

(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.)

## **Oxford Economics lowers India's 2021 GDP growth forecast to 10.2 pc**

Global forecasting firm Oxford Economics on Monday revised downwards its India GDP growth forecast for 2021 to 10.2 per cent from 11.8 per cent previously, citing the country's escalating health burden, faltering vaccination rate and lack of a convincing government strategy to contain the pandemic. Oxford Economics also said that notwithstanding the likelihood of further mobility restrictions, it expects India's targeted lockdown approach, less stringent restrictions, and resilient consumer and business behaviour to mitigate the economic impact of the second wave. "India's escalating health burden, faltering vaccination rate, and lack of a convincing government strategy to contain the pandemic have prompted us to downgrade our 2021 GDP growth forecast to 10.2 per cent from 11.8 per cent previously," it said. The global forecasting firm added it expects GDP to contract sequentially in the second quarter. "But if struggling health systems force more states to resort to stricter lockdowns like Maharashtra, we will likely lower our growth forecast further," it added.

*The Financial Express - 27.04.2021*

<https://www.financialexpress.com/economy/oxford-economics-lowers-indias-2021-gdp-growth-forecast-to-10-2->

## **ADB raises FY22 GDP forecast to 11%**

The Asian Development Bank (ADB) said on Wednesday that India's GDP will rebound strongly by 11% in 2021-22 due to continued economic recovery boosted by increased public investment, vaccine rollout, and a surge in domestic demand. But it also cautioned that the surge in cases could hurt the recovery. The ADB forecast assumes that vaccines are deployed extensively across the country and the second wave of Covid is contained. The multilateral agency has upgraded India's GDP growth projections from its earlier estimate of 8% expansion. The devastation caused by the second wave has triggered worries about the health of the economy and economists say the localised lockdowns across the country could hurt growth. Ratings agency ICRA on Wednesday said it expects the country's GDP to

## **S&P Global Platts cuts India's 2021 oil product demand forecast by 9%**

S&P Global Platts has cut India's 2021 demand forecast for oil products by 9 per cent to 400,000 barrels per day (b/d) now, as compared to 440,000 b/d estimated last month. The latest revision, S&P Global Platts said, was done after taking into account the surging Covid cases across the country that have triggered lockdowns and mobility curbs across key economic hubs in India. "Lockdowns have been imposed in some pockets and provinces. Therefore, we have adjusted India's total oil product demand growth for 2021 down to 400,000 b/d for the latest update, as against 440,000 b/d last month, pending further adjustment in the future depending on the COVID-19 situation," said Lim Jit Yang, advisor for oil markets for Asia-Pacific at Platts Analytics in a note. With several states under lockdown, Platts believes India's gasoline consumption is expected to drop in the near-term to around 700,000 barrels per day in April. "That's down about 11 per cent from March.

*Business Standard - 27.04.2021*

[https://www.business-standard.com/article/markets/s-p-global-platts-cuts-india-s-2021-oil-product-demand-forecast-by-9-121042600666\\_1.html](https://www.business-standard.com/article/markets/s-p-global-platts-cuts-india-s-2021-oil-product-demand-forecast-by-9-121042600666_1.html)

## **Covid's second wave heightens downside risks to GDP: S&P**

India's escalating second wave of Covid-19 infections has heightened downside risks to the gross domestic product (GDP) and posed a significant contagion risk to other geographies, global ratings agency S&P has said. Terming the resurgence in cases "serious", the agency said in a note on Wednesday that the negative credit spill over to its rated portfolio remained limited, adding that the situation was fluid. "In addition to the substantial loss of life and significant humanitarian concerns, S&P Global Ratings believes the outbreak poses downside risks to GDP and heightens the possibility of business disruptions," the note said. A drawn-out Covid-19 outbreak will impede India's economic recovery, the pace and scale of which had

grow by 10-10.5% in FY22 as against 10-11% expected earlier. The key downside risks to its forecasts are a continuation of the new wave of infections, an extension of the restrictions and severe restrictions being imposed in additional states and the existing vaccines not being effective enough against the new variants.

