

(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.)

Shrinking import bill improves foreign exchange reserves adequacy levels, import cover touches five-year high

Import cover, a measure of a nation's ability to support its economy and how it traded with the rest of the world, rose to a five-year high, which could provide yet another buffer against any hit on the currency in the event of an outflow due to the Fed rate increase. The shrinking import bill has improved the foreign exchange reserves adequacy levels. The cushion of foreign exchange reserves that ranged between \$330 billion and \$350 billion through 2015, have been adequate to fund more than 10 months' imports through most part of the year. After touching 12 months of imports in February this year, import cover of reserves has touched a level that is adequate to cover 12 months of imports in November. These are the highest levels since 2010 when the number of months' imports that the reserves could cover was in double digits. This improvement has been possible despite volatile capital flows as foreign portfolio investors have pulled out large part of their investments in the Indian markets this year, anticipating a hike in policy rates by the US Federal Reserve.

The Economic Times - 29.12.2015

http://articles.economictimes.indiatimes.com/2015-12-29/news/69379605_1_import-cover-foreign-exchange-reserves-import-bill

Rupee on strong footing, set to stay on top among EM currencies

International equity investors may have had a bad year in India; but from the perspective of returns from the Indian currency and interest rates, India is on top of the global league on returns, and is forecast to remain so in the New Year with strengthening economic fundamentals. An international investor would have earned 2.6% from India in 2015, adjusted for spot currency movement and the yield on government bonds, higher than the 0.2% that they received from China, or a near 20% loss from South Africa or Brazil, data from Bloomberg shows. "We expect that the rupee should continue to outperform other EMs, said Brijen Puri, managing director, head of markets at JP Morgan (India)." "It would give a marginally positive absolute total return

Only some sectors driving India's economic recovery: ICRA

The recovery in Indian economic activity remains tentative and narrowly focused in sectors such as roads, railways, power transmission and passenger vehicles, ratings agency ICRA has said in a report. The report on the Indian economy says the consumption boost from the Seventh Pay Commission award is unlikely to lead to an immediate investment in capacity expansion, as utilisation is still low at 71.5% in first quarter of current fiscal though up marginally from 70.2% in the corresponding quarter last fiscal. The ratings agency also expects the fiscal situation to weigh on project execution. "Availability of budgetary outlays for financing of infrastructure may emerge as a constraint to the pace of execution in FY17." New project announcements rose 5.9% in the second quarter of FY16 from a year ago. The Rs 3.3 lakh crore new projects announced in the quarter were concentrated in machinery, electricity, chemical products, transport equipment & services.

The Economic Times - 29.12.2015

http://articles.economictimes.indiatimes.com/2015-12-29/news/69379827_1_lakh-crore-stalled-projects-second-quarter

Global growth will be disappointing in 2016 says IMF's Christine Lagarde

Global economic growth will be "disappointing" next year, the head of the International Monetary Fund said in a guest article for German newspaper Handelsblatt published on Wednesday. IMF Managing Director Christine Lagarde said the prospect of rising interest rates in the United States and an economic slowdown in China were contributing to uncertainty and a higher risk of economic vulnerability worldwide. In addition, growth in global trade has slowed considerably and a decline in raw material prices is posing problems for economies based on these, while the financial sector in many countries still has weaknesses and financial risks are rising in emerging markets, Lagarde added. "All of that means global growth will be

next year as well, given its superior macroeconomic fundamentals and policy credibility."

The Economic Times - 30.12.2015

http://articles.economictimes.indiatimes.com/2015-12-30/news/69402844_1_indian-rupee-brijen-puri-global-investors

Manufacturing shrinks for 1st time in over 2 years: PMI survey

In the first contraction in over two years, manufacturing sector output dipped in December to a 28-month low as new orders fell sharply and production took a big hit from heavy rains in Chennai, putting pressure on RBI to keep rates low. Painting an even gloomier picture, the monthly PMI (Purchasing Managers' Index) survey showed that the rate of contraction was sharpest in almost seven years since the global financial crisis. The Nikkei India Manufacturing PMI, a composite monthly indicator of manufacturing performance, dipped from 50.3 in November to 49.1 in December. This is the lowest level of the index since March 2013. The PMI has slipped below the crucial level of 50 for the first time since October 2013. The PMI has slipped below the crucial level of 50 for the first time since October 2013

