

(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 trims FY22 growth forecast to 10%

Global ratings firm Fitch on Wednesday cut its forecast on India's growth to 10% for the ongoing fiscal year from the 12.8% expansion projected in March, as lockdowns amid the second wave of the pandemic have hurt banking sector prospects. The renewed restrictions had slowed loan recovery and left banks with a moderately worse outlook for business and revenue generation in fiscal 2022, the ratings firm said in a report. "Disruption in several key business centres has slowed the (economic) recovery and dented our expectations of a rebound to pre-pandemic levels by FY22," Fitch said. The updated 2021 outlook for Indian banks factors in muted prospects for new business due to weak corporate and consumer confidence, banks' continuing high-risk aversion and below-trend credit demand, it said. Further, while regulatory relief measures had postponed underlying asset-quality issues in the short term, banks' medium-term performance would be dented without a meaningful economic recovery, said the report titled 'Improving Performance at the Cost of Delayed Stress Recognition'. The agency expected impaired loans to peak after FY23 since stress was likely to manifest over a fairly protracted timeframe on account of loans to micro, small and medium enterprises under the emergency credit guarantee scheme.

The Economic Times - 08.07.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETM%2F2021%2F07%2F08&entity=Ar01119&sk=CFB5C88D&mode=text>

Swift recovery expected due to limited impact of lockdown on economy: CII survey

India's economy is expected to see a swift recovery from the impact of the second wave of COVID-19 as lockdowns were largely designed to limit social gatherings and did not affect economic activities much, a CII survey said. About 60 per cent of CEOs participating in the survey expect that the recovery in sales of their companies would be better than that in the first wave of the pandemic. "CII CEOs poll of 119 top corporates

Economy recovering due to targeted fiscal relief, rapid vaccination: FinMin

The Finance Ministry on Friday said the economy has started showing signs of revival from the impact of the second wave of the COVID-19 pandemic on the back of targeted fiscal relief, monetary policy and a rapid vaccination drive. The broad-based economic relief package, extended to mitigate the second wave, amounted to Rs 6.29 lakh crore. RBI continues with its efforts to calm the nerves of the market and revive sectors with both backward and forward linkages and multiplier effects on growth, the ministry said in its monthly economic review. To stimulate the economy and ease the financial impact of the coronavirus pandemic and lockdown, Finance Minister Nirmala Sitharaman last month announced eight economic measures amounting to Rs 6.29 lakh crore to provide relief to individuals as well as businesses in the country. Apart from eight relief measures announced in health and other worst affected sectors, Sitharaman announced a stimulus package for the tourism industry, which included five lakh tourist visas to be issued free of charge, once the government resumes issuance. The total financial implication of the scheme will be Rs 100 crore.

Business Standard - 10.07.2021

https://www.business-standard.com/article/economy-policy/economy-recovering-due-to-targeted-fiscal-relief-rapid-vaccination-finmin-121070900558_1.html

Growth Path: India Inc poised for a sanguine FY22; business picks up in June, festive season to bring cheer in Q3

After a superlative show in FY21, the best in a decade, in which it overcame large supply-side disruption, corporate India is well-placed to turn in a good performance in the current year too. It may not have been a great start, however, given the localised lockdowns and curfews through much of April and May. The high frequency data for the April-June period are

indicate swifter economic recovery from the impact of the second wave. The deadly second wave has not affected much of the economic activities as lockdowns were largely designed to limit social gathering and this has helped limit the impact of the second wave on economic growth when compared to the first wave," CII Director General Chandrajit Banerjee said. The survey added that vaccination holds the key to mitigating the impact of the second wave on economic activity and boosting consumer sentiment.

