WEEKLY MEDIA UPDATE

Issue 470

05 October, 2020
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.)

Balmer Lawrie in News

103RD AGM OF BALMER LAWRIE & CO. LTD

The 103rd Annual General Meeting of Balmer Lawrie & Co. Ltd., a Public Sector Enterprise under the Ministry of Petroleum & Natural Gas, Government of India was held on 25th September, 2020.
Unprecedented times require unprecedented measures. This is for the first time in the history of Balmer Lawrie that the AGM is conducted virtually. This is a new experience for the shareholders as well as for the Management. Social distancing is a new norm to be followed and we all have accepted the new normal for a better future. On the positive side, the virtual meeting has widened the horizon of participation of shareholders and given us an opportunity to interact with our shareholders globally.
Balmer Lawrie recorded net turnover of Rs. 1612 crores during Financial Year 2019-20 as against Rs. 1854 crores in Financial Year 2018-19 registering a decrease of approximately 13% above last year. The Company recorded a Profit Before Tax of Rs. 232 Crores in Financial Year 2019-20 as against Rs. 280 Crores in Financial Year 2018-19. The decrease is being attributable to the decrease in the performance of some SBUs, particularly SBU: Logistics, primarily on account of adverse impact of onset of COVID-19 pandemic during the last quarter of the financial year.

Business Standard – 29.09.2020

Annual General Meeting of Balmer Lawrie & Co. Ltd

The 103rd Annual General Meeting of Balmer Lawrie & Co. Ltd., a Public Sector Enterprise under the Ministry of Petroleum & Natural Gas, Government of India was held on 25th September 2020. For the first time in the history of Balmer Lawrie, the AGM was conducted virtually. The virtual meeting widened the horizon of participation of shareholders allowing interaction with the shareholders globally. Balmer Lawrie recorded net turnover of Rs.1612 crores during Financial Year 2019-20 as against Rs.1854 crores in Financial Year 2018-19 registering a decrease of approximately 13% above last year. The Company recorded a Profit Before Tax of Rs.232 Crores in Financial Year 2019-20 as against Rs.280 Crores in Financial Year 2018-19. The decrease is being attributable to the decrease in the performance of some SBUs, particularly SBU: Logistics, primarily on account of adverse impact of onset of COVID-19 pandemic during the last quarter of the financial year.

The Hindu Business Line – 30.09.2020

PHOOL.CO: Solving the temple-waste problem

PHOOL.CO is not your run-of-the-mill entrepreneurial venture. An IIT Kanpur-backed biomaterial startup founded by two engineering graduates, Ankit Agarwal and Prateek Kumar in July 2017, it is focused on the circular economy. It converts floral waste into charcoal-free luxury incense products. Recently, it raised $1.4 million in a pre-Series A funding round. The funding round was led by IAN Fund and San Francisco-based Draper Richards Kaplan Foundation. On the recent funding, he said, "We are delighted to get IAN on board as an investor and the funds raised will be used to advance the research and scale the operations." Earlier, Phool.co had raised Rs 3.38 crore in a seed round from Social Alpha (FISE), DRK Foundation, IIT Kanpur and Balmer Lawrie, among others.

The Financial Express – 05.10.2020

https://www.financialexpress.com/industry/technology/phool-co-solving-the-temple-waste-problem/2097302/

Steeper contraction in FY21 GDP: ICRA revises forecast downwards

Ratings agency ICRA on Monday revised downwards its forecast for the contraction in the gross domestic product (GDP) for 2020-21 to 11% from 9.5% earlier with fresh Covid-19 infections

Green shoots visible in Sept but cos want more support

India's Purchasing Managers' Index (PMI) rose to the highest in eight-and-half years in September while goods and services tax (GST) collections in the month crossed last year's remaining elevated at the end of the second quarter of the year. However, it retained its earlier forecast of a 12.4% contraction in GDP in the second quarter. An ET poll of ten economists pegged the real GDP to shrink India's 8-15.6% in the September quarter. India's economy shrank 23.9% in the first quarter. "With the pandemic continuing in India for over six months, we sense that economic agents are now adapting to the crisis, resulting in a graduated recovery to a new post-Covid normal," said Aditi Nayar, principal economist at ICRA. Nayar said there are some early green shoots, such as the sharp revival in passenger vehicles and motorcycles, but those seem to be driven by pent up demand as well as inventory restocking, casting some doubts on their sustainability. The agency revised its projections for GDP to decline 5.4% from 2.3% earlier for the third quarter and 2.5% in the fourth quarter.

The Economic Times - 29.09.2020

https://economictimes.indiatimes.com/news/economy/indicators/steeper-contraction-in-fy21-gdp-icra-revises-forecast-downwards/articleshow/78366864.cms

CEOs indicate business sentiment revival; steady recovery of Indian economy on anvil: CII

The CEOs of top 115 companies who met at CII's National Council earlier this week indicated revival of business sentiment and a gradual rise in expected corporate performance in a poll, raising hopes that a steady recovery of India's economy is on the anvil. The CEOs, who took the poll, included representatives from across sectors like metals and mining, manufacturing, auto, pharma, health, energy, infrastructure, construction and leading services sector including ITES, health hospitality tourism and e-commerce, the Confederation of Indian Industry (CII) said on Sunday. "A steady recovery of the Indian economy is on the anvil as corporate India restarts business and economic activity with lockdowns being increasingly relaxed in many parts of the country," the chamber said. India Inc is now estimating a capacity utilisation of more than 50 per cent in the second half of this financial year, it added.

