriate regulation 14%. The top 3 spending priorities for Indians (in next 12 months) is to buy new technology 37%, children's education 37% and travel within India 35% while (in next 2-3 years) travel abroad 39%, buy a new property 37% and buy a new car 32%. Indian respondents' personal wealth aspirations over the next 10 years included buying property and launching own business.

The Economic Times - 26.10.2015

<http://economictimes.indiatimes.com/news/economy/indicators/indians-most-optimistic-about-their-economy-emerging-affluence-report-2015/articleshow/49515228.cms>

Private investment in July-Sept quarter Rs 2.25 lakh crore; highest quarterly rise since 2011

Private investment in the July-September period was about Rs 2,25,000 crore in the July-September period. It is 54% more from a year earlier and the highest in any quarter since 2011, said a report in The Economic Times. The increase in capital investments and venture capital inflow is likely to boost economic activity in the coming months, said the report. While companies continue to be jittery of big-ticket investments, conglomerates like Adani and Vedanta, and many smaller companies have announced new projects in the past quarter in an indication of improving sentiment, added the report. According to the ET Intelligence data (ETIG), Indian companies - state-owned and private together - announced new projects totalling Rs 3,80,000 crore in the

but the indirect impact is likely to be severe. The Asia region accounts for 48 per cent of our exports but is closely integrated with the Chinese economy. Chinese imports fell 20 per cent in September, indirectly impacting India.

Business Standard - 23.10.2015

http://www.business-standard.com/article/economy-policy/exports-decline-to-continue-this-year-115102200923_1.html

India wants its economy to grow much faster: Arun Jaitley

Finance Minister Arun Jaitley on Tuesday said the government is looking at further easing of FDI policy. He further added that there are few challenges in meeting disinvestment target and fiscal deficit not a cause of concern. Jaitley was speaking at the India-Africa summit to which all of the continent's 54 countries have been invited. India wants its economy to grow much faster, Arun Jaitley said. "India today aspires to grow much faster. We are not satisfied with present growth rates," Jaitley said. India has decided to set up a project development company in Africa, Jaitley said in a speech to the event organised by India's Exim Bank. India's annual trade with Africa has grown to \$72 billion but lags China's \$200 billion.

The Financial Express - 27.10.2015

<http://www.financialexpress.com/article/economy/india-wants-its-economy-to-grow-much-faster-arun-jaitley/157343/>

PSU stake sales: Revitalised programme may offer new investment routes

With commodities and energy companies under stress and global investors showing little interest in them, the government is now looking to line up firms from the financial and infrastructure segments where there is greater investor interest. In a recently-concluded roadshow for the government's upcoming disinvestment plans, officials received feedbacks that global institutional investors were less keen on subscribing to power, energy and commodity stocks. Their interests lay in cashing in on the India growth story by participating in the infrastructure and the financial sectors. "Global investors place India on top when it comes to investing in emerging markets and within the country they are very keen on infrastructure and

July-September quarter, which was 11.11% higher than a year earlier. Government investments declined to Rs 1,55,000 crore from Rs 1,96,000 crore. The data compiled by ETIG from the Centre for Monitoring Indian Economy reveal that the growth in investments was primarily driven by electronic and chemical manufacturing, roads, and ports.

Zee News - 23.10.2015

<http://zeenews.india.com/business/news/economy/private-investment-in-july-sept-quarter-rs-2-25-lakh-crore-highest-quarterly-rise-since-2011-1813411.html>

Govt eyes public issues, ETFs as choppy markets derail disinvestment plans

Faced with choppy market conditions and a virtual certainty that planned strategic sales of unviable government assets may not happen this year, the finance ministry finds that its job of meeting the ambitious Rs 69,500 crore disinvestment target has become way more difficult. It is now left grappling with additional revenue-generating options that could include up to three initial public offerings (IPOs) of state-owned companies - Hindustan Aeronautics, RINL and THDC - and raising more money from its central public sector enterprises exchange traded fund (CPSE ETF), Business Standard has learnt. Of the total 2015-16 budgeted estimate for disinvestment in 2015-16, Rs 41,000 crore was expected to come from minority stake sales in state-owned companies and Rs 28,500 crore from strategic sale of loss-making public sector units (PSUs) and other unviable assets like warehouses, factories, hotels and the like.

