



ONGC News as on 17 June 2024 (Print)

सरकारी तेल कंपनियों को तीसरी बार भी नहीं मिला योग्य चेयरमैन

नई दिल्ली। हिंदुस्तान पेट्रोलियम कॉरपोरेशन लि. (एचपीसीएल) के चेयरमैन पद के लिए अभी तक कोई उपयुक्त उम्मीदवार नहीं मिला है। सार्वजनिक उपक्रम चयन बोर्ड (पीईएसबी) ने हाल में एचपीसीएल के चेयरमैन एवं प्रबंध निदेशक पद के लिए आठ उम्मीदवारों का साक्षात्कार लिया था, लेकिन कोई उम्मीदवार उपयुक्त नहीं लगा। तीन साल में यह तीसरा मौका है, जब बोर्ड को सरकारी क्षेत्र की तीन तेल कंपनियों एचपीसीएल, आईओसी और ओएनजीसी के प्रमुख के पद के लिए कोई उपयुक्त उम्मीदवार नहीं मिला है। एचपीसीएल प्रमुख के लिए जिन लोगों का साक्षात्कार लिया गया, उनमें



कंपनी के निदेशक के अलावा इंद्रप्रस्थ गैस के प्रबंध निदेशक भी शामिल थे। एचपीसीएल के वर्तमान चेयरमैन पीके जोशी एक सितंबर को सेवानिवृत्त हो जाएंगे। पीईएसबी को इससे पहले इंडियन ऑयल कॉरपोरेशन (आईओसी) और ऑयल एंड नैचुरल गैस कॉरपोरेशन (ओएनजीसी) में शीर्ष पद के लिए उपयुक्त व्यक्ति नहीं मिला था। एजेंसी



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2 arrested for fuel theft in Tripura

AGARTALA, JUNE 16 /--/ Two persons, including an ONGC employee, have been arrested from West Tripura district for their alleged involvement in a fuel theft case, police said on Sunday. The arrested persons - the "stock holder" of ONGC fuel station, Badharghat, and a driver recruited through an agency - are currently in judicial custody, they said. The duo was held after ONGC authorities lodged an FIR, alleging that around 620 litres of diesel were stolen from a fuel station inside its premises in Badharghat. Based on the complaint, a police team visited the ONGC complex and arrested the two accused, Officer-in-Charge (OC), Amtali Police Station, Ranjit Debnath, told PTI. "They were sent to judicial custody after they served a three-day police remand. We suspect more people are involved in the case," he said. Debnath said a report has also been sought from the company's materials manager to ascertain how much fuel was stolen. "The theft may have been taking place for a long time. We are thoroughly investigating the matter," he added. (PTI)

Crude import bill up 21.4% in April-May

ARUNIMA BHARADWAJ
New Delhi, June 16

INDIA'S CRUDE OIL imports in the first two months of the current fiscal increased by almost 6% to 43.1 million tonne from 40.6 million tonne in the corresponding period of last year as the demand for petroleum products continue to grow amid stagnant domestic production, as per latest data by the Petroleum Planning and Analysis Cell.

In May, the country imported 21.8 million tonne of crude oil, up 5.7% from May 2022. The country's crude import bill also registered an increase of 21.4% to \$26.1 billion in the April-May period compared to the year-ago period.

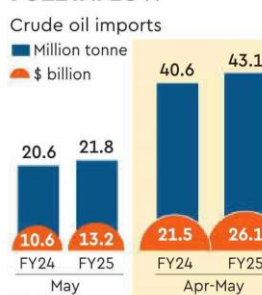
Apart from growing volumes, the increase in import bill can be attributed to the narrowing discounts by Russia which has become the top supplier of crude oil to Indian refiners post the outbreak of the conflict between Russia and Ukraine. According to the industry, Russian discounts on its consignments have reduced to \$3-4 per barrel against \$8-10 per barrel it offered earlier.

India's net crude oil import bill could reach \$101-104 billion in the 2024-25 financial year from \$96.1 billion in FY24 provided the discounts on Russian crude purchase remain at prevailing lower levels amid rising import dependency, according to ICRA.

Despite the government's efforts to boost production and reduce dependency on imports, the production has remained stagnant in the last 10 years. The country's upstream companies together produced 4.9 million tonne of crude oil in April and May, unchanged from last year even as the consumption rose by 2.4% to 40.3 million tonne.

In his second term as oil minister,

FUEL INFLOW



Hardeep Singh Puri has said that the focus of the government will be to boost domestic production of oil and gas. He said that Oil and Natural Gas Corp is expected to reach the peak production of 45,000 barrels per day of crude oil from its KG 98/2 block soon, which will aid in domestic output. The ministry will conduct the ninth and tenth bidding round under Open Acreage Licensing Programme in the coming few weeks, he had said.

The growth in consumption of petroleum products was led by 7.7% growth in demand for motor spirit, 1.6% in high speed diesel, and 12% in aviation turbine fuel. The consumption of liquefied petroleum gas grew by 5.5% during the period, as per the report. Indian oil refineries processed 5.36 million tonne of crude in the first two months of FY25 against 5.31 million tonne in April-May 2023.

