ONGC News as on 07 June 2024 (Print)

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A new excise law set to make life easier for oil companies

A law proposed to replace the eight-decade-old Central Excise Act will cut the compliance burden on oil and gas firms that are governed by the excise duty regime. The proposed Bill aims to align excise duty regime with the modern GST and customs frameworks. >P2

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A new excise law set to make life easier for oil companies

The Central Excise Bill 2024 aims to align excise duty regime with GST, customs frameworks

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A new law proposed to replace the eight-decade-old Central Excise Act will cut the compliance burden on oil and gas companies that are currently governed by the excise duty regime.

The proposed Central Excise Bill 2024 aims to align the excise duty regime with the modern Goods and Services Tax (GST) and customs frameworks. If passed, experts say, compliance requirements for companies such as Oil and Natural Gas Corp. Ltd, Oil India Ltd and Indian Oil Corp. would be aligned with those of the GST regime.

The Central Board of Indirect Taxes and Customs (CBIC) has sought public feedback on the proposed bill. Businesses have until 26 June to offer their suggestions on the proposed law, which includes some sweeteners.

When it comes to duty refunds, interest on delayed refunds will begin accruing after 60 days from the date of the refund application, instead of the three-month period outlined in the current excise law, explained Rachit Jain, partner at Lakshmikumaran & Sridharan Attorneys.

There is also some relaxation for the taxman. Tax authorities will have three years to raise duty demands, as opposed to the two-year time limit prescribed in the existing excise law, said Jain.

"This bill may lead to a reduction in compliance burden, and provide a comprehensive legal framework better suited to the current economic landscape," said Jain.

While GST has subsumed most goods into it, five products in the oil and gas sector—crude oil, petrol, diesel, natural gas and jet fuel—were left in the excise duty regime as states were not prepared to bring these high-revenue-earning items into the GST regime. Tobacco attracts both GST and central excise duty.

26 June
Deadline for biz to offer suggestions regarding the law

The Centre collected more than ₹3 trillion from central excise in the financial year 2023-24, a bit lower than the ₹3.19 trillion collected in the year before. States levy value-added tax on petroleum products, not state GST.

The proposed Central Excise Bill 2024 seeks to eliminate outdated provisions and incorporate certain regulations into the law itself. Tax credit-related provisions in the excise duty regime are proposed to be included in the new bill itself.

Experts see the effort to modernize the excise law as a sign of the inclusion of petroleum products into GST. In 2015, the service tax law underwent modifications that facilitated a smooth transition to the GST regime for services, said Sanjay Chhabria, lead, indirect taxation, at Nexdigm, a business and professional services company.

"In the same way, the government is now focusing on modernising the Central Excise Act with the goal of promoting 'ease of doing business' and ultimately transitioning the left-over commodities to GST," explained Chhabria.

Oil exploration and production companies such as ONGC and Oil India are subject to GST on purchases such as capital goods and materials used in their operations, but the crude oil they produce is subject to excise duty.

Similarly, refiners such as Indian Oil Corp. are subject to GST on purchases of capital goods, materials and services used in their business, but the sale of refined petroleum products is subject to excise duty. This makes them tax-inefficient as credit for taxes paid in one system is not available under another tax system.

₹3 tn
Central excise collected in the fiscal year 2023-24

Given that excise duty applies only to a limited number of products, a lengthy and outdated law is unnecessary, said Rajat Mohan, executive director at accounting and advisory firm Moore Singhi, adding that a new excise law was long overdue. "The government has rightly proposed a practical and relevant draft tailored for these specific sectors," he said.

If the new law gets enacted, compliance requirements for companies such as Oil and Natural Gas Corp. Ltd would be aligned with those of the GST regime. REUTERS

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CPPIB, Cube reach final lap for NIIF's Athaang road assets

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Canada Pension Plan Investment Board (CPPIB) and Cube Highways are in the final lap for the road assets of National Investment and Infrastructure Fund's Athaang Infrastructure Pvt. Ltd, two people aware of the matter said. The two entities are expected to submit their binding bids shortly.

JP Morgan is running the transaction, which is expected to have an equity value of around ₹4,000 crore. Final bids are expected in two weeks. While CPPIB is among Canada's largest pension funds, Cube is one of India's largest private toll road operators.

