ECONOMIC TIMES, Delhi, 16.8.2023
Page No. 7, Size:(9.09)cms X (12.91)cms.

PNG SALES UP 11% DURING THE PERIOD

CNG Sales Volume Grows 51% in 6 Months to March

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New Delhi: City gas companies have grown their super-profitable CNG sales volume at a faster rate in the past two years than the less profitable segment of gas supplies meant for homes.

City gas distributors sold 19.4 million metric standard cubic meters a day (mmscmd) of CNG in six months to March 2023, up 51% from October 2020 to March 2021 period, oil ministry data showed. In the same period, the sale of piped natural gas (PNG) meant for cooking at home rose 11% to 2.9 mmscmd.

Sales to commercial customers that includes hotels and malls, dropped 25% to 0.7 mmscmd, while those to industries fell 38% to 10.3 mmscmd as high imported gas prices forced them to switch to alternative fuels.

As a result, the share of CNG in city gas distributors' overall sales sharply increased to 58% in two years from 39% in the six months to March 2021. The share of sales to industrial customers fell from 50% to 30%. The share of sales to households, or domestic PNG, rose marginally to 8.7% from 8%.

City gas companies get price-controlled domestic natural gas, which they can sell at market rates as CNG and domestic PNG. They are mostly monopolies in their licensed areas, giving them pricing power and fat margins. CNG and domestic PNG prices are mainly influenced by the rates of alternative fuels such as petrol and LPG cylinders. Petrol is heavily taxed and mostly moves in line with international prices, while CNG and domestic PNG are very lightly taxed.

At March-end, the number of CNG stations in the country was 5,665, up 83% in two years. Domestic PNG customers expanded by 41% to 1.1 crore in the same period. Delhi is the largest market for CNG, while Gujarat is the largest market for domestic, commercial, and industrial customers of natural gas.

City gas distributors mostly import liquefied natural gas (LNG) to supply commercial and industrial customers. Extraordinarily high prices of natural gas in international markets in the past two years forced industrial and commercial customers to switch to alternative liquid fuels such as LPG and fuel oil.

India's LNG imports fell to 19.9 million metric tonnes (mmt) in the last fiscal year, down 22% from 25.6 mmt in 2019-20.

Expansion of CNG stations across the country, increased availability of CNG cars, and high petrol prices have combined to boost CNG sales in the country, an industry executive said.

ECONOMIC TIMES, Delhi, 16.8.2023
Page No. 5, Size:(7.43)cms X (13.33)cms.

Crude Oil Prices Slip as China sours Sentiment

Reuters

London: Oil prices edged lower on Tuesday on sluggish Chinese economic figures coupled with fears that Beijing's unexpected cut in key policy rates was not sufficiently substantial to rejuvenate the country's sputtering post-pandemic recovery.

Brent crude futures dipped 54 cents to $85.67 a barrel while U.S. West Texas Intermediate crude fell 74 cents to $81.77. Both benchmarks lost more than $1 earlier in the session.

Brent crude futures dipped 54 cents to $85.67 a barrel

Supply cuts by Saudi Arabia and Russia, part of the OPEC+ group comprising the Organization of the Petroleum Exporting Countries (OPEC) and allies, have helped to galvanise a rally in prices over the past seven weeks. However, China's industrial output and retail sales data on Tuesday showed the economy slowed further last month, intensifying pressure on already faltering growth and prompting authorities to cut key policy rates to bolster economic activity.

When the oil market appears to be comfortable, it is often the case that China is the number one fire douser, throwing a wet blanket over those dreaming of prices north of $90, said John Evans of oil broker PVM.

China's central bank made a marginal cut to interest rates after data that highlighted intensifying pressure on the economy, mainly from the property sector, though analysts say the cut was too small to make a meaningful difference. There are concerns China could struggle to meet its growth target of about 5% for the year without more fiscal stimulus. On Tuesday Barclays cut its forecast for China's 2023 growth in gross domestic product to 4.5%, citing a faster than expected deterioration in the housing market.

