



**ONGC News as on 24 October 2024 (Print & Online)**



# Windfall crude levy may go

## OUR SPECIAL CORRESPONDENT

**New Delhi:** The Centre is considering scrapping the windfall tax on domestic crude as oil prices continue their downward trajectory. The levy, implemented in 2022 to capitalise on soaring oil prices, has become less relevant as global markets stabilise.

Tarun Kapoor, adviser to Prime Minister Narendra Modi, said the finance ministry is evaluating the need for the windfall tax.

The ministry of petroleum and natural gas has already

submitted a proposal to the finance ministry seeking withdrawal.

"I think the petroleum ministry has written to the finance ministry. Anyway, there is not much relevance in it (windfall tax) now," Kapoor told reporters on the sidelines of the World Biogas Association India Congress 2024 here on Wednesday.

The review provides potential relief for major oil firms such as Reliance and ONGC.

The windfall tax, a special additional excise duty, was introduced to curb the profits of oil and gas companies

amid the Russia-Ukraine war. However, as oil prices have retreated, the tax has become less effective.

Since September 18, the windfall tax on domestically produced crude oil has been nil. The tax on exports of diesel and aviation turbine fuel has also been zero.

Crude oil prices have remained relatively subdued despite market volatility. The December contract for Brent crude oil on the Intercontinental Exchange traded at \$75.63 per barrel on Wednesday, down 0.54 per cent from the previous close.

## Major port cargo rose 6% in September

DHRIVAKSH SAHA  
New Delhi, 23 October

Major ports, owned by the central government, registered a 6 per cent growth in cargo in September at 65 million tonnes (mt), primarily driven by crude oil cargo shipments and an increase in miscellaneous commodities. The previous month saw a near 9 per cent increase in export-import (Exim) cargo and a 1.9 per cent fall in coastal cargo.

Crude oil and miscellaneous (other) commodities, which cumulatively account for a third of major port cargo, saw an increase of 9 per cent and 41 per cent respectively.

On the other hand, ahead of the festival season, the last month also saw private ports — or non-major



**KEEPING STEADY**

Commodity	Sep (Vol in mt)	% chg Y-o-Y	H1FY25 (Vol in mt)	% chg Y-o-Y
Crude oil	13.2	8.66	83	0.07
Thermal coal	8.6	-0.53	56.9	2.70
Iron ore	3.5	-10.90	24.9	-3.30
Containers	15.4	3.40	94.6	4.60
<b>TOTAL</b>	<b>65.6</b>	<b>5.90</b>	<b>413.7</b>	<b>5.30</b>

Note: Total does not add up as the list is not inclusive of all commodities; etc. million tonnes. Source: Ministry of Ports, Shipping and Waterways

ports — reversing their slow growth so far this financial year (FY25), seeing a cargo growth of 10 per cent, with a 12 per cent increase in Exim cargo.

For major ports, containers, which are a proxy for trade of finished goods, grew only by 3 per

cent in September as private ports took a large pie of festive shipments with a 26 per cent growth.

While crude oil volumes at non-major ports had been contracting throughout FY25, September saw a sharp 20 per cent year-on-year rise in

crude oil shipments, and experts opine that these volumes will continue to rise as crude oil cargo at private ports had been sluggish due to planned shutdowns in refineries of oil majors like BPCL, Kochi, IOCL and Nayara Energy took planned

shutdowns in FY25, which also impacted the petroleum product exports. Major ports have so far in FY25 handled 414 mt of cargo, which is a 5 per cent increase compared to the last year. At this pace, they outpace their private peers growing at 4 per cent.

During the same period last year, major ports were on a slow growth trajectory with a 2.4 per cent growth in cargo, and over the last two years, the first half of the financial year has been fraught with international shipping challenges such as the Russia-Ukraine war, Israeli attacks across West Asia and the prominent emergence of Iran in the Israel-Palestine conflict.

In terms of port performance, traffic at Deendayal Port Authority (Kandla Port) grew by 28 per cent in September. Part of it is due to a low-base effect, as the port struggled with cargo in FY24.

