

(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.)

Balmer Lawrie in News

Mint
Kolkata, 03 March 2016

CORPORATE BUZZ

**BALMER LAWRIE CELEBRATES
150TH FOUNDATION DAY**

Balmer Lawrie & Co. Ltd., a Mini Ratna Category-I PSE under the Ministry of Petroleum & Natural Gas (MoPNG) celebrated its sesquicentennial Foundation Day on February 12, 2016 in a function organized at Nazrul Mancha, Kolkata. The Chief Guest Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge), Minister of Petroleum & Natural Gas inaugurated the Foundation Day Celebrations by lighting the lamp.



India on road to recovery, set to grow at 7.5 percent: IMF

Noting that the Indian economy is on a recovery path, the International Monetary Fund (IMF) has projected its growth at 7.3 percent for the 2015-16 fiscal, peaking up to 7.5 percent in FY2016-17. With the revival of sentiment and picking up of industrial activity, an incipient upturn in private investment is expected to help broaden the recovery helped by a large Terms of Trade gain (about 2.5 percent of GDP), positive policy actions, and reduced external vulnerabilities, the IMF said. The IMF projections came in a report on its Executive Board's Article IV annual bilateral discussions following a visit by a staff team on February 12. Since late 2014, a collapse of global oil prices has boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions, and engendered a sharp decline in inflation, the report noted.

Business Standard - 02.03.2016

http://www.business-standard.com/article/news-ians/india-on-road-to-recovery-set-to-grow-at-7-5-percent-imf-116030200747_1.html

Reforms a must to keep India in economic 'sweet spot': IMF

The International Monetary Fund (IMF) has said India's potential is enormous but it needs to continue with reforms to remain in the economic 'sweet spot' while reiterating its forecast that the country's growth will pick up marginally next year. In its annual Article IV consultation report released on Wednesday, IMF said the Indian economy is on a recovery path, helped by lower fuel and commodity prices and positive policy action from the government. "India's potential is enormous," Paul Cashin, head of the IMF team for India, said in a statement. "To remain in the economic 'sweet spot', India must ensure forward momentum of its programme of economic reforms," he said. IMF expects Indian economy to grow 7.3% this year and 7.5% next fiscal, making it "one of the fastest-growing large economies in the world". India's official statistics show the economy growing 7.6% in FY16.

The Economic Times - 03.03.2016

<http://economictimes.indiatimes.com/news/economy/policy/reforms-a-must-to-keep-india-in-economic-sweet-spot-imf/articleshow/51230673.cms>

PSEs to divest assets for investing in new projects

The government would encourage the central public sector enterprises (CPSEs) to divest individual assets like land and manufacturing units to release their asset value for investing in new projects, said Finance Minister Arun Jaitley here on Monday. "We will encourage CPSEs to divest individual assets like land, manufacturing units to release their asset value for making investment in new projects," Jaitley said in the Lok Sabha, presenting the Union Budget for fiscal 2016-17. Asserting that assets of the enterprises have to be leveraged for generating resources for investment in new projects, Jaitley told lawmakers that a new policy for management of government investments and strategic sale has been approved. The National Institution for Transforming India (NITI) Aayog will identify the enterprises for strategic sale. The Aayog was set up by Prime Minister Narendra Modi in 2015 as the country's new policy think-tank in place of the erstwhile Planning Commission.

Business Standard - 29.02.2016

http://www.business-standard.com/article/news-ians/pses-to-divest-assets-for-investing-in-new-projects-116022900562_1.html

DoD gets a fancy name

The government has limited the role of the department of disinvestment (DoD) by taking away from it the job of strategic disinvestment of public sector undertakings (PSUs). A host of guidelines issued on Monday reduced the role of DoD, now called the department of investment and public asset management (Dipam), in strategic sales to that of secretariat for the core group of secretaries on disinvestment (CGD). The core group would be headed by the Cabinet Secretary. Members would be secretaries from the departments of economic affairs, revenue, expenditure, disinvestment, public enterprises, corporate affairs, legal affairs and the administrative ministry of the PSUs. Even the recommendations to the CGD on strategic disinvestment would be made by the NITI Aayog. PSUs would be identified and the mode of disinvestment and method of evaluation would also be decided by it. The NITI Aayog did not have any major role in disinvestment so far.

