

WEEKLY MEDIA UPDATE

(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.)

Moody's affirms India's Baa3 rating

Moody's Investor Service on Friday affirmed India's 'Baa3' rating with a stable outlook, reaffirming the country's world leading growth credentials in an evidently challenging global macroeconomic environment that recently prompted an assessment down tick even for the planet's biggest economy. The global ratings agency said that rising growth would contribute to higher income levels and overall economic resilience. It also noted that India is likely to expand faster than other major economies, even if potential growth for the country has come down to 6-6.5% over the past 7-10 years, compared with 7% in the middle of the last decade. "Moody's expects India's economic growth to outpace all other G20 economies through at least the next two years, driven by domestic demand," the rating agency said in justification of affirmation of India's rating. The agency also lauded New Delhi's efforts to undergird the physical and digital infrastructure, initiatives that led to improvements in logistics turnaround and quality of the trade and transport-related ecosystem.

The Economic Times - 19.08.2023

https://epaper.timesgroup.com/article-share?article=19_08_2023_007_024_etkc_ET

Profit jumps, revenue crawls for India Inc in Q1

India Inc's revenue growth decelerated sharply year-on-year in the June quarter, dragged down by the oil and gas sector and a higher base in the year-ago period while net profit growth was robust, helped by easing input costs. A stellar performance by the banking, financial services, and insurance (BFSI) sector supported aggregate earnings. While analysts remain optimistic about the earnings trend in the coming quarters, rising crude oil prices, softening exports and state and general elections in the coming quarters will be key factors to watch for. For a common sample of

Indian economy shining as beacon of hope in challenging times: PM Modi

Prime Minister Narendra Modi asserted on Saturday that India's economy is shining as a beacon of hope in these challenging times. "With robust growth and resilient spirit, the future looks promising. Let us keep this momentum and ensure prosperity for 140 crore Indians," he said on X, reacting to news portal Moneycontrol's 'Bullish on India' campaign. The portal, which specialises in reporting on markets and financial sector, had posted on X that the country's economy has not just withstood challenges, but thrived setting the stage for optimism. The 'Bullish on India' campaign showcases India's economic resilience and growth potential in various critical sectors, it said. It aims to analyse the key drivers of India's economic growth while fostering awareness about the unparalleled potential the nation offers at a time of a global economic slowdown, the portal said in a separate statement. "With detailed analysis of macroeconomic factors such as manufacturing, demography, economy, markets and India's rising stand in the global leadership, 'Bullish on India' has been presented as a data backed campaign that underlines India's resilient economic growth," it said.

Millennium Post - 20.08.2023

<https://www.millenniumpost.in/business/india-n-economy-shining-as-beacon-of-hope-in-challenging-times-pm-modi-529803>

Govt on course to meet budget targets

For the last three years, the government's budget estimates would go off track within the initial months of the financial year. In 2020, the Covid outbreak resulted in the lockdown, after which came the second wave. In 2022 and 2023, the government has had to tackle the fallout of Russia's invasion of Ukraine. Over four months into the current financial year, finance secretary T V Somanathan is drawing comfort from the revenue numbers and spending so far. "We are reasonably confident that the revenue, expenditure and fiscal deficit assumptions are accurate. We will end the year with a fiscal

3,901 companies, revenue rose by 6.2%, the weakest reading in at least nine quarters. Net profit on the other hand shot up 39%, the highest in six quarters. In the year-ago quarter, revenue and profit grew by 38.4% and 26.3%, respectively. "Corporate earnings were in line with our estimates. Our coverage universe recorded the highest earnings growth in the last eight quarters, fuelled by domestic cyclicals such as BFSI and automobiles," said Gautam Duggad, institutional research head, Motilal Oswal Financial Services.

The Economic Times - 17.08.2023

https://epaper.timesgroup.com/article-share?article=17_08_2023_001_006_etkc_ET

Retail inflation shoots up to 15-month high of 7.44 per cent, RBI likely to hike interest rates

A surge in the prices of vegetables, cereals and pulses has pushed retail inflation to a 15-month high of 7.44 per cent in July, breaching the upper tolerance limit of the Reserve Bank of India. Economists said this could prompt the central bank to increase interest rates sooner than expected. Wholesale price inflation, meanwhile, remained in the negative territory for the fourth straight month in July at (-) 1.36 per cent on easing prices of fuel, even though food articles turned costlier. Core retail inflation, which strips out the volatile food and energy components, was estimated by economists at 4.9 per cent to 5.1 per cent for the month. The retail inflation rate crashed past the upper bound of the Reserve Bank of India's 2-6 per cent tolerance range in July from 4.87 per cent in June and 6.71 per cent in July 2022. The previous high inflation was recorded at 7.79 per cent in April 2022.

