

*(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.)*

## **GDP growth to turn positive soon, economy recovering fast: RBI**

The Reserve Bank of India on Thursday, said that the country's economy was showing positive signs of recovery. RBI predicted that the growth rate of the economy may enter the positive territory in the third quarter (October-December Q3). However, it showed some caution and said that there was the need to check the rising inflation rate so that it does not affect growth. India recorded its worst-ever quarterly growth amid strict coronavirus lockdowns in the April-June quarter, which saw a slight improvement to 7.5% in the second quarter. Meanwhile consumer inflation, stood at 6.93%, well above the RBI's mandated range of 4%-6%. In its previous article, the RBI researchers said the GDP would shrink 8.6% for the July-September quarter and that India would enter into a recession. However, the National Statistical Office's end-November release showed that effect of the coronavirus pandemic on the economy in second quarter was much lesser than the first.

*DNA - 25.12.2020*

<https://www.dnaindia.com/business/report-gdp-growth-may-turn-positive-in-third-quarter-economy-recovering-fast-say-rbi-2864066>

## **Corporate profits touch all-time high in the Sept quarter: Crisil**

Corporate profits rose 15 per cent to touch an all-time high in the September quarter as margins widened on softer input costs and better utilisation levels, the research arm of leading rating agency Crisil said on Monday. From an absolute perspective, the earnings before interest, tax, depreciation and amortisation (Ebitda) touched an "all-time high" ₹1.60 lakh crore in the September quarter, as against ₹1.02 lakh crore in the preceding June quarter, it said. It can be noted that the trend of companies' profits growing even as the economy contracts as a result of the pandemic has led some watchers to express concern claiming this is illustrative of widening

## **India to become 5th largest economy in 2025, 3rd largest by 2030: CEBR**

India, which appears to have been pushed back to being the world's sixth biggest economy in 2020, will again overtake the UK to become the fifth largest in 2025 and race to the third spot by 2030, a think tank said on Saturday. India had overtaken the UK in 2019 to become the fifth largest economy in the world but has been relegated to 6th spot in 2020. "India has been knocked off course somewhat through the impact of the pandemic. As a result, after overtaking the UK in 2019, the UK overtakes India again in this year's forecasts and stays ahead till 2024 before India takes over again," the Centre for Economics and Business Research (CEBR) said in an annual report published on Saturday. The UK appears to have overtaken India again during 2020 as a result of the weakness of the rupee, it said. The CEBR forecasts that the Indian economy will expand by 9 per cent in 2021 and by 7 per cent in 2022. "Growth will naturally slow as India becomes more economically developed, with the annual GDP growth expected to sink to 5.8 per cent in 2035."

*Business Standard - 27.12.2020*

[https://www.business-standard.com/article/economy-policy/india-to-become-5th-largest-economy-in-2025-3rd-largest-by-2030-ceb-120122600277\\_1.html](https://www.business-standard.com/article/economy-policy/india-to-become-5th-largest-economy-in-2025-3rd-largest-by-2030-ceb-120122600277_1.html)

## **NCAER projects economy to register marginal growth in Q3**

The National Council of Applied Economic Research (NCAER) has revised upward its gross domestic product (GDP) projection for FY21 to 7.3% contraction from the 12.6% dip estimated in September with the expectation that the economy will register marginal growth in the December quarter. "Following the steep decline in GDP in 2020 Q1, the recovery in Q2 was surprisingly sharp. Accordingly, we have revised our growth forecasts for Q3, Q4, and the full year 2020-21 to 0.1%, 2% and (-) 7.3% respectively," the Delhi based economic think tank said in its mid-year review of the Indian economy. Economic affairs secretary Tarun

inequalities. Crisil, which analysed a sample of 800 listed entities comprising 85 per cent of NSE's market cap in sectors excluding banking and finance and oil and gas, said improving utilisation levels, along with better management of power, fuel and raw material cost by large companies contributed to the handsome profit growth.