The Times of India - 04.01.2015

<http://timesofindia.indiatimes.com/business/india-business/Manufacturing-shrinks-for-1st-time-in-over-2-years-PMI-survey/articleshow/50436404.cms>

No junior-level interviews in Central govt, PSUs from Jan

There will be no more interviews for selection in junior level posts and non-gazetted posts of the central government from January 1, 2016, a government memorandum said on Tuesday. "The timeline set regarding completing the process of the discontinuation of interview by December 31, 2015 has to be adhered to strictly," said the memorandum from the department of personnel and training issued to all central ministries, departments, attached offices, subordinate offices, autonomous bodies and public sector undertakings. "From January 1, 2016, there will be no recruitment with interview at the junior level posts," it said. "All advertisements for future vacancies will be without interview as part of the recruitment process. "It is also clarified that as skill test or physical test is different from interview, they may continue. However, these

disappointing and uneven in 2016," Lagarde said, adding that low productivity, ageing populations and the effects of the global financial crisis were putting the brakes on growth.

The Economic Times - 30.12.2015

http://articles.economictimes.indiatimes.com/2015-12-30/news/69402999_1_interest-rates-global-economic-growth-director-christine-lagarde

Government may ask cash-rich PSUs to buy into peers to make up for disinvestment shortfall

The government, staring at a massive shortfall in its disinvestment target for the year, could ask cash-rich state-run firms to pick up stakes in other public sector companies, a tactic that attracted a lot of flak when it was first employed during the Vajpayee era. Another idea being considered to compensate for the yawning gap in disinvestment receipts is to lean on cash-rich companies to explore share buybacks in which the government could consider tendering its shares, officials familiar with ongoing discussions on this issue told ET. "These options are available and have not been exercised. We will ask administrative ministries to hold consultations with their companies and come out with a viable plan," said a senior finance ministry official.

The Economic Times - 01.01.2016

<http://economictimes.indiatimes.com/news/economy/finance/government-may-ask-cash-rich-psus-to-buy-into-peers-to-make-up-for-disinvestment-shortfall/articleshow/50400386.cms>

Centre to turn the heat on non-performing PSU employees

The officers with Central Public Sector Enterprises, who have completed 30 years of services or reached the age of 50, will also have to undergo a quarterly performance audit similar to the review for civil servants. The move is expected to help improve the "probity and efficacy" of employees of public sector units, according to a recent directive by the Department of Public Enterprises. "All concerned Ministries and Departments are requested to advise the CPSEs under their administrative control to carry out the exercise of periodical review of officials of their respective organisations..." said the DPE, adding that similar provisions as laid down under FR 56 (j) are incorporated in their respective service rules. Under the provision, the government can retire employees who have completed 30 years

tests will only be of qualifying nature. Assessment will not be done on the basis of marks for such tests," it said.

Free Press Journal - 30.12.2015

<http://www.freepressjournal.in/no-junior-level-interviews-in-central-govt-psus-from-jan/745995>

Crude oil prices shed Rs 29 per barrel on global cues

Crude oil futures declined by Rs 29 to Rs 2,485 per barrel today in line with a weak trend in Asian trade. In futures trade at the Multi Commodity Exchange, crude oil for delivery in January 2016 shed Rs 29, or 1.15%, to Rs 2,485 per barrel, with a business volume of 2,048 lots. Oil prices for far-month February delivery moved down by Rs 23, or 0.89%, to trade at Rs 2,574 per barrel with a business volume of 51 lots. Marketmen said the fall in crude oil futures was mostly in tandem with a weakening trend in Asian trade ahead of the release of data on US crude stockpiles and production. Prices had been volatile during the holiday-shortened final week of 2015 but remained near multi-year lows in the face of indications a global crude supply glut will continue into next year. Meanwhile, West Texas Intermediate crude oil for delivery in February fell by 67 cents to \$37.20, while Brent for the same month was trading 46 cents lower at \$37.33 a barrel on the New York Mercantile Exchange.