Mint - 12.07.2021

<https://www.livemint.com/news/india/swift-recovery-expected-due-to-limited-impact-of-lockdown-on-economy-cii-survey-11626002045266.html>

Service activity shrinks for 2nd straight month, PMI@41.2

India's services activity slowed to an 11-month low in June, contracting for the second consecutive month as services firms continued to endure losses due to cautious consumer sentiment amid the Covid-19 pandemic, a private survey showed Monday. Data released by IHS Markit showed that Services Purchasing Managers' Index (PMI) for June fell to 41.2 from 46.4 in May as monitored companies commonly indicated that the intensification of the Covid-19 crisis and tight restrictions curbed demand for services. A reading above 50 signals expansion in economic activity while below that indicates contraction. As per the report, new work intakes and output contracted at the fastest rates since July 2020, which prompted companies to reduce employment again. "Given the current Covid-19 situation in India, it was expected that the service sector would take a hit. PMI data for June showed quicker declines in new business, output and employment that were sharp but much softer than those recorded in the first lockdown," said Pollyanna De Lima, economics associate director at IHS Markit.

The Economic Times - 06.07.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F07%2F06&entity=Ar00902&sk=A3140519&mode=text>

Exports rise 63% in July 1st wk from year ago, 35% from FY20

India's exports touched \$8.4 billion during the first week of July, rising almost 35% from the corresponding period in 2019-20 and 63% higher than a year ago, when business had been

mixed; PMI prints for both manufacturing and services have been poor, auto sales subdued, credit growth anaemic, employment weak while the volumes of GST e-way bills have been encouraging and exports exceptionally strong. Commentary from consumer-oriented companies suggests business was better in June after a sedate April and May. Sales may stay dull for the September quarter too but should pick up thereafter as the festive season sets in. As economists have pointed out, pent-up demand post the second wave is expected to be a lot more subdued than it was post the first wave.

The Financial Express - 12.07.2021

<https://www.financialexpress.com/industry/growth-path-india-inc-poised-for-a-sanguine-fy22-business-picks-up-in-june-festive-season-to-bring-cheer-in-q3/2288126/>

Commodity prices pose upside risk for inflation

The finance ministry on Friday said that rising global commodity prices, especially crude oil and higher logistics costs, pose an upside risk to inflation, although it sought to draw comfort from monsoons and opening up of the economy to reduce price pressures in the economy. Although the monthly economic report was silent on rising pump prices of petrol and diesel, it recognised how food inflation was growing at a fast clip in urban areas. A spike in inflation has prompted RBI to hold further rate cuts as wholesale price inflation soared to 12.9%, the highest since at least 2012, while retail inflation was pegged at 6.3%, a six-month high. "The localised restrictions due to the second wave could have led to some supply-side disruptions contributing to price pressures in May 2021. With the encouraging progress of the southwest monsoon, supply-side interventions in the pulses and edible oils market, and gradual unlocking of states, with declining caseload would mitigate cost pressures going forward," the report prepared by the finance ministry's economic division said.

The Economic Times - 10.07.2021

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F07%2F10&entity=Ar01921&sk=9E9FEFE0&mode=text>

Department of public enterprises brought under ministry of finance

The department of public enterprises (DPE) has been brought under the ministry of finance ahead of Wednesday's mega cabinet reshuffle to enable North Block get a firmer grip on the

impacted due to the nationwide lockdown. At the same time, imports touched \$11.5 billion — 29% higher than the corresponding period in FY20 and 95% more than a year ago — according to latest data available with the government. Export growth was led by petroleum products, which rose 65% on soaring global prices, while the value of engineering goods and inorganic chemicals shipped from the country went up by 50% and 36%, respectively. Some of the gains were offset by a fall in the export of leather & leather goods, which dropped 16%, and electronics goods (4% decline). Shipments to China shot up along with those to the US and Indonesia. On the import front, the increase was driven by gold, whose shipments went up 365% over the FY20 level as well as crude petroleum (39%) and vegetable oil, which almost doubled, partly due to higher prices.

