BUSINESS LINE, Delhi, 10.8.2023
Page No. 10, Size:(2.99)cms X (4.67)cms.

Crude oil rises on tighter supplies

London: Crude oil edged higher on Wednesday as tighter supply arising from output cuts by Saudi Arabia and Russia offset concerns over slow demand from top crude importer China and a report showing rising US crude inventories. Brent crude futures rose 22 cents to $86.39 a barrel by 0806 GMT. US West Texas Intermediate crude gained 19 cents to $83.11.
REUTERS

BUSINESS LINE, Delhi, 10.8.2023
Page No. 11, Size:(9.47)cms X (9.31)cms.

House panel favours transferring petrochem department to MoPNG

Our Bureau
New Delhi

The Parliamentary Standing Committee on petroleum and natural gas has recommended transferring the Department of Petrochemicals back to the Ministry of Petroleum & Natural gas (MoPNG), which will lead to better policy formulation.

The committee felt that transfer of the petrochemicals division from the Ministry of Chemicals & Fertilizers to the MoPNG will benefit both the petroleum and the petrochemicals sectors through better policy formulation and implementation and will help in utilising the synergies between the two sectors. As the refineries need various sanctions, approvals, clearances, etc, it will be better if the departments are under the same Ministry, it added.

In case the proposal is found beneficial, the matter will be taken up with the Cabinet Secretariat for amendment of Allocation of Business Rules of the Government of India.

Recently, ONGC commissioned the largest petrochemical plant of the country at Bharuch, Gujarat. IOCL is also executing several petrochemical projects to increase its present Petrochemical Industry Index of about five per cent to 15 per cent by 2030. PSU refineries under the Ministry of Petroleum and Natural Gas have a considerable internal allocation in addition to extra budgetary resources under the head 'Petrochemicals'.

"The MopNG acknowledges the importance of synergy between Petroleum & Petrochemicals sectors. However, on the issue of transfer of the Petrochemicals division from the Ministry of Chemicals & Fertilizers to the Ministry of Petroleum & Natural Gas, detailed deliberations amongst all the stakeholders are needed," the Oil Ministry said in its response to the committee.

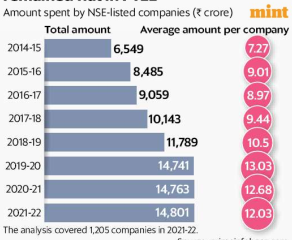
MINT, Delhi, 10.8.2023
Page No. 2, Size:(17.40)cms X (36.15)cms.

How Indian firms spent on CSR in FY22, in charts

BY NITI KIRAN & PAYAL BHATTACHARYA

Indian firms' spending on corporate social responsibility (CSR) remained flat in 2021-22, a new analysis by primeinfobase.com showed. The combined CSR expenditure by 1,205 listed firms required to spend under the law stood at ₹14,801 crore, similar to ₹14,763 crore in 2020-21. This was despite a 6% rise in the net profit benchmark used to decide how much a firm should spend on CSR. However, at an aggregate level, firms have been spending more than they are mandated to since 2019-20, said Pranav Haldea, managing director, Prime Database Group. To be sure, this doesn't mean all firms are doing so.

CSR spends by Indian companies remained flat in FY22



The analysis covered 1,205 companies in 2021-22.

Source: primeinfobase.com

1 CSR Kitty

IN ANY given year, the law requires companies that fall within a set of criteria to spend at least 2% of their average net profit of the preceding three years on CSR projects. This 2% mark for the 1,205 companies that were analysed added up to ₹13,977 crore in 2021-22. The actual spending of ₹14,801 crore was around 6% more. (The data for a bulk of companies for 2022-23 is not yet available.)

The surplus came not only from increased spending, but also from the unspent amounts of previous years that some companies put to use. Yet, not all companies met their mandates: Among companies that didn't, the unspent amount totalled ₹1,225 crore, compared to ₹913 crore in 2020-21.

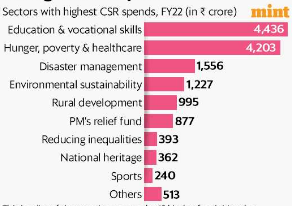
Overall, firms spent nearly 2.01% of their net profit in 2021-22, against 2.13% in 2020-21. On average, each company spent ₹12.03 crore, down from ₹13.03 crore and ₹12.68 crore in 2019-20 and 2020-21, respectively.