The Economic Times - 05.10.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/ceos-indicate-business-sentiment-revival-steady-recovery-of-indian-economy-on-anvil-cii/78485118

Gross borrowing target unchanged at ₹12 lakh crore

levels. Other measures such as e-way bills, railway freight loading, highway toll collections, power demand and exports also pointed to an economy on the mend after a record contraction in the June quarter. The IHS Markit India Manufacturing PMI increased to 56.8 in September from 52 in August. GST collections rose to a post pandemic high of Rs 95,480 crore, also 4% higher than Rs 91,916 crore in the same month last year. Power demand was about 4.8% higher on a daily basis as on September 30 compared to a month ago. As many as 29 million sought work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) last month as of September 26, the lowest since the lockdown curbs began to be eased in May and suggesting more people were finding employment in the cities.

The Economic Times - 02.10.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F10%2F02&entity=Ar00101&sk=0D2DF134&mode=text

Combined fiscal deficit at 13-13.4% for FY21: Care Ratings

India's combined fiscal deficit may climb to 13-13.4% of gross domestic product (GDP) in the current fiscal, more than double the government's target of 6.4%, even if there is no further fiscal stimulus, CARE Ratings said in a report Monday. The report projects the Centre's deficit to touch Rs 17.8 lakh crore against the target of Rs 8 lakh crore, while states are likely to record a deficit of Rs 7.73 lakh crore over the budgeted Rs 6.35 lakh crore. This implied a deficit of about 9% of GDP for the central government against the budgeted 3.5% and at 3.9% for the states over the budgeted 2.8%. Further, the additional borrowing of Rs 97,000 crore that states will have to undertake due the shortfall in goods and services tax (GST) compensation from the Centre would push up the states' deficit to 4.4% of GDP or the combined deficit to 13.4%, depending on how it is accounted for, the report said. "We expect it (combined deficit) to be in the region of 13% in the technical sense as the Rs 97,000 crore of direct borrowing by states is not being treated as fiscal deficit.

The Economic Times - 29.09.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F09%2F29&entity=Ar01111&sk=64F398CE&mode=text

Debt-GDP ratio forecast at 90%

The government kept its gross borrowing target for the current financial year unchanged at Rs 12 lakh crore, counting on a pickup in tax revenues to meet any need for a stimulus to support the economy. In the second half of the fiscal, the Centre will borrow Rs 4.34 crore, the balance left over from the revised Rs 12 lakh crore gross market borrowing announced in May. The government had budgeted gross Rs 7.8 lakh crore market borrowing in the February budget for FY21 but was forced to raise it by over 50% to meet additional spending due to the Covid-19 pandemic and loss of tax revenues because of the lockdown and subsequent localised shutdowns. Meanwhile, data released on Wednesday showed the Centre's fiscal deficit at Rs 8.7 lakh crore at the end of August, 9.3% more than the Rs 7.96 lakh crore provided in the budget for the full year.

The Economic Times - 01.10.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F10%2F01&entity=Ar00108&sk=CB066F51&mode=text

The debt to gross domestic product ratio could widen to around 85-90 per cent for India in a post Covid-19 period from around 70 per cent in the pre-Covid period. According to Sajjid Z. Chinoy, chief Indian economist of JP Morgan and member of the advisory council to the 15th Finance Commission, the central government must do the heavy lifting in terms of fiscal spending. "The approach I would prefer is to have a large infrastructure stimulus over the next 12-18 months. This will boost aggregate demand, crowd in private investment, create jobs and help medium term growth," said Chinoy at an event organised by the Bengal Chamber of Commerce and Industry. He added that the stimulus could be financed through aggressive asset sale over the next two to three years so that it is fiscally neutral. Chinoy said the challenge for the government would be to maintain fiscal sustainability after the Covid-19 pandemic.

The Telegraph - 30.09.2020

https://www.telegraphindia.com/business/debt-gdp-ratio-forecast-at-90/cid/1793403

Current a/c surplus nears record $20bn in June qtr

The country's current account surplus jumped to an all-time high of $19.8 billion (3.9% of GDP) for the April-June period — the first quarter of FY21 — due to a collapse in imports. The first quarter of the previous year had seen a deficit of $15 billion (2.1% of GDP). The preceding January-March quarter had seen India's first current account surplus in 13 years, partly because of slower imports from China due to the Covid outbreak there. Lower imports in the first quarter of FY21 resulted in the trade deficit narrowing to a 15-year low of $10 billion. Services surplus, led by IT exports, were almost steady at $20.5 billion despite a lockdown. Private transfer receipts, mainly representing remittances by Indians employed overseas, amounted to $18.2 billion — a decline of 9% from a year ago. A current account surplus, even though it is brought about by a decline in economic activity, is good from a macroeconomic standpoint as it reduces pressure on the rupee. However, the drop in imports are also a sign of weak domestic demand.