*Mint - 22.12.2020*

<https://www.livemint.com/companies/company-results/corporate-profits-touch-all-time-high-in-the-sept-quarter-crisil-11608552376274.html>

### **Jobs under EPFO down in Oct, ESIC up marginally**

The number of new accounts added to the Employees Provident Fund Organisation fell in October after showing recovery in September, while the number was marginally up under the Employee State Insurance Corporation, indicating a slowdown in addition to the country's formal workforce. Monthly payroll data released by the ministry of statistics and programme implementation (Mospil) showed that 1.154 million net new jobs were added under EPFO in October compared with 1.49 million in September. This was, however, higher than the average monthly net addition to the EPFO in 2018-19. As per the data, the newly registered employees under the Employees' State Insurance Corporation were marginally higher at 1.175 million compared with 1.149 million in September. New subscribers under the National Pension Scheme were higher in October at 43,490 compared with 39,194 in the previous month. The new editions under ESIC in October were highest in the current fiscal so far. According to the data, the number of people who ceased to contribute to EPFO was lowest in October in the current fiscal at 240,000 while the number of people who exited and rejoined the scheme in the month under consideration stood at 679,000, much lower than in September, indicating stability in the job market.

*The Economic Times - 25.12.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F12%2F25&entity=Ar00709&sk=A00C937&mode=text>

Bajaj on Friday said he expects the Indian economy to be back on track soon with signs of sustained improvement. In FY22, the size of the economy may bounce back to cross the 2019-20 figures by a slight margin, Bajaj said. The Reserve Bank of India expects the economy to post growth of 0.1% in the December quarter and 0.7% in the March quarter to end FY21 with a 7.5% contraction. S&P Global Ratings last week revised upward its GDP growth forecast for India to negative 7.7% for FY21 from its earlier projection of negative 9%, holding that it is surprised by the vigour of India's economic recovery.

*Mint - 22.12.2020*

<https://www.livemint.com/news/india/ncaer-forecasts-india-s-gdp-to-contract-7-3-in-fy21-sees-marginal-growth-in-q3-11608557514292.html>

### **No going back on privatisation of BPCL, Air India**

COVID-19 carnage may have slightly pushed back timelines but there is certainly no going back on privatisation of blue-chip public sector undertakings like BPCL and Air India as the government feels it has no business to be in business. The spadework started late last year and 2020 was supposed to be the landmark year in India's history of privatisation with at least three top PSUs -- the nation's second-biggest fuel retailer Bharat Petroleum Corporation Ltd (BPCL), national carrier Air India and Shipping Corporation of India (SCI) up for sale. But the outbreak of the coronavirus pandemic pushed the timelines into the next fiscal but the government is firm on not going back on its disinvestment plans with Finance Minister Nirmala Sitharaman on more than one occasion emphatically stating that the government will continue to push for stake sales. Oil Minister Dharmendra Pradhan, whose ministry is the nodal ministry for BPCL, went to the extent of saying that, "the government has no business to be in the business". In February, Sitharaman set a record disinvestment target of Rs 2.10 lakh crore for the fiscal beginning April but Rs 12,380 crore from minority stake sales in four public sector companies is all that has been garnered so far.

*The Economic Times - 27.12.2020*

<https://energy.economicstimes.indiatimes.com/news/oil-and-gas/no-going-back-on-privatisation-of-bpcl-air-india/79978123>

## **Revenue constrained govt may push oil PSUs short on FY21 capex to pay higher dividend**

Oil sector public sector undertakings (PSUs) may have to bear a larger share of additional dividend payment to the government this year with almost all companies falling behind on their capex plan for the current fiscal. As of November, the capex of PSU oil companies put together stands at Rs 46,303 crore, less than 50 per cent of the annual target of Rs 98,522 crore. The government has asked companies to complete at least 75 per cent of capex till the end of December quarter. But this looks highly unlikely now pushing the case for higher dividend payout. In meetings with PSUs, Finance Minister Nirmala Sitharaman had stressed on the need for PSUs to step up investment during the time of the pandemic to boost overall sentiments and kickstart investment climate in the country. She had specifically urged companies to complete at least 75 per cent of capex target by December-end and more than 100 per cent by March. "It is a double whammy for PSUs now. They have to cough up more either through investments or through payment of additional dividends.