*The Times of India - 29.04.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F04%2F29&entity=Ar01310&sk=DE066966&mode=text>

## **Business activities at 1-year low**

India's business activity suffered its steepest weekly fall in over a year in the seven days ended April 25 as many states imposed lockdowns to contain the resurgent pandemic, showed a tracker compiled by Japanese brokerage Nomura. However, the real economic impact is seen to be "small" compared with the first Covid wave as indicators such as the labour force participation rate among others have remained resilient, Nomura said in a report on Tuesday. Pent-up demand is also expected to return as vaccinations pick up pace by June, the report said. India's economy had contracted 24.2% in the first quarter of FY21. The Nomura India Business Resumption Index (NIBRI) declined to 75.9 for the week from 84.4 the week before, about 24 percentage points below the pre-pandemic normal. The index is now near August 2020 levels. "With more states extending restrictions, sequential momentum is likely to remain weak over the next month, hurting GDP growth in Q2 2021," Nomura said in the report.

*The Economic Times - 28.04.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F04%2F28&entity=Ar00115&sk=22C2A4D5&mode=text>

## **Core sector output rises 6.8% in March**

Output in the eight key infrastructure sectors rose to a 32-month high in March, helped by last year's low base and double-digit growth in steel, cement, electricity and natural gas segments. But the surge in Covid infections is likely to hurt industrial recovery as more states impose local lockdowns. Data released by the department for promotion of industry and internal trade (DPIIT) on Friday showed the core sector — covering coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — grew 6.8% in March compared with a contraction of 3.8% in the previous month and an 8.6% decline in the year-

important implications for the country's sovereign credit rating, it said. India's rating currently stands at BBB-, the lowest rung of S&P's investment grade rating. "This may prompt us to revise our base-case assumption of 11% growth over fiscal 2021-2022, particularly if the government is forced to reimpose broad containment measures," S&P said.

*The Economic Times - 29.04.2021*

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F04%2F29&entity=Ar01307&sk=CF93704D&mode=text>

## **A month of national lockdown can eat up 1-2% of GDP: Report**

A month-long national lockdown to arrest the spread of COVID 2.0 could shave off 100-200 bps of GDP, leading to a 300 bps risk to annual growth, a brokerage report has flagged while expressing doubts over the ability of local lockdowns to control the pandemic. The second wave of the coronavirus inflection has caught the government off-guard with the daily cases jumping over 6.5 times in the past 30 days. With close to 3.53 lakh fresh daily infections, the country is the worst hit globally. Death toll jumped to 1,95,123 as of 8 am Monday, with a daily new peak of 2,812 deaths in the past 24 hrs, according to the government data. "It remains to be seen if the second wave subsides without a national level lockdown. A month of nationwide lockdown costs 100-200 bps of GDP. This poses a 300 bps risk to our 9% real GVA growth forecast for FY22," Bank of America Securities India economists Indranil Sen Gupta and Aastha Gudwani said in a note Monday evening.

*The Hindu - 27.04.2021*

<https://www.thehindu.com/business/Economy/a-month-of-national-lockdown-can-eat-up-1-2-of-gdp-report/article34415822.ece>

## **Exports jump to USD 30.21 bn in April; trade deficit at USD 15.24 bn**

India's exports in April jumped nearly three-folds to USD 30.21 billion from USD 10.17 billion in the same month last year, according to commerce ministry's preliminary data released on Sunday. Imports too rose to USD 45.45 billion last month as against USD 17.09 billion in April 2020. "India is thus a net importer in April with a trade deficit of USD 15.24 billion, which increased by 120.34 per cent over the trade deficit of USD 6.92 billion in April 2020," the ministry said in a statement. Due to the Covid-19 pandemic induced

ago period. The first wave of Covid, which led to a strict lockdown in March last year, had hurt the sector sharply. For FY21, core sector output contracted 7% compared to 0.4% growth in the previous year. The havoc unleashed by the second wave of Covid has already prompted several industries to halt production temporarily and the lockdowns imposed by states are also likely to weigh on factory activity. The core sector accounts for nearly 41% of the index of industrial production (IIP), data for which will be released later in the month.

