



RANKED BY TOTAL REVENUES

RANK	COMPANY, CITY	TOTAL REVENUES		OPERATING PROFIT		NET PROFIT			NET WORTH			TOTAL ASSETS			
		FY22	% CHG	FY22	% CHG	FY22	% CHG	RANK	FY22	% CHG	RANK	FY22	% CHG	RANK	
1	1	Reliance Industries, Mumbai	739518.0	43.8	128523.0	24.5	60705.0	23.6	1	669986.0	11.5	1	1113128.0	11.7	1
2	2	Indian Oil Corporation, Delhi/NCR	607364.5	62.0	50936.9	14.1	25102.2	16.0	5	131943.7	19.0	3	271260.8	16.2	4
3	3	Oil & Natural Gas Corp., Dehradun	502474.4	54.5	86670.3	42.7	45522.1	179.2	2	235678.0	18.2	2	420664.2	5.9	2
4	4	Bharat Petroleum Corp Mumbai	355772.1	47.4	24076.7	-15.5	11681.5	-27.7	19	51905.6	-3.1	18	118219.0	7.9	17
5	5	Hindustan Petroleum Corp, Mumbai	354436.0	44.9	14141.3	-24.7	7294.2	-31.6	26	41404.2	8.7	24	90462.6	10.0	19
6	4	Tata Motors, Mumbai	280027.0	12.7	27144.1	28.2	-11441.5	*	999	40290.2	-24.9	26	216835.0	-4.0	6
7	8	Tata Steel, Mumbai	253796.5	62.3	64789.9	111.2	40153.9	436.1	3	110890.8	56.9	5	204977.2	15.0	10
8	10	Hindalco Industries, Mumbai	206795.0	52.6	29600.0	78.6	13730.0	294.2	13	78180.0	17.5	7	152026.0	5.6	12
9	7	Tata Consultancy Services, Mumbai	195772.0	17.0	57075.0	17.8	38327.0	18.2	4	87944.0	3.5	6	99316.0	3.0	18
10	9	Larsen & Toubro, Mumbai	160961.8	9.3	26690.6	-15.5	8669.3	-25.2	23	69441.6	8.8	9	208866.5	-1.3	9
11	16	JSW Steel, Mumbai	152420.0	88.7	40714.0	97.2	20665.0	161.2	7	66059.0	42.9	11	142801.0	23.1	13
12	11	NTPC, Delhi/NCR	137580.1	16.4	45170.9	15.6	16675.9	13.9	11	131613.3	7.7	4	353085.1	2.7	3
13	15	Vedanta, Mumbai	137381.0	51.6	46656.0	55.2	18802.0	62.1	8	48062.0	2.0	21	128359.0	-0.3	15
14	13	Infosys, Bengaluru	123936.0	20.7	33786.0	12.3	22110.0	14.3	6	66625.0	-4.2	10	83612.0	-0.4	23
15	12	Bharti Airtel, Delhi/NCR	122048.4	8.6	62190.0	51.4	4254.9	***	39	41173.6	12.3	25	248887.2	4.7	5
16	14	Coal India, Kolkata	111309.5	15.8	28586.4	27.8	17358.1	36.7	9	42469.3	17.7	23	121408.1	7.2	16
17	21	Steel Authority of India, Delhi/NCR	105033.1	58.0	22264.8	57.6	12243.5	195.2	17	54211.7	19.4	17	80949.7	-9.4	24
18	17	Grasim Industries, Mumbai	98340.3	27.5	22079.7	11.7	7549.8	75.4	24	35221.8	23.9	30	209386.1	7.2	8
19	23	GAIL (India), Delhi/NCR	95969.5	60.6	18086.2	79.5	12256.1	99.7	16	63923.1	20.4	13	79822.1	19.4	25
20	18	Mahindra & Mahindra, Mumbai	94406.9	22.7	17887.3	41.5	6577.3	262.9	27	37420.0	15.1	28	132883.4	2.1	14
21	20	Maruti Suzuki India, Delhi/NCR	90329.5	23.4	7612.8	-10.0	3879.5	-11.6	41	55333.5	5.4	16	58024.6	5.1	32
22	19	HCL Technologies, Delhi/NCR	86785.0	13.7	21596.0	3.0	13499.0	21.1	14	61822.0	3.5	15	70815.0	1.7	28
23	22	Wipro, Bengaluru	81415.8	26.6	18751.1	9.2	12229.6	13.3	18	65351.5	19.4	12	85835.8	27.2	21
24	36	Mangalore Ref and Petrochem, Delhi/NCR	71206.1	112.9	5011.1	528.6	2958.3	***	48	7209.4	69.7	110	29007.9	0.8	57
25	24	Samvardhana Motherson Int, Delhi/NCR	64663.3	11.1	5289.2	7.1	873.8	-15.9	138	18812.0	120.4	46	36286.0	38.9	48
26	25	ITC, Kolkata	63207.9	20.3	22532.9	14.7	15242.7	15.8	12	62089.3	3.5	14	63107.0	3.3	30
27	32	Adani Wilmar, Mumbai	56142.8	47.2	1908.6	33.5	803.7	10.3	152	7606.4	130.6	105	10808.2	60.1	125
