

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be uploaded on intranet and website every Monday.)

## **Fitch projects Indian economy to contract 5% this fiscal**

Fitch Ratings on Tuesday forecast a 5 per cent contraction of Indian economy in the current fiscal, on account of slump in economic activities and very stringent lockdown policy. This is substantially lower than 0.8 per cent growth for 2020-21 fiscal projected in April. Fitch said it has made further cuts to world GDP forecasts in its latest Global Economic Outlook (GEO) for May, but the slump in global economic activity is close to reaching its trough. "The biggest forecast cut was to India where we now anticipate a 5 per cent decline in the current financial year (ending March 2021) in contrast to an earlier forecast of growth of 0.8 per cent." "India has had a very stringent lockdown policy that has lasted a lot longer than initially expected and incoming economic activity data have been spectacularly weak," Fitch said. This compares to an estimated 3.9 per cent growth in the previous fiscal. Growth is, however, expected to rebound to 9.5 per cent in 2021-22. "World GDP is now forecast to fall by 4.6 per cent in 2020 compared to a decline of 3.9 per cent predicted in our late-April GEO. This reflects downward revisions to the eurozone and the UK and, most significantly, to emerging markets (EM) excluding China," said Brian Coulton, Chief Economist, Fitch Ratings.

*The Economic Times - 28.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/fitch-projects-indian-economy-to-contract-5-this-fiscal/articleshow/76012382.cms>

## **Economy may contract by over 40% in Q1: SBI Research**

The Indian economy faces a 'humongous' loss in the June quarter and gross domestic product (GDP) could contract by more than 40% during the period, State Bank of India Research said in a note. It expects another stimulus package later in the year to help shore up the economy. SBI Research estimates the economy will contract by 6.8% in FY21 after a 'smart recovery' in the second quarter and "much better" growth numbers in the third and fourth quarters. "We now believe Q1GDP FY21 loss will be humongous and could even exceed 40%," it said on Tuesday,

## **India facing its worst recession in current fiscal, says Crisil**

India's fourth recession since independence, the first since liberalisation and perhaps the worst to date, is here, CRISILNSE 0.90 % said on Tuesday as it predicted the economy to shrink by 5 per cent in the current fiscal because of Covid-19 lockdown. "The first quarter (April to June 2020) will suffer a staggering 25 per cent contraction," it said in its assessment of India's GDP. "About 10% of gross domestic product (GDP) in real terms could be permanently lost. So, going back to the growth rates seen before the pandemic is unlikely in the next three fiscals." In the past 69 years, India has seen a recession only thrice – as per available data – in fiscals 1958, 1966 and 1980. The reason was the same each time – a monsoon shock that hit agriculture, then a sizeable part of the economy. Crisil said the recession in the current fiscal (April 2020 to March 2021) is different as agriculture could soften the blow this time by growing near its trend, assuming a normal monsoon. The Covid-19 lockdown, first imposed on March 25 and extended thrice till May 31, has curtailed economic activity severely.

*The Economic Times - 27.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/india-facing-its-worst-recession-in-current-fiscal-says-crisil/articleshow/76004775.cms>

## **India's GDP growth in Q4 & FY20 sinks to 11-year low**

India's gross domestic product (GDP) expanded at the slowest pace in 11 years in the fourth quarter and fiscal year 2019-20 as the Covid-19 pandemic took hold in March, adding to pressures on an already slowing economy. A nationwide lockdown was imposed from March 25 but business activity had begun grinding to halt a few weeks before that. Independent economists said the worst is yet to come, flagging a recession with GDP expected to contract in the first two quarters of the financial year, given that the lockdown has been in place

estimating second-quarter growth at 7.1% if demand recovers. The first quarter will suffer a contraction of 25%, ratings agency Crisil said in a note on Tuesday, predicting India's worst-ever recession. It sees GDP contracting 5% in FY21. International rating agency Fitch also downgraded India's growth forecast. "Biggest forecast cut was to India where we now anticipate a 5% decline in the current financial year in contrast to an earlier forecast of growth of 0.8%," the agency said in a statement late Tuesday.

*The Economic Times - 27.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/economy-may-contract-by-over-40-in-q1-sbi-research/articleshow/76022260.cms>

### **Indian economy to contract 5% in FY21, says S&P assuming COVID-19 peak by third quarter**

S&P Global Ratings on Thursday said the Indian economy will shrink by 5 per cent in the current fiscal as it joined a chorus of international agencies that are forecasting a contraction in growth rate due to coronavirus lockdown halting economic activity. Stating that COVID-19 has not yet been contained in India, the rating agency in a statement said the government stimulus package is low relative to countries with similar economic impacts from the pandemic. "The COVID-19 outbreak in India and two months of lockdown -- longer in some areas -- have led to a sudden stop in the economy. That means growth will contract sharply this fiscal year (April 2020 to March 2021)," it said. "Economic activity will face ongoing disruption over the next year as the country transitions to a post-COVID-19 world." Forecasting a 5 per cent contraction in 2020-21 (versus 1.8 per cent growth forecast it made in April), S&P said growth is expected to pick up to 8.5 per cent in the following fiscal (up from the previous forecast of 7.5 per cent). The GDP is projected to expand by 6.5 per cent in FY23 and 6.6 per cent FY24.

