

(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.)

## **Ind-Ra cuts FY22 growth forecast for India to 9.4% from earlier announced 9.6%**

India Ratings, the Indian arm of global rating agency Fitch, has said that the slow pace of vaccination in the country has caused it to revise its forecast for India's GDP growth. The agency says that while India's economy is recovering at a faster pace than expected, it would not be able to vaccinate a large part of its population by the end of 2021. "Going by the pace of vaccination, it is now almost certain that India will not be able to vaccinate its entire adult population by December 31, 2021," said Principal Economist Sunil Kumar Sinha. In June, India Ratings had said, "If India is able to vaccinate its entire adult population by 31 December 2021, then the GDP growth is expected to come in at 9.6% in 2021-22, otherwise it may slip to 9.1%." The agency said that it expected India's Private Final Consumption Expenditure (PFCE) growth, which had turned positive in the March 2021 quarter after a gap of three years was expected to maintain momentum. However, the second pandemic wave played spoilsport. "But the second wave hit the country in April and May 2021 with such speed and scale that once again there has been a push back.

*The Financial Express - 21.08.2021*

<https://www.financialexpress.com/economy/ind-ra-cuts-fy22-growth-forecast-for-india-to-9-4-from-earlier-announced-9-6/2314076/>

## **GDP to expand by 20% in Q1, to be lower than pre-Covid levels: Icra**

The GDP growth is estimated to come at the "deceptively high" level of 20 per cent for the April-June 2021 quarter but is far below the same in the pre-COVID times, rating agency Icra said on Wednesday. Icra said the low base of the last year, when the GDP had contracted by close to 24 per cent, "conceals" the impact of the second wave of COVID-19 infections. Economic activity is boosted by robust government capital expenditure, merchandise exports and demand from the farm sector, it said, estimating the GDP to grow by 20 per cent and the gross value added (GVA) will register a growth of 17 per cent for the June quarter. The GVA is estimated to contract 15 per

## **In a first, biz activity hits pre-Covid level: Nomura**

Business activity has reached the pre-pandemic level as curbs across the country lifted with easing of Covid infections and economic activity gathered pace, latest data showed on Monday, boding well for a sharp rebound in overall growth. The Nomura India Business Resumption Index (NIBRI) crossed a milestone, rising to 101.2 for the week ending August 15, from 99.6 last week, above the pre-pandemic level of 100 for the first time since the Covid began. The report from the Japanese investment bank said that Google mobility indicators continued their uptick, with the workplace and retail and recreation index rising by 1.7pp and 3.4pp, respectively, while the Apple driving index fell by 0.8pp. The NIBRI comprises Google mobility indices, driving mobility from Apple, power demand and the labour force participation rate. Google mobility and Apple driving indices are based on a 7-day moving average. It takes February 23, 2020 as the base for all the series and subsequent data entries have been indexed to it.

*The Times of India - 17.08.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F08%2F17&entity=Ar01705&sk=B4F8BE52&mode=text>

## **FM: Economy recovering, Govt keen to push capex**

The economy is recovering from the second pandemic wave and is on the path of revival, finance minister Nirmala Sitharaman said, adding that the government is keen to step up capital spending. The upcoming festive season is expected to provide a lift, with vaccinations boosting people's confidence, she said, expressing the hope that the country should be able to avert a third wave with the ongoing efforts. "Demand will pick up as lockdown is lifted in several states," she told reporters on Monday, pledging to support the recovery. "We are here to hear and keep responding because we need to give that support to the economy."

cent when compared to the preceding March quarter, which shows the impact of the second wave. "The double-digit expansion expected in YoY terms in Q1FY22 is deceptively high, as it benefits inordinately from last year's contracted base. We forecast GVA and the GDP to have shrunk by around 9 per cent each in Q1FY22, relative to the pre-Covid level of Q1FY20, highlighting the tangible distress being experienced by economic agents in the less formal and contact-intensive sectors," its chief economist Aditi Nayar said.