Business Standard - 02.03.2016

http://www.business-standard.com/article/economy-policy/dod-gets-a-fancy-name-but-wings-clipped-116030100406_1.html

Independent External Monitors to oversee PSU privatisation

Keen on clean and controversy-free privatisation of PSUs, the government today said it will appoint eminent persons as Independent External Monitors (IEM) to oversee the strategic disinvestment process likely to begin next fiscal. Disinvestment Secretary Neeraj K Gupta said in an interview to PTI that the NITI Aayog has been entrusted with the responsibility of identification of CPSE, method of valuation, besides suggesting the mode and extent of disinvestment. Outlining salient features of the strategic stake sale policy of the government, Gupta said NITI Aayog will consult with the Department of Public Enterprises, the administrative ministries as also the Department of Expenditure and finalise on the CPSE which is eligible for strategic sale. Asked if private sector or retired bureaucrats could be part of the IEM, he said: "Eminent persons will be those who have sufficient experience to give oversight."

Business Standard - 01.03.2016

http://www.business-standard.com/article/pti-stories/independent-external-monitors-to-oversee-psu-privatisation-116030100841_1.html

PSUs to partake in strategic stake sale, build funds

Strategic stake sale, a dirty word during the UPA regime, is back on the table. Imagine a case where a company such as NTPCBSE -0.40 % decides to hive off old power stations to raise funds for building modern plants, and takes on a leaner and meaner avatar. This is the broad approach towards utilisation of assets with public sector units, till now seen as the economy's holy cows. Niti Aayog will identify the companies that will be eligible for strategic sale by the department of disinvestment, which has been renamed department of investment and public asset management. "We will encourage CPSEs (central public sector enterprises) to divest individual assets, such as land and manufacturing units, to release their asset value for making investments in new projects," FM Jaitley said in his Budget speech. UPA had dumped strategic sale in favour of diluting government holding in PSUs through public offerings of minority holdings.

The Economic Times - 01.03.2016

<http://economictimes.indiatimes.com/news/economy/finance/budget-2016-psus-to-partake-in-strategic-stake-sale-build-funds/articleshow/51206715.cms>

ASSOCHAM urges PM to nudge CPSEs to spend Rs 5 lakh crore to revive growth

Lauding the public sector enterprises to be ready with a large investment kitty of Rs 5.02 lakh crore for the next financial year, ASSOCHAM urged Prime Minister Mr Narendra Modi to convene a meeting of the CMDs of the CPSEs asking them to ensure that the entire planned expenditure for the fiscal 2016-17 is spent to give a leg-up to the economic growth. In a subdued economic environment where the private sector is reeling under high debt, over-capacity and low margins, the Central Public Sector Enterprises (CPSEs) have to take a lead in reviving the business sentiment. Fortunately, with funds not being a problem for the state-owned firms, it is only a question of speedy implementation of the planned projects, be in the railways, highways, atomic energy, aviation, power or coal, an ASSOCHAM Paper stated. Against the revised estimates of Rs 4.25 lakh crore for 2015-16, the Plan estimates for the CPSEs.

Business Standard - 07.03.2016

http://www.business-standard.com/article/news-cm/assocham-urges-pm-to-nudge-cpses-to-spend-rs-5-lakh-crore-to-revive-growth-116030700093_1.html

Asset management: Pay special dividend or list: Govt to cash-rich public firms

Having renamed the disinvestment department as Department of Investment and Public Asset Management (DIPAM) in Budget 2016-17, the government now wants unlisted public sector companies with huge cash piles to consider paying special dividend or buy back government shares and gradually move towards listing. "Public asset management would also include buyback of shares. Companies which are 100 per cent owned by the government, which have lots of cash, if they do not have capital expenditure plan and they are sitting on idle cash year after year, they should either pay special dividend or buyback government shares," Economic Affairs Secretary Shaktikanta Das said at a Ficci event here. Having renamed the disinvestment department as Department of Investment and Public Asset Management (DIPAM) in Budget 2016-17, the government now wants unlisted public sector companies with huge cash piles to consider paying special dividend or buy back government shares and gradually move towards listing.

