

(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.)

Balmer Lawrie in News

Balmer Lawrie reviewing business in light of COVID-19 challenges

Diversified PSU Balmer Lawrie and Co Ltd, under the petroleum and natural gas ministry, is reviewing its strategic business units (SBUs) in the wake of the challenges thrust upon it by the coronavirus pandemic, an official said. In the first quarter of the current fiscal, the total income and post-tax profit of the company have fallen, due to the lockdown which halted business activities, he said. "We are reviewing all the units practically on a daily basis. This fiscal is really a challenge for the company due to the pandemic," Balmer Lawrie CMD Prabal Basu said. The company, which has SBUs like travel and tourism, logistics, industrial products, leather chemicals, and lubricants, is expecting that the topline and the bottomline will shrink during the entire fiscal going by the present trends. The travel and tourism vertical is the most affected and there is no revenue from this segment, he said. "Domestic flights are restricted and no foreign airlines are operating," Basu said. People are scared to travel and normalcy will not be restored even within a year, the official said.

Outlook - 22.07.2020

<https://www.outlookindia.com/newscroll/balmer-lawrie-reviewing-business-in-light-of-covid19-challenges/1900283>

Indian economy set for post-COVID-19 rebound as FDI remains buoyant: IHS Markit

The Indian economy is likely to rebound in the second half of 2020 as the impact of the COVID-19 pandemic recedes, and is projected to grow by 6.7 per cent in the next financial year, IHS Markit said on Thursday. The pandemic resulted in severe disruptions in industrial production and consumption spending in India during April and May. "The severe negative impact is expected to result in a significant contraction in GDP in the April-June quarter of 2020, resulting in a recession in the 2020-21 financial year with GDP expected to contract by 6.3 per cent year-on-year," it said in its outlook on the Indian economy. However, as lockdown conditions have been progressively eased, early signs of recovery were evident in the most recent economic data. The IHS Markit Purchasing Managers' surveys for India showed that economic momentum improved in June, reflecting the easing of COVID-19 related restrictions during May and June. India imposed a total lockdown beginning March 25 and restrictions were eased from May.

The Economic Times - 23.07.2020

<https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-set-for-post-covid-19-rebound-as-fdi-remains-buoyant-ihs-markit/articleshow/77127090.cms>

India's GDP to contract 6.1% in FY21: Nomura

Economic activity continues to remain weak and will lead to a 6.1% contraction in India's GDP in the current fiscal, a foreign brokerage said on Tuesday. The Reserve Bank is likely to pause at the upcoming policy review in August and cut rates by 25 basis points each in the October and December reviews, Japanese brokerage Nomura said in a report. All the analysts expect a contraction in the GDP due to the COVID-19 pandemic, which has impacted both supply and demand forces in the economy since March. Official data also suggests a surge in inflation, which will further drag down the GDP in real terms. Nomura said the June quarter will be the 'nadir' from a growth perspective and the economy will contract by 15.2% and the GDP will never come into the positive territory in the remaining part of this fiscal. It estimated contractions of 5.6% in September quarter, 2.8% for December quarter and 1.4% in the March quarter, which will give a full fiscal GDP at negative 6.1%. Overall, aggregate demand continues to lag aggregate supply, especially due to weak services activity and subdued urban consumption demand, it said.

The Hindu - 22.07.2020

<https://www.thehindu.com/business/Economy/indias-gdp-to-contract-61-in-fy21-nomura/article32149819.ece>

Covid-19 crisis to bite India deeply, GDP to shrink 6% in FY21: DBS report

Citing the yet to be stabilised infection curve and the Covid-19 caseload in economically key states, Singaporean brokerage DBS on Wednesday forecast deeper distress for the country which will lead to a 6 per cent growth contraction in FY21. In its earlier forecast, the brokerage had pencilled in a minus 4.8 per cent growth for the current fiscal. According to the report, just 7 per cent of the districts in economically key states of Maharashtra, Tamil Nadu and Gujarat, accounting for 30.5 per cent of the national economic output, and in Karnataka and Andhra Pradesh account for as much as 70 per cent of the caseload. This will prolong the recovery and the pandemic is set to take a deeper economic bite, it said. The virus infections have crossed 1.15 million in the country while the death due to the same are close to 29,000 now, making the country the third worst affected by the pandemic after the US with close to 3.9 million infections and Brazil with nearly 2.2 million cases. "We temper growth forecasts to minus 6 per cent for FY21 due to the prolonged sub-normal reopening as the country is yet to stabilize the infection curve and the pandemic is going to take a deeper economic bite," DBS economist Radhika Rao said in a note.

