WEEKLY MEDIA UPDATE

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Monday

(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.)

FinMin starts consultation with investors to launch global ETF

The Finance Ministry has started consultation with global investors for launching CPSE-scrip based Exchange Traded Fund (ETF) in overseas market in the current fiscal, a government official has said. The Department of Investment and Public Asset Management (DIPAM) will start developing the index for the ETF based on investors' feedback about demand of sector specific stocks. "We are eyeing large overseas pension funds for investments into the overseas ETF. We will soon appoint fund managers for developing the new ETF. Global roadshows have seen good investor interest in ETF route for investments into CPSEs," the official said. The government currently has two exchange-traded funds -- CPSE ETF and Bharat-22 ETF -- listed on domestic exchanges. ETFs function like a mutual fund scheme and have underlying assets of government-owned companies. Bharat-22 ETF, which was launched in 2017-18, has 16 central public sector enterprises covering six sectors, 3 public sector banks and 3 private sector companies where the government holds minority stake. CPSE-ETF comprises shares of 11 companies -- ONGC, Coal India, Indian Oil Corp, Power Finance Corp, REC, Bharat Electronics, Oil India, NTPC, NBCC (India), NLC India and SJVN Ltd.

The Economic Times - 28.04.2019

https://economictimes.indiatimes.com/markets/stocks/news/finmin-starts-consultation-with-investors-to-launch-global-etf/articleshow/69080046.cms

Finmin asks all departments to conduct review of govt guarantees; submit details by Apr 30

The Finance Ministry has asked all departments to undertake a review of government guarantees given by respective ministries to their CPSEs or entities. The review should undertake aspects like the discharge of repayment obligations or interest obligations as per terms of the loan agreement and covenants and conditions met, the Finance Ministry said in an office memorandum. Besides, the details of CPSEs or entities due guarantee fee paid on time to the government should also be submitted. The Finance Ministry has extended date for submission of these details to April 30 from April 10. Guarantees are contingent liabilities have the potential to impact the financial performance of the government. In another circular, the ministry said FRBM Rules stipulates that government cannot guarantee more than 0.5 per cent of the GDP of the respective financial year to CPSE/entities. All ministries and departments are requested that prioritised guarantee requirement for 2019-20 may be worked out to include only such proposals where the loan agreement can be signed and guarantee agreement can be executed during the year.

The Economic Times -23.04.2019

https://economictimes.indiatimes.com/news/economy/policy/finmin-asks-all-departments-to-conduct-review-of-govt-guarantees-submit-details-by-apr-30/articleshow/68995515.cms

Central PSUs set to go on a hiring spree this year

Faced with a severe staff crunch, central public sector companies have more than doubled their hiring plans for this year, with the likes of Air India, BSNL, Indian Oil and ONGC in the process of recruiting as many as two lakh people at various levels. Oil sector PSUs alone are likely to hire nearly 6,000 people, with Indian Oil Corporation set to employ 1,000 people and Oil & Natural Gas Corporation (ONGC) offering 800-1,000 jobs, according to industry sources. Besides, the railways, the country's largest employer, will be hiring around 1.27 lakh people in 2019. Air India

Iran tension stokes inflation worries

The next government at the Centre will have to contend with high oil prices and its impact on inflation and the current account deficit, following the US withdrawing its waiver on Iranian oil for some countries such as India, China and Japan. The global Brent crude price has touched over $74 per barrel. Estimates are it could increase and touch $80 per barrel in the coming months. Iran has threatened to close the Strait of Hormuz, the major oil shipping route, in retaliation to the US action. Any such move by Tehran will send prices soaring. Oil minister Dharmendra Pradhan in a tweet said "a and BSNL are also scouting for about 1,000 people each. All together, over 2.5 lakh people could be recruited by CPSEs for various posts and categories across the country by the end of 2019. These state-run companies are also tapping talent across the spectrum with specialised skills like wealth management, analytics, strategy, digital and customer services. All of which are now key areas important in ensuring that businesses can expand in a highly competitive market. Officials in multiple CPSEs also say that outsourcing has increased, which is why there has been a deliberate delay in refilling positions. The total number of personnel employed in CPSEs stood at 14 lakh in 2018, which was lower compared to around 15 lakh in 2017.

The New Indian Express - 25.04.2019

www.newindianexpress.com/business/2019/apr/25/central-psus-set-to-go-on-a-hiring-spree-this-year-1968706.html

Global oil markets adequately supplied: IEA

Global oil markets are adequately supplied and spare production capacity remained at comfortable levels, the International Energy Agency (IEA) said on Tuesday, while highlighting the need to avoid higher oil prices amid fragile global economic growth. The agency's comments come against the backdrop of the United States tightening its sanctions on leading oil producer Iran. "Further tightening of sanctions on Iran will have an impact on its export capacity," the Paris-based IEA said, adding Iranian shipments of crude and condensates are running around 1.1 million barrels per day (bpd), 300,000 bpd lower than March, and 1.7 million bpd lower than May 2018. The agency, which coordinates the energy policies of industrialised nations, said global spare production capacity has risen to 3.3 million bpd due to high compliance rate with the agreed supply cuts among the Organization of the Petroleum Exporting Countries and its allies. OECD oil inventories at the end-February were at 2.871 billion barrels, above the five-year average, IEA said, adding total oil supplies from the United States are expected to increase by 1.6 million bpd this year.