*The Economic Times - 24.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/revenue-constrained-govt-may-push-oil-psus-short-on-fy21-capex-to-pay-higher-dividend/79939082>

## **Government may reduce oil subsidy budget by half in 2021-22**

A rather stable phase of oil prices is expected to help the government make big cuts in the oil subsidy allocation in next year's budget. Sources said that the maths being worked out by the Finance Ministry ahead of the presentation of Budget 2021-22 in February next year could see petroleum subsidy burden falling by more than half from the FY21 levels of Rs 40,915 crore. A major saving on the subsidy is expected to come from reduced government support for domestic LPG cylinders. A favourable global oil market, in the first half of current fiscal, helped the government to completely eliminate the subsidy paid under direct benefit transfer (DBT) to eligible domestic consumers from September this year. While a slight firming of global oil prices has raised domestic LPG prices (non-subsidised) by Rs 100 per 14.2 kg cylinder in December to Rs 694, even if a Rs 100 per cylinder subsidy is to be provided by the government during FY22, the allocation towards this end would be Rs just about 14,000 crore. The government had allocated Rs 40,915 crore as petroleum subsidy for FY21, a 6 per cent increase from Rs 38,569 crore allocated for the last fiscal. Out of this, the allocation for LPG

## **PSU asset monetisation likely to get fillip in Budget FY22**

The pandemic has created severe pressure on the government's coffers, thereby making asset monetisation and disinvestment the Centre's priorities to raise revenue. Government's asset monetisation programme involving development and sale of surplus land parcel and other non-core assets of central public sector enterprises (PSEs) is expected to be a big focus of Budget 2021-22 that is constrained to look at various innovative models to mobilise additional resources amidst a Covid-hit economy. In tandem with the objective, the Centre may set asset monetisation-related targets for several state-run enterprises including Indian Oil Corp, GAIL, HPCL, NTPC, NHPC, PFC, REC, HAL, RITES and MTNL. The targets would allow execution of the scheme in a structured manner. The government will benefit from such an exercise as portion of gains from such sale by PSUs will be recouped to it by way of higher dividend payout. The very asset monetisation and disinvestment have been in the government's plans for long but the plans have been severely delayed, and the pandemic has worsened the situation.

*The Economic Times - 24.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/psu-asset-monetisation-likely-to-get-fillip-in-budget-fy22/79932876>

## **Fuel sale coming back to pre-COVID level: IOC official**

Fuel sale in the country is coming back to normal which also shows the reflection of normalcy in economy, a senior Indian Oil Corporation official said on Wednesday. In Maharashtra, the sale is yet to reach the pre-COVID situation and the deficit in diesel sale is still around 12 per cent, Executive Director and Maharashtra State head of Indian Oil Corporation Amitabh Akhauri told reporters here. "As an industry we saw growth in petrol sale in October by 2 per cent. But in November it remained down but this month we are expecting to reach back to pre-COVID situation," he said. "Since last month, the throughput of our refinery is 100 per cent and it shows that we are back to almost normal." Fuel sale in the country is coming back to normal which also shows the reflection of normalcy in economy, a senior Indian Oil Corporation official said on Wednesday. In Maharashtra, the sale is yet to reach the pre-COVID situation and the deficit in diesel sale is still around 12 per cent, Executive Director and Maharashtra State head of Indian Oil

subsidy has been increased to Rs 37,256.21 crore for the current year.