*The Economic Times - 29.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/sp-projects-indian-economy-to-contract-5-in-fy21/articleshow/76058854.cms>

### **States deficit jumps to 4.5% of GDP, revenue gap seen to soar 7-times to 2.8%: Report**

Led by a massive spike in revenue deficit of 2.8% of GDP, the aggregate fiscal deficit of the states will rise to 4.5% of the GDP in 2020-21 at ₹8.5 lakh crore as against the earlier forecast of 3% of GDP, says a report. As the nine-week long national lockdown to contain the spread of the coronavirus pandemic crippled the economy, the Centre has

for about two months. To be sure, some businesses have resumed functioning but large swathes of the economy are at a standstill. GDP expanded 3.1% in the quarter, data released by the government on Friday showed, the slowest since a 0.2% rise in the fourth quarter of FY09. FY20 growth is estimated at 4.2%, the lowest since FY09 and well below the 5% estimated at the end of February.

*The Economic Times - 30.05.2020*

<https://epaper.timesgroup.com/Olive/ODN/Th/eEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F05%2F30&entity=Ar00113&sk=AEFEF178&mode=text>

### **Indian economy on course for full-year contraction: DBS**

The Indian economy is on course for a full-year contraction this fiscal, as recovery prospects from COVID-19 related disruptions remain "clouded", according to DBS Bank India economist Radhika Rao. The comments came amid the release of key data that showed India's GDP growth tumbling to 3.1 per cent in the March quarter — the slowest pace since the global financial crisis more than a decade back. In 2019-20, the Indian economy grew by 4.2 per cent, the slowest in 11 years. Commenting on the GDP data, Rao said, "Headline growth was firmer than consensus, but was constrained by data collection issues, including unavailability of earnings for many sectors. This keeps the door open for downward revision to this growth rate". Stating that the 2Q20 (April-June) will provide a clearer picture of the economic slump during the lockdown, Rao said, adding "recovery prospects in FY21 remain clouded and the economy is on course for a full-year contraction this year". According to DBS, consumer discretionary sectors, production and services are likely to take longer to recover.

*The Financial Express - 01.06.2020*

<https://www.financialexpress.com/economy/indian-economy-on-course-for-full-year-contraction-dbs/1976682/>

### **Growth pangs ahead of data release**

The Centre will release the growth figures for the fourth quarter of 2019-20 on Friday that will give a partial indication of the impact of the nationwide lockdown on the economy as the shutdown started only in the last week of March. Analysts have forecast minimal growth in the fourth quarter — with two estimates at 0.5 per cent and 1.9 per cent — but have been scathing in their assessments for the current quarter and

allowed the states to borrow 200 bps more than the legally mandated 3% deficit while the Centre itself has upped its borrowing targets by ₹4.2 lakh crore. But most states are not eligible to draw down the full 5%t as the incremental borrowing comes with a lots of caveats. The coronavirus pandemic has hit the economy at a time when it was already on a downhill drive for the almost two years now and the nine-week long lockdown has completely stalled more than 80% of the economy.

*Mint - 27.05.2020*

<https://www.livemint.com/news/india/states-deficit-jumps-to-4-5-of-gdp-revenue-gap-seen-to-soar-7-times-to-2-8-report-11590495076303.html>

### **GDP growth may rebound to 5% in FY22: Former RBI governor**

The economy, which is likely to contract by 5 per cent in the current fiscal year, may expand by around 5 per cent in the next financial year, former RBI governor Duvvuri Subbarao said. Rating agency Crisil on Tuesday had said the economy may shrink by 5 per cent in fiscal year 2021. "I do believe that getting up to 5 per cent next year (FY22) is quite probable. The reason I say that is because this (Covid-19) is not a natural disaster. Our factories are still standing, our infrastructure and transport systems are still there," Subbarao said. He was speaking at a webinar on 'Indian Economy -- Navigating through a Crisis', organised by the Centre for Financial Studies (CFS) at Bhavan's SPJIMR business school. Speaking at the webinar, former deputy chairman of the erstwhile Planning Commission, Montek Singh Ahluwalia, also said there is a possibility of 5-6 per cent growth in fiscal 2021-22.