*Business Standard - 18.08.2021*

[https://www.business-standard.com/article/economy-policy/gdp-to-expand-by-20-in-q1-to-be-lower-than-pre-covid-levels-icra-121081800821\\_1.html](https://www.business-standard.com/article/economy-policy/gdp-to-expand-by-20-in-q1-to-be-lower-than-pre-covid-levels-icra-121081800821_1.html)

### **WPI inflation cools in July but remains in double digits**

India's wholesale price inflation eased for the second consecutive month in July to 11.16% from 12.07% a month ago but remained in double digits for the fourth month, led by manufactured items, data released by the government on Monday showed. However, WPI rose 0.6% month-on-month. In July last year, WPI inflation was -0.25%. India's wholesale price inflation eased for the second consecutive month in July to 11.16% from 12.07% a month ago but remained in double digits for the fourth month, led by manufactured items, data released by the government on Monday showed. However, WPI rose 0.6% month-on-month. In July last year, WPI inflation was -0.25%. Food inflation eased for the third straight month, falling to 0% in July, while fuel inflation declined to 26%. Manufactured products inflation rose to 11.2% in July from 10.88% in June, indicating that manufacturers regained pricing power as economic recovery gathered momentum amid reduced Covid-19 restrictions. Of the 22 sub-groups for manufactured products, 13 groups witnessed increase in prices, economists said.

*The Economic Times - 17.08.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F08%2F17&entity=Ar01219&sk=C E59D2FB&mode=text>

### **Net new additions to EPFO in June at 1.28 million**

Formal job creation rebounded in June, indicating recovery picking pace as restrictions imposed by states to contain the second wave. Payroll data by

She said the finance ministry was pushing government ministries and departments to step up capital expenditure and even advance it. The government has provided ₹5.5 lakh crore for capital expenditure in FY22, of which Rs 1.1 lakh crore has been spent in the first quarter. "We are reviewing capital expenditure on a regular basis... We want to push capex. There is no message to ministries other than to spend," she said, adding that rationalisation of expenditure was only aimed at cutting wasteful spending.

*The Economic Times - 17.08.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETM%2F2021%2F08%2F17&entity=Ar00511&sk=D10B0897&mode=text>

### **Sitharaman to launch National monetisation pipeline today**

Union finance minister Nirmala Sitharaman will launch the National Monetisation Pipeline (NMP) on Monday in New Delhi. According to an official statement, the NMP will list out the Centre's infrastructure assets which will be sold over the next four years. Policy think tank NITI Aayog's chief executive officer Amitabh Kant, vice chairperson Rajiv Kumar and other senior officials will be a part of the launch event. According to the NITI Aayog, the NMP consists of a four-year pipeline of the Centre's brownfield infrastructure assets. Apart from providing visibility to investors, the NMP will also serve as a medium-term road map for the Centre's asset monetisation initiative. This year's budget has laid a lot of emphasis on asset monetisation as a means to raise innovative and alternative financing for infrastructure, and included a number of key announcements, the Niti Aayog said in its statement on Sunday. Tuhin Kanta Pandey, secretary of the department of investment and public asset management (DIPAM), said earlier this month the Centre was finalising ₹6 lakh crore of infrastructure assets, including national highways and power grid pipelines, which would be monetised, according to news agency PTI.

*The Hindustan Times - 23.08.2021*

<https://www.hindustantimes.com/business/sit-haraman-to-launch-national-monetisation-pipeline-today-details-here-101629687024692.html>

### **Govt 'sensitive' towards prices of petroleum products, says Puri**

The government is "sensitive" towards the prices of petroleum products and is taking all possible steps to address the issue, Union

EPFO showed 1.28 million net new subscribers additions to EPFO in June, 0.5 million more than in May. "The impact of the second wave of COVID-19 pandemic waned during June 2021, leading to tremendous growth in net payroll additions as compared to April and May 2021," an EPFO statement said Friday. The provisional payroll data of EPFO, released on Friday, showed that of the total 1.28 million net subscribers added during the month, around 0.81 million were new members joining the net for first time. During the month, around 0.47 million net subscribers exited but rejoined EPFO by changing jobs within the establishments covered by EPFO. "This shows that the majority of subscribers opted to continue their membership with EPFO, using transferring of funds from their previous job to the current PF account rather than applying for final withdrawal of their PF accumulations," it said.

*The Economic Times - 21.08.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F08%2F21&entity=Ar00712&sk=9DDFEA16&mode=text>

## **Fuel demand recovery continues in August, diesel sales 8% less than pre-Covid level**

India's fuel demand recovery continued in August as sales of the nation's most used fuel, diesel, inched towards pre-Covid levels on easing of pandemic-related restrictions, preliminary sales data showed on Monday. Petrol sales are already above pre-Covid levels and diesel is 8 per cent short. State-owned fuel retailers sold 0.98 million tonnes of petrol in the first half of August, up 9.4 per cent from the year-earlier period. It was 3.7 per cent higher than pre-Covid petrol sales of 0.95 million tonnes in August 1-15, 2019. Sales of diesel - the most used fuel in the country - rose 18.5 per cent to 2.11 million tonnes during August 1-15, 2021 over the previous year, but was down 7.9 per cent from August 2019. Last month, diesel consumption was 11 per cent lower than pre-Covid levels. This is the third straight month that showed a rise in consumption since March. Fuel demand had recovered to near-normal levels in March before the onset of the second wave of COVID-19 infections led to the re-imposition of lockdowns in different states, stalling mobility and muting economic activity.

