

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 Ratings raises sovereign GDP growth estimate for FY25 to 7.1%

India Ratings and Research on Monday revised upward the country's GDP growth estimate for FY25 to 7.1 per cent from 6.5 per cent earlier. The projection is marginally higher than the Reserve Bank's estimate of 7 per cent. In a statement, the domestic rating agency said strong support from the sustained government capex, deleveraged balance sheets of corporate and banking sector, and the incipient private corporate capex cycle make it revise its estimate. It said that factors that may constrain growth include consumption demand not being broad based and the headwinds faced by exports due to sluggish growth globally. The agency said it expects the growth in private final consumption expenditure to jump to 7 per cent in FY25, up from 3 per cent in FY24, and added that this will be a three-year high. "Current consumption demand is highly skewed, as it is driven by the goods and services largely consumed by the households belonging to the upper income bracket," it said, adding that rural consumption is weak.

Business Standard - 07.05.2024

https://www.business-standard.com/economy/news/india-ratings-raises-sovereign-gdp-growth-estimate-for-fy25-to-7-1-124050601198_1.html

IIP growth eases to 4.9% in Mar, but rises 5.8% in FY24

India's industrial growth eased to 4.9% in March compared with 5.6% in the preceding month, data released on Friday showed, ending the FY24 with a 5.8% growth. The Index of Industrial Production (IIP) had grown 5.2% in FY23. Manufacturing output expanded at a five-month high of 5.2% in March, but a tepid 1.2% expansion in mining dragged down the overall growth in the month. Electricity, the other major component of IIP, reported an 8.6% rise in generation in March. "The IIP growth was led by a robust expansion in electricity, with demand boosted by rising temperatures, and dampened by a feeble rise in mining output. Encouragingly, manufacturing growth rose to a five-month high, albeit on a very low base," said Aditi Nayar, chief economist, ICRA.

'Omens good', India can grow 6.5-7% in the next decade: CEA Nageswaran

India could continue to grow at a rate of 6.5-7 per cent for the next decade with better balance sheet strength in the financial and non-financial sectors, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Wednesday. Speaking at an event organised by the National Council of Applied Economic Research (NCAER), Nageswaran said, "As we go into the rest of the decade beyond FY25, the omens are good for us to continue the steady growth rate between 6.5 and 7 per cent." The CEA said that looking at the trajectory of growth in the first three quarters of FY24, the possibility of the growth rate touching 8 per cent is quite high. For FY24, the International Monetary Fund (IMF) has raised India's gross domestic product (GDP) growth projection to 7.8 per cent compared to 6.7 per cent in its January report. Nageswaran said the economy is better placed than before to pursue a non-inflationary growth as the country is well within the Reserve Bank of India's (RBI's) reference range for inflation.

Business Standard - 08.05.2024

https://www.business-standard.com/economy/news/omens-good-india-can-grow-6-5-7-in-the-next-decade-cea-nageswaran-124050800625_1.html

PSUs not in disarray, but thriving under Modi regime, says Sitharaman

Finance Minister Nirmala Sitharaman on Wednesday said PSUs have suffered under the Congress-led UPA government and previously neglected ones like, the Hindustan Aeronautics Limited (HAL), have seen a 'resurgence' under the Modi government. Rebutting allegations by the Congress party and its leader Rahul Gandhi that state-owned companies are in a disarray, Sitharaman said such claims are a textbook example of the pot calling the kettle black. In a post on X, the Minister said that under the Modi-government, public sector undertakings (PSUs) are thriving, benefiting significantly from the culture of professionalism infused in them along with increased operational freedom. PSUs have suffered under the Congress-led UPA

In FY24, manufacturing expanded 5.5%, mining 7.5% and electricity generation was up 7.1%. Experts indicate that growth momentum is likely to continue in FY25 as well. "Upbeat performance in the infrastructure/construction goods segment remained supportive of the growth in industrial activity and we expect this momentum to continue going forward," said Rajani Sinha, chief economist, CareEdge.

