

(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 cuts India 2020 GDP forecast to 5.4%, recovery seen delayed

mid growing concerns over the economic fallout of the novel coronavirus (Covid-19) outbreak, Moody's Investors Service on Monday slashed its 2020 growth projection for India to 5.4% from 6.6% forecast earlier. The agency expects a shallower recovery in Asia's third-largest economy given that global growth will likely take a hit following the virus outbreak in China. "Improvements in the latest high frequency indicators such as PMI data suggest that the economy may have stabilized. While the economy may well begin to recover in the current quarter, we expect any recovery to be slower than we had previously expected. Accordingly, we have revised our growth forecasts to 5.4% for 2020 and 5.8% for 2021, down from our previous projections of 6.6% and 6.7%, respectively," it said. Moody's also reduced its global growth projection, saying that the coronavirus outbreak has diminished optimism about prospects of an incipient stabilization of global growth this year. In China's Hubei province, the epicentre of the outbreak, about 1,933 new cases and 100 deaths were reported on 16 February, the lowest daily death count since 11 February. Death toll in mainland China touched 1,770 as of the end of Sunday, with total confirmed cases at 70,548.

*Mint - 17.02.2020*

<https://www.livemint.com/news/india/moody-s-cuts-india-2020-gdp-forecast-to-5-4-recovery-seen-delayed-11581917209669.html>

## Exports fall in January

The country's exports contracted for the sixth month running by 1.66 per cent in January to \$25.97 billion, amidst fears the outbreak of the coronavirus will put a downward pressure on the world economy and impact export demand. Imports, too, declined 0.75 per cent to \$41.14 billion, leaving a trade deficit of \$15.17 billion in January. The deficit was \$15.05 billion in January 2019, according to data released by the commerce ministry. The president of the Federation of Indian Export Organisations (Fieo), Sharad Kumar Saraf, said, "Global and domestic factors have again pulled down the monthly exports. Besides protectionism and liquidity concerns, the sudden

## S&P sees growth recovering to 7.4% in 2 Years

India's economic growth will recover toward its long-term trend over the next few years and hit 7.4% in 2022, ratings agency S&P said. It retained the country's sovereign rating, warning that the fiscal situation is precarious. The agency said the strong mandate for the Narendra Modi led Bhartiya Janata Party (BJP) in the 2019 parliamentary elections is likely to further help policy stability and encourage more reforms. "Supportive monetary, fiscal, and cyclical factors should support economic recovery, with real GDP growth averaging 7.1% in fiscals 2020-24," S&P said on Thursday. It affirmed India's 'BBB-' long-term and 'A-3' short-term foreign and local currency sovereign credit ratings. "India's growth will be strong, the country will maintain its sound net external position and its fiscal deficits will remain elevated but broadly in line with our forecasts over the next two years," it said, explaining the stable outlook on ratings. It estimates India's GDP at \$4.3 trillion by FY24, going by which achieving the government's target of a \$5 trillion economy by FY25 looks difficult.

*The Economic Times - 14.02.2020*

<https://epaper.timesgroup.com/Olive/ODN/Th eEconomicTimes/shared/ShowArticle.aspx?doc =ETKM%2F2020%2F02%2F14&entity=Ar0031 2&sk=B5B11D40&mode=text>

## Double blow to economy: Factory output shrinks, retail inflation surges to near 6-year high

Factory output shrank in December after a mild pickup in November while retail inflation accelerated to a 68-month high in January in twin blows to the struggling economy. Data released by the statistics office showed industrial output contracted 0.3% in December compared with a 1.8% rise in November. April-November industrial growth was 0.5% against 4.7% in the year-earlier period. The simultaneously released Consumer Price Index (CPI) showed retail inflation raced to 7.59% in January from 7.35% in December,

spread of the coronavirus in China has further worsened the global sentiment and the exporters are delaying their shipments." Out of the 30 major items each in India's export and import baskets, 21 export items and 17 imported goods witnessed contraction. Exports of ready-made garment fell 5 per cent, gems and jewellery 11.6 per cent and engineering fell 4 per cent. Aditi Nayar, principal economist at Icra Ltd, said the rise in the trade deficit to a seven-month high has primarily been led by a sharp rise in crude oil imports, which grew 15.3 per cent.