The portfolio on sale includes five road assets totalling 230 kilometres.

The Economic Times had earlier reported that as many as 10 global and domestic infrastructure funds, including CPPIB, KKR, Spain's Abertis, France' Vinci Highways, Edelweiss' Sekura Roads and Caisse de dépôt et placement du Québec (CDPQ), had signed non-disclosure agreements for the deal.

"CPPIB and Cube Highways are the final two companies in fray for Athaang's road assets.

The deal could have an equity value of around ₹4,000 cr. MINT

The final bids are expected within two weeks," said one of the two people on the condition of anonymity.

Spokespersons for CPPIB and JP Morgan declined comment, while spokespersons for NIIF and Cube Highways didn't respond to queries emailed on Wednesday.

The investor interest comes against the backdrop of rapid road construction in the country, with the government front-loading its ₹2.72 trillion capital expenditure in 2024-25. *Mint* earlier reported that in just the first month of the fiscal year, more than 20% of the capex allocated to the road ministry had been spent. In the previous fiscal year, this

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CPPIB, Cube reach final lap for NIIF's Athaang road assets

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level of spending was achieved only by the end of May.

NIIF is sponsored by the Indian government, which holds a 49% interest. It focuses on core infrastructure sectors such as transportation, airports, ports, logistics and roads, green energy and digital. The fund manages around $5 billion of equity capital commitments across its three funds—Master Fund, Fund of Funds and Strategic Opportunities Fund—with investments in sectors such as ports and logistics, renewable energy, roads, digital infrastructure, and manufacturing.

Meanwhile, NIIF is looking to sell a significant majority stake in Ayana Renewable Power Pvt. Ltd, which has seen non-binding offers from state-run Oil and Natural Gas Corp. (ONGC), Sembcorp Industries Ltd, Macquarie Group and JSW Neo Energy, that may translate into up to 100% stake sale at an equity valuation of around $800 million.

Final bids are expected in two weeks. MINT

Singapore-based Cube Highways' investors include I Squared Capital, Abu Dhabi Investment Authority, International Finance Corp. and a consortium comprising Mitsubishi Corp., Japan Overseas Infrastructure Investment Corp. for Transport and Urban Development, East Nippon Expressway Co. Ltd and Japan Expressway Co. International Ltd. Cube Highways was IFC's first investment in the Indian road sector, with an equity investment of $100 million to buy operational road projects.

Canada's pension funds represent the so-called patient capital, which seeks modest yields over time. India fits their risk profile given that the markets here have matured from the early risk stage. These funds, including Brookfield Asset Management, have been placing significant India bets.

Publication : The Hindu Business Line	Editions : New Delhi
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Day trading guide

22933 » **Nifty 50 Futures**

S1	S2	R1	R2	COMMENT
22730	22600	23000	23250	Trade in the direction of the break of 22730-23000 range.

₹1559 » **HDFC Bank**

S1	S2	R1	R2	COMMENT
1545	1525	1565	1600	Buy this stock on a breakout of 1565; stop-loss at 1545.

₹1472 » **Infosys**

S1	S2	R1	R2	COMMENT
1450	1430	1480	1520	Go long if it breaks out of 1480; place stop-loss at 1460.

₹435 » **ITC**

S1	S2	R1	R2	COMMENT
430	425	445	450	Buy now and on a dip to 430; keep a stop-loss at 425.

₹252 » **ONGC**

S1	S2	R1	R2	COMMENT
250	232	265	275	Initiate fresh longs now with a stop-loss at 242.

₹2863 » **Reliance Ind.**

S1	S2	R1	R2	COMMENT
2845	2770	2880	3000	Go long if the stock rises above 2880; stop-loss at 2855.

₹816 » **SBI**

S1	S2	R1	R2	COMMENT
800	760	830	850	Refrain from trading as the intraday outlook is uncertain.

₹3830 » **TCS**

S1	S2	R1	R2	COMMENT
3800	3750	3900	3950	Buy now and on a dip to 3800; keep a stop-loss at 3750.

