

(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



At 7.9% in Q4, India is still 'fastest growing' economy

Tuesday brought more birthday cheer to the NDA government that has just completed two years in office. Two critical macro data points—GDP growth and core infrastructure performance—released on Tuesday reflected a rosy picture of an economy that was firing on all cylinders. Cementing India's pole position as the fastest growing large economy in the world, the country's fourth quarter GDP growth stood at a higher-than-anticipated 7.9 per cent, official data showed. Powered by a strong show in refinery products' output and electricity generation, the eight core sector industries' saw output growth of 8.5 per cent in April 2016. This was higher than 6.4 per cent growth in March 2016 and contraction of 0.2 per cent in April last year. The March quarter GDP of 7.9 per cent was the best quarterly growth performance for the Indian economy in 2015-16, and was much higher than the downward revised 7.2 per cent growth in October-December 2015.

The Hindu Business Line - 01.06.2016

<http://www.thehindubusinessline.com/economy/gdp-grew-79-in-q4-cso/article8673270.ece>

Indian economy to more than double to \$5 tn in few years: Arun Jaitley

The Indian economy will more than double to \$5 trillion in a "matter of few years" as the government steps up on its reforms agenda to accelerate growth, Finance Minister Arun Jaitley said on Thursday. The reforms will not just help

At 8.5%, refinery, power fuel core sector growth to over 4-year high

Fuelled by refinery products and power generation, production of eight core industries grew by 8.5 per cent in April, as against a negative growth of 0.2 per cent in the same month last year, signalling a recovery in infrastructure segment. The Index of Industrial Production (IIP) is one which details the growth of key sectors including coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity with a combined weightage of 38 per cent in IIP in a given period of time. According to the data released by the Commerce and Industry Ministry here on Tuesday, the April performance was the highest since February 2012, when the eight core industries had expanded by 8.6 per cent. Reacting to core industries data, Sunil Kumar Sinha, Principal Economist, India Ratings & Research said, "Overall growth of core sector at 8.5 per cent is the highest since November 2012."

The New Indian Express - 01.06.2016

<http://www.newindianexpress.com/business/news/At-8.5-refinery-power-fuel-core-sector-growth-to-over-4-year-high/2016/06/01/article3460201.ece>

India Inc's Q4 net soars 40%, highest in 11 quarters

India Inc is finally showing signs of a turnaround in terms of revenues and profits. An analysis of top listed companies' results, barring some exceptions, showed that net profit growth in the January March quarter (Q4FY16) soared 40% on

India retain the fastest growing large economy tag but also help it move towards becoming "a more developed economy", he said. "With India's GDP poised to grow at a much faster pace, for every few years we are going to add \$1 trillion to our economy. We are currently \$2 trillion economy. It's only a matter of few years that we will jump from \$2 to 3 to 5 trillion which only indicates the kind of expansion which the economy is going to take place," he said. Speaking at the India Investment Promotion Seminar organised by CII and DIPP, he said it is easier to grow when the world is growing at a faster pace.

The Times of India - 02.06.2016

<http://timesofindia.indiatimes.com/business/india-business/Indian-economy-to-more-than-double-to-5-tn-in-few-years-Arun-Jaitley/articleshow/52558876.cms>

Manufacturing picks up a tad in May as order books swell

India's manufacturing activity picked up a tad in May, matching October levels, suggesting sluggish industry might be responding to an overall improvement in operating conditions. The seasonally adjusted Nikkei India Manufacturing Purchasing Managers Index rose to 50.7 compared with 50.5 in April and matched the October 2015 level. "The headline PMI remained in expansion territory but recorded one of its lowest readings since the end of 2013, suggesting that the sector is barely improving," said Pollyanna De Lima, Economist at Markit, which compiles the survey. A reading above 50 on the index denotes expansion. Data released by the statistics office on Tuesday showed that manufacturing grew 9.3% in 2015-16. Following broadly stagnant levels in April, order book volumes increased during May. Data showed that growth was centred on the domestic market as new business from abroad decreased. Demand was subdued and new export orders fell for the first time in 32 months.