# GAIL Gas eyes Bengaluru's school, private bus fleets for CNG adoption

Aims to increase number of its stations to 140 by end of FY 2024-25

UDBHAVI BALAKRISHNA  
BENGALURU, DHNS



A CNG station operated by GAIL Gas. DH FILE PHOTO

**G**AIL Gas Limited has initiated discussions with private bus fleet and school bus operators in Bengaluru to explore the adoption of compressed natural gas (CNG) for commercial operations.

This move aligns with GAIL Gas' plans to add 20 more CNG stations by the end of the financial year, expanding the city's City Gas Distribution (CGD) infrastructure.

Currently, GAIL Gas oper-

ates 120 stations across Bengaluru Urban and Rural districts, supplying CNG to commercial vehicles. As of March, 106 stations were operational, selling nearly 2.4 lakh kg of CNG daily and catering to at least 62,000 vehicles.

By the end of the financial year, GAIL Gas aims to increase its station count to 140 through Company Owned Company Operated (COCO)

dealership, or oil marketing company retail outlet models.

"We are now targeting school buses and are in talks with schools that operate their own buses to encourage CNG adoption," a senior GAIL Gas official told *DH*, adding that the switch could also be more cost-effective for schools.

GAIL Gas is also negotiating with large private fleet operators to induct CNG buses or

retrofit existing diesel buses to run on CNG. "This shift will naturally boost CNG demand, and we plan to expand the number of CNG stations across the city," the official added.

Target areas for expansion include Sarjapur Road, Attibele, Doddaballapur, and Electronics City, aiming at both commercial and industrial growth.

However, the rise of electric buses could impact the CNG push, the official noted.

Radhakrishna Holla, president of the Karnataka State Travel Operators Association, expressed optimism about the shift. "This will be a big success. We've seen how well CNG adoption has worked for autorickshaws and cabs. With proper measures and support, there's no doubt that more operators will switch to CNG for its long-term benefits," he said.

# GAIL seeks long-term LNG deals

**GAIL (INDIA) IS** seeking long-term import deals for liquefied natural gas (LNG) amounting to 5.5 million tonne per year, raising its capacity to 21 MT per year by 2030, its finance chief Rakesh Kumar Jain said on Wednesday.

The country's largest gas pipeline utility has deals for supply of 15.53 million tonne of LNG per year, having recently signed supply deals with trader Vitol and Adnoc. The state-run company plans to raise loans of \$475.9 million in this financial year to fund its pipeline network expansion and boost petrochemicals capacity, Jain said. —**REUTERS**

Publication : Mint	Editions : New Delhi
Date :24 October 2024	Page : 2

## Diesel consumption to rise 3-4% in FY25: IOCL chair

HT



New Delhi: India's annual diesel consumption is expected to rise by 3-4% in the current fiscal year to March 31, said V. Satish Kumar, chairman of Indian Oil Corp. Ltd (IOCL). India's annual diesel demand in the first half of this fiscal year rose 1% to 44.4 million tonnes, according to government data, even though heavy rains curtailed the movement of trucks.

**REUTERS**

## Govt seeks industry inputs to address financing woes in setting up CBG plants

**Rishi Ranjan Kala**  
New Delhi

The Centre has asked the industry and stakeholders in the compressed biogas (CBG) sector to share ideas to fast track setting up of manufacturing facilities, including creation of a fund to address financing issues.

Advisor to Prime Minister Tarun Kapoor, in his address at the World Biogas Association's India congress 2024, on Wednesday, exhorted the industry to share suggestions on avenues to accelerate the process of setting up and running CBG manufacturing facilities.

"We all must work as a team and try to find solutions. Borrowing from financial institutions is a little bit of a problem, I know. We are willing to intervene there to either set up a fund or something else. You have to come up with ideas to push lending in this area, because I know that financial institutions are reluctant to lend," the former Oil Secretary said.