The Indian Express - 05.03.2016

<http://indianexpress.com/article/business/economy/asset-management-pay-special-dividend-or-list-govt-to-cash-rich-public-firms/>

Budgetary allocations for PSUs squeezed in 2016-17

With the National Democratic Alliance government reworking its expenditure priorities, pumping more money to tackle distress in rural areas, it has squeezed budgetary support to public sector units (PSUs) in the coming financial year. Budgetary support for Plan investments in public enterprises is now projected to grow at a mere 0.4 per cent to Rs 1.04 lakh crore in 2016-17, up from Rs 1.03 lakh crore in 2015-16. The Rs 13,000-crore increase in budgetary allocation to railways this year announced by the finance minister has been largely offset by a decline in allocations to other sectors, most notably National Highways Authority of India (NHAI). As a consequence of this squeeze, PSUs will now have to rely more on mobilising internal resources or raising money through extra budgetary resources to increase capital outlay in the coming financial year. This is in sharp contrast to 2015-16 when the central government increased budgetary support to public enterprises by a staggering 65%.

Business Standard - 04.03.2016

http://www.business-standard.com/article/economy-policy/budgetary-allocations-for-psus-squeezed-in-2016-17-116030301416_1.html

Govt keen to fulfil PSUs' purchase target from MSMEs

The Union ministry of micro, small and medium enterprises (MSME) is working for public sector enterprises to achieve the target of 20% procurement of their annual purchase from micro and small enterprises (MSE). Inaugurating the three-day Vibrant SME 2016 Industrial Expo and Growth Forum in Chinchwad on Thursday, RB Gupte, the director of MSME, Union government, said, "It is mandatory under the Public Procurement Policy Act for central government ministries, departments and public sector undertakings to make 20% of their total annual purchase from micro and small enterprises. Of it, 4% has to be procured from MSEs owned by entrepreneurs from SC and ST communities. This has opened a very big market for micro and small enterprises. We are frequently holding programmes between micro and small enterprises to have direct interaction with purchasers.

The Times of India - 04.03.2016

<http://timesofindia.indiatimes.com/city/pune/Govt-keen-to-fulfil-PSUs-purchase-target-from-MSMEs/articleshow/51254108.cms>

Budget 2016: FM Arun Jaitley announces 20% cess on domestic crude oil

India will now levy a cess at the rate of 20% on domestically produced crude oil, calculated ad valorem, as against the present rate of Rs 4,500 per tonne providing a big relief to explorers like ONGC and Cairn India. Industry has been lobbying to link the cess on oil to an ad valorem rate and was expecting it to be in the range of 8-10%. At the current Rs 4,500 per tonne rate, it accounted for over 20% of crude oil prices, thereby hurting the energy companies. In the Union Budget 2016 proposals, the government said, "Clause 222 seeks to amend the Schedule to the Oil Industry (Development) Act, 1974 so as to levy cess at the rate of twenty per cent. ad valorem instead of the present rate of Rs 4,500 per tonne, on domestically produced crude oil." The Oil Industry (Development) Act, 1974, provides for cess collection as a duty of excise on domestic crude oil. Cess incurred by producers is cannot be recovered from refineries and therefore forms part of cost of production of crude oil.