The Economic Times - 02.06.2016

<http://economictimes.indiatimes.com/news/economy/finance/manufacturing-picks-up-a-tad-in-may-as-order-books-swell/articleshow/52545429.cms>

World Bank to change classification of countries; India will now be called 'lower-middle income'

For decades, 'developed' and 'developing' have served as agreeable economic nomenclatures to classify countries based on their prosperity and standards of living. That's about to change, with the World Bank switching to more precise, though unvarnished, descriptions of economies. And India

a yearly basis, which is the highest in the last 11 quarters. The analysis by Crisil also showed that total revenues of these 642 companies grew at 6.1%, the fastest in the last five quarters, while growth of ebitda (earnings before interest, taxes, depreciation and amortisation), at 15.2% was at a six-quarter high. "The performance (of India Inc) has been driven by a combination of improvement in operating performance and extraordinary gains. Without the one-offs too, bottom line growth is an impressive 17.3%," said Prasad Koparkar, senior director, Crisil Research.

The Economic Times - 03.06.2016

<http://economictimes.indiatimes.com/markets/stocks/news/india-incs-q4-net-soars-40-highest-in-11-quarters/articleshow/52566295.cms>

Services sector growth hits 6-month low in May

India's service sector output sputtered to its slowest pace of growth in six months in May, a private survey showed on Friday. The Nikkei Services Business Activity Index fell to 51 from 53.7 in April, suggesting a slackening of services activity for the second straight month. A reading above 50 on the index denotes expansion. A survey on manufacturing activity by the same organisation on Wednesday showed that factory output had slipped to a five-month low in May. "Although service providers remained optimistic that output will expand in the year ahead, the level of confidence was the lowest recorded since February," the survey said. It said that services companies expect output to increase over the next one year, but the degree of optimism has weakened to the lowest since February. Just 15% of the firms forecast activity growth, citing favourable government policies, improved marketing strategies, business expansion plans and hopes of better demand conditions.

The Economic Times - 04.06.2016

<http://economictimes.indiatimes.com/news/economy/indicators/services-sector-growth-hits-6-month-low-in-may/articleshow/52579105.cms>

Centre moves to tighten grip on cash-rich public sector units

Battling for resources in a difficult year, the Centre is eyeing more returns from its equity investments in public sector undertakings (PSUs). From a situation of writing periodic letters to PSU boards on aspects of dividend pay-outs or buybacks of shares or bonus issues, the Centre has moved to framing a set of

— which till now found a place under the common umbrella with other 'developing' countries —will now be called 'lower-middle income country/South Asia'. The more specific definitions are aimed at categorising economies which though 'developing' in character, differ dramatically from one another. For instance, India, Mexico and Malawi may be hardly comparable even if a few economic and social parameters overlap. With economies becoming less and less homogeneous, the multilateral agency will group countries based on geographical coverage and income levels to capture the changing world.

The Economic Times - 31.05.2016

<http://economictimes.indiatimes.com/news/economy/indicators/world-bank-to-change-classification-of-countries-india-will-now-be-called-lower-middle-income/articleshow/52512636.cms>

PSUs told to give vacant space for skill training centres

Hoping to push forward the government's agenda of Skill India, the Department of Public Enterprises (DPE) has asked public sector units to identify vacant land or infrastructure with them that can be used for setting up skilling centres. "With massive infrastructure and sectoral presence over the length and breadth of country, Central Public Sector Enterprises can play an important role in skills development activities," the department said in a recent missive to all administrative ministries. Pointing out that PSUs can play an important role in large-scale skill development programmes, the DPE said: "PSUs are advised to ... explore the possibility of sharing the training infrastructure with agencies —National Skill Development Corporation, Sector Skill Councils that are working ... for skill training of youth." With 298 PSUs in the country, officials expect at least some of them to come forward and provide infrastructure for skilling centres.

The Hindu Business Line - 31.05.2016

<http://www.thehindubusinessline.com/economy/policy/psus-told-to-give-vacant-space-for-skill-training-centres/article8668660.ece>

New PSU guidelines reflect government's misplaced priorities

Accountants use two important terms---above the line transactions and below the line transactions. The former represent all operational transactions culminating in profit or loss. And the latter include transactions dealing with how the profits are used---for dividend, for transfer for an earmarked reserve, for transfer to general reserve etc.

comprehensive guidelines on crucial areas of capital restructuring to spur economic growth. Besides mandating cash-rich PSUs to fork out minimum annual dividend pay-outs, the Centre has also spelt out situations when buybacks need to be put through and bonus shares issued by such entities. The guidelines, issued by the Department of Investment and Public Asset Management, are aimed at addressing resource management issues of PSUs. The guidelines stipulate that profit-making PSUs shall fork out at least 30 per cent of their net profit or 5 per cent of their net worth, whichever is higher, as annual dividend to the Centre.