The Telegraph - 15.08.2023

<https://www.telegraphindia.com/business/retail-inflation-shoots-up-to-15-month-high-of-7-44-per-cent-rbi-likely-to-hike-interest-rates/cid/1959093>

Vegetable prices likely to cool down next month: FinMin official

The government expects vegetable prices to start cooling off from next month with the advent of new crops in the market, but rising crude oil prices is a concern even though it is still within the tolerable zone of \$90 a barrel, a finance ministry official said. The official further said that reduction in excise duty is not on cards and the government is driving infrastructure investment, and private sector capital investment is yet to gather steam. He further said that the Centre's capital

deficit of 5.9% of GDP," he told TOI. When it comes to revenue, the run rate has been ahead of the asking rate, so far at least. In other words, the growth rate in tax collections - both in direct taxes and GST - is higher than the budget target. While there is an expectation that disinvestment receipts be around Rs 25,000 crore lower than the budget estimate of Rs 61,000 crore, Somanathan did not comment on it.

The Times of India - 19.08.2023

http://timesofindia.indiatimes.com/articleshow/102846771.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Goods exports decline for 6th month, down 16% in July

Amid weak global demand and lower commodity prices, India's goods exports fell 15.9% in July to \$32.3 billion, marking the sixth straight month of decline. Imports contracted for the seventh straight month, decreasing 17% to \$52.9 billion, helping narrow the trade deficit to \$20.7 billion. With services exports growing 12% to \$27.2 billion, commerce secretary Sunil Barthwal asserted that combined exports during the current financial year will be higher than 2022-23. "Globally, the headwinds, which we were expecting would improve, are still there. Most countries are reporting very negative export and import growth. Their imports are our exports. If I look at it from that perspective, the fall is not as much," he said. Among the goods, 18 of the 30 top export products saw a decline, with petroleum products witnessing the sharpest drop — falling 43.7% to \$4.6 billion in July from \$8.3 billion in the corresponding period last year. The \$3.7-billion decrease accounted for more than 60% of the export decline during July 2023.

The Times of India - 15.08.2023

https://epaper.timesgroup.com/article-share?article=15_08_2023_021_013_toikc_TOI

Disinvestment target may fall short by 60 percent

With election approaching, the government may be forced to go slow on large disinvestment plans such as its stake sale in IDBI Bank. This could result in a shortfall of Rs 30,000 crore or 60 percent of the budget estimates for disinvestment of Rs 51,000 crore. This is unlikely to affect the budget maths as other sources of revenue have been strong. Meanwhile the Reserve Bank of India is continuing with its process of evaluating bidders

expenditure, which was 28 per cent of Budget estimates at the end of June quarter, will reach 50 per cent by September end. In the 2023-24 budget, the government had hiked capital investment outlay by 33 per cent to Rs 10 lakh crore in the current fiscal. The official further said that a 6 per cent rainfall deficit is unlikely to impact kharif sowing as the agriculture sector is resilient. The government has been taking steps to control inflation, including releasing wheat and rice stocks from reserves, putting restrictions on exports of rice, sugar, and allowing import of pulses and oilseeds.

Millennium Post - 21.08.2023

<https://www.millenniumpost.in/big-stories/vegetable-prices-likely-to-cool-down-next-month-finmin-official-529973>

Want a good pension? Stay put for 30 yrs. or more in NPS

The concern among government employees over not getting 50% of their last salary as pension under the National Payment System (NPS) stems from the initial set of people leaving the scheme. For those who have exited the NPS already, the maximum service is a little over 18 years, while the median works out to nine years. In several cases, such as Himachal Pradesh and other states, contractual workers were absorbed as full-time government employees much later during their service and did not see full accumulation from NPS at the time of exit, government sources told TOI. A large chunk of employees who take up a government job do so before turning 30 and contribute for three decades – which includes 10% of their basic salary as their contribution and 14% comes from the employer. But there are several who join later, some of whom do not get the full play, following court orders. Under the old pension scheme, some of these employees would not even have been eligible for pension, an official pointed out.