On a brighter note, the world's biggest oil importer's refinery throughput in July rose 17.4% from a year earlier as refiners kept output elevated to meet demand for domestic summer travel and to cash in on high regional profit margins by exporting fuel.

Yet sentiment on China is souring, said PVM's Evans, adding that markets are becoming bored of the "tepid stimulus" from officials who keep talking big but fail to deliver.

ECONOMIC TIMES, Delhi, 16.8.2023
Page No. 1, Size:(8.07)cms X (14.98)cms.

COMPANIES REJIG FOCUS ON SECTORS

CSR Spending Goes Greener; Health Gets Highest Dose

Cost and Effect

TOP SPENDERS (In ₹ crore, FY22)

RIL	812
HDFC	723
TCS	720
ONGC	436
NTPC	357

Source: MCA

CSR EXPENDITURE (IN ₹ CR)

	FY20	FY21	FY22
Health	6,841	9,276	9,987
Education	9,635	8,559	8,382
Environment	1,805	1,337	2,837
Rural Growth	2,301	1,851	1,801
Total Spending	24,966	26,211	25,933

Note: Spending under broad categories, including allied areas

More than two-fold jump in spending on environment projects in FY22

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New Delhi: India Inc. is reprioritising its spending under corporate social responsibility (CSR) obligations. As the focus on sustainability gathered traction, CSR expenditure on the environment more than doubled in FY22 from a year before to ₹2,837 crore and the sector emerged as the biggest recipient of such funds after health and education. Similarly, the pandemic prompted companies to sharply raise spending on health, which has now beaten education as the top sector for CSR expenditure.

Spending on health stood at ₹9,987 crore in FY22, against ₹8,382 crore on education, according to an ET analysis of the latest segregated (provisional) data by the Ministry of Corporate Affairs (MCA).

Health also includes initiatives on hunger, poverty and malnutrition, safe drinking water and sanitation

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Infy Top Spender on Environment ▸▸ 7

ECONOMIC TIMES, Delhi, 16.8.2023
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Infosys Top Spender on Environment

▸▸ From Page 1

Total CSR expenditure in FY22 stood at ₹25,933 crore, a tad lower than ₹26,211 crore in the previous year, mirroring a decline in corporate profitability. As many as 18,623 companies spent the CSR funds on 42,440 projects across 14 broad development sectors in FY22, the data showed.

With an expenditure of ₹157 crore in FY22, Infosys was the top spender in the environment category, followed by ITC (₹151 crore), Indian Oil Corp. (₹56 crore), IndusInd Bank (just over ₹51 crore) and Wipro (₹51 crore).

Although the environment category includes animal welfare and conservation of resources, environmental sustainability made up over 83% of the CSR spending in this category in FY22.

Tata Consultancy Services (TCS) was the largest spender in the health category with an expenditure of ₹704 crore in FY22, followed by Reliance Industries (₹576 crore), Reliance Jio Infocomm (₹162 crore), SPL Infrastructure (₹146 crore) and Tata Sons (₹124 crore).

In education, ONGC was the top spender (₹213 crore) in FY22, followed by Reliance Industries (₹203 crore), HDFC Bank (₹186 crore), Khandelwal Edible Oils (₹166 crore) and Wipro (₹164 crore).

Overall, Reliance Industries led the pack of CSR spenders in FY22 with a total expenditure of ₹812 crore, followed by HDFC Bank (₹723 crore), TCS (₹720 crore), ONGC (₹436 crore) and NTPC (₹357 crore). State-run companies accounted for 17% (₹4,313 crore) of the total CSR spending in FY22.

According to rules, companies of a certain size are required to spend, annually, at least 2% of their average net profit made in the previous three financial years on stipulated social initiatives.

MAHARASHTRA KARNATAKA BIGGEST GAINERS

Maharashtra, Karnataka, Gujarat, Tamil Nadu and Uttar Pradesh were the biggest gainers and made up over 43% of the total CSR spending in FY22. Given the vast number of corporate entities it houses, Maharashtra alone accounted for Rs 5,229 crore, or a fifth of the total expenditure in FY22.

