BUSINESS LINE, Delhi, 5.3.2023
Page No. 6, Size:(7.04)cms X (12.49)cms.

# Bulls gaining traction

## CRUDE CHECK. Oil can advance further

**Akhil Nallamuthu**
bl. research bureau

The manufacturing and services activity in China, the largest oil importer, improved considerably in February. Interestingly, the manufacturing Purchasing Managers' Index (PMI) was recorded at 52.6 for the last month, the highest since April 2012. This aided the crude oil prices to rally last week.

The Brent crude futures on the Intercontinental Exchange (ICE) posted a 3.6 per cent gain as it closed at $85.8 a barrel. Similarly, the MCX crude oil futures (March contract) gained 2.5 per cent and ended the week at ₹6,503 per barrel.

Rumours about the UAE exiting the OPEC spurred the volatility and weighed on the prices. However, this was short lived, and the Chinese data gave the bulls more fire power towards the end of the week.

**MCX-CRUDE OIL (₹6,503)**

The March crude oil futures extended the rally last week after rebounding from the support at ₹6,150 in the previous week. Despite a sharp intraday fall on Friday, the contract made a quick recovery from the low of ₹6,227.

Currently hovering around the important level of ₹6,500, the contract is likely to advance further. However, note that the broad price range of ₹6,000-6,750 is still valid. Therefore, the rally might be capped at the range top.

GETTY IMAGES/ISTOCKPHOTO

If ₹6,750 is breached, we might see a rally towards ₹7,000. But if the contract falls off the range top, we might see it gradually falling towards the support at ₹6,150 or ₹6,000. But before that, we will most probably see a rally to ₹6,750 from the current level.

**Trading strategy:** We had recommended long positions at ₹6,150 with initial stop-loss at ₹5,900. We had suggested to move the stop-loss to ₹6,300 when the contract rises above ₹6,500. But since the breach of ₹6,500 is not decisive, it is better to keep the stop-loss a little wider. That is, for the existing longs, alter the stop-loss to ₹6,200. Book profits at ₹6,700.

# Centre revises windfall taxes on crude oil, ATF & diesel for exports

**FE BUREAU**
New Delhi, March 4

**THE CENTRE HAS** slashed the windfall tax on diesel for exports to ₹0.5 per litre and nil on aviation turbine fuel while it has marginally hiked the levy on domestically produced crude oil, in its latest fortnightly review.

This is the lowest-ever level of windfall tax on diesel meant for exports. The cut on duties on diesel and ATF for exports is the second consecutive reduction. Previously, effective February 16, it had cut the tax on export of ATF to ₹1.50 per litre from ₹6 per litre while the tax on diesel exports was reduced to ₹2.50 per litre (inclusive of cess) from the earlier ₹7.5 per litre.

In its latest notification, the Central Board of Indirect Taxes and Customs has marginally hiked the windfall tax on domestically produced crude oil to ₹4,400 per tonne from the previous ₹4,350 per tonne.

The change in duties will be effective from Saturday, the notification said. The Centre had imposed special additional excise duty of ₹23,250/ tonne on crude and export taxes on petrol, diesel and ATF at ₹6/ litre, ₹13/ litre and ₹6/ litre, respectively from July 1, 2022.

# KV Ramanamurthy joins as head of regional services of Indian Oil in Eastern Region

KV Ramanamurthy has joined as Executive Director (Regional Services), Eastern Regional Office, Indian Oil. A Mechanical Engineer by profession, Mr. KV Ramanamurthy has experience of more than 3 decades in various domains of Indian Oil. He has played a pivotal in setting up state-of-the-art petroleum facilities in Indian Oil across the length and breadth

of the country. During his long and illustrious career, Mr. KV Ramanamurthy has spearheaded multiple projects in Operations Department of Indian Oil with phenomenal success.

The Statesman
PEOPLE'S PARLIAMENT. ALWAYS IN SESSION
Sun, 05 March 2023
https://epaper.thestates

BUSINESS LINE, Delhi, 5.3.2023
Page No. 1, Size:(3.19)cms X (17.85)cms.

