

(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 Growth to Rebound to 8% in FY19: Goldman

India's economic growth will bounce back to 8% in the next fiscal year as one-time hits due to demonetisation and goods and services tax wear off and benefits due to formalisation of the economy, strong global growth and recapitalisation of public sector banks kick in, US-based investment bank Goldman Sachs (GS) said in its year-end forecast. India's growth will accelerate to 8% in the fiscal year through March 2019 from 6.4% in fiscal 2018, the bank said, making it the fastest growing major economy in the world, like it was in fiscal 2017 with a 7.1% expansion. "Activity growth will likely pick up in the first half of 2018 as the drag from the idiosyncratic shocks of demonetisation and GST implementation fade... most of the retailers, wholesalers and manufacturers we spoke to mentioned that the recent announcements to ease compliance burden and reduce tax rates for nearly 200 products could boost activity in the next three-six months," GS said.

The Economic Times - 28.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

MS Expects Full-fledged Fin Recovery in 2018

Wall Street investment bank Morgan Stanley on Monday said that India is all set for a full-fledged financial recovery in 2018, undergirded by the first pronounced revival of private-sector capital expenditure in six years in Asia's third biggest economy. "We expect a positive inflection point in the macro cycle in 2018. This will likely be marked by a synchronous recovery in domestic and external demand and, more importantly, a pick-up in private capex for the first time in six years," said Morgan Stanley in a report. With six years of continued deterioration in private capital spending, investors have remained skeptical of a turnaround in the cycle. One of the key drivers for private capex, Morgan Stanley says, is the expected rate of returns from the corporate sector, which had been cyclically depressed and, in turn, held back substantial private investment in assets. Reflecting improved balance sheet fundamentals, the corporate sector, in aggregate,

ADB sticks to India's GDP growth estimates of 7% in 2017, 7.4% in 2018

The Asian Development Bank (ADB) is sticking to its growth forecast for India and is optimistic that growth will pick up on the back of several factors, including an improving global economy. "We are optimistic of India achieving 7% growth in 2017 and 7.4% in 2018. There has been a front-loading of capital expenditure and consumption trend is being sustained and external environment is turning favourable," Sabyasachi Mitra, deputy country director at ADB told a news conference. Growth is expected to slow in the current financial year as the impact of demonetisation and roll-out issues linked to GST hurt expansion. But most economists and multilateral agencies expect growth to accelerate in the years ahead. The Manila-based multilateral agency had lowered India's growth estimates for 2017 due to the short term impact of demonetisation.

The Times of India - 28.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/#>

Forecast of better growth show

Economic growth may have rebounded in the July- September quarter from the slowest growth in three years, with demand picking up modestly as the effects from a shock ban on high value currency notes eased, a Reuters poll showed. If that 's correct, the data will be the latest evidence of a broad-based global economic upturn across Asia and most of the world that has many major central banks poised to move away from ultra-easy monetary policy. India was the world's fastest-growing major economy in 2016. But already slowing growth was made weaker by the surprise cash clampdown late in 2016 by Prime Minister Narendra Modi's government, which has hurt consumer spending ever since. In July, the government introduced the GST that made sweeping changes to the way businesses across Asia's third largest economy charge taxes, delivering another blow to the economy. But the poll of 52 economists over the past week

will be well positioned to enhance capex to meet higher demand.

The Economic Times - 28.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

Q2 GDP Numbers Show Economy in Revival Lane

The Indian economy shrugged off the disruption caused by the goods and services tax (GST) and any lingering after-effects of demonetisation to post higher growth in the second quarter, reversing a five-quarter slide and setting itself on course for revival, the government said. Gross domestic product (GDP) rose 6.3% in the July-September period, in line with independent estimates, compared with the three-year low of 5.7% growth in the April-June quarter and 7.5% in the year earlier, data released by the statistics office showed. The rebound in growth will come as a relief to the government ahead of the crucial elections in Gujarat, experts said, after having come under fire from Opposition rivals following the June quarter slump. They had blamed the government for tripping up the economy with demonetisation in November last year and a half-baked goods and services tax (GST), which was rolled out on July 1. "This marks a reversal," finance minister Arun Jaitley said. "This additionally indicates that perhaps the impact of two very significant structural reforms — demonetisation and GST — is behind us and hopefully in the coming quarters we can look forward to an upward trajectory."