Business Standard - 22.07.2020

https://www.business-standard.com/article/economy-policy/covid-19-crisis-to-bite-india-deeply-gdp-to-shrink-6-in-fy21-dbs-report-120072200971_1.html

Local shutdowns trigger another round of GDP cuts

Localised shutdowns across the country in the past few weeks have triggered another round of downgrades in GDP estimates for FY21, the steepest being a 9.5% contraction. Cities such as Bengaluru and Pune have been among those forced to impose closures on account of rising Covid-19 infections. Similar shutdowns have been implemented in outbreak areas in several states. However, some forecasters expect a strong enough recovery later in the year that will lead to growth in GDP. While rating agencies ICRA and CARE Ratings have lowered their expectations further, others such as HDFC Bank and State Bank of India Research are in the process of revising estimates. ICRA changed its 5% contraction estimate to negative 9.5% and CARE to 6.4% from 1.3% shrinkage earlier. "There is always a downward bias to any forecast made today because there is an unlock in process and any disruptions at the state or district level will have a far-reaching impact," said Madan Sabnavis, chief

India's debt-to-GDP to shoot up to 87.6 per cent towards the end of the current fiscal

India's debt to GDP ratio could rise to 87.6 per cent as GDP is expected to contract, according to SBI Research department estimates. But a silver lining could be falling yields on both state and central government bonds that will bring down government's debt servicing costs. The country's growth in terms of GDP is expected to contract steeply and pushing up the debt to GDP ratio by at least 4 percentage points in FY'21, SBI's research team said in a report. Fiscal estimates of all economies across the globe have gone awry due to the combined impact of the economic contraction and COVID- related expenditure and stimulus. "India's debt to GDP ratio has increased gradually from Rs 58.8 lakh crore (67.4% of GDP) in FY12 to Rs 146.9 lakh crore (72.2% of GDP) in FY20. Higher level of borrowing this fiscal are likely to increase gross debt further to around Rs 170 lakh crore or 87.6% of GDP" the report said. Of this external debt is estimated at about 3.5 per cent of GDP and the stage government debt about 27 per cent of GDP, with balance from the central government.

The Economic Times - 21.07.2020

<https://economictimes.indiatimes.com/news/economy/indicators/indias-debt-to-gdp-to-shoot-up-to-87-6-per-cent-in-fy21/articleshow/77065817.cms#:~:text=%22India's%20debt%20to%20GDP%20ratio,of%20GDP%22%20the%20report%20said>

India Inc to see over 40% dip in Q1 profit: Reports

Covid-related disruptions in the economy during the just ended April-June quarter (Q1FY21) are expected to reduce India Inc's net profit by more than 40% and revenue by around 60% — both never-before-seen events in recorded history. The slide would be sharper if the results of banks and other financial services companies are excluded from the aggregate numbers, analysts said. Telecom companies are expected to show an uptrend in profits and revenues, they added. Kotak Institutional Equities (KIE) expects net profits of the companies within its coverage to decline by 46% on an annualised basis in Q1FY21 as "economic activity declined sharply due to the Covid-19 outbreak and subsequent lockdown for a good part of the quarter". It expects large yearly declines in net income of several sectors, which include automobiles, construction materials, metals & mining, and oil, gas & consumable fuels. "We expect banks, diversified financials and

economist at CARE Ratings, terming it a case of “one step forward and two steps back”. Business activities had revived after the nationwide lockdown that began March 25 was eased in May and June in stages. Closures re-imposed this month have blunted that resurgence.

The Economic Times - 23.07.2020

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F23&entity=Ar00301&sk=850B7243&mode=text>

EPF Payroll data signals jobs are returning, albeit slowly

Net addition to the Employees Provident Fund (EPF) subscriber base more than trebled in May to 3.19 lakh from just a little over 1 lakh in the previous month. However, the May data also indicate that the businesses and industries have still to cover a long way before returning to the pre-Covid employment levels. The pandemic has had a material adverse impact on new job creation, if not jobs themselves. For the year 2019-20 (April-March) as a whole, the EPF subscriber base saw an average monthly net addition of 6.54 lakh, higher than 5.1 lakh in 2018-19 and far above 2.21 lakh during the last seven months of 2017-18. The Centre for Monitoring of Indian Economy (CMIE) had earlier said that India’s unemployment rate, which peaked at 29.2% in May, fell subsequently to 7.4% for the week ended July 12. Going by the latest EPF payroll data, net addition to the EPF subscriber base fell sharply from 9.99 lakh in January and 10.21 lakh in February, to 5.73 lakh in March and further to just a little over a lakh in April.