The Times of India - 10.07.2021

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F07%2F10&entity=Ar01922&sk=C07DB C10&mode=text>

Hardeep Singh Puri takes charge of Petroleum Ministry

Hardeep Singh Puri on Thursday took charge of the Ministry of Petroleum and Natural Gas. He has relinquished the portfolio of civil aviation but still holds the Housing and Urban Affairs Ministry. Puri succeeds Dharmendra Pradhan as India's new petroleum and natural gas minister. The minister was greeted by Pradhan on his arrival at the petroleum ministry. He was also accompanied by minister of state for petroleum Rameswar Teli. Puri said that the focus of the ministry under him will be to increase domestic production of crude oil and natural gas and help country become Atmanirbhar. He also said that in line with the vision to create gas based economy in the country he would see that its availability and use of clean fuel is encouraged. The former diplomat also has a tough task at hand with the global oil prices surging amid supply constraints and demand hopes. Further the ever-increasing domestic petrol and diesel prices too would remain a key issue to deal with.

The Economic Times - 08.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/hardeep-singh-puri-takes-charge-of-petroleum-ministry/84231874>

Fuel demand up in June as several states ease Covid-19 restrictions

government's privatisation process. A new department called the department of public enterprises (or Lok Udyam Vibhag) has been created and parcelled out to the finance ministry. Earlier, the DPE was part of the ministry of heavy industries and public enterprises. Many companies under the heavy industries ministry are sick and up for sale under the disinvestment programme of the government. As many as 44 PSUs, including Maruti Udyog and the ailing Scooters India, will be shifted to finance from the heavy industries ministry, which will now have oversight only on capital goods PSUs. PSUs from Bengal — Andrew Yule, Braithwaite, Burn Standard, Bengal Chemicals & Pharmaceuticals Limited and Hooghly Dock and Port Engineers Limited — also figure in this list. According to experts, this move will help the government to speed up the privatisation of PSUs which have been in a slow lane because of several inter-ministerial consultations.

The Telegraph - 08.07.2021

<https://www.telegraphindia.com/business/department-of-public-enterprises-brought-under-ministry-of-finance/cid/1821633>

Domestic output govt's top agenda: Petroleum Minister Hardeep Singh Puri

The government will focus on increasing domestic production of oil and natural gas to meet the rising energy needs of the nation, oil minister Hardeep Singh Puri has said. "As we transition towards a \$5 trillion economy, energy availability and consumption will be of paramount importance," Puri said on the first day of his job as the country's oil minister. "Clearly, our focus will be on increasing domestic production of crude and natural gas, in line with the prime minister's vision of an Aatmanirbhar Bharat." Raising domestic oil production would be one of the biggest challenges for Puri.'

The Economic Times - 09.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/domestic-output-govts-top-agenda-petroleum-minister-hardeep-singh-puri/84258817>

Higher petroleum taxes to again rescue govt's stimulus packages this year

Fuel demand rebounded in June after slumping to a nine-month low in May as several states eased Covid-19 restrictions and economic activity picked up. However, the spike in global crude prices after failure of Opec+ to reach an agreement is likely to add to inflationary pressures on the economy, analysts said. Fuel consumption rose 1.5 per cent to 16.33 million tonnes in June from a year earlier and by 8 per cent over May 2021, data from the Petroleum Planning and Analysis Cell of the ministry of petroleum and natural gas showed. Petrol sales rose 5.6 per cent year-on-year to 2.4 million tonnes in June. It was up 21 per cent from the May sales of 1.99 million tonnes. Diesel - the most used fuel in the country - rose 12 per cent from May to 6.2 million tonnes, but was down 1.5 per cent from June 2020 and 18.8 per cent from June 2019. This is the first monthly increase since March. Aditi Nayar, chief economist with Icria, said, "Benefitting from the anticipated rise in mobility and economic recovery aided by an acceleration of the coverage of Covid-19 vaccines, the YoY growth in the consumption of petrol and diesel in FY22 stood at 14 per cent and 10 per cent, respectively, on the low base of FY21.