*The Hindu Business Line - 28.05.2020*

<https://www.thehindubusinessline.com/economy/gdp-growth-may-rebound-to-5-in-fy22-former-rbi-governor/article31689240.ece>

### **Lockdown impact: Eight core industries' output contracts by 38.1% in April**

India's core sector output contracted 38.1% in the month of April, reflecting how India's economy has taken a toll as the country fights the coronavirus pandemic with a nationwide lockdown. The core sector had expanded by 5.2% in the same period a year ago while it shrank 9% in the previous month. "In view of nationwide lockdown during April 2020 due to COVID-19 pandemic, various industries viz. Coal, Cement, Steel, Natural Gas, Refinery, Crude Oil, etc experienced a substantial loss of production," the official release said. This is

for fiscal 2020-21 with projections of negative growth for the year and massive fall in output in the current April-June quarter. While the economic research wing of the State Bank of India (SBI) expects GDP loss in the first quarter of this fiscal to be "humongous" and exceed 40 per cent, Crisil has said that India is staring at its worst recession during this year. The rating agency predicts that the economy will shrink 5 per cent in the current fiscal, and in the first quarter, the contraction will be to the tune of 25 per cent.

*The Telegraph - 28.05.2020*

<https://www.telegraphindia.com/business/coronavirus-lockdown-growth-pangs-ahead-of-data-release/cid/1776383>

### **Report frowns on data logic**

A day after India reported its lowest economic growth in 40 quarters, a research report has questioned the overall data quality and volatility in the new series provided by the Central Statistics Office (CSO). The report, prepared by the economic research wing of the State Bank of India (SBI) and authored by group chief economic adviser Soumya Kanti Ghosh, made this observation while referring to the significant revision in the previous quarter growth rates (compared to the statement made during the release of the third quarter data), which it said was "quite puzzling" and raises questions about data quality and remarkable volatility in the new series. It further called for a methodological note from CSO explaining the frequent revisions. On Friday, data from the CSO showed that the country's economic growth slipped to an 11-year low of 4.2 per cent in 2019-20 and to 3.1 per cent in January-March, which was the lowest in the last 40 quarters.

*The Telegraph - 31.05.2020*

<https://www.telegraphindia.com/business/coronavirus-lockdown-report-frowns-on-data-logic/cid/1777138>

### **Fiscal deficit widens to 4.6% of GDP in 2019-20**

India's fiscal deficit widened to 4.59% of gross domestic product (GDP) for the previous fiscal, overshooting the government's revised target of 3.8%, official data released on Friday showed. The fiscal deficit for April reached 35.1% of the FY21 target of Rs 7.96 lakh crore due to lower revenue, which was hit hard as economic activity stalled after the lockdown was imposed to contain the spread of Covid-19. The government's net tax revenue stood at Rs 21,412 crore in April revealing a massive 70%

the biggest ever fall in the core sector data ever recorded. The eight sectors consisting of coal, crude oil, natural gas, refinery products, fertiliser, steel, cement, and electricity, was seen picking up since November last year before the coronavirus pandemic brought the growth to a halt. The final growth rate of the Index of Eight Core Industries for January was not changed from the earlier reported 2.2%. The core sector forms 40.27% of the index of industrial production. Core sectors saw refinery production decline by 24% in April from a year ago period. Its cumulative index increased by 0.2% during April to March, 2019-20 over the corresponding period of previous year.

*The Financial Express - 30.05.2020*

<https://www.financialexpress.com/economy/core-sector-india-contracts-38-indian-economy-coronavirus-pandemic-lockdown/1975217/>

### **Export pick-up hope**

The country's exports are expected to emerge from the steep fall seen last month and the decline is set to reduce rapidly over the next two months, commerce and industry minister Piyush Goyal said on Thursday. Exports are expected to be better in May compared with April, when shipments had contracted to an all-time high of 60.28 per cent. "While April was quite a washout with 60 per cent fall, my sense is that in May, it will grow significantly and the reduction will be around 30-35 per cent. We have to wait for the numbers," Goyal said at the CII's export summit organised through video-conferencing. In June, he said, exports will either be on a par with June 2019 or at most 10 per cent down. The three factors that would drive the economy would be the revival of manufacturing, diversification of the export basket and focussing on newer and "more accepting" markets, Goyal said. Further, he said Indian industries, entrepreneurs and start-ups should see what new markets have opened up domestically for them and work on those.

