

(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

### OBSERVANCE OF NATIONAL SAFETY WEEK AT BALMER LAWRIE



Business Standard  
– 16.03.2021

**T**he 50th National Safety Week was observed from 04 to 10 March, 2021 across all the units and establishments of Balmer Lawrie. The observance of the week commenced with employees taking the safety pledge.

At Balmer Lawrie 'Safety' is a way of life and continuous efforts are taken to achieve Zero LTI. To promote the safety culture, a series of contests like spot the hazard, quiz, extempore, essay and slogan writing were organized for the employees during the safety week in all the regions.

## 2021 output seen growing 5%: UNCTAD

The United Nations Conference on Trade and Development (UNCTAD) on Thursday said India's Covid-19 stimulus fell short of initial announcements, leading to a lower than expected economic performance in 2020. In its Trade and Development 2020 update, it said the relief measures adopted by India were not only much smaller in scale, but also centred on easing supply side constraints and providing liquidity support rather than aggregate demand support. UNCTAD expects India's GDP to have contracted 6.9% in 2020 and grow 5% in 2021, attributing the stronger recovery projected for 2021 to the deeper-than-expected downturn in 2020. "Moreover, restrictions to people's movement not only severely affected incomes and consumption, they also proved largely unsuccessful in containing the spread of the virus," the UN agency said in its report titled 'Out of the frying pan... into the fire'. As a result, it said, the fall in economic activity proved to be larger than it had envisaged in mid-2020.

*The Economic Times - 19.03.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETK>

## Biz activity picked up modestly mid-March after sharp fall in Feb

Business activity in India picked up modestly in the second week of March after recording a sharp fall from levels seen in the previous month, according to brokerage firm Nomura. The Nomura India Business Resumption Index (NIBRI) improved to 95.7 for the week ended March 14, against 95 a week earlier, according to a note on Monday. The index, which uses high frequency indicators like mobility indices, power demand and labour participation rate to track the pace of normalisation, had dropped from 99.3 during the week ended February 21. Overall mobility remained largely unaffected despite the resurgence in Covid-19 cases in a few states as the Google retail and recreation indices and the Apple driving index improved over the week, the firm said. Nomura highlighted concerns that the resurgence in the number of cases in states like Maharashtra and Punjab and rising cases in poll-bound states like West Bengal and Tamil Nadu, were inverting the national pandemic curve. "However, it is still not a pan-India phenomenon, death rates have not picked up much, the pace of vaccination is

[M%2F2021%2F03%2F19&entity=Ar01109&sk=A  
BBA2D54&mode=text](https://economictimes.indiatimes.com/news/economy/indicators/indias-economy-may-grow-at-12-in-2021-moodys/articleshow/81585920.cms)

## **India's economy may grow at 12% in 2021: Moody's**

India's economy is likely to grow by 12 per cent in 2021 following a 7.1 per cent contraction last year, as near-term prospects have turned more favourable, Moody's Analytics said. A stronger than expected December quarter GDP growth of 0.4 per cent following a 7.5 per cent contraction in the previous three months has turned India's near-term prospects more favourable, it said. Domestic and external demand has been on the mend since the easing of restrictions, which has led to improved manufacturing output in recent months. "We expect private consumption and non-residential investment to materially pick up over the next few quarters and strengthen the domestic demand revival in 2021," it said. Moody's saw real GDP growth of 12 per cent in the 2021 calendar year, partially due to a low base-year comparison. "This forecast is equivalent to real GDP, in level terms, growing by 4.4 per cent above pre-COVID-19 levels (as of March 2020) by the end of 2021, or equivalently, by 5.7 per cent above the GDP level in December 2020 by the end of 2021," it said

*The Economic Times - 20.03.2021*

<https://economictimes.indiatimes.com/news/economy/indicators/indias-economy-may-grow-at-12-in-2021-moodys/articleshow/81585920.cms>

## **Inflation remains low in last 7 years, govt taking steps to bring it further down: Anurag Singh Thakur**

The government on Tuesday informed Parliament that inflation has remained low in the last seven years - except for a spike in some items - and the government is taking steps to bring it further down. Minister of State for Finance Anurag Singh Thakur, during Question Hour in the Rajya Sabha, said food items in the consumer price index (CPI) are showing a month-on-month decline. Commodities such as cereals, meat and fish, egg, vegetables and pulses have declined during January-February. "Overall, inflation has remained low in the last seven years. But in some items, there was a rise in prices due to supply constraints because of COVID-19 and a rise in demand," he said, responding to a supplementary

improving (~2% of the population), and mobility is still holding up, despite news of localised lockdowns," said Nomura economists Sonal Varma and Aurodeep Nandi, in the note.