*The Times of India - 01.05.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIM%2F2021%2F05%2F01&entity=Ar01713&sk=72B5D761&mode=text>

### **RBI: Covid curbs could hit supplies, fuel inflation**

The Reserve Bank of India has said in its 'State of the Economy' report that the resurgence in Covid infections, if not contained in time, risks protracted restrictions and disruptions in supply chains and consequent inflationary pressures. The central bank's warning comes at a time when prospects of regional lockdowns have increased with rising cases. The central bank has said that it was important to entrench India's inflation at 4% so that the RBI can continue to play its stabilising role. "When inflation goes beyond the comfort zone, the exclusive concern of monetary policy must be to bring it back to the target. When inflation is within the comfort zone, authorities can look to other objectives—the objective of control of inflation is not independent of the objective of growth," the report in RBI's Bulletin said. It is not clear how the inflation numbers for April and May will play out, given an uncertain base.

*The Times of India - 27.04.2021*

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F04%2F27&entity=Ar00102&sk=3A61E1CE&mode=text>

### **Asia's No. 2 fuel guzzler eyes more exports as pandemic hits fuel demand**

Oil refiners in virus-battered India may decide to ramp up fuel exports as lockdowns across the country cut into local consumption, while a recovery in global demand lifts profits from potential overseas sales. State-owned Indian Oil Corp. and Bharat Petroleum Corp. are weighing

lockdown last year, exports shrank by a record 60.28 per cent in April 2020. In March this year, exports grew by 60.29 per cent to USD 34.45 billion. In April 2021, oil imports stood at USD 10.8 billion as compared to USD 4.65 billion in the corresponding month last year. Major export commodities which have recorded positive growth in April include gems and jewellery, jute, carpet, handicrafts, leather, electronic goods, oil meals, cashew, engineering, petroleum products, marine products and chemicals.

*The Financial Express - 03.05.2021*

<https://www.financialexpress.com/economy/exports-jump-to-usd-30-21-bn-in-april-trade-deficit-at-usd-15-24-bn/2244061/>

### **Outlook for global Oil & Gas industry turns positive on high prices, demand: Moody's Investors Service**

Sustained momentum in commodity prices will support the turnaround in the global Oil & Gas industry's fundamental conditions and a positive global sector outlook through mid-to-late 2022, according to Moody's Investors Service. "Pent-up consumer demand and a pickup in trade and manufacturing activity around the world are spurring a rebound in economic activity, encouraging a faster recovery in demand and prices for oil and gas through late 2021 and into early 2022," the firm said in a report. Maintaining its medium-term commodity price ranges, \$45-\$65 per barrel for oil and \$2-\$3 per MMBtu for Henry Hub natural gas, the credit rating agency said the exploration and production (E&P) sector will continue to make gains in earnings and operating cash flow in 2021 based on higher oil prices, favourable market dynamics and low operating costs. The agency also said demand and earnings point to a positive direction for the refining and marketing (R&M) sector through mid-2022 as more economies reopen.

*The Economic Times - 02.05.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/outlook-for-global-oil-gas-industry-turns-positive-on-high-prices-demand-moodys-investors-service/82346862>

### **India's energy demand recovery hits speed bumps due to COVID-19 curbs**

India is expected to consume less energy -- from petrol to coal -- than previously expected this year as it battles a massive second wave of COVID-19 infections, which has forced many states to reimpose lockdowns and curfews. The energy hungry nation's bumpy economic

the option of raising oil-product exports against cutting run rates, according to company officials who asked not to be identified. That's after record infections in India prompted curfews that kept people off the streets and hurt consumption. Outside India, major economies such as the U.S. and China saw a surge in mobility that has lifted the use of gasoline and diesel. Global oil demand has been on the road to recovery due to the roll-out of vaccines. The overall improvement, however, has been uneven as a deadly second wave rips through some parts of the world. This week, the OPEC producers' cartel acknowledged the need for a "cautious and steadfast approach" in managing supplies amid a wider rebound, although it cautioned that the recovery remains at risk from virus outbreaks in India and Brazil.