*The Telegraph - 29.05.2020*

<https://www.telegraphindia.com/business/coronavirus-lockdown-export-pick-up-hope/cid/1776761>

### **Retail inflation for industrial workers eases to 5.45% in April: Labour ministry data**

Retail inflation for industrial workers eased to 5.45 per cent in April 2020 from 8.33 per cent in the same month a year ago, mainly due to lower prices of certain food items and petrol, official data showed. "Year-on-year inflation based on all items stood at 5.45 per cent for April 2020 as compared to 5.50 per cent for the previous month and 8.33

decline as against Rs 71,637 crore in April last year. The fiscal deficit, or the gap between the government's revenue and expenditure, came in at Rs 9.35 lakh crore in March, which was 22% higher than the targeted Rs 7.66 lakh crore. Finance minister Nirmala Sitharaman had invoked the escape clause in the Fiscal Responsibility and Budget Management Act to peg the deficit 0.5% higher than budgeted. Analysts said missing the revised target could lead to a spike in bond yields.

*The Economic Times - 30.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/fiscal-deficit-widens-to-4-6-of-gdp-in-2019-20/articleshow/76093931.cms>

### **India needs intelligent lockdown exit strategy: SBI report**

India needs to implement an intelligent lockdown exit strategy to prevent irreversible growth collapse, SBI said in a research report on Saturday. India's economic growth slipped to an 11-year low of 4.2 per cent in 2019-20 and to 3.1 per cent in January-March, the lowest in the last 40 quarters. The nation-wide lockdown to prevent spread of coronavirus with effect from March 25 has hit economic activities. The fourth phase of the lockdown is set to expire on Sunday. "We now believe that we should implement an intelligent lockdown exit strategy as the discussion has moved from debate between lives and livelihood to also between lives and lives as an elongated lockdown will only prolong irreversible growth collapse," SBI's research report 'Ecowrap' said. Going by past experience, recovery from recession often tends to be slow and takes five to ten years to reach the former peak levels of economic activity, it said.

*The Economic Times - 31.05.2020*

<https://economictimes.indiatimes.com/news/economy/policy/india-needs-intelligent-lockdown-exit-strategy-sbi-report/articleshow/76105511.cms?from=mdr>

### **ETF route: Bharat Bond to help CPSEs raise Rs 34,000 crore in FY21**

Bharat Bond exchange trade fund (ETF), a key instrument for central public sector enterprises (CPSEs) to raise debt capital from a larger pool of sources including retail investors, is looking to mobilise over Rs 34,000 crore in FY21, up 174% over such funds raised by it during the last fiscal year. As the Centre wants to assist CPSEs in need of capital – many state-run firms

per cent during the corresponding month of the previous year," a Labour Ministry statement said. Food inflation stood at 6.56 per cent in April 2020 against 6.67 per cent of the previous month (March 2020) and 4.92 per cent during the corresponding month (April 2019) a year ago, it said. Food inflation stood at 6.56 per cent in April 2020 against 6.67 per cent of the previous month (March 2020) and 4.92 per cent during the corresponding month (April 2019) a year ago, it said. The CPI-IW is used to work out hike in dearness allowance and dearness relief for over 1 crore central government employees and pensioners.

*The Economic Times - 30.05.2020*

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-eases-to-5-45-in-april-labour-ministry-data/articleshow/76094879.cms>

## **Minimum wage hike may be deferred this year**

The government could defer mandatory increase in minimum wages for a year in a move that could result in an annual saving of ₹7,500 crore for the private sector as well as central and state governments, officials said. "We are evaluating the proposal...a decision would be taken soon," a top official told ET on condition of anonymity. The move is expected to impact more than 150 million workers. As per government estimates, 30% of the country's total workforce is covered under the Minimum Wage Act. The government raises the cost of living allowance component in the minimum wages twice a year, in April and September. The revision is indexed to the consumer price index-agricultural labour (CPI-AL) and typically the minimum wage increases 4-5% a year. The statutory national floor rate is currently Rs 178 per day. But minimum wage varies across states, sectors, skills, regions and occupations, ranging from Rs 180 to Rs 430 per day. The revision cycle, too, differs for each state.

*The Economic Times - 26.05.2020*

<https://economictimes.indiatimes.com/news/company/corporate-trends/minimum-wage-hike-may-be-deferred-this-year/articleshow/75983391.cms?from=mdr>

## **Government considering to bring natural gas under GST: Petroleum Secretary**

The Government is considering bringing natural gas under the Goods and Services Tax said Tarun Kapoor, Secretary, Ministry of Petroleum and Natural Gas. Commenting on the petroleum products that will be brought under GST, Kapoor said, "The first product which we are targeting is gas so if that happens that would be a good

through which the government implements its various schemes are constituents of Bharat Bond ETF – debt mobilisation via this route might rise further to Rs 50,000 crore or higher in FY22 and beyond, official sources said. From the perspective of investors, the quasi sovereign nature of the CPSE bonds in the index is an attraction, so are the low entry barrier and expense ratio. According to a source, Bharat Bond's second tranche will hit the market in July with a base offer size of Rs 3,000 crore and a green shoe option to raise another Rs 11,000 crore by retaining extra subscriptions.