*The Economic Times - 26.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-may-reduce-oil-subsidy-budget-by-half-in-2021-22/79961815>

## **India's crude oil production slips 5 pc in November**

India's crude oil production fell by 5 per cent in November primarily due to a sharp drop in output at Rajasthan oilfields operated by private sector Cairn Vedanta, government data showed on Tuesday. India is dependent on imports for 85 per cent of its needs and the government is pushing domestic explorers to raise output to help cut down imports. Crude oil production in November at 2.48 million tonnes was lower than 2.61 million tonnes produced in the same month a year back. Rajasthan fields produced 9.6 per cent less crude oil at 476,990 tonnes as Mangala, Aishwarya and other fields in the Cairn block flowed less oil for a variety of reasons, according to data released by the Ministry of Petroleum and Natural Gas. State-owned Oil and Natural Gas Corporation (ONGC) produced 1.5 per cent less oil largely due to lesser than the anticipated output at newer fields. Oil India Ltd produced 6.6 per cent less oil from Assam due to protests/agitation in the state following the Baghjan blowout.

*The Economic Times - 22.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-crude-oil-production-slips-5-pc-in-november/79868923>

## **One of the worst years for oil**

The Oil markets have, understandably witnessed one of its worst years ever, as a result of the Covid-19 pandemic that led to a massive fall in demand, leading to prices falling sharply to 20-year-old low levels of around \$20/bbl, the US price benchmark closing at unprecedented negative levels, and major oil producers, such as OPEC, Russia and others, forced to make unprecedented output cuts. The markets have since recovered somewhat, with price benchmarks recovering above \$50/bbl. Front-month Brent rose above \$50/bbl earlier this month, lifted by news of the roll-out of vaccines, for the first time since March, and has held at that level since, after hovering at the \$40-45/bbl band for five months, between June and November. Prices crashed in March, when the effects of the pandemic were just

Corporation Amitabh Akhauri told reporters here.

*The Economic Times - 25.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/fuel-sale-coming-back-to-pre-covid-level-ioc-official/79932992>

## **Reliance-BP's natural gas production to raise domestic consumption and cut expensive imports, say analysts**

Natural gas from Reliance-BP's new field in the KG basin will help raise domestic consumption and cut expensive imports, analysts and industry executives said. RIL-BP's production has started at a time the liquefied natural gas (LNG) prices in the international spot markets are roaring. Spot LNG rates in Asia have jumped to above \$11 per unit this month, a six-year-high, from a record low of under \$2 per unit in May on colder-than-normal winters in north Asia, higher freight, and supply outage at some LNG exporting plants. Most of the gas currently being produced by RIL-BP's new field was sold last year at a price linked to crude oil and can't rise above the government-set ceiling of \$4.06 per unit until March. "There is a lot of latent domestic demand. The new volume from RIL-BP will help domestic consumption to rise," said K Ravichandran, senior vice president & group head-corporate ratings at rating agency ICRA. "There will be a small impact on import as well where consumers will want to cut down on expensive spot purchases."

*The Economic Times - 24.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/reliance-bps-natural-gas-production-to-raise-domestic-consumption-and-cut-expensive-imports-say-analysts/79932839>

## **India's natural gas consumption rises 2% in November from a year earlier**

Natural gas consumption in the country has risen 2% in November from a year earlier, signalling a rebound in the industrial activity. The consumption rose to 5.2 billion cubic meters (BCM) from 5.1 BCM last November, as per the official data. The demand for the April-November period is down nearly 5% from last year. "There has been a growth in consumption as the economic activities regain slow and steady growth," the oil ministry's Petroleum Planning & Analysis Cell said in its monthly report. The initial demand recovery was led by the fertilizer and power plants and refineries. "City gas demand that had sharply dropped due to the lockdown is also returning with new city gas licensees setting up CNG fuelling stations,"

starting to be felt, and exacerbated by a brief price war between Saudi Arabia and Russia, following disagreements over output levels. Both sides slashed prices in a bid to gain market share from the other, sparking the price crash that saw front-month Brent falling under \$20/bbl and the US WTI benchmark closing in negative territory for the first time ever.