The Hindu Business Line - 31.05.2016

<http://www.thehindubusinessline.com/economy/centre-moves-to-tighten-grip-on-cash-rich-public-sector-units/article8668741.ece>

India's PSU consolidation strategy finally falling into place

The NDA government under Atal Bihari Vajpayee was the first one to kick-start divestment and privatisation in a big way. The return of the NDA, this time under Prime Minister Narendra Modi, has seen the government taking a different -- some would say more cautious -- approach to loss-making public sector companies: consolidation. One saw a glimpse of the government's strategy finally falling into place after earlier this month, the government proposed the merger of State Bank of India (SBI) with its five associate banks, along with Bhartiya Mahila Bank. The move may not have gone down well with employees, who have already threatened to strike but there's more to come. Recently, Minister of State for Finance Jayant Sinha went on record to say the government's longer-term goal was to merge all the 27 public sector banks into eight to 10 mega banks. Not to mention, the government has already announced a bold decision to virtually privatise state-run IDBI Bank.

Moneycontrol - 31.05.2016

http://www.moneycontrol.com/news/economy/indias-psu-consolidation-strategy-finally-falling-into-place_6772401.html

OPEC and oil firms struggle to push crude prices above \$50

World oil prices may struggle to sustain a push beyond \$50 a barrel after hitting the key level for the first time this year, analysts warned. Crude futures topped \$50 a barrel on Thursday, as production disruptions in Canada contribute to a drop in US crude inventories. Prices have won support also from unrest in Nigeria, Africa's

Evidently, the first is more important because to think otherwise would amount to putting the cart before the horse. Yet, the government has done precisely that. The department of investment and public asset management has issued guidelines to Public Sector Undertakings (PSUs) that reflect the government's misplaced if not warped priorities--thinking about extracting financial rewards on investments in these units when many of them are facing existential crisis and suffering from perennial losses. The main guidelines on reward to investors are the following: At least 30 percent of profits or 5 percent of net worth whichever is greater must be distributed as dividend.

First Post - 03.06.2016

<http://www.firstpost.com/business/new-psu-guidelines-reflect-governments-misplaced-priorities-2814636.html>

Opec status quo leaves outlook subdued for oil companies

The Organization of the Petroleum Exporting Countries (Opec) meeting on Thursday failed to come to any agreement to curb production. However, expectations were running low and the lack of progress at the meeting may not come as a rude shock. But so far in fiscal year 2017, there has been some optimism on oil and that's good news for Indian state-run oil producing companies—Oil and Natural Gas Corp. Ltd (ONGC) and Oil India Ltd (OIL), profits of which are highly leveraged to crude oil prices. Since 1 April, the Brent crude price has increased as much as 27% to \$49.69 per barrel on Wednesday. Outages in several key producing countries such as Canada and Nigeria are responsible for the recent spike in prices. While the recent strength in prices augurs well, it's not as if the outlook over a medium-term perspective has turned particularly bright. "We do expect some improvement in global supply-demand balance for crude oil over the next two years," said a report from Kotak Institutional Equities Research on Tuesday.

Mint - 03.06.2015

<http://www.livemint.com/Money/2KUDeWI2e3UjPqRBVhFhjK/Opec-status-quo-leaves-outlook-subdued-for-oil-companies.html>

India among top 5 in 2015 in green energy spending: Report

India was among the top five countries in 2015 in terms of investment in renewable energy, solar photovoltaic (PV) and solar water heating capacity, wind and hydropower capacity, according to a global renewables report released on Wednesday. India was fifth in terms of investment in renewable power and fuels last year

biggest crude producer. Prices slipped back on Friday however, as analysts warned that the week's move above \$50 could trigger some North American producers of crude extracted from shale rock to lift output. Slumping prices, resulting in crude trading at under \$30 a barrel in February from above \$100 two years ago, made it unprofitable for some shale companies to compete with traditional producers like Organisation of Petroleum Exporting Countries (OPEC) and Russia. Futures had plunged over a 21-month period owing largely to a global supply glut, fed by rising production of shale oil.