*The Financial Express - 28.05.2020*

<https://www.financialexpress.com/market/etf-route-bharat-bond-to-help-cpses-raise-rs-34000-crore-in-fy21/1972631/>

## **PM-CARES donations to be counted as CSR**

Donations and contributions to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund will be counted towards a company's mandatory corporate social responsibility spend, according to a notification issued by the ministry of corporate affairs (MCA). This will be effective retrospectively from March 28, the day Prime Minister Narendra Modi announced the fund, the notification issued on Tuesday said. With this notification, Schedule 7 of the Companies Act now specifically mentions that contributions to the PM-CARES Fund will count towards a company's CSR obligations. A clarification issued by the ministry earlier had included it under a provision of Schedule 7 that qualified any contribution to any fund set up by the central government for socio-economic development and relief as CSR expenditure.

*The Economic Times - 28.05.2020*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2020%2F05%2F28&entity=Ar00715&sk=EE71F2D5&mode=text>

## **Low crude oil prices helped India save Rs 25,000 crore: Dharmendra Pradhan**

India is a consuming country. We are the number three energy consumer of the world but our per capita energy consumption is one-third of the global average. Let me put the facts out. Due to glut and due to oversupply by some of the OPEC and non-OPEC players like America in the pre-Covid situation, they were producing

beginning and that is the direction we have to go." Kapoor was addressing a webinar on 'Future of Global Oil & Gas Prices & Policies for India', organised by FICCI. Highlighting the benefits of decline in the international crude prices, Kapoor said, "This situation is good for the country because we have huge oil imports and we could make good use of the low prices. We could buy crude to fill our strategic reserves as well. Indian markets are also coming gradually to its previous level so the demand will also increase."

*The Hindu Business Line - 28.05.2020*

<https://www.thehindubusinessline.com/economy/logistics/government-considering-to-bring-natural-gas-under-gst-petroleum-secretary/article31688293.ece>

## **India oil import bill falls 10 per cent to \$101 bn in FY20**

At least in the oil sector, the global health emergency posed by the spread of the novel coronavirus has come to the country's advantage. India's oil import bill has fallen close to 10 per cent in FY20 as the increasing spread of coronavirus and demand squeeze globally has depressed the crude oil prices to about 30 a barrel now against a high of over \$ 70 a barrel in September and again in January this year. According to provisional data from Petroleum Planning and Analysis Cell (PPAC), in FY20 India's oil import bill slipped to \$ 101.4 billion from a level of \$ 111.9 billion in previous fiscal FY19. The lower import bill last year came even as quantum of imports increased marginally to 227 million tonnes (MT) from 226.5 MT reported in the previous fiscal. The fall has come mainly on account of generally lower crude oil price in FY20 with the sharp decline of over 50 per cent witnessed in March. The low oil price of around \$20 a barrel in April, and expectation that crude may average between \$30-40 a barrel in FY21, country's oil import bill could reach its all-time low levels in many years in current fiscal.

*The Economic Times - 29.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-oil-import-bill-falls-10-per-cent-to-101-bn-in-fy20/76086474>

## **Dharmendra Pradhan envisages home delivery of petrol, CNG**

After doorstep delivery of diesel, the government is looking at starting home delivery of petrol and CNG for the greater convenience of customers, Oil Minister Dharmendra Pradhan said on Friday. Also, the government is looking at unveiling a new fuel

more in comparison to the global demand. On the other hand, due to Covid-19, there was a serious disappearance of global demand. India in the month of April lost 70 per cent of the demand in comparison to 2019 April. Prices crashed gradually but it has already started reviving. But with this low oil price, India took two decisions. One, we do not want to create any panic among the consumers. We put the price at a fixed point because with this low oil demand, what is the meaning of price management? It means we have to put the price at a stable point. We save some money and we want to reinvest that money.

*The Economic Times - 28.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/low-crude-oil-prices-helped-india-save-rs-25000-crore-dharmendra-pradhan/76054817>

## **Domestic oil and gas companies may soon get cess and royalty relief-Details**

The government is considering to lower the cess and royalty for domestic oil and gas companies, with indigenous production becoming increasingly un-remunerative due to the huge fall in global crude prices. "The petroleum and natural gas ministry has recommended to the finance ministry to look into the expectations of the oil and gas producing companies, about the cess and royalty issue in a sympathetic manner," Union oil minister Dharmendra Pradhan told a business channel. "We are concerned about this issue, primarily ONGC, Oil India and other private companies," Pradhan added. ONGC has now come under additional pressure with the recent slide in global crude prices. It is set to 'adopt a balanced approach towards capital spending', and expects the government to take favourable policy measures to boost the company's performance. ONGC's per-barrel production cost is in the range of \$35-40 and global crude prices have been trading at below this rate for a long time.

