

(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.)

IMF trims India's GDP to 7.4% for 2016-17

The IMF on Tuesday slightly trimmed India's growth projections to 7.4 per cent for 2016 and 2017, a drop of 0.1 per cent from its previous forecast, attributing it to a more sluggish investment recovery while declaring Brexit as a "spanner" in the global economic recovery. The global lending agency also said that Brexit has resulted in global economic uncertainty. "The outcome of the UK vote, which surprised global financial markets, implies the materialisation of an important downside risk for the world economy. As a result, the global outlook for 2016-17 has worsened, despite the better-than-expected performance in early 2016," the IMF said in its latest update if the World Economic Outlook. Updating its growth projection from the one it issued in April 2017, the IMF said in 2016 and 2017 India is projected to grow at a rate of 7.4 per cent. This it said is a drop of 0.1 per cent in both the years. "In India, economic activity remains buoyant, but the growth forecast for 2016-17 was trimmed slightly, reflecting a more sluggish investment recovery," the IMF said.

The Times of India - 19.07.2016

<http://timesofindia.indiatimes.com/business/india-business/IMF-trims-Indias-GDP-to-7-4-for-2016-17/articleshow/53286722.cms>

Public investments up 21% in FY16; pvt sector sees contraction

Public investments in India rose 21 percent last fiscal while private sector funding, which forms 75 percent of overall investor demand, contracted, making the overall trends "uninspiring", says an HSBC report. Public investments by central, state, local government and PSEs saw 21 percent rise in 2015-16, record growth in last two decades, while private investments (households and corporate) contracted 1.4 percent year-on-year, the worst performance. "Since private sector forms 75 percent of India's investment demand, overall investment growth remained sluggish at 4 percent year-on-year (compared to the two-decade average of 8 percent)," HSBC said in a research note today. On a more encouraging note, it added, "we don't think private investment will continue to worsen. Base effects are favourable. And more

World economy faces growing risks after Brexit: IMF

The International Monetary Fund (IMF) has warned that risks to the global economy are growing, as it called on some G20 nations to boost government spending. Central bank chiefs and finance ministers from the world's top 20 economies gathered in the southwestern Chinese city of Chengdu today to tackle a slowing global economy facing new uncertainties with Britain voting to leave the European Union. "Global growth remains weak, and downside risks have become more salient," the IMF said in a report released ahead of the G20 meeting. "Growth could be even lower if the current increases in economic and political uncertainty in the wake of the 'Brexit' vote continue." In an update to its April forecast, the IMF lowered its forecasts for global growth this year and next by 0.1 per cent, to 3.1 per cent and 3.4 per cent respectively. Britain's new Chancellor, Philip Hammond, is among those attending to deliver a message that his country is still "open for business", according to a statement from the British treasury.

Domain B - 23.07.2016

http://www.domain-b.com/economy/world-economy/20160723_growing_risks.html

Disinvestment: Narendra Modi govt may sell stake in 3 PSUs

The government is quietly moving ahead with the plan for strategic disinvestment of select public sector undertakings (PSUs), and there could be at least two-three such stake sales in the current fiscal, officials said. The idea is that a momentum is created before accelerating such sales in the remaining period and use the non-debt revenue generated to fund development activities and infrastructure projects. NITI Aayog, which has been tasked with identifying the PSUs for strategic sale, has already submitted two reports: the first report has identified 74 sick and loss-making companies for action while the second is understood to have recommended strategic disinvestment of about 30 other companies. The Aayog is preparing a second list of companies for strategic

importantly, replacement capex needs, especially in a growing economy are likely to cap the downside in investment spending".