The Economic Times - 11.05.2024

<https://economictimes.indiatimes.com/news/economy/indicators/iip-growth-eases-to-4-9-in-march-but-grows-faster-at-5-8-in-fy24/articleshow/110016218.cms?from=mdr>

Capex push by govt to propel GDP growth between 7.1-7.4% in FY25: NIPFP

Driven by high capital expenditure (capex) and investment by the government in public goods, the Indian economy is expected to register a growth rate of 7.1-7.4 per cent in the current financial year, according to the National Institute of Public Finance and Policy (NIPFP). This is above the Reserve Bank of India's (RBI) forecast of 7 per cent. In its latest year-end macro-economic review released on Friday, the government body said that though the private sector capex is yet to pick up steam, it's the unprecedented increase in the government capex during the COVID-19 pandemic that is continuing to have reverberations and drive the growth trajectory upwards. However, the review by the NIPFP also listed compression in the government consumption expenditure and a subdued growth in private consumption as downward risks to the forecast. Apart from the strong capex push by the government, optimism regarding the Indian economy has been stemming from robust domestic demand and sustained growth in business and consumer confidence.

Business Standard - 09.05.2024

https://www.business-standard.com/economy/news/capex-push-by-govt-to-propel-gdp-growth-between-7-1-7-4-in-fy25-nipfp-124042601167_1.html

Central PSUs' buys from GeM rise 36.34%, exceed target

India's Central Public Sector Enterprises (CPSEs) continued to drive economic activities as their procurement from MSMEs was 36.34% against the mandated 25% for the Financial Year 2024. In absolute terms the procurement through

government. PSUs that were previously neglected under the UPA government, such as Hindustan Aeronautics Limited, have seen a resurgence under the Modi government, she said. "Repeated claims from "the @INCIndia ecosystem and @RahulGandhi in particular that Public Sector Undertakings (PSUs) are being dismantled & are in disarray under the current government are a textbook example of 'Ulta Chor Kotwal Ko Daante' (pot calling the kettle black), as the facts reveal a very different picture," Sitharaman asserted.

Business Standard - 09.05.2024

https://www.business-standard.com/elections/lok-sabha-election/psus-not-in-disarray-but-thriving-under-modi-regime-says-sitharaman-124050800397_1.html

India's services PMI slides in April, remains robust due to strong demand

Growth in India's dominant services sector slowed marginally in April, but remained robust due to strong demand, a private business survey released on Monday said. The headline Purchasing Managers' Index (PMI) figure, released by HSBC, slid to 60.8 in April from 61.2 recorded in March. The survey noted that in addition to buoyant domestic demand, firms saw new business gains from several parts of the world, which collectively underpinned the second-quickest upturn in international sales since the series started in September 2014. "Survey members attributed the latest upturn in output to favourable economic conditions, demand strength and rising intakes of new work," the survey noted. The April figure marks 33 months of the index remaining above the 50-mark since July 2021. A figure above 50 in the index denotes expansion and below that signifies contraction in the sector. According to the survey, business activity increased across the four sub-categories monitored by the survey, led by steep growth in Finance & Insurance.

Business Standard - 07.05.2024

https://www.business-standard.com/economy/news/india-s-services-pmi-slides-in-april-remains-robust-due-to-strong-demand-124050600371_1.html

Govt gains PSU muscle as stocks climb peaks

State ownership in listed firms, in terms of the value of shares held, surged to a seven-year high of 10.38% of total market capitalisation as of March 31, driven by a robust rally in several public sector unit (PSU) stocks. The value had

Government e-marketplace (GeM) by 54 CPSEs and five departmental arms of government including Railways Board and National Highways Authority of India stood at ₹2.62 lakh crore by March 31, 2024, against ₹1.06 lakh crore in the same period last year, which helped them to push their combined capex at all-time high of 108.54% at ₹8.05 lakh crore, ET has learnt. "All the CPSEs have done well so far, procurement from MSMEs is concerned which has a multiplier effect," a senior official told ET, adding that even the spending under the Corporate Social Responsibility was ₹2,467 crore in FY 24. The gross merchandise value of state-run government e-marketplace (GeM) has already touched ₹4 lakh crore by the end of March 31, with the centre actively pushing ministries to procure goods and services through the portal.