The Telegraph - 11.07.2021

<https://www.telegraphindia.com/business/fuel-demand-up-in-june-as-several-states-ease-covid-19-restrictions/cid/1822019>

India to be second largest driver of gas demand in Asia, pegs IEA

India's annual gas consumption is expected to increase by 25 billion cubic metres (bcm) in the 2020-2024 period which translates into a 9% annual average growth rate, the International Energy Agency (IEA) said in its latest report. India has plans to increase the share of gas in its energy basket to 15% by 2030 from the current level of 6%, and IEA noted that "India is set to emerge as the second-largest driver of gas demand in Asia (after China) and the fifth-largest contributor globally (after China, Iran, Russia and the United States)". Indigenous natural gas production caters to about only 51% of the country's requirements and domestic output increased 19.1% on year to 2,740 million standard cubic metre (mscm) in May. Total consumption of 5,247 mscm of natural gas in May was 4.3% higher than the corresponding month of the previous year. The 2,587 mscm of liquefied natural gas (LNG) imported in the month was 9.2% more than the import volumes of May 2020. The cumulative LNG import of 5,242 mscm in April-May, 2021 was higher by 24.9% annually, but the value of imports grew 67% year-on-year to \$1.5 billion with rising prices.

The Financial Express - 06.07.2021

<https://www.financialexpress.com/industry/india-to-be-second-largest-driver-of-gas-demand-in-asia-pegs-iea/2284491/>

India's oil demand is anticipated to return to normal levels by the end of 2021, after months of uncertainty in the face of a third wave of coronavirus infections. After months of growing coronavirus infections across the country and intensified constraints meaning a lower-oil demand, India can finally witness the light at the end of the tunnel. According to new forecasts, India's oil demand could hit pre-pandemic levels by the end of 2021. India's Oil Minister Dharmendra Pradhan informed Bloomberg this week, "There are signs of demand resurgence due to lifting of lockdowns and gradual pickup in economy," which means that, "We are confident by the end of the year, we will be in a very robust position to restore our original consumption behaviour." Diesel and gasoline have been some of the hardest affected energy goods, as strict lockdowns restricted movement throughout the country. Demand dropped by almost 30 percent compared to the pre-pandemic 2019 average.

MenaFN.com - 06.07.2021

<https://menafn.com/1102395748/India-Oil-demand-to-go-back-to-normal-levels-by-end-of-2021>

India procures 1 million barrels of crude oil from Guyana

India has procured the first shipment of one million barrels of 'Liza light sweet' crude oil from Guyana, in a significant move marking diversification of its sourcing of petroleum products. The Indian High Commission in the South American nation said the consignment was lifted for the Indian Oil Corp Ltd from Liza Destiny FPSO and that the purchase reflected the enhancement of bilateral ties. "Concrete step in Indo-Guyana economic relations, 1st 1 million barrels of Guyana Liza crude for @IndianOilcl loaded from FPSO Liza Destiny," it tweeted, describing the move as an important step in the diversification of crude sourcing by India as well as a reflection of "future roadmap". It is learnt that the consignment from Guyana may reach India's Paradip port on August 6. It was the first purchase of Guyanese crude oil from the government of Guyana's share of oil by an Indian PSU refiner. The High Commission said the procurement is a reflection of enhanced bilateral cooperation between India and Guyana.

The Economic Times - 06.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-procures-1-million-barrels-of-crude-oil-from-guyana/84161415>

US becomes India's 4th largest crude supplier

The United States became the fourth-largest supplier of crude oil to India in 2020, said BP's latest report. The US supplied 10.7 million tonnes (MT) of crude oil to India in 2020, behind Iraq's 47 MT, Saudi Arabia's 38 MT, and UAE's 22 MT, said the BP's Statistical Review of World Energy. The US supply accounted for about 5% of India's total imports of 204 MT in the year, a big jump for the country which had started exporting oil to India in 2017. It also turned out to be the fourth-largest natural gas supplier to India in 2020. Indian refiners have been trying to diversify their supply base to reduce dependence on West Asia, which still accounts for the lion's share. West Asian countries made up 64% of India's imports while the two American continents accounted for 18%. India imported 8 million tonnes of crude oil from Mexico and one million tonnes from Canada. Iraq has been India's top supplier for the past few years, staying ahead of Saudi Arabia, which has been producing less than its capacity to meet OPEC supply curb commitments.

