

(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.)

## **2nd wave may leave ₹2L cr dent on eco output: RBI**

The Reserve Bank of India (RBI) has estimated that the second wave may result in a Rs 2-lakh-crore loss in output during the current fiscal, in what is the first such exercise conducted by the central bank or the government. A loss of economic output may not have a direct correlation with the GDP, but points to some loss in the value-addition across the economy. Already, several agencies, including the RBI, have lowered growth projections for the year. The RBI's output loss is factored into its revised GDP forecast in the latest monetary policy estimates, where it slashed growth projections from 10.5% to 9.5%. The state of the economy report released on Wednesday said the projection was on the assumption that real GDP will grow by 18.5% in the first quarter, which is on a much lower base given the contraction last year. Providing more details on the economic impact of the second wave, the RBI said the rate of decline in deposits has been higher, indicating that household savings have dropped in sharp contrast to the first wave.

*The Times of India - 17.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F06%2F17&entity=Ar01307&sk=990AADFE&mode=text>

## **CPI soars to 6-month high; WPI also at a record peak**

Retail inflation hardened to a six-month high in May, joining the rising trend in wholesale inflation that also strengthened to a record, but experts said the Reserve Bank of India (RBI) may tolerate these levels for a while given concerns over growth. Retail inflation, as measured by the consumer price index (CPI), accelerated to 6.3% in May from 4.23% in April, breaching the upper band of the RBI's 2-6% range for the first time in six months, data from the statistics office showed. The wholesale price index (WPI), released separately by the commerce department, showed inflation at 12.94% in May, the highest in the current series with 2011-12 as the base, magnified by the year-earlier low base. WPI

## **Govt open to more steps to boost economy: CEA**

The government is open to coming out with more measures to boost the economy which has been hit by the second wave of the coronavirus pandemic, says Chief Economic Advisor (CEA) K V Subramanian. He, however, added that the demand for a fresh stimulus package has to be considered against the backdrop of a host of initiatives taken by Finance Minister Nirmala Sitharaman in her budget for 2021-22 presented in February. The Chief Economic Advisor was responding to a suggestion made by some industry bodies that the government needed to come out with a Rs 3 lakh crore stimulus package to boost the economy which was badly hit by the second wave of the coronavirus pandemic in April-May. According to an assessment by the Reserve Bank, the second wave has cost the nation about Rs 2 lakh crore in terms of output lost. "Like last year, we do remain very open to coming up with more measures as well...but I think it is really important to take into account the big differences between last year and this year when we talk about stimulus," he said.

*Millennium Post - 21.06.2021*

<http://www.millenniumpost.in/business/govt-open-to-more-steps-to-boost-economy-cea-444063>

## **May exports up 69% to \$32b; trade deficit at 8-month low**

Merchandise exports in May increased by 69.35% from a year ago to \$32.27 billion, driven by growth in the engineering, petroleum, and gems and jewellery sectors, revised trade data released by the commerce and industry ministry on Tuesday showed. Trade deficit in goods stood at \$6.28 billion, the lowest in eight months. Trade deficit was \$15.10 billion in April and \$3.15 billion in May, 2020. Imports in May were up 73.64% year-on-year to \$38.55 billion, data showed. "The widening state-level restrictions shrunk the imports of crude oil and gold, narrowing the merchandise trade deficit to an eight month low in May 2021," said Aditi Nayar, chief economist, ICRA. Exports to the

inflation was -3.37% in May 2020 and 10.49% in April 2021. Rising wholesale inflation, increasingly reflected in retail inflation as well, is going to make things difficult for the RBI, said Sunil Kumar Sinha, principal economist, India Ratings. "However, given the growth inflation dynamics, Ind-Ra believes RBI will not be in a hurry to tinker with either the policy rate or its accommodative policy stance," he said. In its monetary policy review earlier this month, the central bank had held rates and reaffirmed its accommodative policy as it pared the growth forecast for FY22 by a percentage point to 9.5%.

*The Economic Times - 15.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F06%2F15&entity=Ar00203&sk=C930F8C2&mode=text>

### **Centre amends rules pertaining to Indian Accounting Standards**

The government has amended rules pertaining to various Indian Accounting Standards (Ind AS), including those related to interest rate benchmark reform. Ind AS are converged with the International Financial Reporting Standards (IFRS). On Friday, the corporate affairs ministry notified the Companies (Indian Accounting Standards) Rules, 2021. The changes have been made after consultations with the National Financial Reporting Authority (NFRA). Under the revised rules, entities are required to make additional disclosures related to interest rate benchmark reform. These disclosures are to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. Entities would have to disclose the nature and extent of risks to which they are exposed arising from financial instruments subject to interest rate benchmark reform, and how the entities manage these risks. Among others, there are changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform.