The Economic Times - 29.02.2016

<http://economictimes.indiatimes.com/news/economy/policy/budget-2016-fm-arun-jaitley-announces-20-cess-on-domestic-crude-oil/articleshow/51191220.cms>

Base Oil Market to Growth to 2020 Driven by Automotive Oil Segment

Automotive oil segment is leading the global base oil market application segments with Asia-Pacific region being a market leader in terms of consumption, geographically according to a new research report. The main reason for the growth of the global base oil market is increasing demand for finished lubricants from various industries, along with increase in the number of various end user industries. Among applications, the automotive oil segment is projected to lead the global base oil market during the forecast period, 2015 to 2020. The automotive oil application segment is expected to grow at the highest CAGR during the forecast period. The growth of this application segment can be attributed to increased demand for finished lubricant products from the automotive industry. The global base oil market is projected to reach USD 41.68 billion by 2020, at a CAGR of 0.95% between 2015 and 2020.

PR News Wire - 04.03.2016

<http://www.prnewswire.co.in/news-releases/base-oil-market-to-growth-to-2020-driven-by-automotive-oil-segment-571004291.html>

Lubricants Market Worth 166.59 Billion USD by 2021

The report "Lubricants Market by Type (Mineral Oil, Synthetic Lubricants, Bio-Based, and Greases), by Application (Transportation and Industrial Machinery & Equipment), and by Region (APAC, EU, NA, MEA, AND SA) - Global Forecast to 2021", published by MarketsandMarkets, The market is estimated to have accounted for USD 144.45 Billion in 2015 and is projected to reach USD 166.59 Billion by 2021, registering a CAGR of 2.4% between 2016 and 2021. Early buyers will receive 10% customization on this report. The market is driven by the growing automotive industry in the Asia-Pacific region. The increasing demand of automobiles in emerging economies such as China, India, and Japan is fuelling the growth of the lubricants market in the region. Another major factor contributing to the growth of lubricants is massive industrial growth in the developing regions such as Asia-Pacific and the Middle East & Africa.

PR News Wire - 04.03.2016

<http://www.prnewswire.co.in/news-releases/lubricants-market-worth-16659-billion-usd-by-2021-571031801.html>

Steel prices to increase by Rs 2,000 a tonne

Steel companies are set to shortly increase prices by Rs 2,000 a tonne, taking the total increase to Rs 6,000-7,000 a tonne since February. The increase in cold rolled products would be Rs 2,000 a tonne and of long products, Rs 2,000-3,500 a tonne. "Some of the primary producers have already intimated their customers that the new prices would be effective from March 1, while others are expected to follow suit shortly," a secondary producer said. The first round of increase in a long while was initiated on February 4, a day before the government imposed a minimum import price (MIP). On February 5, the government had imposed an MIP of \$341-\$752 a tonne on certain steel items, with the aim of halting cheaper imports that had landed the industry in dire straits. Between September and February, steel prices had dropped by around Rs 8,000 a tonne, ex-plant.

Business Standard - 01.03.2016

http://www.business-standard.com/article/markets/steel-prices-to-increase-by-rs-2-000-a-tonne-116030101017_1.html

Soon, ISI mark a must for steel products

From March 18, Bureau of Indian Standards (BIS) will make ISI certification mandatory for more steel products. With this directive, those steel products meant for the construction and automobile sectors will need ISI marking to sell them in the city. Already, 20 different steel products are under the ambit of 'mandatory BIS certification'. Now, 15 more steel products, including raw material used in construction industry, and automobile components, would be brought under compulsory ISI mark. According to BIS, mild steel bars, hot-rolled steel strip used for welded pipes and bright bars used in engine components of automobiles would now have to be certified by the BIS before sales. At present, there are 151 licensees in Tamil Nadu who comply with standards prescribed to use ISI mark on steel products. Officials of the BIS, southern region, said steel products are being brought under the quality control order in a phased manner since 2008.

The Hindu - 02.03.2016

<http://www.thehindu.com/news/cities/chennai/so-on-isi-mark-a-must-for-steel-products/article8302038.ece>

US imposes 266% duty on imports of steel from China

Producers in China and six other countries sold cold-rolled steel at unfairly low prices in the US market and will be taxed as much as 266% on the price, the Commerce Department said in a preliminary decision on Tuesday. The government imposed tariffs of 266% on imports from China, with goods from Brazil, India, South Korea, Russia, Japan and the UK also subject to duties. Shipments from Brazil will face 39% penalties, and South Korean producers will face taxes of as much as 6.9%. This is the second time since December that the US government has penalised foreign steel producers, including Chinese mills, for selling the metal in the US at unfairly low prices, or dumping. Domestic producers including Nucor and US Steel began filing trade cases accusing some global competitors of unfair subsidies and other illegal trade practices in June. US producers have filed cases accusing foreign steelmakers of dumping and subsidizing four varieties of steel products.