*The Times of India - 17.08.2021*

<https://timesofindia.indiatimes.com/business/india-business/fuel-demand-recovery-continues-in-august-diesel-sales-8-less-than-pre-covid-level/articleshow/85367260.cms>

Petroleum and Natural Gas Minister Hardeep Singh Puri said on Wednesday and blamed the Congress for the trend of hike in petrol and diesel prices. If state governments want they can lower the prices of petrol and diesel, as a state did so recently, he said in a press conference at the Delhi BJP office. "We are sensitive towards it and are taking possible steps like doing blending of 10 per cent which we are going to raise to 20 per cent. So, we are taking many steps," Puri said when asked about the rising prices of petroleum products including cooking gas. The Congress government in 2010 deregulated prices of petrol and diesel, meaning there would be a local impact of international rates, he said. "The Centre imposes excise tax on petrol and diesel, while states impose VAT on it. We use this excise money to fund schemes like PM Garib Kalyan Yojna under which 80 crore people received free foodgrains, PM Awas Yojna, Ujjwala scheme," he said.

*The Economic Times - 19.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-sensitive-towards-prices-of-petroleum-products-says-puri/85445321>

## **No room to cut excise duty on petrol and diesel, says FM Sitharaman**

Finance Minister Nirmala Sitharaman on Monday said the Centre had little room to cut excise duty on petrol and diesel because of the cost burden of the oil bonds issued by the previous United Progressive Alliance (UPA) government. "We don't do so many tricks like the UPA government. They issued oil bonds for which the principal amount is over Rs 1 trillion, and for the last seven fiscals, the government has been paying over Rs 9,000 crore interest annually," Sitharaman said in a select media briefing. "This government is paying for the oil price reduction of 2012-2013. If I did not have this burden, I would have also been able to reduce fuel prices," she added. The principal outstanding on the oil bonds is Rs 1.3 trillion, she said. The government has to repay Rs 10,000 crore in the current fiscal year, another Rs 31,150 crore in 2023-24, Rs 52,860 crore in the following year, and Rs 36,913 crore in 2025-26. Her statement comes at a time when fuel prices are at an all-time high in most states. More than half the country has petrol at over Rs 100 a litre, while diesel is above that level in Rajasthan, Madhya Pradesh, and Odisha.

*Business Standard - 17.08.2021*

[https://www.business-standard.com/article/economy-policy/no-room-to-cut-excise-duty-on-petrol-and-diesel-says-fm-sitharaman-121081700063\\_1.html](https://www.business-standard.com/article/economy-policy/no-room-to-cut-excise-duty-on-petrol-and-diesel-says-fm-sitharaman-121081700063_1.html)

## **GAIL scouts for acquisition to augment renewable portfolio, to foray into hydrogen**

India's top gas company GAIL will foray into hydrogen generation and take the acquisition route to scale up its renewable energy portfolio as it pivots business beyond natural gas to align with energy transition being witnessed across the globe. As part of a push to embrace cleaner forms of energy, GAIL will be laying pipeline infrastructure to connect consumption centres to gas sources while also augmenting its renewable energy portfolio, GAIL Chairman and Managing Director Manoj Jain said. "The global energy sector is witnessing a paradigm shift in recent years as the world is transitioning to a sustainable energy future," he said in the company's latest annual report. To accomplish a cleaner primary energy mix for India, the government is emphasizing the expansion of the natural gas sector so as to achieve a gas-based economy along with growth in renewables. GAIL as a leading integrated energy major has aligned with this vision, he said.