*Millennium Post - 20.06.2021*

<http://www.millenniumpost.in/business/centre-amends-rules-pertaining-to-indian-accounting-standards-443924>

### **Draft cabinet note floated for 100% FDI in oil PSUs approved for disinvestment: Sources**

The commerce and industry ministry has floated a draft cabinet note seeking inter-ministerial views on a proposal to allow up to 100 per cent foreign

US, UAE and Singapore recorded the highest jumps, according to data. Exports of engineering, petroleum products and gems and jewellery in May were worth \$8.64 billion, \$5.33 billion and \$2.96 billion, respectively. "The order booking position of our exporters is not only extremely good but also the gradual opening up of major global markets and improvement of situation in the country is expected to push exports growth further," said Sharad Kumar Saraf, president, Federation of Indian Export Organisations.

*The Economic Times - 16.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETM%2F2021%2F06%2F16&entity=Ar01302&sk=AD599928&mode=text>

### **Govt eyes dividend windfall from PSUs**

The government is set to see a dividend windfall thanks to its holdings in public sector undertakings, bringing welcome relief to a treasury that has taken a massive hit from two waves of the coronavirus pandemic. Data from public sector units (PSUs) that have already announced their dividends for FY21 shows that not only have dividends increased to at least a five-year-high, but aggregate net profits of these state-owned companies have also risen. The government has mopped up ₹26,104.37 crore as dividend from 23 listed PSUs in FY21 so far, a 123.63% increase over the previous fiscal year, data sourced from Capitaline showed. In the previous two years, dividends drawn by the government from these companies had fallen 42% in FY19 and slipped 22% in FY20. The data is for BSE 500 companies, which account for over 90% of India's total market capitalization. Bharat Petroleum Corp. Ltd (BPCL) leads the largest dividend-paying companies for fiscal year 2021 with a dividend of ₹8,759.71 crore to the government. BPCL is followed by Coal India Ltd ( ₹6,520.66 crore), Indian Oil Corp. ( ₹5,817.95 crore), State Bank of India ( ₹2,031.95 crore) and GAIL India ( ₹1,142.29 crore).

*Mint - 17.06.2021*

<https://www.livemint.com/news/india/govt-eyes-dividend-windfall-from-psus-11623869345536.html>

### **Want oil firms to synergise imports for better prices' says Tarun Kapoor**

The Union government is holding parleys with state-run energy firms and private refiners to synergise imports of crude worth over \$100 billion annually so that they can collectively

investment under automatic route in oil and gas PSUs, which have an 'in-principle' approval for disinvestment, sources said. The move, if approved by the union cabinet, would facilitate privatisation of India's second biggest oil refiner Bharat Petroleum Corp Ltd (BPCL). The government is privatising BPCL and is selling its entire 52.98 per cent stake in the company. Sources said that as per the draft note, a new clause would be added in the FDI policy under the petroleum and natural gas sector. According to the proposal, foreign investment up to 100 per cent under the automatic route would be allowed in cases where an 'in-principle' approval for disinvestment of a PSU has been granted by the government. For BPCL privatisation, mining-to-oil conglomerate Vedanta had put in an expression of interest (EoI) for buying the government's 52.98 per cent stake in the PSU. The other two bidders are said to be global funds, one of them being Apollo Global Management.

*The Economic Times - 21.06.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/draft-cabinet-note-floated-for-100-fdi-in-oil-psus-approved-for-disinvestment-sources/83700481>

## **Fuel, power see demand rebound**

India's fuel and power demand bounced back in June as states lifted curbs on the back of declining Covid-19 cases across the country, market and government data show. Petrol consumption posted a monthly growth of 15% and diesel 12% in the first fortnight of June. Yet, the sales volume of petrol was 3.5% lower than a year ago and 21% down from the same period of 2019. Diesel volumes were 7.5% lower than the corresponding period of last year and more than 21% lower than the same period of 2019. Consumption of diesel, a proxy for economic activities, had posted a monthly fall of 16% and petrol 17% in May as the second Covid-19 wave prompted lockdowns in states, especially the industrialised ones. Power consumption rose 9% to roughly 56 BUs (billion units) during the fortnight under review from a low base of 51 BUs in the year-ago period as early onset of monsoon and lower industrial activities crimped demand. Consumption had recorded a monthly decline of 7% in May. Jet fuel consumption during the first half of June was sequentially down 17% from the same period of May and 13% lower than a year ago.