28	27	UltraTech Cement, Mumbai	53651.4	18.8	12183.8	0.0	7344.3	34.4	25	50438.3	14.2	19	62660.0	-6.3	31
29	26	Hindustan Unilever, Mumbai	52909.0	10.3	13076.0	10.9	8879.0	11.1	22	49035.0	2.9	20	53372.0	2.8	34
30	35	Jindal Steel & Power, Delhi/NCR	51992.5	48.9	13675.0	21.6	5753.1	58.3	31	34154.1	4.5	33	49664.6	-20.3	37
31	30	UPL, Mumbai	46655.0	19.6	9620.0	14.3	3626.0	26.3	42	20014.0	16.4	42	51876.0	12.2	35
32	29	Power Grid Corporation of India, Delhi/NCR	46342.0	11.7	40517.5	13.6	16824.1	39.8	10	76247.1	9.0	8	215225.8	-1.1	7
33	34	Tata Power Company, Mumbai	46298.2	32.4	9516.4	9.4	1741.5	54.5	69	18854.7	-2.8	45	84788.4	9.9	22
34	31	Tech Mahindra, Pune	45761.1	18.4	9135.1	20.4	5566.1	25.7	33	26390.3	7.8	38	33171.7	7.4	51
35	46	Chennai Petroleum Corporation, Chennai	44738.1	90.2	2758.4	29.0	1352.0	425.6	91	2986.7	85.4	232	12362.2	13.3	111
36	41	Petronet LNG, Delhi/NCR	43565.0	65.0	5645.1	11.2	3438.1	17.0	44	13668.1	15.8	63	18098.2	10.1	75
37	33	Sun Pharmaceuticals Industries, Mumbai	39837.6	13.8	6752.4	34.5	3272.7	12.7	45	44956.3	3.5	22	50321.2	-2.2	36
38	28	Vodafone Idea, Mumbai	38849.1	-13.0	16331.5	***	-28245.4	*	1000	-61964.8	-	1000	159273.0	-6.5	11
39	38	Bajaj Auto, Pune	35636.9	20.6	7930.1	21.9	6165.9	26.9	29	29859.6	9.5	35	30020.0	9.4	56
40	48	Titan Company, Bengaluru	33828.0	55.8	3521.0	84.8	2173.0	123.3	61	9273.0	23.8	88	16781.0	26.2	81
41	40	Adani Power, Ahmedabad	31686.5	12.6	13789.5	30.1	4911.6	286.7	35	18456.9	40.8	47	73270.3	2.9	26
42	43	Avenue Supermarts, Mumbai	31588.1	28.2	2616.0	34.9	1492.6	35.7	85	13677.4	12.3	62	14329.9	13.9	93
43	45	Hindustan Zinc, Udaipur	30934.0	27.8	17307.0	28.3	9629.0	20.7	20	34281.0	6.1	32	38361.0	-5.8	46
44	44	Asian Paints, Mumbai	30837.8	39.3	5099.5	-1.7	3030.6	-3.5	46	13424.0	8.4	64	15621.1	10.6	88
45	37	Hero MotoCorp, Delhi/NCR	30077.6	-5.3	3800.7	-17.6	2316.9	-20.6	57	15698.6	2.8	55	16788.0	2.9	80
46	42	Ambuja Cements, Mumbai +	29868.5	20.8	6462.6	22.1	2780.4	17.5	50	18208.7	10.9	48	26148.7	11.1	62
47	66	Indus Towers, Delhi/NCR	28175.7	85.2	15359.2	81.9	6373.1	68.6	28	22150.5	39.5	40	44313.3	11.4	39
48	63	NMDC, Hyderabad	27800.8	75.0	13300.4	45.5	9379.1	49.4	21	34973.5	17.1	31	39720.4	20.4	44
49	54	Oil India, Delhi/NCR	27426.5	40.7	11754.8	71.0	5621.6	59.4	32	27947.6	24.1	36	48469.3	8.4	38
50	50	Ashok Leyland, Chennai	26724.8	29.9	2535.4	-5.0	-358.6	*	960	6017.6	-8.7	127	32069.9	-1.5	53
51	65	Interglobe Aviation, Delhi/NCR	26658.2	70.1	1300.9	23.7	-6161.9	*	997	-5988.1	-	993	34948.5	4.9	49
52	51	Sundaram Clayton, Chennai	26010.2	27.6	3013.9	24.2	440.7	36.2	242	2876.6	151.0	241	21951.4	37.5	66
53	49	Hindustan Aeronautics, Bengaluru	25012.7	20.3	6400.3	12.1	5080.0	56.5	34	19309.4	25.2	43	33412.6	26.6	50
54	55	TVS Motor Company, Chennai	24651.1	26.6	2749.9	21.2	756.8	27.4	160	3745.9	8.9	196	20477.6	26.4	71
55	60	Patanjali Foods, Indore	24609.8	47.1	1569.6	53.8	806.3	18.4	150	6170.8	51.9	125	10214.6	26.8	132
56	56	EID Parry (India), Chennai	23930.0	32.3	2615.0	24.1	906.8	102.7	134	2551.6	9.2	265	6611.4	13.2	194
57	39	Aurobindo Pharma, Hyderabad	23075.2	-20.8	4547.9	-46.3	2648.2	-50.4	51	24577.9	12.1	39	27640.2	0.4	58