*The Economic Times - 16.03.2021*

<https://epaper.timesgroup.com/Olive/ODN/Th eEconomicTimes/shared/ShowArticle.aspx?doc =ETKM%2F2021%2F03%2F16&entity=Ar0090 3&sk=FC5602DA&mode=text>

## **WPI inflation rises to 4.17% in February on costlier food, fuel, power**

The wholesale price-based inflation rose for the second consecutive month in February to 4.17 per cent, as food, fuel and power prices spiked. The WPI inflation was 2.03 per cent in January and 2.26 per cent in February last year. After witnessing months of softening of prices, the food articles in February saw 1.36 per cent inflation. In January it was (-) 2.80 per cent. In vegetables the rate of price rise was (-) 2.90 per cent in February, against (-) 20.82 per cent in January. Inflation in pulses was 10.25 per cent in February, while it fruits it was 9.48 per cent, and in fuel and power basket it was 0.58 per cent. The RBI in its monetary policy last month kept interest rates unchanged for the fourth consecutive meeting and said that the near-term inflation outlook has turned favourable. Retail inflation, based on the consumer price index, was at 5.03 per cent in February, data released last week showed.

*Business Standard - 15.03.2021*

[https://www.business-standard.com/article/economy-policy/wpi-inflation-rises-to-4-17-pc-in-february-on-costlier-food-fuel-power-121031500445\\_1.html](https://www.business-standard.com/article/economy-policy/wpi-inflation-rises-to-4-17-pc-in-february-on-costlier-food-fuel-power-121031500445_1.html)

## **Govt favours retaining RBI's 2%-6% inflation band: Report**

India's government is likely to leave the inflation targeting band for its central bank unchanged, according to people familiar with the matter, while policy makers remain focused on rising prices amid the rebound from the pandemic. A consumer-price inflation band tracked by the Reserve Bank of India is likely to be retained at the current 2%-6% range, said the people, who asked not to be identified citing rules before the framework is finalized by March 31. The government is mulling small changes to the system, including safeguard options that offer leeway in cases of an exceptional events, they said, without providing further details. A spokesperson for the Finance Ministry declined to comment, while the RBI didn't immediately

query. In 2013-14, there was double-digit inflation. In comparison to that, now inflation is less. However, the government is making efforts to bring it further down, he added. Thakur said the government took measures to reduce the import of oilseeds and pulses by boosting production, giving a higher minimum support price to farmers.

*Mint - 17.03.2021*

<https://www.livemint.com/news/india/inflation-remains-low-in-last-7-years-govt-taking-steps-to-bring-it-further-down-anurag-singh-thakur-11615892692392.html>

### **India's exports during March 1-14 up 17% at \$14 billion**

Showing healthy signs of revival, India's exports grew 17.27 per cent to USD 14.22 billion during March 1-14 as compared to the year-ago period, according to the commerce ministry's preliminary data. Imports during the period increased 27.77 per cent to USD 22.24 billion, leaving a trade deficit of USD 8.02 billion, the data showed. The key sectors which recorded a healthy growth in exports include engineering, rice, gems and jewellery. However, exports of leather, oilseeds and ready-made garments of all textiles contracted during the period. Imports of golds, electronic goods and pearls, precious and semi-precious stones registered growth during the period. Growing for the third consecutive month, the country's exports rose marginally by 0.67 per cent year-on-year to USD 27.93 billion in February even as trade deficit widened to USD 12.62 billion.

*The Financial Express - 17.03.2021*

<https://www.financialexpress.com/economy/india-s-exports-during-march-1-14-up-17-at-14-billion/2213866/>

### **EPFO closed 71.01 lakh EPF accounts in April-December 2020**

Retirement fund body EPFO closed 71.01 lakh employees' provident fund (EPF) accounts during April-December in 2020 post pandemic which is higher than 66.66 lakh in the same period year ago, Parliament was informed on Monday. The government had imposed lockdown to contain the COVID-19 pandemic on March 25, 2020. "The number of Employees' Provident Fund (EPF) accounts closed during the period from April to December 2020 is 71,01,929," Labour Minister

respond to an emailed request for comment. Volatile food costs and a sustained rise in global oil led consumer prices to exceed the upper band several times last year, threatening to limit the central bank's ability to keep monetary policy loose to help stimulate the economic recovery. The situation also posed political risks for Prime Minister Narendra Modi's government in the run up to key state elections.

*Business Standard - 18.03.2021*

[https://www.business-standard.com/article/economy-policy/govt-favours-retaining-rbi-s-2-6-inflation-band-report-121031700739\\_1.html#](https://www.business-standard.com/article/economy-policy/govt-favours-retaining-rbi-s-2-6-inflation-band-report-121031700739_1.html#)

### **FM promises to protect rights & perks of privatised PSUs' workers**

Finance minister Nirmala Sitharaman said on Saturday the government would ensure protection of rights and perquisites of workers of public sector units that are put up for privatisation, and that all earlier commitments made would be honoured. The FM also said the privatised PSUs would receive capital infusion and professional management. The FM made the commitment during an interaction following her address to India Inc at the Economic Times Awards for Corporate Excellence. "When we are speaking about privatisation, I do recognise that these units are in economic activities that are critical for the country. Privatisation is not going to end up as selling for closure, I am selling to continue to be in business because they aren't being run efficiently and we do not have money of the scale that is needed to invest," said Sitharaman. "If these two principles are there that the unit will run more efficiently and workers' concerns are addressed by us, I am sure I shall be able to convince and take forward the agenda," she said.

