

(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 uploaded on intranet and website every Monday.)

India to grow 8% next fiscal as GST benefits kick in: Shaktikanta Das

The Indian economy will grow 8 per cent next fiscal as the full-year impact of the landmark Goods and Service Tax (GST) will be seen by that time, Economic Affairs Secretary Shaktikanta Das has said. The 8 per cent growth rate in 2018-19 fiscal year will compare to a projected 7.5 per cent GDP expansion in the current financial year and 7.1 per cent of 2016-17. Speaking to select media on the side-lines of the Asian Development Bank's 50th annual meeting, Das said while the government continues to step up on reform measures, the country's largest ever demonetisation of currency notes led to widening of tax base and curbing of a parallel shadow economy. "In 2017-18, we are expecting a 7.5 per cent growth. The GST will be introduced from July 1. The impact this year will be felt for nine months. By next year, the GST would have stabilised much more. So, a full-year impact of the GST will be seen in 2018-19. It would be reasonable to expect that in 2018-19, India will be close to 8 per cent growth," he said.

The Indian Express - 05.05.2017

<http://indianexpress.com/article/business/economy/india-to-grow-8-next-fiscal-as-gst-benefits-kick-in-shaktikanta-das-4641809/>

Services PMI Falls to 3-month Low in April

India's services sector expanded at the slowest pace in three months in April, indicating that the economy may not have recovered to the extent expected earlier, according to a private business survey released on Thursday. The Nikkei India Services Purchasing Manager's Index (PMI) slipped to 50.2 from 51.5 in the previous month, with a marginal expansion in employment and new business. A reading of over 50 on the index indicates overall expansion in economic activity while that below the benchmark denotes contraction. "April PMI data for the Indian service sector show how jittery the current economic environment is igniting concerns among some businesses, despite remaining in growth territory,"

Manufacturing sector grows for 4th straight month in April

Indian manufacturing sector registered growth for the fourth straight month in April, but at an unchanged rate from the previous month, as rise in new orders was offset by moderate increases in output, a survey said. The Nikkei Markit India Manufacturing Purchasing Managers' Index (PMI) — an indicator of manufacturing activity — matched March's reading of 52.5. Though the upturn in order books was "most pronounced" since last October and new export orders rose for the third month in a row, the rate of expansion eased from March. April is the 4th straight month in which manufacturing sector registered growth after the demonetization-induced contraction at the end of 2016. A reading above 50 indicates expansion, while any score below the mark means contraction. "Buoyant domestic demand coupled with sustained growth of new orders from abroad boosted the upturn in total new business received by Indian manufacturers in April," said Pollyanna De Lima, Economist at IHS Markit and author of the report.

The Times of India - 03.05.2017

<http://timesofindia.indiatimes.com/business/india-business/manufacturing-sector-grows-for-4th-straight-month-in-april/articleshow/58473463.cms>

Coal & steel drive core sector growth to 5% in March

Bucking the trend of the past two months, the core sector in the country grew 5% in March, a significant rise from the 1% growth registered in February on account of a favourable base effect. While there was robust growth in output of coal and steel sectors, cement, refinery products and fertilisers continued to witness a contraction over the previous year. Core sector growth for the year ended March hit a five-year high, registering a growth rate of 4.5% over the previous year. In FY2015-16, the year-on-year growth had stood at 3.9%. Electricity generation in the country accelerated to 5.9% in March from 1.5% in February. With improved exports, steel output also recorded a strong

Pollyanna De Lima, economist at IHS Markit and author of the report said. She said that the latest results indicate that the road to recovery from the government's decision, in November last year, to withdraw high-values currency notes as legal tender, is still bumpy and a reminder that the sector is not out of the woods yet. Composite PMI Output Index was down to 51.3 in April from 52.3 in March.