*The Economic Times - 23.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opinion-2020-one-of-the-worst-years-for-oil/79926037>

## **Govt looks to advance 20 per cent ethanol blending with petrol**

The Central government has proposed to advance the deadline for blending 20 per cent ethanol in petrol from the earlier announced 2030. Sources said that the deadline may now be advanced to 2025 or as early as 2023 to allow sugar mills to convert excess sugarcane or sugar for producing higher quantity of ethanol required for blending with petrol. The government had earlier fixed a target of 10 per cent ethanol blending by 2022 and 20 per cent by 2030. But the plan now is to directly migrate to 20 per cent as the level of blending is successively being used in blunt rows such as Brazil. The advancing of date is also being looked at as India will not be able to extend financial help for marketing and transport of excess sugar beyond 2023 as per WTO conditions. This will block funds to the tune of Rs 20,000 crore of sugar mills for the unsold stock of sugar affecting their liquidity position resulting in accumulation of cane price arrears of farmers.

*The Economic Times - 22.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-looks-to-advance-20-per-cent-ethanol-blending-with-petrol/79850322>

## **COVID-19 had massive impact on Indian aviation sector in 2020**

The COVID-19 pandemic had a massive impact on the Indian aviation sector in 2020 and major airlines facing losses and challenging times laid off employees, sent them on leave without pay, or cut their salaries. The government also had to extend the deadline for submitting bids for Air India five times during the year. When the pandemic started spreading across the country, all scheduled international flights and domestic passenger

said E S Ranganathan, director (marketing) at GAIL, the nation's largest gas marketer. Lockdown had curbed public transport, a key consumer of compressed natural gas in big cities like Delhi and Mumbai.

*The Economic Times - 23.12.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-natural-gas-consumption-rises-2-in-november-from-a-year-earlier/79907954>

## **Operator for common gas pipelines soon: Petroleum Secy**

India will soon have an independent operator of common carrier gas pipelines to ease access to transport infra, deepen the local gas market and meet the longstanding industry demand for separating content and carriage. "We plan to have a transport system operator (TSO) in place, which will manage the common carrier part of the entire gas pipeline system in the country," Petroleum Secretary Tarun Kapoor told ET. Multiple ownership models are being evaluated and likely to be finalised in six months for the TSO, which will manage a transparent digital system of booking pipeline capacity for suppliers and customers. Some gas suppliers have complained in the past that the current system gives state-run GAIL undue advantage due to its dominance in the pipelines and gas marketing business. Strengthening natural gas distribution is a key priority area for Kapoor who took over as the petroleum secretary seven months ago. Other priorities include increasing biofuel's share in the country's energy mix, boosting oil and gas production, improving state firms' management, and enhancing customer experience at petrol pumps and for cooking gas consumers.

*The Economic Times - 28.12.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F12%2F28&entity=Ar00902&sk=81A98334&mode=text>

## **India's crude steel output grows 3.5 percent to over 9 million tonne in November**

India registered a growth of 3.5 per cent in crude steel production at 9.245 million tonne (MT) in November, according to World Steel Association. The country had produced 8.933 MT crude steel during the same month last year, the global industry body said in its latest report. "Crude steel production for the 64 countries reporting to the World Steel Association

flights were suspended from March 23 and March 25, respectively. Scheduled domestic flights were restarted in a limited manner from May 25. The effect of this disruption can be gauged by the loss figures of India's two largest airlines. IndiGo incurred net losses of ₹2,884 crore and ₹1,194 crore in Q1 and Q2 of this fiscal respectively. SpiceJet posted net losses of ₹600 crore and ₹112 crore in Q1 and Q2, respectively. The government, meanwhile, permitted special international passenger flights under Vande Bharat Mission since May and air bubble arrangements were formed with around 24 countries since July. However, scheduled international flights remain suspended in India.