Moneycontrol - 23.07.2016

http://www.moneycontrol.com/news/business/public-investments21fy16-pvt-sector-sees-contraction_7099521.html

NITI Aayog analysing sick, loss-making PSUs: Govt

Government's think tank NITI Aayog is analysing the sick and loss-making public sector undertakings (PSUs) in the country, Parliament was informed on Friday. According to public enterprises survey of 2014-15, India has 77 loss-making central public sector enterprises (CPSEs), which include Air India, BSNL, MTNL and MRPL, Minister of State for Finance Arjun Ram Meghwal said in a written reply in Lok Sabha. "An analysis of the sick and loss-making PSEs is underway in the NITI Aayog in consultation with the concerned ministries," he added. The minister further said the concerned ministry monitors the sickness of the CPSEs and identify the sick/incipient/weal CPSEs functioning under their control based on performance and take redressal measures. "They formulate revival/restructuring plans for such CPSEs on a case-to-case basis. After obtaining the approval of the competent authority, they implement the plan," he added.

Business standard - 22.07.2016

http://www.business-standard.com/article/pti-stories/niti-aayog-analysing-sick-loss-making-psus-govt-116072200641_1.html

Niti Aayog may tell states to align with Centre's vision

After central ministries, the government will soon kick start outcome-based monitoring for states to ensure visible changes on the ground as it gets down to implementing key programmes. Government's premier think-tank Niti Aayog will soon convene a meeting of top officials of all states to apprise them of the new planning process at the Centre and urge them to align their planning to that of the Centre besides readying them for the outcome-based monitoring system, started for the first time by the Aayog under the BJP led NDA regime. "We have convened a meeting of chief secretaries and planning secretaries of all states on July 27 to urge them to align their planning process to that of the Centre's 15 year vision document, strategy and the action plan," a senior Aayog official said. Niti Aayog, successor of the erstwhile Planning Commission, has been tasked with the role of preparing this national agenda which is expected to go beyond the traditional

disinvestment to include more companies in the pipeline to be disinvested.

The Financial Express - 20.07.2016

<http://www.financialexpress.com/economy/disinvestment-narendra-modi-govt-may-sell-stake-3-psus/322551/>

Finance Minister Arun Jaitley asks profit making PSUs to consider stock split

The Finance Ministry has directed all profit making PSUs to use their surplus cash to buy back shares and pay handsome dividend, besides considering issuing bonus shares or going for stock split. The Department of Investment and Public Asset Management (DIPAM) in a recent letter to Central Public Sector Enterprises (CPSEs) has asked them to pay dividend at the rate of 30 per cent of net profit or 5 per cent of the net worth, whichever is higher. "CPSEs with surplus cash have been asked to buy back shares or issue bonus shares to increase the value of government holding," said a senior official. They have also been asked to consider share split if the book value of their shares exceeds 50 times their face value. The idea behind stock split is to encourage participation of small investors in capital markets.

The Economic Times - 24.07.2016

<http://economictimes.indiatimes.com/news/economy/policy/finance-minister-arun-jaitley-asks-profit-making-psus-to-consider-stock-split/articleshow/53363206.cms>

Government to give Rs 18,000 to PSUs, private companies per apprentice they hire

Public sector undertakings or corporates in technical and service sectors would be given Rs 18,000 by the government for each apprentice they hire in their organisations, Lok Sabha was informed today. Skill Development and Entrepreneurship Minister Rajiv Pratap Rudy said during Question Hour that his Ministry has set a target for 50 lakh youths to undergo apprenticeship in three years' time in PSUs and corporate houses. "We have set aside Rs 10,000 crore for the apprenticeship programme. The money will be given directly to the PSUs or the private organisations for offering the apprenticeship to eligible youths," he said. Around three crore youths undergo apprenticeship in China and two crore in Japan, but in India only 2.5 lakh youths undergo apprenticeship, Rudy said. The Minister said those PSUs and private organisations which

area of 'Plan' and cover aspects of internal security and defence.