As many as 10,443 companies spent more than the prescribed amount of profit in CSR activities and 1,186 made the stipulated amount of expenditure in FY22, the official data showed. However, 3,929 companies made zero expenditure and 3,065 spent less than the stipulated amount.

The violation of CSR norms by a company attracts fines ranging from Rs 50,000 to Rs 25 lakh. The defaulting officers of the company will also be liable for imprisonment up to three years and/or fines ranging from Rs 50,000 to Rs 5 lakh.

INDIAN EXPRESS, Delhi, 16.8.2023
Page No. 6, Size:(13.16)cms X (6.84)cms.

Gadkari: Open to many technologies in vehicle platforms

SOUMYARENDRA BARIK
& ANIL SASI
NEW DELHI, AUGUST 15

THE GOVERNMENT IS open to fostering multiple technologies when it comes to new and emergent vehicle platforms, said Nitin Gadkari, Union Minister of Road Transport and Highways.

The Centre's approach is focussed on harnessing and adapting different platforms based on their suitability in India with the twin objectives of cutting down on emissions and lowering fuel imports, he told *The Indian Express*.

Currently, upfront tax incentives are largely limited to mainly one technological platform — battery electric vehicles or BEVs — even though other technologies such as hybrids get incentives under the Centre's flagship FAME subsidy scheme. But vehicle manufacturers maintain that a technology-agnostic approach which spells out emission objectives manufacturers have to meet, irrespective of technology, might be beneficial.

"Multiple technologies (are needed), region to region, district to district, we need to have a different type of policy," Gadkari said. In a pilot project that was carried out for three months, mixing of 15-20 per cent methanol in diesel proved to be a big success, he pointed out. "We are looking to expand it throughout Karnataka since it is very cost effective compared to just diesel and also far less polluting...

Assam Petroleum has about

Nitin Gadkari, Road Transport, Highways Minister

600 tonnes of methanol. In Mohali, refineries are making methanol using bamboo, and I have advised them to supply 20 per cent ethanol blended fuel to countries like Bangladesh, which can in turn give a big boost to bamboo cultivation in the North East region..."

"Similarly, rice straw is being used to produce bio-CNG and bio-LNG (liquefied natural gas). For trucks and buses, it will be far cheaper to use this LNG... Burning rice straw is a big issue in states like Punjab, Haryana and Uttar Pradesh and we can plan around 300-400 such plants in these states to convert rice straw into bio-CNG and bio-LNG. It can be used for tractors, buses and trucks," he said.

The arguments against solely focusing on just one platform -- BEVs -- have multiple triggers. For instance, the BEV experience across all markets, from Norway, to the US and China, show that the electric push works only if it is backed by state subsidies. The problem with this overt subsidisation of EVs, especially in the context of a developing nation such as India, is that much of this subsidy, especially the one offered as tax breaks for cars, ends up in the hands of the middle or upper middle class – the typical buye of battery electric four-wheele

Then there is the issue of d veloping the charging netwo and of the source of electricity ge eration. In several countries th have gone in for an EV push, mu of the electricity is generated fro renewables — in Norway for e ample, it is 99 per cent from hydr electric power. In India, despite concerted renewable push, t grid is still fed largely by coal-fir thermal plants. Unless the gene ation mix changes significant there would be an issue with u ing fossil-fuel generation to pow EVs. So, theoretically, while t tailpipe emissions by cars mig not be polluting the cities whe they are being driven, the poll tion is still happening wherev the thermal plant is running.

HINDU, Delhi, 16.8.2023
Page No. 14, Size:(2.99)cms X (8.59)cms.

Govt. raises windfall tax on crude, ATF, diesel export

Press Trust of India
NEW DELHI

The Centre has raised the windfall profit tax on domestic crude oil and on export of diesel, while bringing back the levy on overseas shipments of ATF.

The tax, levied as special additional excise duty (SAED), on domestic crude has been raised to ₹7,100 a tonne from ₹4,250, according to a notification.

