ONGC News as on 19 October 2023 (Print)

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कच्चे तेल पर अप्रत्याशित लाभ पर कर में कटौती से ओएनजीसी, ऑयल इंडिया को फायदा होगा

नई दिल्ली। केंद्र सरकार ने अपनी पाक्षिक समीक्षा में 18 अक्टूबर से घरेलू कच्चे तेल पर विंडफॉल टैक्स (अप्रत्याशित लाभ पर कर) को 12,200 रुपये से घटाकर 9,050 रुपये प्रति टन कर दिया है। इससे ओएनजीसी और ऑयल इंडिया लिमिटेड सहित अपस्ट्रीम तेल कंपनियों को फायदा होगा। इससे पहले सरकार ने उस समय अंतर्राष्ट्रीय बाजार में कच्चे तेल की कीमत 95 डॉलर प्रति बैरल तक पहुंचने के कारण 30 सितंबर से कच्चे तेल पर विंडफ़ॉल टैक्स 10 हजार रुपये से बढ़ाकर 12,100 रुपये प्रति टन कर दिया था क्योंकि उस समय तेल की कीमतें 95 डॉलर प्रति बैरल तक बढ़ गई थीं। बीच में तेल की कीमतें कम हो गईं, लेकिन इज़राइल-हमास संघर्ष के मद्देनजर एक बार फिर इसमें तेजी शुरू हो गई है। विमान ईंधन पर भी विंडफॉल टैक?स 3.50 रुपये प्रति लीटर से घटाकर एक रुपये और डीजल पर चार रुपये प्रति लीटर से घटाकर तीन रुपये कर दिया गया है, जिससे पेट्रोलियम उत्पादों का निर्यात करने वाले डाउनस्ट्रीम तेल रिफाइनर को लाभ होने की उम्मीद है। सरकार ने पहली बार पिछले साल जुलाई में कच्चे तेल उत्पादकों पर विंडफॉल टैक्स लगाया था।

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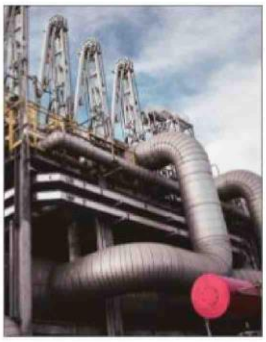
City gas firms may witness strong Q2

ARUNIMA BHARADWAJ
New Delhi, October 18



INDRAPRASTHA GAS AND Mahanagar Gas are likely to register year-on-year rises in net profits of 19% and 131% respectively in the second quarter of the financial year 2023-2024, as per analysts. "We anticipate strong volume growth of 5–6% YoY for MGL/IGL as they fully realise the benefit of the implementation of KPC recommendation," said Nuvama Institutional Securities in a report.

However, analysts also believe that margins are likely to moderate on a QoQ basis due to lower alternate fuel prices and the lack of APM gas availability with pick-up in the volumes.

"City gas distribution companies are expected to post higher QoQ earnings growth on falling LNG cost and higher industrial PNG realisation," said analysts at Elara Securities.

The International Energy Agency in its recent report had said that India's demand for natural gas is expected to surge by 4% in the final four months of 2023. The report also projected an average annual growth rate of over 8% in the demand for natural gas in the country between 2022 and 2026.

Analysts say that the impact of crude oil output cuts by the Organization of the Petroleum Exporting Countries till the year end would lead to LNG (Liquefied natural gas) prices to underperform.

Nuvama Institutional Equities expects Gujarat Gas Ltd EBITDA to decline by 25% on year but see a 6% rise from the previous quarter due to a recovery in its industrial volumes. The firm also expects CNG volume growth to remain strong at 2.6mmscmd, up 2% from the last quarter.

Elara Securities expects MGL's net profit to increase to ₹379.3 crore from ₹368.4 crore in Q1FY24. IGL's net profit is ₹497.1 crore, up from ₹438.4 crore in the last quarter.

Further, analysts at Nuvama Institutional Equities expects state-run gas marketer GAIL's EBITDA to increase 27% on year because of a 24% increase in the transmission segment owing to higher volumes and tariffs.