The Times of India - 01.10.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F10%2F01&entity=Ar01718&sk=E8846C50&mode=text

Core sector shrinks for 6th straight month

India's infrastructure sector shrank for the sixth straight month in August with the pace of contraction deepening from the month before, data released on Wednesday showed, confirming the slight flattening in the recovery in the month. The output of eight core infrastructure sectors dropped 8.5% in August compared to 8% contraction in July, revised up from 9.6% contraction estimated earlier. The cumulative growth during April-August is -17.8%.Subsequent high frequency data has shown economy picked up pace in September. The eight industries in the index- coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity- together have a 40% weight in the Index of Industrial Production (IIP), suggesting a similar contraction in the industrial production for the month. The production of eight core sectors had declined 0.2% in August 2019. Except coal and fertilisers, all other sectors witnessed a decline. The contraction in May output was revised to 21.4% from 22% estimated earlier.

The Economic Times - 01.10.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F10%2F01&entity=Ar01201&sk=9AA616B5&mode=text

Mfg activity expands at fastest pace in over 8 years

No September surprise, big hopes on next two months

Activity in manufacturing sector rose at its fastest pace in more than eight years on the back of robust new orders as the economy opened for business after the strict lockdown, a survey showed on Thursday, bringing much-needed relief for policy makers battling one of the sharpest contractions in the economy. The IHS Markit India Manufacturing Purchasing Managers' Index (PMI) increased from 52 in August to 56.8 in September, signalling back-to-back improvements in the health of the sector. The survey is compiled from responses to questionnaires sent to purchasing managers of around 400 manufacturers and is seen as a key advance indicator for measuring activity. The survey showed that there were renewed expansions in exports and input stocks as well as an improvement in business confidence. Output prices rose for the first time in six months, reflecting an uptick in input costs. Several indicators have shown improvement in the past few months as authorities have unveiled the unlocking plan.

The Times of India - 02.10.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F10%2F02&entity=Ar01307&sk=7C8297EC&mode=text

An ET poll of economists estimated the July-September quarter to post around -12% growth, an improvement on Q1 FY21, but still a big negative. Nomura's latest report says the India Business Resumption Index slowed to 81.6% for the week ended September 27, compared with 82.3% in the week before. ET's monthly reports on business activity for September align with these estimates. Macro indicators for this month such e-way bills, exports, rail freight are expected to show moderate month-on-month improvements. Fuel sales are recovering as personal transport use goes up. For businesses, most key sectors show moderate improvements over August, autos being one of the positive outliers. Near future outlook is heavily dependent on festive sales, but there's some fear demand may taper after that. Sept Report Card: Passenger vehicles and two-wheeler sales registered 20-22% growth this month compared with August. But since automakers pushed units to dealers expecting festive sales, wholesale numbers to be higher than retail in September.

The Economic Times - 29.09.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F09%2F29&entity=Ar00321&sk=3086C692&mode=text

Exports in September report 5.27 per cent growth

Exports in September reported a 5.27 per cent growth but exporters are complaining of a rise in freight costs on account of a fall in imports from China, down almost 28 per cent till August. Fall in shipment means lesser number of inbound containers from China, which exporters allege is being leveraged by the shipping lines to jack up rates on the grounds the containers are being used only for outward shipments. "Shipping lines have told some exporters that for only outward traffic, freight rates will have to increase as there is less inward traffic. Further, such a large increase in freight charges is also impacting the competitiveness of exporters, apart from the non-availability of containers," the EEPC (Engineering Export Promotion Council) India has said in its communication to the commerce ministry. The council has approached the commerce ministry, seeking its intervention to resolve the issues and set up a regulator to deal with the "monopolistic" practices being indulged in by the shipping companies. Imports, meanwhile, slipped 19.6 per cent to $30.31 billion in September, according to commerce ministry data.

The Telegraph - 03.10.2020

Govt to miss divestment target, borrow ₹12 lakh cr

The government on Wednesday acknowledged for the first time that it will fall short of the disinvestment target as it deferred the BPCL bid submission deadline for the fifth time, while retaining the annual borrowing target at the revised level of Rs 12 lakh crore. The Centre had originally budgeted to borrow Rs 7.8 lakh crore from the market during the current financial year but was forced to increase its bond issue programme as revenues dried up in the first quarter due to the coronavirus-induced lockdown. It has already borrowed around Rs 7.7 lakh crore so far this year. Economic affairs secretary Tarun Bajaj told reporters that the government has budgeted for a higher spending requirement and lower revenue and will disclose the details at the time of the Budget presentation in February. He added that the disinvestment department will try to maximise receipts, with less than Rs 5,700 crore of the Rs 2.1 lakh crore planned for the current year flowing into government coffers so far. The latest delay in the much touted BPCL sale also points to a further postponement of the Air India divestment.