*The Times of India - 21.03.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIM%2F2021%2F03%2F21&entity=Ar00708&sk=466F9130&mode=text>

### **119 CPSEs continuously recording profit for last 5 years**

As many as 119 CPSEs (central public sector enterprises) are continuously recording profit, while 30 undertakings have registered losses in the last five years, Parliament was informed on Tuesday. Minister of State for Heavy Industries and Public Enterprises Arjun Ram Meghwal in a written reply to the Lok Sabha said there are 366 CPSEs in the country as of March 31, 2020. "There are 119 CPSEs continuously in profit for last 5 years and 30 CPSEs continuously in losses

Santosh Gangwar said in a written reply to the Lok Sabha on Monday. According to the reply, the number of closure of EPF account in April-December 2019 was 66,66,563. The EPF account is closed for many reasons including superannuation, job loss or changing jobs. The minister also stated that the number of EPF accounts with partial withdrawal also rose to 1,27,72,120 in April-December 2020 from 54,42,884 in the same period in 2019. Total withdrawals from EPF account in April-December 2020 rose to Rs 73,498 crore from Rs 55,125 crore in the corresponding period year ago.

*The Economic Times - 16.03.2021*

<https://economictimes.indiatimes.com/news/economy/finance/epfo-closed-71-01-lakh-epf-accounts-in-april-december-2020/articleshow/81511208.cms?from=mdr>

### **Holdco in offing for strategic PSUs**

The government is considering a holding company structure for state-run firms in the strategic sectors in which it has decided that public sector enterprises will have a "bare minimum" presence. Each identified strategic sector will have a holding company and the plan may kick off with defence, power and mining sector public enterprises, said people with knowledge of the matter. Two separate holding company structures are being considered. A new company could be set up to house government holdings in different state-run entities in a sector. Alternatively, the dominant entity in the sector may be turned into a holding company. "We may opt to have one big firm like National Aluminium Co. Ltd. (Nalco) as the holding company in the mining sector and other firms in that space may be merged or privatised," said one of the persons. The government may also sell controlling stakes in companies that are made subsidiaries of a dominant public-sector entity but retain at least 26% stake in each, given their strategic nature.

*The Economic Times - 17.03.2021*

[https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETK\\_M%2F2021%2F03%2F18&entity=Ar00213&sk=82A69F40&mode=text](https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETK_M%2F2021%2F03%2F18&entity=Ar00213&sk=82A69F40&mode=text)

### **Petroleum Secretary clears air on GAIL disinvestment, lays out blueprint to push Atmanirbhar in oil**

Tarun Kapoor, Petroleum Secretary, Govt of India, discusses how the fuel scene in the country could change considerably by 2024. GAIL is not part of

for last 5 years," he said. Replying to another question, the minister said the automobile industry has been facing a shortage of semiconductors. It has been intimated by the Ministry of Electronics and Information Technology that several steps have been taken to make semiconductors available, he added.

*Millennium Post - 17.03.2021*

<http://www.millenniumpost.in/business/rupee-rises-9-paise-against-us-dollar-in-early-trade-434710?infinitescroll=1>

### **No plan to split GAIL, says Union Oil Minister Dharmendra Pradhan**

The government is not considering any proposal to bifurcate state-owned gas utility GAIL (India) Ltd, and the company is focused on building pipelines to connect gas sources to consumers to accelerate gas usage, Oil Minister Dharmendra Pradhan said on Monday. GAIL is India's biggest natural gas marketing and trading firm and owns 60 per cent of the country's 26,284-km gas pipeline network, giving it a stranglehold on the market. To resolve the conflict of a transporter also being the marketer, it was proposed that GAIL's pipeline business should be hived off into a separate entity. But the proposal has been dropped for now. "There is no such proposal under consideration at present," Pradhan said in a written reply to a question in the Lok Sabha on bifurcation of GAIL. He said the share of natural gas in India's primary energy basket is targeted to be increased to 15 per cent by 2030 from the current 6.3 per cent. For this, the government is promoting the expansion of natural gas infrastructure -- pipelines, LNG import terminals and city gas distribution network, he said.

*Business Standard - 16.03.2021*

[https://www.business-standard.com/article/economy-policy/no-plan-to-split-gail-says-union-oil-minister-dharmendra-pradhan-121031500897\\_1.html](https://www.business-standard.com/article/economy-policy/no-plan-to-split-gail-says-union-oil-minister-dharmendra-pradhan-121031500897_1.html)

### **BPCL selloff in 6 months**

The government, which is set to fully exit Tata Communications, is optimistic about some of its other proposed divestments such as BPCL and Air India. This was indicated by the department of investment and public asset management

any divestment plan. The only thing being done — there was also a budget announcement about it — is that an independent TSO will be set up. The TSO's function will be to look after the capacities that are available in the trunk pipeline network. The independent body will help all types of traders to transport their gas without any monopoly dominating the networks. There has currently been some amount of criticism regarding that, because 70% of the trunk pipelines are currently owned by GAIL, and GAIL is also a trader and is the biggest supplier of gas in India. So, it has a monopoly over the pipelines. When the TSO comes up, whatever spare capacity is available in the pipe network will be made available to anyone who wants to buy or sell gas. That would also help in import of LNG. Besides, it will help in the area of domestic manufactured gas which can then be sold across the country. This is something we are moving towards, and it should happen soon.