The Economic Times - 01.12.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

Core Sector Grows 4.7% in October

The country's eight core infrastructure industries grew 4.7% in October, matching the September growth, which has been revised down from 5.2%, data released on Thursday shows. This is the highest core sector growth since March 2017. April-October growth stood at 3.5%, down from 5.6% in the corresponding period last year. Six of the eight industries included in the core sector recorded a sequential deterioration in growth, but that was offset by pick up in output of steel and fertilisers. Steel production rose 8.4% and was followed closely by refinery products that reported 7.5% growth. Coal output grew 3.9% in October against 10.4% in September. Cement production fell 2.7% against 0.1% rise in September. Crude oil production also fell 0.4% in October. The other industries in core sector are electricity, fertilisers,

showed gross domestic product growth likely rose to 6.4 per cent from a year ago in the July-September quarter from 5.7 per cent in the previous period.

The Telegraph - 30.11.2017

<https://epaper.telegraphindia.com/detail/294597-152638678.html>

Export Competitiveness At A Decade Low: Crisil

India's competitiveness in the labour intensive export sectors has been on a declining path in the last decade and needs significant structural reforms that need to be addressed, rating agency Crisil said in a report. Crisil analysed the competitiveness of the labour intensive export sectors namely, gems & jewellery, leather & leather products and readymade garments which showed that these are become less competitive over the last decade. "It is disquieting that India's export growth is decelerating at a time when the global environment is becoming more conducive for trade. The reason is not currency strength, but weakening competitiveness. This needs to be reversed if India has to see sustainable, employment-generating exports growth," Crisil said. India's exports have fallen despite a favourable global trade environment. The International Monetary Fund (IMF) expects global growth to rise to 3.6% in 2017 from 3.2% in 2016. "Global merchandise trade is expected to grow stronger at 4.2%, boosting trade intensity of growth for the first time in six years.

The Economic Times - 28.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

With Fastest Growth in 13 Months, Manufacturing PMI Adds to the Cheer

Manufacturing activity expanded at its fastest pace in 13 months in November, a private survey showed, indicating that the Indian economy is strengthening in the third quarter after GDP data released on Thursday showed a rebound in the second quarter. The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 52.6 in November from 50.3 in October, backed by strong growth in new orders and higher production. Adding to the buoyant sentiment was India's top automakers reporting a double-digit sales growth in November, supporting the argument that the previous month's dip was a one-off instance and that the industry was on course to posting strong numbers this fiscal year. Greater production led

refinery products, natural gas, and coal. The core sector industries have a 40% weigh in the Index of Industrial Production (IIP). "The early indicators for industrial production in the organised sectors in October 2017 signal a mixed trend, with a steady growth of core sector output offset by a deterioration in the pace of YoY growth of automobile production and a contraction in merchandise exports in US dollar terms," said Aditi Nayar, principal economist at ratings agency ICRA.

The Economic Times - 01.12.2017
<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

India's GDP should have been back at 9%, says Kaushik Basu

With oil prices so low, India's economic growth should have been back at over 9 per cent, Former Chief Economist at World Bank Kaushik Basu said today, expressing disappointment at the 6.3 per cent GDP expansion in the September quarter. "India's growth rate is now 6.3 per cent. It had reached a rate of 9.5 per cent from 2005-2008," Basu, who was also Chief Economic Adviser during the UPA government, said in a tweet. "Now with oil prices so low, the growth should have been back at over 9 per cent. This massive slowdown needs to be properly diagnosed," he added. The GDP growth in the second quarter of 2017-18 was 6.3 per cent, compared to 5.7 per cent in the April-June period -- the lowest growth rate since the Modi government took office. It was 7.5 per cent in the September quarter of last fiscal.