The Economic Times - 05.05.2017

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31817&articlexml=Services-PMI-Falls-to-3-month-Low-in-05052017018015>

PSUs to be primed to buy bank bad assets

The government is working on a novel strategy to fight the bad loan problem that will see PSUs taking over the stressed assets of banks. The cabinet secretariat will be involved in the exercise. It will co-ordinate between various central public sector enterprises under different ministries and banks. The issue of rising non-performing assets (NPAs) was discussed at a meeting called by Prime Minister Narendra Modi last week. Among the steps being discussed to reduce NPA was a mechanism to transfer the bad assets to PSUs and turn them around. Banks have been asked to identify some of the large NPAs in various sectors and share the details with the related ministries. The ministries concerned can then work out a faster resolution mechanism or takeovers by state-run companies in some cases, officials said. Sources said if existing PSUs get good assets at a decent valuation, it would be a win-win for both the state-owned companies and banks. Hence, instead of going in for greenfield expansion, the PSUs can get modern plant and machinery at a good price.

The Telegraph - 04.05.2017

https://www.telegraphindia.com/1170505/jsp/business/story_149859.jsp#.WRBF3O6GPIU

Dharmendra Pradhan orders inspection, surprise checks at petrol pumps

Oil minister Dharmendra Pradhan on Monday ordered inspection of all petrol pumps in Uttar Pradesh and random checks elsewhere to detect short-selling of petrol and diesel by tampering with the system in dispensing units. The move follows Uttar Pradesh Special Task Force (STF) raids on 11 petrol pumps that found alleged stealing of 50 ml of fuel in every litre dispensed to customers. Pradhan said though the responsibility of right quantity of product dispensed lies with the states as their weights and measures department

double digit growth of 11% in the month under review. Cement output, after registering a significant improvement in February, however declined by 6.8% in March. According to experts, this contraction in cement output signals that the construction sector is yet to fully recover from the disruption that had set in after the demonetisation of high-value currency notes in November 2016.

The Economic Times - 03.05.2017

<http://economictimes.indiatimes.com/news/economy/indicators/core-industries-grow-by-5-in-march-fastest-in-3-months/articleshow/58461138.cms>

GST's anti-profiteering clause to check monopolies, cartels

The government plans to use the anti-profiteering clause under GST to focus largely on businesses that are prone to formation of price cartels -such as cement and steel -in addition to duopolies and monopolies to crack down on companies that do not pass on the benefit of lower prices to consumers. Sources told TOI that while prices across industries will be under watch, it was not possible for the government to keep tabs on all segments given the large number of goods and services. At the same time, it will take up cases that are flagged by consumers or other agencies but will largely confine itself to certain businesses. The anti-profiteering clause -which was criticised by states such as West Bengal -was built into the GST law to ensure that the price gains accruing due to an end of "tax on tax", or cascading effect, are passed on to consumers. There was a spike in prices of several products in Malaysia after it rolled out GST, prompting the government to insert the clause.

The Times of India - 08.05.2017

<http://timesofindia.indiatimes.com/business/india-business/gsts-anti-profiteering-clause-to-check-monopolies-cartels/articleshow/58567813.cms>

Daily revision distorting fuel price parity

The move to implement a daily fuel price revision has pushed neighbouring markets towards a price distortion right from the first day. An oil marketing company official told BusinessLine that the prices in cities where the pilot project was implemented were not aligned with the prevailing market rates elsewhere. This has distorted the regional market from May 1, according to Jharkhand Petroleum Dealers Association president Ashok Singh. He said, "The near 50 paise hike in diesel price was

installs seals on dispensing units, two officials of state-owned fuel retailers have been suspended following raids. "We have initiated action against respective field officers. The strictest possible action will be taken against guilty petrol pumps, including termination of licence," he told reporters. Oil marketing company representatives will accompany the UP police STF and officials of the state's weights and measures department, the food and civil supply department for inspection of all petrol pumps in Uttar Pradesh, he said.