Business Standard - 30.12.2015

http://www.business-standard.com/article/pti-stories/crude-oil-futures-fall-rs-29-per-barrel-on-global-cues-115123000163_1.html

Analysts see 2016 oil price rise, while traders bet on fall

A year ago, after oil prices had halved in six months, analysts were forecasting a price recovery in 2015 while many traders were busy shorting the market. As it turned out, the traders were correct and oil prices fell by another third this year. Analysts have now forecast a pick-up in prices over 2016, while traders built short positions on U.S. oil futures to a record in early December. The difference in the two views is on what happens in response to an oil output surplus that has been estimated as high as 2 million barrels per day (bpd) by some analysts. Many analysts expect a price recovery towards the end of 2016 to pull up the average for the full year, with production - especially in the United States - falling as drillers succumb to debt and low revenues. But traders say analysts based their outlooks for 2015 on similar reasoning and are calling it wrong again for 2016, with oil producers

of service in lieu of three months' notice period or three months' salary and allowances.

The Hindu Business Line - 01.01.2016

<http://www.thehindubusinessline.com/economy/centre-to-turn-the-heat-on-nonperforming-psu-employees/article8055007.ece>

Flop November core show

The core infrastructure sector contracted 1.3 per cent in November after a six-month growth because of a sharp drop in steel, cement and crude oil production. The eight core industries - coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity - with a total weightage of nearly 38 per cent in IIP had grown 8.5 per cent in November 2014. Last time, the sectors were in the negative zone was in April, when they shrank 0.4 per cent, while the rate of growth in October was 3.2 per cent. The cumulative growth rate in April-November came in at 2 per cent, much lower than 6 per cent in the first eight months of the last fiscal. "The mild contraction in core sector output in November 2015 is unsurprising in the light of fewer number of working days compared with November 2014," Aditi Nayar, senior economist with rating agency ICRA, said. She said, "Given the variations in the number of working days, assessing the combined growth for October-November 2015 compared with the same months in 2014 would offer greater insight regarding the industrial outlook for the second half of 2015-16.

The Telegraph - 01.01.2016

http://www.telegraphindia.com/1160101/jsp/business/story_61475.jsp#.VopFFbZ97IU

Excise hike: Diesel dearer by Rs.2 per litre, petrol by 37 paise

The government on Saturday raised excise duty on petrol by 37 paise per litre and on diesel by Rs.2. Including additional and special excise duties, the total levy now on unbranded, or normal, petrol will be Rs.19.73 per litre, while that for diesel will be Rs.13.83. The excise duty was last hiked on December 16, on petrol by Rs.1.17 per litre and on diesel by 30 paise a litre. This is the third excise hike this fiscal, including on November 7 last year. As part of the fortnightly revision in fuel prices, petrol rates were cut from the New Year on Friday by 63 paise a litre and diesel by Rs.1.06 a litre, owing to plunging global crude oil rates. Petrol currently costs Rs.59.35 per litre in Delhi, while diesel costs Rs.45.03 a litre.

Business Standard - 02.01.2016

<http://www.business-standard.com/article/news-ians/excise-hike->

cutting costs to both survive over the long haul and keep pumping oil at low prices to service debt.

Reuters - 31.12.2015

<http://in.reuters.com/article/oil-prices-outlook-idINKBN0UE0AM20151231>

Gulf Oil unveils new range of lubricants for passenger cars

Gulf Oil Lubricants India Ltd has launched entry level synthetic engine oil for the passenger car segment on Tuesday. The product is called Gulf Ultrasynt X. The company aims to increase its market share in the passenger car segment with its launch. "We have a small market share in the passenger car segment. But launching the product in Delhi, the biggest market for passenger cars in India, we hope to increase our market share substantially over the next two-three years," said Ravi Chawla, Managing Director, Gulf Oil Lubricants. The company aims to increase its distribution footprint as well. Currently, its products are sold in 50-60,000 outlets of urban India. Chawla said that the aim is to increase the distribution reach year-on-year by 15 per cent. To differentiate it in a crowded market, Gulf Oil Lubricants is investing in its brand. Chawla said the company spends about six-seven per cent of its annual revenue on its branding.