"Marketing and gas transmission can bolster GAIL PAT (Profit After Tax) by 11% YoY," said Elara Securities. "GAIL EBITDA should improve 38% YoY in Q2FY24E due to growth in gas marketing EBITDA by 104%," the firm said.

The government had increased the prices of domestic natural gas from $8.60 per metric million British thermal unit (mmBtu) to $9.20 per mmBtu for the month of October. However, it left prices of gas produced by ONGC and OIL from their respective nomination fields unchanged at $6.5 mmBtu.

The government had earlier in April revised the method for determining natural gas prices and had started taking into account the prices of Indian crude basket for the same. Gas prices are now 10% of the average price of Indian crude basket in the preceding month.

Publication : Millennium Post	Editions : New Delhi
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ONGC to organise roadshow in Singapore

NEW DELHI: Oil and Natural Gas Corporation (ONGC) is organising a roadshow in Singapore on October 19 and 20, to invite global oil and gas companies for collaboration opportunities in offshore oil and gas projects.

The roadshow will offer valuable insights into business opportunities within India's offshore oil and gas infrastructure sector.

The roadshow is taking place in Hotel Pan Pacific, Raffales Boulevard, Singapore.

ONGC has designed the roadmap, the Energy Strategy 2040 to reflect its resolute commitment to double oil and gas production, expand refining capacity, diversify into renewable energy, and bolster our non-oil and gas ventures. MPOST

Publication : The Free Press Journal	Editions : Mumbai
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ONGC, OIL to gain as govt cuts windfall tax on crude oil

IANS / New Delhi

The central government has reduced the windfall tax on domestic crude oil with effect from October 18 from Rs 12,200 a tonne to Rs 9,050 in its fortnightly review which will benefit upstream oil companies, including ONGC and Oil India Ltd (OIL).

The windfall tax on petroleum crude was raised to Rs 12,100 a ton from Rs 10,000 with effect from September 30 as oil prices at the time had soared to $95 a barrel. Oil prices came down but have started heading north again in the wake of the Israel-Hamas conflict.

The windfall tax on ATF has also been cut from Rs 3.50 a litre to Re 1

The windfall tax on aviation turbine fuel has also been cut from Rs 3.50 a litre to Re 1 and that on diesel from Rs 4 a litre to Rs 3 which is expected to benefit the downstream oil refiners that export petroleum products.

The government first imposed the windfall tax on crude oil producers in July last year and extended the levy on exports of gasoline, diesel and aviation fuel after private refiners started making gains from robust refining margins in overseas markets, instead of selling at home.

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

19666 » **Nifty 50 Futures**

S1	S2	R1	R2	COMMENT
19650	19500	19720	19800	Go short on a break below 19650. Keep the stop-loss at 19680

₹1520 » **HDFC Bank**

S1	S2	R1	R2	COMMENT
1510	1490	1540	1560	Go short below 1510. Stop-loss can be kept at 1520

₹1440 » **Infosys**

S1	S2	R1	R2	COMMENT
1430	1400	1455	1470	Go long only above 1455. Keep the stop-loss at 1445

₹452 » **ITC**

S1	S2	R1	R2	COMMENT
450	446	455	458	Go long now and at 451. Stop-loss can be kept at 449

₹187 » **ONGC**

S1	S2	R1	R2	COMMENT
186	185	188	191	Go long only above 188. Keep the stop-loss at 187

₹2324 » **Reliance Ind.**

S1	S2	R1	R2	COMMENT
2295	2270	2340	2360	Go short now and at 2335. Keep the stop-loss at 2345

₹573 » **SBI**

S1	S2	R1	R2	COMMENT
569	567	575	580	Wait for a rise. Go short at 574 with a stop-loss at 576

₹3487 » **TCS**

S1	S2	R1	R2	COMMENT
3470	3450	3500	3530	Take fresh short positions now with a tight stop-loss at 3505

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

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Govt lowers domestic crude, out-bound diesel & jet fuel windfall levy

Shishir Sinha
New Delhi

The Finance Ministry late on Tuesday lowered the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹9,050 a tonne from ₹12,100. The change will take effect on October 18.