*The Financial Express - 28.05.2020*

<https://www.financialexpress.com/industry/cess-and-royalty-relief-under-consideration-for-domestic-oil-gas-companies-dharmendra-pradhan/1971441/>

## **Gas sector finds itself in bright spot**

At a time when most industry sectors in the country are reeling from consequences of the Covid-19 pandemic, the gas sector seems to have found a bright spot. During the lockdown period, when the overall demand for power was down by at least 30 per cent in the country, a

retailing model where all types of fuels -- petrol, diesel, CNG, LNG and LPG -- would be available at one place, he said. Indian Oil Corp (IOC), the nation's largest fuel retailer, in September 2018 started home delivery of diesel through a mobile dispenser. This service is available only in a handful of cities. Doorstep delivery of petrol and CNG is said to pose risks due to highly inflammable nature of the fuel, and safe and secure modes approved by relevant authorities need to be evolved. Speaking at a function to inaugurate 56 new CNG stations in 11 states, Pradhan said the government has already started mobile dispensers for diesel..

*The Economic Times - 30.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/dharmendra-pradhan-envisages-home-delivery-of-petrol-cng/76101615>

### **Rising global crude price raises India's basket 93% to \$33**

The combined effect of crude production cut by OPEC countries and pick-up in demand after lockdown eased in many countries has pushed up the price of Indian crude basket over the last one month. The price of Indian basket, which went down to \$16.92 a barrel on April 27, has witnessed a spike of 93 per cent since then to \$32.63. Brent price has seen a similar surge. It is currently hovering around \$35 a barrel. WTI crude, which went below zero, is now at \$34 a barrel. The bullish sentiment in the oil market over the past few weeks is primarily because the OPEC leaders, including Saudi Arabia, UAE, and Kuwait, have pledged more supply cuts. Russia has also been forced to comply with the OPEC-plus agreement. The relaxed lockdown in the US, Europe, and India is helping in rekindling the demand for crude, at least for road transportation. India's crude oil processing in April slumped by 28.8 per cent from a year earlier, its biggest drop since 2003. Refiners processed about 14.75 million tonnes or 3.60 million barrels per day (bpd) of oil last month, government data showed.

*Energy Infra Post - 29.05.2020*

<https://www.energyinfrapost.com/rising-global-crude-price-raises-indias-basket-93-to-33/>

### **Virus sparks record drop in energy investment: IEA**

The energy industry is set to suffer a record drop in investment due to the coronavirus fallout, the IEA said on Wednesday, and while renewables are likely to fare better than oil, any swift economic recovery could create a global fuel crunch. In its annual report on energy investments, the Paris-based International Energy Agency (IEA) estimated the plunge will be of the order of one-

different story unfolded for the gas-fired power generating units. Driven by the steep fall in natural gas prices, the gas-based units generated 5,012 million units (kWh) in the month of April as compared to 4,301 million units in March this year, according to Central Electricity Authority (CEA) data. Gujarat is considered a hub for natural gas and of the 22,000MW of installed capacity for gas power plants in the country, about 6,500MW is from the state. Torrent Power's SUGEN unit generated the highest among gas-based units at 452 million units in April, up from 349 million units generated in March.

*The Economic Times - 28.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/gas-sector-finds-itself-in-bright-spot/76054843>

### **Middle East's oil is still a favourite for India's top refiner**

India's biggest refiner is sticking to Middle Eastern oil as suppliers offer deep discounts, suggesting rival producers may have a harder time making inroads in the world's third-largest crude importer. Gulf producers such as Iraq and Saudi Arabia -- which together supplied around 40 per cent of India's oil imports in 2019 -- have been offering cargoes at very attractive prices recently, said Sanjiv Singh, chairman and managing director of Indian Oil Corp.. Marketers SOMO and Aramco offered Asian buyers crude at the steepest discounts in more than a decade last month amid the price war. "When you look at the discounts being offered by Middle East countries over and above the market prices, definitely these crudes become more attractive," Singh said in an interview. "When we are buying any crude, at that particular time whatever is the best offer, we take."