*Mint - 27.12.2020*

<https://www.livemint.com/news/india/covid-19-had-massive-impact-on-indian-aviation-sector-in-2020-11608984681224.html>

### **Product-specific warehouses to come up at ports, national waterways**

The government on Thursday said it will set up product-specific warehouses at ports and national waterways. The purpose of development of this infrastructure is to reduce the storage losses, minimise logistic costs and facilitate distribution of cargo in the hinterland, the Ministry of Ports, Shipping and Waterways (MoPSW) said in a statement. "The (MoPSW) intends to create product-specific warehouses or silos at various ports (including both major and non-major ports), Multi Modal Logistics Parks located near port area and alongside the national waterways," the statement said. The ministry is targeting to develop the product-specific warehouses at ports for cement silos, liquid tanks, chemicals tanks, cold storage, electronics product storage, and pharmaceutical storage, among others. "While the big players have their own warehouses and storage spaces, the smaller players find it difficult to get their product-specific storage silos at various locations," the statement said. The development of these world-class warehousing spaces will give a big push, especially to such small logistics players for their ease of doing business with better planning and inventory management, it added.

*Deccan Herald - 25.12.2020*

<https://www.deccanherald.com/business/business-news/product-specific-warehouses-to-come-up-at-ports-national-waterways-931138.html>

(worldsteel) was 158.261 MT in November 2020, a 6.6 per cent increase compared to 148.417 MT in November 2019. "Due to the ongoing difficulties presented by the COVID-19 pandemic, many of this month's figures are estimates that may be revised with next month's production update," worldsteel said. According to the worldsteel data, China registered 8 per cent year-on-year growth in steel output at 87.660 MT during November 2020, compared to 81.191 MT in the same period last year. The US production stood at 6.120 MT, down 13.7 per cent from 7.088 MT. Japan's output slipped 5.9 per cent to 7.264 MT from 7.716 MT a year ago.

*The Economic Times - 27.12.2020*

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/indias-crude-steel-output-grows-3-5-percent-to-over-9-million-tonne-in-november/articleshow/79976093.cms?from=mdr>

### **Vinit Kumar in additional charge of Paradip Port**

Syama Prasad Mookerjee Port Chairman Vinit Kumar on Wednesday assumed the additional charge of Chairman of Paradip Port Trust (PPT). The 1993-batch IRSEE officer, who believes in collective responsibility, has invited wholehearted cooperation from the port users, PPT employees and trade and commerce bodies to further strengthen the overall performance of the port. Kumar is at the helm of affairs of Syama Prasad Mookerjee Port earlier known as Kolkata Port Trust since October 2017. He was the Chief Electrical Engineer in Mumbai Railway Vikas Corporation Ltd and looked after World Bank-funded MUTP project before joining as the Chairman of Syama Prasad Mookerjee Port.

*New Indian Express - 24.12.2020*

<https://www.newindianexpress.com/states/odisha/2020/dec/24/vinit-kumar-in-additional-charge-of-paradip-port-2240316.html>

## **Vineet Agarwal takes over as new Assocham president**

Vineet Agarwal, managing director of logistics major Transport Corporation of India Limited (TCIL) has taken over as the new president of The Associated Chambers of Commerce and Industry of India (Assocham). He replaces Dr Niranjan Hiranandani, co-founder and managing director, Hiranandani Group of Companies who has completed his tenure at the chamber, during its centenary year. Agarwal, is a graduate from Carnegie Mellon University, USA. He also did an 'Owner President Management Programme' from the prestigious Harvard Business School.

*The Times of India - 22.12.2020*

<https://timesofindia.indiatimes.com/business/india-business/vineet-agarwal-takes-over-as-new-asso-cham-president/articleshow/79838185.cms>