*The Economic Times - 30.04.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/asias-no-2-fuel-guzzler-eyes-more-exports-as-pandemic-hits-fuel-demand/82323809>

### **India's COVID-19 crisis may lead to oil supply glut – Rystad Energy**

The steep rise of COVID-19 infections in India will slash global demand for oil, leading to a sizeable glut, Norway's biggest independent energy consultancy Rystad said. The struggle in India, one of the world's largest oil consumer, will slash an extra 575,000 barrels per day (bpd) of oil liquids demand in April and 915,000 bpd in May 2021, disturbing the almost-balanced global oil market, according to the energy consultancy. "As infections continue to rise and its health system is overwhelmed, India's oil demand could lose more ground going forward, making further downgrades possible, both on magnitude and duration," Louise Dickson, senior oil markets analyst at Rystad said in a note dated April 28. India's fuel consumption rose in March for the first time in three months to its highest since December 2019, as economic activity gradually picked up. However, coronavirus cases have surged in India, leading to curbs on movement across the country, a move analysts say could hit fuel demand in the world's third largest oil importer.

*Energy Infra Post - 01.05.2021*

<https://www.energyinfrapost.com/indias-covid-19-crisis-may-lead-to-oil-supply-glut-rystad-energy/>

recovery and surging coronavirus cases in Brazil and Japan are already keeping a lid on global oil prices. Lockdowns have been put in place in Delhi, the industrial state of Karnataka and the southern state of Maharashtra and other regions are also mulling restrictions. As a result, analysts expect various commodity markets to suffer in coming months. Analysts expect demand for transportation fuels to have dropped in April from March, with a sharper slump seen in May due to more impending restrictions. Consultancy Wood Mackenzie sees India's gasoline demand falling 6% in the second quarter from the first quarter. JBC Energy has lowered its estimate for India's annual gasoline demand by 50,000 barrels per day (bpd) due to the resumption of lockdowns. India consumed 7.79 million tonnes (731,000 bpd) of petrol in the first three months of the year.

*The Economic Times - 29.04.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-energy-demand-recovery-hits-speed-bumps-due-to-covid-19-curbs/82310510>

### **India's fuel sales drop in April on Covid wave**

The second wave of coronavirus sweeping the nation has pummeled fuel sales in April as local restrictions clamped to curb the spread of infection stifled demand, preliminary data showed. "At the end of April, overall fuel demand is down by about 7 per cent from pre-Covid level of April 2019," Arun Singh, Director for Marketing and Refineries at Bharat Petroleum Corporation Ltd (BPCL), said. India was under one of the world's severest lockdowns in April 2020, bringing to a halt almost all economic activity. Fuel sales had halved that month and so comparing current month sale to April 2020 will not throw a correct interpretation. Sales of petrol -- used in cars and motorcycles -- fell to 2.14 million tonnes in April, the lowest since August, according to the preliminary data of state-owned fuel retailers. Petrol sales in April were 6.3 per cent lower than March 2021 and 4.1 per cent lower than April 2019. Petrol sales in April 2020 were 872,000 tonnes. Demand for diesel -- the most used fuel in the country -- fell to 5.9 million tonnes in April 2021, down 1.7 per cent from the previous month and 9.9 per cent from April 2019.

*The Economic Times - 02.05.2021*

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-fuel-sales-drop-in-april-on-covid-wave/articleshow/82354876.cms>

## **Global oil prices slip as pandemic takes toll on India's fuel sales**

Oil prices fell on Monday as a catastrophic second wave of a coronavirus epidemic in India cut short a recovery in oil demand there, offsetting optimism about a strong rebound in demand in developed countries and China in the second half of the year. Brent crude futures for July fell 15 cents, or 0.2%, to \$66.61 a barrel by 0244 GMT while U.S. West Texas Intermediate for June was at \$63.48 a barrel, down 10 cents, or 0.2%. State-level restrictions aimed at stemming infections in India have caused fuel sales in the world's third largest consumer to drop in April, preliminary data shows. "Overall fuel demand is down by about 7% from pre-COVID level of April 2019," A.K. Singh, head of marketing at refiner Bharat Petroleum Corp said, adding that India's demand was close to pre-COVID levels in March. Analysts are expecting India's demand for transportation fuels to witness a sharper slump in May due to more restrictions. "Given that it still appears as though COVID-19 in India has not peaked, we expect to see further downside to fuel demand over May," ING analysts said in a note.