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Publication : Business Standard	Editions : New Delhi
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— TENDER CARE —

— Advertorial

PUNJAB & SIND BANK INAUGURATES ITS STALL AT ANNAPOORNA INTER FOOD EXPO, YASHOBHOOMI, DWARKA

Punjab & Sind Bank inaugurated its stall at the Annapoorna Inter Food, 16th International Food & Beverage Trade Expo located at Yashobhoomi, Dwarka, New Delhi. The stall, designated as B 02, is open to visitors from 5th to 7th June, 2024.

Sh. Swarup Kumar Saha, MD & CEO Punjab & Sind bank, inaugurated the stall in the presence of Sh. Rajender Kumar Raigar, GM Priority Sector, and Sh. Gopal Krishan, GM Marketing.

This initiative highlights the commitment of the Punjab & Sind Bank towards supporting the food industry through tailored banking solutions designed to address the unique needs of the sector.

The stall of Punjab & Sind Bank showcases a diverse range of products and services tailored to serve the requirements of both the Food & Agro industry and the MSME sector. Additionally, a team of experts was on hand to engage with customers, understand their needs, and offer assistance in achieving their financial objectives.

PNB AND IIFCL COLLABORATE FOR JOINT LENDING TO INFRASTRUCTURE PROJECTS

Punjab National Bank (PNB), India's Leading Public Sector Bank and India Infrastructure Finance Company Limited (IIFCL), India's leading Government-owned infrastructure financier have recently signed a Memorandum of Understanding (MoU) at PNB Corporate Office in Dwarka, New Delhi.

As per the MoU, both the institutions will collaborate with each other in lending to Infrastructure Projects. With this step, both the institutions will explore the possibility of collaborating to jointly fund Infrastructure Projects, inter alia by Loan Syndication and Underwriting.

The MoU was signed by Shri Atul Kumar Goel, MD & CEO, PNB and Dr. P. R. Jaishankar, MD, IIFCL. The occasion was graced by the top management of both PNB and IIFCL.

Speaking on the occasion, Dr. Jaishankar said "IIFCL has been leading the infrastructure financing sector in the country and this MoU will enable both the institutions to strengthen cooperation in financing of infrastructure projects."

Meanwhile, Shri Goel stated "This MoU shall be a milestone in finding new avenues of lending to the Infrastructure Projects of the country and both parties assured of full participation to each other in this endeavour."

GAIL (INDIA) LIMITED LAUNCHES 'WAAH KYA ENERGY HAI' CAMPAIGN TO PROMOTE CLEAN AND SUSTAINABLE FUEL CHOICES

Known for its innovative campaigns to encourage people-driven efforts for environment conservation, GAIL (India) Limited has launched yet another series 'Waah Kya Energy Hai' to highlight the accessibility and benefits of embracing new, clean and environmentally friendly fuel options – Compressed Natural Gas and Piped Natural Gas offered by GAIL and its group companies. Representing one more venture by GAIL in Business-to-Consumer (B2C) digital communication, the campaign is strategically geared towards engaging retail Natural Gas consumers across India. 'Waah Kya Energy Hai', which comprises four short films in a mini-series format, tells the stories of a close-knit middle-class Indian family and how they navigate their challenges through a smarter choice of fuel usage, switching to D-PNG (Domestic Pipe Natural Gas), C-PNG (Commercial Pipe Natural Gas), CNG and Industrial PNG.

NHPC CELEBRATES WORLD ENVIRONMENT DAY

NHPC, India's premier green power company celebrated World Environment Day on 5th June 2024 with great enthusiasm at its Corporate Office, Regional Offices, Power Stations, Projects and Units. A plantation programme was organized at NHPC Corporate Office wherein Shri R.P. Goyal, CMD NHPC, Shri Uttam Lal, Director (Personnel) NHPC, Shri R.K. Chaudhary, Director (Technical & Projects) NHPC and other Senior Officers planted saplings of various tree species.

SBI CONDUCTS CYCLOTHON ON WORLD ENVIRONMENT DAY

State Bank of India, Local Head Office Chandigarh organised Cyclothon in Chandigarh to mark World Environment Day to create public awareness on this year's theme of "Land Restoration, Desertification and Drought Resilience."

The Cyclothon comprising more than 100 cyclists was flagged off by the Chief General Manager of SBI Shri Vinod Jaiswal, and other senior executives of the Bank.

