

WEEKLY MEDIA UPDATE

(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.)

India's GDP growth seen at 7.3% amid global slowdown

India's economy is estimated to grow by 7.3% in the current fiscal year ending March, powered by robust manufacturing, construction and mining sector expansion — a stellar performance against the backdrop of a slowing global economy and geopolitical upheaval. The first advance estimates released by National Statistical Office on Friday showed the economy is projected to perform better than RBI's projection of 7% for 2023-24 and higher than the earlier estimates of 6.5% growth. The strong second-quarter performance of 7.6% had prompted several agencies to upgrade India's growth projections citing robust domestic demand. India continues to remain the fastest-growing major economy in the world as China's growth slows, led by a raft of problems, including real estate sector woes. The strong data comes ahead of the February 1 interim budget and before Lok Sabha elections due in May and is likely to bolster government's record of handling the economy against the backdrop of global turbulence.

The Times of India - 06.01.2024

<https://timesofindia.indiatimes.com/business/india-business/indias-gdp-growth-seen-at-7-3-amid-global-slowdown/articleshow/106586094.cms>

GDP data calls for revisiting fiscal nos.

Government will have to either trim expenditure or target higher revenue to meet the 5.9% fiscal deficit target for the current financial year as the nominal GDP is estimated to grow slower than the budget estimate. Against an estimated nominal GDP of around Rs 302 lakh crore, which translated into 10.5% growth, the National Statistical Office has now pegged it at over Rs 296 lakh crore for 2023-24, which will be an expansion of 8.9%. Nominal GDP is calculated on current prices and does not take into account the impact of inflation. Finance minister Nirmala Sitharaman had estimated the fiscal deficit at Rs 17,86,816 crore, which worked out to 5.9% of the earlier nominal GDP estimate. With the new estimate, at the budgeted level, the fiscal deficit is expected to be a shade above 6% of GDP. Buoyant tax collections

India's GDP growth seen at 6.2% in '24: UN report

Indian economy is projected to grow 6.2% in 2024, slightly lower than the 6.3% estimate for 2023, amid robust domestic demand and strong growth in the manufacturing and services sectors, according to a UN report. It also forecast that the global growth is set to slow to 2.4% in 2024 from an estimated 2.7% in 2023. "GDP in South Asia grew by an estimated 5.3% in 2023 and is projected to increase by 5.2% in 2024, driven by a robust expansion in India, which remains the fastest-growing large economy in the world," according to the United Nations World Economic situation and prospects report for 2024. Several multilateral agencies, brokerages, economists have raised India's economic growth projections for the current fiscal, citing robust domestic demand. The IMF has raised India's GDP growth estimate for the current fiscal year to 6.3% from the previous 6.1%. Global GDP growth is projected to slow from an estimated 2.7% in 2023 to 2.4% in 2024 against the backdrop of lingering risks and uncertainties.

The Times of India - 06.01.2024

<https://timesofindia.indiatimes.com/business/india-business/indias-gdp-growth-seen-at-6-2-in-24-un-report/articleshow/106584735.cms>

India Inc may report good numbers in Q3

India Inc's earnings for the December 2023 quarter are expected to show strong growth on the back of good numbers from auto manufacturers, banks, capital goods makers, cement producers and residential real estate developers. In aggregate, companies are likely to report a high single-digit increase in profits when seen year-on-year, though the rise may be somewhat modest sequentially. Good results from oil marketing companies (OMCs) will boost aggregate profits thanks to the helpful base in Q3FY23 when these firms reported losses. However, IT services players are expected to turn in an ordinary performance. With the rural economy yet to recover, makers of consumer staples are tipped to report a very subdued low-

and dividend receipts are expected to more than make up for the expected shortfall from disinvestment. With stock markets remaining strong and companies showing healthy growth, DIPAM will seek to raise more resources.