Deccan Herald - 31.05.2016

<http://www.deccanherald.com/content/549213/opec-oil-firms-struggle-push.html>

Higher oil prices may create adversity: Finance Minister Arun Jaitley

With crude oil price touching 7-month high of \$50 a barrel, Finance Minister Arun Jaitley has said India can handle the current level but higher rates will impact the economy and lead to inflationary pressure. India, which depends on imports to meet 80 per cent of its oil needs, will have to spend Rs 9,126 crore (\$1.36 billion) more for every dollar per barrel increase in crude oil prices while also seeing surge in inflation. "Obviously higher crude price is not good news for India. But if it remains within a range, as it is at present, it is something that can be handled. If it goes beyond the range, then certainly it creates an adversity," he told PTI. Petrol prices have been hiked five times since March, totalling Rs 8.99 a litre while diesel rates have been raised by Rs 9.79 per litre as international oil prices climbed to \$50 per barrel for the first time since October 2015.

The Indian Express - 05.06.2016

<http://indianexpress.com/article/business/economy/higher-oil-prices-may-create-adversity-finance-minister-arun-jaitley/>

Domestic steel players likely to enjoy better profitability owing to improved prices

Domestic steel players are likely to enjoy better profitability in the near term with improved prices, higher public spending and prospects of a good monsoon and higher GDP growth in FY17 fuelling hopes of further boost to steel demand, according to latest reports of top ratings

after China, US, Japan and Britain, said the Renewables Global Status Report prepared by REN21, a group of energy experts, government representatives and NGOs. New solar, wind and hydropower sources were added last year at the fastest rate the world has ever seen, the study said. India also became fifth in solar PV capacity addition along with the same group of countries, which added the largest share of green energy during 2015, the REN21 report said. In wind power capacity addition too, India was fifth in 2015, behind China, US, Germany and Brazil, it added. It said global spending on renewables peaked in 2015 following a trend ongoing over a number of years.

The Times of India - 01.06.2016

<http://timesofindia.indiatimes.com/city/delhi/India-among-top-5-in-2015-in-green-energy-spending-Report/articleshow/52543119.cms>

ATF price hiked by 9.2%, airfares set to be costlier; non-subsidised LPG by Rs 21 per cylinder

Airfares may become expensive after aviation turbine fuel (ATF) were on Wednesday raised by a steep 9.2 per cent in line with global trends. The hike in rates of non-subsidised cooking gas, non-PDS kerosene and ATF come after petrol price hiked by Rs 2.58 per litre and diesel price was raised by Rs 2.26 per litre. In the fourth straight monthly increase in rates on global cues, ATF price in Delhi was increased by Rs 3,945.47 per kilolitre, or 9.2 per cent, to Rs 46,729.48 per kilolitre. ATF prices in Kolkata increased from Rs 47561.18 to Rs 51492.43. In Mumbai, fuel prices increased from Rs 41,756.16 to Rs 45700.55 and in Chennai jet fuel prices hiked to Rs 49404.76 from 45,346.82 on May 1, 2016. Rates vary at different airports because of differential local sales tax or value-added tax (VAT).

The Financial Express - 01.06.2016

<http://www.financialexpress.com/article/economy/atf-price-hiked-by-a-steep-9-2-per-cent-non-subsidised-lpg-rate-increased-by-rs-21/270722/>

New aviation policy has fare cap for 1-hour routes: Rs 2,500

AN all-inclusive airfare not exceeding Rs 2,500 per passenger for one-hour flights to promote regional connectivity will be a "game-changer" in the new national civil aviation policy to be submitted to the Union Cabinet on Friday, Civil Aviation Secretary Rajiv Nayan Choubey told The Indian Express. "The policy should be out in two weeks. We have finalised the draft and it will be sent to the Cabinet tomorrow. There were 22 items in the policy. We have now broadly evolved a consensus on these issues," Choubey said. Sources said the

agencies like ICRA and Fitch Ratings. However, steel sectors continues to face challenges like stalled projects, import pressures in absence of regulatory protection, high debt burden and adverse global demand-supply conditions, they cautioned. While ICRA in its quarterly research update on Steel Industry mentioned improved steel prices in the current year, supported by imposition of Minimum Import Price (MIP) will drive profitability, Fitch Ratings noted that a rebound in global steel prices had encouraged Indian producers to raise prices leading to better margins in Q4FY16.