INVESTMENT.
FOCUS

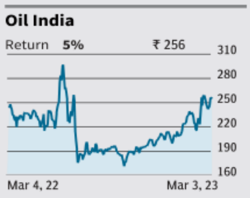
# Oil India: Buy

Nalinakanthi V
bl. research bureau

Investors with a medium-term investment horizon can consider buying the stock of PSU oil producer Oil India Limited. With 69.6 per cent stake in Numaligah Refinery Ltd (NRL), Oil India has achieved forward integration and is strengthening its position as an end-to-end energy player. A consistent dividend payer, the stock looks attractive at the current levels, trading at 3.05 times trailing twelve months earnings and 0.68 times its book value.

We believe the company to be an interesting investment opportunity for five reasons.

First, in the oil exploration business, the company is aug-




menting more blocks to compensate for lower output from existing old blocks, which will help sustain growth.

Second, steady crude prices, despite the windfall tax will help the company's revenue and profits to grow at a healthy pace. Three, trebling of capacity at NRL to 9 million tonnes by 2025 will be the medium-term growth driver.

Four, doubling of domestic gas price in March 2022, to $ 6.1 mmBtu has helped the gas segment's performance and will continue to help overall profitability. Five, attractive valuations for the core business, at the current 0.68 times book, 3.05 times trailing earnings and 7.5 per cent dividend yield is positive.

CRUDE WATCH

# OIL RECOVERS BY $1 PER BARREL

Oil prices recovered from a brief sell-off to gain by more $1 per barrel on Friday and ended the week higher, driven by renewed optimism around demand from top oil importer China. **REUTERS**

The Indian EXPRESS
JOURNALISM OF COURAGE
Sun, 05 March 2023
https://epaper.indianex

STATESMAN, Delhi, 5.3.2023
Page No. 8, Size:(2.92)cms X (6.93)cms.

# Sanjeev Kumar takes over as Indian Oil Executive Director & state head, Bihar and Jharkhand

Sanjeev Kumar Choudhary has taken charge as Executive Director and State Head, Bihar State Office, Indian Oil.

He will also be the State Level Coordinator for Oil Marketing companies of Bihar. He would be spearheading the Marketing activities of the states of Bihar and Jharkhand.

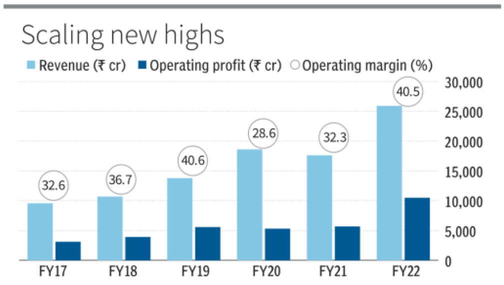
He succeeds Vibhash Kumar who recently superannuated from the services of the Corporation.

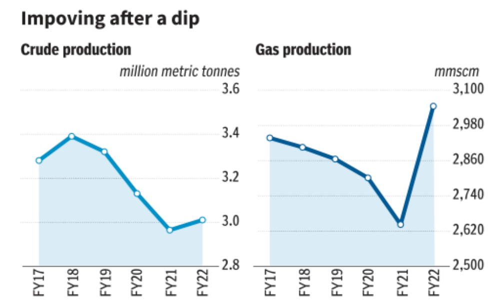
The Statesman
PEOPLE'S PARLIAMENT. ALWAYS IN SESSION
Sun,
http

BUSINESS LINE, Delhi, 5.3.2023
Page No. 5, Size:(17.57)cms X (21.25)cms.

# Well-oiled for growth

**CRUDE.** Five reasons why Oil India is an interesting investment opportunity




**BUY**

**Oil India ₹256.45**

**WHY**

- Improving profitability at gas segment
- Refinery expansion to drive medium-term growth
- Attractive valuation

**Nalinakanthi V**
bl. research bureau

Investors with a medium-term horizon can consider buying the stock of PSU crude oil producer Oil India. With the acquisition of Numaligarh Refinery Ltd (NRL) from BPCL, wherein the company currently holds 69.6 per cent, Oil India has achieved forward-integration.