The Times of India - 06.01.2024

<https://timesofindia.indiatimes.com/business/india-business/gdp-data-calls-for-revisiting-fiscal-numbers/articleshow/106584871.cms>

GDP numbers for FY24 show discrepancies of Rs 2.59 lakh crore

Discrepancies in computation of advance estimates of the country's Gross Domestic Product for 2023-24 stood at Rs 2.59 lakh crore as against (-) Rs 3.80 lakh crore in 2022-23 and (-) Rs 4.47 lakh crore in 2021-22, according to National Statistical Office (NSO). On Friday, the NSO released its first advance estimates of national accounts which showed that the Gross Domestic Product (GDP) or Indian economy will grow at 7.3 per cent in 2023-24, slightly higher than 7.2 per cent in 2022-23. According to data, there were discrepancies of Rs 2.59 lakh crore as against (-) Rs 3.80 lakh crore in 2022-23 and (-) Rs 4.47 lakh crore in 2021-22. Discrepancies in the statistical GDP data refer to the difference in national income under production method and expenditure method. According to experts, there will always be some discrepancies in national accounts because of delay in reporting of information by various agencies including state governments.

Deccan Herald - 08.01.2024

<https://www.deccanherald.com/business/economy/gdp-numbers-for-fy24-show-discrepancies-of-rs-259-lakh-crore-2838688>

Centre may rake in ₹55,000 cr in dividends from key CPSEs

The government's dividend collection from non-financial central public sector enterprises (CPSEs) and other investments in this financial year could amount to about ₹55,000 crore, more than a quarter higher than the budgetary target of ₹43,000 crore, said a senior official. However, the Centre could reduce its combined disinvestment and dividend (from non-financial CPSEs) mop-up in the revised estimate for 2023-24 from the budgeted ₹94,000 crore given the expected steep shortfall in divestment proceeds from the targeted ₹51,000 crore due to the IDBI Bank strategic sale process spilling over to 2024-25, the official told ET. The Department of Investment and Public Asset Management has garnered ₹53,895 crore in dividend and disinvestment receipts so far, this

to-mid single-digit volume increase. This might result in a slower growth in revenues and operating profits for many FMCG players. Those companies that have taken price increases will post better operating margins.

The Financial Express - 08.01.2024

<https://www.financialexpress.com/business/industry-india-inc-may-report-good-numbers-in-q3-3358006/>

India's services PMI touches a three-month high at 59 in December

The services sector growth in India jumped to a three-month high in December due to favourable economic conditions and a positive demand trend, according to a private survey. The seasonally adjusted HSBC India Services PMI (Purchasing Managers' Index) Business Activity Index rose from 56.9 to 59 in December. Owing to lower readings in October and November, however, the latest quarterly average was the lowest since the fourth quarter of the financial year 2022-2023. The December figure marks 29 months of the index remaining above the 50-mark since July 2021. A reading above 50 indicates expansion of the sector, and a figure below that suggests contraction. The survey polled around 400 companies in transport, information, communication, finance, insurance, real estate, non-retail consumer, and business services. "India's services sector ended the year on a high note, with an uptick in business activity, led by a three-month-high new orders index.

Business Standard - 06.01.2024

https://www.business-standard.com/economy/news/india-s-services-pmi-touches-a-three-month-high-at-59-in-december-124010500846_1.html

Proposed ₹30kcr capital infusion in oil PSUs may be cut by half

The government may halve its proposed ₹30,000 crore of equity investments into Indian Oil, Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL) this fiscal year as these companies have clocked robust profits and don't need major financial support for their planned transition to green energy, said people familiar with the matter. The government had announced its capital support plans for these state-run refiners last February in the FY24 Union budget. At the time, these companies were facing a difficult patch and were demanding compensation for the heavy losses they had suffered in the first two quarters of 2022-23 for not increasing retail fuel prices in line with rising international rates. Since pump

fiscal. At ₹43,843 crore, the dividend has already exceeded the 2023-24 target, even as the disinvestment revenue has remained low at ₹10,052 crore. ET had reported in November 2023 that the 2023-24 dividend target could be surpassed but the surplus dividend might not be enough to fully make up for the disinvestment shortfall.

The Economic Times - 08.01.2024

<https://economictimes.indiatimes.com/news/economy/finance/centre-may-rake-in-55000-crore-in-dividends-from-key-cpses/articleshow/106617507.cms?from=mdr>

Saudi oil price cut to offer India room for better deals

Saudi Aramco on Sunday cut OSP (official selling price) of flagship Arab Light crude for Asia to their lowest in 27 months — a move that can work well for India if it prompts oil to slide further to boost prospects of cheaper fuel for consumers and keep the energy import bill from bloating. Aramco slashed the OSP by \$2 per barrel for February shipments, marking the second consecutive reduction after \$1.5 per barrel discount announced in December for January loading. The world's largest oil exporter also pruned prices for North America, Northwest Europe and the Mediterranean. The Saudi move is seen as a bid to protect market share amid onslaught from rival producers. Asia is important as it is considered the growth engine for global oil demand because of China and India — the world's second and third-largest oil consumers, respectively. Saudi Arabia sees a serious competition from the US fracking boom as shale oil found its way into Asia around 2017. The tectonic shift in the global energy flow sparked by Moscow's invasion of Ukraine in February 2022 and emergence of new suppliers in South America and Africa poses a bigger challenge.