DIVIDEND		EMPLOYEE COST		DIRECT TAX		RONW	ROCE	MARKET CAP		SECTOR	BUSINESS HOUSE	FSI
FY22	% CHG	FY22	% CHG	FY22	% CHG			₹ CR	RANK			RANK
5412.0	20.0	18775.0	26.7	16297.0	846.4	9.2	9.4	1727370.5	1	Oil & Gas	Mukesh Ambani	396
11568.1	5.0	11582.9	2.4	8562.0	-4.7	21.0	15.3	101244.7	40	Oil & Gas	Govt of India	255
13209.3	191.7	15072.2	6.6	4797.0	-45.3	20.5	14.6	173977.2	22	Oil & Gas	Govt of India	263
3407.1	-79.4	3408.0	-29.8	4355.2	-14.8	22.2	16.4	68934.9	60	Oil & Gas	Govt of India	223
1986.5	-39.9	3017.4	-6.3	1849.4	-47.7	18.4	11.7	31383.2	124	Oil & Gas	Indian Private	176
-	-	30808.5	11.4	4231.3	66.5	-22.5	1.0	137307.6	29	Automobile	Tata	610
6234.1	108.0	23264.1	16.9	8477.6	49.9	44.5	29.2	129440.1	31	Mining & Metals	Tata	341
888.0	33.3	11996.0	9.9	5373.0	97.3	19.0	15.5	97327.9	43	Mining & Metals	Birla AV	347
15738.0	11.9	107554.0	17.1	13238.0	18.2	44.1	54.0	1189121.0	2	Technology-Software	Tata	4
3091.1	-38.9	29733.5	20.1	4216.6	5.1	13.0	11.3	284930.5	17	Construction & Infrastructure	I&T	617
5222.4	166.0	3493.0	39.4	8807.0	112.6	37.1	26.8	170240.9	23	Mining & Metals	Sajjan Jindal	392
6787.7	13.8	6366.3	5.8	5047.1	108.5	13.0	9.0	164030.9	24	Power	Govt of India	627
16740.0	373.7	2811.0	-1.7	9255.0	324.5	37.1	29.4	111897.9	35	Mining & Metals	Vedanta	461
13038.6	13.4	63986.0	15.2	7964.0	10.5	32.3	39.7	646112.8	3	Technology-Software	Infosys	28
1677.0	-	4433.3	7.7	4177.9	-53.2	11.4	11.3	455579.3	5	Telecommunications	Bharti	665
10476.6	6.2	40700.8	5.5	6237.9	17.5	43.6	20.6	143665.2	27	Mining & Metals	Govt of India	281
3614.2	212.5	12862.0	21.7	4048.4	32.4	24.6	21.1	33840.4	118	Mining & Metals	Govt of India	207
658.4	11.2	6327.7	14.3	1936.3	-35.9	15.9	8.9	114108.0	34	Conglomerate	Birla AV	816
4440.4	100.0	2096.6	11.8	3159.9	99.7	21.0	21.4	59761.3	65	Oil & Gas	Govt of India	122
1382.1	32.2	8386.7	7.3	2108.8	28.1	16.4	10.9	157870.9	25	Automobile	Mahindra	673
1812.0	33.3	4051.4	18.1	817.7	-12.3	7.2	8.5	266228.1	15	Automobile	Foreign-Suzuki	32
11403.0	320.0	46130.0	18.7	3428.0	-26.8	22.2	24.6	284614.0	13	Technology-Software	Shiv Nadar	40
3289.2	500.3	45007.5	35.4	2897.4	-4.5	20.4	20.5	216148.3	18	Technology-Software	Wipro	182
-	-	697.6	20.6	-246.9	-	51.6	13.6	10000.8	274	Oil & Gas	Govt of India	415
293.7	-38.0	15374.6	9.0	606.9	-	7.1	7.5	47778.5	84	Auto Ancillaries	Motherson	437
14171.8	7.1	4890.6	9.6	5237.3	15.0	25.3	33.5	422801.0	7	Consumer Staples	Independent	54
-	-	392.2	21.9	284.4	175.4	14.2	18.2	85046.7	50	Food Processing	Adani	181
1097.0	2.7	2534.7	7.7	1190.1	-53.1	15.5	14.6	195706.5	19	Cement & Bldg Materials	Birla AV	222
7990.0	-16.0	2545.0	7.9	2987.0	14.6	18.4	22.8	607969.0	4	Consumer Staples	Foreign-Unilever	300
303.2	-	870.7	6.0	2924.5	61.5	20.1	20.7	51394.5	76	Mining & Metals	Naveen Jindal	239
765.0	0.0	4622.0	24.5	529.0	-22.9	19.5	14.8	55343.0	68	Agro Chemicals	Excel Shroff	564
10288.8	63.9	2637.1	1.5	2785.6	-19.6	19.3	11.3	151775.7	26	Power	Govt of India	680
559.2	12.9	3731.3	54.6	379.6	-24.4	9.6	7.9	70470.8	59	Power	Tata	746
4373.1	0.4	22285.9	15.5	1822.0	13.9	21.8	23.8	101795.5	38	Technology-Software	Mahindra	70
29.8	-	555.3	-1.6	489.2	-52.9	29.4	16.2	3200.3	507	Oil & Gas	Govt of India	494
1725.0	0.0	177.9	20.9	1121.2	10.1	27.0	28.2	31359.1	125	Oil & Gas	Joint Sector	55
2399.3	33.3	7300.8	6.4	1075.5	109.0	14.5	18.0	240395.0	16	Pharmaceuticals	Sun Pharma	87
-	-	1735.1	-14.5	11.3	-	-	-	26845.1	140	Telecommunications	Indian Private	870
4051.2	0.0	1362.8	5.8	1485.8	7.3	19.0	23.4	105521.2	37	Automobile	Bajaj	16
667.5	87.5	1349.0	26.7	706.0	100.0	26.2	20.8	232396.4	17	Jewellery	Tata	288
-	-	470.3	9.0	1665.6	63.5	17.8	12.7	127534.1	33	Power	Adani	700
-	-	616.2	14.8	571.7	48.9	11.5	15.7	267453.1	14	Retail	Damani Radhakishan	65
7605.0	-15.5	718.0	-5.5	4471.0	72.4	28.9	36.4	127586.0	32	Mining & Metals	Vedanta	77
1836.9	7.3	1786.7	16.0	1102.9	0.5	23.2	28.8	301652.9	11	Consumer Staples	Asian Paints	31
1898.1	-9.5	1995.8	2.3	729.1	-20.2	14.9	18.8	53614.2	71	Automobile	Munjal (Hero)	10
1251.0	-65.0	1529.2	-0.7	1453.4	64.3	15.4	21.4	108197.3	36	Cement & Bldg Materials	Adani	253
2964.4	-45.3	772.2	50.6	2057.6	110.4	33.5	23.9	52377.9	74	Telecommunications	Bharti	530
4319.9	89.9	1337.1	23.2	3582.3	35.3	29.0	35.8	35186.1	115	Mining & Metals	Govt of India	132
1545.3	185.0	2567.8	-10.8	2271.0	919.9	24.8	21.3	21586.1	172	Oil & Gas	Govt of India	432
293.6	66.7	2636.4	18.7	85.9	3307.1	1.7	6.1	43160.9	94	Automobile	Hinduja	727
-	-	3486.4	5.8	8.2	-	-	-	71914.1	57	Air Transport Service	Interglobe	784
89.1	69.3	2330.2	24.0	359.7	37.2	20.7	11.4	10141.3	272	Auto Ancillaries	TVS	871
1337.6	33.3	4604.4	7.0	144.7	-86.1	29.3	17.7	85793.0	49	Aerospace & Defence	Govt of India	138
-	-	2124.0	25.7	335.9	56.9	17.8	10.9	51136.5	78	Automobile	TVS	708
-	-	185.8	33.1	268.1	-	15.8	15.7	47138.2	85	Food Processing	Ruchi	192
195.1	-	770.9	6.4	555.4	2.9	31.8	36.6	10744.1	261	Sugar	Murugappa Group	148
527.3	125.0	3450.9	-2.4	725.6	-63.9	11.4	12.4	28623.2	134	Pharmaceuticals	Aurobindo	126