*The Economic Times - 17.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F06%2F17&entity=Ar01318&sk=C1DED3A5&mode=text>

bargain better prices from global oil producers at a time when auto fuel rates have soared over ₹100 per litre in several Indian cities. Although refiners are free to source crude oil from across the globe, the government is making efforts to have a common mechanism for collective bargaining that would reduce the average cost of crude imports and benefit all stakeholders, petroleum secretary Tarun Kapoor said. "We have already held couple of meetings with petroleum companies, both in public and private sectors," Kapoor said, adding that this was a work in progress. Currently, refiners have individual crude sourcing strategy. The initiative is significant in the light of northward rise in petrol and diesel rates since May 4. India is world's third largest crude oil importer after the US and China, and purchases more than 80% of the crude oil it processes.

*The Hindustan Times - 19.06.2021*

<https://www.hindustantimes.com/business/wa-toil-firms-to-synergise-imports-for-better-prices-says-tarun-kapoor-101624062308524.html>

## **IEA: Need at least 5 mn bpd of supply in the next 1 yr to meet the expected increase in demand**

Amidst the commodity complex carnage, crude managed to restrict the losses to just a little over 1%. It stayed steady near the \$71/bbl mark. The last few days have seen a massive run up in crude, triggered by the IEA report that points to a tight crude oil market. Christophe Barret, Senior Oil Market Analyst, IEA says that April, May economic activity has picked up very fast and that mobility indicators show that demand accelerating very fast in US, EU. "Vaccinated countries are showing very strong demand rebound", says Barret. Going forward, Summer could see exceptionally high demand in US, EU Barret says that we are not very far from pre-pandemic crude demand levels "We should see demand going back to 2019 levels by Q4CY22, Gasoline demand is already very close to where it was in 2019", Barret. So, amidst the surge in demand, what does the supply picture look like. Barret says that the supply currently is enough to meet demand through the Summer, though post Summer, the picture will change.

*Energy Infra Post - 20.06.2021*

<https://www.energyinfrapost.com/iea-need-at-least-5-mn-bpd-of-supply-in-the-next-1-yr-to-meet-the-expected-increase-in-demand/>

## **Petroleum Min proposes changes in law to include hydrogen in mineral oil**

The petroleum ministry has proposed amendments to existing law to include cleaner sources of energy like hydrogen within the definition of 'mineral oils' for which the government gives out licence to explore and produce. Seeking stakeholder comments, the ministry said the Oilfields (Regulation and Development) Amendment Bill 2021 proposes to amend the present Act to "create opportunities for exploration, development and production of next-generation cleaner fuels and mitigate regulatory challenges and risks." It also proposes a new definition of 'mineral oils' by including within its ambit modern and cleaner sources of energy like hydrogen. Conventionally, mineral oil is understood to mean hydrocarbons in various forms including natural gas and petroleum oil. In the aftermath of the COVID-19 pandemic and the Paris Climate Change Agreement, the global community is committed to developing and using clean energy sources. Hydrogen gas is one such clean source of energy, which can be produced, distributed and regulated in conjunction with natural gas, it said.

*The Economic Times - 18.06.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/petroleum-min-proposes-changes-in-law-to-include-hydrogen-in-mineral-oil/83623878>

## **H-Energy signs agreement with Petrobangla for LNG gas pipeline link**

Achieving a major milestone for supply of re-gasified LNG (R-LNG) from India to Bangladesh, H-Energy signed an MoU with Petrobangla on June 16, 2021. The companies will soon finalise a long-term supply agreement to commence the supply of R-LNG to Bangladesh through a cross-border natural gas pipeline. A portion of the piped gas may also be utilised in West Bengal. H-Energy was authorised by the Petroleum and Natural Gas Regulatory Board (PNGRB), the regulatory body in India, to build, own and operate Kanai Chhata-Shrirampur natural gas pipeline connecting H-Energy's LNG terminal in West Bengal passing through various regions of the state and further connecting to the Bangladesh border. H-Energy is the only company to have received the authorisation from PNGRB to lay a pipeline till the border for the supply of R-LNG into Bangladesh. Darshan Hiranandani, CEO of H-Energy, said: "This is a key milestone in the future of India-Bangladesh energy cooperation.