The Economic Times - 07.05.2024

<https://economictimes.indiatimes.com/markets/stocks/news/govt-gains-psu-muscle-as-stocks-climb-peaks/articleshow/109963194.cms>

PSUs spend 6% of FY25 capex target

Large public sector companies have spent a little over Rs 50,200 crore towards capital expenditure in April alone, which is nearly 6.5% of their full fiscal target of around Rs 7.8 lakh crore, an official said. The pace albeit is slower than the Rs 54,177 crore capex spent in April 2023, about 7.3% of the full year budget target of Rs 7.4 lakh crore. "The capex spending will pick up going forward. Also, the numbers for April are still provisional," the official said.

The Times of India - 13.05.2024

<https://timesofindia.indiatimes.com/city/delhi/ps-us-spend-6-of-fy25-capex-target/articleshow/110062971.cms>

Exports may grow 10-15% to \$900bn in FY25

Healthy goods exports will also bolster industrial production and overall economic activity. "Despite a very challenging geopolitical and consequent logistics disruptions and freight hikes, the demand for technology-driven products and services are very high and even for lifestyle goods, it is picking up, particularly from advanced economies assuring us for a much better performance this fiscal," Fieo DG Ajay Sahai told TOI. Healthy goods exports will also bolster industrial production and

touched a high of 22% of total market capitalisation of listed firms in June 2009, dropping to a low of 5.1% in September 2020 before doubling since then, according to data from primeinfobase.com. Re-ratings amid large valuation discounts, high dividend yields, record cash flows and news of possible privatisation triggered a sharp rally in public sector companies over the last three years. Listed state-owned firms have added nearly Rs 43 lakh crore in market capitalisation in the three years ended March 31 to hit Rs 61.22 lakh crore. To be sure, about Rs 6.4 lakh crore was added via six new listings, such as those of Life Insurance Corp. of India (LIC) and Indian Renewable Energy Development Agency (IREDA), among others, during this period.

The Economic Times - 09.05.2024

<https://economictimes.indiatimes.com/markets/stocks/news/govt-gains-psu-muscle-as-stocks-climb-peaks/articleshow/109963194.cms>

India's exports rise in 115 out of 238 destinations in FY24: Govt

India's exports have increased to as many as 115 countries out of the total 238 destinations during 2023-24 despite the global economic uncertainties, according to Commerce Ministry's data. These 115 export destinations, which account for 46.5 per cent of India's export basket, include the US, UAE, Netherland, China, UK, Saudi Arabia, Singapore, Bangladesh, Germany and Italy. The country's merchandise exports dipped by 3 per cent to \$437.1 billion in the last fiscal. However, services exports rose to \$341.1 billion in 2023-24 as against \$325.3 billion in 2022-23. The data showed that despite persistent global challenges, overall exports (goods and services together) hit the highest level in 2022-23.

Millennium Post - 10.05.2024

<https://www.millenniumpost.in/business/indias-exports-rise-in-115-out-of-238-destinations-in-fy24-govt-563157>

FY24 fiscal deficit to be slightly below revised estimate

The Centre's fiscal deficit for 2023-24 may be slightly lower than the revised estimate (RE) of Rs 17.3 trillion or 5.84% of GDP, aided by lower than budgeted revenue expenditure and higher revenue receipts than the RE, government officials said. The government's capital expenditure target in FY24RE was met while revenue expenditure fell short of the target due to savings under some expenditure heads due to the just-in-time release concept adopted by

overall economic activity. There are, however, some concerns of a slowdown in services due to IT and IT enabled services, given that growth moderated to a three year low in 2023-24. While policymakers are looking to diversify beyond IT, telecom and business services, to newer segments such as tourism and healthcare, there is a demand for restoring the scheme to ensure that refunds taxes. Besides, executives at the Services Exports Promotion Council said there was a need for a stronger brand development in case of healthcare and tourism, where India was facing competition from countries that were seeing much higher footfalls.