Mint - 03.05.2017

<http://www.livemint.com/Politics/2eD3a6UBTBNaTB1rQNKMRJ/Dharmendra-Pradhan-orders-inspection-surprise-checks-at-pet.html>

Faster crude recovery drill

The government is working on a policy to promote a technique to speed up crude oil recovery from blocks, thereby increasing local production and reducing the country's huge oil import bill. The director general of hydrocarbons has sought comments from exploration and production companies on the measures to be adopted to promote the process - called enhanced oil recovery technique, or EOR. EOR is used by upstream oil and gas companies to increase the amount of crude that can be extracted from a field over and above what is recovered through the basic water flooding method. The aim is to ramp up output and cut the country's energy import dependence by 10 per cent by 2022. "The DGH is in the process of examining the issue of promoting and incentivising EOR for developing a policy." The areas in focus include global best practices for implementing and incentivising the EOR technique, extent and scope of fiscal incentives to promote EOR and parameters to promote EOR application in mature fields," the regulator said.

The Telegraph - 08.05.2017

https://www.telegraphindia.com/1170508/jsp/business/story_150372.jsp#.WRBQCO597IU

Indian refiners set to slip as Chinese petro product exports soar

The increase in exports of Chinese petroleum products by 53% in January-March is likely to topple the profitability cart of Indian private refiners if the trend continues over the next couple of quarters, experts said. According to monthly data available on Bloomberg, China has increased exports of petroleum products to 4.67 mln tonnes in the month of March compared with 3.05 mln tonne in January. The exports are likely to increase as the tea-pot refiners or private refiners in China have increased their production in last six

not implemented in Jamshedpur. This market has been distorted from the very first day." On May 1, petrol price was hiked by one paise per litre and diesel by 44 paise a litre across the country and this was not implemented in those cities where the daily revision project is in force. An oil marketing company executive attributed the price variation to a different formula being used to decide the fuel price. He said, "The moving average of product price for the last 15 days with a lag of two days is taken into consideration for deciding the price in cities where the pilot project is effective.

The Hindu Business Line - 06.05.2017

<https://www.pressreader.com/india/the-hindu-business-line/20170506/282406989259447>

India cuts oil import plans from Iran by a quarter over gas field row

India plans to order about a quarter less Iranian crude oil than it bought last year, people familiar with the matter said, as state refiners cut term purchase deals over a row between New Delhi and Tehran on development of a natural gas field. The drop in volumes follows India's threat to order state refiners - Hindustan Petroleum, Bharat Petroleum, Mangalore Refinery and Petrochemicals Ltd, and Indian Oil Corp - to reduce purchases from Iran if an Indian consortium is not awarded the rights to develop Iran's huge Farzad B natural gas field. The volume cuts would put India's imports of Iranian crude for this fiscal year at 370,000 barrels per day (bpd), according to the sources with knowledge of the planned deals. India is Iran's top oil client after China, and last year imported about 510,000 bpd of crude from the country, according to shipping data in Thomson Reuters Eikon.

Reuters - 03.05.2017

<http://www.reuters.com/article/us-india-iran-oil-idUSKBN17Y1DR>

PSU oil retailers to set up 6,500 LPG distribution centres in two years

Giving a push to the government's move to boost domestic Liquefied Petroleum Gas (LPG) consumption, the public sector oil marketing companies (OMCs) are planning to set up nearly 6,500 new distribution centres. Under the Pradhan Mantri Ujjwala Yojana, the government aims to release of 5 crore subsidised new LPG connections to women of below poverty line families, largely in rural backdrops, till fiscal 2018-2019. During fiscal 2016-2017, OMCs released 3.25 crore new LPG

months in the local market severely impacting the prices of petroleum products in China. The increase in exports of Chinese petroleum products by 53% in January-March is likely to topple the profitability cart of Indian private refiners if the trend continues over the next couple of quarters, experts said. According to monthly data available on Bloomberg, China has increased exports of petroleum products to 4.67 mln tonnes in the month of March compared with 3.05 mln tonne in January.