Also, the SAED on export of diesel has been raised to ₹5.50 a litre from ₹1. A duty of ₹2 a litre will be imposed on export of ATF from August 15.

BUSINESS LINE, Chennai, 16.8.2023
Page No. 3, Size:(9.47)cms X (5.07)cms.

In a first, govt pays UAE in ₹ for crude oil

Reuters

India and the United Arab Emirates have started settling bilateral trade in local currencies with India's top refiner making payment in rupees for purchase of a million barrels of oil from the Middle Eastern nation, the Central government said on Monday.

Indian Oil Corp made payment to Abu Dhabi National Oil Company (ADNOC), according to a statement issued by the Indian embassy in UAE.

The transaction comes after one involving the sale of 25 kg gold from a UAE gold exporter to a buyer in India at about $1.54 million.

JUNKS DOLLAR

India in July signed an agreement with the UAE allowing it to settle trade in rupees instead of dollars, boosting India's efforts to cut transaction costs by eliminating dollar conversions.

During a visit byPrime Minister Narendra Modi to the UAE, the two countries also agreed to set up a real-time payment link to facilitate easier cross-border money transfers. Bilateral trade between India and UAE was $84.5 billion in 2022/23.

India is keen to push similar local currency arrangements with other countries, as it looks to boost exports amid slowing global trade.

BUSINESS LINE, Mumbai, 16.8.2023
Page No. 3, Size:(9.47)cms X (5.07)cms.

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BUSINESS LINE, Delhi, 16.8.2023
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ASIAN AGE, Delhi, 16.8.2023
Page No. 7, Size:(2.34)cms X (14.68)cms.

No let-up in demand for crude oil

New york, Aug. 15: To judge by the energy industry's most trusted forecasters, consumption of crude oil is blasting ahead with no peak in sight.

Usage will rise to a record 102.2 million barrels a day this year, the International Energy Agency said on Friday. It will still be climbing at a brisk pace when it hits 105.7 mb/d at the end of the IEA's current five-year forecast in 2028. Demand for oil will rise by about 16 quads, or roughly 7.5 mb/d, between 2021 and a peak in 2040, according to Exxon Mobil Corp.'s latest energy outlook.

That's hard to square with the picture on the ground. Saudi Arabia said earlier this month that it would extend its 2 mb/d production cuts into September and consider deepening them further. China's gasoline demand will peak this year, two years earlier than expected, thanks to the rapid uptake of electric vehicles, said an official with China National Petroleum Corp. The country's overall oil demand may have peaked in the second quarter this year, dashing expectations of surging imports toward the end of 2023.

The disconnect makes far more sense if you consider just how slippery that term "oil" can be.

A century ago, it was simple. A refiner would buy barrels of viscous black liquid drilled from the ground — crude oil — and process it into fuel for engines and boilers. If you counted the barrels leaving refineries and made a few adjustments, you had a decent proxy for "oil demand."

That's changed. Though we still count "oil demand" in roughly the same way, biofuels, plus a suite of volatile chemicals from gas wells (known as natural gas liquids or NGLs), now constitute nearly a fifth of the feedstock for the world's oil processors. That shift explains the disconnect. — *Bloomberg*

MINT, Delhi, 16.8.2023
Page No. 2, Size:(14.99)cms X (13.97)cms.

Oil imports from Russia up nearly 3-fold

Rituraj Baruah &
Ravi Dutta Mishra

NEW DELHI

Crude oil imports from Russia rose nearly three-fold in the first quarter of this fiscal compared to the same period of FY23, according to government data.