The Times of India - 13.05.2024

<https://timesofindia.indiatimes.com/business/india-business/exports-may-grow-10-15-to-900bn-in-fy25/articleshow/110062053.cms>

Petro products exports fall 11% in April

India's exports of refined oil products fell by 11% in April to 1.21 million barrels per day, primarily due to the increase in the domestic demand and weaker export margins, according to data provided by Kpler. Exports to Asia and Europe – the two top destinations of the country also declined by 25% and 3.4% on month to 446,248 barrels per day and 329,279 bpd respectively. In value terms, petroleum product exports declined 13.6% in FY24 to \$ 84.1 billion, bucking a rising trend of the previous years. India had become a key supplier of refinery products to the world as many countries stopped direct trade with Russia after its war with Ukraine. To be sure, in volume terms, these exports grew even in FY24. Data sourced from another ship tracking intelligence firm Vortexa showed a similar trend, with total exports declining to 1.15 million barrels per day in April from 1.37 million bpd in March. "The overall decline in refined products exports may be attributed to robust domestic demand, and weaker export margins," said Vortexa's Head of APAC Analysis, Serena Huang. She noted that exports to Southeast Asia fell in April off the back of ample supplies in the region.

The Financial Express - 07.05.2024

<https://www.financialexpress.com/business/industry-petro-products-exports-fall-11-in-april-3478869/>

Asian markets eye upturn in oil output post Angola's OPEC exit: S&P Global

Amid Angola's departure from OPEC, Asian oil buyers are eyeing a significant surge in production, with output rebounding from a four-month low in February, said S&P Global Commodity Insights. Major importers such as China, South Korea, Thailand, and India anticipate

the government. Unlike in the past, funds aren't released from the Consolidated Fund of India unless actual expenditure arises or previous instalments are fully spent, an official said. The Centre's finances were also helped by higher tax and non-tax receipts like dividends than factored in the RE, the official added. "The fiscal deficit may turn out to be a little lower than RE, both in terms of absolute amount and in terms of percentage of GDP as well," another official said, adding that the exact number in terms of percentage will be known when the provisional GDP numbers for the year are released later this month.

The Financial Express - 10.05.2024

<https://www.financialexpress.com/policy/economy-fy24-fiscal-deficit-to-be-slightly-below-revised-estimate-3482758/>

April fuel consumption rises by 6.1% year-on-year: Oil ministry data

India's fuel consumption rose by 6.1 per cent year-on-year in April, data from the Petroleum Planning and Analysis Cell of the oil ministry showed on Tuesday. India is the world's third-biggest oil importer and consumer. The data is a proxy for the country's oil demand. "The rise in total fuel consumption in April can be attributed to the increased activity in the run up to elections across the country," said Prashant Vasishth, vice president and co-head, corporate ratings at ICRA. "We expect Indian fuel demand to grow by 3 per cent-4 per cent, with the GDP set to grow. The bulk of the rise will be led by petrol and diesel demand. Air travel in India also has shown good growth." Total consumption totalled 19.86 million metric tons (4.85 million barrels per day) in April, up from 18.71 million tons last year, data showed. Demand was down 5.8 per cent on a monthly basis from the 21.09 million metric tons consumed in March.