The Economic Times - 24.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-markets-adequately-supplied-iea/69020708

robust plan for an adequate supply of crude oil to Indian refineries" is in place. "There will be additional supplies from other major oil-producing countries; Indian refineries are fully prepared to meet the national demand for petrol, diesel & other petroleum products." The oil ministry, too said a plan was in place to ensure supplies of crude oil from May when the waiver ends. "The government will continue to work with partner nations, including the US, to find all possible ways to protect India's energy and economic security interests," an external affairs ministry spokesperson said.

The Telegraph - 24.04.2019

https://www.telegraphindia.com/business/iran-tension-stokes-inflation-worries/cid/1689315

India's Crude Oil Output Drops 4% in FY19

The country's crude oil production fell over 4% in the financial year 2018-19 after aging fields of state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) missed the target, official data showed Thursday. India produced 34.2 million tonne of crude oil in the fiscal year ended March 31, down from 35.7 million tonne in the previous year, according to data released by the ministry of petroleum and natural gas here. ONGC output dropped to 21 million tonne from 22.25 million tonne in 2017-18, while OIL saw a 2.5% dip to 3.3 million tonne. Fields in the private sector saw a production drop of nearly 2%to 9.8 million tonne mainly because of lower output at Cairn India's Rajasthan oilfields. ONGC production was lower due to technical issues at its Mumbai and Neelam Heera fields in the Arabian Sea and less than the production at Santhal and Balol fields in Gujarat. During March, the country's total crude oil production fell to 2.85 million tonne from 3.04 million tonne in the corresponding month of the previous fiscal year. Natural gas production, however, edged up to 32.9 billion cubic metre (BCM) in 2018-19, from 32.6 BCM in the previous year as ONGC produced 5.3 per cent more gas at 24.67 BCM.

The Economic Times -26.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F26&entity=Ar01115&sk=CA9A290A&mode=text

Iran Sanctions: India lines up alternative sources, supplies not to be impacted

India, the second biggest buyer of Iranian oil, has lined up alternate sources to make up for the likely shortfall in supplies after the US decided not to give waiver from its sanctions for buying oil from the Persian Gulf nation. The Trump administration on Monday decided not to renew waiver that let countries like India buy Iranian oil without facing US sanctions. "Our crude sources are wide. We have alternate sources lined up to make up for any shortfall," a top source said. US President Donald Trump last year withdrew from the 2015 nuclear deal between Iran and world powers and revived a range of sanctions against the Persian Gulf nation. It, however, granted a six-month waiver from sanctions to eight countries - China, India, Japan, South Korea, Turkey, Italy and Greece, but with a condition that they would reduce their purchases of Iranian oil. India, which is the second biggest purchaser of Iranian oil after China, had agreed to restrict its monthly purchase to 1.25 million tonne or 15 million tonne in a year (300,000 barrels per day), down from 22.6 million tonne (452,000 barrels per day) bought in 2017-18 financial year.

The Times of India - 23.04.2019

https://timesofindia.indiatimes.com/business/india-business/iran-sanctions-india-lines-up-alternate-sources-supplies-not-to-be-impacted/articleshow/68994539.cms

US says will scrap Iran oil waivers, hurting India and China's import plans

The Trump administration said it won't renew waivers that let countries buy Iranian oil without facing U.S. sanctions, a move that roiled energy markets and risks upsetting major importers such as China and India. "This decision is intended to bring Iran's oil exports to zero, denying the regime its principal source of revenue," White House Press Secretary Sarah Sanders said in a statement Monday. "The U.S., Saudi Arabia and the United Arab Emirates, three of the world's great energy producers, along with our friends and allies, are committed to ensuring that global oil markets remain adequately supplied," according to the statement. The current set of waivers--issued to India, China, Greece, Italy, Japan, South Korea, Taiwan and Turkey--expires May 2. The decision not to renew the waivers is a victory for National Security Adviser John Bolton and his allies who had argued that U.S. promises to get tough on Iran were meaningless with waivers still in place. Secretary of State Michael Pompeo and his team had been more cautious, though they also maintained that the market was well-enough supplied to ramp up pressure on Iran.