Direct tax includes dividend distribution tax; Figures in ₹ crore; All % CHG are year-on-year; *** Turned from loss to profit; ** Profit to loss; * Loss in both years

Most important oil price is set to change for good

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WASHINGTON: After years of wrangling, the world's most important oil price is about to be transformed for good, allowing crude supplies from west Texas to help determine the price of millions of barrels a day of petroleum transactions.

The shift is because the existing benchmark, Dated Brent, is slowly running out of tradable oil for it to remain reliable. As such, its publisher S&P Global Commodity Insights — better known by traders as Platts — has been forced to make a dramatic overhaul.

Its switchover was fraught with controversy and caused a lot of stress among physical oil traders. But it was necessary. BP Plc at one stage said that Dated Brent was subject to “increasingly regular dislocations.”

But the future of Dated is now set. From cargoes for June onward, West Texas Intermedi-



The move will allow crude supplies from west Texas to help determine the price of petroleum transactions.

BLOOMBERG

ate Midland, oil from the Permian will become one of a handful of grades that set the Dated benchmark.

Dated, as it's commonly known by oil traders, helps to set the price of about two-thirds of the world's oil and even defines the price of some gas deals.

Oil producing states will often

sell their barrels at small premiums or discounts to Dated, so the precise mechanics of how it is formed matter to them. In addition, the benchmark lies at the center of a complex web of derivatives, ultimately shaping Brent oil futures that get traded on exchanges.

Dated affects a host of oil pri-

ces, so even crude in Dubai could feel the effects, according to Adi Imsirovic, a veteran oil trader and senior research fellow at the Oxford Institute for Energy Studies. Traders will be able to offer WTI Midland for sale from the US Gulf Coast. It will be delivered into Rotterdam and then price will be netted back using a freight adjustment factor as if it's shipped from the North Sea.

By following a careful process, Platts will evaluate if the oil is being offered at a higher or lower level than five existing grades that set Dated — Brent, Forties, Oseberg, Ekofisk or Troll.

If Platts judges that WTI Midland is the most competitive price on offer — or actually sold — then it could set Dated.

So WTI Midland might then influence the price a seller of an Atlantic Basin barrel charges a refinery in China.

Imagine the existing Dated grades, which go under the acronym BFOET, are at \$80 a barrel.

A trader might pick up a cargo of WTI Midland at \$79 from a terminal the US Gulf with \$2 added delivery cost to Rotterdam — more than 6,000 miles and around 17 days sailing away.

Platts would need to make that delivered cargo like-for-like against the existing BFOET grades, which are transacted on a so-called Free on Board, or FOB, basis in the North Sea.

To do that, it will use what it calls a freight adjustment factor, deducting the estimated cost of transportation across the North Sea to Rotterdam. If that were to be \$1 a barrel, then the implied FOB price of WTI Midland in the North Sea would be about \$80.

The process will place an emphasis on Platts's assessments of tanker costs.

Some changes are already getting underway. In February, Platts began assessing forward prices based on the new assessment. Real cargoes of crude from the US will be allowed for inclusion from early May.

India Keeps Close Watch as EU Leaders Make Beeline For China

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New Delhi: India is keeping a close watch as European leaders make a beeline to China amid apprehension that any closer EU-Beijing economic ties may increase EU investments in China and dilute their Indo-Pacific outreach.

German chancellor Olaf Scholz went to China in November. Charles Michel of the European Council visited Beijing in December. Spain's prime minister, Pedro Sánchez, is visiting China

this week. And next week it's France's president, Emmanuel Macron, together with the European Commission president, Ur-

European Commission president hedges by calling out Beijing's attempts to shape world order

sula von der Leyen. However von der Leyen has accused China of pursuing a "systemic change of the international order" with Beijing at its centre. In a speech about EU-China relations in Brussels on Thursday, von der Leyen said the commission wo-

uld propose a new "economic security strategy later this year", designed to counter what she described as an "increasingly assertive" Beijing.