The Financial Express - 22.07.2020

<https://www.financialexpress.com/money/epf-payroll-data-signals-jobs-are-returning-albeit-slowly/2029972/>

PSUs slam break on expenditure, cut capital spending by half

Capital expenditure by central public sector enterprises and other state-run entities like NHAI and railways (CPSEs) halved from the trend level in the April-June quarter, according to official sources. Though this may still be better than the performance of private sector entities during the period, the development could have a serious debilitating effect on the economy, as the bureaucracy-ridden state-run firms would take longer than others to re-deploy capex once it is slowed down. With a nearly 40% share, CPSEs have in recent years been the main pillar of public capex and have largely kept pace, even as the other two segments — central budget (25%) and

telecommunication services to report annual growth in net income,” a report by KIE noted. It expects net profits of sensex companies to decline 19% and that of the Nifty companies to reduce by 30%.

The Times of India - 21.07.2020

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F07%2F21&entity=Ar01518&sk=21887501&mode=text>

FM pushes CPSEs to achieve capex targets

Finance minister Nirmala Sitharaman pushed Central Public Sector Enterprises (CPSEs) to perform better to achieve their capital expenditure (capex) targets for the fiscal as this would provide a substantial impetus to economic recovery. Sitharaman reviewed the performance of CPSEs in a virtual meeting with the secretaries of the ministries of civil aviation, steel and the chairman of the railway board (CRB), along with the heads of seven CPSEs belonging to these ministries, on Thursday. The minister asked the secretaries and the CRB to closely monitor the CPSEs’ performance and to chalk out a plan to ensure they spent at least 50% of their capital outlay by the second quarter of FY21. This was the second meeting since July 7, in an ongoing series of meetings the minister will hold with various stakeholders of the economy to accelerate growth in the background of the pandemic. The total capex target for the seven CPSEs in question stood at Rs 24,663 crore for the current fiscal.

The Economic Times - 23.07.2020

<https://economictimes.indiatimes.com/markets/stocks/news/fm-pushes-cpses-to-achieve-capex-targets/articleshow/77130396.cms?from=mdr>

Bourses go easy on Governance Violations by PSUs

Listed state-owned companies have been let off with lighter penalties by stock exchanges for failure to comply with corporate governance norms, a violation that usually leads to suspension of trading in the company’s shares. A study of companies’ secretarial compliance reports shows at least a dozen public sector entities such as Power Grid Corporation, NMDC, Oil India and Hindustan Petroleum Corporation have not complied with the corporate governance requirements. The Standard Operating Procedure (SOP) specified by the capital markets regulator Securities and Exchange Board of India (Sebi) requires stock

states (35%) faltered. According to official sources, some 250 CPSEs among themselves spent just 7% of their annual target in Q1FY21, compared with the trend of spending 15% of annual target or thereabouts in the first quarter. Over 70% of the capex materialises in the second half of the financial year. In fact, the actual capex achievement by CPSEs in FY20 is believed to be a little lower than the RE, as the economic slowdown accentuated in the second half of last fiscal.

The Financial Express - 22.07.2020

<https://www.financialexpress.com/economy/cutting-back-cpses-too-slow-capex-halve-such-spend-in-june-quarter/2031274/>

Privatisation remains a priority despite Covid slowdown: DIPAM Secy

Completing existing privatisation plans, such as that of Air India, remains a priority for the government even though the Covid-19 pandemic has slowed down the process, said Tuhin Kanta Pandey, Secretary of Department of Investment and Public Asset Management (DIPAM) on Wednesday. "Strategic disinvestment is a long-term commitment of investors and requires deep engagement. Normally it takes 8-9 months. To a large extent, Covid has put a brake on this because international travel has virtually stopped. To some extent we have to grant extension to some of the expressions of interest that we have issued. It is not that the investors are not engaged, but they want more time. Because one thing which is not open yet is international travel," Pandey said at an event organised by industry body Ficci. Companies that are part of the Centre's privatization plan this year include Air India, Bharat Petroleum, Shipping Corp and Concor Ltd. As reported earlier, officials are soon expected to hold talks with interested bidders for BPCL.