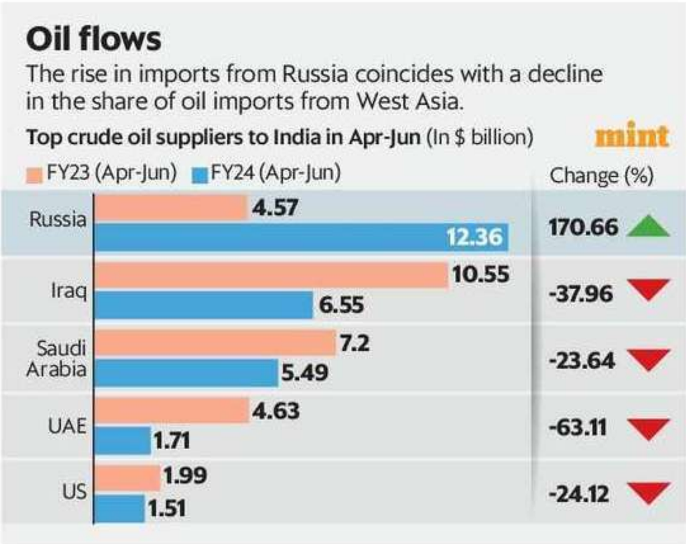
Oil imports from Russia during the three months to June stood at $12.36 billion, 170.66% higher on a year-on-year basis.

During the same period last fiscal, the imports stood at $4.57 billion, showed data from the ministry of commerce and industry.

The rise in imports from Russia coincides a decline in the share of oil imports from West Asia.

The value of imports from Iraq, which has traditionally been the top supplier to India declined 37.96% to $6.55 billion from $10.55 billion during Q1FY23. Imports from Saudi Arabia declined 23.64% to $5.49 billion while those from the UAE slumped 63.11% to $1.71 billion.

During the same period last year, Iraq was India's top source of crude oil.



India has raised its imports from Russia since last year as the country offered discounted oil amid sanctions from the West in reprisal for its invasion of Ukraine.

In FY22, Russian oil accounted for only 2% of India's total oil imports; in FY23, it made up around one-fourth of the 235.52 million tonnes of crude oil imported by India.

Total oil imports rose by nearly 11% in FY23 from 212.28 mt in the previous fiscal.

India has raised its imports from Russia since last year as the country offered discounted oil

The imports from Russia continue to increase in this fiscal although discounts offered by Russia have shrunk in the past few months.

The rise in imports from Russia also comes at a time when Russia has announced a cut in production by 50,000 barrel per day starting this month.

The war created volatility in the global energy market with prices surging to $130 per barrel last year.

They have however declined from the multi-year highs.

Post the announcement of voluntary cuts by Russia and Saudi Arabia, the market has witnessed some volatility of late, with the October contract of Brent crude on the Intercontinental Exchange at $85.28 per barrel, lower by 1.08% from its previous close.

Data from the Petroleum Planning and Analysis Cell (PPAC) showed that as of 11 August, the price of the crude basket in India stood at $88.03 per barrel. Although Russian oil now accounts for a significant part of India's total crude import basket, the lower cost of imports is yet to be reflected in the basket because the basket does not include Russian crude. In another development, Russia plans to raise the export levy paid by its oil producers in September to the highest level this year, in a bid to boost state coffers as the price of the nation's crude surges. Moscow plans to increase the oil export duty to $21.40 per tonne next month, up by more than a quarter from August, according to a government notification. That equates to around $2.92 a barrel.

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The final deal for Fortum's Indian solar projects totalling 185MW may have an equity value of around $130 million.. BLOOMBERG

ONGC, 4 others vie for Fortum projects

Utpal Bhaskar
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NEW DELHI

Oil and Natural Gas Corp. Ltd (ONGC) is in the fray for Finnish state-run power utility Fortum Oyj's Indian solar projects totalling 185 megawatts (MW), two people familiar with the matter said, adding that the deal may have an equity value of around $130 million.

Others in the race include Malaysia's state-run oil and gas company, Petronas unit Gentari Sdn Bhd, Singapore's Sembcorp Industries Ltd, Edelweiss Infrastructure Yield Plus Fund's Sekura Energy Ltd, and private equity firm Actis Llp.

The five bidders were shortlisted from 11 non-binding offers that were submitted, the people said on condition of anonymity.

Kotak Investment Banking is managing the transaction, which is estimated at an enterprise value of around $200 million. The deal has seen significant interest since buyers of power from these projects having AA+ rating include state-run entities such as Solar Energy Corp. of India Ltd, NTPC Ltd and NTPC Vidyut Vyapar Nigam Ltd.