Business Standard - 08.05.2024

https://www.business-standard.com/economy/news/april-fuel-consumption-rises-by-6-1-year-on-year-oil-ministry-data-124050700643_1.html

OMCs' FY24 combined profit rose over 25-times year-on-year

The state-owned oil marketing companies (OMCs) have positive impact in financial year 2023-24. Even as they navigated rapidly evolving geopolitics and wide fluctuations in crude prices, the OMCs not only ensured fuel availability at affordable rates, with one of the

heightened flexibility in sourcing as Angola ramps up its oil supply. Kang Wu, global head of oil demand research at S&P Global Commodity Insights, emphasized the impact on Asian markets: "As the largest recipient of Angolan crudes, Asia will generally benefit from Angola's oil supply now as it will be free of restrictions since they are now outside of OPEC." Angola, previously producing a record 1.9 million b/d of crude, saw output decline due to various factors. However, recent indicators point to a positive trend, with output surpassing a million barrels per day in March 2023 after a temporary dip, S&P Global Commodity Insights reported.

The Economic Times - 07.05.2024

https://energy.economictimes.indiatimes.com/news/oil-and-gas/asian-markets-eye-upturn-in-oil-output-post-angolas-opec-exit-sp-global/109868633?utm_source=top_story&utm_medium=latestNews

BPCL to invest Rs 1.7 lakh cr in core, new energy business

Bharat Petroleum Corporation Ltd (BPCL) plans to invest Rs 1.7 lakh crore over the next five years in its core oil refining, fuel marketing and petrochemical business as well as in clean energy such as hydrogen, its chairman G Krishnakumar said on Friday. As part of 'Project Aspire', a five-year strategic framework, BPCL plans to raise its oil refining capacity, augment petrochemical business and expand its presence in cleaner fuel space with an eye on energy transition and meeting country's fuel demand, he said at a post earnings investor call. "Our strategy is based on two fundamental pillars - 'Nurturing the Core'; and 'Investing in Future Big Bets'. We remain committed to our core businesses, which include the refining, marketing of petroleum products and upstream. In addition, we are focusing on our big bets, which comprise petrochemicals, gas, green energy, non-fuel retail, and digital," Krishnakumar said.

The Economic Times - 10.05.2024

<https://economictimes.indiatimes.com/industry/energy/oil-gas/bpcl-to-invest-rs-1-7-lakh-cr-in-core-new-energy-business/articleshow/110009772.cms>

India's steel demand boom to continue, to grow at 10% over next few years

The domestic steel demand is expected to grow at a rate of 10 per cent over the next few years, supported by the government's focus on infrastructure, Steel Secretary Nagendra Nath

lowest fuel price inflations globally in India, but they have also rewarded the shareholders' trust by posting commendable annual results. The combined profit of OMCs for FY 2023-24 stood at Rs 86,000 crore, over 25 times higher than the extraordinarily difficult previous fiscal year. For the full 2023-24 fiscal, HPCL reported a record net profit of Rs 16,014 crore as opposed to a loss of Rs 6,980 crore in the previous year. IOCL capped an excellent year with historical best refinery throughput, sales volume and net profit. BPCL's profit after tax for FY 2023-24 came in at Rs. 26,673 crores, nearly 13-times higher than the previous fiscal year. Additionally, the company's planned capital outlay of Rs. 1.7 lakh crores over 5 years under 'Project Aspire' underlines its commitment to creating long-term value for shareholders.

PSU Connect - 11.05.2024

<https://www.psuconnect.in/news/omcs-fy24-combined-profit-rose-over-25-times-year-on-year/42546>

OPEC switches to 'call on OPEC+' in global oil demand outlook, sources say

OPEC will stop publishing a calculation of the world's demand for its own crude in its monthly oil report, two sources close to the matter said, focusing instead on forecasts for demand for oil from the wider OPEC+ group. The change reflects what has become long-standing cooperation between the members of the Organization of the Petroleum Exporting Countries and the wider grouping on taking collective oil supply decisions. OPEC's Vienna secretariat has in its monthly reports published an estimate of the demand for OPEC crude, sometimes known as the 'call on OPEC'. The number is watched by analysts and traders as an indicator of oil market strength. But from this month OPEC will give only the estimate of demand for crude from the Declaration of Cooperation (DoC) countries, the sources said. The DoC is the formal name for OPEC+, which comprises the 12 OPEC members and 10 non-members of which Russia is the largest producer.