The Economic Times - 03.03.2016

<http://economictimes.indiatimes.com/news/international/business/us-imposes-266-duty-on-imports-of-steel-from-china/articleshow/51232899.cms>

Overcapacity will hurt steel firms' profits: Fitch

Increase in proposed infrastructure spending is unlikely to provide a boost to demand for steel unless project execution rates pick up significantly, according to Fitch Ratings. The Fitch report said domestic steel producers also face overcapacity which is likely to weigh on their profitability and credit metrics in the near-term. The budget plans to increase capex on infrastructure (roads, railways and shipping) in the financial year ending March 2017 by 23 per cent to Rs.2.3 lakh crore. For FY16, the government had budgeted for infrastructure investment to double from actual spending from the previous financial year. However, except for a pick-up in road construction (up 36 per cent year-on-year in the first half of the current financial year), project implementation appears to have been weak so far in FY16, according to the ratings agency. Private-sector investment has also remained weak, given the stretched corporate balance sheets.

The Hindu - 04.03.2016

<http://www.thehindu.com/business/Industry/overcapacity-will-hurt-steel-firms-profits-fitch/article8310512.ece>

ATF duty hike in Budget 2016 will push up air ticket prices

Air fares may go up in the coming days after the Union budget proposed to increase excise duty on jet fuel to 14% from 8%. Jet fuel is the biggest cost for airlines and many airlines returned to profits in 2015-16 after years of losses, thanks to a global oil price slump. According to an airline official who asked not to be identified, the actual impact will be even higher, since sales tax is calculated over and above excise duty. State-level sales taxes vary between 4% and 30%. Airlines have been lobbying for lower sales tax for over a decade. "It will have a cumulative impact," the official quote above said, "This is not very encouraging." In 2015, Brent crude fell 35% and so far this year, it has dropped 5.4%. However, airlines will face more heat when oil prices start to rise. On 20 January, Brent crude hit a low of \$27.88 and since then, it has gained over 26.4%.

Mint - 29.02.2016

<http://www.livemint.com/Politics/7p4ZMC1tYzvNM07LMYe7qI/Union-Budget-201617-Excise-duty-on-jet-fuel-increased-to-1.html>

Centre may defer levy plan on air tickets

The government on Wednesday indicated that it will not go-ahead with its plan to impose two per cent levy on domestic and international air tickets and may explore other means to raise funds for boosting regional air connectivity. The government in the revised draft policy, unveiled on October 30, had proposed 2 per cent levy on all airfares to mop up funds for its regional connectivity scheme. The proposal has, however, been opposed by various stake holders on the ground that an additional charge would only increase the ticket prices with the global airlines body IATA terming it as "against the International Civil Aviation Organization's norms." "The manner of raising that resource (funds for Viability Gap Funding) that the draft policy proposes by levying 2 per cent cess is something that we are discussing," civil aviation secretary R N Choubey said on Wednesday.

The times of India - 02.03.2016

<http://timesofindia.indiatimes.com/business/india-business/Centre-may-defer-levy-plan-on-air-tickets/articleshow/51226918.cms>

Travel budget for Ministers doubled

The budget available with the Council of Ministers for travel has more than doubled in 2015-16, at a time when the Finance Ministry has issued strict advisories restricting foreign travels undertaken by government officials. The Revised Estimates of 'tour expenses' of the Council of Ministers increased to Rs. 566.7 crore, up from Rs. 269 crore initially budgeted for the purpose. "It has been the policy of this government to reach out to as many countries as possible, and send its ministers to countries that have not been visited, sometimes for decades," a senior government official said, explaining the possible reasons why the travel budget for the ministers has seen such an increase. Prime Minister Narendra Modi has made a point of travelling to many countries not previously on the radar, and the Ministry of External Affairs listed the fact that over 100 countries had been visited over the last few years as one of the government's achievements, the official added.

