

(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.)

Fitch predicts 4.6% growth

Fitch Ratings on Friday cut its growth forecast for India to 4.6 per cent for 2019-20 from the previous estimation of 5.6 per cent after factoring in significant deceleration in the past few quarters because of a credit squeeze and deterioration in business and consumer confidence. It reaffirmed India's rating at 'BBB-' with a stable outlook saying the rating balances a still strong medium-term growth outlook compared with similar category peers and relative external resilience stemming from solid foreign-reserve buffers against high public debt, a weak financial sector and some lagging structural factors. Fitch's 2019-20 growth forecast is lower than the 4.9 per cent projection by Moody's and 5.1 per cent by Asian Development Bank. The RBI has also revised its GDP growth forecast to 5 per cent for 2019-20 from 6.1 per cent projected in October. "Our outlook on India's growth is still solid against that of peers, even though growth has decelerated over the past few quarters, mainly due to domestic factors, in particular, a squeeze in credit availability from NBFCs and deterioration in business and consumer confidence," Fitch said.

The Telegraph - 22.12.2019

<https://www.telegraphindia.com/business/fitch-predicts-4-6-growth/cid/1729015>

PSU behemoths turn agile to emerge leaders

Not long ago, a mere mention of the acronym PSU would make investors and analysts cringe, a feeling largely stoked by the way public sector undertakings traditionally conducted business — inefficient processes, slow decision-making and a laid-back approach to devising future growth strategies. While quite a few PSUs still continue to run the business the old way, the good news is that others have worked hard at an image makeover. This transformation is likely to prompt investors to rejig their portfolios. Recent talk of divestment of BPCL, Container Corporation of India and BEML has brought PSU stocks back on investors' radar. The change of management

Gita Gopinath says IMF could significantly downgrade India growth forecast in January review

The International Monetary Fund (IMF) is likely to cut India's growth estimate 'significantly' in January 2020, Chief Economist Gita Gopinath said on December 17. Speaking at the Times Network India Economic Conclave, the India-born economist said the IMF will be reviewing the October estimates in January. "If you look at recent incoming data, we would be revising our numbers and release them in January, and it is likely to be a significant downward revision for India," she said. In its October forecast, IMF had estimated India's growth at 6.1 percent in 2019 and up to 7 percent in 2020. While she said India has thrown a surprise by being the only emerging market to have had such a show, she refused to share any further details on the upcoming January forecast. The country's central bank and some other analysts have already revised its growth estimates downward for FY20 and blamed it on the persistent slack in consumption, absence of private investments and sluggish exports. These factors also led the GDP growth to slide to a six-year low of 4.5 percent in September.

Moneycontrol - 18.12.2019

<https://www.moneycontrol.com/news/business/economy/imf-likely-to-downgrade-india-growth-forecast-significantly-in-january-gita-gopinath-4739401.html>

Govt may invite EoI for Air India, BPCL stake sale in January

The government is likely to invite preliminary bids for stake sale in national carrier Air India and BPCL next month, according to sources. The airline is sitting on a debt pile of around ₹58,000 crore, besides huge accumulated losses running into thousands of crores. "Expression of Interest (EoI) inviting bids for stake sell in BPCL and Air India expected next month," the sources said. They, however, added that stake sale in big assets like BPCL will take time as due diligence has to be carried out. Last month, the Cabinet had approved a strategic divestment of the government's 53.29 per cent stake in BPCL, along with transfer of

control to a private promoter is often expected to benefit PSUs by streamlining processes. A case in point is Hindustan Zinc, which was sold to Vedanta in 2003. The company's earnings per share (EPS) increased to Rs11 in 2018-19 from just over 30 paise a decade ago.

The Economic Times - 23.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/psu-behemoths-turn-agile-to-emerge-leaders/72936073>

India's appetite for petroleum fuels to drop to 6-year low

India expects its oil consumption to expand at the slowest pace in six years as the economy sputters. The nation's consumption of petroleum products in the financial year to March 2020 is expected to rise by 1.3% to 216 million tons, the oil ministry's Petroleum Planning and Analysis Cell said in its estimates. That's the slowest since the 0.9% demand growth in 2013-14, when crude oil averaged over \$100 a barrel. Slowing consumption growth reflects a widespread slump in demand for goods from cars to houses. India's economic growth is at a six-year low and latest data shows the country's industrial production contracted for a third straight month in October, mainly dragged down by energy-intensive industries such as capital goods, infrastructure and construction goods. Earlier this month, Fitch Solutions slashed its 2020 forecast for India's oil demand growth to 3% from an earlier estimate of 5% because of weaker economic growth prospects in the coming quarters.