Business Standard - 22.07.2020

https://www.business-standard.com/article/companies/privatisation-remains-a-priority-despite-covid-slowdown-dipam-secy-120072201553_1.html

Dozens of queries show investor appetite for India oil firm sale

India's biggest asset sale program is drawing interest from global investors despite the volatility in the oil markets and devastating fallout of the coronavirus pandemic. As many as 81 queries were sent by prospective bidders vying for state-owned oil refiner-cum-fuel retailer Bharat Petroleum Corp., according to officials with knowledge of the matter. While the questions from multiple international oil majors is a reflection of

exchanges to impose trading restrictions on the shares of a company if it fails to comply with the corporate governance norms for two successive quarters. Exchanges have, however, let off the PSUs with minor cash penalties. In some of the cases, they have even waived-off the penalty on the request of the PSU. "The Sebi corporate governance requirements do not prescribe different standards of compliance for a listed PSU," said Jabarati Chandra, partner, S&R Associates.

The Economic Times - 22.07.2020

<https://epaper.timesgroup.com/Olive/ODN/ThEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F07%2F22&entity=Ar01006&sk=02592921&mode=text>

Govt sure BPCL strategic sale to sail through without further extensions

Government is confident that the strategic sale of Bharat Petroleum Corporation Ltd (BPCL) may go through without any further need to extend the bidding deadlines. The deadline for submitting the Expressions of Interest (EoI) for 52.98 per cent stake in the BPCL will end on July 31. BPCL disinvestment has received interest from several large global oil and gas companies and a few Indian entities as well. In fact, the process so far has generated close to 100 enquiries in a clear signal that investors remain interested in the maharatna oil PSUs despite the disruptions caused by Covid-19 pandemic, official source privy to the development said. According to them, Saudi Aramco, Abu Dhabi National Oil Co (Adnoc), Rosneft of Russia and Exxon Mobil intend to participate in the bidding process for the PSU. Indian oil majors are not behind their global counterparts and are also actively pursuing the prospects of bidding for BPCL. Oil-to-telecom major Reliance Industries is understood to have shown interest for the bid.

Energy Infra Post - 27.07.2020

<https://www.energyinfrapost.com/govt-sure-bpcl-strategic-sale-to-sail-through-without-further-extensions/>

BPCL offers voluntary retirement scheme to employees ahead of privatisation

State-owned BPCL has brought a voluntary retirement scheme for its employees ahead of the government privatising the country's third biggest oil refiner and second-largest fuel retailer. "The Corporation has decided to offer a Voluntary Retirement Scheme (VRS), with a view to enable employees, who are not in a position to continue in service of the

interest, it doesn't mean they will translate into bids, they said, without disclosing how many companies have sought clarifications. A government official had previously said that several top oil producers from the Middle East and Russia's Rosneft PJSC have shown interest in buying BPCL, which is India's third-biggest refiner and second-largest fuel retailer. The Indian government is in the process of clarifying these queries through a corrigendum to the offer document, and will go ahead with the privatization.

The Economic Times - 25.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/dozens-of-queries-show-investor-appetite-for-india-oil-firm-sale/77148299>

Oil extends losses with virus concerns clouding recovery outlook

Oil extended losses toward \$40 a barrel as concerns about demand linger with the coronavirus raging unabated across many regions. The outbreak flared in Hong Kong, while Los Angeles is on the brink of another stay-at-home order as new cases in California accelerated, although the pace of deaths slowed in Arizona and Florida. Meanwhile, Russia's oil exports are expected to stay near July's historically low levels next month, a signal the country is serious about keeping extra crude it plans to pump domestically and draining key refining markets like northwest Europe. Oil has been stuck in a tight range this month after rebounding sharply from a plunge below zero in April. The demand recovery is expected to be uneven with the pandemic still out of control in many parts of the world, while OPEC is preparing to return supply to the market next month after historic cuts. Crude prices slipped at the end of last week after soft U.S consumer sentiment and labor market indicators cast doubt on how fast the world's biggest economy would bounce back from the virus lockdown.

The Hindu Business Line - 21.07.2020

<https://www.thehindubusinessline.com/economy/oil-extends-losses-with-virus-concerns-clouding-recovery-outlook/article32135566.ece>

End of virus lockdown has yet to fully revive India's oil demand

The world's biggest lockdown may have eased in India, but the country's oil refineries are finding it tough going to pull off a complete recovery as fuel demand remains below pre-virus levels and stockpiles swell. Operations across 23 refineries nationwide were at 77% of capacity in May, according to oil ministry data. While that was an

Corporation due to various personal reasons, to request for grant of voluntary retirement from the services of the Corporation," Bharat Petroleum Corp Ltd (BPCL) said in an internal notice to its employees. The 'Bharat Petroleum Voluntary Retirement Scheme - 2020 (BPVRS-2020)' opened on July 23 and will close on August 13. A senior company official said the VRS has been brought to offer an exit option for any employee or officer who does not want to work under a private management.

