

(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 remains global growth champ with 7.8 percent economy expansion in 2016

India remains the global growth champion with its economy set to increase by 7.8 percent in the new year although a World Bank report released Thursday cut it from the 7.9 projected last June. Overall the bank's Global Economic Prospects Report painted a gloomy global outlook cutting the global growth by almost a half percent to 2.9 percent in 2016 from the 3.3 percent forecast last June. The growth race among the major economies, China remains the runner-up with its economy projected to grow by 6.7 percent this year and 6.5 percent next year. The growth projections for U.S. economy are 2.7 this year, 2.4 next year and 2.2 in 2018. It kept India's economic growth as measured by increase in gross domestic product at 7.9 percent for 2017, "although the pace of reforms has slowed somewhat." For 2018, it cut the projection from 8 percent made last June to 7.9 percent. However, it also drew attention to the dark clouds overhanging the reform process.

Business Standard - 08.01.2016

http://www.business-standard.com/article/news-ians/india-remains-global-growth-champ-with-7-8-percent-economy-expansion-in-2016-116010800102_1.html

Ever so slowly, the euro zone economy awakes

Moribund. Decrepit. Sclerotic. Popular words to describe the economy shared by the 19 countries of the euro zone - but perhaps no longer apt. Very slowly - and primarily because of massive stimulus from the European Central Bank - the euro zone is showing signs of recovery. It is a dawn that policymakers are struggling to nurture into broad daylight. It also may not be felt equally across the board, viz Spain and Greece's unemployed versus Germany's busy builders. But putting aside for the moment that the euro zone's nascent recovery is happening just as China is wobbling and financial markets are unhinged, the numbers look generally positive. Economic growth was running at an annual rate of 1.6 percent in the third quarter. While this may not seem robust, it is roughly twice the average annual growth rate between 2003 and 2014 (itself dragged down by the sharp

Indian economy to outshine China's in 2016; to clock 7.7% growth, says PwC

India will be a "star performer" among emerging market economies and is expected to clock 7.7% growth in 2016, which outshone China for the second consecutive year, a PwC report says. According to the global consultancy firm, of the emerging economies, only India is expected to grow faster in 2016 than its long-term average growth rate. Among the seven emerging economies (China, India, Brazil, Mexico, Russia, Indonesia and Turkey), India will be a "star performer", while the Brazilian and Russian economies will contract and China will slow down, the report said. "For the second year in a row, we expect India to grow faster than China, expanding by around 7.7% in real terms," it said. While the G7 economies (the US, the UK, Japan, Germany, France, Italy and Canada) are expected to grow at fastest rate since 2010, led by the first two, the E7 emerging economies will grow slower than their trend rate (but still faster than the G7).

DNA - 10.01.2016

<http://www.dnaindia.com/money/report-indian-economy-to-outshine-china-s-in-2016-to-clock-77-growth-says-pwc-2164073>

Global economy in the future tense

Political uncertainties, security concerns and worries about the economic slowdown in China and the rest of the world have dominated headlines this week. The World Bank also predicted India would outpace the Chinese dragon in the next three years. The first week of this year has not started very well for the global economy or India. Political uncertainties, security concerns and worries about the economic slowdown in China and the rest of the world have dominated headlines. The stock market crash in China reverberated through all other equity markets. China suspended trading on Monday and pumped in a lot of money to contain the damage and reworked some rules. However, after a brief respite, the prices again fell sharply and trading had to be suspended on Thursday. China's manufacturing sector growth

contraction of 2009), and the equal highest rate since 2010.

The Economic Times - 10.01.2016

<http://economictimes.indiatimes.com/news/inter-national/business/ever-so-slowly-the-euro-zone-economy-awakes/articleshow/50520647.cms>

A bold disinvestment strategy needed

The year 2015 has been a disappointing one for economic reforms in India. Some of it was political, such as the land Bill, and now GST. But even where reform was entirely in government hands, the progress was inexplicably slow. One of the biggest disappointments of 2015 has been the inability to move forward on even the modest targets of disinvestment of R69,000 crore (\$11 billion)—especially strategic disinvestment of R28,000 crore (\$4 billion)—out of the total assets of public sector undertakings (PSUs) estimated at over R30 lakh crore (\$500 billion); not included here are the state banks, which have also locked in huge amounts of public capital. If the Narendra Modi government wants to show its reformist tendencies, it could move on disinvestment aggressively without needing any legislative approval and brinkmanship. Instead, it's floundering around, trying to restructure and improve these companies without a clear game-plan.