The Economic Times - 20.07.2016

<http://economictimes.indiatimes.com/news/economy/policy/niti-aayog-may-tell-states-to-align-with-centres-vision/articleshow/53293161.cms>

Appointment of PSU Chairmen comes with a rider

For the first time, rider clauses pertaining to performance were added in the recent appointment of Chairmen to Public Sector Undertakings. Recently, the Government appointed chairmen to four public sector undertakings in the Union Territory. The Lieutenant Governor Kiran Bedi approved the recommendation of the government and separate notifications were issued. Unlike the usually five-year tenure of such jobs in the past, the present appointment is valid for a period of one year. Following the notification, DMK MLA R. Siva assumed charge as the Chairman of the Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC) and DMK MLA A. Geetha became the Chairman of Puducherry Power Corporation Limited. Congress MLAs — T. Djeamourthy and E. Theepainthan — have assumed the posts of Chairman in Puducherry Planning Authority, and Puducherry Slum Clearance Board. The Lieutenant Governor Kiran Bedi approved the recommendation of the government and separate notifications were issued.

The Hindu - 23.07.2016

<http://www.thehindu.com/news/cities/puducherry/appointment-of-psu-chairmen-comes-with-a-rider/article8889592.ece>

Crude oil producers skid on governments 's royalty directive

Crude oil producers will face higher out go in royalty payments to state governments for onshore fields as the petroleum and natural gas ministry has brought in a new directive mandating payments on gross realisations. The development led to stocks of ONGC and Oil India falling more than 3 per cent, which shaved off nearly Rs 8,000 crore from their market capitalisations on Monday. So far, the royalty was calculated on net realisations after reducing the subsidy component paid to the Central government. The new directive has removed this component while calculating the royalty. This, however, does not apply to realisations from offshore fields. Upstream companies such as ONGC and Oil India pay royalty at 12.5 per cent for the onshore field to state governments and 10 per cent for the offshore area

facilitate apprenticeship for two years, will be given Rs 18,000 for each of the candidate.

The Economic Times - 20.07.2016

<http://economictimes.indiatimes.com/jobs/government-to-give-rs-18000-to-psus-private-companies-per-apprentice-they-hire/articleshow/53301249.cms>

US-India join hands in exploring petroleum and energy sector

The United States and India have agreed to take several key steps in petroleum and energy sector, aimed towards achieving the ambitious goal of energy independence. The key prospects include development of petroleum storage, which is considered crucial for national security and strategic needs, increase technical co-operation in new technologies in development of bio fuel (2nd generation ethanol and bio-diesel) and assessment and reassessment of conventional and unconventional hydrocarbon reserves in India, both onshore and offshore. The decision was taken during a meeting between the Union Minister of State for Petroleum and Natural Gas Dharmendra Pradhan and his American counterpart, Energy Secretary Ernest Moniz, on Monday. Pradhan left for India on Tuesday after visiting Houston and Washington DC. The Minister also met US Special Envoy & Coordinator for International Energy Affairs Amos Hochstein, during which they discussed the continued bi-lateral cooperation in the energy sector.

The Indian Express - 20.07.2016

<http://indianexpress.com/article/india/india-news-india/us-india-join-hands-in-exploring-petroleum-and-energy-sector-2925151/>

Government set to start talks on merging 13 state oil companies to create behemoth

The government is set to start consultations for an ambitious plan to merge 13 state oil firms to create a giant corporation whose revenue dwarfs global energy major Chevron which competes with US conglomerate General Electric in the Fortune-500 ranking. The Cabinet Secretariat has referred the idea of the integrated giant, which would also absorb various institutions related to safety, development and analysis, to the oil ministry, sources familiar with the development told ET. Following this, the oil ministry has begun the process of evaluating the prospects of creating the conglomerate, which will have a bigger market value than Russian state oil giant Rosneft and India's Reliance Industries Ltd,

to the Central government. For instance, if the international crude price is \$60 per barrel (bbl) and the subsidy burden is \$10/bbl, the royalty for onshore production was calculated at 12.5 per cent of \$50/bbl, or \$6.25/bbl.