*The Telegraph* - 15.02.2020

<https://www.telegraphindia.com/business/export-s-fall-in-january/cid/1745298>

### **Wholesale inflation rises to 3.1% in January vs 2.59% in December**

Wholesale prices-based inflation rose to 3.1 per cent in January, as against 2.59 per cent in the previous month due to increase in prices of food articles like onion and potato. The annual inflation, based on monthly wholesale price index (WPI), was at 2.76 per cent during the same month a year ago (January 2019). The rate of price rise stood at 11.51 per cent during January as against 2.41 per cent a month earlier, while for non-food articles it rose nearly three-fold to 7.8 per cent from 2.32 per cent in December, the data released by the Ministry of Commerce and Industry on Friday showed. Among food articles, vegetable prices surged by 52.72 per cent mainly on account of onion, which witnessed 293 per cent jump in prices, followed by potato at 37.34 per cent. Earlier this week, retail inflation based on consumer price index (CPI), rose to a near six-year high of 7.59 per cent in January, surpassing the Reserve Bank of India's comfort range primarily on account of rising vegetable and food prices. This is the highest rate of inflation since May 2014, when it was 8.33 per cent. Last week, the RBI Monetary Policy Committee (MPC) in its bi-monthly monetary policy review had kept its key interest rates unchanged 5.15 per cent while maintaining an accommodative stance.

*Business Standard* - 15.02.2020

[https://www.business-standard.com/article/economy-policy/wholesale-inflation-rises-to-3-1-in-january-vs-2-59-in-december-120021400637\\_1.html](https://www.business-standard.com/article/economy-policy/wholesale-inflation-rises-to-3-1-in-january-vs-2-59-in-december-120021400637_1.html)

### **DIPAM to list CPSEs with 51% govt ownership clause in pacts**

In a bid to prevent a possible roadblock to the government's disinvestment push, the department of investment and public asset

strengthening the likelihood of a prolonged pause in interest rates by the Reserve Bank of India (RBI) despite muted growth. On Tuesday, finance minister Nirmala Sitharaman had said the economy was on the mend, relying on seven indicators, including the index of industrial production (IIP), to show that green shoots have started to emerge in the economy. Independent economists expect a further dip in industrial production as global trade gets hit due to the coronavirus outbreak.

*The Economic Times* - 13.02.2020

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-hits-a-near-6-year-high-of-7-59-per-cent-in-january/articleshow/74101089.cms>

### **Govt clocks Rs 40,000 crore in public procurement transactions through GeM portal**

Public procurement worth Rs 40,000 crore has taken place through the government's online marketplace GeM, Expenditure Secretary T V Somanathan said on Monday. Stressing that the focus of public procurement system is on economy, rigour, fairness and transparency, he said the efficiency of procurement makes a big difference to the fiscal discipline of government. Towards this, the government has recently revised the general financial rules (GFR) and procurement manuals, and made advances in the use of technology in procurement. The Government e-Marketplace (GeM), an online platform for public procurement, was launched by the Commerce Ministry in August 2016 with the objective of creating an open and transparent procurement platform for government departments. Currently, 3.24 lakh vendors are registered on this platform. "We have the GeM, central procurement portal, which currently has electronic bids of 1,00,000 tenders - including state government tenders. And we have (Rs) 18-19 lakh crore per annum, of tendering on central public procurement portal (CPPP)," Somanathan said while addressing the Global Procurement Summit 2020.