Meanwhile, China and France have completed their first LNG gas trade using the Chinese Yuan. Chinese national oil company CNOOC and France's TotalEnergies have completed China's first yuan-settled LNG trade through the Shanghai Petroleum and Natural Gas Exchange. Approximately 65,000 tonnes of LNG imported from the UAE changed hands in the trade, according to Shanghai Exchange.

CORPORATE KALEIDOSCOPE

A Memorandum of Understanding (MoU) was signed between HPCL Mumbai Refinery and BPCL Mumbai Refinery as part of synergy through the purchase and sale of hydrogen at a signing ceremony held recently. This MoU is a one-of-a-kind strategic partnership between two OMCs as a part of synergy for mutual aid during emergencies and towards environmental impact by minimising valuable hydrogen flaring. The Memorandum of Understanding was signed by Vijay S Agashe, Executive Director - HPCL Mumbai Refinery and Subramoni Iyer, Executive Director - BPCL Mumbai Refinery, in presence of senior Officials from HPCL and BPCL Refineries.

MPOST

Rosneft, IOC sign pact to boost crude supplies

RUSSIA'S BIGGEST OIL producer Rosneft Oil Company has signed a term agreement with state-run Indian Oil (IOC) to increase oil supplies and diversify grades. "The parties also discussed ways of expanding integrated cooperation between Rosneft Oil Company and Indian companies in the entire value chain of the energy sector, including possibilities of making payments in national currencies," Rosneft said in a statement.

The development is in sync with the increased purchases of Russian oil by India since the Russia-Ukraine war broke out, which led to much reduced exports of oil to conventional

western buyers. In November last year, Russia became India's largest crude supplier, thanks to discounted prices on offer, up from its 2.2% share in India's crude basket in 2021.

"The trends that we saw in Asia in 2022 are likely to continue this year, with China and India importing large volumes of crude from Russia, while South Korea has cut back buying from the same supplier substantially and Japan not

importing from that country," Lim Jit Yang, adviser for Asia-Pacific oil markets at S&P Global Commodity Insights wrote recently.

— FE BUREAU

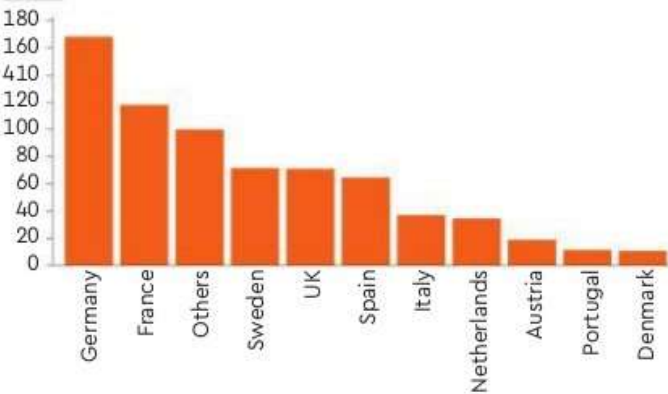
The development is in sync with the increased purchases of Russian oil by India since the Russia-Ukraine war broke out



Not the best green solution

A recent briefing by Oxfam, using Europe-centric data from IFEU, shows biofuels may not be the best bet for reducing greenhouse gas emissions. To be sure, they do have a net positive emission-reduction impact when they substitute fossil fuels, but there is a larger carbon dividend from other solutions—such as deriving the same quantum of energy from solar power using a very small portion of the land required by biofuels and rewilding the remainder.

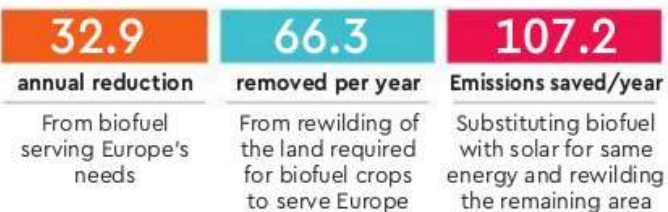
1 Biofuel consumption in key European countries (In Peta joules)



2 Global land use for biofuels consumed in Europe (in hectares)



3 Emission impact of biofuels versus rewilding & solar (million tonnes of CO₂)



Source: Oxfam, IFEU

The most important oil price is about to change

Shift because Dated Brent is slowly running out of tradable oil for it to stay reliable

Bloomberg
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After years of wrangling, the world's most important oil price is about to be transformed for good, allowing crude supplies from west Texas to help determine the price of millions of barrels a day of petroleum transactions.

The shift is because the existing benchmark, Dated Brent, is slowly running out of tradable oil for it to remain reliable. As such, its publisher S&P Global Commodity Insights—better known by traders as Platts—has been forced to make a dramatic overhaul.

Its switchover was fraught with controversy and caused stress among physical oil traders. But it was necessary. BP Plc at one stage said that Dated Brent was subject to “increasingly regular dislocations.” But the future of Dated is now set. From cargoes for June onward, West Texas Intermediate Midland, oil from the Permian will become one of a handful of grades that set the Dated benchmark. Here's a look at what matters as the transition gets closer:

1. WHY DOES IT MATTER?

Dated, as it's commonly known by oil traders, helps to set the price of about two-thirds of the world's oil and even defines the price of some gas deals. Oil producing states will often sell their barrels at small premiums or discounts to Dated, so the precise mechanics of how it is formed matter to them. In addition, the benchmark lies at the center of a complex web of derivatives, ultimately shaping Brent oil futures that get traded on exchanges.

Dated affects a host of oil prices, so even crude in Dubai could feel the effects, according to Adi Imsirovic, a veteran oil trader and senior research fellow at the Oxford Institute for Energy Studies.