SBI, LUCKNOW DIVISION, CELEBRATES WORLD ENVIRONMENT DAY

State Bank of India, Lucknow Division organized Vriksha Bhandara on 05.06.2024 at Local Head Office, Lucknow on the occasion of World Environment Day.

On this occasion, Chief General Manager, State Bank of India, Lucknow Circle, Shri Sharad S. Chandak distributed 500 saplings of different varieties to all the staff members for planting in their premises.

ओएनजीसी ONGC

Publication : Business Standard	Editions : New Delhi
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Shifting sands: How fuel pricing policy evolved over the years

S DINAKAR
New Delhi, 6 June

NEWS ANALYSIS

With the finances of state oil companies, led by Indian Oil, careening in a volatile oil world, the question being asked yet again is whether they will now finally get the 'full' freedom to set the prices of diesel, petrol and LPG, or whether the new government at the Centre will continue to 'influence' what you and I pay at the pump.

However, industry and government officials, analysts and state oil companies say that it is unlikely that the price of petrol will be changed daily, based on international prices. But before we try to read the future, it will be instructive to step into the past and study the evolution of India's fuel pricing policy.

India's progress with the decontrol of fuel prices derailed most recently in May 2022 when petrol and diesel rates surged to ₹121/litre and ₹105/litre respectively in Mumbai, and that may have brought in the government, once again, to step in to 'manage' the oil economy. In the two years since, the needle on fuel prices has barely moved, barring a tax reduction and a surprising fuel price cut executed amid rising prices. The Indian crude oil price basket rose by $5 per barrel between March and April 2024, but instead of prices going up pump rates of petrol and diesel fell by ₹2 per litre in mid-March.

"Considering that oil prices are likely to remain at over $75/bbl, it is highly unlikely that the oil marketing companies will get full freedom in the pricing of petrol, diesel and LPG," said Swarnendu Bhushan, co-head of institutional equities, Prabhudas Lilladher. "As we move towards the adoption of greener fuels, for which government subsidies would be necessary, there is also a likelihood that the government may jack up the taxes on petrol and diesel in order to recoup the future subsidies," he added. In the previous decade, fuel price adjustments were considered insufficient to cover rising crude costs. Today, even as global crude rates seesaw, pump prices have been frozen. Between May 2022 and May 2024 (petrol and diesel prices declined by only around 2 per cent in March 2024, otherwise they were flat) the Indian crude basket swung from $116 a barrel in 2022 to around $75 a barrel in 2023 to $84 to barrel this month.

Fuel price reforms drive private and foreign investment, something that has dried up this past decade because of investor concerns over what is perceived as the government's 'control' over the country's $250 billion oil market. Price reforms also weigh in on energy security because India imports nearly 9 barrels of crude for every 10 consumed.

The oil price reforms have been in the making for a long time and still a half-done story. After the discovery of the offshore oil field Mumbai High, India's dependence on imported crude shrunk to around 19 per cent in 1984-85, down from 66 per cent a decade earlier. But the explosion in population, vehicles and fuel use has hiked the country's import dependency to 88 per cent in the last fiscal, even as domestic production has declined.

Atal Behari Vajpayee was the first prime minister to try and decontrol prices, and it was under former prime minister Manmohan Singh that petrol price controls were lifted. Diesel prices were decontrolled during Prime Minister Narendra Modi's administration in October 2014. But it has been a halfway house with successive governments unable to resist the temptation to interfere everytime prices threaten to become a political hot potato. And managing by 'stealth', a 'nudge and wink' to government-owned oil marketing firms has meant that the exchequer has it both ways, with no onus to reimburse state oil companies for any losses incurred on selling petrol and diesel unlike the pre-reforms era.

The first stab at regulating petroleum product prices was taken in 1948 when the government and Burmah Shell (now Bharat Petroleum) agreed on a cost-plus formula called Value Stock Account, which in turn, was based on import parity prices, according to a report on Energy Pricing in India by H.S. Kimura.

In August 1957, the government replaced it with a new agreement based on actual cost plus a reasonable profit. In July 1975, the pricing of petroleum products was brought under the Administered Pricing Mechanism (APM) designed for crude oil, and it was shifted from import parity to cost-plus principles. Until March 2002, fuel pricing under the APM was based on the retention concept, one where oil refineries, oil marketing companies (OMCs), and the pipelines were compensated for cost and return at 12 per cent post-tax on the net worth. But the growing fuel subsidies were a drag on India's finances. In 1996, a report by Vijay Kelkar, an economist, observed that the APM was found to be increasingly unsuitable for the long-term growth and efficiency of the oil industry.

