

(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.)

Goldman Sachs lowers FY21 growth to 11.1%

Wall Street brokerage Goldman Sachs has lowered its estimate for India's economic growth to 11.1% in fiscal year to March 31, 2022, as a number of cities and states announced lockdowns of varying intensities to check spread of coronavirus infections. India is suffering the world's worst outbreak of COVID-19 cases, with deaths crossing 2.22 lakh and new cases above 3.5 lakh daily. This has led to demand for imposition of nationwide strict lockdowns to stem the spread of the virus - a move that the Modi government has so far avoided after the economic devastation last year from a similar strategy. Instead, it has left it to the states to impose restrictions to manage the virus. Several states and cities have imposed lockdowns of varying degrees. "The intensity of the lockdown remains lower than last year," Goldman Sachs said in a report. "Still, the impact of tighter containment policy is clearly visible in higher frequency mobility data across key India cities." As containment policy has tightened, high frequency data — particularly on the services side — has taken a hit.

The Economic Times - 05.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F05%2F05&entity=Ar00909&sk=D5104E81&mode=text>

Barclays cuts FY22 GDP growth forecast to 10%; says local lockdowns to cost \$38 billion till June

Blaming the slow pace of vaccinations and uncertainty around the number of those infected and dead in the second COVID-19 wave, global brokerage firm Barclays cut India's FY22 GDP growth estimate to 10 per cent from earlier 11 per cent. If the ongoing localised lockdowns continue till June, it will lead to economic losses of USD 38.4 billion, it said. In a more pessimistic scenario of the pandemic not being brought under control soon and mobility restrictions continuing till August, the growth can fall to 8.8 per cent, Barclays warned. The country's economy is estimated to contract by 7.6 per cent in FY21 as the pandemic-induced lockdowns led to chilling of

Corporate revenue seen growing 6% in FY22 as second wave takes a toll: Ind-Ra

With the second wave of the pandemic disrupting supply chains for most industries, India Ratings has projected an overall 6 per cent median revenue growth for corporates this fiscal over FY20. However, this will be a high 21.2 per cent over FY21, the year of the pandemic when half of the year was almost lost in lockdowns; and the forecast is more than its own earlier assumption of 4.4 per cent, though. The service-oriented sector is the worst hit so far when it comes to supply-side disruption from the second wave of the pandemic, the report said on Monday, adding this has pushed back their recovery beyond the current fiscal. While FY22 is likely to be better than FY20 for most of the sectors due to an improvement in revenue benefitting largely from elevated prices and pent-up demand resulting in higher volume growth, volatile commodity prices along with interest rates reversal and the rupee fall are likely to cap profitability, the report added.

The Financial Express - 04.05.2021

<https://www.financialexpress.com/industry/corporate-revenue-seen-growing-6-in-fy22-as-second-wave-takes-a-toll-ind-ra/2245090/>

Finmin report sees muted hit to eco from 2nd Covid wave

The second wave of Covid has posed a downside risk to economic activity in the first quarter of the current fiscal year, but there are reasons to expect a muted economic impact as compared to the first wave, a finance ministry report said on Friday. "Learning to 'operate with Covid-19', as borne by international experience, provides a silver lining of economic resilience amidst the second wave," according to the ministry's monthly economic report. It said that growing infections and consequent restrictions, though local/ regional in nature, have imparted a downside risk to economic activity. The impact of restrictions is evident in a decline in the Google mobility indicator to -37% in April 2021

economic activity, hurt jobs and demand. The lower base is set to help the economy in posting a faster growth in FY22, but the ongoing second wave and resultant localised lockdowns have led many analysts to review down their forecasts. The RBI is maintaining that the economy will grow at 10.5 per cent this fiscal.

The Economic Times - 03.05.2021

<https://economictimes.indiatimes.com/news/economy/indicators/barclays-cuts-fy22-gdp-growth-forecast-to-10-says-local-lockdowns-to-cost-38-billion-till-june/articleshow/82369514.cms>

S&P sees recovery taking hold beyond April-July quarter

Global rating agency S&P has said recovery should begin to take hold once again beyond the April-June period as the country would be past the peak of the resurgence in Covid-19 cases. The upward trend in the shape of India's recovery seen over the last two quarters of the previous fiscal from October to March would be punctuated by a dip in the first quarter of the current fiscal year "where economic activity has a decent chance of contracting," said Vishrut Rana, Asia Pacific economist at S&P, during a virtual conference on Friday. The shape of India's economic recovery is likely to see a double dip as disruptions caused by the second wave of Covid-19 spreading across the country could result in a contraction in the April-June quarter. "Indeed, this is going to lead to a double dip," said Rana. Even in the event of lower growth rates in the current fiscal, the agency felt that the Indian economy would see a faster pace of growth in the coming two years, protecting its fiscal and credit metrics. The government had earlier said that India was witnessing a V-shaped recovery.