2 Pick Your Cause

SIMILAR TO previous years, education-related sectors and healthcare segments continued to find favour with companies. These sectors received close to 60% of the CSR expenditure in 2021-22. This was accompanied by spending on disaster management, which received ₹1,556 crore, and environmental sustainability, with ₹1,227 crore—these two fields had a 10.5% and 8.3% share, respectively, the data showed.

In comparison to 2020-21, spending on national heritage rose the most (27%), followed by a 26% rise in healthcare expenditure and a 25% higher payout towards environment sustainability. Besides, contribution to the Prime Minister's Relief Fund fell the most (48%), followed by spending on armed force veterans (43% decline). Further, nearly 817 firms have disbursed ₹9,365 crore over a three-year period on covid-related relief activities. The sectors are classified as per the provisions of the CSR law, which has 12 scheduled kinds of activities on which firms may spend.

Education-related sectors received the highest CSR spend in FY22



This is a list of the top nine among the 12 kinds of activities that companies may spend on under the CSR law. "Others" also includes spends outside these 12 sectors, such as administrative expenses and impact assessment.

Source: primeinfobase.com

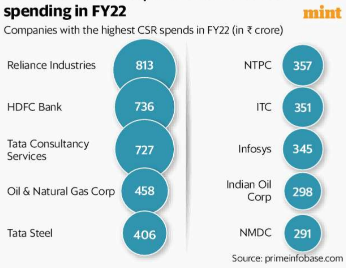
3 Top Spenders

RELIANCE INDUSTRIES Ltd continued to lead the charge by shelling out ₹813 crore. HDFC Bank Ltd took the second spot, with an expenditure of ₹736 crore. The top 10 firms, including four public sector undertakings (PSUs)—Oil and Natural Gas Corp. Ltd, NTPC Ltd, Indian Oil Corp. Ltd, and NMDC Ltd—accounted for almost a third of the total CSR spends.

In terms of spending as a share of net profits, Sundaram Clayton Ltd and Setco Automotive Ltd led the way, giving away over 150% of their three-year average net profit for such activities. Meanwhile, there were 42 firms that contributed to CSR projects despite reporting a loss. (Loss-making firms were not part of the list of 1,205 firms as they were not obligated to spend.)

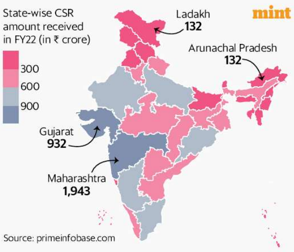
Half of the firms in the analysis saw a rise in their CSR spending. PSUs, however, saw an 8% decline.

Reliance Industries, HDFC Bank led CSR spending in FY22



Source: primeinfobase.com

The country's wealthiest regions received a bulk of the CSR funds



Source: primeinfobase.com

4 State Split

COMPANIES' CSR payouts across states were uneven. The biggest beneficiaries of CSR funds were large and industrialized states, while smaller ones received smaller amounts. Maharashtra, Gujarat, Delhi, Karnataka, Tamil Nadu, Uttar Pradesh, Rajasthan and Andhra Pradesh—some of the biggest state economies—together received nearly 50% of the funds. Maharashtra accounted for 13.4% of the total spends, retaining its top slot from past years. Gujarat had a 6.4% share. Two relatively smaller state economies—Odisha and Jharkhand—also managed to figure in the top 10, with a 5.2% and 3.7% share in funds. Delhi received the biggest jump of ₹366 crore in CSR funding, followed by Odisha and Maharashtra, with a rise of ₹196.9 crore and ₹155.9 crore, respectively. The ones witnessing a major decline included Puducherry, where CSR funds dropped from ₹189.7 crore to ₹127.3 crore, and Lakshadweep with a ₹59.7 crore fall in the absolute amount.

5 Preferred Routes

COMPANIES CARRY out CSR activities either on their own, or through eligible external agencies. Data indicates that a little less than half of the firms used a combination of both means—an external implementing agency and the direct mode—for their CSR spends. Around 29% of the companies spent directly on CSR-related activities, while 20% used an external implementing agency. The remaining 3% did not specify the route chosen by them.

However, in terms of amount spent, the maximum amount was spent through the direct route (₹8,795 crore) which had a 61% share in the total, while the amount spent through engaging external agencies had a 27.2% share. The share of the amount of firms preferring to route their CSR funds through both these modes was just at 6.4% in 2021-22. The ones not specifying the mode again had a minuscule share of 5.7%.