The Economic Times - 02.06.2016

<http://economictimes.indiatimes.com/industry/indl-goods/svs/steel/domestic-steel-players-likely-to-enjoy-better-profitability-owing-to-improved-prices/articleshow/52554635.cms>

Global air passenger traffic demand up 4.6 per cent in April- IATA

Global demand for passenger travel in April rose 4.6 percent, growing faster than demand for air freight, which is still in a difficult situation, the International Air Transport Association (IATA) said on Monday. Demand for air freight, measured in freight tonne kilometres, was up 3.2 percent in April, but IATA head Tony Tyler said that was not a true reflection of the market. "The reality is that demand is weak, as we see from global trade figures and there's little to indicate an uptick is imminent," he told journalists on a conference call. Tyler was speaking ahead of IATA's annual meeting in Dublin from 1-3 June, where it will provide an updated forecast for airline industry profitability in 2016.

The Economic Times - 31.05.2016

<http://economictimes.indiatimes.com/news/international/business/global-air-passenger-traffic-demand-up-4-6-per-cent-in-april-iata/articleshow/52504558.cms>

Civil Aviation Ministry to soon announce new norms for ticket cancellation

The Civil Aviation Ministry is likely to announce new norms for ticket cancellation, baggage and denied boarding, amid the increasing number of complaints on these issues. The move also comes after domestic air passengers' body Air Passengers Association of India (APAI) had written to the Civil Aviation Ministry and aviation regulator Directorate General of Civil Aviation (DGCA) requesting them to address these issues including adequate compensation to fliers in the

government may also replace the controversial 5/20 rule — a minimum five-year domestic experience and 20 aircraft for local carriers to fly abroad. They added that it is likely to be replaced with a 0/20 norm — zero-year experience and minimum 20 aircraft or 20 per cent capacity deployed domestically, whichever is higher. Choubey, however, said he could not comment on the norm, as the policy was yet to be made public.

The India Express - 03.06.2016

<http://indianexpress.com/article/india/india-news-india/civil-aviation-draft-aviation-policy-airplanes-fares-2831574/>

Chennai Port geared to handle large vessels

Chennai port is now the deepest port among Major Ports to help handle large-size ships, Cyril George, Chairman, Chennai Port Trust, told newsmen. Draft at Bharathi Dock is 17.5 m, at Ambedkar 15.5 m; at Jawahar Dock 14 m, at CITPL 15.5 m and DP World 13.4 m. The port will handle container vessels of around 8,000 TEUs (twenty foot equivalent units). This is a major achievement for the port, he said. The port reported a 4.7 per cent decline in cargo handling to 50.06 million tonnes (MT) in 2015-16 as against 52.54 MT in the previous year. Despite this, the port managed to report an 82 per cent increase in net surplus due to handling of higher revenue generation cargo like project cargo to report higher operating income, he said. In 2015-16, the port's two private container terminals handled a total of 1.56 million TEUs, which was the highest number of containers handled till date thus surpassing 1.55 million TEUs handled in 2011-12, said George.

The Hindu Business Line - 31.05.2016

<http://www.thehindubusinessline.com/economy/logistics/chennai-port-can-handle-largesize-ships-george/article8673390.ece>

Cabinet nod to enable public sector units to hire talent

The union cabinet under the chairmanship of Prime Minister Narendra Modi gave ex post facto approval to a proposal to enable central public sector enterprises to hire talented and experienced persons from states and private sector. The decision essentially confers ex post facto approval to the March 3, 1987, proposal for amendments to the resolutions of the Public Enterprises Selection Board (PESB). According to the proposed amendments, candidates can be selected from the public enterprises and private sector as non-internal candidates for five years for appointment in Central Public Sector Enterprises (CPSEs). Another amendment pertains to holding

eventuality of their flight getting cancelled or delayed. At present a passenger gets between ₹2,000-4,000 depending upon the duration of the delay. The compensation ranges in the same amount if boarding is denied. "We are revisiting regulations concerning these issues," a senior official said. The revamped norms are expected to be made public soon, the official added.