*The Economic Times - 23.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/gail-scouts-for-acquisition-to-augment-renewable-portfolio-to-foray-into-hydrogen/85551448>

## **Committee to draft digitalization roadmap for Indian E&P sector: Tarun Kapoor**

Digitisation in the oil & gas sector has become inevitable to meet the rising energy needs of the country and has played a pivotal role in the economic transformation. The rise of renewable energy, improvements in battery storage, a strong push for a hydrogen economy present opportunities for transformation in the oil & gas sector as well as pose a fundamental competitive threat to the sector. Newer technologies, combined with digitization, can bring new skill sets and cost efficiencies to the oil & gas sector, even before they open the door to new competitors. In this context, Covid-19 represents one more challenge in the complex set of issues the sector has already been grappling with. Even before the outbreak of the pandemic, the oil & gas industry had been undergoing profound technological disruption. Tarun Kapoor, Secretary, Ministry of Petroleum and Natural Gas, in his keynote address at the 2nd edition of Digitech Conclave on 20 August, said, "Apart from policies, there is a huge potential in E&P upstream sector that can be tapped with the use of digitalisation.

*The Economic Times - 20.08.2021*

## **India starts selling oil from strategic reserves after policy shift**

India has begun selling oil from its Strategic Petroleum Reserve (SPR) to state-run refiners as it implements a new policy to commercialise its federal storage by leasing out space, three sources familiar with the matter said. Reuters reported last month that India had changed its policy to allow the Indian Strategic Petroleum Reserves Ltd (ISPRL), which manages the federal oil inventories, to lease 30% of its overall 37 million barrels capacity to Indian and foreign companies. So far Abu Dhabi National Oil Co (ADNOC) has leased one of the two equal size chambers at the 11-million-barrel Mangalore SPR. The ISPRL is gradually releasing 8 million barrels from the SPRs to create space to also lease to state-run Mangalore Refinery and Petrochemicals Ltd and Hindustan Petroleum Corp, the sources said, asking not to be named. Last year, the ISPRL filled the SPRs with cheap oil and it needs to sell some of that to make way for leasing. So far Abu Dhabi National Oil Co (ADNOC) has leased one of the two equal size chambers at the 11-million-barrel Mangalore SPR.

*The Economic Times - 18.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-starts-selling-oil-from-strategic-reserves-after-policy-shift/85417899>

## **Oil in longest run of declines since 2019 after Taper Signal**

Oil is headed for its longest stretch of declines since 2019 as the Federal Reserve's signal it will start tapering stimulus promoted a rally in the dollar, while concerns about global energy demand grow as the delta variant of Covid-19 rages. West Texas Intermediate futures fell for a seventh day, taking the week's drop to about 7.6%. Other raw materials including copper and iron-ore fell on Thursday following the Fed's signal. The Bloomberg Dollar Spot Index has risen every day this week, making commodities priced in the currency less appealing. The pandemic remains a threat to energy demand, especially across Asia, with key importer China restricting mobility to combat an outbreak. "It's an exceptionally rare event for oil to fall for such an extended period," said Thomas Finlon, director of Energy Analytics Group LLC. "External factors including the ongoing effects of the delta variants' growth and the behaviour coming out of the federal reserve, is proving surprisingly significant to investors." Crude's weakness comes as expectations ease for further large inventory draws in the coming months.

*The Economic Times - 21.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/committee-to-draft-digitalization-roadmap-for-indian-ep-sector-tarun-kapoor/85486447>

## **India's surging domestic gas output to dent LNG import, but not for long: Wood Mackenzie**

Helped by new output from KG-D6 fields of Reliance-BP, India's domestic gas production, which had been falling for more than a decade because of declining output from legacy fields, now looks in rude health, according to energy consultancy Wood Mackenzie. Reliance Industries Ltd and its partner BP Plc of UK in December last year started putting the second wave of gas discoveries in eastern offshore KG-D6 block to production with R-Series started flowing gas. In April they started output from the Satellite Cluster fields. This helped raise India's gas production by almost 20 per cent, oil ministry data showed. In the weekly blog 'APAC Energy Buzz', the energy consultancy's Asia Pacific vice-chair Gavin Thompson said India's domestic gas production has been in a sorry state for years. "With output falling for more than a decade as legacy fields decline, India's modest upstream prospectively and challenging E&P regime have proven stubborn deterrents to new investment.

*The Economic Times - 20.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-surging-domestic-gas-output-to-dent-lng-import-but-not-for-long-wood-mackenzie/85486419>

## **Fuels, electricity under GST Ambit: NITI Aayog formula includes six-year aid to states**

The idea of bringing energy under GST could likely be resisted by states, as they fear further loss of their fiscal autonomy as a result.