Carbon market will take some time to develop in the country, but it'll provide some financial strength too,



Tarun Kapoor, Advisor to the Prime Minister of India

he added. Under the Sustainable Alternative Towards Affordable Transportation (SATAT), a total of 2,212 active letters of intents (LoIs) have been issued as of September 1, 2024. A cumulative 75 CBG plants have been commissioned across the country, and around 72 plants are under various stages of construction. As per the SATAT portal, around 11,883 tonnes of CBG have been sold in FY25.

SATAT encourages entrepreneurs to set up manufacturing facilities to produce and supply CBG to oil marketing companies (OMCs) for sale as automotive and industrial fuels.

"From the government side, whatever support you people (industry) have asked

for, we have tried to provide," Kapoor emphasised.

"We are trying to push everyone in the government to support this sector, but we are still not moving at the pace we should. So, what do we need to do? You will have to tell us. In the next one and a half years, can we do at least 500 plants? For this, what are the steps required?," he asked the industry members and other stakeholders at the event.

Kapoor informed that CBG is one of the favourite areas of Prime Minister Narendra Modi. "He constantly asks about the developments (in this sector) because he thinks that this is a sector where everyone stands to benefit," he noted.

"So all areas that need intervention from the government, please tell us. But the industry also must gear up and give us some targets... Because what I also find is that out of the total 70 or so plants which are commissioned... Only 40 are producing. Others are not running," he pointed out.

### SECTOR'S WOES

Speaking about the issues faced by the CBG industry, GAIL Executive Director SN Yadav pointed out that the biggest challenge is finding land and feedstock.

"It is a State government subject. Though Centre is supporting, equal support from the State governments is not coming, and that should be addressed," he added.

On feedstock, he said CBG producers are not sure whether they will get the right quantity or quantity of the feedstock for their plants. "Once the quality of CBG is ensured at par with the piped natural gas or the safety of the steel pipeline, then there will be no issues," Yadav said.

Publication : The Morning Standard	Editions : New Delhi
Date :24 October 2024	Page : 10



## **HPCL makes historic entry into US mkt with Premium lubricants export**

Hindustan Petroleum Corporation (HPCL) has achieved a major milestone with its first-ever export of HP LUBRICANTS to the US, marking its presence in the 30th country globally. In a major breakthrough, HPCL's premium Shock Absorber Oil, HP SHOX OIL DC, has been selected by M/s. Duroshox, a leading manufacturer of vibration isolation, motion control, comfort, and damping solutions for use in their solar panel dampers produced at their state-of-the-art facility in San Antonio, Texas. This development underscores HPCL's growing international presence and its commitment to expanding lubricant business globally. The US market presents immense opportunities for growth.



## FinMin to consider ending windfall tax on crude oil

The finance ministry will take a decision on scrapping the windfall tax on local crude oil output, according to Tarun Kapoor, advisor to Prime Minister Narendra Modi. The windfall tax on crude oil was



introduced in 2022 to address excessive profits during periods of high prices. Kapoor noted that since global prices have softened, the tax may no longer be necessary. "The finance ministry will take a view... I think the petroleum ministry has already written to them," he said. **BS REPORTER**

Publication : Business Standard	Editions : New Delhi
Date :24 October 2024	Page : 1, 6

# Average M&A value halves in 2024

Adani deal is 15x the average deal value for the year

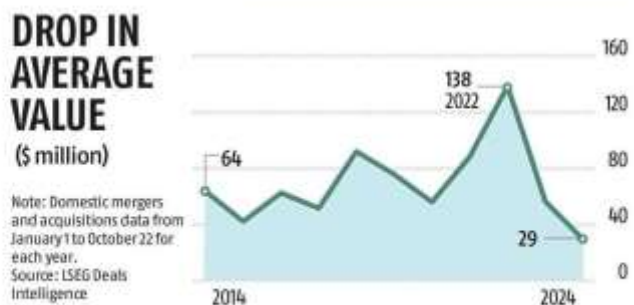
**SACHIN P MAMPATTA**  
Mumbai, 23 October

Domestic mergers and acquisitions (M&As) saw the average deal value nearly halving in 2024.