The Economic Times - 21.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-appetite-for-petroleum-fuels-to-drop-to-6-year-low/72911111>

Reliance-BP petrol pumps to dent PSU market share: Morgan Stanley

India's biggest company Reliance Industries Ltd and UK's BP plc formalising plans to set up petrol pumps under Jio-BP brand will impact market share of state-owned fuel retailers, Morgan Stanley said in a research report. Reliance and BP last week announced further details of their retail fuel partnership, in which the British firm has taken 49 per cent stake for USD 1 billion. The tie-up will see RIL's 1,400 existing pump stations being ramped up to 5,500 over five years. It also will increase the lucrative aviation fuel stations from 30 to 45. "Targeted fuel station additions would be nearly equivalent to two-thirds of annual station additions by (state-owned) oil marketing

certain management control. This is excluding BPCL's equity share holding of 61 per cent stake in Numaligarh Refinery.

The Economic Times - 21.12.2019

<https://www.thehindubusinessline.com/economy/policy/govt-may-invite-eoi-for-air-india-bpcl-stake-sale-in-january/article30360072.ece>

Subdued oil prices, oil demand soothe India's trade deficit in FY20

Reduced oil imports coupled with lower crude oil prices helped in easing India's trade deficit for the first eight months (April-November) of financial year 2019-20, providing some relief to the government amidst an overall economic slowdown. While an overall slowdown in the country's power sector has raised alarm bells, a dip in the country's oil imports and oil demand growth on the other hand has begun indicating a larger slowdown in the economy. However, on the flip side, reduced oil imports and slowing oil demand growth has helped the government manage its trade deficit. India's trade deficit reached a five-year high of \$176 billion in 2018-19 pushing the country's broader CAD to 2.1 per cent of the country's gross domestic product (GDP) in FY19, from 1.8 per cent in the earlier fiscal year. Oil, the largest component of the country's import bill which had last year fanned India's trade deficit, declined 13 per cent to \$85 billion in the first eight months of the current fiscal year primarily due to lower imports and fall in oil prices.

The Economic Times - 20.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/subdued-oil-prices-oil-demand-soothe-indias-trade-deficit-in-fy20/72903532>

Reliance, BP form joint venture for fuel retail under Jio-BP brand

Reliance Industries will expand its fuel retail business in a joint venture with British energy major BP under the brand 'Jio-BP' to a network of 5,500 petrol pumps in the next five years from 1,400 at present, the Mukesh Ambani-led company said late on Monday. RIL and BP signed a definitive agreement on Monday to form the new Indian fuels and mobility joint venture after an initial agreement in August, an RIL statement said. The JV, where RIL will hold 51% and BP the balance 49% stake, will take ownership of RIL's existing Indian fuel retail network and access its aviation fuel business. "The retail network will operate under the Jio-

companies (OMCs)," it said. "This should also help RIL sell more refined products domestically as refinery export restrictions ease." Retail network will be under the Jio-BP brand and will cater to mobility solutions that may leverage BP's electric charging technologies and RIL's digital ecosystem.

The Economic Times - 23.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/reliance-bp-petrol-pumps-to-dent-psu-market-share-morgan-stanley/72923375>

India to be largest energy growth market by 2030: Dharmendra Pradhan

India will overtake China as the largest growth market for energy in volume terms by 2030, Oil Minister Dharmendra Pradhan said on Friday. India, Asia's second biggest energy consumer since 2008, had in 2015 overtaken Japan as the world's third largest oil consuming country, behind the US and China. "We are third largest energy consumer now but by 2030 we will be No.1 energy consumer," he said at a FICCI meeting. While energy consumption will grow by 4.5 per cent per annum -- faster than all major economies in the world -- India's consumption growth of fossil fuels would be the largest in the world. The country is 83 per cent dependent on imports to meet its oil needs and sources half of its natural gas from overseas. Pradhan said while the global average growth was 1.4 per cent, India was seeing a growth rate of 4.5 per cent. He also said that India is moving towards a gas-based economy and investments of about USD 100 billion are underway in India's energy infrastructure, including renewables.

The Economic Times - 21.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-to-be-largest-energy-growth-market-by-2030-dharmendra-pradhan/72911188>

India aims to buy stakes in producing oil and gas fields abroad

India aims to invest in producing oil and gas fields abroad to compensate for falling domestic output and to help reduce the impact of oil price volatility, the oil minister said on Tuesday. India, the world's third biggest oil consumer, imports about 80% of its oil needs, making it highly susceptible to crude price swings. "Today we are very much focused to invest in producing fields," Oil Minister Dharmendra Pradhan said, adding that the eastern part of Russia was an area "we are concentrating on." He said India was negotiating with Russia's

BP brand, signalling a new paradigm shift in fuels marketing and mobility solutions. It brings together Reliance's extensive access and connection to consumers through its Jio digital platform and BP's deep experience in fuel retailing around the world. The joint venture will seek to offer Indian consumers high-quality differentiated fuels, convenience and services," RIL said.