Business Standard - 23.04.2019

https://www.business-standard.com/article/economy-policy/us-says-will-scrap-iran-oil-waivers-hurting-india-and-china-s-import-plans-119042200937_1.html

India assures adequate crude supply to country's refiners

Even as analysts warned the US's decision to eliminate sanction waivers for importers from Iran from May 2 could worsen India's current account deficit, the government on Tuesday said a 'robust plan' was in place to ensure adequate supply of crude oil to Indian refineries. "There will be additional supplies from other major oil-producing countries; Indian refineries are fully prepared to meet the national demand for petrol, diesel and other petroleum products," petroleum minister Dharmendra Pradhan tweeted. Iran is currently the third largest source of crude oil imports for India in volume term and the fourth largest in value term (implying the Persian Gulf country offers cheaper crude to the country). A complete embargo on importing oil from Iran would mean that India has to shift to other markets. "A permanent increase in crude oil prices by 10% under ceteris paribus conditions could translate into the current account deficit increasing by 0.4-0.5% of GDP," CARE Ratings wrote. "If the crude oil price remains around $75/barrel for another month, the MPC may postpone a rate cut in the June bi-monthly committee meetings," it added.

Oil hits highest since November as US tightens Iran sanctions

Oil prices hit their highest since November on Tuesday after Washington announced the end of all waivers on imports of sanctions-hit Iranian crude, pressuring importers to stop buying from Tehran. Brent crude futures rose as high as $74.70, a level not seen since Nov. 1, before paring their increase as the market gained confidence that global supply would remain robust. By 1355 GMT, Brent futures were at $74.28 a barrel, up 24 cents, or 0.32 percent, from their last close. U.S. West Texas Intermediate crude futures were at $66.19 per barrel, up 64 cents or about 1 percent, having earlier reached their highest since October at $66.31. Despite Washington's announcement, spare capacity from other suppliers such as Saudi Arabia and possible continued imports of Iranian crude by China could balance the market. "Most people expect that China will continue to import Iranian oil and might even increase imports. They have to make a stand here," SEB commodities strategist Bjarne Schieldrop said. "Saudi Arabia will be capable of

The decision of the US administration led to a 3% jump in Brent crude oil price on Monday followed by another 0.6% on Tuesday to $74.46 per barrel.

The Financial Express - 24.04.2019

https://www.financialexpress.com/market/commodities/india-has-robust-plan-to-avoid-oil-supply-crunch-after-us-sanctions-on-iran-import-kick-in/1557083/

India seeks right balance of ties with US, Iran

India is looking to balance its ties between the US and Iran even as New Delhi plans to source oil from alternate sources following expiry of waiver for Iranian oil imports from early May. New Delhi plans to assert its strategic autonomy by continuing to pursue its partnership with Tehran in long-term strategic interests, according sources. India's sole gateway to Iran is through Afghanistan and provides a shorter route to Central Asia and Eastern Russia via the Chabahar Port. Central Asia and Eastern Russia via the Chabahar Port. Central Asian majors Kazakhstan and Uzbekistan want to connect with India to push their respective economic partnerships with Delhi and connections tivity via Iran remains the most viable option, said a source. Iran is also a key element in India's Indo-Pacific construct to connect Eurasia with Indian Ocean and Pacific as Delhi hopes to provide an alternative to China's Belt and Road Initiative, another source said. International North South Transport Corridor (INSTC), currently under negotiations, will connect Mumbai with St Petersburg in a shorter time period via Iran as India seeks to broad-based its economic ties with Russia.

The Economic Times - 25.04.2019

https://economictimes.indiatimes.com/news/politics-and-nation/india-seeks-right-balance-of-ties-with-us-iran/articleshow/69034343.cms

Saudi crude bridge

India is negotiating with Saudi Arabia and the UAE for crude on term contracts to make up for a shortfall in Iranian oil because of the withdrawal of the waivers by the US. "Talks are on with Saudi Arabia, UAE, Kuwait and other Opec members to enter into additional term contract to bridge the void left by the non-availability of oil from Tehran," oil ministry officials said. They said the plan was to buy 15-20 million tonnes (mt) from the two West Asian countries. Iran is a principal source of crude for India, accounting for almost a tenth of its imports in 2017-18. India bought 22.6 mt, in 2017-18 from Iran but brought it down to 15 mt last fiscal as the sanctions against Iran was partially in place. Crude under term contract is chipping in too to add to global supply," he added.

The Economic Times - 24.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F24&entity=Ar00914&sk=48DAFF6D&mode=text

U.S. sanctions on Iran, Venezuela set up crunch for heavier oil

Tighter U.S. sanctions on Iranian oil planned for May are adding to a wealth of factors curbing global supply of heavy-medium crude, driving up prices for scarcer barrels and setting up a stand-off between buyers and sellers. The new curbs on Iranian exports come on top of Washington's earlier ban on Venezuelan crude and output snags in Angola, another big producer of the dense crude grades that best yield lucrative refined products like jet fuel. Refiners are also seeking more of the heavy sweet crude Iran and Venezuela once provided in abundance to produce low-sulphur fuel oil ahead of new shipping emissions rules due next year. U.S. officials say overall global oil supply will remain plentiful despite its sanctions, not least from the boom in U.S. shale. But much of the profusion in supply, led by the United States, Saudi Arabia and Russia, is in lighter grades. The price for heavier crudes like Norway's Grane and Heidrun has been firming over the last few months, a North Sea trader said. Over April, the price of Grane rose from around dated Brent plus 10 cents to close to dated Brent plus $1.00 a barrel.