According to the latest figures by LSEG Deals Intelligence, the average deal value was at \$29 million, which was 48 per cent lower than the \$56 million seen in 2023. The year 2022 had seen \$138 million, a recent peak. The current value of \$29 million is the lowest it has been since at least 2014.

The number has been buoyed by the Adani group company's acquisition of a 47 per cent stake in Orient Cement, which was announced on Tuesday. The value of the deal is \$450.91 million, with additional stake purchases intended, according to LSEG Deals Intelligence data. This makes it more than 15 times larger than the average deal size seen so far in 2024. The analysis considered data from the beginning of January to October 22 for each year. The current value remains the lowest despite a rise in the number of transactions.

The total number of transactions is the highest since at least 2014. There were 1,511 domestic mergers and acquisitions announced during the year, higher than the previous year's 1,450 transactions. [Turn to Page 6](#)



Publication : Business Standard	Editions : New Delhi
Date :24 October 2024	Page : 1, 6

## M&A deal volume rises 4.2%

This marks a 4.2 per cent increase in the number of deals, even as the total value of these transactions has fallen by 38.8 per cent year-on-year.

This suggests an increase in small deals, such as start-ups acquiring others in the space as part of a growth strategy. For example, personal care company Good Glamm Group acquired Sirona Hygiene for ₹450 crore (around \$60 million) earlier this month.

However, large deals have not been absent. For instance, Viacom18 Media announced a \$3.1 billion acquisition of Star India in February. In the oil and gas space, Gujarat Gas announced a deal to acquire the Ahmedabad-based natural gas distributor Gujarat State Petronet Ltd (GSPL) for \$2.9 billion in August. Ambuja Cements, which announced the Orient Cement deal on Tuesday, had earlier announced the acquisition of Penna Cement Industries for \$1.4 billion in June.

If the scope of the analysis is widened beyond domestic

mergers and acquisitions to include deals with any Indian involvement, the total deal value has declined from \$78 billion to \$62 billion as of October 2024. This suggests greater activity in domestic M&As than in overall deals.

Key sectors witnessing traction include industrials, financials, high technology, materials, and health care. Each of these sectors has seen deals worth around \$6.5 billion to \$7.8 billion in 2024.

Globally, lower interest rates are said to be a tailwind for deal-making, according to a June 2024 note, Global M&A Industry Trends, from PwC.

“Recent interest rate cuts announced by Switzerland, Sweden, Canada, and the European Central Bank may signal that further rate cuts are coming. These long-awaited interest rate cuts will be welcomed by dealmakers seeking to fund acquisitions via debt. Today’s higher interest rates squeeze returns, putting a greater emphasis on a potential deal’s value creation story,” it said.

## Puri: AI adoption a 'necessity' for oil and gas sector



THE ADOPTION OF artificial intelligence has become a necessity for optimising operations in the

oil and gas industry, as India navigates the complexities of global energy markets, petroleum and natural gas minister **Hardeep Puri** said at the 15th edition of Global Energy Conclave-ENRich 2024 on Wednesday. He said public sector undertakings are increasingly adopting AI and machine learning technologies to enhance security, operational efficiency, and for demand forecasting. "Upstream oil and gas sector companies can use AI-enabled mechanisms like deep learning to analyse complex seismic data to identify potential carbon reservoirs," Puri said. —ANI

# ‘FinMin to take call on ending windfall tax on local crude’

Rituraj Baruah &  
Manas Pimpalkhane

NEW DELHI

The Union finance ministry will take a call on scrapping the windfall tax on crude oil as weakening prices of the commodity have made the levy irrelevant, said Tarun Kapoor, adviser to the prime minister.

The Union ministry of petroleum and natural gas has written to the finance ministry seeking withdrawal of the levy, Kapoor told reporters on the sidelines of the World Biogas Association India Congress 2024 in New Delhi on Wednesday.