The Economic Times - 03.12.2017
<https://economictimes.indiatimes.com/news/economy/policy/indias-gdp-should-have-been-back-at-9-says-kaushik-basu/articleshow/61904422.cms>

PSUs Want Vendors to Meet Anti-profiteering Guidelines

Public sector enterprises have begun asking their vendors to furnish an undertaking that they meet anti-profiteering norms and have passed on the benefits of lower tax and higher input tax credit under the goods and services tax (GST) regime. A number of state-run companies cutting across sectors and including the top tier ones like BHEL, Indraprastha Gas Ltd and SAIL have introduced such a clause for their vendors. "This is to ensure that the company is ring-fenced against any eventuality if there is any challenge on anti-profiteering," an executive of a state-run company said on condition of anonymity. The GST regime

to the fastest rate of employment creation since September 2012, the PMI survey showed, but there was acceleration in inflationary pressure that could make a rate cut difficult in the next monetary policy review on December 6. GDP data released on Thursday showed the economy reversed five quarters of slowdowns to post 6.3% growth in the July-September quarter compared with a three-year low of 5.7% in the previous quarter.

The Economic Times - 02.12.2017
<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

Fiscal gap a concern

Fiscal deficit for the current financial year has hit 96.1 per cent of the budget estimate as early as October because of lower revenue collection and a rise in expenditure. Economists are worried about the possibility of a fiscal slip in the current year if divestment inflows ebbed. However, finance ministry officials feel the deficit is higher than usual because the government has front-loaded spending in projects this year. Expenditure on these accounts are expected to be much less in the latter half of the year. Finance minister Arun Jaitley said he planned to be on track to lower the fiscal deficit. "The last three years, we have had an exemplary record as far as maintaining that glide path is concerned. We intend to move on that track," Jaitley said on Thursday. In absolute terms, the fiscal deficit - the difference between expenditure and revenue - was Rs 5.25 lakh crore during April-October of 2017-18. During the same period of 2016-17, the deficit stood at 79.3 per cent of the target.

The Telegraph - 01.12.2017
<https://www.telegraphindia.com/business/fiscal-gap-a-concern-190156>

Centre agrees to double deputation allowance

The wait for clarification on minimum pay scale and fitment factor beyond 7th Pay Commission has finally come to an end for 48 lakh government employees, as the Centre has decided to more than double their deputation allowance. A notification issued by Department of Personnel and Training said, "The recommendation of the 7CPC for enhancement of ceiling of deputation (duty) allowance for civilians by 2.25 times has been accepted and this decision is effective from July 01, 2017." In case of deputation within the same station, the duty allowance will be payable at the rate of 5%

provides full credit for taxes paid on all inputs used and has thereby lowered the overall tax incidence on both goods and services. The government has since the rollout of the new tax regime on July 1 repeatedly asked the industry to pass on the benefit of reduction in tax rate as also overall reduction in tax incidence due to availability of the input tax credit. The GST Council has incorporated an anti-profiteering framework, on the lines of that in Malaysia and Australia, under the GST regime to ensure benefits of the regime are shared with consumers.

The Economic Times - 30.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

OPEC Agrees to Extend Oil Cuts to the End of 2018

OPEC agreed to extend its oil-production cuts to the end of next year as the job of rebalancing the market is not yet done, according to delegates at a ministerial meeting in Vienna. Talks have now moved on to the mechanism that will be used to review the agreement in the middle of 2018, the delegates said, asking not to be identified as the closed-door discussion isn't yet over. Ministers also need to get Russia, their largest non-OPEC ally, on board at a meeting with other partner countries later on Thursday. The outcome of Thursday's initial gathering, comprising just OPEC ministers, reflects a rare consensus between members of the Organization of Petroleum Exporting Countries, with no dissonant voices in the run-up to the meeting. All agreed that the market is moving in the right direction, but is not yet balanced. For Russia, reassurance about how the curbs will eventually be wound down seems to be as important as the duration of the extension, according to people involved in negotiations earlier this week.

The Economic Times - 01.12.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>

Set floor price for domestic gas: Experts

Despite the recent fall in prices of imported LNG, the fuel still costs \$6-7 per mmbtu to domestic consumers, clearly signalling the demand for gas at prices higher than \$2.89 per mmbtu fetched by domestic explorers for shallow-water gas. As the ceiling price for domestic gas arrived at on the basis of a benchmark price computed on a select global index has come down from \$5.05 per mmbtu in November 2014 due to the six-monthly revisions, state-run ONGC has recently written to the petroleum ministry, asking for a price increase as the current price is unviable and hitting its

of basic pay subject to a maximum of Rs 4,500 per month. And for deputation, involving change of station, will attract allowance rate of 10% of the basic pay subject to maximum of Rs 9,000 per month. Currently, duty allowance stands at Rs 2,000 per month for deputation within the same station, and Rs 4,000 per month involving change in the station. The ceiling of this allowance will rise by 25% each time dearness allowance increases by 50%.