*The Economic Times - 20.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/petroleum-secretary-clears-air-on-gail-divestment-lays-out-blueprint-to-push-atmanirbhar-in-oil/81589822>

### **BPCL sale: Despite progress, key questions remain on divestment process**

The government has made progress on Bharat Petroleum Corporation (BPCL) divestment with developments on key queries raised by potential buyers, but multiple steps of the process remain outstanding and there are still questions that require further clarity, according to Fitch Ratings. BPCL has made headway on a key pre-condition to its divestment and other key milestones over the last six weeks, including the finalisation of terms to purchase Oman Oil Company's 36.6 per cent stake in its Bina refinery for Rs 24 billion in February 2021. "BPCL also sold 5.8 per cent of its 7.3 per cent treasury shares for Rs 55 billion and approved the sale of its 61.7 per cent stake in Numaligarh Refinery Limited for Rs 99 billion in March," the firm said in a statement. The current book value of BPCL's NRL investment is Rs 4.5 billion and the transaction will be subject to 20 per cent long-term capital gains tax on the consideration value less the indexed cost of the acquisition and improvement as ascertained by the company. This results in net proceeds of INR130 billion for BPCL, less the long-term capital gains tax.

*The Economic Times - 19.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/bpcl-sale-despite-progress-key-questions-remain-on-divestment-process/81583573>

(Dipam) secretary Tuhin Kanta Pandey in an interview to a TV channel. He said while the BPCL stake sale will be completed in the second quarter of the next fiscal, the selloff in Air India will be done in the first quarter. Meanwhile, the government's share sale of 16.12 per cent in Tata Communications, previously known as VSNL, was subscribed 2.19 times by institutional investors, Pandey said on Tuesday. The clearing price was greater than the floor price. The issue will open for retail investors on Wednesday. The Union government had set a floor price of Rs 1,161 per share. Here, he pointed out that based on the price discovery, the Centre will be selling the rest of the stake to the Tata group. On Tuesday, Anurag Thakur, minister of state for finance, said Dipam is also processing the sale of non-core assets of two strategic sale-bound PSUs — BEML and Bridge & Roof Ltd.

*The Telegraph - 17.03.2021*

<https://www.telegraphindia.com/business/bpcl-selloff-in-6-months/cid/1809759>

### **India fuel demand return to pre-Covid levels**

India's fuel demand, except ATF, has returned to pre-COVID levels and a reflating economy will help consumption grow in near future, head of the nation's top oil firm said on Tuesday. Fuel sales had fallen by a record 45.8% in April last year when a nationwide lockdown was imposed to check the spread of coronavirus infections. Demand started to recover with the easing of lockdown restrictions, with petrol returning to normal growth first and now diesel too is back at pre-COVID levels. "Expect for ATF, we have touched normal demand," Indian Oil Corporation (IOC) Chairman Shrikant Madhav Vaidya said. "We are back on track." While petrol sales had reached pre-COVID levels a few months back, diesel was up 7.4% year-on-year in the first half of March. LPG sales showed growth even during the lockdown. With airlines not operating all flights, ATF sales remain below normal. "ATF may take a quarters time to return to normal, maybe 3-4 months," he said.

*Mint - 17.03.2021*

<https://www.livemint.com/industry/energy/india-fuel-demand-return-to-pre-covid-levels-indian-oil-chairman-11615900576075.html>

## India's crude oil throughput hits four-month low in February

India's crude oil processing fell to its lowest in four months in February, retreating from a near one-year high hit in the prior month hurt by higher crude prices and weaker fuel demand in the country. Crude oil throughput in February dropped 8.8% year-on-year to 4.87 million barrels per day (18.62 million tonnes), provisional government data showed on Friday. On a monthly basis throughput fell 5.6%. There is a variation in percentage change as February 2020 had 29 days. Fuel consumption in the country also fell to a five-month low in February as higher retail prices dented demand. Indian state refiners have been planning to cut oil imports from Saudi Arabia by about a quarter in May due to rising oil prices. "Relatively high prices have slowed oil processing," Refinitiv analyst Ehsan Ul Haq said, adding "India's recent decision to wean off Middle East crude will boost imports and processing as refiners will need more crude oil as the economy recovers from the impact of lockdowns."

*The Economic Times - 21.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-crude-oil-throughput-hits-four-month-low-in-february/81612849>

## World may see peak of petrol, diesel demand by 2035 but not India: Petroleum ministry official

The world is likely to see peak demand for petrol by the late 2020s and for diesel by 2035, but auto fuels will continue to see growth in India as the economy expands, a senior petroleum ministry official said Thursday. Speaking at the 'India Chem 2021' conference, Sunil Kumar, Joint Secretary (Refinery), Ministry of Petroleum and Natural Gas, said the country will see different energy systems co-exist through the next few decades as demand is expected to remain robust. Fuel demand in years to come will be impacted by factors such as the availability of substitute fuels, the advent of electric vehicles (EVs) and the development of renewable fuels. "Globally, demand for gasoline (petrol) is expected to peak in the late 2020s and of diesel by 2035," he said. However, in India, different energy systems, including fossil fuel, will co-exist over the next few decades. "Demand for petrol and diesel in India is expected to remain robust in the foreseeable future... at least up to 2040 because our pie is increasing," he said.