The Hindu - 01.03.2016

<http://www.thehindu.com/news/national/travel-budget-for-ministers-doubled/article8297298.ece>

Freight policy reforms to increase loading share: Rly

With the aim of increasing freight share, the Rail Budget has initiated freight policy reforms with provisions of reviewing the tariff policy to evolve a competitive rate structure. Railways had in this

Senior citizens drive up travel business

Retired senior citizens are the new globetrotters. Unlike earlier when older people chose to spend a quiet life after retirement, senior citizens are now eager to see the world. With enough money saved and not having to provide for their independent children, the seniors are splurging on holidays. In many cases, Indians working abroad are sponsoring their elderly parents' trips. For instance, take 74-year-old Omprakash Khandelwal. He made his first foreign trip to London only after retirement in 2001 and since then he has made a couple of overseas tours. The former transport professional says that before retirement, time was a constraint and all that he could manage was inland travel. "With not many responsibilities on me anymore, I have ample time to loosen up and explore places," he says.

The Times of India- 03.03.2016

<http://timesofindia.indiatimes.com/business/india-business/Senior-citizens-drive-up-travel-biz/articleshow/51232257.cms>

India allocates Rs 800 crore for ports sector

The government has allocated Rs 800 crore next fiscal year for development of new ports and ongoing work on its National Waterways project, finance minister Arun Jaitley said Monday in his speech presenting the fiscal budget for 2016-17. "In 2015, India's major ports have handled the highest ever quality of cargo. We have also added the highest ever capacity in major ports. We have started a series of measures for modernizing the ports and increasing their efficiency. The Sagarmala project has already been rolled out. We are planning to develop new greenfield ports both in the eastern and western coasts of the country. The work on the National Waterways is also being expedited. (Rs) 800 crore has been provided for these initiatives," Jaitley said in his speech.

The Economic Times - 29.02.2016

<http://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/budget-2016-india-allocates-rs-800-crore-for-ports-sector/articleshow/51196453.cms>

Slowdown hits non-major ports as cargo volumes drop

The 12 major ports in the country have outpaced the 187-odd non-major ones in terms of cargo growth. While cargo traffic at all ports increased by 1.1 per cent in the first six months of FY16,

year's budget, emphasised on freight policy reforms with a view to increasing freight share and has laid down steps to leverage ample opportunities for increasing the share of bulk goods by providing better services such as faster transit, review of tariff policy to evolve a competitive rate structure as well as efficient handling at terminals, Railway Financial Commissioner (FC) S Mookerjee said here today. He said Railways have made continuous efforts to bring overall improvement in the health of the public transporter. The Rail Budget 2016 is in line with the government's vision of achieving holistic growth of the Railways, Mookerjee said in the post Rail Budget interaction with the CII National Council here.

Business Standard - 02.03.2016

http://www.business-standard.com/article/pti-stories/freight-policy-reforms-to-increase-loading-share-rly-116030201130_1.html

compared to the same period a year ago, major ports reported a growth of 4.1 per cent. On the other hand, non-major ports reported a one per cent fall during the period under review. Major ports are ones that can handle a large volume of cargo. These include Chennai Port, Cochin Port, Jawaharlal Nehru Port, etc. Adani Ports and special economic zones' flagship Mundra Port, Reliance Jamnagar port (captive), Krishnapatnam (Chennai), Essar Vadinar and Kakinada Seaports are non-major ports. While cargo traffic at Indian ports had increased 8.2 per cent to 1,052.2 million tonnes (mt) in FY15, traffic at non-major ports rose at a faster rate than at major ports.

Business Standard - 04.03.2016

http://www.business-standard.com/article/economy-policy/slowdown-hits-non-major-ports-as-cargo-volumes-drop-116030300824_1.html