The Economic Times - 08.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F05%2F08&entity=Ar00706&sk=61611587&mode=text>

Slight improvement in April factory activity

India's manufacturing activity improved slightly in April even as rates of growth for new orders and output eased to the slowest since last August amid the devastating second wave of Covid-19, a private survey showed Monday. The IHS Markit India Manufacturing Purchasing Managers' Index (PMI) for April marginally rose to 55.5 after

from around -22% in the preceding month. The Oxford Stringency Index in India has surged to around 71 in April 2021 from 59 in the preceding month, though it is still below 100 seen in April 2020 and average of 85 in Q1FY2020-21, it said. The sharp surge in cases and deaths and the lockdowns in several states have hurt economic activity. The services sector, particularly hotels and restaurants, have borne the brunt of the curbs.

The Times of India - 08.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TimesOfIndia/shared/ShowArticle.aspx?doc=TOIKM%2F2021%2F05%2F08&entity=Ar01307&sk=A68F8828&mode=text>

India may breach fiscal deficit in FY22 amid revenue shortfall, says Fitch

India is likely to breach its fiscal deficit target in the financial year to March 2022 mainly due to revenue shortfall, Fitch Solutions said Friday. The government is targeting a deficit between revenue it earns and what it spends at 6.8 per cent of the gross domestic product (GDP) in FY22 (April 2021 to March 2022). "We at Fitch Solutions forecast the Indian central government deficit to come in at 8.3 per cent of GDP in FY22," it said. "Revenue shortfall remains the main driver of our wider deficit view, as we expect the government to maintain its spending targets." Fitch Solutions had previously projected a fiscal deficit of 8 per cent. "The main driver of our deficit forecast revision is a downward revision to our outlook for revenues, given that the flare-up in COVID-19 cases in India and containment measures in place will hamper India's economic recovery, which will have a negative impact on fiscal revenues," it said. Central government expenditure is likely to be around the project of Rs 34.8 lakh crore as it looks to maintain its high pandemic-period spending so as to bolster pace of economic recovery

Business Today - 08.05.2021

<https://www.businesstoday.in/current/economy-politics/india-may-breach-fiscal-deficit-in-fy22-amid-revenue-shortfall-says-fitch/story/438509.html>

Services activity at 3-month low in April: Survey

India's services activity slowed to a three-month low in April amid an intense second wave of the Covid-19 pandemic even as sentiment towards growth prospects faded, a private survey showed Wednesday. The India Services Business Activity index declined to 54 in April from 54.6 in March. A reading above 50

declining to a seven-month low of 55.4 in March. A reading above 50 indicates expansion, while one below that signals contraction. Amid rising Covid-19 infections, manufacturing activity expanded for the ninth consecutive month. "Economic conditions in India's manufacturing sector remained favourable in April, as companies scaled up production in line with a further improvement in demand," IHS Markit said, adding that quantities of purchases expanded at one of the strongest rates seen for over nine years as firms sought to boost their inventories. As per the survey report, new export orders increased for the eighth consecutive month in April.

The Economic Times - 04.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F05%2F04&entity=Ar00117&sk=1F4B672E&mode=text>

Exports rise 80% to \$7b in May 1st week

Continuing a positive growth, India's exports grew by 80% to \$7.04 billion during the first week of this month, according to preliminary data of the commerce ministry. Exports during May 1-7 last year stood at \$3.91 billion and \$6.48 billion in the same week of May 2019, data showed. Imports too rose by 80.7% to \$8.86 billion during May 1-7, 2021 as against \$4.91 billion in the same period last year and \$10.39 billion in 2019. India's exports in April jumped nearly three-folds to \$30.21 billion from \$10.17 billion in year-ago period. Major export commodities which are recording healthy growth include gems and jewellery, jute, carpet, handicrafts, leather, electronic goods, oil meals, cashew, engineering, petroleum products, marine products and chemicals. Federation of Indian Export Organisations (FIEO) President S K Saraf said that the exports growth is encouraging. "I will urge the government to look into the issues of MEIS (merchandise export from India scheme). RoDTEP (remission of duties and taxes on export products) rates should also be announced immediately to further push the shipments as profitability of exporters are getting impacted," he said.