*The Economic Times - 27.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/middle-east-oil-is-still-a-favorite-for-indias-top-refiner/76034109>

### **BPCL bid deadline now July 31**

The privatisation bids for the second-biggest oil refiner Bharat Petroleum Corp Ltd (BPCL) have been extended for the second time by over a month to July 31. "In view of the requests received from the interested bidders and the prevailing situation arising out of Covid-19, the last date of submission of written queries on the Preliminary Information Memorandum (PIM) is again extended till June 23, 2020, and the last

fifth from 2019 levels, or almost \$400 billion, as firms slash spending amid slumping demand for energy. Shale oil producers that catapulted the United States to the world's top crude nation stand to suffer the worst decline, the IEA said. "All the energy sectors --oil, gas, renewables -- everything is affected but the biggest impact is on shale oil," the agency's director Fatih Birol told AFP in an interview. "Total oil investments we expect to decline one third this year whereas the shale industry will see a decline of about 50 percent."

*The Economic Times - 28.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/virus-sparks-record-drop-in-energy-investment-iea/76028095>

### **Oil analysts see prices edging up but still capped below \$40/bbl: Reuters poll**

Oil prices will gradually gain this year with demand improving and supply falling, although tensions between the United States and China are hanging over the coronavirus-hit market, a Reuters poll showed on Friday. The survey of 43 analysts forecast Brent crude would average \$37.58 a barrel in 2020, about 5 per cent above April's \$35.84 consensus, but still lower than the \$42.37 average so far this year. US West Texas Intermediate crude is seen averaging \$32.78 a barrel, up from \$31.47 last month, after a brief historic fall in the front-month futures contract to minus \$40 in April. "The rise in demand may be painstakingly slow in the coming weeks and months, but it is expected to gradually rise over the course of the year," said Marshall Steeves, energy markets analyst at IEG Vantage. Global benchmark Brent hit a 21-year low of \$15.98 a barrel last month as demand collapsed amid the coronavirus pandemic.

*The Economic Times - 30.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-analysts-see-prices-edging-up-but-still-capped-below-40/bbl-reuters-poll/76101506>

### **View: Covid-19 will hasten the demise of many oil refineries**

Who needs a loss-making, inflexible oil refinery in a world where demand for petroleum has been obliterated? We're about to find out. When consumption of transport fuels collapsed this year because of coronavirus, much of the industry moved into survival mode, cutting processing rates and even temporarily stopping refining in some cases. While that helped prop up the

date and time for submission of the EoIs is extended up to July 31, 2020," the department of investment and public asset management (Dipam) said in a notice. The EoI submission deadline was May 2, but on March 31 it was extended till June 13. On Wednesday, the government said this deadline is further extended to July 31. While the cabinet had in November last year approved the sale of the government's entire 52.98 per cent stake in BPCL, offers seeking expressions of interest (EoI), or bids showing interest in buying its stake, were invited only on March 7.

*The Telegraph - 28.05.2020*

<https://www.telegraphindia.com/business/coronavirus-lockdown-bpcl-bid-deadline-now-july-31/cid/1776375>

### **OPEC delivers three quarters of record oil cut in May: survey**

OPEC oil output hit the lowest in two decades in May as Saudi Arabia and other members started to deliver a record supply cut, a Reuters survey found, although Nigeria and Iraq are laggards in making their share of the reduction. On average, the 13-member Organization of the Petroleum Exporting Countries pumped 24.77 million barrels per day (bpd) this month, the survey found, down 5.91 million bpd from April's revised figure. OPEC and its allies last month agreed to an output cut to offset a slump in demand and prices caused by the coronavirus crisis. An easing of government lockdowns and lower supply have helped oil prices more than double compared with a 21-year low below \$16 a barrel in April. "OPEC has made a strong start in May with its latest production cut, lowering supply by 5 million bpd versus April," Daniel Gerber, chief executive of Petro-Logistics, which assesses OPEC supply by tracking tanker shipments, told Reuters. "However, compliance is far from perfect.

*The Economic Times - 30.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opec-delivers-three-quarters-of-record-oil-cut-in-may-survey/76101484>

### **China, India soak up oil from floating storage as demand recovers**

The volume of crude stored on ships in Asia has come off the peaks seen earlier this month on a recovery in demand in China and India, trade sources and analysts said.

A total of 3.4 million tonnes (24.8 million barrels) of crude oil was discharged from floating storage into Asian markets in the past seven days, with China the top destination at

industry's margins for a while, a combination of rising crude costs and still-weak end-user demand are starting to bite. With many oil traders and analysts expecting a slow and uncertain recovery in demand, there's now an open question about where that leaves refineries supplying tens of billions of barrels of fuel each year. It seems likely that many of the weaker plants will be permanently shuttered. The refining industries in Europe and the U.S. have long grappled with overcapacity as bigger, more efficient plants got built in the Middle East and Asia.