Zeebiz.com - 28.11.2017

<http://www.zeebiz.com/india/news-7th-pay-commission-centre-agrees-to-double-deputation-allowance-32566>

IEA chief sees oil markets tightening toward second half of 2018

The global oil market could tighten towards the second half of 2018 if demand remains robust and key producers continue their current policies, International Energy Agency chief Fatih Birol said on Tuesday. "If we have strong demand growth and if producers continue to stick to their policies we may well see tightening of the markets... I expect this sometime next year, towards the second half of the next year..." he told Reuters on the side-lines of an energy conference in Norway. Birol was speaking ahead of the OPEC's meeting on Thursday amid concern that its efforts to rebalance the oil market might overshoot by creating a global deficit and spurring a further price rally. "It's up to OPEC countries to decide what are they going to do, but what we see is that the market is already on its way towards rebalancing... Therefore the price (of oil) that we have today, above \$60, is a good number for most oil investments to be profitable," Birol said.

Reuters - 28.11.2017

<https://www.reuters.com/article/us-oil-iea/iea-chief-sees-oil-markets-tightening-toward-second-half-of-2018-idUSKBN1DS19K>

More than 60,000 petrol pumps in India, 45% jump in 6 years

India has recorded 45 per cent jump in the number of petrol pumps in the last six years, possibly the highest growth rate in the world, as public and private sector firms jostled to capture retailing sites. With 60,799 outlets dispensing petrol and diesel at the end of October, India is behind only US and China in number of petrol pumps, data available from Petroleum Planning & Analysis Cell of the Oil Ministry. In 2011, the country had 41,947 outlets, of which 2,983 or 7.1 per cent, were

investment plans. Experts argue that given India's largest importer of LNG, Petronet LNG, at present after renegotiation gets the fuel at \$6-7 per mmbtu, down from \$12-13 per mmbtu earlier, there is undoubtedly a case for higher price for domestic shallow-sea gas. "The government can set a floor price of around \$3.5-4 per mmbtu and even if the formula-based price goes below this, it should not be considered," said an analyst with a consulting firm requesting not to be named. ONGC has also been rooting for a floor price of \$4.2 per mmbtu.

The Financial Express - 28.11.2017

<http://www.financialexpress.com/market/commodities/set-floor-price-for-domestic-gas-experts/950249/>

Moody's upbeat on steel sector, says Tata Steel to benefit most

Robust domestic demand and protectionist measures by the government will help the domestic steel industry going forward and earnings of major players like Tata Steel will increase significantly due to newly-added capacity, says a report. "Among the major steel-producing Asian countries, operating conditions will be the most supportive in India, because of the robust domestic demand and protectionist measures. This is despite an increase in raw material prices and new capacity additions," international rating agency Moody's said today in its 'Asia Steel Outlook 2018' report. The agency said the earnings of Tata Steel will increase significantly due to newly-added capacity, and the same will remain steady for JSW Steel. Moody's has given a stable outlook with a Ba3 rating for both Tata Steel and JSW Steel. "The likely stable profitability for Asian steelmakers is underpinned by the removal of excess production capacity in China and broadly steady demand in Asia as a whole," Moody's senior vice-president Kai Hu said.

Moneycontrol - 30.11.2017

<http://www.moneycontrol.com/news/business/moodys-upbeat-on-steel-sectorexpects-tata-steel-to-benefit-most-2450233.html>

Post 'infrastructure' tag, logistics firms set store by warehouses, container depots

Container depots with smaller areas can now access low-cost infrastructure funding following the recent notification expanding the list of infrastructure funds and likely availability of such

owned or operated by private retailers like Reliance Industries and Essar oil. Today, private firms own 5,474, or 9 per cent of the total outlets, with Essar being the leader with 3,980 stations. US and China have around one lakh petrol stations each. Several countries around the globe have seen the number of petrol pumps drop as they moved towards Electric Vehicles (EVs) and alternate forms of energy but they have grown in India, which is the world's fastest growing oil consumer. India had in 2015 overtaken Japan as the world's third-largest oil consuming country behind US and China. Fuel consumption grew by 9.5 per cent in the April-October period of the current fiscal.