The Financial Express - 07.01.2016

<http://www.financialexpress.com/article/fe-columnist/a-bold-disinvestment-strategy-needed/189367/>

PMI: services offset manufacturing weakness, but confidence still fragile

A spurt in services sector activity offset a contraction in the manufacturing sector in December 2015. As a result, the seasonally adjusted Nikkei India Composite PMI Output Index, a gauge of private sector activity both in the services and manufacturing sectors, showed an improved reading of 51.6 compared with 50.2 in November. The services sector is insulated from the chill deflationary winds blowing from China, which could account for its bounce. The chart shows that at 51.6, the composite PMI isn't exactly going great guns—it's about the same level as it was last September and well below the pace at which it was growing in the beginning of 2015. That's why Markit economist Pollyanna De Lima says "Overall, the PMI data continue to portray a struggling economy, weighed down by weak underlying demand. Indeed, cost inflation continues to surpass charge inflation, highlighting the intense competitive environment."

Mint - 07.01.2016

is weak, which means its economy might not surge enough to boost global commodity prices.

Business Standard - 10.01.2016

http://www.business-standard.com/article/economy-policy/global-economy-in-the-future-tense-116011000749_1.html

Finance ministry asks CPSEs to give 30% pay out, issue bonus shares

The finance ministry on Thursday asked Central Public Sector Enterprises (CPSEs) to shell out 30% dividend to the government, and that CPSEs with large cash reserves and sustainable profit may issue bonus shares. The move comes at a time when the government is looking to adhere to the fiscal deficit target amidst a massive shortfall in the disinvestment receipts. The government had budgeted Rs 69,500 crore from disinvestment proceeds of which it has so far been able to raise a paltry Rs 12,700 crore. The government has committed itself to the fiscal deficit target of 3.9% in this fiscal. However, in the mid-year review of the finance ministry, it raised concerns over the fiscal deficit target of 3.5% next year as it pointed out that a slower-than-anticipated nominal GDP growth would itself raise the deficit target by 0.2% of GDP.

The Economic Times - 08.01.2016

<http://economictimes.indiatimes.com/news/economy/finance/finance-ministry-asks-cpses-to-give-30-payout-issue-bonus-shares/articleshow/50491013.cms>

Exports may decline 13% to \$270bn in '15-16

India's exports are expected to decline about 13% to \$270 billion in the current financial year due to global demand slowdown and fall in crude oil prices, a top official said on Thursday. The country's merchandise exports had aggregated \$310.5 billion last fiscal. According to an official, commerce secretary Rita Teotia in her presentation during an interaction with the industry chambers including CII and Ficci stated that it would be difficult for India's exports to exceed \$270 billion. In 2008-09, the country's outbound shipments were less than \$270 billion, according to exporters body Federation of Indian Export Organisations (FIEO). It was around \$210 billion in 2008-09. Teotia has also stated that imports during the fiscal would stand around \$390 billion. So the trade deficit would aggregate at \$120-125 billion in 2015-16.

The Times of India - 08.01.2016

<http://www.livemint.com/Money/0EJA1eZmsyBUJixYNUd0RK/PMI-services-offset-manufacturing-weakness-but-confidence.html>

Crude oil prices move away from 12-year lows as China shares rise

Oil prices rose more than 2 per cent on Friday, following China shares higher after Beijing deactivated a circuit breaker mechanism that was blamed for aggravating equity market crashes, although a persistent global crude surplus kept a lid on gains. Oil prices plunged to 12-year lows in the previous session after China allowed its yuan currency to slip, sending stock markets tumbling globally. Beijing then suspended equities trading as the sharp falls triggered the circuit-breaking mechanism for a second time since its introduction this week. "As Chinese equity markets started to recover today, the oil prices rallied much altogether," said Kang Yoo-jin, commodities analyst at NH Investment and Securities based in Seoul. Chinese stocks were boosted as the yuan currency firmed in early trade after the People's Bank of China strengthened its official rate for the first time in nine trading days.