Finally, the government abolished the APM in a phased manner during the Vajpayee administration. Between 1 April 2002 and 1 January 2004, the prices of petrol and diesel were revised 23 times. But reforms took a back seat in 2004 when the new UPA government began reversing price reforms.

Between 2004 and 2010, the government appointed various expert groups to examine the pricing policy of petroleum products and make recommendations for a sustainable policy to ensure the financial health of the oil companies. The Rangarajan Committee (2006), Chaturvedi Committee (2008), and Kirit Parikh Committee (2010) gave recommendations, which included price decontrol and allowed oil companies the flexibility to fix the retail price based on import parity.

Petrol prices were subsequently decontrolled in June 2010, but that did not stop the government's contribution to the under-recovery burden which reached a record Rs 1trillion in 2012-13, since diesel, LPG and kerosene were still heavily subsidised.

The Modi government lifted price controls on diesel in October 2014, and eliminated subsidies on LPG in the early period of the Covid-19 pandemic in 2020. The government also allocated around ₹12,000 crore towards LPG subsidies in FY 2024-25.

ILLUSTRATION: BINAY SINHA

HISTORY OF PRICING AND ENERGY REFORMS

1948: Government and Burmah Shell agree on the 'Value Stock Account' (VSA) formula based on import parity prices

1957: The government decides to revisit the VSA and replace it with a new agreement based on actual cost plus a reasonable profit

1975–2002: Petroleum products pricing brought under Administered Pricing Mechanism (APM) designed for crude under cost plus principles

1996: Vijay Kelkar report on the Restructuring of the Indian Oil Industry found APM increasingly unsuitable.

1997: APM abolished in phased manner

April 2002: Petrol and diesel prices set according to market

2006–2010: Committees appointed to study the pricing policy of fuels. Recommendations include price decontrol and import parity prices

June 2010: Petrol prices deregulated

2012–13: Assistance by the government to the oil marketing companies (OMC)s reached a record high of ₹1 trillion

2014 October: Diesel prices decontrolled

2020–21: LPG subsidies near eliminated

May 2022: Diesel, petrol prices frozen after excise tax cuts

2023–24: LPG subsidies reinstated

2024 March: Diesel, petrol prices cut amid global oil price rise

Source: 'History of Pricing and Energy Reforms in India', HS Kimura, Economic Research Institute for ASEAN and East Asia (ERIA) Research project report; government data; company data.

Publication : Hindustan Times	Editions : New Delhi
Date :7 June 2024	Page : 19

- Known for its innovative campaigns for environment conservation, GAIL (India) has launched series 'Waah Kya Energy Hai' to highlight the accessibility and benefits of embracing new, clean and environmentally friendly fuel options – CNG and Piped Natural Gas offered by GAIL and its group companies.

Publication : The Times of India	Editions : New Delhi
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GAIL launches campaign to promote clean fuel choices

Known for its innovative campaigns to encourage people-driven efforts for environment conservation, GAIL (India) Limited has launched yet another series 'Waah Kya Energy Hai' to highlight the accessibility and benefits of embracing new, clean and environmentally friendly fuel options – compressed natural gas and piped natural gas offered by GAIL and its group companies. Representing one more venture by GAIL in

business-to-consumer (B2C) digital communication, the campaign is strategically geared towards engaging retail natural gas consumers across India. 'Waah Kya Energy Hai', which comprises four short films in a mini-series format, tells the stories of a close-knit middle-class Indian family and how they navigate their challenges through a smarter choice of fuel usage, switching to D-PNG, C-PNG, CNG and industrial PNG.

Publication : BizzBuzz	Editions : Hyderabad
Date :7 June 2024	Page : 6

Brent crude trading at $78.97/bbl

Crude oil prices climbed Rs45 to Rs6,235 per barrel in futures trade as participants widened their positions following a firm spot demand. On MCX, crude oil for June delivery traded higher Rs45 or 1.11 per cent at Rs6,235 per barrel in 13,604 lots. Analysts said raising of bets by participants kept crude oil prices higher in futures trade. Globally, West Texas Intermediate (WTI) crude oil was up 0.85 per cent to $74.70 per barrel, and Brent crude traded 0.71 per cent higher at $78.97 per barrel in New York.