*The Economic Times* - 10.02.2020

<https://economictimes.indiatimes.com/news/economy/finance/govt-clocks-rs-40000-crore-in-public-procurement-transactions-through-gem-portal/articleshow/74059057.cms>

### **BSNL, Air India and MTNL highest loss-making PSUs in FY19, ONGC most profitable: survey**

ONGC, Indian Oil Corporation and NTPC were the top three profitable PSUs in 2018-19,

management (Dipam) has begun identifying central public sector enterprises (CPSEs) which may be facing issues with the clause of having their government shareholding at 51% in lending agreements. A senior official said that the onus of renegotiation of such pacts will be on the companies, following which the department will approach the Cabinet for a fresh approval. The official added that issues could arise where government shareholding of 51% is mentioned in lending contracts or bond agreements that the CPSEs may have signed with lenders or joint venture partners. In such cases, the contracts will have to be renegotiated and a fresh round of approvals will be needed. "In cases where the contracts mention that 'government will control 51%' of the company, it will not be a problem. But in cases where '51% government shareholding' is mentioned, the company management will have to renegotiate the lending agreements keeping in view that the government will continue to be in control," the official said.

*The Economic Times - 17.02.2020*

<https://economictimes.indiatimes.com/news/economy/finance/dipam-to-list-cpses-with-51-govt-ownership-clause-in-pacts/articleshow/74167463.cms?from=mdr>

## **More firms in India complying with CSR norms under Companies Act: Report**

More companies in India are complying with corporate social responsibility norms under the Companies Act, 2013, with 76 per cent firms having spent 2 per cent or more of their profits on such initiatives during 2019, according to a report. The findings of the 'India CSR Reporting Survey 2019', compiled by KPMG in India, that covered 100 companies also revealed a 150 per cent rise in the number of firms that have committed to carry forward 2 per cent of the unspent amount. The Companies Act which came into effect from April 1, 2014 stipulates that firms with a net worth of ₹500 crore or more, or a turnover of ₹100 crore or more, or a net profit of ₹5 crore or more during the immediately preceding financial year are required to spend 2 per cent of their profits on corporate social responsibility (CSR) programmes. Eligible companies need to form a CSR committee, formulate a policy, and implement projects in alignment with Schedule VII of the Act. CSR-related disclosures need to be made in the annual report in the format prescribed by the Act.

*Mint - 16.02.2020*

<https://www.livemint.com/news/india/more-firms-in-india-complying-with-csr-norms-under-companies-act-report-11581853520154.html>

whereas BSNL, Air India and MTNL incurred highest losses for a third consecutive year, according to a survey tabled in Parliament on Monday. The Public Enterprises Survey 2018-19, which maps the annual financial performance of all central PSUs, revealed that the top 10 companies in the red claimed a whopping 94.04 per cent of the total losses made by all the 70 loss making CPSEs during the year.

The top three profit making PSUs including Oil and Natural Gas Corporation (ONGC), Indian Oil Corporation and NTPC contributed 15.3 per cent, 9.68 per cent and 6.73 per cent, respectively to the total profit earned by all profitable CPSEs. State Trading Corporation of India, MSTC and Chennai Petroleum Corporation which were profit making CPSEs in 2017-18, incurred losses in 2018-19 and also feature among the top ten loss-making firms, the survey found. Total income of all CPSEs during 2018-19 stood at Rs 24,40,748 crore compared to Rs 20,32,001 crore in 2017-18, showing a growth of 20.12 per cent.

*News18.com - 10.02.2020*

<https://www.news18.com/news/business/bsnl-air-india-and-mtnl-highest-loss-making-psus-in-fy19-ongc-most-profitable-survey-2496211.html>

## **States to decide when petroleum products to be taxed under GST: Nirmala Sitharaman**

Union Finance Minister Nirmala Sitharaman on Sunday said that petrol and petroleum products are already under Goods and Services Tax (GST) and the states have to decide when they want petrol and petroleum products to be taxed under GST. "Whenever the States are ready to bring in petroleum under the GST, another amendment will not be required. It is, now, up to the States and also the GST Council to take a call on when they want it to happen," Finance Minister Sitharaman said at a press conference here. She further said that the petroleum products have been placed under the GST regime due to the foresight of the late Finance Minister Arun Jaitley. "Even as the GST was framed and rolled out, a lot of discussions had taken place about petrol and petroleum products. At that time my predecessor, late Arun Jaitleyji made a provision. The amendment was inclusive of zero-rated petroleum product provision in GST," she said.

*The Economic Times - 10.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/states-to-decide-when-petroleum-products-to-be-taxed-under-gst-nirmala-sitharaman/74055550>

## **IEA says virus outbreak to shrink first-quarter oil demand**

Oil demand is set to fall year on year in the first quarter for the first time since the depths of the financial crisis in 2009 hurt by the coronavirus outbreak in China, the International Energy Agency (IEA) said on Thursday. "The consequences of Covid-19 for global oil demand will be significant. Demand is now expected to contract by 435,000 barrels per day (bpd) in Q1, the first quarterly decrease in more than a decade," the Paris-based IEA said in a monthly report, using the new scientific name for the virus. "For 2020 as a whole, we have reduced our global growth forecast by 365,000 bpd to 825,000 bpd, the lowest since 2011," the IEA said, adding that it assumed economic activity from the second quarter would return progressively to normal. In the second quarter it said it expected oil demand to grow 1.2 million barrels per day before normalising in the third quarter with growth of 1.5 million bpd on likely economic stimulus measures in China. It forecast a fall in demand for oil produced by OPEC while output growth by U.S. companies might not be impacted until later in the year.

*The Economic Times - 13.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/iea-says-virus-outbreak-to-shrink-first-quarter-oil-demand/74115594>

## **\$60 billion investment lined up in natural gas sector: Oil minister Pradhan**

India is likely to witness investments to the tune of a whopping \$60 billion in the natural sector as part of efforts to transform the country into a gas-based economy using natural gas a transition fuel, oil minister Dharmendra Pradhan has said. "Our government is working towards increasing the share of gas from 6.2 per cent (currently) to 15 per cent in the energy mix by 2030," he said at an industry event here, adding an estimated investment of \$60 billion is being lined up in the sector, developing a "one Nation one Gas Grid", cross-country pipelines, rapid expansion of LNG infrastructure, City Gas Distribution (CGD) network expanding to cover over 70 per cent of the population covering 407 districts across 28 states and union territories. He also said the government is actively encouraging use of LNG, among others, for long-haul trucking along expressways, industrial corridors and inside mining areas, marine applications, apart from making natural gas easily available at doorsteps for users through mobile dispensing.

## **Over Rs 1 lakh cr investment in oil, gas projects lined up in AP: Pradhan**

Over Rs 1 lakh crore investment in oil and gas fields as well as refinery modernisation project has been lined in Andhra Pradesh, Oil Minister Dharmendra Pradhan apprised Vice President M Venkaiah Naidu on Tuesday. The projects include Rs 26,264 crore modernisation of Visakhapatnam refinery by the second quarter of 2022-23, and Rs 68,000 crore in the development of offshore oil and gas fields, Pradhan said in tweets after the meeting. Another Rs 10,000 crore is being invested in on land fields in KG Basin in the state, he said. "These oil and gas projects under different stages of implementation will usher new dawn of socio-economic prosperity for the people of Andhra Pradesh and further facilitate ease-of-living for citizens in the state," he tweeted. He assured Naidu, who hails from the state, of "fast-tracking completion of all oil and gas projects in the state". Separately, state-owned Oil and Natural Gas Corp (ONGC), which is developing oil and gas fields in the KG basin, in a statement said its Chairman and Managing Director Shashi Shanker alongside Pradhan apprised Naidu of the company's offshore and onshore projects.

*Outlook India - 11.02.2020*

<https://www.outlookindia.com/newscroll/over-rs-1-lakh-cr-investment-in-oil-gas-projects-lined-up-in-ap-pradhan/1731881>

## **India's petroleum demand suffered marginal fall in January 2020**

India's petroleum demand in January 2020 fell 0.57 per cent to 18,413 Thousand Tonne (TMT) as compared to the corresponding month a year ago primarily due to lower demand of diesel, bitumen and fuel oil, fresh data published by the oil ministry's statistical arm Petroleum Planning & Analysis Cell (PPAC) showed. An overall slowdown in Gross Domestic Product (GDP) growth, subdued industrial activity and extended monsoon impacted the country's cumulative petroleum demand, data showed. Cumulative petroleum demand declined 1.39 per cent to 1,78,667 Thousand Tonne during the April-January period of 2019-20. Rating agency ICRA said in a report the country's petroleum demand is projected to remain below 3 per cent in the current fiscal. Demand for diesel, which accounts for 39 per cent of the overall demand of petroleum products in the country fell 2 per cent to 6,938 TMT in January 2020. Cumulative demand for diesel during the

*The Economic Times - 16.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/60-billion-investment-lined-up-in-natural-gas-sector-oil-minister-pradhan/74158507>

## **BPCL sale: Inter-ministerial group clears bidding documents**

An inter-ministerial group (IMG) has approved sale bid documents for privatisation of India's second biggest oil refiner Bharat Petroleum Corp Ltd (BPCL), and a notice seeking bids will be issued after a small group of ministers approves it, sources said. The IMG comprising representatives from the ministries of finance, petroleum, law, corporate affairs and department of disinvestment has approved expression of interest (EoI) and preliminary information memorandum (PIM) for the company. This will now be put up for approval by 'Alternative Mechanism' which is essentially a very small grouping of key Cabinet ministers, sources privy to the development said. Once the approval is granted, an EoI seeking interest from potential buyers will be floated, they said, adding the EoI along with PIM was likely to be out in the market within this month. The government plans to sell its entire 53.29 per cent stake in BPCL that will give buyers ready access to 14 per cent of India's oil refining capacity and about one-fifth of the fuel market share in the world's fastest-growing energy market.

*The Economic Times - 17.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/img-clears-bpcl-sale-bid-papers/74167319>

## **US ready to meet India's energy demand; trade talks continue: White House**

The US is ready to supply oil and gas to energy-hungry India as much as it wants as there is a huge potential for bilateral cooperation in the key sector, a top White House official has said ahead of President Donald Trump's maiden visit to the country. Larry Kudlow, economic advisor to Trump, said that talks are going on between India and the US on a trade deal that could be inked during the visit of the president. He made the statement while responding to a question about the progress on a trade deal ahead of the presidential visit. On Tuesday, Trump said he was looking forward to his first visit to India this month and signalled his willingness to sign a trade agreement with New Delhi "if we can make the

April-January period 2-19-20 increased marginally (0.55 per cent) to 69,714 TMT.

*The Economic Times - 17.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-petroleum-demand-suffered-marginal-fall-in-january-2020/74170738>

## **India in talks with Russia on mega deal for long-term import of crude oil**

India and Russia have finalised the broad contours of an ambitious government-to-government agreement for long-term import of crude oil by India from Russia's Far East region. The pact is likely to be inked during Russian President Vladimir Putin's visit in October for the annual summit talks with Prime Minister Narendra Modi, diplomatic sources told PTI. The pact is set to help the two countries achieve their target of taking the volume of annual bilateral trade to USD 25 billion from current USD 11 billion. When asked about it, Russian Deputy Chief of Mission Roman Babushkin told PTI that both India and Russia are adopting a "multi-dimensional" approach in boosting cooperation in oil and gas sector in sync with decisions taken by Putin and Modi in their last annual summit in Vladivostok in September. "We have signed an important contract few days back for supply of two million tons of oil to India from Russia by end of the current year. We are also considering to sign a long-term contract for supply of oil (to India) for many years," Babushkin said,

*The Economic Times - 17.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-in-talks-with-russia-on-mega-deal-for-long-term-import-of-crude-oil/74167211>

## **Former Indian Oil chief Sarthak Behuria joins RIL as an advisor**

Former Indian Oil Corporation Chairman, Sarthak Behuria, has joined Reliance Industries as a senior advisor, the Mukesh Ambani-led company said on Wednesday. Behuria will provide strategic direction and leadership to the new joint venture between RIL and British energy major BP, focused on the fuel-retail business and also work closely with the Reliance Leadership team on various matters of strategic importance, the company said. Behuria, who was the chairman of IOC between 2005-10, started his career with Burmah Shell in 1973, which was nationalized in 1976 and renamed as Bharat Petroleum Corporation, where he rose to the position of director (marketing) in November, 1998 and as Chairman & Managing

right deal". Trump will pay a state visit to India on February 24 and 25 at the invitation of Prime Minister Narendra Modi. Responding to another question on the increase in export of energy to India, Kudlow said there is a much greater potential. "Could be, hope so. Let's remove all the barriers. They (Indians) need energy. We have the energy.

*The Economic Times - 14.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/us-ready-to-meet-indias-energy-demand-trade-talks-continue-white-house/74136799>

### **Manoj Jain takes charge as Chairman & Managing Director, GAIL**

Manoj Jain today assumed charge as Chairman & Managing Director of GAIL (India) Limited. A Mechanical Engineer with an MBA in Operations Management, Jain joined GAIL as a Graduate Engineer Trainee in 1985 and rose through the ranks to his current position. Before his appointment as CMD, Jain was Director (Business Development) of the company. Manoj Jain possesses rich and diverse experience in the areas of Business Development, Projects, O&M, Petrochemicals, Pipeline Integrity Management and Gas Marketing which has allowed him to gain insight and knowledge across multiple business units and functional areas. As Director (Business Development), he was responsible for building Gail's business portfolio in India and abroad, Merger and Acquisition, Petrochemical O&M and Expansion, Exploration & Production, R&D, Start-Up, Health Safety & Environment Management, Quality Management, Project Development including feasibility study and investment approval for new pipelines, process plants, renewables, etc.

*India Infoline - 17.02.2020*

[https://www.indiainfoline.com/article/news-top-story/manoj-jain-takes-charge-as-chairman-managing-director-gail-120021700117\\_1.html](https://www.indiainfoline.com/article/news-top-story/manoj-jain-takes-charge-as-chairman-managing-director-gail-120021700117_1.html)

Director, in July, 2002. Post his tenure as the chairman of IOC, he was associated with two private sector organizations as executive director-- Adani Ports and Special Economic Zone between April 2016 – 2019 and group president, KK Modi Group of Companies from 2010 to March 2016.

*The Economic Times - 12.02.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/former-indian-oil-chief-sarthak-behuria-joins-ril-as-an-advisor/74098055>

### **Rajiv Bansal appointed Air India CMD**

The government on Thursday appointed senior IAS officer Rajiv Bansal as the CMD of Air India. Bansal, currently additional secretary in petroleum ministry, had held additional charge of AI chief in August 2017 for about four months when then chairman Ashwani Lohani was moved to Railway Board. After retiring from Railway, Lohani was made AI CMD last February for a year and has completed his second term. Now, Bansal will take charge again as AI chairman from Lohani at a time when the divestment process of the airline is on and bids have been invited. Bansal, an IAS officer of Nagaland cadre, is a civil engineer from IIT Delhi. In his long career, he has served as secretary, Central Electricity Regulatory Commission, joint secretary in department of heavy industries and director in aviation ministry. He has earlier been on boards of Bhel, National Aviation Company of India — tshort-lived name of Air India and Indian Airlines after two were merged in 2007 — and Alliance Air, among other organisations.

*The Times of India - 14.02.2020*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2020%2F02%2F14&entity=Ar02013&sk=F9760F09&mode=text>