The Economic Times - 19.07.2016

<http://economictimes.indiatimes.com/markets/commodities/crude-oil-producers-skid-on-governmentss-royalty-directive/articleshow/53275539.cms>

Global steel prices to soften during July-December

Global steel prices are expected to decline in the second half of current calendar year, after an upward rally during January-June, on account of decline in demand in China, the world's largest consumer. However, BMI Research, a Fitch Group firm, said 2017 will usher in good news for the market with steel prices edging up higher. "We expect the January-June 2016 steel rally to fade and prices to head lower in the latter half of 2016 as declining Chinese steel demand growth, stemming from a slowdown of the country's construction activity, will result in an oversupplied market," the firm said in its latest report. It expects prices for the metal to trade in the range of \$450-520 per tonne during the second half of 2016 with the average price for the entire year coming to \$480 a tonne. "Over the first half of 2016, steel prices rallied due to a combination of high demand from Chinese steel users restocking the metal, government stimulus measures implemented in the housing market and positive investor sentiment," BMI research said.

The Hindu - 24.07.2016

<http://www.thehindu.com/business/Economy/global-steel-prices-to-soften-during-julydecember/article8894243.ece>

Domestic steel production spurt unlikely to continue beyond August: Ind-Ra

The spurt in domestic steel production is supported by the Minimum Import Price (MIP) policy and is unlikely to continue beyond August 2016 after it ends, ratings agency India Rating & Research (Ind-Ra) has said. While production grew by 3.8% year on year (y-o-y) in Q1FY17, compared to a decline in FY16, the agency said protection measures beyond August 2016 will be required to safeguard the interest of the domestic steel industry. MIP was imposed in February 2016 on 173 steel products for a period of six months which will end on August 5, 2016. In this scenario, replacement of MIP with anti-dumping duties may

sources said. It plans to consult all stakeholders including the state firms that may be combined to create the mega corporation that will be the country's No. 1 in turnover, net profit, capital expenditure and market capitalisation, they said.

The Economic Times - 25.07.2016

<http://economictimes.indiatimes.com/industry/energy/oil-gas/government-set-to-start-talks-on-merging-13-state-oil-companies-to-create-behemoth/articleshow/53371857.cms>

India under global pressure to let steel minimum import price lapse next month

Pressure is building on India at the World Trade Organisation (WTO) not to extend the minimum import price (MIP) on steel beyond the first week of August when it is slated to lapse. In a recent meeting of the goods council at the WTO, nine members, which include the US, the EU, Japan, Australia, South Korea, Canada, China, New Zealand and Chinese Taipei, asked India to justify its continued restrictions on imported steel, an official from the WTO told BusinessLine. New Delhi was also asked to remove the port restrictions on import of apples. "We realise that continuing with the MIP for long is not a viable option and could go against WTO rules if seen as a permanent duty. Imposition of anti-dumping duties is a better option, but the process takes time. The government is weighing the situation," a Commerce Ministry official said. Last February, India had imposed an MIP, ranging from \$341 a tonne to \$752 a tonne, on 173 categories of steel products to provide relief to domestic producers against cheap imports.

The Hindu Business Line - 19.07.2016

<http://www.thehindubusinessline.com/economy/macro-economy/india-under-global-pressure-to-let-steel-minimum-import-price-lapse-next-month/article8866619.ece>

Book LTC tickets on lowest fare or face action: Modi government to staff

Employees who fail to buy air tickets at the lowest price available on the day while undertaking journey on Leave Travel Concession (LTC) claim will face severe penal action, as per the draft guidelines finalised by the Centre. The move comes after the government noticed instances where some of its employees colluded with private travel agents to submit LTC claims showing inflated airfare to clandestinely obtain undue benefits like free boarding, lodging, transport or cash refunds. The Central Bureau of Investigation (CBI) is also looking into cases of alleged irregularities in availing the LTC claims.

not have the desired impact, since anti-dumping may not be as widely encompassing as the MIP, it noted. While the steel industry is arguing for an extension of MIP, the rollover would remain a formidable decision for the government. Post MIP, there was minimal growth in domestic steel production during February and March 2016, with total steel production growing by a meagre 0.3% y-o-y.