The Economic Times - 29.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/u-s-sanctions-on-iran-venezuela-set-up-crunch-for-heavier-oil/69089697

Oil falls after Trump urges greater OPEC output to replace Iranian oil

Oil prices fell on Monday, extending a slump from Friday that ended weeks of rallying, after President Donald Trump demanded that producer club OPEC raise output to soften the impact of U.S. sanctions against Iran. Brent crude futures were at $71.80 per barrel at 0215 GMT, down 35 cents, or 0.5 percent, from their last close. U.S. West Texas Intermediate (WTI) crude futures were at $62.91 per barrel, down 39 cents, or 0.6 percent, from their previous settlement. Both benchmarks fell around 3 percent in the previous session. ANZ bank said on Monday oil prices "took a hit after President Trump indicated he had spoken with Saudi preferable to spot purchase as a term contract allows purchases in a fixed price band. Spot prices, on the other hand, are expected to jump amidst tension in West Asia. “The one million barrels per day (Iranian exports) is a sizeable reduction in supplies. While it can be offset by additional supply from Opec+ it is coming at a time there are ongoing disruptions in Libya and Nigeria,” K. Ravichandran, senior vice-president at research and ratings agency Icra, said. Opec+ comprises the 14 members of Opec and another 10 non-Opec nations such as Russia, Mexico and Kazakhstan.

The Telegraph - 27.04.2019

https://www.telegraphindia.com/business/saudi-crude-bridge/cid/1689486

Arabia about reducing the impact of lower Iranian oil exports by increasing flows elsewhere." Trump said on Friday he called the Organization of the Petroleum Exporting Countries (OPEC) and told the cartel to lower oil prices. "Gasoline prices are coming down. I called up OPEC, I said you've got to bring them down. You've got to bring them down," Trump told reporters. The statement triggered a selloff, putting at least a temporary ceiling on a 40 percent price rally in oil prices since the start of the year.

The Economic Times - 29.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-falls-after-trump-urges-greater-opec-output-to-replace-iranian-oil/69089130

Iran says it will not let any country replace its oil in the market

Iran will not allow any country replace its oil sales in the global market, the Foreign Ministry said on Thursday, after the United States told importers to halt Iranian purchases from May. Washington has decided not to renew its exemptions from U.S. sanctions against Iran that it granted last year to buyers of Iranian oil. A senior U.S. administration official said on Monday that President Donald Trump was confident Saudi Arabia and the United Arab Emirates would fill any gap left in the oil market. "The Islamic Republic of Iran will not allow any country to replace Iran in the oil market. The United States and those countries will be responsible for any consequences," Iranian Foreign Ministry spokesman Abbas Mousavi said. The spokesman, whose comments were reported by Fars news agency, condemned Saudi Arabia, the world's biggest oil exporter, and Bahrain for welcoming U.S. sanctions on Tehran. Saudi Energy Minister Khalid al-Falih said on Thursday that China had "not yet" asked for more oil after the United States decided to end its waivers that had allowed Beijing to keep buying from Tehran. After the United States re-imposed sanctions on Iran's oil exports in November, it initially allowed the eight biggest buyers of Iranian oil to keep purchasing limited imports for six months until April.

The Economic Times - 25.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/iran-says-it-will-not-let-any-country-replace-its-oil-in-the-market/69041103

North America driving global oil and gas pipeline 'boom'

The global pace of new oil and gas pipeline construction has tripled in less than two decades, a multi-billion-dollar boom in infrastructure that experts warned Thursday could torpedo hopes for limiting global warming. In the first worldwide survey of its kind, the Global Fossil Infrastructure Tracker identified a potential investor bubble ready to burst as renewable energy prices plummet and climate regulations begin to bite. It paints a picture of fossil fuel companies rushing to complete projects in order to lock countries and investors into oil and gas use for decades, even as calls for drastic cuts to greenhouse gas emissions grow louder. "Everyone knows there's a drilling boom in North America -- but they don't look at the infrastructure," said Ted Nace, executive director of Global Energy Monitor, a network of fossil fuel industry trackers. "When you drill a well you have it for a year or two, but building infrastructure is building things that are going to be around for 40 or 50 years," he said. The analysis -- which used open-source data to map hundreds of new delivery plans around the world -- found that fully a third of more than 180,000 kilometres (110,000 miles) of oil and gas pipelines in development were in North America.