*The Economic Times - 17.06.2021*

## **India to boost ethanol production as people facing problems due to high fuel rates: Gadkari**

Union minister Nitin Gadkari on Wednesday said India is going to increase the production of alternative fuel ethanol as people are facing problems due to a rise in the prices of petrol and diesel. Addressing a conference organised by BRICS Network University virtually, Gadkari mentioned that automobile makers are producing flex-fuel engines in Brazil, Canada and the US providing an alternative to customers to use 100 per cent petrol or 100 per cent bio-ethanol. "Now Indian production (of ethanol) we are going to increase because of the rise in petrol price, people are facing a lot of problems," Gadkari said while explaining that the use of ethanol is cost effective. Petrol prices in some parts of the country, including metro cities Mumbai and Hyderabad, have crossed Rs 100 per litre mark due to multiple fuel price hikes in past six weeks. Petrol retails at over Rs 100 per litre mark in seven states and union territories -- Rajasthan, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka and Ladakh.

*The Economic Times - 17.06.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-to-boost-ethanol-production-as-people-facing-problems-due-to-high-fuel-rates-gadkari/83593410>

## **Government may raise foreign investment limit to aid BPCL sale**

India is considering making it easier for foreign investors to acquire control of Bharat Petroleum Corp., according to people familiar with the matter, as the government tries to sell the state firm and bridge a widening budget deficit. If the cabinet clears the proposal, overseas funds would no longer need government approval to purchase a 100% stake in state-run refiners cleared in-principle for disinvestment, the people said, asking not to be identified as the deliberations are private. The limit will stay 49% for firms not lined up for asset sales. India needs to find a buyer for its 53% stake in BPCL, one of two major state firms -- the other being Air India Ltd. -- identified by the government to help shore up its finances following a deadly second wave of coronavirus infections. The government has budgeted \$23 billion from divestments in the financial year that started April 1. A finance ministry spokesperson refused to comment on the matter.

*The Economic Times - 15.06.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-may-raise->

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/h-energy-signs-agreement-with-petrobangla-for-Ing-gas-pipeline-link/83593252>

## **BPCL and Air India selloffs gain pace as Covid second wave subsides**

Contrary to fears that the selloffs of BPCL and Air India will be delayed till the next fiscal, the Centre now expects to complete the exercise in this fiscal as the second wave of the coronavirus subsides. The financial bids will now be called in September against apprehensions the bids can only be called in the fourth quarter, officials said. They said the Union cabinet would soon consider tweaking the foreign direct investment policy to allow 100 per cent ownership of a state-owned refinery by global players through the automatic route. The draft share purchase agreement is expected to be finalised by late July-early August and the financial bids called around September. The BPCL divestment that involves the sale of the government's entire 52.98 per cent stake in the PSU, was cleared by the Union cabinet in November 2019. But there has been limited progress because the Covid outbreak has dimmed global oil majors' interest in the stake sale.

*The Telegraph - 21.06.2021*

<https://www.telegraphindia.com/business/bpcl-and-air-india-selloffs-gain-pace-as-covid-second-wave-subsides/cid/1819524>

## **Saudi Aramco Chairman may Join RIL Board**

Yasir al-Rumayyan, chairman of Saudi Aramco and governor of the kingdom's \$430 billion sovereign wealth fund, may join the board of Reliance Industries (RIL), a key step to further deepen the partnership between the world's largest oil exporter and one of the fastest growing energy consumers, said people familiar with the matter. The possible induction of Rumayyan into the RIL board would also be the first for any foreign citizen. He is counted among the most influential decision makers in the world of energy and investing and is closely involved in Saudi prince Mohammed bin Salman's plans to diversify Saudi Arabia's petroleum dependent economy, said officials who have been briefed on the matter. A formal announcement, according to some, may happen in the upcoming annual general meeting (AGM) of RIL, scheduled for later this month. Apart from having deeper implications for Indo-Saudi oil diplomacy, which had frayed in recent months, Reliance watchers see this as a strategic step leading to the culmination of the much-awaited \$15 billion investment by Aramco in RIL's oil

[foreign-investment-limit-to-aid-bpcl-sale/83530653](https://www.business-standard.com/article/international/saudi-aramco-announces-completion-of-share-sale-worth-12-4-billion-121062000166_1.html)