The Economic Times - 10.07.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F07%2F10&entity=Ar00705&sk=12EEB78E&mode=text>

Behind the clash at OPEC: Growing competition in the Gulf

The fighting between the United Arab Emirates and Saudi Arabia that emerged in recent days over oil production had been brewing for months, if not years. A seven-member federation of states on the Persian Gulf, the UAE is pursuing ambitious plans to expand and modernize its economy, including billions spent on its energy industry. Eventually these aspirations were bound to bump up against those of its powerful neighbour, Saudi Arabia, as both countries try to position themselves for changes in energy production and other areas of their economies in the coming years. The tensions, which normally might be resolved in a phone call from one royal palace to another, came to a head at meetings of the oil producers' group known as OPEC Plus. Officials failed to reach an agreement on raising production on Thursday and again on Friday. On Monday, a scheduled meeting was cancelled. The chief roadblock: The UAE insisted on raising its output limits. The Saudis resisted, and on Tuesday, the lack of a deal sent oil prices gyrating.

The Economic Times - 08.07.2021

OPEC+ resumes oil policy talks amid Saudi-UAE standoff

OPEC+ ministers resume talks on Monday after failing to reach a deal on oil output policy in two days of talks last week amid a rare public standoff between Gulf allies Saudi Arabia and the United Arab Emirates. The spat erupted at a sensitive time for the oil market and could delay plans to pump more oil through to the end of the year to cool global oil prices that have soared to 2-1/2 year highs. Brent was trading around \$76 on Monday. Consuming nations want more crude to prevent high prices derailing a global recovery from the COVID-19 pandemic. OPEC+, which agreed record output cuts in 2020 to cope with a COVID-induced price crash, voted on Friday to lift output by about 2 million barrels per day (bpd) from August to December 2021 and to extend their remaining cuts to the end of 2022, instead of ending in April 2022. The UAE blocked an agreement. Decisions in OPEC+, an alliance of the Organization of the Petroleum Exporting Countries, Russia and other producers, must be unanimous.

The Economic Times - 05.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-resumes-oil-policy-talks-amid-saudi-uae-standoff/84135933>

No deal at OPEC to hit fuel consumers badly in India

There may be no respite for fuel consumers in the country facing high prices of petrol and diesel for the past couple of months as global oil scenario is expected to remain firm with oil cartel OPEC failing to reach an agreement on gradual raising of oil production to meet the growing demand. At a meeting of OPEC plus (including Russia) differences surfaced between world's largest oil producer Saudi Arabia and United Arab Emirates (UAE) over raising oil production marginally in August while maintaining production level at the same till 2022. This prevented a deal that would have helped to soften crude prices a bit next month on the back of increased oil production of 2 million barrels a day. With no deal among prime oil producers, analysts expect oil prices to remain firm and may hit even \$80 a barrel over the next few days. At intercontinental exchange benchmark, Brent crude is currently hovering at \$77.5 a barrel, up over 1 per cent from the previous day. This is the highest crude level since 2018. In fact, in the month of July itself crude prices have risen by over \$7 a barrel.

The Economic Times - 08.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/behind-the-clash-at-opec-growing-competition-in-the-gulf/84202999>

Can BPCL get domestically produced LPG after privatisation?

