BUSINESS LINE, Delhi, 17.11.2023
Page No. 9, Size:(21.03)cms X (18.97)cms.

# Centre slashes windfall tax on crude oil, diesel exports

**EASING CURBS.** Follows moderation of crude prices; likely to affect oil exploration firms

**Shishir Sinha**
New Delhi

The Finance Ministry on Thursday lowered the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹6,300 per tonne from ₹9,800. The change has been made effective from Thursday, November 16.

This decision has been taken as crude prices saw some moderation earlier. This will likely impact oil exploration companies such as ONGC and Oil India.


**SLIPPING UP.** The duty on domestically produced crude has been reduced to ₹6,300 per tonne from ₹9,800

**DOWNWARD REVISION**

SAED will decrease to ₹1 per litre from ₹2 per litre currently. The duty on jet fuel or ATF and petrol, bound for export, will continue to be NIL, according to a Finance Ministry notification. Product prices have come down, so windfall gain tax has been revised downward. The basket of crude oil that India imports has averaged $84.78 per barrel this month as against $90.08 a barrel average in the month of October and $93.54 in September.

Cutting the windfall levy on diesel and ATF for export will impact Reliance Industries and Rosneft-backed Nayara Energy as primary fuel exporters. India first imposed windfall profit taxes on July 1, 2022. joining several nations that tax supernormal profits of energy companies. At that time, export duty of ₹6 per litre ($12/bbl) was 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.

The domestic producers of petroleum crude, like ONGC, sell their crude at international parity price. As international crude prices rose sharply, these producers made super-normal profits. The prices of diesel, petrol and ATF rose even more sharply, which led to extraordinary cracking margins (difference between the product price and the crude price) on exports of these products. The cess/duties were imposed in this background.

The government levies a tax on windfall profits from oil producers on any price above a threshold of $75 per barrel. According to the Finance Ministry, the data for SAED on crude oil production is not maintained separately.

# Crude oil extends slide after US inventories swell to 3-month high

Bloomberg

Oil fell as an increase in US inventories added to market sentiment over weaker demand and steady supplies.

West Texas Intermediate held near $76 a barrel after losing 2 per cent in the previous session, while global benchmark Brent traded around $81. US Energy Information Administration data on Wednesday confirmed that crude stockpiles rose to the highest level since August, including a build at the key hub in Cushing, Oklahoma.

"The EIA report set in motion a resumption of the weakness that has troubled the market recently as fundamentals have started to loosen up," said Ole Hansen, head of commodities strategy at Saxo Bank A/S.

**CLOGGED.** US Energy Information Administration data show that crude stockpiles rose to the highest level since August REUTERS

### CONFLICTING SIGNALS

Crude trading has been buffeted by conflicting signals, with prices sinking to a three-month low last week before staging a modest recovery. The International Energy Agency said on Tuesday that production growth means markets won't be as tight as had been expected this quarter. And while OPEC on Monday highlighted robust demand trends, traders expect the group's biggest producer, Saudi Arabia, to prolong a supply cut.

The US data showed some ambiguity, with a drawdown in product inventories signalling stronger demand for gasoline, diesel and jet fuel, which would also boost crude consumption. In addition, implied gasoline consumption rose, although it remains below the five-year seasonal average.

Still, signs of softness are evident along the oil futures curve. The spread between WTI's two nearest contracts has flipped back to contango — where near-term prices are below longer-dated ones — and the second-third month differential has followed suit in another indication that conditions are loosening.

Meanwhile, President Joe Biden's energy security adviser, Amos Hochstein, said the US will enforce sanctions on more than 1 million barrels a day of oil exports from Iran amid the conflict in the Middle East.

A resurgence in flows from Venezuela after the easing of US curbs could help offset any supply losses, with Vitol Group hiring a supertanker to load oil from the Latin American nation.

BUSINESS LINE, Delhi, 17.11.2023
Page No. 8, Size:(8.33)cms X (12.41)cms.

# Gandhar Oil Refinery IPO to open on Nov 22

**New Delhi:** Gandhar Oil Refinery (India) Ltd is set to open its initial public offering on November 22. The three-day Initial Public Offering (IPO) will conclude on November 24 and the anchor book of the offer will open for a day on November 21, according to the Red Herring Prospectus. The IPO consists of fresh as well as offer-for-sale. PTI

BUSINESS LINE, Delhi, 17.11.2023
Page No. 10, Size:(13.89)cms X (20.82)cms.