A windfall tax was imposed on locally produced crude oil in 2022 after the Russia-Ukraine war shot up oil prices to multi-year highs, allowing oil and gas companies to make windfall profits. The tax is levied in the form of a special additional excise duty and is notified fortnightly, based on the average oil prices for two weeks.

The windfall tax on the sale of domestically produced crude oil has been nil since 18 September. The windfall tax on the export of diesel and aviation turbine fuel is also zero.

Crude oil prices have been largely subdued despite a volatile market amid the ongoing conflict in West Asia. The December contract for Brent crude oil on the Intercontinental Exchange traded at \$75.63



The windfall tax on the sale of local crude oil has been nil since 18 September. REUTERS

per barrel on Wednesday, 0.54% lower than its previous close.

Union minister for petroleum and natural gas Hardeep Singh Puri said on Tuesday that global oil prices may drop since there is no shortage of the fossil fuel. "I think [oil prices] should come down. It depends on global factors. One thing is very clear — there is no shortage of oil in the world. They were producing some 102 million barrels per day earlier, then some voluntary cuts took place," he said.

In its oil market report for October, the International Energy Agency said world oil demand is on track to expand by just shy of 900,000 barrels per day (bpd) in 2024 and close to 1 million bpd in 2025, marking a sharp slowdown on the roughly 2 bpd seen over the 2022-2023 post-pandemic period.

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## 'AI essential for India's oil, gas operations': Union min Hardeep Puri

TDG NETWORK  
NEW DELHI

The adoption of artificial intelligence has become a necessity for optimising operations in the oil and gas industry, as India navigates the complexities of global energy markets, the Union Petroleum and Natural Gas Minister Hardeep Puri said during the 15th edition of Global Energy Conclave-ENRich 2024 on Wednesday.

In his address, Union Minister noted that Indian public sector units (PSUs) in the oil and gas sector are increasingly adopting AI and machine learning technologies to enhance security, operational efficiency, and demand forecasting.

"Indian PSU are also leveraging the benefits of AI and machine learning to increase security and operational efficiencies atations through demand forecasting. Custom pricing analytics AI has helped in enhancing the Indian customer experience as well," Puri said, pointing to the widespread adoption of



Union Minister for Petroleum and Natural Gas Hardeep Singh Puri during the 15th Edition of Global Energy Conclave - ENRich, at Hyatt Regency, in New Delhi on Wednesday. ANI

advanced AI-driven mechanisms.

"Indian upstream oil and gas sector companies can use AI-enabled mechanisms like deep learning to analyze complex seismic data to identify potential carbon reservoirs," Puri said, explaining that these technologies help detect patterns that traditional methods might miss.

The minister further mentioned government's efforts to modernise the National Data Repository for upstream oil and gas exploration, upgrading it to an AI-based platform that enables instant access to seismic data. He added that this initiative is supported by a

government investment of approximately 7,500 crore.

On the economic front, the petroleum minister stated, "Generative AI could increase global GDP by seven to ten trillion dollars within the next three years," he said, adding that AI could bring about a major productivity boom.

Minister Puri further asserted that the India's economy with its growing economy and vibrant start-up ecosystem

Puri also highlighted the remarkable growth of India's digital landscape, fueled by initiatives like Digital India, which have dramatically improved internet access across the country.

## Crude oil loses ground on higher US stocks



**London:** Crude oil prices fell after industry data showed US crude inventories swelled more than expected, though crude futures were still up about three per cent this week as traders factored in continuing conflict in the Middle East. Brent crude futures dropped 73 cents to \$75.31; WTI crude futures shed 74 cents to \$71 a barrel. REUTERS

**Online**



Headline	Lower APM gas allocation to raise cost of city gas cos by Rs 2-3/kg: Crisil		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	24 Oct 2024		

## Lower APM gas allocation to raise cost of city gas cos by Rs 2-3/kg: Crisil

<https://energy.economictimes.indiatimes.com/news/oil-and-gas/lower-apm-gas-allocation-to-raise-cost-of-city-gas-cos-by-rs-2-3/kg-crisil/114526945>

City gas distribution companies are set to face a rise in gas procurement costs by Rs 2-3 per kg due to a 20% reduction in APM gas allocation for CNG. To maintain supply, they will need to purchase from costlier sources, leading to potential increases in CNG selling prices.