पीईएसबी ने चेयरमैन व सीएमडी के लिए लिया था साक्षात्कार

पीईएसबी को नहीं मिला एचपीसीएल प्रमुख पद के लिए कोई उपयुक्त उम्मीदवार

एजेसी ► नई दिल्ली

सार्वजनिक उपक्रम चयन बोर्ड (पीईएसबी) को हिंदुस्तान पेट्रोलियम कॉर्पोरेशन लि. (एचपीसीएल) के प्रमुख पद के लिए कोई उपयुक्त उम्मीदवार नहीं मिला है। पीईएसबी ने हाल में एचपीसीएल के चेयरमैन एवं प्रबंध निदेशक (सीएमडी) पद के लिए साक्षात्कार लिया था, लेकिन उसे सार्वजनिक क्षेत्र की पेट्रोलियम कंपनी के प्रमुख के पद के लिए इनमें से कोई उम्मीदवार उपयुक्त नहीं लगा।

तीन साल में यह तीसरा मौका है जबकि जब बोर्ड को किसी सार्वजनिक क्षेत्र की पेट्रोलियम कंपनी के प्रमुख के पद के लिए कोई उपयुक्त उम्मीदवार नहीं मिला है। पीईएसबी सार्वजनिक उपक्रमों में शीर्ष पदों के लिए उपयुक्त उम्मीदवार की खोज करता है। पीईएसबी ने 14 जून को इस पद के लिए कुल आठ उम्मीदवारों का साक्षात्कार लिया था।

आईजीएल के एमडी शामिल थे

जिन लोगों का साक्षात्कार लिया गया उनमें एचपीसीएल निदेशक मंडल के एक सदस्य के अलावा इंदरप्रस्थ गैस लि. (आईजीएल) के प्रबंध निदेशक भी शामिल थे। लेकिन पीईएसबी को इनमें से कोई उम्मीदवार इस पद के उपयुक्त नहीं लगा।

■ बोर्ड को इनमें से कोई उम्मीदवार उपयुक्त नहीं लगा

■ तीन साल में तीसरा मौका जब बोर्ड को उपयुक्त उम्मीदवार नहीं मिला

एचपीसीएल प्रमुख का पद एक सितंबर 2024 को होगा खाली

एचपीसीएल के प्रमुख का पद एक सितंबर, 2024 को खाली हो जाएगा। उस समय कंपनी के मौजूदा चेयरमैन एवं प्रबंध निदेशक पुष्प कुमार जोशी 60 वर्ष की सेवानिवृत्ति आयु पूरी करने पर सेवानिवृत्त हो जाएंगे। पीईएसबी को इससे पहले इंडियन ऑयल कॉर्पोरेशन (आईओसी) और ऑयल एंड गैस कॉर्पोरेशन (ओएनजीसी) में शीर्ष पद के लिए कोई उपयुक्त व्यक्ति नहीं मिला था।



उचित तरीके से चुनने की सलाह

पीईएसबी पैनेल ने एक अधिसूचना में कहा, 'बोर्ड ने एचपीसीएल के चेयरमैन और प्रबंध निदेशक (सीएमडी) के पद के लिए किसी भी उम्मीदवार को सिफारिश नहीं की और पेट्रोलियम और प्राकृतिक गैस मंत्रालय को खोज-सह-चयन समिति (एससीएससी) सहित चयन के लिए आगे की कार्यवाही का उचित तरीका चुनने की सलाह दी।'

किसी नाम की सिफारिश नहीं

आईओसी के मामले में पीईएसबी ने श्रीकांत माधव वैद्य का स्थान लेने के लिए किसी के नाम की सिफारिश नहीं की। वैद्य को 2023 में सेवानिवृत्त होना था। पीईएसबी ने इस पद के लिए कुल 10 उम्मीदवारों का साक्षात्कार लिया था। कोई उपयुक्त उम्मीदवार नहीं मिलने के बाद एक 'अनूठा' कदम उठाते हुए सेवानिवृत्ति की तारीख के बाद एक साल के लिए अनुबंध के आधार पर वैद्य को पुनः कंपनी का प्रमुख नियुक्त कर दिया गया।

■ पीईएसबी ने 14 जून को कुल आठ उम्मीदवारों का साक्षात्कार लिया था

ओएनजीसी प्रमुख का सेवाकाल बढ़ा था

इसके चलते आईओसी के प्रमुख का कार्यकाल सेवानिवृत्ति की उम्र पूरी होने के बाद एक साल बढ़ाया गया। वहीं ओएनजीसी का प्रसार एक सेवानिवृत्त कार्यकारी को सौंपा गया। पीईएसबी ने तीन जून, 2021 को भारत की सबसे बड़े तेल एवं गैस उत्पादक ओएनजीसी के प्रमुख के पद के लिए दो सेवारत भारतीय प्रशासनिक सेवा (आईएसएस) अधिकारियों सहित नौ उम्मीदवारों का साक्षात्कार लिया।

ये नौकरशाह उपयुक्त पाया गए थे

लेकिन इसमें न तो वरिष्ठ नौकरशाह अविनाश जोशी और नीरज वर्मा और न ही मेगलोर रिफाइनरी एंड पेट्रोकेमिकल्स लिमिटेड (एमआरपीएल) में निदेशक-वित्त पौमिला जसपाल और ओएनजीसी के प्रौद्योगिकी और फोल्ड सेवाओं के निदेशक ओम प्रकाश सिंह को इस पद के उपयुक्त पाया गया।

Govt headhunter finds no one suitable for HPCL top post

HPCL CMD post will fall vacant on September 1, 2024, when incumbent Pushp Kumar Joshi retires on attaining superannuation age of 60 years

OUR CORRESPONDENT

NEW DELHI: The government headhunter PESB has rejected all candidates it interviewed for the top job at Hindustan Petroleum Corporation Ltd (HPCL), the third instance in as many years that the board has not found any suitable candidate for the role in a state oil firm.

The Public Enterprises Selection Board (PESB) on June 14 interviewed eight candidates, including a director on the HPCL board and managing director of Indraprastha Gas Ltd (IGL), but rejected them all.

"The Board did not recommend any candidate for the post of chairman and managing director (CMD) HPCL and advised the Ministry of Petroleum & Natural Gas to choose an appropriate course of further action for selection, including the Search-Cum-Selection Committee (SCSC) or as deemed appropriate with the approval of the competent authority," the PESB panel said in a notification.