2. EXACTLY WHAT'S HAPPENING?

Traders will be able to offer WTI Midland for sale from the US Gulf Coast. It will be delivered



BP Plc at one stage said that Dated Brent was subject to “increasingly regular dislocations.”

into Rotterdam and then price will be netted back using a freight adjustment factor as if it's shipped from the North Sea.

By following a careful process, Platts will evaluate if the oil is being offered at a higher or lower level than five existing grades that set Dated — Brent, Forties, Oseberg, Ekofisk or Troll. If Platts judges that WTI Midland is the most competitive price on offer — or actually

added delivery cost to Rotterdam — more than 6,000 miles and around 17 days sailing away.

Platts would need to make that delivered cargo like-for-like against the existing BFOET grades, which are transacted on a so-called Free on Board, or FOB, basis in the North Sea.

To do that, it will use what it calls a freight adjustment factor, deducting the estimated cost of transportation across the North Sea to

Rotterdam. If that were to be \$1 a barrel, then the implied FOB price of WTI Midland in the North Sea would be about \$80. The process will place an emphasis on Platts's assessments of tanker costs.

MAKING THE SWITCH

THE world's most important oil price is about to be transformed for good

THE switchover was fraught with controversy and caused a lot of stress among oil traders

DATED Brent's publisher Platts has been forced to make a dramatic overhaul

sold — then it could set Dated. So WTI Midland might then influence the price a seller of an Atlantic Basin barrel charges a refinery in China.

3. WHAT ABOUT PRICE DISCOVERY?

Imagine the existing Dated grades, which go under the acronym BFOET, are at \$80 a barrel.

A trader might pick up a cargo of WTI Midland at \$79 from a terminal the US Gulf with \$2

Some changes are already getting underway. In February, Platts began assessing forward prices based on the new assessment. Real cargoes of crude from the US will be allowed for inclusion from early May. The expiry of the May Brent futures contract at end-March will rely on some trades of a June Brent exchange of futures for physical contract, which will take the changes into account.

4. AND THE TIMELINE?

HPCL, BPCL tie up for hydrogen

Hindustan Petroleum Corporation Ltd (HPCL) on Thursday said it has signed a pact with Bharat Petroleum Corporation Ltd (BPCL) for synergy in purchase and sale of hydrogen between the refineries the two firms operate in Mumbai. Hydrogen is an essential utility required for treating of diesel and petrol to produce low-emission fuel of Euro-VI or Bharat Stage VI specifications, and is vital for reliable and safe refinery operations.

“A memorandum of understanding (MoU) was signed between HPCL Mumbai refinery and BPCL Mumbai refinery as part of synergy through purchase and sale of hydrogen,” the company said in a statement. The one-of-a-kind strategic partnership between two oil marketing companies is part of synergy for “mutual aid during emergencies and towards environmental impact by minimizing valuable hydrogen flaring,” it said. The MoU was signed by Vijay S. Agashe, executive director of HPCL Mumbai refinery and Subramoni Iyer, executive director of BPCL Mumbai Refinery.

PTI

Ajay Srivastava

India's energy imports are estimated to grow 43.6 per cent in FY2023 over the previous year. Energy imports include coal, coke, crude oil, LNG, and LPG.

Energy-related products dominate India's import basket and account for 36.6 per cent of the total merchandise import bill. India's energy import bill for FY23 is estimated to be \$260 billion.

High growth in energy-related imports is mainly due to the challenging external environment. If the present energy import growth rate continues, the energy import bill will exceed the bill for all remaining merchandise imports in the next two years. And the energy import bill will exceed the \$1-trillion mark by December 2026. The situation will look worse if the import value of goods like photovoltaic cells and Lithium Ion batteries required for clean energy is added.

Currently, four factors are leading to a surge in the price of oil, coal, and other energy sources. These are the disruption of oil supply chains due to the US sanctions on Russia post the Russian invasion of Ukraine and the weakening of the US-Saudi Arabia 1970s deal that led to the dollar becoming the world's reserve currency and leading to the sale of oil and currencies other than the dollar.

The remaining two issues are high inflation in developed countries, including the US, Canada, Germany, and the UK, and the US effort to create alternate supply chains excluding China. As these issues may linger long, the price rise may be here to stay.

Petroleum crude and products: The estimated values of petroleum imports for FY 2023 are \$210 billion. This includes crude oil with an import value of \$163 billion and LNG and LPG of \$17.6 billion and \$14 billion, respectively. Crude imports grew by 53 per cent over the last fiscal.

India bought crude from various countries. The top suppliers are Iraq (\$36billion), Saudi Arabia (\$31billion), Russia (\$21billion), UAE (\$17billion), the US (\$11.9billion). Imports from Russia zoomed by 850 per cent over last year.

India paid prices ranging from \$90-92 per barrel for imports from Iraq, Russia, and the US. In comparison, it paid the price ranging from \$101-103 per barrel for imports from Saudi Arabia and UAE. One tonne of crude equals 7.35 barrels.

India used its refining capacity to process part of the imported crude oil and exported products worth \$96 billion. The key exports were diesel (\$45 billion), petrol (\$15 billion), and ATF (\$16 billion).

Coke, coal: While coal is a significant contributor to CO2 emissions, it remains the critical fuel for electricity generation for most countries. Disruption in oil trade due to sanctions

Energy imports must be slashed

WAY AHEAD. Boosting exploration of local oilfields and enhancing coal output will help in cutting the crippling import bill



Grim scenario

Import type	Current imports - \$ billion			Estimated imports - \$ billion**				
	FY 2022	FY 2023*	Growth rate (%)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Energy (coal, coke, crude oil, LNG, LPG)	181	260	43.6	373.4	536.1	769.9	1,105.6	1,587.6
Remaining imports	432	450	4.2	468.9	488.6	509.1	530.5	552.8
Total merchandise imports	613	710	15.8	842.3	1,024.7	1,279	1,636.1	2,140.4

*Estimated - Apr-Feb import data for FY 2023 already in public domain

**Estimates are based on current growth rates

on Russia and the weakening of the US-Saudi Arabia 1970 oil deal put pressure on governments to secure long-term coal supplies.