The Times of India - 01.10.2020

https://www.telegraphindia.com/business/exports-in-september-report-5-27-per-cent-growth/cid/1793747

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F10%2F01&entity=Ar01710&sk=EC89FE40&mode=text

Govt's divestment efforts may get a ₹15,000-cr boost

A resurgent stock market is offering relief and confidence to the government to meet its ambitious disinvestment target of ₹2.1 trillion for this fiscal. So far, the government is yet to reach the halfway mark of its FY21 divestment goal. However, a 27-158% rally in shares of some state-run companies since March, in line with a more than 50% rebound in benchmark indices, could boost the government's plans. A Mint analysis of data sourced from Prime Database showed that the government may fetch ₹15,155 crore (based on closing price of 1 October) by paring its stake in 21 listed public-sector-undertaking (PSU) firms to meet the 25% public shareholding norm as mandated by the Securities and Exchange Board of India (Sebi). The data showed that public shareholding in these 21 PSUs ranged from 0.94% to 23.95%. For review, PSUs where public shareholding is less than 25% have been considered. For instance, the government can rake in ₹1,795 crore by increasing the public shareholding in KIOCL Ltd to 25% from the current 24.06%. Similarly, it can earn ₹2,737 crore by raising the public shareholding by 12.4% in one of its best performing stocks, the Indian Railway Catering and Tourism Corporation (IRCTC). Centre currently holds 87.40% in IRCTC, which has rallied 78% since March.

Mint - 05.10.2020

https://www.livemint.com/market/stock-market-news/govt-s-divestment-efforts-may-get-a-15-000-cr-boost-11601865784809.html

India will define post-Covid energy trends: Dharmendra Pradhan

India will account for more than a third of the growth in global energy demand for the next three decades and could potentially define the way energy trends take shape in the post-Covid world, according to oil minister Dharmendra Pradhan. "It is imperative that we position ourselves well to handle the current energy challenges to be able to develop our strategies in the post-Covid-19 world. India, as world's third-largest consumer of energy, has not only been impacted but also could potentially define how global energy trends would emerge," Pradhan told an industry function on Tuesday. This, he said, would need rebuilding the energy eco-system to make it "secure, clean, resilient and responsive" to the need of citizens. The government has been moving in that direction by widening its approach towards energy security beyond ensuring oil supplies to promoting other forms of energy and demand-side management through energy efficiency. India's energy sector is capable of powering this change as it has shown greater resilience in the face of the pandemic, with "supplies holding up admirably in spite despite the global turmoil in the financial and commodity markets" and "witnessing significant (rise in) consumption".

The Economic Times - 30.09.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-will-define-post-covid-energy-trends-dharmendra-pradhan/78397147

India has sufficient supplies of crude oil, LNG: Pradhan

The Covid-19 pandemic led to erosion of 1/3rd of global energy demand, creating significant oil price volatility with cascading geopolitical impacts. This has also resulted in India's crude oil and natural sourcing ability to improve, according to Minister for Petroleum and Natural Gas, Dharmendra Pradhan. Speaking at the International Energy Security Conference 2020 organised by Global Counter-Terrorism Council (GCTC), Pradhan said: "We have enhanced our engagement with key global players and firmed up our strategic partnerships with producing countries such as United States of America, Russia, Saudi Arabia and United Arab Emirates on one hand. There is also more engagement with consuming countries like South Korea and Japan."

Centre exploring possibility of reducing crude oil cess by half

The Centre is exploring the possibility of reducing crude oil cess by half to 10 per cent in an effort to encourage investment and production in the sector. Senior oil ministry officials said they were considering the industry's demand to reduce the cess on domestic crude oil. The industry has demanded the cess be reduced to 5- 8 per cent. The oil ministry is looking to take up the matter with the finance ministry. "We do not expect any immediate reduction in cess at this juncture, given the economic reality of the country. But, investment in the exploration is a long-term investment and a right signal needs to be sent to boost that," the officials said. The reduction in the levy has huge revenue implications as

"We presently have sufficient supplies of crude oil and Liquified Natural Gas (LNG). This is a result of our efforts to diversify sources of hydrocarbons," he added. Pradhan said that India's oil-marketing companies are now importing crude oil from more than 30 countries spread across Africa, North and South America, as well as South East Asia.

The Hindu Business Line - 30.09.2020

https://www.thehindubusinessline.com/economy/india-has-sufficient-supplies-of-crude-oil-lng-pradhan/article32722339.ece

ONGC alone pays cess in excess of Rs 10,000 crore annually. The changes would also provide a level playing field to domestic companies as imported crude does not attract the levy, industry sources said. In the 2016-17 budget, the then finance minister Arun Jaitley had changed the cess to 20 per cent ad valorem rate from the fixed rate of Rs 4,500 per tonne.

The Telegraph - 30.09.2020

https://www.telegraphindia.com/business/centre-exploring-possibility-of-reducing-crude-oil-cess-by-half/cid/1793430

Oil exploration up in the air as prices dive

The coronavirus pandemic that has slammed oil demand and prices is forcing energy majors to tighten their belts on exploration, even if finding new deposits remain essential to their existence. While the sector is increasingly diversifying into greener energies such as electricity and wind power, its core business remains oil and gas. "Questions abound over whether it is still profitable to look for oil given subdued demand growth prospects and a low-price environment," Stephen Brennock, analyst at oil brokers PVM, told AFP. "The answer seems not, judging by the recent spate of massive hydrocarbon asset write-downs. "Set against this backdrop, I don't expect a rebound in drilling in the medium-term. "Instead, oil majors will be forced to beef up their green energy portfolios in order to survive," Brennock said. Slashed projects - Compared to pre-virus plans, the energy sector has slashed exploration projects in UK North Sea waters by 70 percent and by 30 percent off the coast of Norway, according to research group Westwood.