# Go long in natural gas in 3 tranches, exit at ₹285

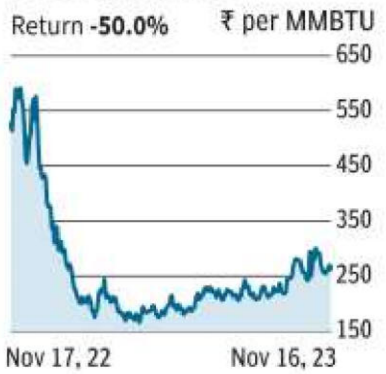
**Gurumurthy K**
bl. research bureau

Natural gas prices have been under pressure since the beginning of the week. The natural gas futures contract on the MCX reached a high of ₹304 per mmBtu in the last week of October and has declined from there. The contract had tumbled about 18 per cent from that high to make a low ₹250 earlier this week. It is currently trading at ₹263 per mmBtu.

The immediate outlook is mixed. There is room for the contract to fall further. However, strong support is there to limit the downside. The levels of ₹240 and ₹230 are important supports. We can expect the natural gas futures contract to reverse higher anywhere from the ₹240-230 region. Such a reversal will potentially take the contract up to ₹300-305 again. The view will go wrong only if the contract declines below ₹230. In that case, a fall to ₹220-210 and even lower levels can be seen. Traders can wait for dips.

Go long in three tranches at ₹242, ₹238 and at ₹234. So, the average entry level will be at ₹238. Keep the stop-loss at ₹224. Trail the stop-loss up to ₹248 as soon as the contract moves up to ₹256. Move the stop-loss further up to ₹264 when the price touches ₹272. Exit the long positions at ₹285.

**MCX Natural gas**



FREE PRESS JOURNAL, Mumbai, 17.11.2023
Page No. 8, Size:(15.93)cms X (3.55)cms.

# Govt slashes windfall gains tax on domestic crude, diesel exports

INFORMIST / New Delhi

The government has slashed the windfall gains tax on domestically-produced crude oil by 3,500 rupees a tn to 6,300 rupees per tn, the finance ministry said in a notification today. The government also halved the cess on diesel exports to 1 rupee per ltr. The special duty on aviation turbine fuel remained at nil.

This is the 30th revision in the windfall gains tax since it was first imposed in July last year. These taxes, which are in the form of cess, are for taxing supernormal gains of oil producers and fuel exporters.

The cess on petrol continues to be nil. These tax changes reflect the movement of international crude oil and fuel margins over the past couple of weeks.

**These tax changes reflect the movement of intl crude oil and fuel margins over the past couple of weeks**

Brent crude oil prices traded in the range of \$79.5-\$86.85 per barrel over the last two weeks, lower than the \$87.5-\$97.5 per bbl range in the previous two weeks. Prices had touched lows of \$73-\$76 per barrel in June, but have been on an upward trend since early July.

The revised cess translates to around \$10 per bbl. When the government had first levied the cess on domestic crude, it was 23,250 rupees per tn, and translated to around \$40 a bbl.

The reduction in windfall gain taxes comes as a positive for upstream oil companies such as Oil and Natural Gas Corp Ltd, Oil India Ltd and Vedanta Ltd, and the cut in levies on diesel exports is positive for major fuel exporters like Reliance Industries Ltd and Nayara Energy Ltd.

MILLENNIUM POST, Delhi, 17.11.2023
Page No. 1, Size:(15.91)cms X (15.95)cms.

INDIA 1ST IMPOSED WINDFALL PROFIT TAXES ON JULY 1 LAST YEAR

# Govt slashes windfall tax on crude oil, diesel exports

MPOST BUREAU

**NEW DELHI:** The government on Thursday cut the windfall profit tax on crude oil produced in the country and on exports of diesel in line with softening international oil prices.

The tax, levied in the form of Special Additional Excise Duty or SAED, on domestically produced crude oil has been reduced to Rs 6,300 per tonne from Rs 9,800 per tonne, according to an official notification.