The Hindu Business Line - 29.12.2015

<http://www.thehindubusinessline.com/companies/gulf-oil-unveils-new-range-of-lubricants-for-passenger-cars/article8042251.ece>

Indian Railways to get an independent regulatory authority to set fares soon

Coming soon — an independent regulator for the Indian Railways that will be empowered to set fares. Except that its name will neither have the words 'independent' or 'regulator'. This in essence are the contours of a landmark reform being planned for the railways that will see power to fix fares being transferred from politicians to technocrats and based on economics rather than populist considerations. The Railways Ministry, according to sources in the railway bureaucracy, has finalised the contours of an independent tariff and freight regulatory authority whose job will be to delink the fare and freight structure from political exigencies and at the same time resolve disputes and ensure a level playing field for private investors. With financial health of railways taking precedence, the draft says that if the government does not accept the tariff suggested by the regulator, it will have to compensate the organisation appropriately, "perhaps through increased allocations in the gross budgetary support or through a suitable mechanism".

[diesel-dearer-by-rs-2-per-litre-petrol-by-37-paise-116010200501_1.html](http://www.diesel-dearer-by-rs-2-per-litre-petrol-by-37-paise-116010200501_1.html)

Plunging fuel cost brings down airfares to new low

Have travel plans this new year? It may feel like yesterday once more, with spot air fares this week – in contrast to advance bookings – cheaper by up to 25% over prices last January. For example, seats were available on online travel portal Makemytrip.com for as low as Rs 3,858 for a Delhi-Mumbai one-way air trip for Saturday, nearly 36% lower than the previous year's average fares of about Rs 6,000. Likewise, a Delhi-Kolkata trip came for as low as Rs 5311 compared to nearly Rs 7,000 last January. This is a welcome dip after ticket prices seemed to touch the sky, even provoking an admonition from Prime Minister Narendra Modi. Modi's remarks in August, asking airlines to pass on the benefits of cheaper fuel to passengers, may not be the main reason for affordable fares, but falling crude oil prices have certainly helped release some of the price build-up that made domestic air travel unaffordable for many regular passengers.

The Hindustan Times - 01.01.2016

<http://www.hindustantimes.com/business/ring-in-the-new-year-with-cheaper-air-fares-of-up-to-25/story-SEOx0IWakVTQeNx1EIC6ZJ.html>

More flights, more often

It looks like domestic air travellers will be spoilt for choice in 2016. From the over six-decade-old Air India to the new kid on the block Vistara, all have plans to not only add more aircraft but also offer passengers increased frequency and connectivity. Also, a lot more in-flight entertainment choices are expected to come on-board this year. Air India plans to induct over 30 aircraft into its fleet, a mix of narrow body aircraft and turboprops for the domestic market. Senior AI officials said the new inductions are meant to ensure that the carrier is able to enhance regional connectivity and improve the quality of in-flight experience for passengers. The Maharaja, which started a three-times-a-week flight linking Mumbai with Surat and Gwalior, now plans to link Delhi with Gorakhpur with six flights a week from January 15. Vistara has plans to add four more aircraft during 2016 which will allow it to fly to new destinations and also increase the frequency of its flights. Vistara is planning to give its customers a new flying experience.

The Economic Times - 29.12.2015

<http://economictimes.indiatimes.com/railways/indian-railways-to-get-an-independent-regulatory-authority-to-set-fares-soon/articleshow/50359974.cms>

Don't pamper airlines, make travel cheap

The government is reportedly concerned over Gulf carriers garnering a large chunk of outbound passenger traffic from India. So, it wants to provide a level playing field to domestic airlines. Policy corrections such as these are warped. The primary focus must be to make air travel cheap and efficient for a traveller, and not to pamper domestic airlines. Passengers, at any point of time, want to fly in and out of India at a low cost to pursue their own business, and not with the objective of protecting the bottom line of domestic carriers. A liberal policy on bilateral rights has been an enabler. Gulf carriers have reportedly received a fillip as they fly a large number of outbound passengers from India by smartly utilising their bilateral rights and providing increased connectivity to different parts of the world from various Indian cities.