The Economic Times - 27.07.2020

<https://economictimes.indiatimes.com/industry/energy/oil-gas/bpcl-offers-voluntary-retirement-scheme-to-employees-ahead-of-privatisation/articleshow/77178749.cms>

Refinery throughput continues to rise in June

Indian refineries continued to raise crude oil processing to make fuel in June, with over 8 per cent rise in throughput over the previous month, in signs of revival in economic activities after easing of lockdown restrictions. Nearly two dozen refineries in the country, which had in April cut down operating rate to as low as 30-40 per cent after lockdown pummelled fuel demand, processed 18.72 million tonnes of crude oil into fuel in June, up from 17.27 million tonnes in the preceding month, according to latest data released by the Petroleum Ministry on Thursday. Crude processing was, however, about 9 per cent lower than 20.5 million tonnes throughput in June 2019. Indian Oil Corp (IOC) has been steadily raising operating run-rate at its nine refineries since capacity utilisation fell to as low as 45 per cent in the first week of April. The run-rate in June was over 97 per cent of the rated capacity. Hindustan Petroleum Corp Ltd's (HPCL) units at Mumbai and Visakh operated at 106 per cent of the capacity, the data showed. Privatisation bound Bharat Petroleum Corp Ltd (BPCL) operated refineries at 84 per cent of the capacity.

Mint - 23.07.2020

<https://www.livemint.com/news/india/refinery-throughput-continues-to-rise-in-june-11595504546872.html>

June oil imports lowest in nearly nine years; none from Venezuela

Oil imports fell in June, hitting their lowest since October 2011, as refiners curbed purchases due to maintenance turnarounds and weaker fuel demand, data from industry sources showed. India, the world's third biggest oil consumer and importer, received 3.2 million barrels per day (bpd) oil in June, a decline of 0.4 per cent from

improvement from a low of 72% in April, when stay-at-home orders decimated fuel demand and filled storage tanks to the brim, it was still well down on the 102% recorded a year earlier. The amount of crude processed, also known as refinery throughput, was almost 25% lower year-on-year last month. Across India, restrictions on everything from the movement of people to business operations put in place on March 25 pummelled demand for transportation and industrial fuels, placing Asia's third-largest economy on course for its first annual contraction in more than four decades this year. Now, despite the reopening of factories and the resumption of domestic flights, fuel inventories built up during the more than 10-week lockdown remain stubbornly high.

The Economic Times - 25.07.2020

<https://economictimes.indiatimes.com/markets/commodities/news/end-of-virus-lockdown-has-yet-to-fully-revive-indias-oil-demand/articleshow/76620814.cms>

Domestic crude oil production contracts 6 per cent in June

Domestic crude oil production contracted 6 per cent and natural gas output fell 12 per cent in June from a year earlier. Crude oil production fell to 2,527 thousand metric tonnes in June as the Coronavirus pandemic compounded problems for India's ageing fields whose output have been declining for years. Decline in output from fields operated by ONGC was just 1 per cent while for the fields operated by Oil India and the private sector was almost 10 per cent and 16 per cent, respectively. Underperformance of wells, delayed oilfield enhancement plans and general disruption caused by the pandemic contributed to a decline in oil production. Natural gas output fell to 2,324 million metric standard cubic meters primarily on lower offtake by customers. ONGC's gas output fell 9 per cent while private sector's production fell 29 per cent in June over the year. Refineries processed 13.6 per cent less crude in June from a year earlier. State-run refineries processed 9.2 per cent less crude than last year while private refineries processed 16 per cent less crude.

The Economic Times - 26.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/domestic-crude-oil-production-contracts-6-per-cent-in-june/77161513>

OMCs invite startups to provide door-to-door diesel delivery: Report

Door-to-door diesel delivery is expected to expand substantially, after oil-marketing companies (OMCs) Indian Oil Corporation, Bharat Petroleum Corporation Ltd, and Hindustan Petroleum

May and about 28.5 per cent from a year ago, the data showed. Last month, India did not import oil from Venezuela for the first time since June 2009, the data also showed. Refiners including Indian Oil Corp, the country's top refiner, Reliance Industries, operator of the world's biggest refining complex, and Bharat Petroleum Corp plan to shut units for maintenance. Indian fuel consumption, a proxy for oil demand, typically tapers during the four-month monsoon season from June as rains hit construction and transportation. In the first of half July, India's fuel demand slowed compared with the previous month due to high retail prices and renewed coronavirus lockdowns in parts of the country.