The Times of India - 08.01.2024

<https://timesofindia.indiatimes.com/business/india-business/saudi-oil-price-cut-to-offer-india-room-for-better-deals/articleshow/106618368.cms>

India dials Saudi as Russian oil purchases hit 11-month low in December

India increased imports of Saudi oil in December as payment problems drove its Russian oil buys to an 11-month low, with at least five cargoes of the sweet Sokol variant heading to other locations, data from vessel tracking agencies showed. Indian Oil Corp, which was set to get the Sokol oil, had to

prices are deregulated in the country, the government didn't agree to the compensation but allocated a capital support of ₹30,000 crore in the budget, which could be used by the companies for their green transition projects, the people cited above said requesting anonymity. To start with, the companies were not too keen on equity infusion by the government as, like debt, equity also needs to be serviced, several company executives told ET previously.

The Economic Times - 08.01.2024

<https://economictimes.indiatimes.com/industry/energy/oil-gas/proposed-30000-crore-capital-infusion-in-oil-psus-may-be-cut-by-half/articleshow/106583421.cms?from=mdr>

India's oil demand growth expected to remain strong in FY24: Analysts

Oil demand in India is expected to remain positive this year despite worries over an industrial slowdown in China affecting related economies, and a cut in global crude production, experts said. These factors had been cited to stress an impending fall in demand a few months back. But most are now increasingly pointing to rising economic activity in the country as a trigger for further increases in India's domestic demand. In its monthly oil report for December, the Organization of the Petroleum Exporting Countries (OPEC) has projected India's oil demand in 2024 at 5.59 million barrels per day (b/d), up from 5.37 million b/d in 2023, resulting in a growth of 4.1 per cent. The global cartel of countries has pegged India's demand at 5.14 mb/d in 2022. On the other hand, demand in China is expected to rise by 3.6 per cent. India's liquid fuel consumption, which includes crude oil and refined petroleum products, is expected to grow at an average of 0.3 million b/d in 2024, the United States Energy Information Administration (EIA) said in a recent report.

Business Standard - 03.01.2024

https://www.business-standard.com/economy/news/india-s-oil-demand-growth-expected-to-remain-strong-in-fy24-analysts-124010200924_1.html

Oil minister Puri denies fuel price reduction talks, says "focus on energy investment, not cuts"

Union minister of petroleum and natural gas Hardeep Singh Puri refuted claims of discussions with oil marketing companies over fuel price reductions on Thursday, as energy availability is government's priority amid high

withdraw from its inventory and buy from the Middle East to make up the shortfall, sources told Reuters last month. Top refiner IOC is the only state-run firm with an annual deal to buy a variety of Russian grades, including Sokol, from Russian oil major Rosneft. India's oil imports from Russia in December declined between 16% and 22%, according to Reuters calculation on the basis of data from flow tracking agencies Vortexa, Kpler and LSEG. Its imports of Saudi oil, rose by about 4%, however, data from Kpler and Vortexa showed. LSEG data shows India's monthly Russian oil imports declining by 22% to 1.21 million barrels per day (bpd) in December, while Kpler shows a drop of 16% to 1.39 million bpd.

The Economic Times - 03.01.2024

https://economictimes.indiatimes.com/industry/energy/oil-gas/india-dials-saudi-as-russian-oil-purchases-hit-11-month-low-in-december/articleshow/106486634.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Mid-year report: India's petroleum consumption up by 6.4%, diesel dominates with 38.5% share

India's petroleum product consumption surged to a record 114.3 million metric tonne in the first half of the 2023-24 financial year, according to the PPAC Ready Reckoner report. The report indicates a robust 6.4% increase from the previous fiscal year, underscoring the country's growing energy needs. High-speed diesel (HSD) remained the most consumed petroleum product, claiming a 38.5% share of the overall consumption pie, while motor spirit (MS), commonly known as petrol, followed with a significant 16.2% share. In a notable shift towards aviation, the consumption of aviation turbine fuel (ATF) recorded a significant upswing, charting a 13.2% increase as the sector approached its pre-pandemic operational capacity. This recovery aligns with the gradual rebound in air travel demand and the expansion of India's aviation sector. Amid the government's aggressive push for cleaner energy sources, the report highlighted a 12% achievement in ethanol blending in petrol, marking progress towards the country's renewable energy goals.