Publication : Business Standard	Editions : New Delhi
Date :7 June 2024	Page : 6

Natural gas trades rose 480% in May

An increasing trend in gas prices and extended winter reducing gas-based power demand led to monthly gas volumes traded on the Indian Gas Exchange Limited (IGX) rising by 480 per cent to 4.92 million metric million British thermal units in May, the company said on Thursday. Traded volumes were up 99 per cent on a sequential basis. **BS REPORTER**

Publication : Financial Express	Editions : New Delhi
Date :7 June 2024	Page : 3

Aramco's $12-bn sale draws strong foreign demand

MATTHEW MARTIN,
JULIA FIORETTI &
DINESH NAIR
June 6

FOREIGN INVESTORS HAVE flocked to Saudi Aramco's $12 billion share sale, sources said, marking a turnaround from the oil giant's 2019 listing that ended up as a largely local affair.

The deal attracted significant interest from foreign investors, the sources said. It wasn't immediately clear exactly how much demand came from overseas, but those investors put in enough bids to more than fully cover the offering, the sources said.

Apart from Western institutions, demand for the offer was also strong among Asian investors, one of the sources said, signaling the kingdom's growing ties with larger Asian economies like China and India. Locally, too, there's been strong interest.

The demand indicates that, for some investors, the world's largest oil company has become a more attractive stock to hold despite rising concerns about climate change and the energy transition. Aramco's huge dividend, coupled with a massive investment plan in renewable power, petrochemicals, gas and the opportunity to buy the stock at a discount, have drawn in investors. —BLOOMBERG

Publication : Financial Express	Editions : New Delhi
Date :7 June 2024	Page : 3

OPEC+ CAN PAUSE, REVERSE OIL OUTPUT: SAUDI

OPEC+ CAN PAUSE or reverse oil production increases if the market weakens, the Saudi energy minister said on Thursday, adding he disagreed with the bearish view of US bank Goldman Sachs of OPEC+'s deal on Sunday. Goldman Sachs declined to comment.

Publication : Mint	Editions : New Delhi
Date :7 June 2024	Page : 8

Clean energy investment set to double spending on fossil fuels this year

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Investment in clean energy technologies will climb to $2 trillion this year, almost double the amount spent on fossil fuels, according to the International Energy Agency (IEA).

Two-thirds of the record $3 trillion invested in energy sources in 2024 will be devoted to sectors such as renewables, electric vehicles, nuclear power, grids, storage and efficiency, even as higher financing costs hinder projects, the Paris-based agency said. The remaining $1 trillion will go to coal, gas and oil—a level that's still too high to conform with global climate goals.

"We've reached an important landmark," IEA executive director Fatih Birol said in an interview as the agency published its annual World Energy Investment report. "Clean energy investment is setting new records even in challenging economic conditions."

Combined investment in renewable power and grids has overtaken the amount spent on fossil fuels for the first time. Some green projects have been impeded by

More money is flowing into solar than all other generation technologies combined. REUTERS

rising interest rates, but this been offset by "easing supply chain pressures and falling prices," the IEA said in its report.

The growth is "underpinned by strong economics, by continued cost reductions and by considerations of energy security" heightened by Russia's invasion of Ukraine, it added.

Solar power is leading power sector's transformation, with investment in the area set to reach $500 billion this year—more than the money flowing into all other electricity generation technologies combined.

Total investment in renewables and nuclear power for electricity generation has reached 10 times the amount directed at fossil fuel-fired generation, according to the report. When the Paris agreement on climate change was struck in 2015, that ratio stood at two-to-one. "We see renewed momentum in nuclear power investments," Birol added.

Investment on renewable power and grids has overtaken the amount spent on fossil fuels for the first time

China will account for the largest share of clean energy investment, with around $675 billion this year, as a result of strong domestic demand for solar power, lithium batteries and electric vehicles, according to the report. Still, clean energy investment in other emerging and developing economies remains low at about $320 billion, accounting for just 15% of the global total, it said.

Nonetheless, the expansion of fossil fuel demand continues at a pace that leaves the world on track for potentially catastrophic climate change.