The Economic Times - 25.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/north-america-driving-global-oil-and-gas-pipeline-boom/69034457

India, China step on the gas on oil sourcing plan

China and India, the world’s second and third largest oil importers, respectively, are nearing an

State-run UAE firm inks long-term agreement for base oil sales in India

The UAE's state-run oil company ADNOC has signed a long-term sales agreement with the arrangement to form a buyers' bloc to bargain collectively for oil supplies and reduce the influence of the Saudi Arabia-led cartel on oil prices, according to three officials aware of the development. The two strategic rivals have made progress on joint sourcing of crude oil, with Li Fanrong, deputy administrator of China's National Energy Administration, visiting New Delhi last month. India and China are attempting to form a buyers' club that may also persuade the Organization of Petroleum Exporting Countries (Opec) oil cartel to pare the premiums placed on oil sold to Asian nations. Tightening US sanctions against Iran and Opec's production curbs have driven oil prices to more than $75 a barrel for the first time in 2019. Higher oil prices stoke inflation and hurt economic growth in India, which imports more than 80% of its oil requirements. China and India, the world's second and third largest oil importers, respectively, are nearing an arrangement to form a buyers' bloc to bargain collectively for oil supplies and reduce the influence of the Saudi Arabia-led cartel on oil prices, according to three officials aware of the development.

Mint - 26.04.2019

https://www.livemint.com/industry/energy/india-china-step-on-the-gas-on-oil-sourcing-plan-1556224759083.html

Indian Oil Corporation for its high-quality base oil ADbase. Indian Oil will use the ADbase oils to manufacture high end engine oils for India's growing automotive sector, the Abu Dhabi National Oil Company (ADNOC) made the announced on Tuesday. "The signing of this important sales agreement with another major base oil consumer in a large and growing market is testament to the quality and reliability of ADNOC's Group III base oil ADbase," said Ahmad Bin Thalith, Acting Senior Vice President of Refined Products Sales, in ADNOC's Marketing, Supply and Trading directorate. "We look forward to working with Indian Oil and to increasing the supply of ADbase to the Indian market, which continues to see strong demand for high quality base oil and finished lubricants," Thalith said. Indian Oil is the largest seller of finished lubricants in the Indian market with approximate volume of 450,000 tonnes per annum. The total Indian market for finished lubricants is two million tonnes and is growing at the rate of 2.4 per cent per annum.

Millennium Post - 25.04.2019

http://www.millenniumpost.in/business/state-run-uae-firm-inks-long-term-agreement-for-base-oil-sales-in-india-350335

US to Ensure Steady Oil Supply for India

The US decision not to extend waivers from sanctions on purchases of Iran's oil is not intended to hurt India and Washington is working towards stabilising the global energy markets and maintaining steady oil supplies to friends and partners. The issue of ending the sanction waivers and its fallout, including alternative energy supplies, figured in talks between Indian officials and visiting US Principal Deputy Assistant Secretary of State for South and Central Asia Alice Wells here on Tuesday. The Trump administration's decision is not aimed at hurting friends and partners and the US is in touch with key energy producers including the United Arab Emirates and Saudi Arabia to ensure stable oil supplies, people familiar with the matter said. ET has learnt that the US is making all efforts to stabilise the global oil markets and enable the smooth supply of oil to allies including India, Japan, South Korea and Turkey. The US has been working with countries that received a waiver last November to reduce oil imports from Iran to zero, one person indicated. The Trump administration alleges that oil revenue contributes to Iran's military capabilities to fund "proxy groups." Ending the waivers, according to one of the people, is aimed at controlling Iranian proxy wars and its ability to support proxy groups in the region.

The Economic Times - 24.04.2019

Oil industry under pressure to respond to climate change

The oil industry, under mounting pressure from environmental activists to react more quickly to counter climate change, has begun to adapt its strategy but is struggling to convince critics it is doing enough. Last week activists, responding to a call from the Extinction Rebellion group, laid siege to Shell's London headquarters whose windows were smashed. Several days later hundreds of activists blocked several symbolic sites in France, including the headquarters of oil giant Total. "They are mastodons whose business model is based on fossil fuels and which don't want to shift one iota because up until now they've made money that way," said Cecile Marchand, who heads up climate activities of the French branch of the Friends of the Earth network of environmental protection groups. "The activities of these multinationals are not at all regulated today, and they should be if we are to be serious about the idea of limiting global warming to 1.5 degrees" Celsius, she added, referring to the goal laid out in the 2015 Paris climate deal. The pressure isn't only coming from environmental activists.