*The Economic Times - 03.05.2021*

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-prices-slip-as-pandemic-takes-toll-on-indias-fuel-sales/82364231>

## **Petroleum ministry asks ONGC to privatise oil and gas fields to boost production**

With a decline in India's crude oil production and natural gas output in FY20-21, the petroleum ministry has made its third attempt to get Oil and Natural Gas Corporation (ONGC) to privatise its oil and gas fields along with other infrastructures to raise production. The Ministry of Petroleum and Natural Gas, on April 1, wrote to the India's largest producer of oil and natural gas asking it to sell its stake in oil fields to private firms and get foreign partners in KG basin gas fields. The letter also sought to monetise existing infrastructure and hive off drilling and other services into a separate firm to increase production. Amar Nath, additional secretary (exploration) in the Ministry of Petroleum and Natural Gas, in the letter addressed to ONGC Chairman and Managing Director Subhash Kumar, mentioned a seven-point action plan titled 'ONGC Way Forward'. The letter aimed to help the firm raise oil and gas production by one-third by 2023-24. The action plan prompts ONGC to consider a stake sale in maturing fields such as Panna-Mukta and Ratna R-Series in western offshore and onshore fields such as Gandhar in Gujarat to private firms.

## **Refiners cut capacity by 5-6% as lockdowns hit fuel demand**

With various state governments imposing lockdowns and curfews as the pandemic's second wave continues to surge across India, fuel demand is under pressure, said oil companies, forcing them to cut capacity utilization from 100% to 94-95%. Maharashtra, Delhi, Jharkhand, Karnataka, Rajasthan and Goa have imposed local lockdowns and curfews. "We have cut the capacity marginally at present and are observing the situation. In case the cases continue to rise, and states extend lockdowns and curfews, we will have to review the situation," said a senior official of an oil marketing company. Indian Oil Corp., Bharat Petroleum Corp., Hindustan Petroleum Corp. and Reliance Industries did not respond to email queries. "Refining and marketing companies are cutting down on capacity utilization, though the demand slowdown is not as severe as in April 2020," said Sabyasachi Majumdar, group head and senior vice president, ICRA, adding that capacity utilization and revenues and profitability of the refining and marketing firms is likely to get impacted owing to muted demand.

*Energy Infra Post - 29.04.2021*

<https://www.energyinfrapost.com/refiners-cut-capacity-by-5-6-as-lockdowns-hit-fuel-demand/>

## **Ceiling on airfares extended**

The government on Monday extended the cap on domestic airfares, which was earlier slated till April 30, to May 31. The ministry of civil aviation also capped the maximum capacity utilised by airlines to 80 per cent of the summer schedule of 2020 till May-end. The order comes days after the airlines had appealed to the government to reduce the capacity to 60 per cent as bookings had fallen because of the outbreak of the second wave of Covid-19. Earlier this month, the airlines met ministry officials and sought financial help to keep running operations and "strict enforcement" of the lower fare limit fixed by the government to prevent predatory pricing by some. The ministry officials did not explain why the airline capacity has been kept unchanged despite the request from airlines and an increase in the number of cases. The summer schedule of 2021 is applicable between March 28 and October 30. The directorate-general of civil aviation had in March allocated 18,843 departures per week for domestic airlines during the upcoming summer schedule 2021 from 108 airports across the country.