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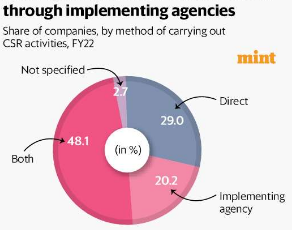
Firms spent on CSR directly as well as through implementing agencies



Data for 1,205 companies.

Source: primeinfobase.com

PARAS JAIN/MINT

BUSINESS LINE, Delhi, 10.8.2023
Page No. 5, Size:(12.71)cms X (14.88)cms.

Importing Russian oil via HK, S'pore may prove a viable option

SLIPPERY COURSE. Traders exploring alternatives as payments in Re, $ turn problematic

Amiti Sen
Abhishek Law
New Delhi

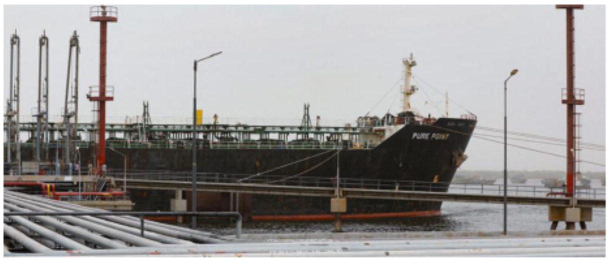
Indian importers are exploring various alternatives to pay for crude from Moscow, including trading via Singapore and Hong Kong, after the price of Russian Ural recently breached the $60 cap fixed by OECD nations. This is because Russia is not ready to accept rupee transactions for oil and US dollars can no longer be used because of Western sanctions kicking in.

"Indian importers of crude from Russia are using yuan and dirham to pay for a small part of their imports as there are various limitations on the use of these two currencies. An important option that importers have now started exploring is trading via Singapore and Hong Kong where one can pay using local currencies as well as yuan," an official tracking the matter said.

RISING OIL IMPORTS

India's crude oil imports from Russia in FY23 increased 14 times to $31.02 billion from $2.2 billion in the previous fiscal. This was because Moscow offered steep discounts to India following economic sanctions imposed on it by the West in response to its attack on Ukraine in February 2022.

As oil & gas, food, medicines and other essentials were kept out of the West's sanctions, which meant that third countries were not stopped from trading in these items with Russia, India paid for the oil in mostly US dollars till recently. However, the G7 had imposed a price cap of $60 per barrel on Russian oil, above which, it said, transactions would attract sanctions.



SURGING IMPORTS. India's crude oil imports from Russia rose 14 times to $31.02 b in FY23 from $2.2 b in the previous fiscal

"Now that prices of Russian crude have started breaching the cap, with a rise in prices and a drop in discount, payments have become a headache for traders," the official said.

Russia is willing to accept yuan in payment, but the Indian government has placed an unofficial diktat against it forbidding oil PSUs to use China's currency. "There is no ban against its use for private traders, but it is being used sparingly because of convertibility issues and the government's stand against it," the official said.

PREFERRED OPTION

Importing Russian crude via trading units in Singapore and Hong Kong is thus emerging as a preferred option as it allows billing for the oil to be done in those countries and Indian importers can then pay not only in Singapore dollar and Hong Kong dollar but also in yuan.

"In fact, oil can be sourced by private traders from, say Singapore, refined and then can be re-sold to oil PSUs here. As the billing would have been done in Singapore, there won't be any problem with that," the official explained. In fact, importers of coal from Russia, too, are now increasingly looking at importing through Singapore and Hong Kong.

"Much of the trading or buying of coal from Russia is now done via Singapore or Hong Kong-based entities and using alternative currencies like Singapore dollars," said an importer of coal from Russia. It is also being explored if Vostro accounts can be used for transacting in Singapore dollars, he added.

India is running a huge trade deficit with Russia, which touched $43 billion in 2022-23, because of increase in its oil imports. While India imported goods worth $49.35 billion, its exports were at $3.14 billion. Because of the imbalance, the rupee payment mechanism, approved by the RBI, has not worked so far.