The Economic Times - 29.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-industry-under-pressure-to-respond-to-climate-change/69089904 https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F24&entity=Ar01302&sk=24EB8681&mode=text

Oil companies facing the risk of govt intervention in fuel prices

The ongoing general elections have created significant risks for the oil marketing companies on at least two fronts – the possibility of government intervention in fuel price decisions and the pressure on the firms from the state to increase shareholder returns, credit rating agency Fitch said. The oil marketing companies Indian Oil Corp (IOC), Bharat Petroleum (BPCL) and the upstream entity Oil India (OIL) declared high interim dividends of 67.5 per cent to 110 per cent of the face value of their shares and undertook share buybacks in 2018-19. "These were likely to have been driven by pressure from the Indian government to increase shareholder returns to shore up the weak fiscal position and finance promises made ahead of elections in April and May 2019," Fitch Ratings said. The higher shareholder returns will put more pressure on the financial profiles of the companies, which have large investment plans for the next two years. IOC and BPCL are in the process of upgrading and expanding their refineries and improving downstream integration in petrochemicals. OIL plans to augment its domestic production and reserves. In addition, BPCL and OIL are likely to invest in an upcoming Mozambique LNG project after a final investment decision on the project which is expected to be made in second half of this year.

The Economic Times - 26.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/elections-2019-oil-companies-facing-the-risk-of-govt-intervention-in-fuel-prices/69055038

Fitch Solutions sees policy uncertainty in oil and gas sector

A victory of opposition UPA alliance in the general elections could bring "considerable uncertainty" to India's policymaking environment and disappointment on oil and gas reforms, Fitch Solutions said Thursday. "Given our core scenario for Prime Minister Narendra Modi's National Democratic Alliance (NDA), led by the Bharatiya Janata Party (BJP), to secure the most number of seats in the upcoming Lower House elections, we expect to see policy continuity in India's oil and gas sector over the coming years," it said in a note. Modi's targeted deregulation of domestic oil and gas has seen "partial success", it said, hoping to see more progress in this area over the coming years as India seeks to attract the foreign investment it needs to push through developments across the industry. "A win for the main opposition the United Progressive Alliance (UPA) could bring considerable uncertainty to India's policymaking environment and see the progress of oil and gas reforms continue to disappoint going forward, although this is not our core view," Fitch Solutions said. It expects NDA to win most seats but not an absolute majority. India's oil and gas sector under Modi has taken several steps in the right direction, although results have been a mixed bag.

The Economic Times - 26.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/fitch-solutions-sees-policy-uncertainty-in-oil-and-gas-sector-if-upa-wins-elections/69051011

ONGC, HPCL ownership fight may derail MRPL-HPCL merger

The long-drawn slugfest between ONGC and HPCL over latter's repeated failure to recognise the state-run explorer as its parent may upset gains from such a consolidation exercise aimed at creating an entity with a significant presence in entire oil chain. Sources said one of the first victims of the slugfest would be Oil and Natural Gas Corporation's (ONGC) plan to derive synergy from the Hindustan Petroleum Corporation (HPCL) purchase by merging the two refining subsidiaries of the upstream major. ONGC had planned the merger of Mangalore Refineries and Petrochemicals Ltd (MRPL) with HPCL long before it bought the government's entire 51.11 per cent

HPCL-MRPL merger hits cash hurdle; ONGC rules out share-swap

Hindustan Petroleum Corp's plans to acquire Mangalore Refinery and Petrochemicals (MRPL) has hit a cash hurdle, with parent ONGC preferring a cash deal rather than a share-swap, sources aware of the development said. Oil and Natural Gas Corp (ONGC), India's biggest oil and gas producer, last year completed acquisition of Hindustan Petroleum Corp (HPCL) for Rs 36,915 crore. After this takeover, ONGC has two refining subsidiaries -- HPCL and MRPL. Since then, HPCL is keen to get MRPL in its fold citing operational synergies. It has been talking of a combination of cash and share-swap for the deal that will make it India's third-largest oil stake in HPCL for Rs 36,915 crore last year. With HPCL, however, continuing to play hard ball over the promoter issue and listing ONGC as a public shareholder for the fifth consecutive quarter in its latest regulatory filing on April 18, sources said the MRPL-HPCL merger has got further delayed and is unlikely to be completed even in the current fiscal. "The ONGC-HPCL slugfest has ensured that neither the MRPL board has taken up the issue of merger, nor any consultant appointed to oversee and conclude the process," a source familiar with the developments said.

Daijiworld - 23.04.2019

http://www.daijiworld.com/news/newsDisplay.aspx?newsID=581307

refiner. But now, ONGC wants only cash as HPCL shares are on the slide. ONGC acquired the government's 51.11 per cent stake in HPCL in January 2018 at Rs 473.97 per share. The same share of HPCL on Friday closed at Rs 282.60, a massive 40 per cent loss in value in 15 months. Sources said HPCL has not yet come up with a concrete proposal for acquiring MRPL and has been talking about the deal mostly through the Oil Ministry and the media. ONGC, they said, wants HPCL to make a compelling offer to it for the merger talks to begin. ONGC holds 71.63 per cent stake in MRPL.