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

Similarly SAED or duty on the export of diesel will decrease to ₹4 per litre from ₹5 per litre currently. The duty on jet fuel or ATF has been lowered to ₹1 per litre effective Wednesday, from ₹2.50 per litre, according to a Finance Ministry notification. Export-bound petrol will continue to be in NIL category. Product prices have come down, which is why windfall gain tax has been revised downward. Cutting the windfall levy on diesel and ATF for export will impact Reliance Industries and Rosneft-backed Nayara Energy as primary fuel exporters.

India first imposed windfall profit taxes on July 1, 2022. joining several nations that tax supernormal profits of energy companies. At that time, export duty of ₹6 per litre ($12/bbl) was levied on petrol and ATF, and ₹13 a litre ($26/bbl) on diesel. A ₹23,250 per tonne ($40/bbl) windfall profit tax on domestic crude production was also levied.

The tax rates are reviewed every fortnight based on the average oil prices in the previous two weeks. The domestic producers of petroleum crude, like ONGC, sell their crude at international parity price. As international crude prices rose sharply, these producers made super-normal profits.

Publication : Business Standard	Editions : Mumbai
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Power Grid to build ₹20K-cr Green Corridor in Ladakh

The Cabinet Committee on Economic Affairs has given its approval for viability gap funding (VGF) to the state-owned Power Grid Corporation of India for the construction of the Green Energy Corridor-II (GEC-II) in the Ladakh region. The GEC-II is an Inter-State Transmission System project aimed at connecting at least 13 gigawatts of forthcoming renewable energy projects in Ladakh. Centre plans to complete the project by the financial year 2029-30 at an estimated cost of ₹20,773.70 crore. Central Financial Assistance will cover 40 per cent of the project cost, amounting to ₹8,309.48 crore. Due to defence sensitivities and challenging climatic conditions in Ladakh, the government has designated PGCIL as the implementing agency for the project. The GEC initiative serves as a dedicated transmission network for connecting renewable energy zones to the national grid.

SHREYA JAI

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To meet 25 GW RE capacity target for FY24: MNRE secretary

ARUNIMA BHARADWAJ
New Delhi, October 18

THE GOVERNMENT IS confident of achieving renewable energy capacity of 25 giga watt (GW) for the current financial year, Bhupinder Singh Bhalla, Secretary in the Ministry of New and Renewable Energy said on Wednesday.

"Last year we have reached about 15 GW total capacity. This year we hope to reach 25 GW," Bhalla told FE. "Next year we will target much more. Even next year we may not achieve 50 GW capacity but the following year we will," he said.

The government has set a target of tripling its renewable energy to 500 GW by the year 2030 which experts believe will require an addition of 50 GW of RE capacity every year. So far, in the first half of the current financial year, India has added 6.6 GW of RE capacity, as per the data available from the Central Electricity Authority.

"Currently, we have bided 20.8 GW capacity and we are targeting 50 GW," Bhalla said. These only include central bids and not state, the secretary said on the sidelines of the curtain raiser of the 6th assembly of International Solar Alliance.

Further, the government is targeting for a larger share of solar energy capacity addition among all the other renewable energy source options.

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Govt warns solar firms flouting rules on local module sourcing

Rituraj Baruah
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NEW DELHI

The Centre has warned solar power developers that flouting requirement of domestic sourcing for solar modules in projects under government schemes will invite "actions".

In an office memorandum, the ministry of new and renewable energy (MNRE) warned that it would file criminal complaints under IPC 420, blacklist the developer for 10 years or take disciplinary action against the concerned pubic sector unit or government agency.

The government came up with these domestic content requirement norms in 2018 with penalties for non-compliance.

Domestic content requirements are aimed at promoting domestic production and employment by mandating a particular percentage of a product's value to be sourced locally. Under some of the ministry's schemes where government subsidy is given, it has been mandated to source

The norms are aimed at boosting domestic production. BLOOMBERG

solar photovoltaic cells and modules from domestic sources.These schemes CPSU Scheme Phase-II, PM-KUSUM and Grid-connected Rooftop Solar Programme Phase-II.