*The Economic Times - 29.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/view-covid-19-will-hasten-the-demise-of-many-oil-refineries/76084527>

### **Govt seeks USD 520 mn from Cairn Oil & Gas; co slaps arbitration notice**

The government has slapped a USD 520 million (around Rs 3,941 crore) demand notice on billionaire Anil Agarwal's oil and gas unit Cairn after an audit found alleged discrepancies in cost recovery in the Rajasthan oil and gas fields operated by the company, sources said adding the firm has disputed the demand and initiated arbitration proceedings. The Directorate General of Hydrocarbons (DGH), the upstream technical arm of the Ministry of Petroleum and Natural Gas, sought USD 520 million in additional profit petroleum for the government after an audit of capital and operating expenses incurred on the Mangala and other oilfields in the Rajasthan block RJ-ON-90/1, sources with direct knowledge of the development said. The audit alleged discrepancies in the way capital expenses made on setting up the infrastructure to produce oil were booked. The law provides for operators recovering all the capital and operating cost from revenues earned from the sale of oil and gas before sharing a fixed percentage of profit with the government.

*The Economic Times - 28.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/govt-seeks-usd-520-mn-from-cairn-oil-gas-co-slaps-arbitration-notice/76067539>

### **BC Biswas takes over as Air India Regional Director, Eastern Region**

Bidhan Chandra Biswas has taken over as the Regional Director of Air India, Eastern Region. he was heading the Personnel Dept, Air India Engineering Services Ltd. (AIESL), as General Manager, before this present assignment. A B.Tech in Aeronautical Engineering from IIT

1.8 million tonnes and India second at 842,679 tonnes, according to oil analytics firm Vortexa. Robust demand from China, the world's top oil importer, and OPEC+ production cuts supported crude prices this month while the Brent's contango price spread that previously encouraged traders to store oil for future sales to reap higher prices has also narrowed. "Rising crude prices and narrowing (Brent) contango with the tightening of the crude market are nibbling away incentives of storing crude on tankers," said Vortexa's analyst Serena Huang.

*The Economic Times - 28.05.2020*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/china-india-soak-up-oil-from-floating-storage-as-demand-recovers/76070291>

### **PFC board clears RS Dhillon's appointment as CMD from June 1**

State-run Power Finance Corporation (PFC) on Friday announced the appointment of Ravinder Singh Dhillon as Chairman and Managing Director from June 1 following superannuation of Rajeev Sharma this month. The board of PFC in its meeting held on Friday approved the appointment of Dhillon as CMD of the company in pursuance of an order of the Power Ministry issued in this regard on April 7, 2020, the power sector financier said in a statement. Dhillon's appointment as Chairman and Managing Director will be with effect from the date of assumption of charge of the post on or after June 2020, it said. He would hold the post till the date of his superannuation (May 31, 2023) or until further orders, the company said. Incumbent CMD Rajeev Sharma is attaining superannuation on May 31, 2020, after a glorious career spanning close to four decades, the company said. He has been instrumental in PFC's transformation as one of India's largest financial and lending institutions in the power sector and the fourth largest profit-making CPSE on a consolidated basis.

*The Economic Times - 30.05.2020*

<https://economictimes.indiatimes.com/industry/banking/finance/pfc-board-clears-rs-dhillons-appointment-as-cmd-from-june-1/articleshow/76089633.cms?from=mdr>

### **ACC clears appointment of Hemant Khatri as CMD of HSL**

The Appointments Committee of the Cabinet (ACC) has approved the appointment of Hemant Khatri as Chairman & Managing Director (CMD) of Hindustan Shipyard Limited (HSL), a Miniratna PSU under the Ministry of Defence on Wednesday. According to an order issued on

Kharagpur, Biswas is also an MBA from the Indian Institute of Management (IIM), Joka. Having joined the national carrier in 1992, Biswas has held key portfolios in his illustrious career, like heading the Personnel Department of Air India Eastern Region, spearheading the entire gamut of HR activities of Engineering Department of Eastern Region as its HR Head, besides heading the Personnel Department of the AIESL.

*Millennium Post - 01.06.2020*

<http://www.millenniumpost.in/full-page-pdf/epaper/kolkata/2020-06-01/kolkata-01june2020/3303>

May 27, Khatri has been appointed on the post for a period with effect from the date of his assumption of charge of the post on or after September 1, till the date of his superannuation i.e. July 31, 2025, or until further orders, whichever is earlier. He is currently serving as Director (Strategic Project) in the same organisation. Earlier, PSU Watch had reported that Khatri was recommended for the post of CMD of HSL from a list of four candidates who were interviewed by the selection panel. Two candidates on the list, including Khatri, were from HSL. The other candidates were from Shipping Corporation of India and the Indian Navy.

*PSU Watch - 27.05.2020*

<https://psuwatch.com/acc-appointment-of-hemant-khatri-cmd-hsl>