The Times of India - 29.11.2017

<https://timesofindia.indiatimes.com/business/india-business/more-than-60000-petrol-pumps-in-india-45-jump-in-6-years/articleshow/61848964.cms>

Govt to crack down on high air ticket cancellation charges

Soon, airlines may no longer be able to extort high ticket cancellation charges from flyers. The government says the cancellation charge of Rs 3,000 is way too high and needs to be rolled back. It will soon speak to airlines on this issue and ask them to reduce this fee to a reasonable amount. Till about two months back, the cancellation charge used to be Rs 2,250 for many airlines. Aviation minister Jayant Sinha told TOI: "We believe cancellation charges are on the high side and onerous for passengers. The Rs 3,000-fee is in many cases more than the price of the ticket itself. Our UDAN (subsidised regional flying) scheme has capped fares at Rs 2,500 per hour of flying. These cancellation charges need to be brought back into balance." Sinha, who on his own took up this issue, has ordered a review of the exorbitant amount charged by airlines. Such high charges, say travel experts, could prevent people from booking tickets early to get low fares. According to a travel agent, "buy early to get low fares" is the mantra of aviation.

The Times of India - 28.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/#>

First phase of Chabahar port opens, to boost trade between India and Iran

The first phase of the Chabahar port was inaugurated on Sunday by Iranian President Hassan Rouhani, opening up a new strategic transit route between Iran, India and Afghanistan, bypassing Pakistan. The port in the

funds, say companies in the logistics sector such as Allcargo Logistics and Embassy Industrial Parks. "A strong contribution that has also come as part of the inclusion of logistics in infrastructure is the lowering of inland container depots (ICD) area criteria to ten acres from the previous 25-30 acres. I feel it will be a benefit to developers in this segment, creating an ease of flow for storage and flow of container traffic," said Anshul Singhal, Embassy Industrial Parks, which is a joint venture between Warburg Pincus and Bengaluru-based realty giant Embassy Group. Shashi Kiran Shetty, Chairman, Allcargo Logistics, said that he expects the cost of borrowing to be lower by around 100 basis points, apart from stating that there could be consolidation. Shetty added that the firm will capitalise on the opportunity through a planned push to the domestic logistic business where "we have a stated interest to develop our next phase of growth".

The Hindu Business Line - 30.11.2017

<http://www.thehindubusinessline.com/economy/logistics/post-infrastructure-tag-logistics-firms-set-store-by-warehouses-container-depots/article9978312.ece>

Sistan-Balochistan province on the energy-rich nation's southern coast lies outside the Persian Gulf and is easily accessed from India's western coast and is considered as a "gateway to golden opportunities" for trade with central Asian countries. The first phase of the Chabahar port project is known as the Shahid Beheshti port and it was inaugurated by Rouhani in the presence of representatives of several countries of the region. According to the ministry of external affairs, minister of state for shipping Pon Radhakrishnan represented India at the inauguration. "The routes of the region should be connected on land, sea and air," Rouhani said at the inauguration ceremony, according to his office. The port is likely to ramp up trade between India, Afghanistan and Iran in the wake of Pakistan denying transit access to New Delhi for trade with the two countries.

The Hindustan Times - 04.12.2017

<http://www.hindustantimes.com/world-news/iran-president-hassan-rouhani-inaugurates-new-extension-to-the-chabahar-port/story-I41xXrMCqszv4oMpM6CDUM.html>

Pradeep Singh Kharola's New Air India Chief

he government on Tuesday announced the appointment of Pradeep Singh Kharola, a 1985 batch IAS officer from the Karnataka cadre, as the chairman and managing director (CMD) of Air India. Kharola will be joining AI at a time, when the government is in the process of selling Air India and exiting from airline business completely. The government plans to start the bidding process of AI in the next nine months. "The ACC (the Appointments Committee of the Cabinet) today approved the appointment of Pradeep Singh Kharola, presently in cadre, as chairman and managing director of Air India in the rank and pay of secretary to government of India," said a government order. Kharola will replace Rajiv Bansal, an additional secretary in the petroleum ministry, who was holding additional charge of CMD of AI. Bansal, late last week had got a three months extension of his tenure at Air India. Air India was without a full-time CMD after Ashwani Lohani left it in September to become the chairman of Railway Board.

The Economic Times - 29.11.2017

<http://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/#>