## **Saudi Aramco announces completion of share sale worth \$12.4 billion**

Saudi Aramco has announced the completion of a \$12.4 billion sale in its natural gas pipeline to an international investor consortium. The consortium consists of a broad cross-section of investors from North America, Asia and the Middle East, in which it acquired a 49-percent stake in Aramco Oil Pipelines Co, the Saudi Press Agency (SPA) reported on Saturday. As part of the transaction, first announced in April 2021, Aramco and its subsidiary entered into a 25-year leaseback agreement for the oil giant's stabilised crude oil pipelines network, Xinhua news agency quoted the SPA as saying. Aramco Oil Pipelines Co. will receive a tariff payable by Aramco for stabilised crude oil flows, backed by minimum volume commitments. Aramco continues to hold a 51 per cent majority stake in the subsidiary and retains full ownership and operational control of its stabilised crude oil pipeline network.

*Business Standard - 20.06.2021*

[https://www.business-standard.com/article/international/saudi-aramco-announces-completion-of-share-sale-worth-12-4-billion-121062000166\\_1.html](https://www.business-standard.com/article/international/saudi-aramco-announces-completion-of-share-sale-worth-12-4-billion-121062000166_1.html)

## **Domestic air passengers in May 63% lower than April: DGCA**

Around 21.15 lakh domestic passengers travelled by air in May, which is 63% lower than the 57.25 lakh who travelled in April as the deadly second wave of covid pandemic hit the sector badly, data by the Directorate General of Civil Aviation (DGCA) showed on Thursday. 78.22 lakh people travelled within the country by air in March. While IndiGo carried 11.69 lakh passengers in May, a 55.3-per cent share of the domestic market, SpiceJet flew 1.99 lakh passengers, accounting for a 9.4-per cent share of the market, according to data shared by the DGCA. Air India, GO FIRST (previously known as GoAir), Vistara and AirAsia India carried 4.29 lakh, 1.38 lakh, 97,000 and 64,000 passengers respectively in May, the data showed. The occupancy rate or load factor of the six major Indian airlines was between 39.3 per cent and 64 per cent in May, it stated. The occupancy rate at SpiceJet was 64 per cent in May, the DGCA noted. The occupancy rates for IndiGo, Vistara, GO FIRST, Air India and AirAsia India were 51.2 per cent, 40.9 per cent, 63.3 per

refining and petrochemicals arm, first announced in the 2019 AGM by RIL chairman Mukesh Ambani.

*The Economic Times - 15.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F06%2F15&entity=Ar00300&sk=BCE46184&mode=text>

## **International Air Travel Bookings Gain Altitude**

Easing of rules for Indian students in the US and UK and hopes of a gradual reopening of international flights in the near future have led to a small spurt in demand for international air travel, said senior executives at travel companies. "In the last 3 weeks, we have seen a spike of one-way bookings (up to 75%) to the US, UK and Canada, likely driven by students heading over to these destinations for higher studies," said Rajiv Subramanian, vice president at travel portal Cleartrip. "However, volumes are still extremely low compared to pre-Covid levels," he added. "Students who had deferred their plans due to the lockdown last year are hoping that 2021 allows them to fulfil their international higher education ambitions. Additionally, as centres continue to prioritise vaccination for students travelling abroad, we are seeing growing confidence among students and parents. We have seen an encouraging 20% increase (over three months) in requests for remittances from student travellers from metros such as Mumbai, Delhi, Chennai, Hyderabad and tier-2/3 cities including Ludhiana, Jalandhar, Lucknow, Salem, Trichy," said Deepesh Varma, senior vice president, foreign exchange, Thomas Cook India.

*The Economic Times - 20.06.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETM%2F2021%2F06%2F20&entity=Ar00103&sk=F693689B&mode=text>

cent, 39.3 per cent and 44.4 per cent respectively, it added.

*Mint - 18.06.2021*

<https://www.livemint.com/news/india/domestic-air-passengers-in-may-63-lower-than-april-dgca-11623928916724.html>

## **GAIL (India) appoints director**

GAIL (India) announced the appointment of Dr. Navneet Mohan Kothari, JS (Marketing) [DIN:-02651712] , Ministry of Petroleum and Natural Gas on the Board of Directors of GAIL (India) w.e.f. 16 June 2021 for a period of 3 years on co-terminus basis or until further orders, whichever is earlier.

*Business Standard - 17.06.2021*

[https://www.business-standard.com/article/news-cm/gail-india-appoints-director-121061701263\\_1.html](https://www.business-standard.com/article/news-cm/gail-india-appoints-director-121061701263_1.html)