*The Economic Times - 19.03.2021*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/world-may-see-peak-of-petrol-diesel-demand-by-2035-but-not-in-india-petroleum-ministry-official/articleshow/81572431.cms>

## Diesel sales top pre-Covid levels by 7 per cent, but LPG slips

India's diesel consumption increased 7 per cent from a year ago in the first fortnight of March but demand for LPG, or household cooking gas supplied in cylinders, dropped more than 3 per cent to coincide with a steep rise in refill prices and removal of subsidy. Data from state-run fuel retailers, who dominate 90 per cent of the market, show petrol sales rising over 5 per cent from a year ago, boosted by car sales snapping the pandemic blues in February and people going back to using their personal vehicles on resurgence of Covid-19 cases in several states. This is the first yearly growth in diesel sales since October 2020, reinforcing the view that the economy is on its way to recovery as its consumption is one of the key indicators of economic activity. In February, diesel demand had slid 8 per cent and petrol consumption declined 2 per cent in February from a year ago. In December, sales had for the first time since October recorded a monthly decline at 6 per cent.

*The Economic Times - 18.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/diesel-sales-top-pre-covid-levels-by-7-per-cent-but-lpg-slips/81541646>

## Strengthening of pipeline infra puts gas market in sweet spot

India's gas market is in a sweet spot with the completion of new trunk pipelines and the increased availability of both domestic and imported gas. The availability of supply has, however, raised investor concerns over the demand-supply balance in the country, Motilal Oswal Financial Services said in a report. As per the brokerage forecasts, gas demand in India is estimated at 220mmcmd by FY27 – implying a CAGR of 6 per cent over the next six years, in line with the country's long-term CAGR. This 6 per cent CAGR is without considering any uptick in Power sector demand – which, with just a 10 per cent improvement in PLF, could raise the CAGR to 8 per cent. The high growth is expected to favour transmission companies such as GUJS and GAIL. Along with gas, PLNG is also expected to perform strongly despite the new LNG terminal capacity of 15mmtpa coming up in Gujarat.

*Sarkaritel - 20.03.2021*

<https://www.sarkaritel.com/strengthening-of-pipeline-infra-puts-gas-market-in-sweet-spot/>

## **Centre, states need to think about reducing taxes on petrol, diesel: Anurag Thakur**

Minister of State for Finance Anurag Thakur on Monday said both the Centre and the states need to think about reducing taxes on petrol and diesel as their prices have risen sharply in the recent weeks. Replying to a question in Lok Sabha, Thakur also said that the government was ready to discuss the issue of bringing petroleum products under the ambit of Goods and Services Tax (GST). "The Centre is ready to consider the idea of reducing the tax on petrol and diesel, the states should also consider it," he said. The Centre levies excise duty on petrol and diesel, while the states levy VAT. "The state governments should reduce taxes on petrol, we (the Centre) will also try to reduce tax on petrol. "Both the Centre and the states need to think about it (reducing taxes on petrol)," the minister said. Thakur also pointed out that in March 2020, the price of crude oil was around USD 19 per barrel. AT present, the price of crude oil is around USD 65 per barrel. On why the government was not bringing petroleum products under GST as promised by the then Finance Minister Arun Jaitley, Thakur said no state has so far given a proposal for the same.

*The Economic Times - 16.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/centre-states-need-to-think-about-reducing-taxes-on-petrol-diesel-anurag-thakur/81522881>

## **Expect pickup of upstream oil producers' profitability in FY22: Ind-Ra**

Profitability of upstream oil producers is expected to pick up in FY22, led by rising oil and gas prices along with higher production, ratings agency India Ratings and Research said. It maintained a 'Stable' rating outlook for upstream oil companies and oil marketing companies for FY22, driven by their strategic importance to the Centre, and for city gas distribution entities due to their growth prospects. "Although upstream companies have large capex plans and they continue to pay high dividends, Ind-Ra expects their credit metrics to remain strong in FY22 led by their scale and nature of operations, and strong liquidity, backed by the availability of liquid investments, sufficient banking lines and access to capital markets," Ind-Ra said. "Higher domestic gas price could impact the margins of CGD players marginally, though they would continue to benefit from their competitive position with respect to other fuels." Besides, bringing natural gas under goods and services tax could boost consumption gradually, said the ratings agency.

## **States like Maharashtra should reduce taxes on fuel to give relief to people: Pradhan**

Petroleum Minister Dharmendra Pradhan on Wednesday said states like Maharashtra should reduce taxes on fuel to give relief to consumers and remained non-committal on cutting central taxes. "I don't want to do politics. In Maharashtra, especially Mumbai where they do politics and in that city state taxes are maximum. If they reduce taxes, definitely will give relief to Mumbai people," he said during Question Hour in the Rajya Sabha. The Union Finance Minister has already clearly stated why the Centre was not reducing taxes on fuel, he added. Pradhan was responding to Shiv Sena leader Anil Desai's query why the government was increasing percentage of ethanol blending and not taking immediate steps like decreasing taxes on fuel. On ethanol blending, the minister said the scheme was launched during the tenure of Atal Bihari Vajpayee but later it was kept aside. Now, the current government is giving priority to this programme.