The Times of India - 21.08.2023

https://epaper.timesgroup.com/article-share?article=21_08_2023_013_005_tokc_TOI

Centre may cut capital infusion in three oil marketing companies

With state-run oil marketing companies (OMCs) recouping most of the FY23 losses in the marketing margins in the current financial year by not cutting retail prices even after crude prices fell sharply, the Centre is considering scolding down the equity infusion plan for the three companies. In the Budget 2023-24 presented on February 1, the government had announced Rs 30,000 crore equity capital investment in the three OMCs – Indian Oil Corporation (IOC), BPCCL and HPCL –

for IDBI Bank. Disinvestment receipts were Rs. 35,293 crore or 54% of the targeted 65,000 cr in the FY 23. the last time the disinvestment target was achieved was in FY 19, when Rs. 84,972 crore was mobilised against the target of Rs.80,000 crore. "Big ticket strategic disinvestment deals may not happen," one of the sources said. However, the likely shortfall won't impact the government's fiscal maths as tax and non-tax revenues might overshoot Budget estimates and bridge the shortfall on the disinvestment receipts front.

The Financial Express - 19.08.2023

<https://epaper.financialexpress.com/3749786/Mumbai/AUGUST-18-2023#page/1/2>

India's oil demand seen peaking, import bill up just 10% in 9 yrs

The growth in India's crude oil imports has declined considerably between FY14-FY23 under the watch of the Narendra Modi government, even as domestic production marginally declined, in what hints at demand peaking soon. While the decline in import volume growth was significant, the fall in growth was much steeper in value terms. This was also due to the low crude prices that prevailed in the initial years of the Modi regime, amid abundant global supplies and the spike in shale oil production by the US. India's crude oil imports rose 97% from 95.9 million tonne (MT) in FY05 to 189.2 MT in FY14. Compared with this, the imports increased just 23% between FY14 and FY23 (232.7 MT), as per the Petroleum Planning and Analysis Cell of the ministry of petroleum and natural gas. The oil import bill ballooned 450% from \$26 billion in FY05 to \$143 billion in FY14, while it went up just 10% to \$158 billion between FY14 to FY23.

The Financial Express - 19.08.2023

<https://www.financialexpress.com/economy/in-dias-oil-demand-seen-peaking-import-bill-up-just-10-in-9-yrs/3215219/>

First ever crude oil transaction in local currency takes place between India and UAE

The first-ever crude oil transaction under the newly implemented Local Currency Settlement (LCS) system took place on Monday between Abu Dhabi National Oil Company (ADNOC) and Indian Oil Corporation Limited (IOCL). The transaction involved the sale of about 1 million barrels of crude oil. Both Indian Rupees and UAE Dirhams were used for the transaction, Indian Embassy in the UAE said in a press

towards energy transition and net-zero objectives. "I have my doubts whether support from the exchequer will be required to the extent announced in the budget. We are reassessing (the requirements)," an official aware of the matter told FE. Following the Budget announcement, BPCL Board in June approved an Rs 18,000 crore rights issue of shares to shareholders, entailing at least Rs 9,500 crore capital infusion by the Centre for its 52.98% stake.

The Financial Express - 21.08.2023

<https://www.financialexpress.com/economy/centre-may-cut-capital-infusion-in-three-oil-marketing-companies/3216379/>

Finance Ministry rules out cut in duties on petrol and diesel

The government has ruled out a cut in duties on petrol and diesel to tame inflationary pressure in the economy which has spiked to a 15-month high of 7.44 per cent in July. Finance Ministry officials ruling out any talks of cut in duties on fuel at the moment, said the high vegetable prices were a seasonal phenomenon and the spike in inflation was transient. However, industry watchers said the government could take steps like cutting the fuel duty before the announcement of the assembly polls to instil confidence that it is taking steps to tame inflation. Finance Minister Nirmala Sitharaman had earlier this month blamed states governed by opposition parties for not reducing duties on fuel which has led to high inflation in those regions. The duties on petrol and diesel were reduced by Rs 5 and Rs 10 per litre effective from November 4, 2021, and Rs. 8 and Rs. 6 per litre, respectively effective, from May 22, 2022, she said.