The gas procurement cost of city gas distribution (CGD) companies is set to rise by Rs 2-3 per kilogram (kg) following a reduction in allocation of input natural gas under the administered price mechanism (APM), rating agency Crisil said Wednesday. City gas operators get priority gas allocation at reduced prices under APM from legacy gas fields for the domestic compressed natural gas (CNG) and piped natural gas (PNG) - domestic segments.

As per recent public announcements by these companies, GAIL (India) Ltd, the nodal agency for domestic gas allocation in the country, has reduced the APM gas allocation for the CNG segment by 20 per cent of their CNG requirement, effective October 16, 2024.

"To note, APM allocation for CGD players will now be reduced to about 50 per cent of their CNG requirement, from the allocation level of around 70 per cent this fiscal year so far," Crisil said in a note.

So, to maintain adequate supply, the CGD players will need to procure gas from costlier sources such as domestic high pressure, high temperature (HPHT) gas fields or imported liquefied natural gas (LNG).

Says Ankit Hakhu, Director at CRISIL Ratings, "Against the current APM gas prices of USD 6.5 per metric million British thermal unit (MMBtu), HPHT gas prices are USD 9.5 per MMBtu and LNG prices are USD 11-12 per MMBtu. This means the cost of input gas for the CNG segment of CGD players is likely to increase by Rs 3.5-4.5 per kg. However, given that the share of CNG in overall CGD segment is around 60 per cent, the overall cost of gas procurement may rise by Rs 2-3 per kg for industry players."

To maintain profit margins, CNG selling price may also rise as players are likely to pass through the increased cost pressure to consumers, although in a gradual manner, in the coming months. Some players have already undertaken partial increase in CNG prices.

This trend has been demonstrated in past years as well, including fiscal 2023, when gas prices had shot up amid a geopolitical crisis in the wake of the Russia-Ukraine conflict. However, these hikes were partial and have also witnessed some lag effect.

Says Ankush Tyagi, Associate Director at CRISIL Ratings, "Despite the expected increase in prices, the competitiveness of CNG3 as a transportation fuel over alternatives such as petrol or diesel will remain healthy at 25 per cent against 30 per cent prior to the price hike. This should limit any material impact of the price hike on the volume growth of CNG sales over the medium term. Further, the likely pass-through of cost increase will support operating profitability and in turn the credit profiles of CGD players."

Legacy fields include oil and gas fields that were given on a nomination basis to Oil and Natural Gas Corporation (ONGC) and Oil India Ltd prior to 1999.

Also, the share of CNG in total CGD volume is 55-60 per cent, that of piped cooking gas is 8-10 per cent, while the rest is from piped gas supplies to industries and commercial use. Join the community of 2M+ industry professionals

Headline	KGMU to get eight-storey night shelter		
Publication	HT Syndication	Edition	Online Coverage
Published Date	23 Oct 2024		

### **KGMU to get eight-storey night shelter**

<https://www.htsyndication.com/ht-lucknow/article/kgmu-to-get-eight-storey-night-shelter/85502693>

LUCKNOW, Oct. 23 -- King George's Medical University (KGMU) on Tuesday signed a memorandum of understanding (MoU) with ONGC (Oil and Natural Gas

Corporation) on Tuesday to build an eight-storey night shelter for attendants and relatives of patients admitted to the hospital....

Headline	Man held for posing as OSD to HM Shah, pressurising senior cops		
Publication	HT Syndication	Edition	Online Coverage
Published Date	24 Oct 2024		

### **Man held for posing as OSD to HM Shah, pressurising senior cops**

<https://www.htsyndication.com/pioneer/article/man-held-for-posing-as-osd-to-hm-shah%2C-pressurising-senior-cops/85512725>

New Delhi, Oct. 24 -- A man posing as Officer on Special Duty (OSD) to the Union Home Minister who was allegedly threatening and pressurising senior

police officers to help his acquaintances gain ownership of a disputed property in Brijpuri area here has been arrested.