*The Economic Times - 18.03.2021*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/states-like-maharashtra-should-reduce-taxes-on-fuel-to-give-relief-to-people-pradhan/articleshow/81550326.cms>

## **Goldman sees oil price pullback as buying opportunity**

Goldman Sachs sees the oil price pullback as a buying opportunity and forecasts Brent crude reaching \$80 per barrel this summer even as the recent rally in prices "takes a big breather." Oil prices are set to drop about 9 per cent this week after growing worries about weak demand in Europe and a strengthening U.S. dollar sent Brent futures down about 7 per cent on Thursday. Brent jumped above \$70 a barrel on March 8 for the first time since the COVID-19 pandemic began. It was trading around \$63.47 a barrel on Friday. Despite the sharp drop in prices, Goldman expects rapid oil market rebalancing in the coming months. The Wall Street bank said headwinds related to European Union demand and Iran supply would slow the oil market rebalancing by 0.75 million barrels per day (bpd) in the second quarter, although it expects OPEC+ will act to offset that. The bank sees OPEC+ production increasing by 2.8 million bpd by August, well above the ramp-up in production expected by the Organization of

Sarkaritel.com- 19.03.2021

<https://www.sarkaritel.com/expect-pickup-of-upstream-oil-producers-profitability-in-fy22-india/>

## **India to cut Saudi Arabian oil imports after OPEC ignores India demand**

India's state refiners are considering purchasing fewer barrels from Saudi Arabia in May after the OPEC ignored New Delhi's call for higher supplies to calm international crude oil prices. They have yet to take a final call as the move risks a Saudi retaliation and souring of decades-old ties between the two countries. The extended output cut by Saudi and its allies, which has pushed up prices by a third this year to above \$68 a barrel on Wednesday, has driven Indian fuel prices to record highs. Indian Oil Corporation, HPCL, BPCL and MRPL have discussed the possibility of reducing Saudi oil purchase for May and have until April 5 to inform Riyadh about this, said people with knowledge of the matter. Weaker demand due to increasing Covid-19 cases or regular maintenance shutdowns may also contribute to lower purchase from Saudi Arabia in May, they said. Refiners have annual purchase deals with Saudi Arabia and must share their monthly loading plans about four weeks in advance.

*The Economic Times 18.03.2021*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-to-cut-saudi-arabian-oil-imports-and-buy-more-from-us/articleshow/81549950.cms?from=mdr>

## **Gas under GST will help sector and enhance consumption: Petroleum Secy**

There's a lot happening in the oil and gas sector to boost gas consumption and make India Atmanirbhar, even as the most tracked divestment of BPCL is underway. CNBC-TV18 spoke to the person crafting the many moves across the sector on the several pieces of the reform agenda, Tarun Kapoor, Secretary, Ministry of Petroleum and Natural Gas. "Crude price internationally has been going up and down, it has been fluctuating between USD 66 per barrel and USD 70 per barrel. Our price is depended on the product price which means that the price of petrol and diesel internationally and it has been fluctuating between USD 70 per barrel and USD 75 per barrel," he said. The government doesn't get into the pricing because the oil marketing companies (OMCs) take their own decision. "We don't get into this pricing issue," he mentioned. In

the Petroleum Exporting Countries (OPEC) and the International Energy Agency.

*The Economic Times - 19.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/goldman-sees-oil-price-pullback-as-buying-opportunity/81583578>

## **India looking for other sources of crude supply, says Nirmala Sitharaman**

India will look for alternative sources of crude oil to ensure sustained supply of the fuel, Finance Minister Nirmala Sitharaman said. New supply chains won't likely have an impact on crude prices though, she said on Saturday. The Central and state governments will have to discuss about the inflationary impact of rising crude and its impact on consumers and the economy, Sitharaman said. A government panel is monitoring food-related inflation to ensure that supply distortions due to seasonal changes or a change in crop patterns are being addressed, the finance minister said. An increase in the number of Covid-19 infections is worrying for both the government and the private sector, Sitharaman said. India remains in a comfortable position in its supply of vaccines, and the government is planning to ramp up inoculations to citizens to address concerns over the upsurge in cases, she said. On the economy, Sitharaman said high frequency indicators show the economy is steadily improving.

*The Economic Times - 22.03.2021*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-looking-for-other-sources-of-crude-supply-says-nirmala-sitharaman/articleshow/81613756.cms>

## **Weak demand hits refineries' capacities**

Capacity utilisation at Reliance Industries Limited (RIL) and a few state-run refineries declined in February amid weaker fuel demand and planned maintenance shutdown. RIL's refining complex in Jamnagar, the largest in the world, processed 14% less crude oil in February than it did a year ago, as per the petroleum and natural gas ministry's monthly report. Crude oil processed at RIL facilities had declined 3% year-on-year in January while increasing 1% in the month before. The report did not give a reason for the slide in RIL's run rate while attributing the decline at other facilities to planned maintenance shutdown and weak demand. All domestic refineries together processed 12% less crude oil year-on-year in February. In both the previous months, they had processed 1% more than the year-ago

terms of getting gas under goods and services tax (GST), he said, "In the ministry, we feel that it is important to get gas under GST because gas is moved in pipelines across the country.