Business Standard - 22.10.2015

http://www.business-standard.com/article/economy-policy/govt-eyes-public-issues-etfs-as-choppy-markets-derail-disinvestment-plans-115102200911_1.html

Oil falls as supply glut swells storage

Oil edged lower on Monday on a global supply glut pushing fuel storage sites close to capacity, and with fewer speculators betting on a rise in crude prices. Brent, the international benchmark, was down 45 cents at \$47.54 a barrel at 1400 GMT, 12 per cent below this month's high. US crude futures traded down 63 cents at \$43.97 a barrel, the lowest in nearly four weeks. As refined oil product storage tanks fill up, unwanted diesel and jet fuel (distillate) cargoes are backing up outside Europe's ports and taking longer, slower routes around the southern tip of Africa to buy time. Research consultancy Energy Aspects said product stocks rose by 0.6 million barrels per day in the third quarter. "While our distillate balances

financials. For investors whose policy allows them to invest directly, their first preference is to participate directly/straight into infrastructure. There are others who are entering through the debt market," said a senior government official, who was part of the roadshow to the US, UK, Singapore and Hong Kong earlier this month.

The Indian Express - 23.10.2015

<http://indianexpress.com/article/india/india-news-india/psu-stake-sales-revitalised-programme-may-offer-new-investment-routes/>

Divestment department seeks cut in target

With the disinvestment department seeking a reduction in the record selloff target of Rs 69,500 crore for the current financial year, the finance ministry is now eyeing higher pay-outs from the country's public sector companies to make good a part of the shortfall. Sources blamed the poor market conditions and the government's inability to initiate strategic sale or offload its remaining shares in companies such as Balco and Hindustan Zinc for the shortfall. Besides, they acknowledged that the target was too stiff, considering that the current fiscal's target was almost three times the best ever receipts of around Rs 24,350 crore achieved in 2014-15. The government has so far managed to mop up Rs 12,700 crore this year, largely due to stake sale in IndianOil, an issue which mainly saw investment by the Life Insurance Corporation.

The Times of India - 27.10.2015

<http://timesofindia.indiatimes.com/business/Divestment-department-seeks-cut-in-target/articleshow/49546540.cms>

IOC ties up with Tata Motors for co-branded diesel engine oils

India's largest refiner and fuel retailer Indian Oil is expanding its portfolio of co-branded lubricants under the Servo tag as leading automakers change their sales pitch by aggressively pushing extended warranty. In its latest endeavour, the state-run company has tied up with Tata Motors, one of the largest diesel vehicle makers in the country, to jointly launch a range of high-performance co-branded diesel engine oils for commercial vehicles from the Tata stable. Co-branding ensures a captive consumer for Servo in the highly competitive domestic lubricants market, where scores of big and small players -- both international and

suggest that stocks will fall short of capacity, the margins of error are small and the risks high, leaving risks to current crude oil prices and time spreads as skewed to the downside through next spring," analysts at Goldman Sachs wrote on Monday.

The Economic Times - 26.10.2015

http://economictimes.indiatimes.com/markets/commodities/oil-falls-as-supply-glut-swells-storage/articleshow/49542711.cmsutm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Asia Pacific Airlines demand grows by 6% in September 2015

Preliminary traffic figures from the Association of Asia Pacific Airlines (AAPA) for the month of September 2015 show continued growth in international passenger demand, whereas air cargo markets were weak. In aggregate, Asia Pacific airlines carried 22 million international passengers in September, six per cent more than the same month last year. Measured in revenue passenger kilometres (RPK), demand increased by 7.4 per cent reflecting broad support on both short and long haul routes. Combined with the 6.2 per cent expansion in available seat capacity, the average international passenger load factor edged 0.8 percentage points higher to 77.2 per cent for the month. Andrew Herdman, director general, AAPA said, "Overall, international air passenger demand has seen robust growth during the past nine months, as reflected in the 8.3 per cent increase in the number of international passengers carried by Asia Pacific airlines to reach a combined total of 206.1 million.

Financial Express - 23.10.2015

<http://www.financialexpress.com/article/travel/latest-updates-travel/asia-pacific-airlines-demand-grows-by-6-in-september-2015/155755/>

Sterling Holidays set to buy Nature Trails Resorts

Sterling Holidays, a unit of Thomas Cook India, will acquire Nature Trails Resorts from father-son promoters Hari Divekar and Chinmay Divekar, upping its play in the growing adventure tourism segment. This will be Sterling Holidays' first acquisition after Thomas Cook India, owned by Canadian billionaire Prem Watsa, took over the leisure hospitality chain for Rs 870 crore last year. The over two-decade-old Nature Trails will operate as an independent entity with Chinmay Divekar continuing to be at the helm. The Nature Trails brand will be retained, said Ramesh Ramanathan, MD, Sterling Holidays. The acquisition will increase Sterling Holidays' presence to 29

domestic - are jostling for shelf space. Servo controls nearly 20% of the retail lubricants market in the country which is dominated by BP's Castrol. In the industrial lubes segment, Servo holds sway over nearly 38% of the market. The co-branded lubricant for Tata Motors has been customised to meet the technical requirements of the automaker's commercial engines and typical driving patterns.