A two-decade-old LPG supply order restricting supply of domestically produced LPG to only state-owned oil companies has stymied plans to allow Bharat Petroleum Corporation Ltd (BPCL) to continue selling subsidised cooking gas (LPG) after its privatisation. A legal opinion has now been sought to ascertain if privatised BPCL will be eligible to receive liquefied petroleum gas (LPG) produced by companies such as ONGC and GAIL, two government officials with knowledge of the development said. Currently, BPCL has more than 8.4 crore domestic LPG customers, including 2.1 crore Ujjwala customers. The company does not produce enough LPG at its refineries to be able to cater to the requirement of all these. It, like other oil marketing companies, buys LPG from state-owned firms like Oil and Natural Gas Corporation (ONGC) and GAIL (India) Ltd as well as private companies such as Reliance Industries Ltd. The Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2020, known as LPG Control Order of 2000, restricts sale of indigenously produced cooking gas only to state-owned oil marketing companies — Indian Oil Corporation (IOC), Hindustan Petroleum Corporation Ltd (HPCL) and BPCL.

The Economic Times - 11.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/can-bpcl-get-domestically-produced-lpg-after-privatisation/84316635>

Domestic air passenger traffic back to growth route in June

Domestic air passenger traffic was back to the growth trajectory in June amid the falling number of COVID-19 cases in the country with around three million passengers flying on local routes in the previous month as against around two million in May, a report said on Tuesday. Though there is some recovery observed in June, stress on demand continues, driven largely by the second wave of the pandemic, limiting travel to only necessary travel, credit rating agency ICRA said in its report. On a sequential basis, domestic passenger traffic was up 41-42 per cent in June over May. The domestic passenger volume, however, rose 51 per cent on a year-on-year basis, it stated. June 2020 was the full month of operations after domestic commercial flights were recommenced on May 25 following a nearly two-month ban amid the nationwide lockdown in late-

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/no-deal-at-opec-to-hit-fuel-consumers-badly-in-india/84169000>

Govt may issue guidelines for 'flex-fuel' vehicles by October

Auto companies may soon be asked to manufacture passenger and commercial vehicles that run on multiple fuel configuration aimed at reducing the use of polluting fossil fuels and cutting down harmful emissions. New guidelines for use of flexible fuel vehicles (FFVs) using flex engines is expected to be issued by the third quarter of current year (FY22) that would specify engine configuration and other changes required in vehicles to conform to stipulated changes in fuel mix. The government is also working on an incentive scheme to promote manufacture and use of flex engines in vehicles. The details would be specified when policy in this regard is unveiled. The use of flexible fuel vehicles (FFVs) is being actively looked at by the government to ensure increased use of bio-fuels for running vehicles, Petroleum Secretary Tarun Kapoor had told IANS earlier. An FFV is a modified version of vehicles that could run both on gasoline and doped petrol with different levels of ethanol blends.

The Economic Times - 06.07.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-may-issue-guidelines-for-flex-fuel-vehicles-by-october/84136029>

Warehousing attracts record Rs 5,500 crore from investors in Q2 2021

Warehousing and logistics emerged as the most preferred real estate asset class for institutional investors, pipping the all-time favourite commercial office segment for the first time during April-June 2021. The segment attracted an all-time high of \$743 million (more than Rs 5,500 crore) in investments, accounting for more than half of the \$1.36 billion attracted during the second quarter. The flurry of investments in warehousing helped attract \$1.36 billion (over Rs 10,100 crore) to India's commercial real estate market during Q2 2021, making it the most active second quarter in the last five years. Of the total, warehousing accounted for 55%, followed by 20% in retail, 17% in office and 8% in residential, JLL India said. The consultancy attributed the rise in warehousing to the increasing shift towards

March last year. It has now permitted increasing the capacity to 65 per cent with effect from July 5 and which will remain applicable up to July 31.

Millennium Post - 07.07.2021

<http://www.millenniumpost.in/business/domestic-air-passenger-traffic-back-to-growth-route-in-june-445724>

online shopping from discretionary to essentials. "Major global funds have invested with warehousing developers and operators as scale and regional footprint are key differentiators in the sector," it said.

The Financial Express - 09.07.2021

<https://www.financialexpress.com/industry/warehousing-attracts-record-rs-5500-crore-from-investors-in-q2-2021/2286689/>