The Hindu Business Line - 09.01.2016

<http://www.thehindubusinessline.com/markets/commodities/crude-oil-prices-move-away-from-12year-lows-as-china-shares-rise/article8080886.ece>

Energy sector PSUs steal limelight from private companies

India's growth strategy for energy has shifted from being led by the private sector to a public sector-led approach. The public sector companies which were considered laggards till a few years ago-- as the private sector implemented aggressive targets with vigour--are now in the driving seat. State-run oil marketing companies are slated to set up the country's largest refiner and they continue to dominate the fuel retail business despite the sector opening up. Even in the power sector, chronically sick electricity boards are on the revival path and NTPCBSE 1.25 % continues to expand even as privately owned generation companies are limping. "This is a heavily capital intensive space and not many companies have the financial strength to expand. Only public sector enterprises with deep pockets have the wherewithal to invest on expansion," said K Ravichandran, senior vice-president and co-head, corporate ratings, ICRA.

The Economic Times - 07.01.2016

<http://economictimes.indiatimes.com/industry/energy/oil-gas/energy-sector-psus-steal-limelight-from-private-companies/articleshow/50476122.cms>

<http://timesofindia.indiatimes.com/business/india-business/Exports-may-decline-13-to-270bn-in-15-16/articleshow/50490656.cms>

Indian crude price dives to lowest level in 12 years

It's yesterday once more! The price of crude bought by Indian refiners slumped to its lowest level in nearly 12 years, renewing hopes of continued reduced pump prices for consumers. It has also created room for government to raise fuel taxes to prop up the central kitty. However, it could also spark fresh worries of inventory losses for oil company bosses. The mix of crude that India buys, called the 'Indian basket', slumped after the European benchmark Brent slipped to its lowest in 13 years on worries over a slowdown in China, the second biggest oil consumer, amid oversupply. For India, which imports 80% of its crude requirement, the happy hour also carries a statutory warning over currency and export woes. The upside of low oil prices comes from forex savings on crude import. The savings are estimated at Rs 2 lakh crore this year.

The Times of India - 09.01.2016

<http://timesofindia.indiatimes.com/business/india-business/Indian-crude-price-dives-to-lowest-level-in-12-years/articleshow/50504636.cms>

Government may further hike excise on petrol, diesel before March

The government is looking at one more hike in excise duty on petrol and diesel before March with a view to raising more revenue and stick to the fiscal deficit target of 3.9 per cent of the GDP. "Fiscal deficit target of 3.9 per cent for the current fiscal is sacrosanct and various options are available before the government, including further raising excise duty on petrol and diesel," official sources said. Government has already raised excise duty on petrol and diesel, three times in quick succession, which will help it garner an additional Rs 10,000 crore in the fiscal and partly make up for the shortfall in disinvestment receipts and direct tax collections. "If global crude oil price provide room for further duty hike, it can be done. The government is open to idea as it will help boost revenue," sources said.

The Economic Times - 08.01.2016

<http://economictimes.indiatimes.com/news/economy/finance/government-may-further-hike-excise-on-petrol-diesel-before-march/articleshow/50500142.cms>

Tata Motors-Petronas Lubricants launches oil for passenger vehicles range in India

Tata Motors and Petronas Lubricants International has launched oil for the Indian automobile manufacturer's passenger vehicles range in the domestic market. Tata Motors Genuine Oil (TMGO) will be the first range of co-branded lubricants jointly developed by the Companies, the global lubricants manufacturer informed in a statement. The co-branded range of lubricants - Tata Motors Genuine Oil CH-4 15W-40 for diesel vehicles and Tata Motors Genuine Gear Oil 80EP for passenger cars - makes part of a bigger range of nine co-branded products that will be rolled out in a phased approach. According to Dinesh Bhasin, Head, Customer Support, Passenger Vehicle Business Unit, Tata Motors, "We will continue to provide our customers with the best lubricant technology expertise and support in today's competitive market place.