The Economic Times - 19.07.2016

<http://economictimes.indiatimes.com/industry/in-dl-goods/svs/steel/domestic-steel-production-spurt-unlikely-to-continue-beyond-august-india/articleshow/53285085.cms>

Tour cos say overseas travel demand remains robust despite terror attacks, military coup

Recent terror attacks and political turmoil in France and Turkey would hardly have any significant effect in the growth of outbound travel sector, claimed leading tour operators. Bookings for foreign tours in August and September were up 26 per cent, year-on-year, said Rajeev Kale, president and country head (leisure travel), Thomas Cook. The demand in June and July was also strong. Recent terror attacks in France and Belgium, depreciating rupee and introduction of biometrics in British visas had not had an adverse effect in appetite for foreign travel. Senior executives of Cox & Kings, another tour operator, shared the sentiment. "We don't see any negative impact on growth. Overall, the India business has grown in net revenue terms by about 15 per cent for several years and we see no reason why the growth cannot continue.

Business Standard - 19.07.2016

http://www.business-standard.com/article/companies/tour-cos-say-overseas-travel-demand-remains-robust-despite-terror-attacks-military-coup-116071800890_1.html

Broadening the travel horizons

Tourism has been increasing its contribution to India's gross domestic product (GDP), doubling its share in 10 years to \$38 billion in 2014. The 'e-Travel Marketing India' report by Octane Research suggests that this will reach \$71 billion by 2024. The online tourism industry grew steadily between 2009 and 2013, with the biggest spurt in growth coming in 2015, when it jumped from \$7.3 billion to \$12.5 billion. The compound annual growth rate (CAGR) for online travel sales (2011-2016) has been the highest in India, followed by South Korea

The ministries concerned will also carry out random checks with airlines to ensure that the tickets were booked at the lowest fare available on the date of purchase. "It has now been decided that in accordance with the canons of financial propriety, government servants should purchase tickets at the lowest rate available at the time of booking for the date and time of scheduled journey.

The Economic Times - 19.07.2016

<http://economictimes.indiatimes.com/news/economy/policy/book-ltc-tickets-on-lowest-fare-or-face-action-modi-government-to-staff/articleshow/53264820.cms>

Domestic airlines' sites offering extra benefits to passengers to wean them away from travel agents

Indian carriers are giving passengers attractive additional incentives on their own websites to wean them away from travel agents. Jet Airways, India's second biggest airline by market share, is in talks with cab aggregator Uber for clubbing its services with flights. Under this, a customer buying a Jet Airways flight ticket can advance-book an Uber cab pickup and drop from and to the origin and destination airports. The services will possibly involve incentives like getting luxury car services at base rates. The talks are still at an initial stage, said Belson Coutinho, vice president, marketing, ecommerce and innovations at Jet Airways. Budget carrier SpiceJet in talks with MyTaxiIndia for a similar service, a person in the know said. SpiceJet has discounts for students and senior citizens, specifically available only on its website.

The Economic Times - 21.07.2016

<http://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/domestic-airlines-sites-offering-extra-benefits-to-passengers-to-wean-them-away-from-travel-agents/articleshow/53309506.cms>

100% FDI in aviation: Future domestic airline completely foreign owned?

The International Civil Aviation Organization, a United Nations body that sets guidelines and standards for the sector, has allayed concerns that a foreign-owned airline operating from India may have legal and procedural issues in obtaining seats under bilateral rights for flying abroad. The air service agreements (ASAs) signed between any two countries usually mandate that airlines from either country have their substantial ownership and effective control

and Brazil. Though India and China are the two fastest growing economies of the world, India's online travel sales are almost double that of China.

Mint - 20.07.2016

<http://www.livemint.com/Industry/pVzzFCJ6KsaRHU2s3ruzFI/Broadening-the-travel-horizons.html>

Foreign tourist footfall up by 7.3 percent

Foreign tourist arrivals have recorded a growth of 7.3 per cent in June as compared to the same period last year with 5.50 lakh visitors coming to India, the government said today. The rise in tourist footfall led to a growth of 12.2 per cent in foreign exchange earnings from tourism. Among the top 15 source countries, the US accounted for the highest share at 22.20 per cent, followed by Bangladesh (20.69 per cent), the UK (6.84 per cent), Malaysia (3.90 per cent), Sri Lanka (3.20 per cent), Australia (2.63 per cent) and China (2.62 per cent). Canada's share was 2.60 per cent, while that of Japan 2.49 per cent, Singapore 2.47 per cent, France 2.35 per cent, Germany 2.26 per cent, Nepal 2.17 per cent, Pakistan 1.33 per cent and Korea 1.31 per cent. During January-June, as many as 41.86 lakh overseas tourists arrived in the country, recording an 8.9 per cent rise over the corresponding period last year. Last year, foreign tourist arrivals in June stood at 5.12 lakhs and the figure for January-June period was 38.45 lakhs.