SAED on the export of diesel was reduced to Re 1 per litre from Rs 2 per litre.

The levy on the export of jet fuel or ATF and petrol will continue to be zero. The new tax rates came into effect from Thursday.

At the last revision effective from November 1, the government had increased the tax on crude oil to Rs 9,800 per tonne from Rs 9,050 per tonne. Simultaneously, the levy on the export of diesel was halved to Rs 2 and that on jet fuel was brought to nil from Re 1 per litre.

International oil prices have softened since the last revision, necessitating the reduction. The basket of crude oil that India imports has averaged $84.78 per barrel this month as against $90.08 a barrel average in the month of October and $93.54 in September.

India first imposed windfall profit taxes on July 1 last year, joining a growing number of nations that tax supernormal 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 crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) was also levied. The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks.

A windfall tax is levied on domestic crude oil if rates of the global Continued on P4

## Govt slashes windfall tax

benchmark rise above $75 per barrel. Export of diesel, ATF and petrol attract the levy if product cracks (or margins) rise above $20 per barrel. Product cracks or margins are the difference between crude oil (raw material) and finished petroleum products.

The levy on domestic crude oil dropped to nil in the first half of April as international crude oil prices fell but was back in the second half in step with a rise in rates. The levy on diesel became nil in April but the levy was brought back in August. Levy on ATF became nil in March and was brought back in the second half of August. The export tax on petrol was scrapped in the very first review.

HINDU, Delhi, 17.11.2023
Page No. 18, Size:(29.38)cms X (6.32)cms.

# India cuts windfall tax on diesel, crude oil

India has cut the windfall tax on diesel and crude oil on Thursday, according to a government notification.

The government cut the windfall tax on crude oil to ₹6,300 ($75.70) a tonne from ₹9,800 a tonne while cutting the diesel windfall tax to ₹1 per litre from ₹2 per litre, the government said in the notification.

The windfall tax on gasoline and aviation turbine fuel (ATF) remained unchanged at zero, the government added. India imposed a windfall tax on crude oil producers in July 2022. REUTERS

TIMES OF INDIA, Delhi, 17.11.2023
Page No. 1, Size:(20.13)cms X (17.04)cms.

# India helped control global inflation by buying Russian oil: EAM in UK

**London:** External affairs minister S Jaishankar has defended India's purchasing of Russian oil despite Western sanctions, saying it had helped control global inflation and he "was waiting for the thank you", **reports Naomi Canton.**

In conversation with former FT editor Lionel Barber at the Royal Overseas League Wednesday, he also fought back against accusations by another journalist that India "had become illiberal", saying it did not need to "curry favour before a global audience" and India was simply "more Indian".

On the murder of Hardeep Singh Nijjar, a designated terrorist, Jaishankar said he had not seen any evidence that points to direct or indirect involvement of the Indian government in his killing.

▶ **'Share proof', P 23**

## FOCUS ON SECURITY

➤ Jaishankar raises **delayed extradition of Indian fugitives Nirav Modi and Vijay Mallya with UK govt** during his 5-day visit. Also discusses **Khalistan extremism** and the safety of the Indian mission

➤ After reports of **Khalistan supporters trying to disrupt consular camp in Vancouver**, India tells Canada it must follow Vienna norms, **P 24**

TIMES OF INDIA, Delhi, 17.11.2023
Page No. 1, Size:(20.13)cms X (17.04)cms.

# Share proof, not ruling out probe: EAM on Nijjar killing

▶Continued from P 1

When asked by Barber why India had not condemned the war in Ukraine and bypassed Western sanctions on oil, he said, "It is not automatic that if a country is perceived a certain way in the West, that the same logic extends to the East. We have a very powerful interest to keep our relationship with Russia good. If we had not bought our oil from Russia, global oil prices would have gone higher. We have softened the oil and gas markets and as a consequence managed global inflation."

On the Nijjar killing, Jaishankar said, "We have told Canada if you have a reason to make such an allegation, please share evidence with us — we are not ruling out an investigation and looking at it, but they have not done so. If any country believes they have reason to suspect something like this, they should present us with it. I would not justify it. I would look into it." When Barber said other countries carried out extraterritorial assassinations, Jaishankar said: "It doesn't justify everyone should follow suit."