*Energy infra Post - 19.03.2021*

<https://www.energyinfrapost.com/gas-under-gst-will-help-sector-and-enhance-consumption-petroleum-secy/>

### **PSU oil cos expanded retail operations during pandemic though product demand remained sluggish**

Public sector oil marketing companies IndianOil, Hindustan Petroleum and privation bound Bharat Petroleum remained active in the country's oil market in 2020 even though the pandemic and lockdown severely dented demand for petroleum products. Even with petrol and diesel sales remaining below the pre-Covid levels in the last part of 2020, the PSU oil companies continued to invest in expanding their retail outlets with the three adding 5482 retail outlets in the 10-month period of FY21 up to January end 2021. The private sector on the other hand remained mute on their marketing initiatives adding a mere 376 fuel outlets. Among the PSUs, IOC added 2147, BPCL – 1,792 and HPCL – 1543 retail outlets in the April-January period of FY21. According to a report by Emkay Global Financial Services, retail outlets' market share increase has been the highest for BPCL followed by HPCL, though IOCL and others saw a decline yoy. RIL added only 12 new outlets, while Nayara added 298 during the April to January period. BPCL also maintained the lead in retail outlet petrol throughput: the company's petrol throughput per retail outlet (RO), a key efficiency indicator, was 56.2kl/month in Q3FY21 vs 52.4 for HPCL and 49.5/48.3 for IOCL/others.

*Sarkaritel.com - 21.03.2021*

<https://www.sarkaritel.com/psu-oil-cos-expanded-retail-operations-during-pandemic-though-product-demand-remained-sluggish/>

### **Progress on BPCL privatisation multiple steps remains: Fitch**

Fitch Ratings on Friday said there is more visibility on BPCL privatisation, but there is still little information on potential restrictions for the new owner in relation to employee protection, asset stripping, and investment lock-in. Also, there is a need for further clarity on the future of subsidies paid to BPCL's customers on the sale of LPG and kerosene as well as the freedom on the pricing of petrol and diesel before the divestment can conclude, it said. The government is selling its entire 53.98 per cent stake in India's second-

periods. Domestic demand for petroleum products fell 5% in February. The demand for diesel, which makes up about 40% of the local oil demand, contracted 8.5%. Petrol sales declined 6.5%.

*The Economic Times - 22.03.2021*

<https://epaper.timesgroup.com/Olive/ODN/Th eEconomicTimes/shared/ShowArticle.aspx?doc =ETKM%2F2021%2F03%2F22&entity=Ar0130 0&sk=F66A449A&mode=text>

### **BPCL invests Rs 264 crore in supply enhancement to take up its market share**

In a bid to increase its retail presence in Eastern India, Bharat Petroleum Corporation (BPCL), will add 400 more retail outlets in FY22 above its existing 2,738 retail outlets in the eastern region envisioning an increase in market share in Motor Spirit and High-Speed Diesel from present 27% to 30%. The total 3,138 retail outlets across the eastern region will cover twelve states. The revamped Budge Budge installation and the multi-product pipeline from Haldia jetty to BPCL's coastal installation in Kolkata will facilitate the enhanced supplies through the added number of retail outlets, for which the company has to spend Rs 264 crore. PS Ravi, BPCL's executive director, retail, said, for meeting the eastern region's demand the Budge Budge installation has been revamped for Rs 167 crore. The pipeline from Haldia Port's oil jetty to Kolkata was completed at an outlay of Rs 97 crore. The new pipeline will enable safer and faster unloading of tankers at rates of 1,400 to 1,900-kilo litre per hour. Similarly, the revamped Budge Budge installation will help in storing and transferring a wide range of petroleum products to hinterland depots.

*The Financial Express - 17.03.2021*

<https://www.financialexpress.com/industry/bp-cl-invests-rs-264-crore-in-supply-enhancement-to-take-up-its-market-share/2214105/>

### **IOC to sell hydrogen plants to monetise non-core assets**

State-run Indian Oil Corporation (IOC) plans to sell hydrogen generating plants at its oil refineries to monetise non-core assets and leverage operational efficiencies by bringing in domain experts, its Chairman Shrikant Madhav Vaidya said on Tuesday. To begin with, the company will sell its hydrogen generating unit at its Gujarat refinery and based on the experience, may take up units at other refineries, he said. The sale is part of the asset monetisation agenda of the government aimed

largest fuel retailer Bharat Petroleum Corporation Ltd (BPCL). Three firms, including Vedanta Ltd, have evinced interest in buying the stake. "There is more visibility on the progress of the state of India's divestment of BPCL, following developments on key queries raised by potential buyers, but multiple steps of the process remain outstanding and there are still questions that require further clarity," Fitch Ratings said in a statement. Stating that it will continue to monitor the situation and consider suitable rating action as and when there is progress, it said watched closely is the progress on interested parties receiving security clearances from the government, access to the data room, the start of due diligence process and submission of financial bids.

*The Economic Times - 20.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/progress-on-bpcl-privatisation-multiple-steps-remains-fitch/81589892>

### **Saudi oil giant Aramco to scale back spending after 2020 profit slump**

Saudi Arabian state oil giant Aramco is betting on an Asian-led rebound in energy demand this year after it reported a steep slide in net profit for 2020 on Sunday and scaled back its spending plans. The COVID-19 pandemic took a heavy toll on the company and its global peers in 2020, but oil prices have rallied this year as economies recover from last year's downturn and after oil producers extended output cuts. "We are pleased that there are signs of a recovery," Aramco CEO Amin Nasser told an earnings call. "China is also very close to pre-pandemic levels. So, in Asia, East Asia in particular, there is strong pickup in demand." He said demand in Europe and United States would improve with more deployment of vaccines. Global oil demand is expected to reach 99 million barrels per day by the end of this year, he said. Aramco lowered its guidance for capital expenditure in 2021 to around \$35 billion from a range of \$40 billion to \$45 billion previously, according to a disclosure to the kingdom's Tadawul bourse. Capital spending in 2020 was \$27 billion.