The Economic Times - 05.10.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-exploration-up-in-the-air-as-prices-dive/78479629

Petrol on a high, diesel not far behind

Petrol consumption shot past pre-Covid levels and diesel sales stood just 7% short of the year-ago mark in September, after sputtering through the previous two months, indicating the economy could be showing signs of finally coming out of the lockdown-induced slumber. Simultaneously, a 13% growth in the consolidated output of India's largest power generation utility, NTPC group, in the July-September quarter further underlined a rebound in economic activity. Shrikant Madhav Vaidya, chairman of India's largest fuel retailer IndianOil, expects company refineries at full steam soon. "It's a matter of time. Petrol and diesel (consumption) are near-normal. State transport services are coming back. ATF (jet fuel) will take some time…So if we can convert the ATF into petrochemicals, which we can and are doing, our refinery operations should be back at 90-100% by December," he told TOI.

The Times of India - 02.10.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F10%2F02&entity=Ar01022&sk=92846DB2&mode=text

CNG rates may go up by about a fifth

Retail prices of compressed natural gas (CNG) may see hikes of as much as 18%, if the price of domestic gas is linked with the higher benchmark rates of Japan and Korea, analysts said. Responding the recent media reports about the government planning to revise the formula for determining the rate of domestic natural gas, several research agencies have pointed out that such a move will be beneficial for gas producers, mainly state-run Oil and Natural Gas Corporation (ONGC), but will impact entities engaged in city gas distribution (CGD). "As retail prices are adjusted for Japan Korea Marker (JKM) linked prices, retail prices need to be increased by Rs 7-8/kg or 17-18% and this impacts attractiveness of CNG to petrol," Credit Suisse said in a latest note

India slashes natural gas prices to multi-year low of $1.79/mmBtu

India has cut the price of locally produced gas for October 2020-March 2021 by about a quarter to a multi-year low of $1.79 per million metric British thermal units (mmBtu), the government said on Wednesday. This would be the lowest price since 2014, when the nation began linking local rates to a formula tied to global benchmarks, including Henry Hub, Alberta gas, NBP and Russian gas. It also set the ceiling price for gas produced from more challenging fields at $4.06 per mmBtu for the same period, down 27.6% from the prior six-month period, the statement showed. The prices will be applicable on a gross heat value basis. Lower natural gas prices mean reduced on the Indian gas sector. The investment banker noted that it can also impact the penetration of piped natural gas (PNG) for residential cooking connection as it will lead to a price hike. Companies such as Mahanagar Gas and Indraprastha Gas derive around 75% of their revenue from CNG.

The Financial Express - 30.09.2002
https://www.financialexpress.com/industry/japan-korea-benchmark-cng-rates-may-go-up-by-about-a-fifth/2094445/

costs for gas for fertilisers, automobiles and households. They will also cut earnings for state-owned Oil and Natural Gas Corp Ltd and Oil India Ltd.

The Economic Times - 01.10.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-slashes-natural-gas-prices-to-multi-year-low-of-1-79/mmbtu/78417986

Reduction in gas price to hike losses for upstream companies: India Ratings

Ratings agency India Ratings and Research has said that recent domestic gas price reduction on account of a substantial fall in the benchmark indices would significantly increase losses for upstream companies, while improving the profitability of end-user industries. In industry parlance, upstream companies deal primarily in exploration of resources. According to the ratings agency, end-user industries, specifically city gas distribution (CGD), fertilisers and power are expected to benefit out of this move. However, a new gas pricing framework could benefit the upstream companies while the other sectors may face a low-to-medium negative impact, cited the agency. Recently, domestic gas prices were reduced to $1.79 per mmbtu for 2HFY21 from $2.39 per mmbtu for 1HFY21 on account of a substantial fall in the benchmark indices during 1QFY21. "The proposal outlines the Japan Korea mark-up (JKM) index to act as a floor while calculating domestic gas pricing," the agency said.

The Economic Times - 04.10.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/reduction-in-gas-price-to-hike-losses-for-upstream-companies-india-ratings/78472073

Diesel demand drop forcing India refiners to import gasoline

Indian refiners, designed to maximize diesel output, are being forced to import gasoline to cover demand as plants continue to run below capacity. The companies are facing a peculiar situation. For years, they have been pumping out diesel used by trucks and industries to keep the pace of economic growth. Now, the onslaught of the coronavirus has turned the tables, and the lack of demand is forcing refiners to operate their plants below capacity, and in the process cut output of other essential fuels. Complicating the situation is that gasoline sales are back at pre-virus levels, led by greater use of personal vehicles to avoid the risk of getting infected on public transport. The same reason, however, is contributing to diesel use staying about 8% lower. Also impacting consumption are a slower pickup in industrial activities, lower seasonal demand and higher retail prices. Bharat Petroleum Corp. plans to import a cargo of gasoline every month until there's enough diesel demand to support its refineries to run at higher capacity, Marketing Director Arun Kumar Singh said on Monday.