External affairs minister S Jaishankar emphasised that the issue India had with Canada was pertaining to Canadian politics as it gave space to violent and extreme political opinions which advocate separatism from India

He said the issue India had with Canada was, "Canadian politics gave space to violent and extreme political opinions which advocate separatism from India, including through violent means", and reminded Barber of the 1985 Babbar Khalsa bombing of Air India Flight 182 which killed a total of 329 people.

Barber asked him about the "new Hindu majoritarian India" and how it was going down with Gulf countries. "How our relations are with the Gulf? Far, far better than they have ever been in our history," Jaishankar said. When asked about the India of today being different to the India of the Nehru period, Jaishankar said he "agreed". He said secularism had guided the polity then but "what began with equal respect for all faiths" ended up as vote-bank politics which created a backlash. He said politics went in the direction of "appeasement" and "people felt the biggest religion had to be self-deprecatory and play itself down, and a big part of the changes we have seen in recent years have been a reaction to that".

ECONOMIC TIMES, Delhi, 17.11.2023
Page No. 11, Size:(14.64)cms X (6.96)cms.

# IOC, BPCL, HPCL Shares Shine on Good Q2

**Sanjeev.Choudhary** @timesgroup.com

**New Delhi:** Stocks of Indian Oil, Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL) have risen 18-22% after they reported strong earnings for the second quarter.

The companies have reported a dramatic improvement in their earnings this financial year. Their combined profit of ₹26,600 crore for the second quarter has provided a big support to share prices, analysts said. They had reported a combined loss of ₹2,500 crore in the same period last year.

Their aggregate profit of ₹57,000 crore for the first half of the current fiscal year is the highest ever for a six-month period for them and is in stark contrast to the loss of ₹21,200 crore in the first half of last year.

Besides robust earnings, a decline in oil prices from recent highs and expectations of healthy refining and marketing margins in the current quarter have helped shares, analysts said.

**The oil majors have reported a combined profit of ₹26,600 cr for Q2**

A big share of discounted Russian oil in the crude mix processed by Indian refiners, and a freeze on domestic pump prices have helped companies make decent margins this year, analysts said.

Strong earnings have strengthened the balance sheets of state oil companies, which were hurt by high oil prices and the inability to increase domestic retail prices last year. Leverage had increased and share prices were struggling. In a year, share prices of Indian Oil and HPCL are up 50% while that of BPCL is 30% higher.

Indian Oil's and HPCL's debt-equity ratio has halved in a year while BPCL's has fallen by two-thirds. Indian Oil's debt-equity ratio has changed to 0.61 from 1.16 while that of HPCL has improved to 1.32 from 2.84. BPCL's debt-equity has improved to 0.32 from 1.1. The net worth of these companies has expanded by 33% to 60% in a year.

Crude oil is currently trading around $80 per barrel, with expectations that the conflict in the Middle East will remain contained to Gaza and not hit the global oil supply chain. Despite the G7 sanctions, Russian oil has been easily trading, keeping the global market well supplied. If the producer club OPEC+ were to reduce their voluntary curbs on production, oil prices could further ease.

ASIAN AGE, Delhi, 17.11.2023
Page No. 7, Size:(2.18)cms X (12.22)cms.

# WINDFALL PROFIT TAX CUT ON CRUDE OIL, DIESEL EXPORTS

**FC CORRESPONDENT**
NEW DELHI, NOV. 16

Aligning with the downward trend in international oil prices, the Centre on Thursday announced a reduction in the windfall profit tax on domestically produced crude oil and diesel exports.

However, the levy on the export of jet fuel or aviation turbine fuel (ATF) and petrol will continue to be zero. The new tax rates came into effect from Thursday, according to a government notification.

As per the notification, the tax imposed as special additional excise duty or SAED on crude oil has been lowered from ₹9,800 per tonne to ₹6,300 per tonne, while, the SAED on diesel exports from ₹2 per litre to ₹1 per litre.

At the last revision effective from November 1, the government had increased the tax on crude oil to ₹9,800 per tonne from ₹9,050 per tonne. Simultaneously, the levy on the export of diesel was halved to ₹2 and that on jet fuel was brought to nil from ₹1 per litre.