The Hindu Business Line - 05.06.2016

<http://www.thehindubusinessline.com/news/national/civil-aviation-ministry-to-soon-announce-new-norms-for-ticket-cancellation/article8693597.ece>

Converting state-owned port trusts into companies is going back to square one

India has back-tracked on the much talked about plan to convert 11 of the 12 ports owned by the central government into companies from the current trustee set-up in the wake of stiff resistance from workers' unions. This does not augur well for the so-called major ports which have been steadily losing market share to the new, modern private ports that are run as companies simply because they are not able to compete due to operational and management inflexibilities. While the government took many decisions during its two years in power to help stir up interest in the maritime sector, the structural overhaul of major ports, a key aspect of port reform, has come a cropper. At one point last year, it did appear that the government had won the battle of wits with the labour unions on undertaking a structural reform of the 11 ports by transforming them into companies.

Mint - 03.06.2016

<http://www.livemint.com/Opinion/cdOuDtpw8cngyX71OagdRO/Converting-stateowned-port-trusts-into-companies-is-going-b.html>

Government to open 500 skill centres in India, 50 abroad

About 500 Pradhan Mantri Kaushal Kendras (Prime Minister Skill Centres) will be set up across the country this year even as all profit-making PSUs will scale up apprenticeships to give a major boost to skill development in the country, said an official source. The government on Thursday also decided that 50 Overseas Employment Skill Training Centres will be opened this year. The decisions were taken at the end of the first meeting of the governing council of National Skill Development Mission held under chairmanship of Prime Minister Narendra Modi here, an official source said. "Profit making Public Sector Units (PSUs) will be

of office by the PESB chairperson and members for three years from the date of assumption of charge or until they attain the age of 65 or until further orders, whichever is earlier. "The amendments will continue to provide a wider pool of professionals for selection by allowing the candidates from state public sector enterprises (SPSEs) and private sector to be considered for senior positions in the CPSEs," an official statement said.

The Times of India - 01.06.2016

<http://timesofindia.indiatimes.com/city/delhi/Cabinet-nod-to-enable-public-sector-units-to-hire-talent/articleshow/52540943.cms>

Ajay Sawhney is new Oil India chairman

The government on Tuesday entrusted Ajay Prakash Sawhney, who is additional secretary in the petroleum ministry, with the charge of chairman and managing director of PSU explorer Oil India. Sawhney would, however, hold the Oil India top post only for three months starting June 1, as per a government order issued on May 30.

The move comes after the incumbent chairman and managing director of Oil India, U P Singh, also additional secretary in the petroleum ministry, was transferred to the ministry of water resources. Oil India has been without a full-time head after three failed attempts by the Public Enterprises Selection Board (PESB) to find a chairman and managing director for the government-run explorer.

The Financial Express - 01.06.2016

<http://www.financialexpress.com/article/industry/companies/ajay-sawhney-is-new-oil-india-chairman/270499/>

mandated to scale up apprenticeships, upto 10 percent of total manpower," the source said. Moreover, 500 Pradhan Mantri Kaushal Kendras, "which will provide skill training free of cost" will be opened this year, to impart training to aspiring youth, it said.

Business Standard - 02.06.2016

http://www.business-standard.com/article/news-ians/government-to-open-500-skill-centres-in-india-50-abroad-116060201526_1.html

Indraprastha Gas Ltd appoints E S Ranganathan as Managing Director

E S Ranganathan has been appointed as the new Managing Director of Indraprastha Gas Ltd, the sole retailer of CNG to automobiles and piped cooking gas to households in the national capital. Ranganathan replaced Narendra Kumar, who has returned back to the company's parent firm, GAIL India Ltd. Ranganathan, an instrumentation and control engineer possessing an MBA with specialisation in Marketing, has taken over the new assignment, the company said in a statement. Before joining the current assignment, he was posted as Executive Director in GAIL.

The Economic Times - 01.06.2016

<http://economictimes.indiatimes.com/industry/energy/oil-gas/indraprastha-gas-ltd-appoints-e-s-ranganathan-as-managing-director/articleshow/52539154.cms>