The Economic Times - 25.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/june-oil-imports-lowest-in-nearly-nine-years-none-from-venezuela/77161550>

India's oil reserve strategy takes a baffling turn

Until March, India was reluctant to spend money to fill its strategic reserves built with enormous investments. Now it wants to buy oil and store it in the faraway US strategic petroleum reserves for emergency use. The country's emergency stockpile strategy appears to have travelled quite a baffling distance in just a few months.

Last week, the Oil Minister said India was in an advanced stage of discussions with the US for storing crude oil in the American strategic reserves – a statement that left many oil industry executives puzzled. India's strategic reserves were nearly half-empty until March as the government was unwilling to allocate funds for oil purchase. But now when the pandemic has badly hit economic activity and state revenues, the government wants to spend money on leasing space in a foreign land and store oil in it.

The Economic Times - 25.07.2020

<https://economictimes.indiatimes.com/blogs/mortal-words/indias-oil-reserve-strategy-takes-a-baffling-turn/>

Unified tariff on gas pipelines from September

In yet another reform initiative in the oil and gas sector, pipeline operators in the country may shift to a unified or pooled tariff regime for inter-connected cross-country gas pipelines

Corporation Ltd, welcomed applications from start-ups that could provide the service, according to Business Standard. A call for Expression of Interest (EOIs) has been welcomed from start-ups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT). "These FuelEnts (fuel entrepreneurs) are expected to garner investments worth Rs 9,000 crores," Chetan Walunj, CEO and co-founder of Repos Energy told to India Today, Walunj was backed by former chairman of Tata Sons, Ratan Tata, according to reports. According to The Sunday Express, sources said there is a push for mobile diesel delivery came from the government itself, which hopes that this would provide a major entrepreneurial boost in the energy sector. OMCs expect the number of mobile petrol stations to touch 1000 to 1500.

Deccan Herald - 26.07.2020

<https://www.deccanherald.com/business/omcs-invite-startups-to-provide-door-to-door-diesel-delivery-report-865994.html>

A global economy that runs on crude

Since the -\$37.63 closing price for WTI oil price on 20th April to the \$40/bbl price as on 17th July is a significant momentum of 210 percent. While the price move is drastic, there is a significant change in the demand supply balance in oil markets. Global oil demand has already recovered to 90 million barrels per day vis-à-vis 100 mbpd of oil demand prior to the pandemic and shutdowns. Moreover, estimates from IHS Markit, 180 million barrels of oil were being stored at sea at the end of April. That has declined to just under 150 million barrels at the end of June is a clear indication that inventory levels across the globe have been slowly and steadily reducing. In April, the storage levels across the globe were rising like a wave. The largest ever oil surplus hit the markets in April 2020, with serious concerns about how to store excess oil. Roughly 7.2 billion barrels of crude oil and crude oil products were stored onshore and on floating vessels, meaning that only 1.7 billion barrels of onshore storage were available in March 2020.

The Economic Times - 27.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opinion-a-global-economy-that-runs-on-crude/77196245>

from September 1. A unified tariff may do away with levy of multiple tariffs on customers, ensuring equitable distribution of gas and uniform gas-based economic development across the country. The current system of tariff determination leads to multiple pipeline tariffs on customers who have contracted for gas which flows from multiple pipeline operators. According to official sources, downstream oil and gas regulator, the Petroleum and Natural Gas Regulatory Board (PNGRB) has finalised the draft regulation on unified tariff and would fix the tariff by August-end and implement it from the first day of September. With this, one nation, one gas grid, one pricing would be implemented across the country, bringing relief to customers in far-flung areas who were being charged extra for gas transmission but raising charges for other existing customers to bring about price equalisation.