The Economic Times - 28.04.2019

https://energy.economictimes.indiatimes.com/news/oil-and-gas/hpcl-mrpl-merger-hits-cash-hurdle-ongc-rules-out-share-swap/69083466

No Maharatna status for HPCL without ONGC consent: DPE to Petroleum Ministry

Citing procedures and antecedents, the Department of Public Enterprises (DPE) has thrown a spanner at Petroleum Minister Dharmendra Pradhan’s push to grant more autonomy to refining and marketing company Hindustan Petroleum (HPCL). Through a letter dated February 12, the DPE has insisted that the Ministry of Petroleum & Natural Gas (MoPNG) should first obtain consent of HPCL’s holding company Oil and Natural Gas Corp (ONGC) before resubmitting a revised proposal on giving Maharatna status to HPCL. “The views/approval of ONGC, holding company of HPCL, on the proposal for grant of Maharatna status to HPCL is not available in the proposal,” said the DPE Letter. The Ministry, after obtaining Pradhan’s approval, had routed HPCL’s request for the status to the DPE on January 22 without consulting ONGC — which last year bought the government’s 51.11 per cent share in HPCL for Rs 36,915 crore. The DPE has also asked the Ministry to give reasons for providing the exalted status to HPCL considering that ONGC was already a Maharatna company. Moreover, the DPE advised that the revised proposal be based on HPCL’s performance for the fiscal 2018-19 rather than on the basis of fiscal 2017-18.

The Hindu Business Line - 23.04.2019

https://indianexpress.com/article/business/no-maharatna-status-for-hpcl-without-ongc-consent-dpe-to-petroleum-ministry-5689263/

Air travel market growth fizzles out; rivals corner Jet Airways market share in March: Official Data

India’s rapid growth in air travel market has fizzled out in March with the descent of insolvent airline Jet Airways (India) Ltd., the market share of which has been cornered by rivals. Data released by aviation regulator the Directorate General of Civil Aviation (DGCA) on Monday showed that the passenger growth which showed a 9% increase in January 2019 at over 12.5 million passengers from the same time a year ago, has fallen by more than half to 5.6% in February and then to a paltry figure of 0.14% in March. In February, airlines had carried 11.35 million passengers and 11.59 million in March. The data also showed that major domestic carriers Air India, Vistara and IndiGo have improved their market share in March from the levels seen in January. While Air India market share improved from 12.2% in January to 13.1% in March, IndiGo’s improved from 42.5% in January to 46.9% in March. SpiceJet and Air Asia showed a marginal improvement during the period. Jet Airways shut down all its domestic and international operations last Wednesday on account of a cash crunch as lenders proceeded to sell shares in the company. A new investor in the company is likely to be roped in by 10 May.

Mint - 23.04.2019

https://www.livemint.com/companies/news/air-passenger-growth-slows-to-a-whimper-in-march-ending-a-4-year-record-1555937526755.html

Foreign Tourist Arrival Data Still Awaited

The Indian government has not released foreign tourist arrival data for 2018 and the January-March quarter of 2019, leading to speculation that

Naspers Exits MakeMyTrip, Leaves Ctrip Largest Stakeholder in Portal

Chinese travel company Ctrip International will become the largest stakeholder in homegrown the numbers may have remained static or fallen. Tourism ministry officials said they have not received final numbers from the bureau of immigration, which cited a 'technical glitch' and some 'discrepancies.' The officials said it is not clear when the bureau would provide the data to the ministry. The ministry had put out overall 2017 tourist arrivals in January 2018. "The numbers have not come. We have asked them, but they are saying some technical glitch is there and some data has to be cross-checked," an official familiar with the developments said. Emails sent to the bureau of immigration and the tourism ministry did not elicit a response until the time of going to press. Tourism minister KJ Alphons had said in January last year that foreign tourist arrivals in India crossed the 10 million mark for the first time in 2017, at 10.18 million, a growth of 15.6%. The number of tourists who came on e-visas increased 57% to 1.7 million.

The Economic Times - 23.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F23&entity=Ar01504&sk=6C7C0EA9&mode=text

online travel operator MakeMyTrip (MMT) after South African tech and internet conglomerate Naspers sells its stake in the Gurgaon-based, Nasdaq-listed company in a share-swap deal. Most of the 42.5% that Naspers holds will be exchanged for a 5.6% stake in Ctrip, which will hold 49% of Make-MyTrip once the deal is completed, up from 10% now, said a person with knowledge of the matter. A separate, unaffiliated fund will get a 4% stake in MakeMyTrip from the remaining Naspers holding, he added. Naspers became an investor in the Indian site in late 2016 following the acquisition of Ibibo Group by MakeMyTrip. The Chinese travel giant, which has a market capitalisation of $23.5 billion, had first backed MakeMyTrip in January 2016 through an investment of $180 million in convertible bonds. "Over the past years we have witnessed the great achievements of Make-MyTrip and we are confident that MakeMyTrip will extend its success in the future," Ctrip International executive chairman James Liang said in a release.