Rupee trade: India broadens access to 'vostro' accounts

Reuters

India has allowed banks in 22 partner countries, including Russia and the UK, to open "vostro" accounts in the country, the government told Parliament on Tuesday, to help facilitate trade in rupees. The RBI has allowed banks from 22 countries, including Bangladesh, Russia, Germany, Israel, Sri Lanka and UK, among others, Bhagwat Karad, MoS for Finance, said.

Other countries whose banks have been permitted to open accounts are Botswana, Fiji, Guyana, Kazhakstan, Kenya, Malaysia, Maldives, Mauritius, Myanmar, New Zealand, Oman, Belarus, Seychelles, Singapore, Tanzania and Uganda, Karad said.

BUSINESS STANDARD, Delhi, 10.8.2023

Page No. 10, Size:(27.68)cms X (26.68)cms.

L&T, partners to invest up to $4 bn in green hydrogen

Investment to be made over a period of 3-5 yrs

AMRITHA PILLAY

Mumbai, 9 August

Larsen & Toubro (L&T) will aim to invest $3-4 billion in green hydrogen projects, along with its joint venture (JV) partners, said a senior executive from the company. These investments are planned over three to five years, depending on cost economics.

The engineering conglomerate is also in talks to acquire the Nuclear Power Corporation of India's (NPCIL's) share in one of its forging JV companies for a consideration of ₹100-150 crore.

"We are considering investments worth $3-$4 billion in the green hydrogen space, in collaboration with partners," said S N Subrahmanyan, chief executive officer and managing director of the company.

L&T is evaluating green hydrogen in three modes.

First, L&T's planned electrolyser factory at Hazira, which Subrahmanyan stated will involve an investment of ₹500 crore, as the land and factory are already in place.

Furthermore, in 2022, the state-run Indian Oil Corporation (IndianOil), L&T, and renewable energy company ReNew Power announced the establishment of a JV to develop the emerging green hydrogen sector in India.

Additionally, IndianOil and L&T have signed a binding term sheet to form a JV for manufacturing and selling electrolysers used in the production of green hydrogen.

"Our JV with IndianOil and ReNew will establish green hydrogen capacities, and this JV can also create similar capacities for others," he said.

Regarding any anticipated land acquisition for the planned projects, Subrahmanyan added that opportunities for setting up export-oriented facilities might require establishing facilities closer to the port.

"We have already submitted applications for land in some states," he said, without disclosing the specific locations. He also noted that no special fundraising would be necessary for the planned investments over the next three to five years.

GOING GREEN

- L&T is in talks to buy out Nuclear Power Corporation of India's share in one of its forging joint venture companies
- Company is looking at green hydrogen in three modes
- L&T's planned electrolyser factory at Hazira will involve an investment of ₹500 crore
- In 2022, IndianOil, L&T, and ReNew announced a JV to develop nascent green hydrogen sector
- IndianOil and L&T have also signed a binding term sheet to form a JV to manufacture and sell electrolysers used in green hydrogen

Talks to buy out NPCIL stake

L&T Special Steels & Heavy Forgings is a JV between L&T and NPCIL. Subrahmanyan mentioned that L&T intends to purchase NPCIL's share in the JV to repurpose the facilities for non-nuclear orders.

"The plant has incurred a cumulative loss of ₹3,000 crore. We have requested NPCIL to sell its stake to us," he said, estimating the outlay for this stake purchase to be ₹100-150 crore, pending approvals.

Subrahmanyan plans to make the facility profitable within three years by expanding its capacity to cater to defence, steel, chemicals, and orders from other industries.

ECONOMIC TIMES, Delhi, 10.8.2023
Page No. 10, Size:(17.22)cms X (9.41)cms.

L&T, Partners to Invest $4 B in Green Hydrogen Projects

L&T has a JV with Indian Oil & ReNew for its green hydrogen ventures

Kalpana.Pathak
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Mumbai: Engineering major L&T and its green hydrogen joint venture partners—Indian Oil Corporation and ReNew—will invest upto $4 billion (₹32,000 crore) in their green hydrogen businesses over three-five years, CEO & Managing Director, S N Subrahmanyan said Wednesday.

L&T has a joint venture with state-run Indian Oil Corporation and renewable power company ReNew for its green hydrogen ventures.

"We will invest around ₹500 crore in making electrolysers. Also, we have a JV with IOCL and Renew to put up green hydrogen plants. Now that JV can also put up green hydrogen plants beyond IOCL for others, said Subrahmanyan, adding that the investment would be around $4 billion.