Mint - 30.09.2020
https://www.livemint.com/industry/energy/diesel-demand-drop-forcing-india-refiners-to-import-gasoline-11601386567414.html

India looking to store oil overseas in US, other commercially viable locations: Pradhan

India, the world's third-biggest oil importer, is exploring storing crude oil in the US and other commercially viable locations to hedge its supply risks, Oil Minister Dharmendra Pradhan said on Tuesday. Also, the country has tied up long-term crude oil supplies from the US, Russia and Angola to diversify its import basket beyond its traditional suppliers in the volatile Middle-East. Speaking at a conference on the 'Energy Security Towards Atmanirbhar Bharat', he said India is now importing crude oil from over 30 countries, including from Africa, North and South Americas

Oil traders doubt OPEC will boost output as planned in 2021, citing bearish signals

OPEC is unlikely to increase oil output as planned from January next year as it could mean adding more downside pressure to the already bearish and weak market, top traders said on Tuesday. OPEC is due to taper their production cuts by 2 million barrels per day in January. OPEC and other major oil producers announced record oil cuts in March this year as fuel demand collapsed with half the world in some form of lockdown to stop the spread of COVID-19. "I don't think OPEC will increase production in January...If they do, the market as well as Southeast Asia. "We are also exploring overseas crude storage facilities in the US and other commercially viable locations," he said. India and the US had on July 17 signed a preliminary agreement for cooperating on emergency crude oil reserves, including the possibility of India storing oil in the US emergency stockpile. The nation currently stores 5.33 million tonnes (about 38 million barrels) of crude oil in underground storages at three locations on the east and west coast, hardly enough to meet its 9.5 days needs.

The Economic Times - 30.09.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-looking-to-store-oil-overseas-in-us-other-commercially-viable-locations-pradhan/78381791

will test them to the downside," Pierre Andurand, founder and chief investment officer at Andurand Capital, told the FT Global Commodities Summit. Both Andurand and Trafigura's co-head of oil Ben Luckock said they saw oil prices only recovering to $50 a barrel by the end of next year, from around the current $40. "2022 is the earliest when prices can go higher," Trafigura's co-head of oil Ben Luckock said. "I'm not upbeat about this market in the next couple of months. Floating storage is currently not beneficial as it used to be at the start of the crisis. You really cannot stretch it beyond Christmas...It is borderline economics."

The Economic Times - 30.09.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-traders-doubt-opec-will-boost-output-as-planned-in-2021-citing-bearish-signals/78396884

OPEC Sept oil output rises for 3rd month on Libya restart, Iran

OPEC oil output has risen for a third month in September, a Reuters survey found, as a restart of some Libyan installations and higher Iranian exports offset strong adherence by other members to an OPEC-led supply cut deal. The 13-member Organization of the Petroleum Exporting Countries pumped 24.38 million bpd on average in September, the survey found, up 160,000 bpd from August's revised figure and a further boost from the three-decade low reached in June. An increase in OPEC supply since August and concerns of a new demand hit as coronavirus cases rise have weighed on oil prices, which have fallen 10% in September to near $40 a barrel. OPEC is monitoring Libyan output, which has failed to sustain restarts in the past. "While demand struggles to keep up, supply is rising," said Paola Rodriguez-Masiu, analyst at Rystad Energy. "Libya's production is coming back." Libya and Iran are two of the OPEC members exempt from a supply pact by OPEC and allies including Russia, known as OPEC+. The pact has helped to boost prices in 2020 from historic lows in April as the coronavirus crisis destroyed demand. OPEC+ from May 1 made a record cut of 9.7 million bpd, or 10% of global output.

The Economic Times - 01.10.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-sept-oil-output-rises-for-3rd-month-on-libya-restart-iran/78420541

Saudi Arabia Pegs Budget to Oil at Around $50, Goldman Says

Saudi Arabia’s Finance Ministry is budgeting for oil prices to be around $50 a barrel for the next three years, according to a Goldman Sachs Group Inc. analysis of the kingdom’s fiscal plans. “Using our own estimates for the breakdown of government revenues, we calculate that the numbers presented in the budget statement are based on an average oil price of around $50 a barrel between 2020 and 2023,” said Farouk Soussa, a London-based analyst at Goldman, referring to a pre-budget statement from Sept. 30. Brent crude fell 6.3% to $39.27 a barrel last week as more countries tightened restrictions to counter the coronavirus pandemic and U.S. President Donald Trump got infected, causing traders to fret about the outlook for energy demand. While oil at $50 would represent a 25% rise from current prices, it would still be far below the pre-pandemic level of around $65 and less than Saudi Arabia needs to balance its budget. Goldman’s calculations are roughly in line with those of Cairo-based investment bank EFG Hermes, which said Saudi Arabia is basing next year’s budget on an oil price of $50 to $55. Goldman is itself more bullish, forecasting that Brent will climb to $65 by the end of 2021.

Yahoo Finance - 05.10.2020

https://finance.yahoo.com/news/saudi-arabia-pegs-budget-oil-123422674.html

PNGRB caps shareholding in gas exchange at 25% for First 5 years

A gas exchange shareholder will have to cut stake to 25% or less within five years of its launch, a just-released regulation by the Petroleum and

Reliance Industries buys Canadian heavy crude to offset Venezuelan decline: Sources

Indian oil refiner Reliance Industries has agreed to purchase 2 million barrels of Canadian heavy

Natural Gas Regulatory Board (PNGRB) prescribed. There is currently no ceiling for the shareholding in the first five years. The regulatory framework will pave the way for setting up natural gas exchanges to give a fillip to physical contracts trade, a key step in developing the gas market in India. The regulation empowers PNGRB to issue and cancel licences to operate an exchange, and investigate. It lays down rules for membership and shareholding, contract settlement and appointment of directors. While most of the provisions in the draft unveiled for consultation in July have been retained in the final regulation, a key provision regarding shareholding limit by a non-member has been changed. The draft provided for a maximum 15% shareholding by a non-member shareholder at any time; it has been raised to 25%.