The Economic Times - 17.12.2019

<https://economictimes.indiatimes.com/industry/energy/power/reliance-bp-sign-pact-to-set-up-petrol-pumps-under-jio-bp-brand/articleshow/72773059.cms>

India will pave its own course of energy transition: Pradhan

Petroleum minister Dharmendra Pradhan on Tuesday said that with developments in scientific technologies and innovative business models, India will pave its own course of energy transition. Speaking during India Economic Conclave in Mumbai, the Minister said that the paradigms of the oil & gas sector have changed. "Initially, 'Revenue Maximization' was the core strategy. Now, we are striving for 'Production Maximisation'. Numerous reforms brought in the last 5 years will help increase our oil & gas production and cut our import dependence," he added. We have 600 MT of biomass available in the country. Apart from traditional oil & gas, India is rooting for alternative energy as well. We are going to produce more Syngas out of coal reserves. We are all focusing on coal bed methane, biofuels, 2G Ethanol & other green fuels," he told during the conclave on energy issues including India's quest for sustainable energy for a cleaner and better future.

UNI India - 18.12.2019

<http://www.uniindia.com/india-will-pave-its-own-course-of-energy-transition-pradhan/business-economy/news/1825153.html>

Methanol blend on cards, may trim oil import bill by Rs 5,000 crore

The government is looking at introducing methanol-blended fuel pan India — a move that can potentially reduce one's fuel bill by at least 10 per cent, lower vehicular pollution levels by over 30 per cent, and save the exchequer Rs 5,000 crore in annual import bill. Road transport and highways minister Nitin Gadkari has written to petroleum minister Dharmendra Pradhan, asking him to "make all efforts" to make methanol widely available for commercial use at fuel stations, officials told ET. Currently,

Rosneft to invest in eastern Russia. Price volatility was a major challenge for India, the minister said, adding that "the changing geopolitics is creating anxiety, creating uncertainty that affects commodity prices." Indian firms have invested in foreign oil and gas assets, but many of these assets are still under exploration or not hitting production goals. "At some point of time India was investing in African countries where a lot of geopolitical challenges were," he said.

The Economic Times - 19.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-aims-to-buy-stakes-in-producing-oil-and-gas-fields-abroad/72862538>

Govt mulling premium on petrol, diesel prices on BS-VI switchover

Consumers may feel the pinch of higher fuel prices in coming months as the government is considering a proposal to allow oil marketing companies charge a premium on retail prices of petrol and diesel to recover their investment in producing less polluting fuel. Public and private sector oil marketing companies (OMCs) have appealed to petroleum ministry to support a plan to raise consumer prices of auto fuels to help them recover a portion of investments made in upgrading their refineries to produce BS Stage-VI fuel. If this proposal is accepted by the government, retail prices of petrol and diesel would come at a premium of about Rs 0.80 a litre and Rs 1.50 a litre, respectively for the next five years much to the discomfort of consumers. Global oil market has largely remained flat for past several months due to slower demand. This has also resulted in retail prices of petrol and diesel being cut by OMCs on numerous occasions in past few weeks. But if a premium charge is allowed, retail fuel prices would not reflect global pricing trend but would remain artificially higher at all times.

The Economic Times - 23.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-mulling-premium-on-petrol-diesel-prices-on-bs-vi-switchover/72931954>

Reliance topples IOC to become largest company by revenue

Boosted by its consumer-facing businesses like organised retail and telecom, Reliance Industries ended state-owned Indian Oil Corporation's (IOC) 10-year reign as India's largest company, topping the Fortune India 500 list. With a revenue of Rs 5.81 lakh crore in 2018-19, the Mukesh Ambani-led conglomerate also became the first privately-

vehicles in India use up to 10 per cent ethanol-blended fuel. But the cost of ethanol production is comparatively high at Rs 42 a litre. Methanol, or methyl alcohol, is estimated to cost less than Rs 20 a litre. Indian Oil Corporation is already making M15 blended fuel — with 15 per cent methanol and 85 per cent petrol — available for commercial use. "The ministry of road transport and highways has put the regulatory framework in place, and it is now the petroleum ministry's job to make the fuel available," a road ministry official said.