Investment in new oil and gas supplies will increase by 7% this year to $570 billion, mostly concentrated in national oil companies in the Middle East and Asia, according to the report.

In order to reach the goal of net zero carbon emissions by 2025—and limit global temperature increases to 1.5°C above pre-industrial levels—spending on fossil fuels would need to be halved, while an additional $500 billion per year would need to be spent on renewables. "When we look at these trends it is definitely encouraging, but they fall short," Birol warned. "We are far from reaching the 1.5 degrees trajectory."

Publication : The Economic Times	Editions : New Delhi
Date :7 June 2024	Page : 13

Rupee Falls 9P to 83.53

Mumbai: The rupee depreciated 9 paise to settle at 83.53 against the US dollar on Thursday due to foreign capital outflows and rising crude oil prices in international markets. **– Our Bureau**

Publication : The Economic Times	Editions : New Delhi
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MAY 16-31 FOREIGN FUNDS OFFLOADED OIL & GAS SHARES, TOO

FPIs Dumped Auto, FMCG & Power

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Mumbai: The automobiles sector saw the highest selling by foreign investors across sectors in the second-half of May. Foreign funds dumped shares in the sector worth ₹3,323 crore after selling ₹706 crore in the first-half of the month, as per NSDL data. The sector received inflows worth ₹1,119 crore and ₹29,389 crore in April and CY 2023, respectively.

FPIs sold shares worth ₹13,350 crore crore across 14 sectors in the May 16-31 period. Other than automobiles, FMCG, oil & gas and power sectors also witnessed FPI selling.

Continued on ▸▸ Smart Investing

Sectoral FPI Flow

(Fig in ₹Cr)

Sector	May 16-31	May 1-15	April 2024	CY 2023
NET OUTFLOW				
Automobiles & Components	**-3,323**	-706	1,119	29,389
FMCG	**-3,015**	-1,158	-7,914	2,916
Oil, Gas & Consumable Fuels	**-2,746**	-2,808	-2,366	-22,812
Power	**-2,250**	-792	4,309	2,477
Services	**-885**	-99	2,510	1,910
NET INFLOW				
Capital Goods	**5,648**	376	3,636	43,936
Consumer Services	**2,026**	733	1,327	17,415
Telecommunications	**1,378**	-272	8,278	5,529
Construction	**1,125**	-3,811	280	2,742
Realty	**1,114**	233	-46	2,866

Source: NSDL

Publication : The Economic Times	Editions : New Delhi
Date :7 June 2024	Page : 13, 14

FPIs Dump Auto, FMCG Shares

▸▸ From ETMarkets Page 1

FMCG witnessed profit booking by foreign investors worth ₹3,015 crore between May 16 and 31, after outflows worth ₹1,158 in the first-half of the month. They offloaded shares worth ₹2,746 crore and ₹2,250 crore in oil & gas and power sector, respectively, after selling in the first-half of the month as well.

In the last 15 days of May, overseas investors turned net sold shares in the services and Information Technology (IT) sector.

Overseas investors bought Indian equities worth ₹13,044 crore across 10 sectors in the second-half of the month.

Foreign funds continued to infuse funds in capital goods and consumer services sectors worth ₹5,648 crore and ₹2,026 crore respectively, after buying ₹376 crore and ₹733 crore in the first 15 days of May.

Foreign investors demonstrated renewed buying interest in India's construction, telecom and financial services sector, with an investment of ₹1,125 crore, ₹1,378 crore and ₹1,104 crore respectively. They sold shares worth ₹3,811 crore, ₹272 crore and ₹9,687 crore in these sectors in the first-half of May. The realty sector also witnessed a foreign inflow worth ₹1,114 crore over the ₹233 crore inflow in the first-half of the month.

Publication : The Hindu Business Line	Editions : New Delhi
Date :7 June 2024	Page : 8

Crude oil gains on Fed rate cut expectations

Singapore: Crude oil prices rose for a second consecutive session amid growing expectations the Federal Reserve will cut interest rates in September, but the upside was capped by higher US inventories and an OPEC+ plan to increase supply. Brent crude futures traded at $78.74 a barrel, up 0.42 per cent. US WTI was at $74.46, up 0.53 per cent. REUTERS