Global oil companies such as energy giant Shell Plc, TotalEnergies, Thailand's PTT Group, and now Petronas have already established a presence in India's green energy sector

TURN TO PAGE 6

MINT, Delhi, 16.8.2023
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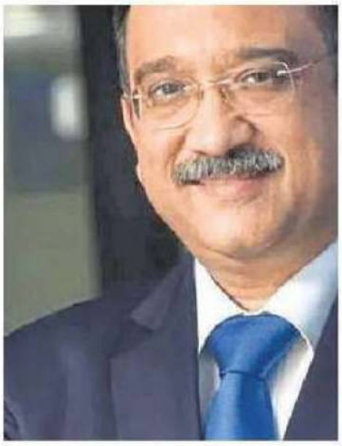
ONGC, 4 others vie for Fortum projects

FROM PAGE 1

at a time of disruption in the conventional hydrocarbon space. ONGC, on its part, plans to spend ₹1 trillion on green initiatives by 2030 to help achieve net-zero emissions by 2038. ONGC has a renewable energy portfolio of 189MW and plans to ramp it up to 10 gigawatts (GW) by 2030.

"The sale process has entered the second phase with shortlisted bidders doing due diligence," said one of the two people cited above.

Sanjay Aggarwal, the president of Fortum India Pvt. Ltd, declined to comment. Spokespeople for Kotak Investment Banking, ONGC, Petronas, Gentari, Sembcorp, and Edelweiss did not respond to queries emailed on Sunday afternoon.



Sanjay Aggarwal, president, Fortum India.

An Actis spokesperson declined to comment.

The stake sale is part of Fortum's strategy to take risks early on and eventually monetize projects to raise capital for new ventures.

Fortum, the third-largest Nordic utility, has 1GW capacity under development in India. It is also building a bio-ethanol plant at Numaligarh Refinery in Assam, waste to energy and charging stations for electric vehicles.

India's green energy space has been abuzz. Last month, ReNew Energy Global Plc announced an equal joint venture with Gentari to develop 5GW capacit wherein Gentari Renewabl India Pte. Ltd will have a 50 equity stake in Nasdaq-liste ReNew's utility-scale 5G renewable energy portfol comprising solar, wind ar energy storage projects.

"ONGC is in advance stage of crafting collabor tions with leading players the energy space on variou low-carbon energy opportu nities, including renewable green hydrogen, gree ammonia and other deriv tives of green hydrogen ONGC said in a statement c Tuesday, adding that it planning to set up two gree field O2C plants in India.

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A final deal for Fortum's Indian solar projects totalling 185MW may be struck at an equity value of around $130 million. AFP

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Global oil companies such as energy giant Shell Plc, TotalEnergies, Thailand's PTT Group, and now Petronas have already established a presence in India's green energy sector at a time of disruption in the conventional hydrocarbon space. ONGC, on its part, plans to spend ₹1 lakh crore on green initiatives by 2030 to help achieve net-zero emissions by 2038. ONGC has a renewable energy portfolio of 189MW and plans to ramp it up to 10 gigawatts (GW) by 2030.

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"ONGC is in advanced stage of crafting collaborations with leading players in the energy space on various low-carbon energy opportunities, including renewables, green hydrogen, green ammonia and other derivatives of green hydrogen," ONGC said in a statement on Tuesday, adding that it is planning to set up two green-field O2C plants in India. "ONGC is charting a roadmap for opportunities in renewable energy and low-carbon sectors," the statement said and added, "With each step forward, its discourse and actions will align more with that of an 'energy' company rather than solely an oil and gas explorer and producer."

Actis, which invests only in emerging markets, has so far committed $2.1 billion for the Indian market and now has its third clean energy firm Blupine Energy in the sector after selling Sprng Energy and Ostro Energy to Shell Plc and ReNew Power Ventures, respectively. Singapore's Sembcorp Industries Ltd is also active in the space and is in talks to buy clean energy projects totalling 1.1 GW from ReNew Energy Global Plc at an enterprise value of around $1.2 billion for which Ahmedabad-based Torrent Power also submitted a non-binding offer, Mint reported earlier.