The Economic Times - 08.01.2024

https://energy.economictimes.indiatimes.com/news/oil-and-gas/mid-year-report-indias-petroleum-consumption-up-by-6-4-diesel-dominates-with-38-5-share/106588854?utm_source=newslisting&utm_medium=latestN

crude volatility. In a firm response to speculative media reports, Puri stated, "I have clarified there has been no discussion with OMCs on any such issues. We are in a very highly turbulent situation. There are two areas on the global map which are in conflict situation," thus addressing the rumours about potential fuel price cuts. As global markets witnessed Brent crude prices settling at \$75.89, dropping by 1.5%, and U.S. West Texas Intermediate crude closing at \$70.38 per barrel, decreasing by 1.8%, the Indian fuel market remains unaffected in terms of pricing. The decrease in crude oil prices was attributed to the alleviated concerns over the tensions in the Red Sea, a critical chokepoint in global oil transportation.

The Economic Times - 04.01.2024

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/oil-minister-puri-denies-fuel-price-reduction-talks-says-focus-on-energy-investment-not-cuts/106515164>

India's April-Sept oil import dependency rises to 87.6%, production holds at 14.7MMT: PPAC

India's crude oil production held steady at 14.7 million metric tonne (MMT) in the April-September period of 2023, unchanged from the same period last year, while the country's dependence on imported petroleum increased slightly to 87.6%, according to data from the Petroleum Planning & Analysis Cell (PPAC). The consumption of petroleum products in India saw an uptick, reaching 114.3 MMT from April to September 2023, rising from 107.4 MMT during the same period in 2022. The production of petroleum products also increased to 136.6 MMT, up from 131.4 MMT reported in the April-September period the previous year. Petroleum product imports during the April-September 2023 period declined to 10.8 MMT from 14.1 MMT in the same period in 2022, while exports dropped to 23.6 MMT from 32.9 MMT, reflecting a shift in the trade balance.

The Economic Times - 05.01.2024

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-april-sept-oil-import-dependency-rises-to-87-6-production-holds-at-14-7mmt-ppac/106531775>

India urgently expands oil storage amid mounting geopolitical risks

India is set to prioritize and accelerate efforts to expand its oil storage capacity in the face of escalating geopolitical risks and an anticipated surge in refining capacity, according to a parliamentary panel report and industry analysts. According to S&P Global Commodity Insights, the move is prompted by India's vulnerability to disruptions in the energy supply chain, especially in critical regions like the Red Sea and the Middle East. A comprehensive strategic plan is recommended to bolster the nation's energy resilience and reduce risks associated with external dependencies. Highlighting the urgent need, the International Energy Agency (IEA) standards advocate that member countries maintain oil stocks equivalent to no less than 90 days of net imports. Currently, India falls short of this benchmark, emphasizing the importance of strategic measures to enhance energy security.

The Economic Times - 05.01.2024

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/india-urgently-expands-oil-storage-amid-mounting-geopolitical-risks/106546584>

India to sign MoU with Guyana for buying crude oil

The Union Cabinet on Friday approved signing of a 5-year memorandum of understanding with Guyana for cooperation in the hydrocarbon sector including sourcing of crude oil. "The proposed MoU covers the complete value chain of the hydrocarbon sector, including sourcing of crude oil from Guyana, participation of Indian companies in exploration and production (E&P) sector of Guyana, (and) cooperation in areas of crude oil refining," a Government statement said. It also covers capacity building, strengthening bilateral trade, collaboration in the natural gas sector, collaboration in developing regulatory policy framework in the oil and gas sector in Guyana; cooperation in the area of clean energy including biofuels as well as renewables sector including solar energy. India, the world's third largest energy consumer and importer, is looking to diversify its sources of oil imports and the South American nation is one of the countries it is tapping for that.