Reuters - 11.05.2024

<https://www.reuters.com/markets/commodities/opec-switches-call-opec-global-oil-demand-outlook-sources-say-2024-05-09/>

India's steel imports from China surge 58 per cent in the January-March quarter

India's steel imports from China surged 58 per cent in the January-March quarter, raising concerns among domestic manufacturers who

Sinha said on Wednesday. The official made the remarks addressing a 'CII Conference on Future Ready and Green Manufacturing' conference in the national capital. With the government's focus on infrastructure, the domestic steel demand will grow in double-digits, he said. "The demand has grown by 13-14 per cent year-on-year in the financial year 2023-24. It will continue to grow by 10 per cent in the future," Sinha said. As per official data, crude steel production was around 145 million tonnes (MnT) in 2023-24 financial year, up from 127 MnT in the last fiscal. Consumption stood at 136 Mnt in the financial year 2023-24, as against 120 MnT in 2022-23.

Business Standard - 09.05.2024

https://www.business-standard.com/india-news/india-s-steel-demand-boom-to-continue-to-grow-at-10-over-next-few-years-124050800445_1.html

Dileep Sanghani elected new IFFCO chairman

Former parliamentarian Dileep Sanghani, who served as a cabinet minister when Narendra Modi was chief minister of Gujarat, was re-elected as chairman of the Indian Farmers Fertiliser Cooperative (IFFCO) for the second consecutive term. Balvir Singh was re-elected as vice-chairman of IFFCO, the world's largest cooperative organisation, for the second consecutive time. Singh is a senior member of the ruling BJP in Uttar Pradesh and has previously served as the state convenor of the BJP cooperative cell and as district president of Shahjahanpur. Similarly, former MP Dilip Sanghani held ministerial positions and headed several departments in the Modi government in Gujarat.

Deccan Herald - 12.05.2024

<https://www.deccanherald.com/business/dileep-sanghani-elected-new-iffco-chairman-3019230>

feel the government should step in with quick remedial measures to ensure a level playing field. In the three months ended March 31, China's exports to India stood at 0.6 mt compared with 0.38 mt in the same period of FY23. In February alone, exports to India rose 24 per cent compared with January, data sourced from BigMint showed. Total steel imports to India stood at 7.76 mt in FY24, up from 5.4 mt in FY23, while imports from China rose to 1.72 mt in FY24 from 0.67 mt in FY23. Industry observers attributed the surge in Chinese exports to India and the rest of the world to its production surplus, which is almost equal to India's steel production.

The Telegraph - 07.05.2024

<https://www.telegraphindia.com/business/india-as-steel-imports-from-china-surge-58-per-cent-in-the-january-march-quarter/cid/2018156>

Subodh Kumar (IAS) join as Director in Ministry of Ayush

Subodh Kumar, an IAS officer of the 2010 batch from the Tamil Nadu cadre, has been appointed as the Director of the Ministry of Ayush. His appointment is effective from the date of assuming charge and is initially until October 8, or until further orders, whichever is earlier. Presently, Kumar is on 'Compulsory wait' in the Ministry of Food Processing Industries. According to an order issued by the Department of Personnel (DoPT) on May 3, Subodh Kumar has been selected for the position. The order directs him to immediately leave his current post at the Ministry of Food Processing Industries and assume a new role at the Ministry of Ayush.

PSU Connect - 09.05.2024

<https://www.psuconnect.in/news/-subodh-kumar--join-as-director-in-ministry-of-ayush/42518>