The Economic Times - 30.09.2020
https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F09%2F30&entity=Ar01101&sk=5EEF1222&mode=text

crude per month, three industry sources said, as a substitute for dwindling Venezuelan supply. The deal, large for Canada, shows how global buyers are scrambling for new sources of heavy oil. Venezuela's production has collapsed over the last several years, and U.S. sanctions have squeezed its ability to sell oil to international buyers, including Reliance. The Indian refiner, which operates the largest refining facility in the world, is among several companies winding down purchases from Venezuela as a result of U.S. sanctions. Reliance's purchases from Canada will last for six months, two sources said, while a third said it was confirmed for at least the fourth quarter. With "Venezuela's collapse in production, (demand) needs to be met by someone," said a Canadian industry source, who was not authorized to speak publicly. Bloomberg first reported the sale.

The Economic Times - 02.10.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/reliance-industries-buys-canadian-heavy-crude-to-offset-venezuelan-decline-sources/78439402

Rosneft, Aramco unlikely to bid for India's BPCL stake: sources

Rosneft and Saudi Aramco are unlikely to bid in the privatisation of Indian refiner Bharat Petroleum Corp, sources familiar with the matter said, as low oil prices and weak demand curb their investment plans. Russia's Rosneft had expressed an interest in buying the federal government's 53.29 per cent stake in Bharat Petroleum (BPCL) when its chief executive Igor Sechin visited New Delhi in February, while India's trade minister has said that Saudi oil giant Aramco was enthusiastic about the stake sale. A Rosneft source, however, said it will not buy BPCL, while another said the Russian oil major would only be interested in BPCL's marketing business, which is comprised of fuel depots and more than 16,800 fuel stations. "For this, India has to sell BPCL in parts," the source said. India's government, which is looking to finance welfare schemes and bridge a fiscal deficit that has already topped the annual target, had aimed to raise $8 billion to $10 billion through the sale of its stake in BPCL.

The Economic Times - 30.09.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/rosneft-aramco-unlikely-to-bid-for-indias-bpcl-stake-sources/78396851

Govt extends BPCL bid deadline for the fourth time

The government has extended the deadline for submission of expression of interest (EoI) for selling its stake in Bharat Petroleum Corp Ltd (BPCL) by over a month to November 16. This is the fourth time the government has given more time to potential bidders, owing to the Covid-19 pandemic. The previous end date was September 30. "In view of further requests received from the interested bidders and the prevailing situation arising out of COVID-19 pandemic, the last date for submission of EoIs is further extended to 16th November, 2020 (by 5.00 PM)," the department of investment and public asset management said in a statement on Wednesday. The government had issued several clarifications in BPCL stake sale, allowing interested parties to float a special purpose vehicle or SPV at any time after submitting an expression of interest, but before signing of the share purchase agreement by all parties. Earlier, the interested parties were given a week to create the SPV.

The Economic Times - 30.09.2020
https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-extends-bpcl-bid-deadline-for-the-fourth-time/78400804

Vedanta gets in-principle nod for delisting

Billionaire Anil Agarwal-controlled Vedanta on Tuesday said it has received in-principle approval

As India opens up, travellers start checking in

Leisure bookings and travel to popular holiday destinations went up significantly in September from stock exchanges -- BSE and National Stock Exchange of India (NSE) -- for its delisting from the bourses. Post approval, the company's parent Vedanta Resources (VRL) and its subsidiaries issued a public announcement with regard to the delisting offer. "BSE and National Stock Exchange of India have issued their in-principle approval for the delisting offer pursuant to their letters each dated September 28, 2020, Vedanta said in a regulatory filing. Vedanta Resources and its wholly-owned indirect subsidiaries - Vedanta Holdings Mauritius and Vedanta Holdings Mauritius II - have also issued a public announcement with regard to the delisting offer on Tuesday. In June this year, Vedanta had received shareholders' nod for delisting the company. The firm, through a postal ballot, had sought shareholders' nod to delist after VRL offered to buy out about 49.9 per cent of public shareholding at a price of Rs 87.5 per share.

The Hindu Business Line - 30.09.2020

https://www.thehindubusinessline.com/markets/stock-markets/vedanta-gets-in-principle-nod-for-delisting/article32721438.ece

over August despite the surge in Covid-19 cases, pointing to green shoots of recovery in the tourism sector that has been crippled by the protracted lockdown. Nishant Pitti, co-founder of Ease-MyTrip, said average daily tickets sold in September for airports in Goa, Udaipur, Bagdogra, Port Blair and Cochin, went up on his platform to 571, 126, 651, 67, and 575 respectively, registering a growth of around 340%, 147%, 80%, 219%, and 144% over August. Travellers are mostly opting for homestays, villas and more personalized modes of accommodation. Aditya Agarwal, head of corporate strategy at Cleartrip, said the portal has seen a pickup in September coinciding with easing of travel and quarantine restrictions. "This suggests that pent-up demand for leisure travel is now starting to get converted into bookings," Agarwal said. "In September, booking volumes to Kochi are around 25% of previous year volumes, while Udaipur and Jaipur are around 24% and 30%, respectively, of previous year volumes. Goa is slightly lower at around 18% of last year's volumes."