The Economic Times - 10.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F05%2F10&entity=Ar00707&sk=2FD7320A&mode=text>

COVID to shave-off 20-25 per cent of auto fuel demand in April

India's second wave of coronavirus infections and the resultant city and state-specific restrictions may shave-off about 20-25 per cent of auto fuel

indicates expansion while a sub-50 figure shows contraction. "Anecdotal evidence indicated that ongoing growth of new work underpinned the rise in output, which was nevertheless stymied by the intensification of the Covid-19 crisis. The rate of increase in new business matched that seen in March," IHS Markit said in the survey report. As per the report, Indian services firms were optimistic regarding the 12-month outlook for business activity, but the overall level of positive sentiment fell to the lowest since last October. "The escalation of the pandemic was the main drag on confidence," it said.

The Economic Times - 06.05.2021

<https://epaper.timesgroup.com/Olive/ODN/TheEconomicTimes/shared/ShowArticle.aspx?doc=ETKM%2F2021%2F05%2F06&entity=Ar00713&sk=C5F5C0C5&mode=text>

OPEC's share of Indian oil imports plunges to 2 decade low: Trade sources

OPEC's share of India's oil imports fell to the lowest in at least two decades in the year to the end of March as overall purchases by Asia's third largest economy fell to a six-year low, data obtained from industry and trade sources showed. Total crude imports by the world's third-biggest oil importer fell to 3.97 million barrels per day (bpd) in the 2021 fiscal year to March 31, down 11.8per cent from a year earlier, the data showed. India bought more U.S. and Canadian oil at the expense of that from Africa and the Middle East, reducing purchases from members of the Organization of the Petroleum Exporting Countries to around 2.86 million barrels per day and squeezing the group's share of imports to 72per cent from around 80per cent previously. That is the lowest share since at least the 2001/02 fiscal year, before which crude import data is not available. India's refiners are diversifying purchases to boost margins, having upgraded plants to process cheaper tougher crude grades, but refinery runs were hit as the pandemic curbed fuel consumption.

The Economic Times - 03.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opecs-share-of-indian-oil-imports-plunges-to-2-decade-low-trade-sources/82370461>

India's oil consumption expected to take a marginal hit due to Covid-19

As the second wave of the coronavirus batters India, petroleum products usage, and by extension crude consumption, are expected to

demand in April, consultancy Wood Mackenzie said on Thursday and estimated a modest impact on oil demand in the absence of a full nationwide lockdown. India's COVID crisis shows no sign of slowing. The country has reported new cases above 3 lakh per day for two weeks straight, though experts think the true number is likely to be far higher, it said. "Yet despite increasing calls for the government to impose a nationwide lockdown to reduce the rate of infection, Prime Minister Narendra Modi has so far resisted, citing the economic impact on an already suffering population." Compounding this terrible human tragedy, the crisis is also impacting India's near-term economic performance as travel is curtailed and local restrictions enforced. "This is inevitably impacting the country's energy markets, with all sectors being impacted. However, without a nationwide lockdown along the lines of that seen in Q2 (April-June) 2020, energy demand has so far proven relatively resilient, despite the more severe levels of infection compared to 12 months ago," Wood Mackenzie said in a report.

The Economic Times - 07.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/covid-to-shave-off-20-25-per-cent-of-auto-fuel-demand-in-april/82445865>

Global oil prices edge up as investors eye fuel demand recovery

Oil prices edged up in early Asian trade after a 1% dip in the previous session, as global economic recovery and easing travel curbs in the United States and Europe buoyed the fuel demand outlook while the surging pandemic in India capped prices. Brent crude futures for July were at \$68.17 a barrel by 0052 GMT, up 8 cents, while U.S. West Texas Intermediate (WTI) crude for June rose 9 cents to \$64.80. Both Brent and WTI are on track for a second weekly gain as easing restrictions on movement in the United States and Europe, recovering factory operations and coronavirus vaccinations pave the way for a revival in fuel demand, while pent-up summer travel is likely to give gasoline and jet fuel consumption a further boost. In the United States, the world's largest oil consumer, jobless claims have dropped, signalling the labour market recovery had entered a new phase amid a booming economy. However, oil demand recovery has been uneven as surging COVID-19 cases in India has reduced fuel consumption at the world's third-largest oil importer and consumer.

The Economic Times - 07.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/global-oil-prices-edge-up-as-investors-eye-fuel-demand-recovery/82448316>

take a downward, albeit short-term, hit. At the start of May, the country was recording nearly 4 lakh new cases a day, with the 7-day moving average consistently hovering above the 3.5 lakh per day mark. The associated death toll of nearly 3,500 covid related fatalities has not only deeply impacted the psyche of the nation, but the gory images of suffering being aired constantly in the media have compelled average Indians to largely stay put at home. With citizens making a concerted effort to not venture outside, work from home and step out for basic necessities only when needed, vehicular traffic on roads is seen to be considerably thinner and non-essential vehicle runs have noticeably dropped - the average road traffic congestion is expected to be down 20-25 per cent from the normal peak levels historically seen around this time of the year. This fall in traffic volumes is, however, not as pronounced as was witnessed during April and May last year.