The Economic Times - 23.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/methanol-blend-on-cards-may-trim-oil-import-bill-by-rs-5000-crore/72931462>

India in talks with Rosneft to invest in Far East Russian cluster: Pradhan

Union Oil Minister Dharmendra Pradhan said India is in talks with Russia's oil giant Rosneft to invest in Far East Russian cluster for ensuring energy security. India has already made its biggest energy investments in Russia in the past with state-owned firms having spent close to USD 10 billion in acquiring stakes in oilfields such as Sakhalin-1, Taas-Yuryakh and Vankor and Siberia-focused company Imperial Energy. "In Russia, we are also negotiating with state-owned company Rosneft to invest in their eastern cluster. With the change in geopolitical situation, the eastern part of Russia is coming as a promising proposition and we are concentrating on that," Pradhan said at the India Economic conclave 2019. He said the government is interested in investing in producing oil fields in the interest of India's energy security. On the challenges faced by the country in terms of energy security, he said, "Due to the current geopolitical scenario, there is uncertainty which is affecting the commodity price of energy.

The Economic Times - 19.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-in-talks-with-rosneft-to-invest-in-far-east-russian-cluster-pradhan/72862503>

JP Morgan raises 2020 oil price view on OPEC+ cuts, improved economic outlook

JP Morgan on Tuesday raised its oil price outlook and forecast supply-demand balance to tighten next year against the backdrop of the OPEC and its allies increasing output cuts and stronger economic growth in emerging markets. The investment bank revised its Brent price forecast

held and the only other company to become India's largest corporation apart from IOC for the first time in 10 years, Fortune India said. State-owned Oil and Natural Gas Corporation (ONGC) was ranked third, same as in 2018. It was followed by State Bank of India, Tata Motors and Bharat Petroleum Corporation Ltd (BPCL) -- all with no changes in their ranking between 2018 and 2019. The list does not take into account subsidiaries of companies and so ONGC's ranking does not reflect those from its recently acquired Hindustan Petroleum Corp Ltd (HPCL) as well as ONGC Videsh Ltd. Rajesh Exports climbed one position to be ranked 7th on the 2019 list and so did Tata Steel, Coal India, Tata Consultancy Services and Larsen & Toubro that were ranked 8th, 9th, 10th and 11th, respectively.

The Economic Times - 17.12.2019

<https://economictimes.indiatimes.com/markets/stocks/news/reliance-industries-topples-ioc-to-become-indias-largest-company/articleshow/72752555.cms>

Pradhan calls for 'Ispati Irada' to drive steel demand growth

Union Minister for Steel and Petroleum & Natural Gas, Dharmendra Pradhan participated in the 'Steeling India-2019: Driving metal intensity in key sectors' organised by CII here on Monday. In his inaugural address, Pradhan talked about opportunities in steel sector of India, growing steel demand and how technology and innovation can make the Indian steel sector more vibrant. Speaking about innovation, the minister said, "Innovation is the new weapon. More than resource abundance, scientific innovation has played a major role in shaping of the new world. Our domestic industry must leverage innovation and new technologies to identify sustainable and cost effective options for steel manufacturing." Indian steel sector is in expansion mode, the steel minister said while pointing out that capital goods worth Rs 10 lakh crore will be required in setting up new capacities by 2030. As per the National Steel Policy 2017, India has an ambitious target of ramping up capacity to 300 million tonne.

Millennium Post - 17.12.2019

<http://www.millenniumpost.in/business/pradhan-calls-for-ispatis-irada-to-drive-steel-demand-growth-391387>

Arcelor Mittal forays into Indian steel market; completes Essar acquisition

to \$64.5 per barrel in 2020 from \$59 earlier, although it expects prices to slip to \$61.50 in 2021. West Texas Intermediate prices are seen following a similar trajectory with prices averaging \$60 per barrel in 2020 and \$57.50 in 2021, JP Morgan said. The end of UK electoral uncertainty and the U.S.-China trade truce along with fading of idiosyncratic headwinds in some of the larger emerging markets economies have improved the global growth outlook for next year, the bank said. "In contrast to our September forecast that the global oil market will be in surplus of 0.6 million barrels per day (mbpd) on average for 2020, we now estimate the market will be in deficit of 0.2 mbpd," the bank said.