The Economic Times - 06.01.2016

<http://auto.economictimes.indiatimes.com/news/oil-and-lubes/tata-motors-petronas-lubricants-launches-oil-for-passenger-vehicles-range-in-india/50470200>

New appraisal system to pitch PSUs against private sector

Starting 2016, the performance of state-run companies will be benchmarked against private sector peers as part of a new appraisal system being worked out by the government. Maharatna companies with international operations, which are considered the best state enterprises, will be compared with their global equivalents. The seven Maharatna companies are Bharat Heavy Electricals Ltd, Coal India, GAIL (India), Indian Oil Corp, NTPC, Oil & Natural Gas Corp and Steel Authority of India Ltd. The revised appraisal system, with clear quantitative criteria to make assessments easier, will be the part of the memorandum of understanding (MoU) that central public sector enterprises (CPSEs) sign with the government setting their financial and non-financial targets for the financial year. The government has been pushing CPSEs to increase capital expenditure when private investment has slowed down. For this financial year, the capital spending target for CPSEs had been set at Rs 3.17 lakh crore.

The Economic Times - 05.01.2016

http://articles.economictimes.indiatimes.com/2016-01-05/news/69538256_1_cpse-appraisal-system-lakh-crore

Synthetic lubricants market projected to grow to \$ 36 billion by 2020

The global synthetic lubricants market is projected to reach \$ 36 billion by 2020 from \$ 31 billion in 2014, at a CAGR of 2.5 percent between 2015 and 2020, as per the latest Markets and Markets report. The growth is mainly owed to consumer awareness in developed countries of North America and Western Europe. The majority of the garage owners, technicians, and automotive engineers in these regions are well aware of the high performance benefits offered by synthetic lubricants over conventional mineral oil lubricants. Moreover, strong OEM recommendation to use high performance lubricants coupled with the stringent emission control regulations in these countries is also driving the demand for synthetic lubricants

Business Standard - 07.01.2016

http://www.business-standard.com/content/b2b-chemicals/synthetic-lubricants-market-projected-to-grow-to-36-billion-by-2020-116010700487_1.html

India Inc takes to social causes

The move to make corporate social responsibility (CSR) spending mandatory has resulted in a spurt in social spending by India Inc. Spending on CSR activities by the top 100 companies increased to Rs 5,240 crore in 2014-15. The figure had stood at Rs 3,000 crore in 2012-13, when CSR spending was voluntary. Corporate governance firm Institutional Investor Advisory Services (IiAS) projects spending will increase to Rs 8,500 crore in the current financial year. The Companies Act, 2013, requires companies above a certain financial threshold to spend at least two per cent of their average net profit of the preceding three years on CSR. Although CSR spending is compulsory, the Act has taken a 'comply or explain' approach, where a company has to provide reasons if the spending is less than the stipulated amount. According to IiAS, CSR spends in FY15 were 26 per cent lower than the prescribed amount.

Business Standard - 06.01.2016

http://www.business-standard.com/article/companies/india-inc-takes-to-social-causes-116010500776_1.html

Railway passenger fares may go up

Passengers may have to pay higher fares following the finance ministry's recent decision to cut gross budgetary support to railways ministry by Rs.12,000 crore, a senior government official said. "The finance ministry has advised us to mobilise our own resources. That can happen if we increase the volume of passengers and freight. For freight, barring coal, the core sector is not so robust with cement, steel and construction sectors performing poorly. We may have to look at the bitter pills of increasing the passenger fares apart from cutting costs," said the official. "We have taken up the matter with the ministry of finance and hopeful that our budgetary support will be restored," the official added. Last year, till December, the ministry of railways had spent 69 per cent of the budgetary outlay of Rs.30,100 crore. The gross budgetary support constitutes more than 40 per cent of the ministry of railways' total plan outlay of Rs.1,00,011 crore for this financial year.

The Hindu - 09.01.2016

<http://www.thehindu.com/business/railway-passenger-fares-may-go-up/article8082709.ece>

MakeMyTrip raises \$180m from China co

What could turn out to be the largest deal in the country's online travel industry, Gurgaon-based online travel company MakeMyTrip on Thursday raised \$180 million (Rs 1,200 crore) from Ctrip, one of China's largest online travel companies. Ctrip will invest the amount via convertible bonds. In addition, MakeMyTrip has granted Ctrip permission to acquire its shares in the open market so that combined with shares convertible under the convertible bonds, Ctrip may beneficially own up to 26.6% of the Nasdaq-listed company's outstanding shares. Ctrip has also acquired the right to appoint a director to the MakeMyTrip board of directors upon completion of its investment. The market cap of MakeMyTrip, one of India's oldest tech start-ups, has been hovering around \$650 million. On its debut on Nasdaq in 2010, the company had notched up a valuation of \$800-900 million.