The HPCL CMD post will fall vacant on September 1, 2024, when the incumbent Pushp Kumar Joshi retires on attaining a superannuation age of 60 years. The PESB had pre-



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viously not found anyone suitable for the top job at the Indian Oil Corporation (IOC) and ONGC. This led to the incumbent in IOC getting an additional year in office even after attaining superannuation age and a retired executive being given charge in ONGC.

PESB, on June 3, 2021, interviewed nine candidates, including two serving IAS officers, to head India's largest oil and gas producer, ONGC. But it found

neither senior bureaucrats Avinash Joshi and Niraj Verma nor Mangalore Refinery and Petrochemicals Ltd (MRPL) director-finance Pomila Jaspal and ONGC director for technology and field services Om Prakash Singh suitable.

The ministry thereafter constituted a search-cum-selection panel and named Arun Kumar Singh, who had retired after attaining 60 years of age from Bharat Petroleum Cor-

Highlights

- » The PESB had previously not found anyone suitable for the top job at the Indian Oil Corp and ONGC
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August 2023. The panel interviewed 10 candidates, including Chennai Petroleum Corporation Ltd managing director Arvind Kumar.

This was followed by a rare move. Vaidya, who took over as the chairman of IOC on July 1, 2020, was "re-employment on a contract basis" for one year "beyond the date of his superannuation i.e. with effect from September 1, 2023, till August 31, 2024", according to an official order dated August 4, 2023.

This month, the oil ministry invited applications for the new chairman of the IOC. The selection will be done by a three-member search-cum-selection committee headed by the PESB chairperson and includes the oil secretary and former HPCL chairman MK Surana as members. Applications have been sought from engineers, chartered accountants and cost accountants with postgraduate management degrees from leading institutions and having at least five years experience in leadership roles by July 3. The age eligibility cut-off has been set at no more than 58 years for internal candidates and 57 years for outsiders, with 60 years as retirement age, according to the advertisement.

poration, to head ONGC. Singh wasn't eligible to apply in the first place, but the eligibility rule was changed to allow consideration of persons who have attained 60 years of age. He was given a three-year term that ends in December 2025.

In the case of IOC, PESB, in May last year, did not make any recommendation for a replacement of Shrikant Madhav Vaidya, who was to retire after attaining 60 years of age in

India, Norway's Equinor in talks for oil reserve, LNG

Utpal Bhaskar
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NEW DELHI

The central government is in discussions with Norwegian energy giant Equinor to secure its participation in India's strategic petroleum reserves (SPR), as part of efforts to enhance the energy security of the world's third-largest energy consumer.

In a related move, negotiations are also ongoing for long-term deals for supply of liquefied natural gas (LNG) from Equinor's extensive portfolio in the US and Qatar, according to two people aware of the development.

"We are asking Equinor to come in our SPR, and also participate in our E&P (exploration and production) programme," one of the two people cited above said, requesting anonymity. "The discussions are ongoing. We are talking



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with Equinor for sourcing long-term LNG from their portfolio in the US and Qatar."

If talks are successful, it would mark the second commitment to India's SPR programme, following a deal with Abu Dhabi National Oil Co (Adnoc). Such deals allow India to have large amounts of crude oil in reserve for emergencies.

These negotiations come

against the backdrop of continued production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, including Russia, which have put global supply chains under pressure.

Queries sent to India's energy ministry and Equinor on Thursday evening were unanswered till press time.

Energy security is pivotal for India, which imports over 85% of its oil and 55% of its gas requirements. Fluctuations in global prices can significantly impact India's import bill, stoke inflation, and widen the trade deficit.

In fiscal year 2022-23 (FY23), India's import of crude oil and petroleum products surged 29.5% to \$209.57 billion, official government data show. LNG imports also rose by 17.5% year-on-year in FY24, reaching 23.5 mmtpa.

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India in talks with Equinor for oil reserve

FROM PAGE 1

Strategic petroleum reserves are developed to store fossil fuel to be used in times of supply disruption or emergency, when normal supplies are impacted due to exigencies such as war. The idea behind allowing foreign companies to hold stock in the strategic reserves is that they can store oil for sale to domestic refiners, as in the case of Adnoc. However, the Indian government has the first right to the oil in case of an emergency.

In January 2017, Adnoc had joined Phase-I of India's SPR programme to store its crude in Mangalore SPR. In 2018, it signed another MoU with ISPRL (Indian Strategic Petroleum Reserves Ltd) to explore the possibility of storing Adnoc's crude oil at ISPRL's underground oil storage facility at Padur in Karnataka, which has a 2.5 million tonne capacity.

India currently has a crude storage capacity of 5.3 million tonnes, distributed across Visakhapatnam, Mangaluru, and



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Padur. An additional 6.5 million tonnes of strategic crude oil reserves are under construction in Chandikhol, Odisha, and Padur, Karnataka.

These reserves are critical for energy security, as evidenced by India's coordinated release of 5 million barrels of crude oil in November 2021 with other major consumers to stabilize global prices. India had bought crude oil at \$19 a barrel in 2020 to fill up the reserves, and in the process, saved \$685.11 million.

A recent S&P report high-

lighted that in addition to India's strategic petroleum reserve capacity, state-run oil companies maintain storage facilities for crude oil and petroleum products sufficient for 64.5 days of total net imports. This brings current total storage capacity for crude oil and petroleum products to 74 days of total net imports.

Equinor, meanwhile, is no stranger to India, having partnered with state-run Oil and Natural Gas Corp. (ONGC) on carbon capture, utilization and storage (CCUS), offshore wind, and green hydrogen projects.

Equinor-backed Scatec ASA has also joined forces with India's Acme Group for a \$6 billion green hydrogen and green ammonia project in Oman, which aims to supply emission-free fuel to Europe and Asia.