The Economic Times - 23.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/unified-tariff-on-gas-pipelines-from-september/>

Reliance overtakes Exxon to become world's 2nd most valuable energy firm

Reliance Industries has overtaken ExxonMobil to become the world's second most valuable energy company after its market capitalisation scaled to a record high of over Rs 14 lakh crore. The oil-to-telecom conglomerate is now ranked 46th globally on market cap, according to stock market data. On Thursday, Reliance was ranked 48th and was behind ExxonMobil. Its share price on Friday scaled an all-time high of Rs 2,163 before settling at Rs 2,146.20, taking the company to 46th position. The Rs 13.6 lakh crore m-cap of Reliance together with Rs 54,262 crore m-cap of its partly-paid shares that were issued in the recent rights issue and are traded separately, puts the company's combined market value at Rs 14.1 lakh crore or \$ 189.3 billion. This was enough to race past ExxonMobil which has an m-cap of \$ 184.7 billion. Globally, Saudi Aramco has the highest market cap of \$ 1.75 trillion, followed by Apple (\$ 1.6 trillion), Microsoft (\$ 1.5 trillion), Amazon (\$ 1.48 trillion), and Alphabet (\$ 1.03 trillion).

The Economic Times - 26.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/reliance-overtakes-exxon-to-become-worlds-2nd-most-valuable-energy-firm/77161964>

Castrol partners with Jio-BP for selling lubricants

Castrol India Limited on Tuesday has announced that it has joined hands with Jio-BP to sell the lubricants. Under this partnership, Castrol lubricants will be available at the Jio-BP retail sites, informed the company. Castrol also said that these lubricants will be supplied to the joint venture's fuel retailing network of 1,400 sites, which is expected to grow to 5,500 sites within five years. Earlier this month, Reliance Industries Limited (RIL) and BP completed the formation of their new pan-India fuels and mobility joint venture, which is named as Reliance BP Mobility Limited (RBML). The existing RIL sites will be rebranded as Jio-BP in coming days. Commenting on this, Sandeep Sangwan, Managing Director, Castrol India Limited, said, "Castrol India is delighted to be a part of the Jio-bp network. We will offer a premium experience to our consumers, bringing innovative value-added solutions as together we look to transform the Indian mobility sector."

The Economic Times - 22.07.2020

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/castrol-partners-with-jio-bp-for-selling-lubricants/77085030>

In a push to logistics sector, Centre working on draft legislation

The Centre is preparing a draft legislation on logistics with a view to promoting the growth of the sector and replace the existing multimodal transportation of goods law, an official said. The efficiency in logistics comes from end-to-end services, and hence the document will not just focus on multi-modal transport, Department of Commerce Special Secretary (Logistics) Pawan Kumar Agarwal said, while speaking at a webinar organised by the Indian Chamber of Commerce. "The government in the process of drafting the National Logistics Efficiency Advancement Predictability and Safety (NLEAPS) Act," a statement quoted him as saying. Agarwal invited opinions from all stakeholders in making the draft legislation which he said was "beyond just a logistics document". This tends to define various participants of logistics space and create a light regulatory ecosystem, he said. Some apps will be introduced soon to ensure real-time visibility across the supply chain, Agarwal said.

Business Standard - 27.07.2020

https://www.business-standard.com/article/economy-policy/in-a-push-to-logistics-sector-centre-working-on-draft-legislation-120072600852_1.html

Dharmendra Pradhan, CEA discuss establishing integrated steel hub in eastern India

Union Minister Dharmendra Pradhan held a meeting with Chief Economic Advisor (CEA) KV Subramanian, officials from Steel Ministry and Central Public Sector Enterprises (CPSEs) on Tuesday. The roadmap for establishing an integrated steel hub in eastern India was discussed in the meeting, held through video conferencing, according to the Union Minister. "This will drive economic growth of the region, generate large scale employment for the youth and contribute to making of an Aatmanirbhar Bharat," he said. "Initiatives taken and deliberated on the future roadmap around enhancing exports, value addition, improving quality production, import data management and steel clusters," Pradhan further said.

The Economic Times - 22.07.2020

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/dharmendra-pradhan-cea-discuss-establishing-integrated-steel-hub-in-eastern-india/articleshow/77099200.cms?from=mdr>

India: Container cargo handling at major ports drops over 30% in April-June

Container cargo handling at India's major ports tumbled over 30 percent during the April-June quarter of the current fiscal amid the coronavirus pandemic, as per data by ports body IPA. Container cargo in terms of TEUs (twenty foot equivalent unit) at India's 12 major ports dropped 32.28 percent to 1.74 million in the first quarter of the current fiscal, according to the latest data from the Indian Ports' Association (IPA). In terms of tonnage, the container cargo declined 30.11 percent to 26.34 million tonnes (MT) in the quarter. These ports had handled containers to the tune of 2.57 million TEUs and 37.69MT in terms of tonnage in the April-June period of the previous financial year. The IPA, which maintains cargo data handled by these ports, in its latest report said "percentage variation from the previous year" in container handling in terms of TEUs and tonnage was 32.28 percent and 30.11 percent, respectively. India has 12 major ports — Kandla, Mumbai, JNPT, Mormugao, New Mangalore, Cochin, Chennai, Kamarajar (Ennore), V O Chidambaranar, Visakhapatnam, Paradip and Kolkata (including Haldia) — that handle about 61 percent of the country's total cargo traffic.