The Economic Times - 22.10.2015

<http://auto.economictimes.indiatimes.com/news/oil-and-lubes/ioc-ties-up-with-tata-motors-for-co-branded-diesel-engine-oils/49489570>

Discount treats spice up air travel

Airlines are vying with one another to offer discounts and promotional schemes on both domestic and international routes. Low-cost carrier AirAsia is offering rock-bottom fares to over 20 countries across India, Asia and Australia. For flights within India, fares start from as low as Rs 1,299. Travellers can also fly to international destinations such as Kuala Lumpur and Bangkok with fares starting at Rs 4,499 and Rs 4,999, respectively. "As the pioneer for low-cost travel, AirAsia makes travelling to a dream destination more accessible and affordable for all. We hope our guests take advantage of our low fares coupled with our exemplary service to explore exciting destinations," said Mittu Chandilya, chief executive officer and managing director, AirAsia India. Booking for the promotional seats started from October 19 and continued till today with the travelling period between March 1 and October 29, 2016. Air India is launching its popular eSuperSaver scheme for economy class travellers from November 1.

The Telegraph - 26.10.2015

http://www.telegraphindia.com/1151026/jsp/business/story_49614.jsp#.Vi80BtIrLIU

MakeMyTrip festive season sale goes 'app-only'

Nasdaq-listed online travel company MakeMyTrip is going the Flipkart way in offering 'only-app sale' during the festival season. The week-long sale, starting Tuesday, is aimed at getting users to shop for summer holidays in 2016 at a deep discount, besides offering deals for the current high-season travel quarter. "The next seven days are your chance to book the next summer holidays on discounts," said an executive while describing the 'Great Indian Getaway', which might become an annual property depending on its success. Recently, e-commerce major Flipkart had taken the second edition of its 'big billion day' sale to the 'only-

properties in the country. Nature Trails has four properties and one coming up in Maharashtra, which is ranked second among Indian states by number of international tourists and fourth in terms of domestic travellers. Around 43 lakh foreign travellers and nine crore local tourists visited the state in 2014.

The Times of India - 27.10.2015

<http://timesofindia.indiatimes.com/business/india-business/Sterling-Holidays-set-to-buy-Nature-Trails-Resorts/articleshow/49543216.cms>

No swift recovery seen for depressed bulk freight rates

Bulk freight rates are set to remain under pressure, as cooling commodity demand coincides with a bigger vessel fleet, increasing the pressure for consolidation in the sector, industry analysts said. Sokje Lee, executive director for Korea at JP Morgan, said there was a risk shipping rates could remain low for years. "Don't look for an increase in freight rates. Instead, the way to make money is to save costs," he told a shipping conference in the Korean port city. Lee said that weak rates were a particular threat to Chinese ship makers as their labour costs had tripled in the last decade and were now higher than in South Korea and Japan. "Because of this, we are going to see big restructuring of Chinese yards in the next two years," he said. Industry experts speculate that China Ocean Shipping (Group) and China Shipping could be set to announce a merged holding company. Shares in units of the companies including China Cosco Holdings and China Shipping Development have been suspended for two months pending an announcement.

The Economic Times - 22.10.2015

<http://economictimes.indiatimes.com/news/international/business/no-swift-recovery-seen-for-depressed-bulk-freight-rates/articleshow/49490653.cms>

app' platform, encouraged by the high growth in shopping via smartphones. Myntra, the fashion portal acquired by Flipkart last year, has transformed itself to an only-app service provider through the year. Ola, the largest cab aggregator in India, is also going the 'only-app' way. However, the Deep Kalra-founded travel company is unlikely to go only app yet.

Business Standard - 27.10.2015

http://www.business-standard.com/article/companies/makemytrip-festive-season-sale-goes-app-only-115102700050_1.html

PSUs to boost fortunes of domestic shipping industry

The government is considering a proposal to make it mandatory for the public sector undertakings to import of commodities, including oil and coal, to engage the services of Shipping Corporation and other domestic companies. The importing firms may be told to sign a 5 year contract with them for the inbound cargo. The proposal is similar to the practice being followed in China, Japan and Korea. This is 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. Five year contracts with PSUs would provide confidence to the lenders to provide assistance to Indian companies This would shift freight worth billions of dollars to domestic ship liners like SCI, Great Eastern Shipping and Mercator Lines, among others.

Governance Now - 26.10.2015

<http://www.governancenow.com/news/psu/psu-s-boost-tunes-domestic-shipping-industry>