In February, Equinor signed a 15-year agreement to supply LNG to Indian fertilizer and

petrochemical company Deepak Fertilisers.

The proposed LNG deal with Equinor is part of India's strategy to fortify its LNG imports. Indian Oil Corp. (IOC) recently inked a long-term LNG contract with France's TotalEnergies to supply 1 million metric tonnes per annum (mtpa) for around 10 years.

There are plans to sign another long-term contract with Adnoc for a similar volume.

Indian Oil had previously signed an agreement with Adnoc for the supply of 1.2 mtpa of LNG starting in 2026.

Petronet LNG extended its contract with QatarEnergy LNG in February, securing a long-term deal for 7.5 million tonnes of LNG per annum.

Adnoc has also offered India a stake in its upcoming LNG liquefaction terminal at Ruwais, marking what could be India's first equity stake in an overseas LNG terminal.

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Hunt for HPCL chief flounders

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Pain point

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The ministry thereafter constituted a search-cum-selection panel and named Arun Kumar Singh, who had retired after attaining 60 years of age from Bharat Petroleum Corporation Ltd (BPCL), to head ONGC. Singh wasn't eligible to apply in the first place, but the eligibility rule was changed to allow consideration of persons who have attained 60 years of age. He was given a three-year term that ends in December 2025.

In IOC, PESB, in May last year, did not make any recommendation for a replacement of Shrikant Madhav Vaidya, who was to retire after attaining 60 years of age in August 2023. The panel interviewed 10 candidates, including Chennai Petroleum Corporation Ltd (CPCL) managing director Arvind Kumar. 77



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Q4 results: Stable costs boost India Inc. profits

Steady costs and firm domestic demand supported corporate performance in the March quarter.



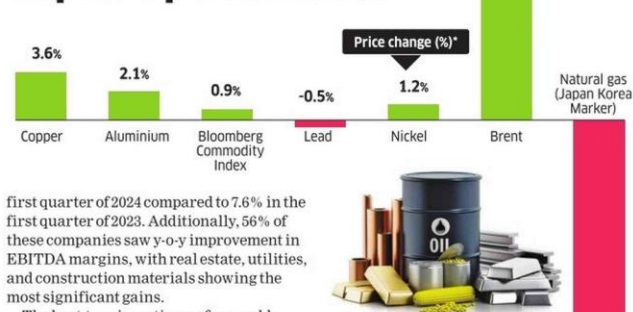
by Sameer Bhardwaj

Stable commodity prices supported corporate India's performance in the fourth quarter of 2023-24. Although revenue growth moderated, profitability improved. A Bank of Baroda report shows that the aggregate sales and net profit of 2,537 companies grew 7.8% and 17.1% year-on-year, compared to 10.2% and 8.4% in the previous year's quarter.

Excluding the BFSI sector, the sales and profit growth for 2,259 companies softened to 4.4% and 7%, respectively. "The BFSI sector tends to lend a considerable degree of bias to the total picture as banks have been riding a sustained business upcycle amid buoyant credit growth in the economy," states the Bank of Baroda research report.

The Bloomberg Commodity Index, which tracks global prices of oil, natural gas, copper, zinc, and other commodities, ended 0.8% higher in the first quarter of 2024, but fell 9.1% y-o-y. Stability in commodity prices boosted the operating profit (EBITDA) of 389 Nifty 500 companies (excluding banks and financials), with aggregate EBITDA rising 8.2% in the

Stable commodity prices improve performance



first quarter of 2024 compared to 7.6% in the first quarter of 2023. Additionally, 56% of these companies saw y-o-y improvement in EBITDA margins, with real estate, utilities, and construction materials showing the most significant gains.

The beat-to-miss ratio was favourable, with 54% of 290 Nifty 500 companies surpassing earnings estimates in the March quarter. However, the ratio of upgrades to downgrades was unfavourable. Of the 445 Nifty 500 companies with full-year 2024-25 net earnings estimates, 40% saw upgrades, while 60% saw downgrades. Most companies in oil and gas, automobiles, and BFSI sectors had upgrades, whereas chemicals, cement and hotels saw downgrades.

Market experts believe that an improve-



*Between 31 Dec 2023 and 31 March 2024. Percentage change based on international USD prices. Source: Refinitiv

ment in revenue growth is necessary for sustaining the earnings momentum. "The margin tailwinds in the fourth quarter of 2023-24 have ebbed from a high base, necessitating a recovery in revenue growth to boost earnings going forward," states a Motilal Oswal report.

The continuing sluggish rural and export demand is expected to impact India Inc.'s future performance. "The corporate sector is likely to see a more volume-led growth in 2024-25. Headwinds are likely to emerge in 2024-25 with the positive base effect from lower commodity prices waning. This may impact profitability going ahead," adds the Bank of Baroda Research report.

Here's how Nifty 500 sectors fared in the third quarter of 2023-24.

Banking & financial services

The sector reported a strong performance, driven by robust business growth, healthy net interest income, and controlled provisions. Retail and MSME segments led credit growth, while corporate faced pricing challenges. Asset quality was stable and credit costs were low. Private sector banks gained from advances growth, moderate slippages and healthy recoveries, while public sector banks were bolstered by lower provisions, steady fee income and treasury gains.

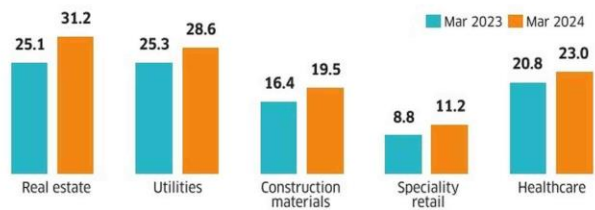
Among Nifty 500 banking stocks, YES Bank and Punjab National Bank reported the highest y-o-y growth in consolidated net profits. YES Bank's net profit grew by 126% due to strong NII growth and improved asset quality, while Punjab National Bank's profit jumped 79.2% thanks to better asset quality and lower credit costs. The banking sector is expected to remain resilient, with steady loan growth, improved operating leverage and controlled provisions. According to Motilal Oswal, NIM moderation will continue, but at a slower pace, and asset quality outlook remains positive, with reduced slippages, strong PCR and contingency buffers.