International oil prices have softened since the last revision, necessitating the reduction. The basket of crude oil that India imports has averaged $84.78 per barrel this month as against $90.08 a barrel average in the month of October and $93.54 in September.

INDIAN EXPRESS, Delhi, 17.11.2023
Page No. 15, Size:(7.40)cms X (9.38)cms.

# Windfall tax on crude oil, diesel exports cut

*New Delhi:* The government on Thursday cut the windfall profit tax on crude oil produced in the country and on exports of diesel in line with softening international oil prices. The rates came into effect from Thursday. **PTI**

ECONOMIC TIMES, Delhi, 17.11.2023
Page No. 11, Size:(3.74)cms X (13.72)cms.

# Windfall Tax on Domestic Crude Cut to ₹6,300/T

**Our Bureau**

**New Delhi:** The Union government has sharply cut the windfall tax on domestically produced crude oil to ₹6300 per tonne from ₹9800 per tonne, and halved the export duty on diesel to ₹1 per litre, following softening in global crude prices. Exports of petrol and aviation turbine fuel will continue to be exempted from any duty.

The new duties will be effective Thursday, according to a notification by the Central Board of Indirect Taxes and Customs (CBIC).

In the last revision on November 1, the Centre raised the windfall tax on domestically produced crude to ₹9,800 per tonne from ₹9,050, but lowered the export duty on jet fuel to nil from Re 1 per litre besides halving the duty on diesel to ₹2 per litre from ₹4 per litre. India first imposed windfall profit taxes on July 1, 2022, joining several other nations that imposed taxes on profits of their energy companies in response to the sharp rise in global oil prices following Russia's invasion of Ukraine. New Delhi implemented export duty of ₹6 per litre on petrol and ATF, and ₹13 per litre on diesel and windfall tax on domestic crude production.

# Windfall tax on domestic crude oil sales, diesel exports slashed

The windfall tax on petrol and aviation turbine fuel remained unchanged at zero

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NEW DELHI

The Union finance ministry on Thursday lowered the windfall tax on the sale of domestic crude oil to ₹6,300 per tonne, according to an official notification. For the past two weeks, the levy stood at ₹9,800 per tonne. The revised tax comes into effect from Thursday.

The ministry has also decided to reduce the special additional excise duty on the export of diesel to ₹1 per litre from ₹2 per litre. The windfall tax on petrol and aviation turbine fuel (ATF) remained unchanged at zero.

The reduction on the levy comes in the backdrop of ease in crude prices in the past couple of weeks amid persistent concerns of lower global demand. Brent prices have dropped from around $85 per barrel a fortnight ago to $80 now.

Rahul Kalantri, vice president, commodities at Mehta Equities, noted that the decline in crude prices followed the US Energy Information Administration's report, revealing a surge in US crude oil inventories by 3.6 million barrels for the week ending on 10 November, surpassing the anticipated build of 1.8 million barrels. "This downturn was exacerbated by concerns over demand from the European Union. Nevertheless, the positive performance of Chinese industrial production and retail sales data provided some support to crude oil prices. Additionally, the upward revisions in demand forecasts for 2023 by OPEC+ and the IEA further bolstered crude oil prices at lower levels," he said.

The India crude basket stood at $83.09 per barrel as on 15 November. For this month, it has averaged at $84.78 a barrel, down from $90.08 last month.

The centre first imposed the windfall taxes on the sale of locally produced crude oil with effect from 1 July, 2022 as oil exploration and producing companies made heavy profits amid multi-year high crude oil prices post Russia's invasion of Ukraine. Further, the additional levy on the export of petrol, diesel and jet fuels came in as private refiners were largely selling abroad amid better international prices, instead of the domestic market.

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

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HINDUSTAN TIMES, Delhi, 17.11.2023
Page No. 19, Size:(4.44)cms X (20.82)cms.

# WINDFALL TAX ON DOMESTIC CRUDE OIL SALES, DIESEL EXPORTS SLASHED

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**NEW DELHI:** The Union finance ministry on Thursday lowered the windfall tax on the sale of domestic crude oil to ₹6,300 per tonne, according to an official notification.

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