*The Telegraph - 27.04.2021*

CNBC TV 18 - 28.04.2021

<https://www.cnbctv18.com/energy/petroleum-ministry-asks-ongc-to-privatise-oil-and-gas-fields-to-boost-production-9083941.htm>

### **BPCL stares at director-level vacuum on shaky privatisation process**

State-run oil refining and marketing firm Bharat Petroleum Corporation Ltd (BPCL) is staring at a director-level vacuum as two more key officials superannuate in the next couple of months even as the on-going privatisation exercise of the 'Maharatna' PSU is bogged down by the second wave of coronavirus. The company's finance director N Vijayagopal will step down on July 31 upon superannuation while human resources director K Padmakar will leave the company on December 31. Padmakar is also holding additional charge of Chairman and Managing Director. The Public Enterprises Selection Board (PESB), the government's head-hunter, has advertised for the post of human resources director on April 6. It had placed a similar advertisement in October last year to fill the post of finance director.

*Energy Infra Post - 28.04.2021*

<https://www.energyinfrapost.com/bpcl-stares-at-director-level-vacuum-on-shaky-privatisation-process/>

### **Rajni Hasija to continue holding the additional charge of CMD at IRCTC**

The government has announced that Rajni Hasija will continue to hold the additional charge of the post of the CMD at Indian Railway Catering and Tourism Corporation (IRCTC), in addition to her duties, beyond April 30, 2021, and until further orders. Rajni Hasija was appointed to take over the additional charge of CMD at IRCTC for 3 months starting February 03, 2021, however, the Centre has extended the period for the position on Friday. Earlier, in February this year, the Railway Ministry and government said that Rajni Hasija, Director (T&M), IRCTC has taken over the additional charge of the post of CMD, IRCTC, in addition to her duties, for 3 months w.e.f. February 3, 2021, or till the appointment of the regular incumbent to the post or until further orders whichever is the earliest.

*Indiainfoline - 01.05.2021*

[https://www.indiainfoline.com/article/news-sector-hotels-tourism/rajni-hasija-to-continue-holding-the-additional-charge-of-cmd-at-irctc-121043000444\\_1.html](https://www.indiainfoline.com/article/news-sector-hotels-tourism/rajni-hasija-to-continue-holding-the-additional-charge-of-cmd-at-irctc-121043000444_1.html)

<https://www.telegraphindia.com/business/government-extends-cap-on-domestic-airfares/cid/1813791>

### **Data Monitor: Traffic at govt ports fell to 3-year low in FY21**

The total consolidated cargo traffic handled at the government-run ports (major and non-major) dropped to a three-year low in FY21. The total consolidated cargo traffic handled at the government-run ports (major and non-major) dropped to a three-year low in FY21, contracting 5.3% y-o-y. At (6.2%), the fall has been sharper for non-major ports. However, there was a sharp increase in cargo handled in March, with volumes up 16% y-o-y (23% m-o-m) and 11% y-o-y (27% m-o-m) for major and non-major ports, respectively.

*The Financial Express - 03.05.2021*

<https://www.financialexpress.com/industry/data-monitor-traffic-at-govt-ports-fell-to-3-year-low-in-fy21/2244722/>

### **Prasanta Borkakoty is the new Resident Chief Executive (RCE) of OIL**

Shri Prasanta Borkakoty will assume the charge of Resident Chief Executive (RCE), of Oil India Limited, Field Headquarter from May 1, 2021. Shri Borkakoty joined OIL as an Executive Trainee (ET) on June 6, 1986 in the Civil Engineering Department in Duliajan. Born to Shri Prafulla Borkakoty and SmtTunu Borkakoty, Shri Prasanta Borkakoty comes from Doomdooma, Tinsukia district, Assam. He did his schooling from Sainik School, Goalpara and has acquired his Engineering degree in Civil from Regional Engineering College, Calicut. Shri Borkakoty served the Civil Engineering Department in various capacities and became a Senior Engineer (Civil) in 1991. Later, he served as the Senior PR Officer in the Department of Public Relations Department (1994 to 1995) until 2006 when he took over the position of Senior Manager in the same Department.

*Sarkaritel.com - 01.05.2021*

<https://www.sarkaritel.com/prasanta-borkakoty-is-the-new-resident-chief-executive-rce-of-oil/>