The Economic Times - 02.10.2020

https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F10%2F02&entity=Ar00401&sk=571CA332&mode=text

Indian Railways develops new Freight Business Development portal for freight clients; details

Indian Railways develops new freight portal! In a bid to increase its freight basket and revenue, an exclusive portal has been developed by Indian Railways for its freight clients linking them to not just railway officials but providing them with a medium to raise concerns and lodge complaints. According to a PTI report, a Freight Business Development (FBD) portal has been developed by the team of the Centre for Railway Information Systems (CRIS) as per the directions of the Railway Board. The Railway Ministry said the FBD portal has been specially designed and developed with a 'Customer First' philosophy. The portal helps in familiarising new freight customers with the Freight Business of the national transporter. Also, it offers a bouquet of information on Indian Railways Freight Business organized in simple and easy-access links. According to the Ministry, the newly developed portal also provides enhanced features for existing freight customers including GIS-based track and trace as well as provision to contact Indian Railways with their concerns.

The Financial Express - 02.10.2020

https://www.financialexpress.com/infrastructure/railways/indian-railways-develops-new-freight-business-development-portal-for-freight-clients-details/2095968/

Logistics sector: Covid-19 alters logistics of trade

With e-commerce driving the logistics sector in the time of Covid-19, there has been a spike in demand for temporary warehouses, signalling a structural shift in the approach of companies and investors even as the overall sentiment remains positive. While industrial leasing in the top eight cities of India stood at 11 million sq. feet in the first half of 2020, the pandemic has led to demand growing for warehouses with a lease tenure of 6-11 months. Occupiers are looking for alternative locations as it helps in continuity of business and mitigates delays in delivery. The urban logistics sector is thus considering conventional retail spaces, banquet and marriage halls for alternative use as city warehouses. Besides there are upcoming markets like Guwahati, Lucknow, Patna, Jaipur, Coimbatore, Rajpura, Indore, Vijayawada, Hosur and Kochi on which the sector is focussing, seeking to enlarge its footprint. Growth prospects for these markets have brightened with the government unveiling the Atmanirbhar Bharat programme which aims at self-reliance.

The Financial Express - 05.10.2020

https://www.financialexpress.com/industry/logistics-sector-covid-19-alters-logistics-of-trade/2097851/

RP Goyal takes over as NHPC Director Finance

NHPC Ltd on Thursday announced that RP Goyal has taken over as its Director (Finance). Goyal joined the company in November 1988 as senior accountant. Before assuming his present assignment, he was working as chief general manager (finance) and heading the corporate accounts and policy, taxation, banking, establishment and investor relations functions, an official statement said. He is a member of the Institute of Cost Accountants of India and also holds a Master's Degree in Commerce from the University of Rajasthan, Jaipur. He has experience of more than 31 years in NHPC in finance, contractual and regulatory issues involved in the construction and operation of hydropower projects. He is also a nominee director on the board of Loktak Downstream Hydropower Corporation Ltd (LDHCL), a subsidiary of NHPC.

The Economic Times - 01.10.2020

https://economictimes.indiatimes.com/industry/energy/power/rp-goyal-takes-over-as-nhpc-director-finance/articleshow/78429308.cms?from=mdr

H Shankar is new Director-Technical, CPCL

Indian Oil group company Chennai Petroleum Corporation Ltd (CPCL) on Thursday said H Shankar has assumed office as Director (Technical) with immediate effect. He succeeds R Srikanthan who retired on attaining the age of superannuation on September 30, 2020. Shankar, a mechanical engineer from the Osmania University, Hyderabad, joined Indian Oil in 1992 at the Haldia Refinery and has over 28 years of work experience in IOCL Refineries of Haldia, Vadodara and Panipat. He has the unique experience of executing a 'delayed cooker unit' as a grassroot project at IOCL Gujarat Refinery. In his tenure at Refineries headquarters, New Delhi, he was associated with BS-IV and BS-VI Fuel Quality Improvement project at IOCL, Barauni Refinery. His latest achievement was in directing the investment proposal for the expansion project at Barauni refinery in January 2020.

The Economic Times - 02.10.2020

https://energy.economictimes.indiatimes.com/news/oil-and-gas/h-shankar-is-new-director-technical-cpcl/78439425

P D Vaghela next Trai chairman

At a time when the Indian telecom industry passes through its most challenging period financially, the government has appointed senior bureaucrat and current pharma secretary P D Vaghela as chairman of the Telecom Regulatory Authority of India (Trai). According to an order of the personnel ministry, Vaghela — a 1986-batch IAS officer of Gujarat cadre — will succeed R S Sharma, who retires at the end of this month. Sharma was appointed as the Trai chairman in 2015 for a period of three years. However, in August 2018, the government had extended his term till September 30 this year. Vaghela has been appointed as the Trai chief for a period of three years, or till he attains the age of 65, the personnel ministry order said. Interestingly, he was due to retire on Wednesday.

The Times of India - 29.09.2020

https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F09%2F29&entity=Ar01903&sk=B1D8D15B&mode=text