"Between the three companies there will be sufficient cash available. L&T will fund this through internal accruals. We may need additional land around the port to transport green hydrogen and ammonia for which we are in talks with state governments," added Subrahmanyan.

This January, L&T signed an agreement with the Norway-based

H2Carrier to develop floating green ammonia projects for industrial-scale applications. In March the company entered into an electrolyser manufacturing binding agreement with McPhy Energy, a France-based leading electrolyser technology and manufacturing company.

Under this partnership, McPhy will grant an exclusive license of its pressurised alkaline electrolyser technology to L&T for manufacturing of electrolysers, including future product upgrades.

L&T is setting up one Gigawatt-scale manufacturing facility for electrolysers based on McPhy technology in India to serve the domestic requirements as well as cater to the other selected geographies.

The company has also set up a four-member think-tank-- L&T Green Energy Council-- comprising global leaders to bolster its commitment to carbon neutrality by 2040 and will be responsible for identifying technology trends in green energy among others.

TO BUY NPCIL'S 26% STAKE IN JV

Subrahmanyan added that L&T has proposed to buy a 26% stake held by its joint venture partner Nuclear Power Corporation of India (NPCIL) in L&T Special Steels and Heavy Forgings, a joint venture between L&T and NPCIL.

INDIAN EXPRESS, Delhi, 10.8.2023
Page No. 2, Size:(5.19)cms X (2.73)cms.

ONGC Energy Maharatna Oil and Natural Gas Corporation (ONGC) has moved up an impressive 32 places to claim the 158th spot in the 2023 edition of the prestigious Fortune Global 500 rankings. It had secured the 190th position in the coveted list in 2022. During the period under review, Fortune considered ONGC Revenue of USD 78,746 Million, up from USD 65,962 Million last year, an impressive growth of 41.6 per cent. ONGC realized USD 91.90 per barrel for crude sold in the domestic market in FY'23 compared to USD 76.62 per barrel in FY'22.

The Indian EXPRESS
JOURNALISM OF COURAGE
Thu, 10 Augu
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ECONOMIC TIMES, Delhi, 10.8.2023
Page No. 14, Size:(14.57)cms X (5.41)cms.

Share of Imported LPG in Cylinders Rises

Sanjeev.Choudhary@timesgroup.com

New Delhi: Nearly two out of three cooking gas cylinders used by Indian households are filled with imported liquefied petroleum gas (LPG), up from one out of two in 2016-17 as more homes have shifted to the cleaner fuel and local production growth has lagged the demand.

India's LPG import dependence jumped to 64% in 2022-23 from 49% six years earlier as cooking gas consumption expanded 32% while domestic production went up only 14%, according to the petroleum and natural gas ministry data.

Industry executives say the import dependence curve may soon plateau as local demand is unlikely to increase much in the years to come, with no significant customer addition expected and a big section of the existing customer base likely to shift to piped natural gas (PNG).

India's domestic LPG customer base has more than doubled in a decade to 314 million and very few households are left without a gas connection thanks to an aggressive campaign by the government.

New customers, many of whom are from the economically weaker sections of society, however, consume far less gas on average than the economically better-off customers. With income growth, their consumption is likely to increase, which can push up the overall demand.

But that may get offset by the ambitious government plan to take piped natural gas (PNG) to homes across the country, said an industry executive. The government has awarded licences for PNG distribution to most parts of the country and is making available cheaper domestic natural gas for use in kitchens.

BUSINESS LINE, Delhi, 10.8.2023
Page No. 10, Size:(9.47)cms X (7.73)cms.

Stay out of natural gas contract

Gurumurthy K
bl. research bureau

Natural gas prices have been moving up since the start of this week. The natural gas futures contract on the Multi Commodity Exchange (MCX) has risen breaking the resistance at

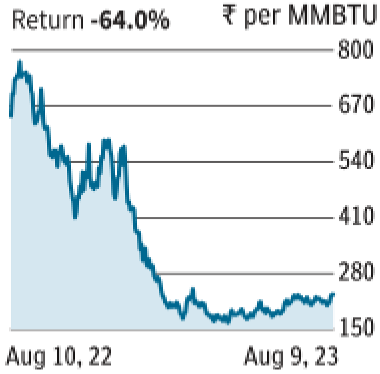
COMMODITY CALL.

₹227 per mmBtu sideways range on the upside. The contract is currently trading at ₹231.