The Economic Times - 27.04.2019

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F04%2F27&entity=Ar00116&sk=2C9049B1&mode=text

US oil bar won't hit Iran port

The US' decision to end the Iran oil sanctions waiver will not affect India's investments in Chahbahar port in Iran. The revocation of the "significant reductions exemption" (SRE) that allowed eight countries, including India, to continue to source Iranian oil for the past six months ends on May 2, following which the US expects oil imports from Iran to go down to zero. While India may have been insulated on the Chahbahar front, its current plan on using a rupee payment account for Iran's oil may be in danger. India has been paying for a large percentage of its oil imports through a rupee mechanism that is deposited in an escrow account in an Indian bank. Iran uses that money to buy essential items like foodstuff, medicines etc from India. After May 2, the US has told India it would not allow India to add to the corpus, although Iran would be able to continue to use whatever is left in the account. Indian officials say there is little "clarity" on the matter. While India may have been insulated on the Chahbahar front, its current plan on using a rupee payment account for Iran's oil may be in danger. India has been paying for a large percentage of its oil imports through a rupee mechanism that is deposited in an escrow account in an Indian bank.

The Economic Times - 24.04.2019

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2

Flipkart looks to invest Rs 5,000 crore in logistics parks; to generate 50,000 jobs

Online shopping giant Flipkart is reportedly going to invest Rs 5,000 crore to set up logistics parks to create 50,000 jobs. The online retailer is acquiring 300 acres of land in Karnataka, Gurugram and West Bengal to set up logistics parks as part of its strategy to expand footprint in the country, as per a Business Standard report. Construction is expected to begin shortly in West Bengal, the report further said. The expansion is likely to give the Walmart-owned company an edge over rival Amazon to dominate the e-commerce opportunity in the country. Flipkart, which is locked in an intense battle for market leadership in India with American retail giant, has recently opened a new database centre in Hyderabad, its second such facility in the country. The new infrastructure will help Flipkart tap the "next 200 million customers", a spokesperson told the daily. Media reports suggested that US-based Amazon is also expanding its warehouse capacity, and it has reportedly bought additional logistics space in Hyderabad. Walmart CEO Doug McMillon, who visited India last week, had expressed satisfaction at the progress made by Flipkart and said that Walmart is committed to the Indian market

F2019%2F04%2F24&entity=Ar01014&sk=8188FC19&mode=text

given the huge opportunity that the country presents.

Business Today - 24.04.2019

https://www.businesstoday.in/current/corporate/flipkart-invest-rs-5000-crore-in-logistics-parks-generate-50000-jobs/story/340188.html

Air cargo market in a tizzy as Jet grounding drives up delivery costs

Grounding of Jet Airways has hit the entire air cargo market, leading to logistics players running helter-skelter to get their cargo consignments delivered, although at a higher cost. “Jet used to carry 10-15 per cent of the total air cargo, which was a high-yielding cargo. With the airline halting operations, it has obviously brought imbalance in the market,” Vijay Kumar, chief operating officer (COO) at Express Industry Council of India (EICI) told Business Standard. EICI is the apex body of leading express companies, including Aramex, Blue Dart Express, DHL, DTDC, FedEx, First Flight, Gati and UPS among others. The nature of Jet's aircraft routes was such that its early morning flight departures to some of the key markets were critical for logistics players as they ensured timely delivery of cargo. With the operations halting, there is a grave impact leading to delivery delays, said logistics industry officials. Also, Jet being one of the largest cargo operators in the country, had flights to places where a major city was connected to a small or tier-I city. Those direct flights have been discontinued and logistics companies have to take the 'vis-flight' option.

Business Standard - 24.04.2019

https://www.business-standard.com/article/companies/air-cargo-market-in-a-tizzy-as-jet-grounding-drives-up-delivery-costs-119042301438_1.html

NTC Logistics unveils two new offerings

The ₹1,000-crore NTC Logistics India Pvt Ltd (formerly Namakkal Transport) has expanded its footprints in the logistics sector with the launch of two new offerings — Everrenew Energy and SCINNTC — with a view to becoming a $1-billion company by 2025. While Everrenew is a project management solution to the renewable industry, SCINNTC delivers synchronised supply chain solutions. K Chandramohan, Chairman and MD, NTC Group, said: “We strive to meet every customer’s dynamic supply chain demands with accuracy and are aiming to become a $1-billion company by 2025.” SCINNTC is expected to garner a turnover of ₹500 crore in the next five years, while Everrenew will achieve ₹300-₹400 crore in next 2-3 years, he added. S Jayasimman, President & COO (Renewables), said the company has been handling Over Dimensional Cargo such as wind mill blades for renewable energy companies like Siemens Gamesa. Everrenew is an extension of this business by offering customers a one-stop-solution to build projects from scratch to completion. The service offerings include identification of land, data analysis to ascertain project viability, permits and approvals; land aggregation and development, including civil and electrical works, logistics, installation & commissioning, he said.

The Hindu Business Line - 28.04.2019

https://www.thehindubusinessline.com/economy/logistics/ntc-logistics-unveils-two-new-offerings/article26973468.ece