NBFCs and insurance

NBFCs: NBFCs reported a strong performance, driven by increased loan demand in SME, vehicle, housing and gold loans, and healthy collection efficiencies supporting asset quality. While AUM grew strongly, many NBFCs experienced a contraction in NIM due to higher funding costs. Aditya Birla Capital and Bajaj Holdings and Investment saw the highest y-o-y profit growth among Nifty 500 NBFCs, with profits jumping 104.6% and 100.8%, respectively. Aditya Birla Capital's profit was boosted by AMC share sales, while Bajaj Holdings benefited from strong subsidiary performance. According to Motilal Oswal, benign credit costs and potential rate cuts bode well for NBFCs, with expected margin expansion for vehicle financiers in 2024-25. Insurance: The life insurance industry

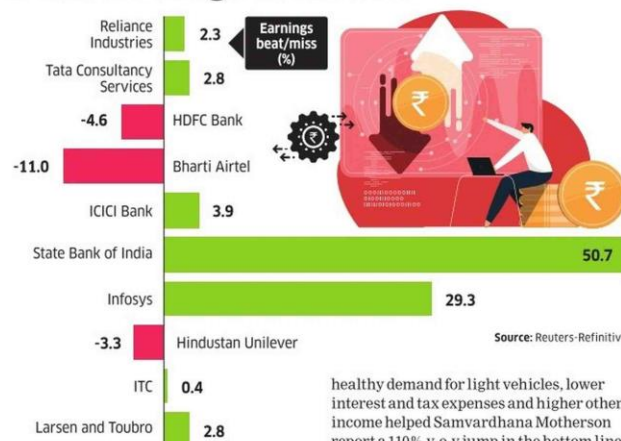
Publication : WEALTH (The Economic Times)	Editions : New Delhi
Date : 17 June 2024	Page : 1, 8, 9

Real estate, utilities see highest rise in EBITDA margins



Figures are EBITDA margins in %. Sector classification by Refinitiv.

7 of top 10 Nifty 500 firms beat earnings estimates



Source: Reuters-Refinitiv

saw a decline in VNB (value of new business) margins due to an adverse product mix and pressure on non-par margins. However, increased auto sales and demand for health insurance supported general insurers. Among Nifty 500 private insurers, Star Health and ICICI Lombard had the highest profit growth, with Star Health's net profit up 39.8% y-o-y due to strong investment income, and ICICI Lombard's profit up 18.9% due to capital gains.

Automobiles & ancillaries

Product mix improvement, operating leverage, volume growth, and better ASP supported the sector's performance. Strong volume growth was seen in two-wheelers (2W), three-wheelers (3W), and passenger vehicles (PV), while commercial vehicles (CV) and tractor volumes declined. Export volumes grew due to base effect, but the outlook remains muted. Better OEM volumes and tyre replacement demand boosted auto ancillaries. Among Nifty 500 auto companies, Tata Motors and Samvardhana Motherson International reported the highest y-o-y profit jumps.

Strong vehicle demand and operating leverage benefits helped Tata Motors report a 222% jump in net profit, whereas

healthy demand for light vehicles, lower interest and tax expenses and higher other income helped Samvardhana Motherson report a 110% y-o-y jump in the bottom line. Analysts expect new launches across segments and premiumisation in 2Ws and PVs to drive volume growth in 2024-25. Visible green shoots in rural demand are expected to support 2W volumes. However, there are expectations of an increase in raw material cost that could impact overall profitability.

Healthcare

The sector performed well in this quarter, driven by growth in both pharma and diagnostic/hospital segments. Pharma companies benefitted from reduced price erosion in the US market and lower raw material costs, while hospital and diagnostic firms saw improved revenues from price increases and stable patient volumes. Among Nifty 500 pharma companies, Alkem Laboratories and Zydus Lifesciences reported the highest y-o-y profit increases. Alkem's net profit surged 313.5%, supported by favourable API prices and cost controls, while Zydus Lifesciences saw a 298.6% increase due to operational efficiency, strategic investments and a diversified product portfolio.

Looking ahead, SMIFS's fourth quarter review predicts steady 10-11% growth in the Indian pharma market, driven by favourable demographics and rising income levels, besides an increase in chronic and lifestyle diseases. Companies with strong franchise

networks are poised to benefit from these trends, as well as from reduced price erosion and normalised supply chain disruptions.

Oil and Gas

The performance of three oil marketing companies (OMCs) was impacted due to muted refining segment performance. The combined consolidated reported net profit of three OMCs was ₹12,647.7 crore in the March quarter, compared to ₹20,768.6 crore in the corresponding quarter of the previous year.

Reliance Industries reported a 1.8% decline in the consolidated PAT due to normalised tax rate and lower petrochemical margins. The performance of the O2C segment was supported by strong global demand for fuels and better feedstock sourcing. On the other hand, the company's telecom and retail segments reported steady growth during the quarter. The upstream player, ONGC, reported decent performance aided by higher-than-expected other income and lower-than-expected depreciation.

A recent ICICI Securities report states that going forward moderate oil and gas price levels relative to 2023-24, improving pricing realisations for petrochemicals, higher sales realisations, moderate crude prices, soft LNG prices and prospects of stronger retail margins are expected to drive sector earnings in 2024-25.