Earlier, Sembcorp Green Infra Ltd (SGIL) bought US private equity firm Global Infrastructure Partners' India Infrastructure Fund II's stake in Vector Green Energy Pvt. Ltd at an equity value of S$474 million ($345 million). Singapore Exchange-listed Sembcorp through SGIL has a 1.051GW wind energy capacity in India.

BUSINESS LINE, Delhi, 16.8.2023
Page No. 3, Size:(15.95)cms X (9.31)cms.

Russian crude oil imports to decelerate in Aug-Sept

Rishi Ranjan Kala
New Delhi

Crude oil shipments from India's largest supplier have started to decelerate in the current month, which will continue in September as refiners in Russia increased runs coupled with voluntary cuts for both the months.

However, the October-December quarter is likely to witness higher cargoes — 12-15 per cent (against August-September) — by the world's third largest crude oil importer as Russia goes into seasonal refinery maintenance in autumn (second half of September) and continued uncertainty over China's economic recovery.

Energy intelligence firm Kpler expects volumes to hover at 1.6 million barrels per day (mb/d) in August and September 2023. "Imports are likely to average at 1.58-1.62 mb/d for August and September. In Q4 (2023), if Chinese inventories don't deplete from record levels and economic recovery is delayed, it will import less, which would mean Indian imports from Russia will be higher, averaging at 1.8-1.9 mb/d by 2023-end," a trade source projected.


Q4 2023 is likely to witness stable volumes as Russia goes into seasonal refinery maintenance in autumn

China's crude imports are expected to fall back from near-record highs (June 2023), amid ample inventories, dwindling quotas, and uncertainties regarding the pace of recovery in oil demand, OPEC said in its monthly oil market report for August.

CHANGING TAX REGIMES

Kpler's Lead Analyst (Dirty Products and Refining) Andon Pavlov told *businessline*, "Indeed, we are seeing some solid evidence that Russian refiners are ramping up runs in August, possibly keeping them somewhat elevated over early September."

For the most part, this has to do with an impending change to Russia's tax regime, which will slash a part of the state subsidy for domestic refiners for selling transportation fuels to the domestic market, instead of exporting it, he explained.

"This, and the looming maintenance in September, tell us that refinery runs (i.e. crude demand at home), are at a multi-month high level in Russia currently. This is also a factor behind the observed cuts in Russian crude exports. As for September, this is the first month of Russia's seasonal autumn maintenance, so we expect a gradual increase in crude exports, in line with the easing of export curbs that Russia has recently announced," Pavlov added.

On expectations of crude oil cargoes appreciating in October-December 2023, he said "Yes, the lacklustre outlook for Russian refining leaves little options for domestic crude exporters but to look for exports elsewhere, so Q4 looks like a period when we will be seeing stable if not higher volumes of Russian crude deliveries to India. Of course, to a degree, this is also contingent on Chinese buying, but so far, things look a bit unclear on that front."

PRICE CAP

Asked whether Urals breaching the G7 price cap and depleting Russian discounts ($6-8 per barrel) will impact India's volumes, he said "Indeed, while margins have taken a beating, they are still attractive. But it's not just crude that both countries are interested in trading. For instance, the Jamnagar refinery has been very active in buying Russian discounted VGO recently, probably amid a looming primary unit maintenance there (Russia) in September."

So, as long as the deal works for all sides (it probably will remain lucrative enough, to keep flows in place), there is no reason to expect a change, Pavlov emphasised.

BUSINESS LINE, Delhi, 16.8.2023
Page No. 3, Size:(2.99)cms X (4.27)cms.

Windfall gains tax on diesel, jet fuel hiked

New Delhi: The Finance Ministry has notified raising windfall gain tax on domestically produced crude and export bound diesel while reimposing it on jet fuel. The levy on domestically produced crude will increase to ₹7,100 a tonne from ₹4,250/tonne, export-bound diesel to ₹5.50 from 1 per litre. For export-bound jet fuel, it will be ₹2 per litre. OUR BUREAU

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Windfall profit tax on domestic crude oil raised by 67%

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The government has also hiked the levy on exports of diesel to ₹5.50 per litre.