The Economic Times - 09.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/opinion-indias-oil-consumption-expected-to-take-a-marginal-hit-due-to-covid-19/82500089>

Indian gas demand hit by coronavirus surge and restrictions

India's gas demand is being hit by state-level restrictions aimed at stemming a rampant second wave of coronavirus infections, the chief executive of Adani Total Gas Ltd said on Tuesday. With 3.45 million active cases, India recorded 357,229 new infections over the past 24 hours, while deaths rose 3,449 for a toll of 222,408, health ministry data showed. Experts say actual numbers could be five to 10 times higher. CEO Suresh P Manglani said that the decline in gas consumption was slower than last year when there was a nationwide lockdown. "This time some of the geographies are in lockdown, some have restricted lockdown, so we are definitely seeing some decline, not as much as last time," Manglani said during an earnings conference call. Adani Total, which is part-owned by French major Total, supplies gas to small industries and households in parts of the country. Manglani said gas demand has declined from all sectors - industry, households and automobiles running on compressed natural gas.

The Economic Times - 04.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indian-gas-demand-hit-by-coronavirus-surge-and-restrictions/82392247>

India's March crude imports edge up but pandemic concerns loom

India's oil imports in March rose from the previous month, buoyed by an upturn in economic activity that could take a knock again because of renewed lockdowns in the world's third-largest crude importer. Crude imports rose 7.3% from February to 18.26 million tonnes, data on the website of the Petroleum Planning and Analysis Cell (PPAC) showed, although imports were still down about 6.5% year on year. Louise Dickson, oil markets analyst at Rystad Energy, said the small slide in imports year on year in March could be attributed to a surge in crude prices. "Indian oil demand recovery needs longer than 12 months to reach pre-pandemic levels," she said. Looking ahead, preliminary data showed Indian state refiners' local fuel sales in April declined due to state-level restrictions aimed at stemming a rampant second wave of coronavirus infections. India's annual crude imports fell nearly 13% in the fiscal year 2020/21 to 198.11 million tonnes, its lowest in six years as refiners cut crude processing as COVID-19 destroyed fuel demand, data compiled by Reuters showed.

Energy Infra Post - 06.05.2021

<https://www.energyinfrapost.com/indias-march-crude-imports-edge-up-but-pandemic-concerns-loom/>

Oil for oxygen: Covid-hit India welcomes Saudi medical aid, boosts oil imports

Indian oil minister Dharmendra Pradhan on Friday thanked Saudi Arabia and other Middle Eastern oil producers for supplying liquid medical oxygen (LMO) to help the country in its battle with the COVID-19 crisis. In a series of tweets, Pradhan also welcomed offers by Saudi Arabia, UAE and Qatar to supply containers for the next six months and for an assurance of a steady commercial supply of LMO to India. "Deeply appreciate the initial gesture of goodwill with complimentary LMO supplies particularly from UAE, Kuwait, Bahrain and Saudi Arabia," Pradhan said. Pradhan's tweets came a day after Indian state refiners reversed steep cuts in Saudi oil imports for May at the directions from oil ministry, and placed orders for regular purchases in June. Indian state refiners buy about 15 million barrels of Saudi oil in a months from Saudi Aramco. India, the world's third-biggest oil importer and consumer, imports more than 80% of its oil needs and relies heavily on the Middle East.

The Economic Times - 08.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-for-oxygen-covid-hit-india-welcomes-saudi-medical-aid-boosts-oil-imports/82513696>

India offers to lift regular Saudi oil volumes in June after May cuts

Indian state refiners on Thursday placed orders for regular supplies from Saudi Aramco for June, after reducing purchases this month, drawn by lower prices by the world's top oil exporter, four sources said on Thursday. The refiners - Indian Oil Corp, Bharat Petroleum Corp, Hindustan Petroleum Corp and Mangalore Refinery and Petrochemicals Ltd - normally buy 14.8 million-15 million barrels of Saudi oil a month. "This time there is no direction from the ministry to cut imports in June and unlike last time they (Aramco) have reduced the prices as well," said one of the sources. Saudi Arabia has cut the June official selling prices (OSPs) of all crude grades it sells to Asia. It set the June OSP for the flagship Arab light crude at \$1.7 a barrel above the Oman/Dubai average for Asia, down 10 cents from May and its first price cut since December last year, sources told Reuters. India, the world's third-biggest oil importer and consumer, imports more than 80% of its oil needs and relies heavily on the Middle East.