India's estimated coke and coal imports for FY2023 are \$51 billion. India imports both coking coal and thermal coal. While coking coal is used as raw material for making steel, thermal coal is used to generate electricity.

The coking coal imports may exceed \$20.4 billion, an 87 per cent increase over last year.

The most significant addition is a rise in average import price from \$250/tonne to \$370/tonne. India imports about 60 per cent of coking coal from Australia (\$11.8 billion). We also bought coking coal from the US (\$2.7 billion) and Singapore (\$2.1 billion). Singapore does not mine coal.

Steam coal imports in FY 2023 are estimated to exceed \$23.2 billion, a 105 per cent increase over last year. India imports about 59 per cent of steam coal from Indonesia (\$13.6 billion). Other significant suppliers are South

Africa (\$3.8 billion), Australia (\$1.7 billion), and Russia (\$1.6 billion). The most increase in imports is on account of the rise in prices. Country-wise price rise in 2022 over 2021-Indonesia — 22 per cent, South Africa 49 per cent, Australia 35 per cent, Russia 46 per cent.

REDUCING IMPORTS

India must reenergize the exploration of local oil fields and enhance production through coal mines. Enhanced domestic production will substantially cut the energy import bill and improve the current account. India, in the 1980s, met 85 per cent of its crude oil needs mainly from ONGC's Bombay High offshore oil field, but now we import 85 per cent of our needs. A renewed focus on exploration in India will help.

India has 26 sedimentary basins divided into the following four categories: Category I (7 Basins) — established commercial production; Category II (3 Basins) — known accumulation of hydrocarbons but no commercial production as yet; Category III (6 Basins) — indicated hydrocarbon reserves considered geologically oil-bearing; Category IV (10 basins) — uncertain potential may be prospective by analogy with similar basins worldwide; and deep-water reserves

Crude oil and natural gas production in India is from category-I basins and

deep water areas. Hydrocarbon discoveries have been made in Category-II basins, but commercial production is yet to commence. India must evaluate its options to increase local production.

India must also focus on reducing coal imports. There's not enough scope for reducing the import of coking coal as India does not have high-quality reserves. But, the import of thermal coal can be managed. Coal imports have increased mainly because of demand from new power plants that use only high-grade imported coal. Several issues favour imports.

These include the low quality (high ash content of 30-40 per cent) of Indian coal, the inability of Coal India Ltd to increase production and use technology to increase the calorific value of coal, and within-country transport restrictions. An early resolution of these issues will reduce the imports substantially.

India's merchandise imports for the fiscal year ending March 2023 are estimated to touch \$710 billion, up from \$613 billion in FY2022, an increase of over 15.8 per cent over last year. Containing energy imports will ensure that the overall import bill does not strain the current account.

The writer is founder, Global Trade Research Initiative

There's not enough scope for reducing the import of coking coal as India does not have high-quality reserves.

Disinvestment facing many challenges: Govt.

Disinvestment receipts so far this fiscal total ₹35,282 cr. vs revised estimates of ₹50,000 cr.; Finance Ministry concedes in its annual report that stake sale process has been stalled by global as well as domestic issues; Union Budget has set an FY24 disinvestment target of ₹51,000 cr., a nine-year-low

Vikas Dhoot
NEW DELHI

The Finance Ministry, which last month pared the disinvestment target for 2023-24 to a nine-year low of ₹51,000 crore, has now publicly acknowledged the multiple challenges it is facing in privatising public sector enterprises (PSEs) and raising funds through minority stake sales, a drive that has stalled since Air India's sale.

Outlining the key obstacles, the Ministry noted that the COVID-19 pandemic seriously impacted tran-

sactions in 2020 and 2021, followed by the Ukraine conflict last year, which hurt minority as well as strategic stake sales as "financial capacity and risk-reward options of potential bidders turned worse".

Also, "strategic disinvestment transactions have to deal with matters such as resolving land title, lease and land use issues with State government authorities, disposal of non-core assets, excess manpower and labour unions, protection of process and functionaries etc.," the Ministry noted in its annual report for 2022-23.

Headwinds galore

The Finance Ministry's annual report concedes the difficulties the Centre is facing in meeting its disinvestment goals



- Financial capacity and risk-reward options of potential bidders turned worse last year in the wake of the Ukraine conflict
- Land title, lease and land use issues with States and multiple court cases filed by employees' unions have hindered deals
- High disinvestment target, frequent use of ETFs created a price overhang

Multiple court cases filed by employees' unions and other interest groups against the disinvestment policy as well as specific transactions were also hin-

dering deals. "Any of these issues may impact the transaction timeline," the Ministry pointed out.

"Challenges to disinvestment through minority

stake sale include reduced availability of government stake over 51% for large listed central PSEs; relatively muted perception of investors in these stocks as compared to private sector peers; price overhang in the market due to high disinvestment target and frequent use of exchange traded funds (ETF) route for stake sale till 2019-20," it added.

'Frequent use of ETFs'

Between 2016-17 and 2019-20, the government had raised almost ₹99,000 crore from ETFs with underlying shares of CPSEs.

Disinvestment receipts so far this year amount to just ₹35,282 crore, against a Budget target of ₹65,000 crore and revised estimates of ₹50,000 crore. The privatisation of Central Electronics and Pawan Hans had to be scrapped after being announced, owing to legal concerns about the winning bidders.