The Financial Express - 03.05.2017

<http://www.financialexpress.com/industry/indian-refiners-set-to-slip-as-chinese-petro-product-exports-soar/651673/>

SAIL plans to double steel exports to 1.6 mt in FY18

Buoyed by a three-fold rise in exports in 2016-17 over the previous fiscal year, state-run Steel Authority of India (SAIL) is hoping to more than double its outward shipment to 1.6 million tonne (mt) in the current fiscal year, which would roughly comprise 10% of its total production. The company would target traditional markets such as Bangladesh, Nepal, Thailand and Sri Lanka apart from South Korea and Malaysia and countries in the EU like Italy and Spain, among others. SAIL generally exports products like billets, plates, slabs, HR coils and stainless steel. It exported 7.2 lakh tonne steel in 2016-17. "Though exports are not a compulsion for the company, presence in the export markets always help to broaden horizon and ensure higher margins," said the company spokesperson. In the face of subdued demand growth in the domestic market, exports have been on the priority list of domestic steelmakers for quite some time now, particularly at a time when the production is on the rise. With exports rising by 102% in 2016-17 at 8.2 mt over the previous fiscal year and imports falling by over 36% to 7.4 mt, India became a net exporter of steel in 2016-17 after a gap of three years.

The Financial Express - 03.05.2017

<http://www.financialexpress.com/market/commodities/sail-plans-to-double-steel-exports-to-1-6-mt-in-fy18/651555/>

Leather & Footwear Industry sees a new 'high'; eyes at funds, proposals of research centres

The Leather and Footwear Industry is doing rounds recently as there are fresh proposals for funds to the sector. Also different State Governments are batting for setting up Leather Research and Development centres in their states

connections. Of these, two crore were released under PMUY. This spurt in the number of connections is going to strain the existing 18,500 LPG distribution outlets in the country. With the addition of 6,500 new LPG distribution centres, the total number of centres in the country will reach 25,000. "The aim is to have one distribution centre per 10 km, this comes up to one centre per taluka," a Ministry for Petroleum & Natural Gas official told BusinessLine.

The Hindu Business Line - 04.05.2017

<http://www.thehindubusinessline.com/economy/policy/psu-oil-retailers-to-set-up-6500-lpg-distribution-centres-in-two-years/article9681026.ece>

Government may make local steel mandatory for public infra projects

The Union Cabinet may clear a proposal on Wednesday to make usage of local steel mandatory for government's infrastructure projects, an official with direct knowledge of the matter said, aimed at boosting sales of local companies and global steel makers' investments. The ministry's flagship National Steel Policy, which seeks to outline a roadmap to increase the country's annual steel production to 300 million tonnes by 2025, is also expected to be passed in the cabinet, the official told Reuters. The policy is broadly seen as a continuation of India's protectionist stance against countries such as China and Russia. A steel ministry spokesman was not immediately available to respond to telephone calls from Reuters seeking comment. It also comes in the backdrop of a trade probe launched by US President Donald Trump against cheap imports into the United States, in a move that could aggravate trade friction among global producers. India wants to nearly triple its production capacity by the next decade and acquire technology to produce higher value products including automotive steel.

The Economic Times - 04.05.2017

<http://economictimes.indiatimes.com/news/economy/policy/government-may-make-local-steel-mandatory-for-public-infra-projects/articleshow/58494490.cms>

MakeMyTrip to raise \$330m to grow hotel booking biz

India's largest online travel firm MakeMyTrip is raising \$330 million in a new funding round from existing investors Ctrip and Naspers, as it tries to bolster its position in the high margin hotel booking space. The news of the raise comes at a time when SoftBank-backed Oyo is

in a bid to attract and transform the industry. The Department of Industrial Policy and Promotion (DIPP) has asked for a 4000 crore package from the Finance Ministry to boost the leather and footwear industry in the country. The proposal is under consideration and awaits approval from all concerned ministries including Skill Development, Environment and Water Resources Ministry. Talking to KNN, Rafeeqe Ahmed of the All India Skin & Hide Tanners and Merchants Association said that the purpose of the policy is to create more job opportunities in the sector. "Textile and Leather Industry helps generate rural employment, the package is intended to achieve this aim" Ahmed added. He further informed that the proposal however needs to be revised as there are many relevant contents the proposal fails to touch.