The Economic Times - 29.12.2015

http://articles.economictimes.indiatimes.com/2015-12-29/news/69379656_1_gulf-carriers-foreign-airlines-bilateral-rights

SpiceJet launches travel solutions platform

Low cost airline SpiceJet on Tuesday launched an end-to-end travel solutions platform SpiceVacations.com to offer customised travel packages. "SpiceVacations.com has been designed as a one-stop shop offering enviable travel deals for you to pick and choose from amongst the best the industry can offer," said airline CMD Ajay Singh, in a statement. Low cost airline SpiceJet on Tuesday launched an end-to-end travel solutions platform SpiceVacations.com to offer customised travel packages. "SpiceVacations.com has been designed as a one-stop shop offering enviable travel deals for you to pick and choose from amongst the best the industry can offer," said airline CMD Ajay Singh, in a statement.

The Economic Times - 29.12.2015

http://articles.economictimes.indiatimes.com/2015-12-29/news/69379934_1_spicejet-launches-platform-solutions

The Hindu Business Line - 29.12.2015

<http://www.thehindubusinessline.com/specials/flight-plan/more-flights-more-often/article8042200.ece>

Indians Overseas Travel Looks Up

Indians love to travel abroad. The number of people who cross borders has been witnessing an increasing trend, about 10.7 per cent, in the past five years. With increased enthusiasm the number of Indians who visited overseas during the year 2015 is likely to touch the two-crore mark from 1.83 crore during 2014. The latest trend in this segment being the urge to explore new countries and individual/small group trips instead of large group tours, which was the norm since a few years ago. As industry players predict that a cheaper dollar would boost the industry further, the segment is happily growing. Countries like Seychelles, Maldives, Vietnam, Finland, Norway, Cyprus, Latvia, Romania, and Argentina are the newer locations explored by Indians off-late. An Indian spends on an average about Rs 50,000 to Rs 60,000 abroad on a trip.

The New Indian Express - 04.01.2016

<http://www.newindianexpress.com/business/news/Indians-Overseas-Travel-Looks-Up/2016/01/04/article3210174.ece>

What shipping will look like in 2016

A government with a much better understanding of the maritime industry partly due to Narendra Modi's work experience in Gujarat, India's top maritime state, has given a strong impetus and direction to the sector. 2016 could well be the year for India's coastal shipping sector to come of age. This hitherto neglected sector, is now being propped up for its features such as environment-friendliness, fuel efficiency and much cheaper mode of transport for moving cargo along the country's vast coastline stretching 7,500 km. The government and the state-owned ports have offered many incentives to promote the sector by easing archaic rules, granting rate discounts and even relaxing a local shipping law that prohibits foreign registered ships from operating on local routes to carry cargo. After a long, dry spell, India's shipbuilders will likely see new orders trickling in during 2016 on the back of a 10-year policy package announced by the government in December.

Mint - 04.01.2015

<http://www.livemint.com/Companies/7mPaAwUTI34kV02NRikAdM/What-shipping-will-look-like-in-2016.html>

P. Selva Kumar Takes charges as Director (Planning & Projects) of NLC

P. Selvakumar, has assumed Office as Director (Planning & Projects) in Neyveli Lignite Corporation Limited on 1st January 2016. Prior to this P. Selvakumar has served as Chief General Manager in New projects and Business Development Department of the company. P.Selvakumar is a graduate in Mechanical Engineering and in Mining Engineering and also a post graduate in Thermal Power Engineering and Finance Management.

Sarkaritel.com - 02.01.2016

<http://www.sarkaritel.com/p-selva-kumar-takes-charges-as-director-planning-projects-of-nlc-196299/>

Atul Sobti appointed Chairman & Managing Director, BHEL

On his appointment as Chairman & Managing Director of Bharat Heavy Electricals Limited (BHEL), Mr. Atul Sobti, 56, has assumed charge as CMD of India's largest Maharatna Public Sector engineering and manufacturing enterprise, here today. Prior to this, Mr. Sobti was Director on the Board of BHEL, heading two crucial portfolios of Power and Finance

Sarkaritel.com - 01.01.2016

<http://www.sarkaritel.com/atul-sobti-appointed-chairman-managing-director-bhel-196283/>