Consumer staples

The performance was steady, aided by stable demand and visible signs of rural recovery. Though volume growth improved during the quarter, the revenue growth was muted due to price cuts. The gross margins continue to improve, led by lower raw material costs. However, higher advertising and spending costs restricted the EBITDA margin expansion.

Among the consumer staples companies in the Nifty 500 universe, United Breweries and Bikaji Foods International reported the most y-o-y jump in net profit growth. Strong volume growth and increased traction in the premium segment helped United Breweries report a 727.7% y-o-y jump in net profit. On the other hand, strong volumes, superior mix, operating leverage benefits and stability in commodity prices helped Bikaji Foods report over 200% y-o-y jump in net profit.

Going forward, most companies remain hopeful about rural recovery, led by an increased outlay in government spending and expectations of a normal monsoon. A recent report by Centrum Broking states that the distribution expansion, price adjustment and grammage increase may influence the overall demand and volumes in the future.

IT

The sector faces ongoing challenges from cautious demand, client budget constraints and unstable macroeconomic conditions. Discretionary spending remained weak this quarter and the near-term outlook remains subdued. Despite strong deal bookings, revenue conversions remained low.

Among tier 1 companies, TCS led with the highest sequential revenue growth of 1.1% in rupee terms, followed by HCL Technologies at 0.2% quarter-over-quarter growth. Wipro's revenue showed no growth. Conversely, Infosys and Tech Mahindra reported sequential revenue declines of 2.3%

and 1.8%, respectively.

While weakness is anticipated to continue in the first half of 2024-25, growth is projected to accelerate in the latter half. Strategies such as enhancing the employee pyramid, reducing subcontracting costs, and rationalising wage hikes are expected to bolster margins going forward. Centrum Broking's March quarter review of the IT sector maintains a positive outlook for the medium-to-long term, citing increasing digitalisation in enterprises and rising demand for generative AI-based solutions.

Metals

The ferrous companies reported robust volume growth in the March quarter, driven by strong domestic and export demand. Improved average selling prices in the real estate and automobile sectors contributed to their performance. Non-ferrous companies benefitted from lower production costs and stable prices.

Among Nifty 500 steel companies, Jindal Steel & Power and Jindal Saw saw the highest y-o-y net profit growth. Jindal Steel & Power's profit surged 102%, supported by lower input costs and export improvements, while Jindal Saw's adjusted net profit grew 63%, driven by volume growth and margin enhancement. National Aluminium Company reported a 101.3% net profit increase due to reduced expenses, and Hindalco saw a 32% jump in profit from higher realisations and improved margins.

Looking ahead, analysts anticipate improved performance for ferrous companies in June, driven by resumed infrastructure projects after elections and favourable steel prices. Non-ferrous companies are expected to benefit from stable base metal prices amid constrained supply and steady demand.

Cement

The sector saw increased volumes, driven by higher pre-election spending and strong demand from infrastructure and housing sectors. Lower input costs also boosted gross margins across most companies.

Among cement companies in the Nifty 500 universe, ACC and Birla Corporation posted significant y-o-y profit growth. All all-round improvement in volumes, costs and efficiency helped ACC to report a 300% jump in PAT, while Birla Corporation's net profit surged 127.6%, driven by higher volumes and reduced power and fuel expenses.

According to a recent Sharekhan report, the sector remains optimistic due to sustained government capex and rising housing demand. However, it anticipates weak cement prices in the first half of 2024-25.



Please send your feedback to etwealth@timesgroup.com

ONGC to start gas production soon from eastern offshore Krishna-Godavari field: Hardeep Puri

New Delhi, (IANS) Public sector upstream giant Oil and Natural Gas Corporation (ONGC) will start gas production from its eastern offshore deep-water field in the Krishna-Godavari block KG-DWN-98/2 soon, Minister for Petroleum and Natural Gas Hardeep Singh Puri said on Tuesday after taking charge as a member of the Modi 3.0 Cabinet.

The minister said that oil and gas public sector undertakings have done well. ONGC has floated a tender to get an international tech partner, he added.

He also said that oil production will increase to 45,000 barrels per day very soon.

The focus of the oil ministry under the new government would be on boosting oil and gas exploration, green hydrogen and increasing gas consumption in the country, he added.

The minister ruled out the privatisation of BPCL.

"Why would we divest ourselves of highly successful Maharatnas like BPCL," he said.

"BPCL has made



more money in the first 3 quarters than the stake sale amount," Puri said.

BPCL's profit after tax for FY 2023-24 came in at 26,673 crores, nearly 13 times higher than the previous fiscal year. Additionally, the company's planned capital outlay of 1.7 lakh crores over 5 years under 'Project Aspire' underlines its commitment to creating long-term value for shareholders.

The combined profit of the public sector oil marketing companies for FY 2023-24 stood at Rs 86,000 crore, over 25 times higher than the extraordinarily difficult previous fiscal year.

For the full 2023-24 fiscal, HPCL reported a

record net profit of Rs 16,014 crore as opposed to a loss of Rs 6,980 crore in the previous year. IOCL capped an excellent year with the historically best refinery throughput, sales volume and net profit.

Minister of State (MoS) in the Ministry of Petroleum and Natural Gas Suresh Gopi also assumed charge on Tuesday and was welcomed by Union Minister Hardeep Singh Puri.

Gopi made history by becoming the first-ever BJP Lok Sabha MP from Kerala and was among the 71 Council of ministers who took the oath of office after PM Modi was sworn in for a record third consecutive term.



एनबीसीसी (इंडिया) लिमिटेड ने ऑयल इंडिया के साथ गुवाहटी में रिफ़ाइनरी के निर्माण के लिए समझौता ज़ापन पर हस्ताक्षर किये। इस पर ऑयल इंडिया में कार्यपालक निदेशक (ईएंडडी) सालोमा योम्बो और ईडी (इंजीनियरिंग) प्रदीप शर्मा ने हस्ताक्षर किए। इस मौके पर अन्य वरिष्ठ अधिकारी भी मौजूद रहे।

FIFTY YEARS AGO JUNE 17, 1974

Sinking of INS Khukri: Limaye's Charge Rejected

FROM OUR SPECIAL CORRESPONDENT
NEW DELHI, June 16.