Steady crude oil prices, increasing gas throughput and higher gas realisation, coupled with expansion at its subsidiary NRL, are expected to drive Oil India's growth over the next 3-5 years. The stock looks attractive at the current levels, trading at 3.05 times TTM earnings and strong dividend yield.

Oil India business consists of three key segments — crude exploration and production (31.6 per cent of 9MFY23 revenue), gas production (9.3 per cent) and refinery through NRL (57.6 per cent). Pipeline transportation, LPG, renewable energy (green hydrogen) — account for the balance.

**POSITIVES**

We believe Oil India is an interesting investment opportunity for five reasons.

First, in the oil exploration business, the company is augmenting more blocks to compensate for lower output from existing old blocks. It has 64 operated acreages in India, which includes 60 onshore blocks across the North-East, Andhra Pradesh, Odisha, and Rajasthan and four offshore blocks, including Krishna Godavari, Andaman, and Kerala Konkan. Outside India, the company operates blocks across seven countries including Russia, with 10 ongoing projects covering 44,300 square kilometres.

The company has identified five fields in the North-East and Rajasthan and infrastructure development has commenced. It has also implemented state-of-the art technologies to increase output from mature fields. With this, the company expects crude output to increase from 3.01 mmt to 3.2 in FY23, 3.4 mmt in FY24 and thereafter to 4 mmt by FY25. On the gas front also, the output is expected to increase from 3,045 million standard cubic metre (mmscm) in FY22 to 4,000 mmscm by FY25.

The second reason for being optimistic is that higher realisation for crude, with the ongoing energy crisis, is positive for the company. Though the Government's imposition of windfall tax has led to moderation of profits, the division's revenue and profits are likely to grow at a healthy pace, should crude remain steady in the $65-80 a barrel range. Even in FY20, when the average crude net realisation dropped to $40.7 a barrel for Oil India, the exploration business' margin remained healthy at 29 per cent; net profit grew 55 per cent to ₹5,005 crore. In FY21, despite Covid impact, the net profit decline was contained at 15 per cent.

Three, the refining business — NRL is expected to triple from the current 3 million tonnes per annum to 9 mn tpa by 2025 and the project is under way. In 3QFY23, at net crude realisation of about $74 a barrel, NRL's gross refining margin was at an impressive $13.5 a barrel. NRL will spend a total of ₹32,000 crore over the next four years, on expansion in refining capacity and other initiatives such as pipeline expansion.

Four, in March 2022, the Government announced increase in the price of gas from domestic sources ,from $2.9 per mmbtu to $6.1 mmbtu, as global crude and gas prices hit the roof. This has helped the gas segment's operating margin swell to an impressive 52 per cent in the 9MFY23 period ( ₹2,030 crore), compared to a loss of ₹540 crore same period last year. With the planned increase in gas volumes over the next two years, and higher realisation, this segment should help the company's overall profitability.

Five, attractive valuations for the core business on a consolidated basis, at the current 0.68 times book and 3.05 TTM earnings, are positive. The dividend yield of 7.5 per cent looks impressive. Further, the company holds about 3.4 per cent stake in Indian Oil Corporation which translates into a per share value of about ₹35 for Oil India.

**STRONG FINANCIALS**

In the 9MFY23, the company reported revenue growth of 50 per cent YoY to ₹32,821 crore. Net profit grew at a robust 88 per cent YoY to ₹7,874 crore. Total debt to equity as of September 2022 remained comfortable at 0.5 times.

**RISKS**

Volatility in crude prices and realisation for downstream products will have a bearing on both the company's oil production and NRL's refining business, and this remains the key risk. On the oil production front, even as the company has been undertaking initiatives to identify new blocks and increase production from old blocks, the depleting reserves from mature blocks is a risk.