Amid a raging row over the hefty taxes on petrol and diesel, NITI Aayog is learnt to have proposed a formula whereby the two motor fuels and electricity could be brought under the goods and services tax (GST) in one go, without causing much Centre-state tussle. According to the think-tank's formula, the Centre would compensate the states for potential revenue losses on account of shifting electricity – which is currently being taxed by the states exclusively – to GST for about six years. Recently, NITI Aayog held a discussion on transition of energy products into the GST regime with economists and industry experts where it floated these ideas, according to sources. Given

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F08%2F21&entity=Ar00601&sk=C25C828F&mode=text>

## **Taxes on fuel trigger worry at RBI policy panel's meet**

The government's move to pass on increases in global crude oil price to consumers, but prevent corrections through higher taxes, has raised concerns on inflation among RBI's monetary policy committee (MPC) members. The minutes of the MPC meeting released on Friday reveal that, worried by inflation, one member, J R Varma, had voted to raise the reverse repo, the rate at which banks lend to the RBI. This rate is outside the remit of the MPC, which votes only on the repo rate, the rate at which banks borrow from the RBI. High domestic price of fuels has triggered worries over stubborn price pressures and there have been demands to reduce taxes to help calm prices of petrol and diesel across the country. Finance minister Nirmala Sitharaman has blamed the burden of UPA-era oil bonds as an obstacle to bringing down fuel prices. She has said that if she did not have the burden to service the oil bonds, she would have been in a position to reduce excise duty on fuel. Earlier, RBI governor Shaktikanta Das had also said that diesel and petrol prices act as cost-push factors across a range of activities. "It's not just passengers who use cars and bikes.

*The Economic Times - 21.08.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIM%2F2021%2F08%2F21&entity=Ar01703&sk=579B6B6F&mode=text>

## **ONGC invites bids for partnerships from private players for its 43 small producing fields**

Oil and Natural Gas Corp (ONGC) has invited bids for partnerships from private players for its 43 small producing fields with an aim to enhance their output. The state-run firm has grouped 43 oil and gas fields with total in-place reserves of 160 million metric tonnes of oil equivalent (mmtoe) into 11 contract areas for which bids have been invited, ONGC said in a statement. These contract areas, all on land and part of the so-called nomination regime, are spread across Gujarat, Assam, Tamil Nadu and Andhra Pradesh. The partners will operate the ONGC fields and get a share of the revenue from the incremental production over and above the baseline output under the business-as-usual scenario. It's often hard for partners to agree on the baseline production. The bids are to be

that the Centre will require to make a bigger revenue sacrifice than the states for the plan because of its current very high tax rates on petrol and diesel, the compensation offer could be used as a bargaining tool for securing the states' consent for the plan, NITI Aayog feels.

*The Financial Express - 23.08.2021*

<https://www.financialexpress.com/economy/fuels-electricity-under-gst-ambit-niti-aayog-formula-includes-six-year-aid-to-states/2315522/>

submitted electronically by December 3 and would be evaluated on the basis of revenue sharing. The one seeking the lowest share of the revenue from the incremental production will be the winner. A pre-bid conference will be held on October 20.

*The Economic Times - 20.08.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/ongc-invites-bids-for-partnerships-from-private-players-for-its-43-small-producing-fields/85476514>

### **Aramco in talks to buy 20% stake in RIL unit for \$25 bn**

Saudi Aramco is in advanced talks for an all-stock deal to acquire a stake in Reliance Industries Ltd.'s oil refining and chemicals business, people with knowledge of the matter said. The Saudi Arabian firm is discussing the purchase of a roughly 20 per cent stake in the Reliance unit for about \$20 billion to \$25 billion-worth of Aramco shares, the people said, asking not to be identified because the information is private. Reliance, which is backed by Indian billionaire Mukesh Ambani, could reach an agreement with Aramco as soon as the coming weeks, the people said. Shares in Reliance extended gains to as much as 2.6 per cent in Mumbai after the Bloomberg News report. A deal would forge closer ties between the world's biggest oil exporter and one of the fastest-growing energy consumers. It would seal more than two years of negotiations and mark Aramco's first all-stock deal since its initial public offering in 2019. Ambani confirmed talks about a deal with an implied stake valuation of \$15 billion that same year. Discussions were delayed by the onset of the coronavirus pandemic and slump in oil prices. Energy markets have since recovered, with crude prices jumping around 35 per cent this year to almost \$70 a barrel. Aramco said last week due diligence on a deal with Reliance was underway.

*Millennium Post - 18.08.2021*

<http://www.millenniumpost.in/business/aramco-in-talks-to-buy-20-stake-in-ril-unit-for-25-bn-449988z>