PSU Watch - 06.01.2024

<https://psuwatch.com/newsupdates/india-to-sign-mou-with-guyana-for-buying-crude-oil>

Russian November oil price for India hit 12-mth high

India paid an average of \$85.42 per barrel for Russian oil in November, the highest since the Group of Seven (G7) advanced economies imposed a price cap of \$60 per barrel to cut Moscow's revenue, preliminary government data shows. India paid 1.4% more for Russian oil in November compared to \$84.20 per barrel in October, Reuters calculations based on government data show. The data also showed declining discounts for Russian oil narrowed the price gap with India's second largest oil supplier Iraq in November. India paid an average \$85.73 per barrel for supplies from Iraq and \$93.32/barrel for Saudi oil, the data showed. Since the imposition of the price cap in December 2022, India has mostly paid above the \$60 ceiling for Russian oil that had still proved cheaper than the similar grades from elsewhere. June was an exception when prices were lower. Indian refiners buy Russian oil on delivered basis from ports in Greece, South Korea and Spain, as well as directly from Russia.

The Economic Times - 06.01.2024

https://energy.economictimes.indiatimes.com/news/oil-and-gas/russian-november-oil-price-for-india-hit-12-mth-high/106558273?utm_source=newslisting&utm_medium=latestNews

India's domestic natural gas production rises 4%, LNG imports up 12.7% in H1 2023

India's domestic natural gas production increased by about 4% in the first half of 2023, with a significant rise in production from PSC/JVs fields, while the volume of LNG imports rose by approximately 12.7%, the Petroleum Planning & Analysis Cell (PPAC) said in its 'Ready Reckoner' H1 edition. The report, detailing the country's energy statistics for the period of April-September 2023, showed that domestic gross production of natural gas reached 17879 MMSCM, up from 17184 MMSCM in the same period last year. This increase of around 695 MMSCM was primarily driven by an 18.4% growth in production from PSC/JVs fields. In contrast, natural gas production from ONGC nomination fields displayed a declining trend, dropping by about 3.2%.

The Economic Times - 08.01.2024

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/indias-domestic-natural-gas-production-rises-4-lng-imports-up-12-7-in-h1-2023/106588826>

Shipping stocks and freight rates rally on Red Sea turmoil

Container carriers' shares advanced. Maersk rose as much as 3.7% to hit a five-month high after Bank of America upgraded the stock. Hapag-Lloyd rallied too, as did the shares of Israeli carrier Zim and China's Cosco. European natural gas futures rose as the recent flare-up of geopolitical strife in the Middle East stoked concern over supplies. Oil went higher after jumping more than 3% yesterday as supply disruptions in Libya and attacks in the region raised worries for the key crude exporters. Container rates are also heading higher. Bloomberg Intelligence senior logistics analyst Lee Klaskow, in a research note Wednesday, said transpacific rates jumped 56% from a week earlier to \$2,769 for 40-foot container, based on the Drewry Hong Kong-Los Angeles benchmark. Freight data shows spot rates from Asia to the US East Coast and Europe surging over the past week. Container ships are hauling the equivalent of about 4 million 20-foot steel boxes the long way around Africa in order to avoid attacks by the Houthi militants in the Red Sea, according to Clarkson Research Services.

The Business Standard - 08.01.2024

<https://www.tbsnews.net/world/global-economy/shipping-stocks-and-freight-rates-rally-red-sea-turmoil-769730>

NARCL's CEO, Natarajan Sundar, Steps Down; Canara Bank CGM Takes Interim Charge

Natarajan Sundar, MD and CEO of National Asset Reconstruction Company (NARCL), has stepped down from his position, as reported by a media house. Sundar took on this role in May 2022 for a two-year tenure. This resignation marks the second significant departure from NARCL's top leadership, following Karnam Sekar's exit as Chairman in September 2023. Following Sundar's departure, P Santhosh, presently serving as Canara Bank's Chief General Manager (CGM), has been appointed on deputation as the interim MD & CEO of NARCL. Santhosh's extensive experience from Canara Bank is anticipated to guide NARCL through this transitional period.

Business World - 06.01.2024

<https://www.businessworld.in/article/NARCL-s-CEO-Natarajan-Sundar-Steps-Down-Canara-Bank-CGM-Takes-Interim-Charge/06-01-2024-504945/>