The Economic Times - 18.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/jp-morgan-raises-2020-oil-price-view-on-opeccuts-improved-economic-outlook/72819859>

India's steel output falls for second straight month, declines 2.8% to 8.93 MT in Nov: Report

India's crude steel output fell for the second straight month in November, declining 2.8 per cent to 8.934 million tonne (MT), according to a report. During November 2018, the country's crude steel output stood at 9.192 MT, World Steel Association (worldsteel) said in its latest report. In October 2019, India had reported a 3.4 per cent fall in crude steel output at 9.089 MT as against 9.408 MT in the year-ago month, according to the global body. Global steel production also registered a 1 per cent fall at 147.791 MT in November 2019 as compared with 149.356 MT in November 2018, the report said. However, world's largest steel producer China registered increase in production. The country produced 80.287 MT steel in November, up 4 per cent as compared to 77.213 MT a year ago. Japan's crude steel production fell 10.6 per cent to 7.743 MT as against 8.659 MT in November 2018. The US produced 7.233 MT of crude steel in November 2019, a decrease of 2.2 per cent as compared to 7.399 MT in the same month last year.

The Economic Times - 23.12.2019

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/indias-steel-output-falls-for-second-straight-month-declines-2-8-to-8-93-mt-in-nov-report/articleshow/72924249.cms?from=mdr>

Maritime freight rates may rise next month

Global steel giant ArcelorMittal on Monday said it has completed acquisition of Essar Steel, marking its entry into the Indian steel sector. The Luxembourg-headquartered company has been eyeing to enter into Indian steel sector for long and had to give up its plans of two plants - 12 million tonnes each in Jharkhand and Odisha - over a decade back on account of various hurdles. The deal for acquisition of Essar Steel by L N Mittal-led company for Rs 42,000 crore was finally cleared by the Supreme Court last month. This is the single-biggest recovery under the Insolvency and Bankruptcy Code (IBC) process. The company said it has formed a joint venture with Nippon Steel (AM/NS India) to own and operate the debt-ridden firm and Aditya Mittal, President and CFO of ArcelorMittal, has been appointed as its Chairman. "ArcelorMittal announces that it has today completed the acquisition of Essar Steel India Limited (ESIL), and simultaneously established a joint venture with Nippon Steel Corporation (Nippon Steel), called ArcelorMittal Nippon Steel India Limited (AM/NS India), which will own and operate ESIL," ArcelorMittal said in a statement.

Business Standard - 17.12.2019

https://www.business-standard.com/article/pti-stories/arcelormittal-forays-into-indian-steel-market-completes-essar-acquisition-119121601207_1.html

India to open new ports to connect Iran's Chabahar

India, Iran and Afghanistan have decided to open Mormugoa and New Mangalore Port in addition to JNPT, Mundra, Kandla and Cochin as part of designated route under the Chabahar Agreement for connecting South Asia's biggest country to strategically located port. This was decided at the second meeting of the Follow-up Committee for implementation of the trilateral Chabahar Agreement between India, Afghanistan and Iran at the level of Joint Secretary/ Director General held here on Friday. All the three countries welcomed steady progress in port operations by India Ports Global Ltd company since the taking over of the port operations at Shaheed Beheshti Port at Chabahar in December 2018. It was recognized that over 5 lakh tons of cargo has been handled successfully.

The Economic Times - 22.12.2019

<https://economictimes.indiatimes.com/news/politics-and-nation/india-to-open-new-ports-to-connect-irans-chabahar/articleshow/72910555.cms>

With new International Maritime Organization (IMO 2020) regulations round the corner, the global container shipping industry is expected to see cost escalation of close to \$15billion, experts said. "A new component called Low Sulphur Surcharge (LSS) will get added to the freight rate when ships start using cleaner fuel. LSS on the busy Asia-Europe trade route would be \$250 for a 40-foot container. on the Far East to Indian Ports, it would be \$100, taking the total freight rate up by the same quantum," Vishal Kashav, senior analyst at Drewry Shipping Consultants said. The IMO has mandated that sulphur content in shipping fuel must be reduced to 0.5 percent from the current 3.5 per cent starting January 2020. High sulphur emissions have damaged the marine environment, especially in northern Europe, IMO 2020 compels shipping companies to either fit scrubbers or use cleaner fuel.

Business Standard - 18.12.2019

<https://www.pressreader.com/india/business-standard/20191218/281874415301240>

Om Prakash appointed as director (T&F), ONGC

Om Prakash Singh, GGM, ONGC has been appointed as Director (Technical and Field Services), Oil & Natural Gas Corporation Limited (ONGC). The Appointments Committee of Cabinet (ACC) has approved his appointment to the post.

Whisper in the Corridors - 17.12.2019

[https://www.whispersinthecorridors.com/detail/41877-Om-Prakash-Singh-appointed-as-Director-\(TandFS\),-ONGC](https://www.whispersinthecorridors.com/detail/41877-Om-Prakash-Singh-appointed-as-Director-(TandFS),-ONGC)