BUSINESS LINE, Delhi, 5.3.2023
Page No. 1, Size:(6.23)cms X (9.84)cms.

# Windfall tax on crude raised, lowered on diesel, ATF exports

**Shishir Sinha**
New Delhi

The Finance Ministry has raised the windfall profit tax on domestically-produced crude oil but lowered it on diesel and ATF exports, in line with international oil prices. Also, the Centre has removed the road and infrastructure cess on diesel marked for exports.

Effective March 4, the levy on crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) has been raised to ₹4,400 from ₹4,350 per tonne, a notification issued by the Central Board of Indirect Taxes & Customs (CBIC) said.

**DUTY CUT ON DIESEL**

However, the Ministry has lowered the tax on export of diesel to 50 paise per litre from ₹1 a litre and on overseas shipments of ATF to nil from ₹1.50. The road and infrastructure cess on diesel marked for export has been brought down to nil from ₹1.50 a litre.

India first imposed windfall profit taxes last July, joining a growing number of nations that tax super normal profits of energy companies. At that time, export duty of ₹6 per litre ($12/bbl) each were levied on petrol and ATF and ₹13 a litre ($26/bbl) on diesel. A ₹23,250 per tonne ($40/bbl) windfall profit tax on domestic crude production was also levied.

The tax rates are reviewed every fortnight based on the average oil prices in the previous two weeks.

**FUEL EXPORTERS**

Reliance Industries and Rosneft-backed Nayara Energy are primary exporters of fuel. The government levies a tax on windfall profits from oil producers on any price above a threshold of $75 per barrel.

MILLENNIUM POST, Delhi, 5.3.2023
Page No. 3, Size:(17.90)cms X (14.13)cms.

# Windfall tax on diesel slashed to Rs 0.50 per litre, nil on ATF

MPOST BUREAU

**NEW DELHI**: The government slashed the windfall profit tax on export of diesel to its lowest of Rs 0.50 per litre and nil on jet fuel (ATF) while the levy on domestically produced crude oil was marginally increased, according to an official order.

The levy on crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) has hiked to Rs 4,400 per tonne from Rs 4,350 per tonne, the order dated March 3 said.

Crude oil pumped out of the ground and from below the seabed is refined and converted into fuels like petrol, diesel and Aviation Turbine Fuel (ATF).

The government has also cut the tax on the export of diesel to Rs 0.5 per litre from Rs 2.5, and the same on overseas shipments of ATF was cut to nil from Rs 1.50 a litre. The new tax rates come into effect from March 4, the order said. This is the second reduction in rates in a fortnight. Rates were cut on February 16.

The export levy on diesel and ATF is the lowest since the tax was introduced in July last year. The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks. Continued on P4

## ATF

India first imposed windfall profit taxes on July 1, joining a growing number of nations that tax super normal profits of energy companies. At that time, export duties of Rs 6 per litre ($12 per barrel) each were levied on petrol and ATF and Rs 13 a litre ($26 a barrel) on diesel.

A Rs 23,250 per tonne ($40 per barrel) windfall profit tax on domestic crude production was also levied. The export tax on petrol was scrapped in the very first review. Reliance Industries Ltd, which operates the world's largest single-location oil refinery complex at Jamnagar in Gujarat, and Rosneft-backed Nayara Energy are primary exporters of fuel in the country. The government levies a tax on windfall profits made by oil producers on any price they get above a threshold of $75 per barrel.

The levy on fuel exports is based on cracks or margins that refiners earn on overseas shipments. These margins are primarily a difference between the international oil price realised and the cost.

PIONEER, Delhi, 5.3.2023
Page No. 6, Size:(12.85)cms X (12.71)cms.

# Windfall tax on diesel slashed to ₹0.50 per litre, nil on ATF

PTI ■ NEW DELHI

The Government slashed windfall profit tax on export of diesel to its lowest of ₹0.50 per litre and nil on jet fuel (ATF) while the levy on domestically produced crude oil was marginally increased, according to an official order.