The Financial Express - 19.07.2016

<http://www.financialexpress.com/economy/foreign-tourist-footfall-7-3-percent/320622/>

GoAir, IndiGo, AirAsia increase baggage fee

Domestic low-cost carriers GoAir, IndiGo and AirAsia India have raised the excess baggage fee following a directive from the Centre. Passengers travelling on these airlines will be charged Rs.300 a kg for carrying baggage in excess of 20-kg according to their websites. These airlines were earlier charging Rs.250 per kg for excess baggage. The action follows the Centre's directive to rationalise excess baggage. "The hike is clearly a repercussion of the government's regulation on excess baggage charges which should have been avoided in first place," said Dr. Anurag Jain, Aviation Consultant. "Passengers carrying more than 20 kg bags will have to bear the burden of those carrying less than 20 kg. The airlines have been forced to cross subsidise due to the government's regulation," he said. At present, domestic airlines, except Air India, allow passengers to carry 15-kg luggage free-of-cost.

(SOEC) vested with citizens of the particular country.

The Financial Express - 19.07.2016

<http://www.financialexpress.com/industry/companies/100-fdi-aviation-future-domestic-airline-completely-foreign-owned-icao-clears-fog/321114/>

Fare war blurs line between budget, full-service carriers

Lean-season strategies are blurring the lines between low-fare and full-service airlines, with the former offering premium features for a small fee, and the latter offering cheaper, flight-only tickets. For instance, SpiceJet Ltd, India's second largest low-fare airline, has started offering extra legroom, priority check-in, complimentary meals, priority baggage handling and priority boarding at aerobridges for Rs.500-1,000 extra, depending on the aircraft and the flight duration. These services are similar to those offered by full-service airlines. Low-fare airlines, which typically offer no more than flying you from Point A to Point B, are now offering these frills for a reason: full-service airlines have stepped into the low-fare turf, offering premium services for just Rs.200-300 more than low-fare carriers. Jet Airways (India) Ltd, a full-service carrier, is offering a new fare structure starting 17 August targeting passengers of low-fare airlines.

Mint - 25.07.2016

<http://www.livemint.com/Companies/PE8uWmqo0AAz5Ah7dimj0N/Fare-war-blurs-line-between-budget-fullservice-carriers.html>

Shipping sector gets \$636 million under Make in India initiative: Nitin Gadkari

Government received investments worth \$636.17 million (about Rs 4,272 crore) in the shipping sector under the 'Make in India' initiative. "An amount of \$636.17 million has been received up to May, 2016 in Shipping Sector under 'Make in India' initiative since its inception in September 2014," Shipping Minister Nitin Gadkari said in a written reply to the Lok Sabha. Government has taken significant initiatives under the 'Ease of Doing Business-Trading Across Borders to simplify cargo clearance process, reduce congestion and dwell time at major ports, he added. They include integration of import general manifest (IGM) system with terminal operating system, extending of direct port delivery facility to all accredited client programme (ACP) clients, installing of container scanner, implementation of e-Delivery orders and Radio Frequency

Air India allows passengers to check-in with 25-kg baggage without any cost.

The Hindu - 22.07.2016

<http://www.thehindu.com/business/Industry/goair-indigo-airasia-increase-baggage-fee/article8882266.ece>

Identification Device (RFID) based gate automation system, the Minister said.

Deccan Chronicle - 22.07.2016

<http://www.deccanchronicle.com/business/industry/other-news/220716/shipping-sector-gets-636-million-under-make-in-india-initiative-nitin-gadkari.html>