*The Economic Times - 22.03.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/saudi-oil-giant-aramco-to-scale-back-spending-after-2020-profit-slump/81624389>

at generating revenue from selling to private investors unutilised or part utilised assets. "These (hydrogen generating units) are already operating units. Now we are trying to leverage the efficiency of operations by handing it over to the licensor of the unit," he said. Hydrogen is mostly produced from natural gas and naphtha and is used in the processing of intermediate oil products and for the removal of sulphur from refined fuels to meet emission standards.

*Business Standard - 17.03.2021*

[https://www.business-standard.com/article/companies/ioc-to-sell-hydrogen-plants-to-monetise-non-core-assets-121031600689\\_1.html](https://www.business-standard.com/article/companies/ioc-to-sell-hydrogen-plants-to-monetise-non-core-assets-121031600689_1.html)

### **78.27L domestic air passengers in Feb, 36.71% lower than 2020**

Around 78.27 lakh domestic passengers travelled by air in February 2021 which is 36.71 per cent lower than the corresponding period last year, Indian aviation regulator DGCA said on Wednesday. As per the Directorate General of Civil Aviation (DGCA), 77.34 lakh people travelled by air within the country in January. While IndiGo carried 42.38 lakh passengers in February, a 54.2 per cent share of the total domestic market, SpiceJet flew 9.62 lakh passengers which is 12.3 per cent share of the market, according to data shared by the DGCA. Air India, GoAir, Vistara and AirAsia India carried 9.16 lakh, 5.81 lakh, 5.4 lakh and 5.21 lakh passengers respectively in February, it showed. The occupancy rate or load factor of the six major Indian airlines was between 67.9 per cent and 78.9 per cent in February, it stated. "The passenger load factor in the month of Feb 2021 has shown increasing trend compared to previous month primarily due to beginning of tourist season," the DGCA said. The occupancy rate at SpiceJet was 78.9 per cent in February, the regulator noted. Meanwhile, the occupancy rates for IndiGo, Vistara, GoAir, Air India and AirAsia India were 74.4 per cent, 73.7 per cent, 76.5 per cent, 78.3 per cent and 67.9 per cent respectively, according to the DGCA.

*Millennium Post - 18.03.2021*

<http://www.millenniumpost.in/business/7827l-domestic-air-passengers-in-feb-3671-lower-than-2020-434664>

## **As jet fuel prices rise, govt hikes lower domestic fare limits by 5%**

Flying will cost more as the government on Friday hiked with immediate effect lower domestic fare bands by 5%, while extending the validity of air fare ranges by a month. This will remain in force till April-end. Coming ahead of the summer travel season, this is the second hike in domestic airfares in just over a month and has been necessitated by the increase in aviation turbine fuel prices. The aviation ministry had last month hiked minimum domestic fares by 10% and a maximum of 30%. The Delhi-Mumbai airfare will now be in the range of Rs 4,095-13,000, up from Rs 3,900-13,000 since February 11 and the original range of Rs 3,500-10,000 set in May 2020. These are economy one-way fares that don't include airport user fees, passenger security fees and GST. Airlines are currently required to sell at least 20% seats at fares below the mid-point of minimum and maximum fares. "There has been a continuous rise in the price of ATF so it has been decided to increase the lower fare band by 5%," aviation minister H S Puri tweeted Friday.

*The Times of India - 20.03.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F03%2F20&entity=Ar01415&sk=CF4F2AB7&mode=text>

## **Cargo traffic at 12 major ports falls for 11th month in Feb; down 7 % in Apr-Feb**

India's top-12 ports witnessed considerable decline in cargo traffic for the eleventh straight month in February to 600.62 million tonnes (MT), according to ports' apex body IPA. Cargo traffic at 12 major ports that are under the control of the Centre dropped by 6.61 per cent to 600.62 million tonnes (MT) during April-February this fiscal, compared with 643.10 MT in the year-ago period, the Indian Ports Association (IPA) said in its latest report. All ports, barring Paradip and Mormugao – which recorded 0.27 per cent and 30.93 per cent increase in cargo handling to 102.90 MT and 19.28 MT respectively, saw negative growth. Cargo handling at Kamrajar Port (Ennore) nosedived 23.29 per cent during April-February to 22.23 MT, while ports like Mumbai and VO Chidambaranar saw their cargo volumes dropping by over 12 per cent during the said period. Cochin and Chennai ports suffered a sharp decline of about 10 per cent. JNPT saw a decline of 8.06 per cent in cargo volumes, while Deendayal Port Trust and Kolkata ports logged an over 6 per cent drop in cargo volume.

*Millennium Post - 22.03.2021*

<http://www.millenniumpost.in/business/cargo-traffic-at-12-major-ports-falls-for-11th-month-in-feb-down-7-in-apr-feb-435002>