The Minister of Defence, Mr. Jagjivan Ram, has rejected the allegation made by Mr. Madhu Limaye, MP, that the sinking of the Indian Navy's INS Khukri by the Pakistan Navy during the 1971 war was facilitated by the supply of defective fuel by the Indian Oil Corporation.

Mr. Jagjivan Ram, who has written to Mr. Madhu Limaye, has stated in his letter that after his investigation into the allegations, he had found that "there is no evidence that sub-standard oil was supplied". He has further said that the machinery of INS Khukri and the fuel supplied to it "were in excellent condition. No difficulty was experienced in the operation of its machinery prior to its sinking by an enemy torpedo". There was thus no cause for any apprehension that the unfortunate sinking of the ship was caused by the supply of defective fuel.

Mr. Limaye, however, in his reply to the Defence Minister, has expressed surprise "that you have dealt with the serious question of the supply of defective and inferior oil to our naval forces, ordnance factories, etc., in a casual manner. Supply of sub-standard oil can by no means be called an inadvertent action. It is a deliberate, vicious and treacherous act". He has, therefore, urged Mr. Jagjivan Ram to put this question on the agenda of the next meeting of the Defence Consultative Committee. He has also demanded a thorough enquiry into this matter and the suspension of senior officers.

Crude oil imports hit record 21.8 million tonnes in May

HIGH ON FUEL. Import bill on oil and gas for May at \$12.4 b; Russia top crude supplier

Rishi Ranjan Kala
New Delhi

India's crude oil imports during May 2024 rose to its highest level on record as refiners topped up to meet domestic demand for auto fuels as well as for export opportunities.

The world's third largest importer procured 21.8 million tonnes (mt) of crude oil last month provisionally, a growth of 2 per cent m-o-m and 6 per cent y-o-y. In-bound shipments of the critical commodity rose for the fourth consecutive month during May, Petroleum Planning & Analysis Cell (PPAC) data showed.

Prior to this, Indian refiners imported an all time high of 21.6 mt in April 2022 followed by 21.5 mt in January 2024 and 21.4 mt in April this year. Analysts attributed the higher numbers to more export volumes being shipped out of Russia and lifting of



PRICES YO-YO. The price of the Indian crude basket averaged \$83.56 per barrel last month against \$89.46 in April 2024 and \$74.98 in May last year. REUTERS

lower cargoes by Chinese refiners. Energy intelligence firm Vortexa's data showed India's crude oil imports fell marginally to 4.54 mb/d in May 2024 (April: 4.58 mb/d), but were higher by 1.6 per cent annually. Brent averaged \$82.05 per barrel in May 2024 against \$90.15 in April 2024 and \$75.55 in May 2023.

IMPORT BILL

Indian basket crude price averaged \$83.56 per barrel last month against \$89.46

in April 2024 and \$74.98 in May last year. India's net import bill of oil and gas for May 2024 was \$12.4 billion of which, crude oil imports constituted \$13.2 billion, LNG imports \$1.1 billion; exports were \$3.8 billion.

Imports from Russia fell marginally to 1.72 million barrels per day (mb/d) in May 2024 (April: 1.75 mb/d) on a monthly basis, and by 13 per cent y-o-y. Ural shipments stood at 1.44 mb/d last month compared to 1.56 mb/d in April.

Vortexa's Head of APAC Analysis, Serena Huang told *businessline*:

"Russia continues to be the top crude supplier for India in May. Whilst imports of Russian crude are down slightly in May compared to April, May's volumes are still the second highest compared to last July."

REFINERS

Public refiners Indian Oil Corporation, Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL) imported 1.04 mb/d crude oil, marginally down from 1.05 mb/d in April 2024. However, annual imports were down 16 per cent.

Private refiners Reliance Industries (RIL) and Rosneft-backed Nayara Energy, imported around 679,000 barrels b/d from Russia in May 2024 compared to 695,000 b/d in April. Shipments were down by 5 per cent y-o-y.



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Date :17 June 2024	Page : 2

Essar to invest ₹30,000 crore in Gujarat's green hydrogen unit

Essar Group plans to invest ₹30,000 crore over the next four years in setting up a green hydrogen plant at Jamnagar in Gujarat as the firm eyes clean energy as a key pillar for its new phase of growth. The conglomerate is looking to decarbonise its oil refinery in the UK, construct a green steel plant in Saudi Arabia, and build an LNG and electric ecosystem to decarbonise long-haul heavy trucks, Prashant Ruia, director of Essar Capital, which manages the group's portfolio of investments, said. **PTI**

INDIA IN TALKS WITH EQUINOR FOR OIL RESERVE, LNG PACTS

Utpal Bhaskar

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NEW DELHI: The central government is in discussions with Norwegian energy giant Equinor to secure its participation in India's strategic petroleum reserves (SPR), as part of efforts to enhance the energy security of the world's third-largest energy consumer.

In a related move, negotiations are also ongoing for long-term deals for supply of liquefied natural gas (LNG) from Equinor's extensive portfolio in the US and Qatar, according to two people aware of the development. "We are asking Equinor to come in our SPR, and also participate in our E&P (exploration and production) programme," one of the two people cited above said, requesting anonymity. "The discussions are ongoing. We are talking with Equinor for sourcing long-term LNG from their portfolio in the US and Qatar."

If talks are successful, it would mark the second commitment to India's SPR programme, following a deal with Abu Dhabi National Oil Co (Adnoc). Such deals allow India to have large amounts of crude oil in reserve for emergencies.