Noting that the ministry in February 2018 had warned of strict action on domestic content requirement, a notification said: "Apprehensions have again been raise regarding supply of such solar PV modules under MNRE's schemes/programmes, which may not be fully compliant to the domestic content requirement (DCR) provisions prescribed under respective schemes/programmes of ministry of new & renewable energy."

"Accordingly, it is once again reiterated that domestic content requirement provision as mandated under the respective schemes/programmes of ministry of new & renewable energy should be strictly complied to and any violation of such DCR provision will invite actions," it said.

This is among a series of steps taken by the government over the past few years to cut cheap imports and boost domestic manufacturing of solar modules and other related products like cells and wafers.

The government has come up with a production linked incentive (PLI) scheme for modules, cells and related products in two tranches.

In March this year, it allocated a total capacity of 39.6 GW of domestic solar PV module manufacturing capacity to 11 companies, with a total outlay of ₹14,007 crore under the PLI scheme for high efficiency solar PV modules (Tranche-II).

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'Hydrogen gear market in India to touch $50 bn by '30'

Press Trust of India
NEW DELHI

Industry body India Hydrogen Alliance (IH2A) said it expects the domestic hydrogen equipment manufacturing and services market to reach $45-50 billion by 2030.

This market assessment includes all hydrogen production plant equipment, including electrolyser and balance-of-plant equipment that can be deployed in India and exported to countries in Asia, West Asia and Africa, IH2A said in a report.

This will help India become a supply chain hub for green hydrogen projects, it said, and forecast a $36-billion regional equipment and exports market.

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India to account for major share of refinery runs in Asia-Pacific by 2045: OPEC

Rishi Ranjan Kala
New Delhi

India, the world's fourth-largest crude oil refiner, will account for a major portion of refinery runs in the Asia-Pacific (APAC), excluding China, by 2045.

Besides, long-term refining capacity increments in other Asia-Pacific regions (excluding China) is estimated at 7.1 million barrels per day (mb/d), in line with strong demand growth.

India is the single-largest contributor to capacity additions in this region, said the OPEC's *World Oil Outlook 2023* report.

Runs, or the amount of crude oil that a refinery processes over a certain period of time, were close to their pre-pandemic levels in India last year, it added.

The report said that refinery runs in the Asia-Pacific (excluding China) are forecast to increase by around 4.5 mb/d from 16.5 mb/d in 2022 to just above 21 mb/d in 2045.

"This is supported by strong demand growth, of which India accounts for around 60 per cent.

"Utilisation rates are set to peak at around 88.3 per cent in 2025, followed by a gradual decline to about 81.5 per cent in 2045, as new capacity comes online," it added.

The report pointed out that there remains a trend for refining capacities to migrate from developed to developing regions, namely the Asia-Pacific, West Asia and Africa.

The three regions are set to account for the largest share of medium-term capacity additions, representing almost 90 per cent of the total.

DEMAND GROWTH

Strong demand growth, as well as rising product export strategies in these regions, are the major drivers behind this trend.

India is expected to add as much as 56.6 million tonnes per annum of crude oil refining capacity in the next seven years, of which, 84 per cent will be through brownfield expansion, while it will add 9 MTPA of refining capacity through greenfield expansion.

At present, the world's third-largest crude oil consumer, India has a cumulative refining capacity of almost 254 MTPA, or a little over 5 million barrels per day (mb/d).

In FY23, Indian refineries processed 5.13 mb/d of crude oil, or 255.2 million tonnes (MT), against 4.85 mb/d or 241.7 MT. In August 2023, the crude pressed stood at 5.28 mb/d or 21.9 MT (provisional), while in April-August in FY24, crude processed stood at 5.25 mb/d or 109.5 MT.

As of September, India had a total crude oil transportation pipeline of 10,938 km, with a capacity of 153.1 MTPA. The refined products transportation pipeline is 22,973 km, with a capacity of 149.3 MTPA.

EXPANSION MODE

The OPEC report said that India is also expanding its existing facilities and focussing on the petrochemical sector. The country's target is to reach 9 mb/d of refining capacity by 2030.