KNN India - 04.05.2017

<http://knnindia.co.in/news/newsdetails/sectors/leather-eyes-at-funds-proposals-of-research-centers>

Private Firms may Get to Operate Airports at Govt-set Tariffs

India may auction its future airport contracts to private operators after setting fixed tariffs, potentially enhancing the number of serious bidders and cushioning passengers against arbitrary increases in user fees. "Airport charges are revenues for airport operators and any change in it impacts their top line. We would fix that in advance and make the bidders aware of it so that there are no uncertainties or surprises for the airport operators as well as passengers using the airport. In this case, charges will be pre-determined, and (the move) would require a change in the Airports Economic Regulatory Authority (AERA) Act," said a senior government official. The aviation ministry has initiated the process to amend the AERA Act. AERA is the economic regulator for Indian airports, and has the authority to fix tariffs at all major airports that handle at least 1.5 million passengers annually. The proposed change will also shield passengers from any increases in user fees after the management of an airport shifts to private ownership, another official added.

The Economic Times - 08.05.2017

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31817&articlexml=Private-Firms-may-Get-to-Operate-Airports-at-08052017008012#>

DGCA Tells Court Airlines Charges are Not Arbitrary

Aviation regulator DGCA has claimed in the Delhi High Court that the airlines do not charge their

in the process of racking up \$250 million, half of what was earlier proposed by its Japanese investor, as reported first by TOI in its April 24 edition. The Nasdaq-listed MakeMyTrip, which merged with the Naspers-backed Goibibo last year, said it was raising the capital through a mix of private placement of shares and issuance of fresh stock to the investors. A company statement said that MakeMyTrip will issue 3.6 million class B shares to Naspers' subsidiary MIH Internet at a price of \$36 a share, totalling to \$132 million. These class B shares will be convertible to ordinary shares on a one-to-one basis, the company said in its filing. The company is also issuing 9,16,666 ordinary shares to China's Ctrip International at \$36 a share, totalling to an additional \$33million funds.

The Times of India - 04.05.2017

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31812&articlexml=MakeMyTrip-to-raise-330m-to-grow-hotel-booking-04052017013024#>

Govt sets out to 'refine' UDAN framework

The government is looking to "refine" the present norms for regional air connectivity scheme as it prepares for the second round of bidding in three months, according to a senior official. While the scheme became operational after the first flight from Shimla to the national capital, the authorities have started the groundwork to comprehensively review its framework, including those relating to the number of seats and exclusivity period for an airline. The ambitious scheme -- UDAN (Ude Desh ka Aam Naagrik) -- seeks to connect unserved and under-served airports as well as make flying more affordable for the masses. The Airports Authority of India (AAI) Chairman Guruprasad Mohapatra said efforts are on to refine the norms for bidding under the scheme. The national airport operator is the nodal agency for UDAN. "(Before) the second round of bidding, we will further refine (the scheme) after extensive stakeholder consultations," Mohapatra told in an interview.

The Times of India - 08.04.2017

<http://timesofindia.indiatimes.com/business/india-business/govt-sets-out-to-refine-udan-framework/articleshow/58560281.cms>

Book flights 24 weeks prior to trip to maximise savings: Study

While most travellers try to strike the best deal by booking flight tickets months before their

customers arbitrarily and exorbitantly at the time of agitations in any state of India. The submission was made by the Directorate General of Civil Aviation (DGCA) before a bench headed by Acting Chief Justice Gita Mittal, which was hearing a plea seeking capping of airfares across the country so that passengers are not fleeced by airlines. Opposing the plea, DGCA has told the court that in emergency situations, transportation by road and by rail are affected and only air transportation is available due to which demand for air travel increases manifold leading to rise in fares. "However, it is denied that the charges are irrational or arbitrary as the same are governed by the market forces, availability and circumstances," the DGCA has said in its affidavit filed in the court. The regulator's response came in the backdrop of a notice issued to it by the court seeking its stand regarding the claims made in the plea. The PIL filed through advocate Amit Sahni has urged the court to direct the authorities to frame "guidelines so as to put a cap on airfares and prevent the private airlines from charging arbitrarily, irrationally and exorbitantly for air flights.