These negotiations come against the backdrop of continued production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, including Russia, which have put global supply chains under pressure.

Queries sent to India's energy ministry and Equinor on Thursday evening were unanswered till press time.

Energy security is pivotal for India, which imports over 85% of its oil and 55% of its gas requirements. Fluctuations in global prices can significantly impact India's import bill, stoke inflation, and widen the trade deficit.

In fiscal year 2022-23 (FY23), India's import of crude oil and petroleum products surged 29.5% to \$209.57 billion, official government data show. LNG imports also rose by 17.5% year-on-year in FY24, reaching 23.5 mmtpa. Strategic petroleum reserves are developed to store fossil fuel to be used in times of supply disruption or emergency, when normal supplies are impacted due to exigencies such as war.

Singapore rushes to clear oil slick after boat collision

Associated Press

letters@hindustantimes.com

KUALA LUMPUR: An oil spill caused by a dredger boat hitting a stationary cargo tanker has blackened part of Singapore's southern coastline, including the popular resort island of Sentosa, and sparked concerns it may threaten marine wildlife as a clean-up operation was underway on Sunday.

The Netherlands-flagged dredger Vox Maxima struck the Singaporean fuel supply ship Marine Honour on Friday. It damaged the cargo tank on Marine Honour, which leaked oil into the sea.

Singapore's Maritime and Port Authority said in a statement late on Saturday the oil leak from the vessel had been contained, and that the oil that escaped from the damaged tanker had been treated with dispersants.

But due to the tidal current, it said the treated oil had landed



Workers clean up an oil slick at Tanjong Beach in Sentosa, Singapore, on Sunday.

REUTERS

along shorelines including at Sentosa and other southern islands, a nature reserve and a public beach park. Sentosa, which attracts millions of visitors annually, houses one of Singapore's two casinos, golf

courses and Southeast Asia's only Universal Studios theme park. Part of the beachfront at the public park and at the nature reserve have been closed to facilitate clean-up efforts, it said. The Sentosa beach will remain open



The oil spill has blackened Singapore's southern coastline, including Sentosa, raising concerns about marine life.

AP

to the public but sea activities and swimming are prohibited.

On Sunday, workers in orange suits were seen scooping up sand in a clean-up operation at an empty beach in Sentosa. Black water washed up on the oil-

stained shore.

Authorities have deployed 18 crafts for the clean-up efforts and laid close to 1,500 metres of container booms, temporary floating barriers to trap the oil spill.

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IBA Demands ₹90/kg Fixed Rate for Procurement of Compressed Biogas

New Delhi: Indian Biogas Association (IBA) is demanding a fixed rate of ₹90 per kg for procurement of biogas by oil and gas marketing companies, from the government, citing environmental benefits and to boost the sector.

The IBA will soon put up the suggestion about fixing the procurement price of the biogas, along with other recommendations, for boosting the sector before the newly appointed Union



Minister of New and Renewable Energy Minister Pralhad Joshi. While the retail selling price of compressed biogas (CBG) is aligned with CNG (compressed natural gas), the procurement price is unfortunately linked to the retail selling price (RSP) of CNG, IBA Chairman Gaurav Kedia told PTI. Consequently, he said with CNG prices in New Delhi hovering at ₹75-80 per kg, the procurement price of CBG by oil and gas marketing companies falls to ₹59 per kg (excluding GST). "This pricing structure fails to recognise the inherent environmental value of CBG. Ideally, CBG should command a premium (of ₹10-15), reflecting its green credentials. It should be around ₹90 per kg," he said. The successful implementation of the SATAT (Sustainable Alternative Towards Affordable Transportation) programme is expected to significantly reduce India's import bill by \$15 billion, representing roughly 10%. —PTI

Unemployment, inflation impacted Lok Sabha poll outcome: OPEC

Rishi Ranjan Kala
New Delhi

The Organisation of Petroleum Exporting Countries (OPEC) emphasised the Narendra Modi government is likely to continue supporting manufacturing to control inflation and unemployment -- two factors that influenced the Lok Sabha elections.

Even as it expects continuity in economic policies in India, the world's largest crude oil exporting bloc in its latest monthly oil market report for June 2024 said, "While a continuation of economic policies is expected, coalition governments inherently introduce additional uncertainty. The government is likely to persist in supporting manufacturing and industrial output, possibly with a heightened focus on addressing unemployment and inflation..."

Elections to the 18th Lok Sabha, which concluded this month, witnessed the NDA securing 293 seats with the BJP emerging as the single largest party securing victories in 240 parliamentary



constituencies, but falling short of the majority mark of 272.

EXPANDING ECONOMY

OPEC report pointed out that following a period of turbulence and subsequent recovery, the Indian stock market stabilised post-elections.

Industrial activity, bolstered by Production-Linked Incentive (PLI) schemes, is projected to endure. The services sector is anticipated to sustain growth momentum, buoyed by an expanding middle class and decreasing unemployment.

"Election-related expenditures likely provided an economic boost this year, with the prolonged voting

period generating significant spending on political campaigns and pre-election initiatives, particularly in rural regions," OPEC said.

Inflation remains a notable concern, especially food inflation; weak monsoon in late 2023 primarily drove supply shortages and subsequent price hikes, it added.

"As the monsoon season commences this month and extends through September, preliminary forecasts from the India Meteorological Department (IMD) suggest a stronger-than-average year, although uncertainties persist. Overall, agricultural output is expected to rebound, potentially leading to a slowdown in food inflation by year-end," the oil exporting bloc said.

RISING OIL DEMAND

OPEC projects that current strong economic growth amid a positive outlook for manufacturing activity and investments is expected to bolster oil demand in the second half of 2024 calendar year to grow by 0.2 million barrels per day (mb/d) y-o-y on average.