The Times of India - 08.01.2016

<http://timesofindia.indiatimes.com/business/india-business/MakeMyTrip-raises-180m-from-China-co/articleshow/50490254.cms>

State-run ports need to be privatised: FM Arun Jaitley

The state-run ports sector needs to be overhauled and moved towards privatisation, Finance Minister Arun Jaitley said on Tuesday. "The structure of state sector ports needs a rethink, moving towards privatisation of state-run trust ports,"

Foreign Tourist Marginally up, But Earnings Down

Foreign tourists are coming to India, but the growth rate of their arrivals have slowed down. In 2015, 80.16 lakh foreign tourists came to India, registering a growth of miniscule 4.4 percent over the previous year, 2014. This reflected in foreign exchange earnings as they saw a dip during last year. The earnings from tourism in US dollars terms during January-December 2015 were US\$ 19.676 billion with a negative growth of 2.8% as compared to the US\$ 20.236 billion with a positive growth of 9.7% during January- December 2014 over January- December 2013. Even the foreign exchange earnings in dollar terms saw a dip during December, 2015. The earnings were US\$ 1.991 billion as compared to US\$ 2.069 billion during the month of December 2014 and US\$ 1.936 billion in December 2013.

The New Indian Express - 08.01.2016

<http://www.newindianexpress.com/nation/Foreign-Tourist-Marginally-up-But-Earnings-Down/2016/01/08/article3218163.ece>

Goldman Sachs cuts 2016-18 earnings sector outlook for Indian port & logistics by 8%

The Indian ports and logistics sector is likely to see pressure from flat traffic and volume growth, says Goldman Sachs, which cuts its earnings outlook for 2016-18 by 8% for Adani Ports Ltd, Gujarat Pipavav Port Ltd and Container Corporation of India Ltd. Goldman also cut its price target on the three port majors by 8%. Worldwide idle capacity and declining box freight rates have been a feature of the containership sector since the 2006 crisis. At the domestic level, the Jawaharlal Nehru Port Trust (JNPT) reported December 2015 container volume growth of 1% year over year. "We expect near-term pressure on port volumes to continue," the brokerage said in a note on Wednesday.

The Times of India - 07.01.2016

<http://timesofindia.indiatimes.com/business/india-business/Goldman-Sachs-cuts-2016-18-earnings-sector-outlook-for-Indian-port-logistics-by-8/articleshow/50479319.cms>

Foreign ship owners decide to fly the Indian flag

The initiatives taken by the Narendra Modi government to promote India's coastal shipping sector has started yielding results with some foreign ship owners seeing benefits of registering ships under the Indian flag to carry

Jaitley said at an event jointly organised by India Infrastructure Finance Company and industry chamber FICCI. "If major ports don't overhaul their structures, they will seriously fall behind in competition with minor ports," the minister said. Noting that policy changes in civil aviation sector had allowed for major improvement of small- and medium-sized airports in the country, he said the private sector had shown interest in development of ports too. He said the National Investment and Infrastructure Fund (NIIF) was already in place, and it was in touch with many sovereign and pension funds that had shown interest in investing in the sector.

Business Today - 05.01.2016

<http://www.businesstoday.in/magazine/sectors/infra/fm-arun-jaitley-says-state-run-ports-need-to-be-privatised/story/227779.html>

cargo on local routes. In shipping, a ship flies the flag of the country where it is registered and is subjected to the tax jurisdiction of that nation. Only Indian registered ships are allowed to carry cargo on local routes, according to a so-called cabotage rule. Rules on registering ships in India have often faced criticism even by the local fleet owners because of multiple taxes hurting their operational competitiveness. But foreign ship owners have already converted, or are in the process of converting, some of their ships to fly the Indian flag.

Mint - 11.01.2016

<http://www.livemint.com/Companies/mdn7TMwVAFEPmgDoLAWKeL/Foreign-ship-owners-decide-to-fly-the-Indian-flag.html>