OUTLOOK

Immediate resistance is at ₹233. This level of ₹233 is an important medium-term trendline resistance. The

MCX Natural gas



natural gas futures contract has to breach this hurdle to move further higher. Such a break can take the contract up to ₹250 over the next couple of weeks.

On the other hand, if the contract fails to break above ₹233 and turns down it can come under selling pressure. In that case, a fall to ₹220-217 can be seen. It will also keep the contract under pressure to see a steep fall to ₹205 and even ₹200 eventually in the coming weeks.

From a slightly larger picture, the natural gas futures has been range-bound between ₹200 and ₹235 since mid-June. So, a reversal from around ₹233 will keep the broader sideways range intact. As such, the price action around ₹233 will need a very close watch this week.

TRADE STRATEGY

Since ₹233 is a crucial resistance, we suggest traders to stay out of the market for some time. Watch what is happening around ₹233 and then trades can be taken accordingly.

TERM CONTRACT — ONGC

ONGC has entered into a term contract with BPCL for the sale of crude oil from the Mumbai region, cementing the strong partnership between the two esteemed companies. The signing ceremony took place at ONGC NBP Green Heights, Mumbai, between ONGC ED- Chief Marketing Sanjay Kumar, & BPCL ED (IT) Manoj Heda, in the presence of ED-Western Offshore C Mathavan, Asset Managers of Mumbai region, Plant Manager-Uran & ED-Chief Commercial. The historic contract comes after the GOI's decision to grant marketing & pricing freedom for domestic crude oil, replacing the previous allocation mechanism. ONGC has swiftly adapted to the new regime & successfully initiated the first-ever e-auction of Mumbai Offshore crude oil. BPCL Mumbai refinery has a longstanding association with ONGC, processing their crude oil since 1976.

FREE PRESS JOURNAL, Mumbai, 10.8.2023
Page No. 8, Size:(6.93)cms X (5.86)cms.

US EIA raises 2023 crude oil price estimate on tight global supply

INFORMIST / Mumbai

The US Energy Information Administration has revised upward its forecast for crude oil prices this year as it expects global inventory and supply to tighten. Brent crude oil price is now seen averaging $82.62 per barrel in 2023, against the estimate of $79.34 per bbl in July, the agency said in its 'Short-Term Energy Outlook'.

The agency expects West Texas Intermediate crude oil price to average $77.79 a bbl this year, against the previous estimate of $74.43.

In 2024, the agency sees Brent crude prices averaging $86 a bbl because of extended voluntary production cuts by Saudi Arabia and expectations of higher global demand. This will continue to reduce global oil inventories and put upward pressure on oil prices.

The agency expects global oil inventories to transition from a period of inventory builds in first half of 2023 to inventory draws through the end of the year, which will put upward pressure on global oil prices.

"Rising global oil production in 2024 in our forecast keeps pace with oil demand and puts moderate downward pressure on crude oil prices beginning in the second quarter (Apr-Jun) of 2024," the agency said in the report. It expects crude oil prices to begin to ease in the second quarter of 2024 as supply growth leads to some rebuilding of global inventories later in 2024.

The agency has raised its forecast for oil production in the US this year to 1.3 mln bpd and by 500,000 bpd in 2024.

RASHTRIYA SAHARA, Delhi, 10.8.2023
Page No. 13, Size:(4.82)cms X (8.31)cms.

आयल इंडिया का लाभ बढ़ा

नई दिल्ली। सार्वजनिक क्षेत्र की आयल इंडिया लि. का शुद्ध लाभ चालू वित्त वर्ष की अप्रैल-जून की पहली तिमाही में चार प्रतिशत बढ़कर 1,613.34 करोड़ रुपए पर पहुंच गया है। कंपनी ने मंगलवार को एक बयान में यह जानकारी दी। एक साल पहले 2022-23 की इसी तिमाही में कंपनी ने 1,555.49 करोड़ रुपए का शुद्ध लाभ कमाया था। आयल इंडिया को प्रत्येक एक बैरल कच्चे तेल के लिए 76.85 डालर मिले जो पिछले साल 112.73 डालर प्रति बैरल था। कंपनी का कारोबार जून तिमाही में घटकर 4,644.73 करोड़ रुपए रहा जो एक साल पहले इसी तिमाही में 5,964 करोड़ रुपए था।