The levy on crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) has hiked to ₹4,400 per tonne from ₹4,350 per tonne, the order dated March 3 said.

Crude oil pumped out of the ground and from below the seabed is refined and converted into fuels like petrol, diesel and aviation turbine fuel (ATF). The Government has also cut the tax on export of diesel to ₹0.5 per litre from ₹2.5, and the same on overseas shipments of ATF was cut to nil from ₹1.50 a litre.

The new tax rates come into effect from March 4, the order said.

This is the second reduction in rates in a fortnight. Rates were cut on February 16.

The export levy on diesel and ATF is the lowest since the tax was introduced in July last year. The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks.

India first imposed windfall profit taxes on July 1, joining a growing number of nations that tax super normal profits of energy companies. At that time, export duties of ₹6 per litre ($12 per barrel) each were levied on petrol and ATF and ₹13 a litre (USD 26 a barrel) on diesel.

A ₹23,250 per tonne ($40 per barrel) windfall profit tax on domestic crude production was also levied.

The export tax on petrol was scrapped in the very first review.

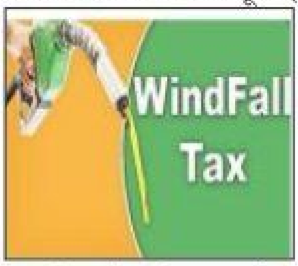
Reliance Industries Ltd, which operates the world's largest single-location oil refinery complex at Jamnagar in Gujarat, and Rosneft-backed Nayara Energy are primary exporters of fuel in the country. The government levies tax on windfall profits made by oil producers on any price they get above a threshold of $75 per barrel.

The levy on fuel exports is based on cracks or margins that refiners earn on overseas shipments. These margins are primarily a difference between the international oil price realised and the cost.

NAVODYA TIMES, Delhi, 5.3.2023
Page No. 12, Size:(4.21)cms X (7.99)cms.

# डीजल और ए.टी.एफ. पर विंडफॉल टैक्स में कटौती

नई दिल्ली, 4 मार्च (एजेंसी): सरकार ने डीजल के निर्यात पर विंडफॉल प्रॉफिट टैक्स घटाकर सबसे कम 0.50 रुपए प्रति लीटर और जैट फ्यूल (ए.टी.एफ.) पर शून्य कर दिया है, जबकि घरेलू स्तर पर उत्पादित कच्चे तेल पर शुल्क में मामूली वृद्धि कर दी गई है। एक आधिकारिक आदेश में इसकी जानकारी दी गई।




3 मार्च को जारी आदेश में कहा गया है कि तेल एवं प्राकृतिक गैस निगम (ओ.एन.जी.सी.) जैसी कंपनियों द्वारा उत्पादित कच्चे तेल पर शुल्क 4,350 रुपए प्रति टन से बढ़ाकर 4,400 रुपए प्रति टन कर दिया गया है।

सरकार ने डीजल के निर्यात पर टैक्स को 2.5 रुपए से घटाकर 0.50 रुपए प्रति लीटर कर दिया है। इसी तरह ए.टी.एफ. के विदेशी शिपमैंट पर टैक्स 1.50 रुपए प्रति लीटर से घटाकर शून्य कर दिया गया है। आदेश में कहा गया है कि टैक्स की नई दरें 4 मार्च से प्रभावी होंगी।

एक पखवाड़े में दरों में यह दूसरी कटौती है। इससे पहले 16 फरवरी को दरों में कटौती की गई थी। डीजल और ए.टी.एफ. पर निर्यात शुल्क पिछले साल जुलाई में कर लागू किए जाने के बाद से सबसे कम है। पिछले दो हफ्तों में तेल की औसत कीमतों के आधार पर हर पखवाड़े में कर दरों की समीक्षा की जाती है।

नवोदय टाईम्स Sun, 05 March 2023
https://epaper.navoday