The Economic Times - 07.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-offers-to-lift-regular-saudi-oil-volumes-in-june-after-may-cuts/82445111>

Six reasons Asia's oil refiners aren't going away anytime soon

Predictions of peak oil and the impending demise of fossil fuels will hit Asian oil refiners especially hard. The region is home to three of the top four oil-guzzling nations, and more than a third of global crude processing capacity. Yet, Asian refiners are expanding at a breakneck pace, even building massive new plants designed to run for at least half a century. What is going on? After a century of powering the world's vehicles, oil refiners are having to plan for an oil-free future in mobility as cars begin switching to batteries, ships burn natural gas, and innovation brings on other energy sources such as hydrogen. Goldman Sachs Group Inc. predicts oil demand for transportation will peak as early as 2026. Yet, even as a slew of headlines announce oil major BP Plc selling its prized Alaskan fields or Royal Dutch Shell Plc pulling the plug on refineries from Louisiana to the Philippines, Asia's big refineries are planning for a much longer transition. Chinese refining capacity has nearly tripled since the turn of the millennium, and the nation will end more than a century of U.S. dominance this year.

The Economic Times - 05.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/six-reasons-asias-oil->

OPEC share slid as India's oil imports shrank 11.8%

OPEC's share of India's oil imports fell to the lowest in at least two decades in the year to the end of March as overall purchases by Asia's third-largest economy fell to a six-year low, data obtained from industry and trade sources showed. Total crude imports by the world's third-biggest oil importer fell to 3.97 million barrels per day (bpd) in FY21, down 11.8% from a year earlier, data showed. India bought more U.S. and Canadian oil at the expense of that from Africa and West Asia, reducing purchases from members of the Organization of the Petroleum Exporting Countries (OPEC) to about 2.86 million bpd and squeezing the group's share of imports to 72% from about 80% previously. That is the lowest share since at least FY02, before which crude import data is not available. U.S. and Canadian oil accounted for about 7% and 1.3% respectively of India's imports compared to 4.5% and 0.60% a year earlier.

Energy Infra Post - 05.05.2021

<https://www.energyinfrapost.com/opec-share-slid-as-indias-oil-imports-shrank-11-8/>

New age start-up 'The Fuel Delivery' starts operations in Mumbai

App-based door-to-door fuel delivery service provider, 'The Fuel Delivery' on Tuesday announced the launch of its Mumbai operations. With this service launch, the start-up aims to cater to sectors like real estate (both under construction and occupied projects), hospitals, corporate office parks, schools and institutions, banks, shopping malls, warehouses, and the agricultural sector. Given the Covid-19 pandemic running through the second wave, it will be a win-win offer for the consumers as they can maintain social distancing norms through contact-less delivery by avoiding long queues at fuel filling stations. The company also recently announced the signing of an 'All India Business Agreement' with state-owned oil major, Indian Oil Corporation Limited (IOCL). The service level agreement allows The Fuel Delivery to offer doorstep delivery of diesel anywhere in India. As far as industry standards are concerned, the door-to-door delivery of fuel service is closed to 60,000 - 70,000 litres a month per bowser.

The Economic Times - 04.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/new-age-start-up-the-fuel-delivery-starts-operations-in-mumbai/82390334>

Petroleum Minister flags off first supply of used cooking oil-based biodiesel

Minister of Petroleum and Natural Gas and Steel Dharmendra Pradhan on Tuesday remotely flagged off the first supply of Used Cooking Oil (UCO) based biodiesel blended diesel under the Expressions of Interest (EoIs) Scheme from Indian Oil's Tikrikalan Terminal. Speaking on the occasion, Dharmendra Pradhan complimented the Oil industry on the stellar role they have played to keep the fuel lines running despite the stiff challenges of the pandemic. He also lauded the OMCs for going beyond the usual business imperatives by extending support for medical oxygen supply to the nation in this crisis. Pradhan also appreciated IndianOil's leadership role in smoothening the Liquid oxygen logistics in the country through various initiatives. Referring to the flag-off of the first supply of UCO-based Biodiesel from IndianOil's Tikrikalan Terminal, Pradhan said, "This is a landmark in India's pursuance of Biofuels and will have a positive impact on the environment. This initiative will garner substantial economic benefits for the nation by shoring up indigenous Biodiesel supply, reducing import dependence, and generating rural employment".

The Economic Times - 04.05.2021

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/petroleum-minister-flags-off-first-supply-of-used-cooking-oil-based-biodiesel/82392207>