NEW DELHI: The windfall profit tax on domestically produced crude oil has been raised by 67% to ₹7,100 per tonne from Tuesday because of a spike in global prices due to a supply squeeze by oil producers, a government notification said. The rates are revised every fortnight.

The government has also hiked the levy on exports of diesel to ₹5.50 per litre from ₹1 a litre, and reintroduced the tax on aviation turbine fuel (ATF) from August 15 at ₹2 per litre, the notification said. The windfall gains tax on exports of ATF was brought to nil in March.

Ongoing geopolitical tensions because of the Russia-Ukraine war and continued supply cuts by key producers, including Moscow, have seen international crude oil prices move north over the past two months. India's average crude oil import cost surged 16% to \$86.8 per barrel in the first fortnight of August from \$74.93 two months ago.

The notification issued by the department of revenue said the changes in the levies are done by the government, "on being satisfied that it is necessary in the public interest so to do," and the "notification shall come into force on the 15th day of August, 2023".

According to official data, the windfall tax on all four oil products—indigenous crude oil, petrol, diesel and ATF—came to zero in mid-May owing to a fall in international prices. This situation continued for about a month till the government reimposed the levy on domestically produced crude oil at ₹1,600 per tonne on July 15.

In the following fortnight (starting August 1), diesel was also brought under this tax net with a ₹1 a litre levy while that on crude oil was raised to ₹4,250 per tonne. However, petrol has been out of this tax net for over a year. The windfall profit tax on petrol at ₹6 a litre was imposed only once, on July 1 last year. The levy has been nil since July 20, 2022. The government on July 1, 2022 imposed the windfall gains tax on the petroleum sector to shield consumers from domestic shortage of transportation fuels and to raise additional revenues out of their "abnormal" profits earned purely due to geopolitical reasons.

An official justified the levy on the sale of domestically produced crude and exports of refined products such as diesel and ATF as energy firms make additional profits due to the windfall, which is why they must contribute a part of it to the exchequer.

"International oil prices are volatile. India, which depends largely on energy imports, needs additional revenue to subsidise food and fuel bills of the poor. Hence, the windfall tax," the official said, requesting anonymity.

The government took the decision to impose the windfall tax on petroleum sector in July last year after it saw private refiners substantially curtailing domestic supply of transportation fuels and resorting to exports to make huge profits due to a spike in overseas demand. This led to an increased demand load on pumps of state-run oil marketing companies while private firms made huge profits by selling abroad, he said.

India is world's third largest consumer of crude oil after the US and China. It imports over 87% of crude oil it processes and pays in dollar.

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{ BUSINESS } DUE TO GLOBAL SPIKE

Windfall tax hiked on crude oil, diesel

The windfall profit tax on domestically produced crude oil has been raised by 67% to ₹7,100 per tonne from Tuesday because of a spike in global prices due to a supply squeeze by oil producers, a government notification said. The rates are revised every fortnight. The government has also hiked the levy on exports of diesel to ₹5.50 per litre from ₹1 a litre, and reintroduced the tax on aviation turbine fuel from August 15 at ₹2 per litre, it said. The windfall gains tax on exports of ATF was brought to nil in March. Tensions due to the Russia-Ukraine war and continued supply cuts by key producers, have seen international crude oil prices move north in the past two months. India's average crude oil import cost surged 16% to $86.8 per barrel in the first fortnight of August from $74.93 two months ago. →P14

ASIAN AGE, Delhi, 16.8.2023
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Windfall tax on crude oil, diesel export hiked

The government has hiked the windfall profit tax on crude oil produced in the country and on export of diesel, while bringing back the levy on overseas shipments of ATF.The tax, levied in the form of special additional excise duty, on domestically produced crude oil has been raised to ₹7,100 per tonne from ₹4,250 per tonne, according to an official notification.