The sole strategic sale completed in FY23 is of Neelachal Ispat Nigam Ltd. (NINL) to a Tata group firm. NINL was a joint venture between four CPSEs and two State PSEs from Odisha, with no direct Government of India holding.

OIL SPILLS AND SLIPS AT G20

In the wake of growing economic fragility during the Asian financial crisis of 1999, G20 was founded to discuss and coordinate international economic and financial stability. Since then, other issues of global relevance have been on the agenda at the forum. Major foreign trade agreements (FTA) were inked on the sidelines of summits in the past, leading to the celebratory demise of crippling trade barriers. Of late, differences and divisions related to geopolitical tensions have surfaced.

The sixth G20 summit in 2011 focused on the need for incremental transparency in the energy market. As India hosts this year's presidency, the energy market has become an important part of the dialogue

after a decade. It is very relevant in the present global scenario amid Russia-Ukraine conflict and the imposition of sanctions on Russian crude.

The present situation bears similarities with the Yom Kippur War that led OPEC to impose an embargo on the US and other nations that supported Israel against its aggression on the coalition of Arab States, cutting off almost 65% of the supplies from the Middle East to the West. Ushering the infamous 1973 Oil Crisis, crude prices rose by a whopping 300% in six months. Coinciding with a dollar devaluation, a shadow of structural constraints and challenges caused much collateral damage worldwide. Impartial inflation diminished the value of oil-producing nations' reserves in Western banks! The present-day EU embargo, the price cap on Russian crude and a dwindling US Strategic Petroleum Reserve (SPR) prompted oil analysts to be bullish. On the contrary, economic weakness across nations kept the prices low, and the recent banking tremors have dampened the mood further.

Groups like G20 are polite gatherings to discuss issues but ultimately, fundamental macro policy matters. Oil prices are endogenous vis-à-vis macroeconomics of the world economy and seldom affect the members uniformly. The effect is unique to each member based on the diversity of their resource endowments and economic stature, such as currency dominance.

Desisting from consensus, members prioritise their national interests. Ensuring the continuity of its supply source, Japan obtained exemption of the Sakhalin-2 crude from sanctions citing it as "energy security".

Post-sanctions against Venezuela, beginning in 2015 and more stringent and comprehensive since 2019, the US considered the present regime a threat to democracy and sliding towards dictatorship.

The US is currently working towards

rapprochement with Caracas, an ally of Russia. The intention is touted as "cutting to size" of Russia's dominance in the oil market. Turkey, a member of NATO, continues to cooperate with Ukraine in the defence production sector, such as purchasing engines for stealth drones, while its import of Russian Urals touched a four-month high last February. Flirtatious by instinct, alliances of oil often slip out of prospective marriage!



India needs to continue its tight embrace of diplomacy while oil prices witness high volatility as we flit in the geopolitical diversity between Baghdad, Washington and Moscow

India legitimately asserted its intent while continuing to buy oil from Russia. The move is termed by the US as "ethical and non-violative of the spirit of sanction". Reliance Industries and Nayara Energy are believed to have lifted 40% of the Russian crude landing on Indian ports. For Reliance, the largest refinery in the world with a processing capability of all grades of oil and a production capacity of 1.2 million barrels per day, sourcing crude at the best possible price, regardless of the origin, makes sane business sense. Nayara Energy (erstwhile Essar Oil), 49% owned by Russia's Rosneft Oil Co., produces the ESPO Blend crude oil, a favourite with Indian refiners due to its low sulphur content and high refinery throughput. While keeping their prices unchanged despite high oil prices, the state-owned refineries HPCL, IOCL and BPCL posted a combined net loss of over ₹21,000 crore in the half year ended September 2022. Cheaper Russian oil could assist in recovery.

In oil politics, shifts in ambitions and

partnerships are fairly rampant. India has increased its sourcing to 30 countries. The prospect of exploration and production is under consideration in Guyana with its massive reserves and an impending partial exit of ExxonMobil. Keen to maintain its stellar role in the oil import scene, Iraq has initiated discussions on offering a discount for its Basrah crude oil with Indian refiners.

For a country like India, following a pol-

icy of multilateralism is in its best interest. Other members of G20 share a similar vision for energy security. A recent Xi-Putin meeting in Moscow transpired over cheaper oil for China. The US is slated to go oil surplus this year and is eyeing a bigger share in exports to China and India, the two largest consumers.

India needs to continue its tight embrace of diplomacy while oil prices witness high volatility as we flit in the geopolitical diversity between Baghdad, Washington and Moscow. Considered the fastest-growing economy among the seven largest and emerging economies, India needs to reinforce its currency in sustainable development, especially in energy. As the bank scrips piggyback broader markets downhill, the spectre of economic sluggishness and dwindling oil demand is resurrected. Though OPEC would consider production cuts should the prices dip lower, some OPEC members' "fiscal straits" would deny them the luxury of such cuts. However, the current Brent Crude price rise beyond \$75 offers a reprieve on the re-emergence of a "bullish trend" (*Oil: Stealth And Valuation, TNIE Jan 19*). Prices could increase substantially by the year's end though a lot would rest on taming inflation and upending recession.

Energy security was a central theme during a run-up to the year-end summit at the India Energy Week last month. Climate change is vital, yet energy dependency and availability remain sacrosanct for all members. Motivated by the theme of "Vasudhaiva Kutumbakam", the fraternity of G20 needs to revisit its raison d'être in the context of imparting stability to the world economy, which in present times rests a lot on oil prices. Consensus and conciliation are the best way forward.

The salvation of mankind lies only in making everything the concern of all—Aleksandr Solzhenitsyn

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RANJAN TANDON



Senior markets specialist and author



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