The Telegraph - 20.08.2023

<https://www.telegraphindia.com/business/finance-ministry-rules-out-cut-in-duties-on-petrol-and-diesel/cid/1960011>

Petrol, diesel sales fall in Aug as rains ebb demand

India's petrol and diesel consumption fell in the first half of August from the previous month and a year ago, as monsoon rains hit mobility and slowed industrial activity, preliminary data of state-owned firms showed on Wednesday. This is the second month in a row that fuel sales have fallen. The four months of monsoon generally see muted consumption. Consumption of diesel, the most consumed fuel in the country accounting for about two-fifths of the demand, fell 5.7 per cent to 2.67 million tonnes from August 1 to 15,

release. India and UAE have a strong oil and gas relationship and the UAE is a key partner for India's energy security. Petroleum and petroleum products form the backbone of bilateral trade between India and the UAE. UAE is the fourth largest source of crude oil and the second largest source of LNG and LPG for India. Last year, USD 35.10 billion worth of petroleum products were traded between the two countries, accounting for 41.4 per cent of total bilateral trade, the release said.

The Hindustan Times - 15.08.2023

<https://www.hindustantimes.com/business/first-ever-crude-oil-transaction-in-local-currency-takes-place-between-india-and-uae-101692032621427.html>

Modi govt may soon decide on cutting petrol tax among other steps to quell inflation before vote

Indian officials are considering a plan to reallocate as much as Rs 1 lakh crore (\$12 billion) from the budgets of various ministries to contain a surge in food and fuel costs without imperilling the federal deficit target, according to people familiar with the matter. Prime Minister Narendra Modi will take a decision in the coming weeks, which could include lowering taxes on local gasoline sales and easing import tariffs on cooking oil and wheat, the people said, asking not to be identified as the discussions are private. It would be the second straight year of similar adjustments to contain costs for consumers after the government unveiled a \$26-billion plan last year. The proposals follow the central bank's last week rate decision where it left borrowing costs unchanged — one of the highest in Asia — flagging risks from soaring prices.

The Economic Times - 18.08.2023

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/modi-govt-may-soon-decide-on-cutting-petrol-tax-among-other-steps-to-quell-inflation-before-vote/102817865>

Oil market to tighten modestly in late 2023

Production cuts announced by Saudi Arabia and its OPEC+ allies are expected to tighten the global petroleum market moderately over the remainder of 2023 and into the first quarter of 2024. Commercial inventories of crude oil and refined products in the OECD advanced economies were around 2,821 million barrels at the end of June, according to the U.S. Energy Information Administration (EIA). Commercial inventories were just -45 million barrels (-2% or -0.25 standard deviations) below the prior

compared to the year-ago period. Consumption had fallen by a steep 15 per cent in the first half of July but picked up in the second fortnight. Month-on-month sales fell 9.5 per cent, when compared with 2.95 million tonnes of diesel consumed in the first half of July. Diesel sales typically fall in monsoon months as rains lower demand in the agriculture sector which uses the fuel for irrigation, harvesting and transportation. Also, rains slow vehicular movements.

The Economic Times - 17.08.2023

https://economictimes.indiatimes.com/industry/energy/oil-gas/india-fuel-sales-slow-due-to-monsoon-rains-shows-prelim-data/articleshow/102761608.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Govt eyes ethanol to meet its 5% biodiesel blending target by 2030

The government is banking on ethanol to meet its target of blending 5 per cent biodiesel in diesel sales by 2030, officials said. Widely used in Europe, biodiesel refers to biodegradable fuel traditionally manufactured from vegetable oils, animal fats, or recycled restaurant grease. But its adoption on a large-scale across the country hit multiple hurdles due to the limited availability of biodiesel feedstock. Despite launching an exercise to tune the existing national biodiesel policy with more incentives, no viable solutions were found, officials told Business Standard. As a result, Oil Marketing Companies (OMCs) were asked to prioritise research on how to commercially blend ethanol in diesel. The Centre's ethanol blending programme has been a major success for petrol, with E20 petrol (petrol blended with 20 percent ethanol) now selling at more than 1,900 pumps across the country.