Hellenic Shipping News - 22.07.2020

<https://www.hellenicshippingnews.com/india-container-cargo-handling-at-major-ports-drops-over-30-in-april-june/>

Govt waives off waterways user charges to promote inland water transport

The Ministry of Shipping has decided to waive off waterways usage charges with immediate effect to promote inland waterways. "The charges are waived initially for three years," Union Minister of State for Shipping Mansukh Mandaviya said here on Friday. At present only 2% of total cargo traffic moves through waterways. Decision of waiving waterway charges will attract the industries to use the national waterways for their logistical needs. As the mode of transport is eco-friendly and cheaper, it will not only reduce the burden on other transport modes but also promote the ease of doing business, the Minister added. Water usage charge was applicable on use of all the national waterways by vessels. It was a hindrance in administration of traffic movement and collection of traffic data. Presently, Inland Waterways Authority of India (IWAI) levies the waterway usage charges at a rate of Rs 0.02 per gross registered tonnage (GRT) per kilometer for plying of Inland cargo vessels and Rs. 0.05 per gross registered tonnage (GRT) per kilometer for plying of cruise vessels on national waterways, a statement from the Shipping Ministry said.

Deccan Herald - 25.07.2020

<https://www.deccanherald.com/national/govt-waives-off-waterways-user-charges-to-promote-inland-water-transport-865136.html>

GeM to be integrated with Indian Railways' e-procurement system: Official

Government e-Marketplace (GeM) and Indian Railways' e-procurement system are working on ways to integrate both the platforms with a view to further widen the ambit of the Commerce Ministry's portal by enhancing its buying and selling process, a senior official said on Sunday. The official said that currently a feasibility assessment is going on for integration of government procurement portal GeM with Indian Railway Electronic Procurement System (IRePS) and Integrated Material Management System (IMMS). "This is a technical integration. It will also help in creating a uniform procurement system. We are looking at the possibility of integration. We are doing the assessment first and then we will integrate," the official from Commerce Ministry added. After assessment of integration of the platforms, Railways and GeM will decide the further course of action for completion of the process.

COVID-19 pandemic may hit tourism, MSME, aviation sectors hard, says RBI survey

The aviation, automobiles, construction, MSME, and tourism & hospitality sectors are likely to be the hardest-hit ones by COVID-19 pandemic, according to an RBI survey. The apex bank carried out a systemic risk survey "to capture the perceptions of experts, including market participants, on the major risks faced by the financial system". The survey was published in its financial stability report released recently. The results (of the survey) pointed out the five sectors mentioned above that are adversely impacted by the coronavirus pandemic. Respondents opined that "while most sectors face sizeable and immediate revenue losses, the adverse impact is seen in sectors where consumption spending is discretionary in nature". Within the tourism sector, around 90 per cent of the respondents stated that the "prospects of recovery within the sector in the next 6 months appear bleak".

Business Today - 27.07.2020

<https://www.businesstoday.in/current/economy-politics/covid19-pandemic-may-hit-tourism-msme-aviation-sector-hard-rbi-survey/story/411122.html>

India amends its accounting standards

India has amended the accounting standards to provide relief to companies that received concessions on their rentals after Covid-19 outbreak. Changes to the Indian Accounting Standards (Ind AS) will allow companies to show the benefit in their profit and loss (P&L) account. The move comes as a huge relief for airlines or retail chains that have many assets or properties on hire. Until now, if any terms and conditions of an existing lease contract changed, then it would have to be treated as a new lease contract. This meant that if a company got a rental concession for one year in a ten-year contract, the benefit would have to be reworked to reflect its present value, which would be lower than the current value. The latest amendment does away with the need for such recalculations, and the benefit can be taken into the P&L for the current period, simplifying the accounting to a great extent.

The Economic Times - 27.07.2020

Mint - 27.07.2020

<https://www.livemint.com/news/india/gem-to-be-integrated-with-indian-railways-e-procurement-system-official-11595767518965.html>

<https://economictimes.indiatimes.com/news/economy/policy/india-amends-its-accounting-standards-major-relief-for-entities-like-airlines-retail-chains/articleshow/77190916.cms>