The Economic Times - 08.05.2017

<http://epaperbeta.timesofindia.com/Article.aspx?eid=31817&articlexml=DGCA-Tells-Court-Airlines-Charges-are-Not-Arbitrary-08052017016013>

Airfares may rise as Centre mulls fee hike to pay security

The passenger service fee (PSF), which is a component of the airfare, may be raised in view of the higher cost of security and facilitation at all airports guarded by the Central Industrial Security Force (CISF). A high-level meeting on airport security, attended by Union ministers of state for home and civil aviation Kiren Rijiju and Jayant Sinha respectively and national security adviser Ajit Doval, earlier this week asked the ministry of civil aviation to find out ways and means to recover the cost of security arrangements at airports. The home ministry will work out the total annual cost of providing security at 143 functional airports across the country, a government functionary said. Based on this, an increase in the passenger service fee, particularly its security component that has remained unchanged at Rs 130 for the past 15 years, will be suggested. The reports from the two ministries are expected to be submitted within two months, after which a decision will be taken on increasing PSF.

The Economic Times - 06.05.2017

<http://economictimes.indiatimes.com/news/industry/transportation/airlines/-aviation/airfares-may-rise-as-centre-mulls-fee-hike-to-pay-security/articleshow/58545645.cms>

trip, a new survey has revealed that making the bookings precisely 24 weeks prior to departure is the ideal time. Conducted by online travel portal Skyscanner, the study crunched two years' worth of data from over 50 million monthly users to cull out the Best Time to Book (BTTB) travel to the top destinations across the world for Indians. "A meaty 31 per cent of respondents assume booking more than 12 weeks in advance is the best time to book flights. 11 per cent feel that booking last minute is the key to getting a good deal. But, Skyscanner's data analysis shows booking 24 weeks prior to departure is the ideal time to book tickets," the study noted. According to the survey, flight bookings to destinations like Bali and Kuala Lumpur, which are quite popular among Indian travellers, are cheapest if made 25 weeks prior to departure. However, the online portal noted that both destinations receive the most bookings two weeks prior to departure where flight prices witness a surge of 16 per cent and 11 per cent, respectively, indicating the lack of knowledge of Indian travellers regarding bookings.

The Indian Express - 03.05.2017

<http://indianexpress.com/article/business/aviation/book-flights-24-weeks-prior-to-trip-to-maximise-savings-study-4637018/>

Top ministries pitch for logistics cost cutting to boost trade

To improve India's position in the logistics cost index, there is need to lower logistics costs, according to top officials across Union ministries such as Shipping, Railways and Commerce. Also on anvil is a state-level logistics index from the Commerce Ministry. Speaking at a logistics conference here on Thursday, the Railway Board Chairman AK Mital said there was need to lower costs. "We move 60 per cent of traffic on just 10 per cent of routes. We have created competing demands for various modes of transport. This is because we are competing for the same traffic, instead of complementing it. Why should road and rail be competing for same traffic?" he asked. Referring to the Railway Ministry's public sector unit, Concor, which handles containers, he said the PSU needed to lower logistics costs by improving the conditions of its terminals. Rajive Kumar, Secretary, Shipping, said: "As part of the Sagarmala project, the Ministry had identified where multi-modal hubs need to come up

The Hindu Business Line - 04.05.2017

<http://www.thehindubusinessline.com/economy/logistics/top-ministries-pitch-for-logistics-cost-cutting-to-boost-trade/article9681032.ece>

Government to construct 35 multimodal logistics parks: Nitin Gadkari

The government will develop 35 Multimodal Logistics Parks (MMLPs) in the country, which will bring down the logistics costs to a great extent and help the country's economy, Union Minister Nitin Gadkari said on Wednesday. The Minister of Road Transport, Highways and Shipping was speaking here at the inauguration of the India Integrated Transport and Logistics Summit (IITLS), which aims to facilitate constructive dialogue for the development of multimodal infrastructure in the the country. "We have identified 36 ring roads in the country that will have logistics parks. We have also consulted several stakeholders for the projects," Gadkari said. According to the minister, MMLPs will serve 50 per cent of the freight movements, enable 10 per cent reduction in transportation costs and 12 per cent cut in CO2 emissions.

The Economic Times – 03.05.2017

<http://economictimes.indiatimes.com/news/economy/infrastructure/government-to-construct-35-multimodal-logistics-parks-nitin-gadkari/articleshow/58499330.cms>