Business Standard - 18.08.2023

https://www.business-standard.com/economy/news/centre-eyes-ethanol-to-meet-5-biodiesel-blending-target-by-2030-123081700708_1.html

India's domestic air passenger volume records 25 per cent jump in July! Indigo leads the way

India's domestic air travel experienced a substantial 25 percent year-on-year surge in passenger volume with a total of 1.21 crore passengers in the month of July, according to recent data released by the Directorate General of Civil Aviation (DGCA) on Monday. The DGCA

10-year seasonal average ("Short-term energy outlook", EIA, August 8). Since then, additional production cuts announced by Saudi Arabia will remove an extra 90 million barrels from the market between July and September. Russia has also announced extra cuts amounting to 25 million barrels in August and September, assuming they are implemented in full.

The Economic Times - 18.08.2023

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-market-to-tighten-modestly-in-late-2023/102829643>

Indian Travel Sector is Insulated from Slowdown

Samsonite, the world's biggest luggage maker, said the Indian travel industry has been insulated from the overall slowdown in discretionary spends. This was helped by consumers vacationing quarterly instead of just once or twice a year post the pandemic. "People have decided that travel is an important part of their lives post Covid. Luggage is not one of the most exciting categories like automobiles or even mobile phones. But it's top of the mind and an important category before you travel," said Jai Krishnan, CEO, India, at Samsonite South Asia. "Since Indians are making quarterly trips now, even shorter ones, there are now more occasions to buy. Our industry has been insulated despite slowdown all around." The maker of Tumi and American Tourister said it has seen 38.4% overall sales growth from India during the first half of 2023 despite a strong base and its highest growth ever at 56% in 2022. Last calendar year, the Indian business outpaced China to become the second largest market globally for Samsonite. In 2022, Samsonite posted net sales of \$218 million in India as against \$166.5 million in China.

The Economic Times - 17.08.2023

https://epaper.timesgroup.com/article-share?article=17_08_2023_014_017_etkc_ET

Govt appoints R Doraiswamy as LIC MD

Life Insurance Corporation of India (LIC) on Monday said the government has appointed R Doraiswamy as the managing director. Doraiswamy is currently the executive director at the central office in Mumbai. He has been appointed as managing director of LIC in place of Ipe Mini with effect from the date of assumption of charge of the office on or after

report indicated that in July 2022, domestic airlines transported around 97.05 lakh passengers. Notably, the budget airline IndiGo dominated the market by carrying a significant 76.75 lakh passengers, seizing a commanding 63.4 percent market share during the assessed month. Air India, owned by the Tata Group, secured the second spot in terms of passenger transport with a total of 11.98 lakh passengers in July. The airline managed to capture a market share of 9.9 percent for the same period. Vistara, a joint venture between Tata Sons and Singapore Airlines with a share ratio of 51:49, transported 10.20 lakh passengers on domestic routes during the previous month, representing an 8.4 percent market share.

The Financial Express - 15.08.2023

<https://www.financialexpress.com/business/airlines-aviation-indias-domestic-air-passenger-volume-records-25-per-cent-jump-in-july-indigo-leads-the-way-3211282/>

September 1, 2023, and up to the date of his superannuation on August 31, 2026, or until further orders, whichever is earlier, a regulatory filing said. The Financial Services Institutions Bureau (FSIB), the headhunter for directors of state-owned banks and financial institutions, in June, had recommended the name of Doraiswamy as MD. The FSIB is headed by Bhanu Pratap Sharma, former secretary, of the Department of Personnel and Training (DoPT).

The Indian Express - 15.08.2023

<https://indianexpress.com/article/business/companies/govt-appoints-r-doraiswamy-lic-md-8892198/>

Parminder Chopra becomes first woman to lead Power Finance Corporation

Power Finance Corporation Limited (PFC) appointed Parminder Chopra as Chairman and Managing Director (CMD), with effect from August 14, 2023 becoming the first woman to lead the company, the NBFC announced on Thursday. Previously, she was holding the additional charge of Chairman and Managing Director (CMD) since June 1, 2023 and was Director (Finance), PFC since July 1, 2020. With over 35 years of experience in power and finance, Chopra led India's largest NBFC to highest net profit, highest net worth and lowest NPA levels during her time as Director. She headed key finance functions like resource mobilization (domestic & international markets), banking, treasury, asset liability management and stressed asset resolution.

The Economic Times - 18.08.2023

https://economictimes.indiatimes.com/industry/energy/power/parminder-chopra-becomes-first-woman-to-lead-power-finance-corporation/articleshow/102796236.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst