

(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.)

IMF seeks urgent policy action for high growth

India is in the midst of a significant economic slowdown, the International Monetary Fund (IMF) has said, asking for urgent steps to reverse slowdown while continuing with credible fiscal consolidation and cautioning against fiscal measures to support growth. The fund released Article IV consultation report on India in Washington on Monday. "India is now in the midst of a significant economic slowdown.... Addressing the current downturn and returning India to a high growth path requires urgent policy actions," Ranil Salgado of the IMF Asia and Pacific Department told reporters. India's economic growth slumped to a six-year low of 4.5% in July-September quarter and many experts now expect full FY20 growth at below 5%. The report presented two scenarios with the second one pushing for significant reforms around three pillars to boost growth—Firstly, ongoing clean-up of bank balance sheets should be complemented by a decisive strengthening of PSB governance and regulation and oversight of NBFCs, it said. Secondly, a medium-term fiscal consolidation path should be anchored by the Fiscal Responsibility and Budget Management Review Committee's recommendation to reduce general government debt toward 60% of GDP and thirdly, unveil labour, land and productivity reforms.

The Economic Times - 25.12.2019

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F25&entity=Ar00900&sk=75B9FFCE&mode=text>

Govt may eye Rs 1.5 lakh crore divestment in FY21; BPCL, Concor sale likely in H1: Sources

The government may come up with the highest-ever divestment target of Rs 1.5 lakh crore in the Budget come February, ET Now reported quoting sources. Sources told ET Now that the government may draw up a list of PSUs where stakes will be reduced below 51 per cent next year. The closure of NEEPCO and THDC sale to NTPC is likely before FY20-end. Another tranche of PSU ETF is likely before the end of this financial year. DIPAM is pushing for corporatisation of LIC and The Airports

Indian economy likely to rebound in 2020: CII

India's economy is expected to rebound in 2020 on the back of measures taken by the government and the RBI coupled with easing of global trade tensions, industry body CII said on Sunday. The chamber also suggested a flexible fiscal policy that will set a central government's target for the deficit in the range of around 0.5 to 0.75%, and said it is likely to have a significant multiplier effect on the economy. It said that as we are set to enter the new year, there are nascent signs that the economy is on a better footing than what it was in the year gone by. "With the proactive measures taken by the government and the Reserve Bank of India (RBI), industry believes that the slowdown will be overcome, and a gradual recovery will soon be in place." "Nascent signs of recovery are noted in the form of improved PMIs (Purchasing Managers' Index) of manufacturing and services, jump in passenger air traffic, sharp moderation in the decline in sales of passenger cars, among others," said CII President Vikram Kirloskar.

The Hindu - 29.12.2019

<https://www.thehindu.com/business/Economy/indian-economy-likely-to-rebound-in-2020-cii/article30425524.ece>

PSU behemoths turn agile to emerge leaders

Not long ago, a mere mention of the acronym PSU would make investors and analysts cringe, a feeling largely stoked by the way public sector undertakings traditionally conducted business — inefficient processes, slow decision-making and a laid-back approach to devising future growth strategies. While quite a few PSUs still continue to run the business the old way, the good news is that others have worked hard at an image makeover. This transformation is likely to prompt investors to rejig their

Authority of India (AAI) to help list the companies. It is eyeing about Rs 90,000 crore from the completion of BPCL and Concor stake sale in the first half of FY21, sources said. Analysts are anyway keeping low expectations from the Rs 1.05 lakh crore disinvestment target for FY20 set in the Budget earlier this year, following reports of delays in privatisation of BPCL. So far, the government has raised just Rs 17,364.26 crore through disinvestment proceeds with no strategic sale for the year. There are concerns over the fiscal deficit as a few reports already suggested the privatisation of BPCL was unlikely this calendar.

The Economic Times - 27.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-may-eye-rs-1-5-lakh-crore-divestment-in-fy21-bpcl-concor-sale-likely-in-h1-sources/72980252>

Government to prod PSUs, woo MNCs, to up capex

As India's growth slows down towards what many are describing as the big chill, the government has started prodding state-run public sector undertakings (PSUs) to step up investment and wooing large corporates — both Indian and MNCs — to invest in the country. Top officials said PSU capital expenditure is being monitored and they hoped that over Rs 1 lakh crore will be invested by large PSUs in the second half of this fiscal. "There have been some slippages in their project but we are hoping to steer them towards spending on their committed capex plans," said officials. Oil PSUs have been among the best performers in terms of capex spending, having spent nearly two-thirds of their committed capex said, officials. While ONGC has the largest capital outlay at Rs 32,921 crore. To part fund it, ONGC is taking a \$300 million forex bond at 3.375 percent coupon rate. Among others IOC has a capex of Rs 25,083 crore and HPCL and BPCL has a combined capex plan of Rs 17,400 crore. At the same time Chinese electronics and automobile players were also being encouraged to expand in India by adding more value here.

The New Indian Express - 26.12.2019

<https://www.newindianexpress.com/business/2019/dec/26/govt-to-prod-psus-woo-mncs-to-up-capex-2081085.html>

Modi holds first meeting of Cabinet Committee on Investment & Growth

The newly formed Cabinet Committee on Investment and Growth held its first meeting on Monday as the government looked at boosting

portfolios. Recent talk of divestment of BPCL, Container Corporation of India and BEML has brought PSU stocks back on investors' radar. The change of management control to a private promoter is often expected to benefit PSUs by streamlining processes. A case in point is Hindustan Zinc, which was sold to Vedanta in 2003. The company's earnings per share (EPS) increased to Rs11 in 2018-19 from just over 30 paise a decade ago.

The Economic Times - 24.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/psu-behemoths-turn-agile-to-emerge-leaders/72936073>

Bharat Bond ETF mops up Rs.12,400 crore on debut offer

Bharat Bond ETF, India's first corporate bond ETF, has fetched Rs.12,400 crore from its maiden offer. It opened for subscription on December 12 and closed on December 20. The funds raised would be utilised for capex of PSUs. The base size of the issue was Rs.7,000 crore. "BHARAT Bond ETF received an enthusiastic response from all categories of investors. Both tenors of ETF were oversubscribed @ Rs.12,400 cr. Govt. has decided to retain full amount. Participation by about 55,000 retail investors was the highlight of this issue," DIPAM Secretary Tuhin Kanta Pandey said in a tweet on Tuesday. The exchange-traded fund (ETF) invests only in AAA-rated bonds of public sector companies and will have target maturity structures. ETF, with a 3-year maturity, will follow the Nifty Bharat Bond Index-April 2023, while the one with a 10-year maturity will follow the Nifty Bharat Bond Index-April 2030. The yield of Nifty Bharat Bond Index-April 2023, as on December 5, is 6.69 per cent and that of Nifty Bharat Bond Index-April 2030 is 7.58 per cent. Investors who hold these ETFs for over 3 years will get the benefit of capital gains with indexation.

The Economic Times - 15.12.2019

<https://www.livemint.com/money/personal-finance/bharat-bond-etf-mops-up-rs-12-400-crore-on-debut-offer-11577242288052.html>

Skilling flagship may see over 2X allocation boost

The skills ministry has proposed to more than double allocation to the government's flagship skilling scheme to Rs. 30,000 crore for its next

spending to bring back a sputtering economy on track. Sources said Prime Minister Narendra Modi chaired the first meeting of the CCIG, which was set up in June after the BJP won a second term in office. No details of the decisions taken at the meeting were immediately known. The panel has four other members -- Home Minister Amit Shah, Highways and MSME Minister Nitin Gadkari, Finance Minister Nirmala Sitharaman and Commerce & Railways Minister Piyush Goyal. The meeting came against the backdrop of GDP growth slowing to a six-year low of 4.5 per cent in the July-September quarter as the twin engines of investment and exports sputtered. Adding to the woes is a slowdown in consumption. This was the sixth consecutive quarter when the growth rate fell. Alongside CCIG, a Cabinet Committee on Employment & Skill Development headed by Modi was also constituted in June.

Millennium Post - 24.12.2019

<http://www.millenniumpost.in/business/modi-holds-first-meeting-of-cabinet-committee-on-investment-growth-392419>

Government sets up expert panel to resolve oil and gas disputes

With overhang of disputes choking investments in the oil and gas sector, the government has constituted an expert committee for time-bound resolution of exploration and production disputes without having to resort to tardy judicial process. The 'Committee of External Eminent Persons/Experts' for dispute resolution will comprise former oil secretary G C Chaturvedi, Oil India former head Bikash C Bora and Hindalco Industries managing director Satish Pai, according to an official notification. The panel will have a tenure of three years and the resolution will be attempted to be arrived at within 3 months. India's oil and gas sector has been plagued by disputes from cost recovery to production targets, and companies as well as the government have resorted to lengthy and costly arbitration followed by judicial review — a process that takes years to resolve differences. The notification said the committee will arbitrate on a dispute between partners in a contract or with the government over commercial or production issues for oil and gas.

The Economic Times - 26.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/government-sets-up-expert-panel-to-resolve-oil-and-gas-disputes/72973737>

phase for 2020-24, up from Rs. 12,000 crore for 2016-20. The third version of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) will seek to incentivise states to undertake skills training at a faster pace as they are key partners in imparting skills training, besides enhancing the targets under the scheme to train up to 15 million people, a senior official said. The ministry has firmed up broad contours of the third version of the scheme, the person told ET. "We could see greater allocation to the scheme with higher targets being set up for training and new age skills being introduced under the scheme." Under the ongoing PMKVY 2016-20, the government had set a target of training 10 million youth by March 31, 2020. In the next version of the scheme, the ministry aims to put in place structures and incentivise states to enable skilling in new-age technologies across sectors at a premium under the scheme, besides focusing on reskilling and up-skilling, the official said.

The Economic Times - 25.12.2019

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F25&entity=Ar00901&sk=AOCDD5A&mode=text>

ICF to weigh demand as govt pushes gas use, split GAIL

Global energy market consultant ICF is to assess India's natural gas demand and the infrastructure needed to tap latent demand as the backdrop of the government pushing to expand the clean-burning fuel's share in the country's energy basket and divest GAIL of its pipeline network by splitting the state-run gas transportation utility. The Petroleum and Natural Gas Regulatory Board (PNGRB) has ICF to study gas demand in different regions and the ideal locations for constructing terminals for importing gas in ships. The consultant will also examine the pipeline network needed to connect users with gas sources. The share of natural gas in India's energy basket stands at 6 per cent against a global average of 24 per cent. The government wants to raise it to 15 per cent over the next decade. Low domestic gas production and inadequate infrastructure, particularly pipelines to wheel fuels to consumers, are blamed for the low share of gas in the country's energy basket. Somehow, GAIL is taking much of the blame for the lack of regional connectivity.

The Economic Times - 30.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/icf-to-weigh-demand-as-govt-pushes-gas-use-split-gail/73027242>

Indian November imports of Latin American oil slump to 20-month low: data

Latin America's share of Indian oil imports plunged in November to its lowest in 20 months, tanker arrival data showed, as refiners bought similar heavier grades from the Middle East to reduce shipping costs. India, the world's third largest oil consumer, bought about 390,400 barrels per day (bpd) of Latin American oil during November, or 9.1 per cent of the country's total imports, down from 12 per cent in October, the data from shipping and industry sources showed. "Freight rates peaked in October 2019 and that prompted refiners to go for short-haul crude like from the Middle East," Ehsan Ul Haq, an analyst with Refinitiv, said. India's overall imports from the United States, Canada, and Africa also declined from October, the data showed. Freight rates surged in October after nearly 300 oil tankers globally were placed off limit by oil firms and traders for fear of violating U.S. sanctions against Iran and Venezuela.

The Economic Times - 26.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indian-november-imports-of-latin-american-oil-slump-to-20-month-low-data/72947775>

Greenfield route: Govt wants states, PSUs to help boost steel capacity

The steel ministry wants state-run units under its supervision, such as SAIL and RINL, and state governments to come up with various enablers such as encroachment-free land and steady supply of raw material to help the industry build 25-30 million tonne (MT) additional steel production capacity through the greenfield route by 2024-25. An estimated Rs 1-1.5 lakh crore investment would be required to create the targeted capacity. India's current steel capacity of 142 MT is being augmented by 28-30 MT through the brownfield route by 2024-25. The ministry envisages it would be imperative to create additional capacity through the greenfield route to meet the projected 160 MT consumption target by 2024-25. Consumption usually lags capacity. India consumed 99 MT steel in 2018-19. The steel ministry will do its bit, including facilitating single-window clearance for forest and environment,

Cabinet approves pact between India and Brazil on bio-energy cooperation

The Union Cabinet, chaired by Prime Minister Narendra Modi, today gave its approval for signing a Memorandum of Understanding (MoU) between India and Brazil on bio-energy Cooperation. Brazil is currently the world's second-largest producer and consumer of biofuels and biofuels and bioelectricity accounted for 18 per cent of Brazil's energy mix. "India also has a strong focus in the area of bio-fuels and has set a target to achieve 20 per cent blending of ethanol in petrol and 5 per cent blending of biodiesel in diesel by 2030 with the announcement of new policy on Biofuels in 2018," the government said in a statement. The two sides had agreed to cooperate on research and development of renewable energy and second-generation bio-fuels in meeting between Modi and President of Brazil in 2016. The MoU provides a framework to cooperate and promote investment in bio-fuel, bio-electricity and bio-gas supply chain. The agreement also includes exchange of information on agricultural practices and policies regarding biomass for bio-energy, policies for reducing greenhouse gas emissions, issuance of emission reduction certificates, and the promotion of a joint position to address market access and sustainability of bio-fuels, including advanced biofuels, engine and fuel modifications.

The Economic Times - 24.12.2019

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/cabinet-approves-pact-between-india-and-brazil-on-bio-energy-cooperation/72955618>

Steel prices to go up by Rs. 1,000 a tonne in Jan

Steel prices are set to go up for the third consecutive month in January following revival in domestic demand and firm price trend globally. Just like in many other metals, steel companies in India take price signal from global markets. Despite the prices going up in last two months, demand has been holding strong in both automobile and infrastructure sectors on restocking by dealers. Following this, steel companies have intimated that Hot-rolled coil prices will be increased to Rs 7001,000 a tonne in January, said a stockist. In November, steel manufacturers hiked prices for the first time in this fiscal by Rs.500- Rs.750 a tonne and followed this with another rise of Rs. 750-1,000 this month. Steel prices was falling consistently since April and touched a low of Rs 32,500 a tonne in September from the peak of Rs 45,000 a tonne late last year. Globally, steel prices

liaise with different agencies for iron ore linkages, etc to help the industry in creating the additional capacity. But it wants two potential routes, driven by steel CPSEs and state governments to operationalise the plan.

The Financial Express - 27.12.2019

<https://www.financialexpress.com/economy/greenfield-route-govt-wants-states-psus-to-help-boost-steel-capacity/1804069/>

Adani forays into cold chain logistics with ₹296 crore acquisition of Snowman Logistics

Billionaire Gautam Adani's port-to-power Adani group has acquired majority stake in Snowman Logistics Ltd for ₹296 crore to foray into cold chain logistics. Adani Logistics Ltd, a wholly-owned subsidiary of Adani Ports and SEZ Ltd, signed definitive agreements to acquire 40.25% stake in Snowman Logistics Ltd from Gateway Distriparks Ltd, the company said in a statement. Snowman is market leader in cold chain logistics with over 30% of capacity amongst integrated organised cold chain service providers in India. The acquisition gives Adani Logistics platform to double its capacity in the next five years. The buyout is in line with the firm's strategy to move from port gate to customer gate. "The purchase price of ₹44 per share represents a 3.2% premium to the market price of December 27, 2019 and a 12 per cent premium to 60 day average," it said. Acquisition is subject to customary condition precedents and expected to close by March 31, 2020.

Mint - 28.12.2019

<https://www.livemint.com/companies/news/adani-forays-into-cold-chain-logistics-with-rs-296-crore-acquisition-of-snowman-logistics-11577471325294.html>

Borkar appointed ED in Vigilance in AAI

Suresh N. Borkar, General Manager–Vigilance, on promotion has been appointed as Executive Director-Vigilance, at Corporate headquarters Airports Authority of India, New Delhi and taken over charge on 20th December 2019. He has Joined AAI in May 1990 as Electronics officer and served at various airports at various levels in CNS discipline, as Airport Director, and General Manager- Information Technology. He holds Masters Degree in Engineering in the branch of Electronics and Communication. He also holds I.A.P. degree from ACI/ICAO, Global ACI-ICAO Airport Management Professional Accreditation Programme (AMPAP). He has attended various training programme/ workshop/seminars in India and abroad as well as acquired at the relevant Proficiency/ratings on the CNS facilities. During his tenure as Airport Director, he has achieved consecutive 3 times Best Airport Awards (ASQ/CSI Survey) i.e. for the year 2012, 2013 for Jodhpur Airport and in the year 2014 for Jaipur Airport.

Millennium Post - 28.12.2019

<http://www.millenniumpost.in/business/borkar-appointed-ed-in-vigilance-in-aii-393117>

have gone up by \$60 to \$70 (Rs.4,200-Rs.4,900) and this is expected to have a rub of effect on Indian steel prices. Steel companies have hiked prices by Rs. 1,000-Rs.2,000 a tonne.

The Hindu Business Line - 26.12.2019

<https://www.thehindubusinessline.com/companies/steel-prices-to-go-up-by-1000-a-tonne-in-jan/article30395465.ece>

India Signs Maritime Transport Agreement with Oman

India and Oman on Tuesday, during the visit of Foreign Minister S Jaishankar, signed Maritime Transport Agreement, first such pact with any Gulf country, enabling Delhi to expand footprints in Western Indian Ocean, Persian Gulf and Eastern Africa. Oman, India's oldest strategic partner in the Gulf seeks to emerge as a hub for India for Eastern Africa and Indian Ocean Region furthering Delhi's Indo-Pacific strategy. Jaishankar met slew of Oman's leadership including his counterpart, Deputy PM and Defence Minister. Oman is a strategic partner of India and the two countries are linked closely by geography, history and culture and enjoy warm and cordial relations attributed to historical maritime trade linkages as well as close links of the Oman's Royal family with India. Oman has allowed India including Navy access to its Duqm port. Port of Duqm SEZ, which is earmarked to be the Indian Oceans largest deep sea port where an Indo-Oman Joint Venture, Sebatic Oman is undertaking a \$ 1.2 billion project for setting up the largest Sebatic acid plant in Middle-East.

The Economic Times - 25.12.2019

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2019%2F12%2F25&entity=Ar00310&sk=88BC2533&mode=text>