Police said 43-year-old Navin Kumar Singh has other cheating cases against him, including for duping people to get them Rajya Sabha seats and jobs at ONGC, for which he has been in jail. Singh, who is currently out on bail in these cases, was apprehended from Noida on Tuesday, they said.

Deputy Commissioner of Police (northeast) Rakesh Paweriya said sub-inspector Ravi Poonia, currently posted at Dayalpur police station, received a PCR call on October 8 regarding trespassing...

Headline	Government may scrap windfall tax on crude oil		
Publication	The Financial Express	Edition	Online Coverage
Published Date	24 Oct 2024		

## Government may scrap windfall tax on crude oil

<https://www.financialexpress.com/policy/economy-government-may-scrap-windfall-tax-on-crude-oil-3647899/>

The government is mulling scrapping windfall tax on crude oil, said Tarun Kapoor, advisor to the Prime Minister on Wednesday.

He said that the petroleum ministry has sought removal of the tax and that the finance ministry will take a call on the same noting that there is no relevance of the tax anymore.

The finance ministry will take a view. I think the petroleum ministry has already written to them, Kapoor said on the sidelines of an event.

He said that there is no relevance of the tax now as the global prices have declined substantially compared to 2022 when the tax was implemented.

The removal of the tax, if implemented, would benefit upstream companies such as state-owned ONGC and private players like Reliance as a high windfall tax affects their profitability and cash accruals. The two companies in partnership have recently bid for an oilfield exploration license.

The government had first imposed windfall tax in July 2022 to tax the profits of crude oil producers when the global crude oil prices increased sharply nearing \$100 per barrel on the back of Russia-Ukraine conflict. At present, Brent crude oil prices are hovering around \$75 per barrel amid rise in US crude oil inventories and mounting tensions in the Middle East.

The government levies windfall tax when an industry earns large profits unexpectedly. The move was aimed at curbing unprecedented profits earned by oil companies and generating additional revenue for the government.

Windfall tax is reviewed every fortnight on the basis of oil prices and fuel margins in the international market. An increase in windfall tax comes against the prospects of upstream oil companies such as Oil and Natural Gas Corp and Oil

Earlier, the government had slashed windfall tax on domestically produced crude oil by 11.9% to Rs 1,850 per tonne from previous Rs 2,100 per tonne, effective from August 31. It was later scrapped to Rs 0 per tonne, effective September 18. Windfall tax on export of and turbine fuel (ATF) was retained at nil.

Due to a slight lag in windfall tax adjustments compared to changes in prices of Brent crude, the country's upstream companies are expected to witness only a marginal growth in their net crude realisations in Q2FY25 compared to the previous quarter, as per analysts.

Due to a slight lag in windfall tax adjustments in Q2FY25, relative to changes in Brent crude prices, net crude realisations are set to show nearly \$2 per barrel improvement QoQ, had said. Analysts see limited change in effective gas realisations, with a cap of \$6.5 per MMBtu. Oil India and Oil and Natural Gas Corp are expected to deliver a similar trend in oil & gas production, with both companies likely showing 1% each on-quarter improvement in their oil and gas output.

Overall, EBITDA for both upstream companies may improve 1% QoQ and 1% YoY, while PAT (profit after tax) will likely improve by 4% on a QoQ basis with a decline of 12% YoY, as per ICICI Securities.

Headline	Finance Ministry to Remove Windfall Tax Owing to Drop in Oil Prices		
Publication	The Industry Outlook	Edition	Online Coverage
Published Date	24 Oct 2024		

## Finance Ministry to Remove Windfall Tax Owing to Drop in Oil Prices

<https://www.theindustryoutlook.com/services-and-consulting/news/finance-ministry-to-remove-windfall-tax-owing-to-drop-in-oil-prices-nwid-11168.html>

By: Industry Outlook Team | Thursday, 24 October 2024 India's finance ministry is currently evaluating the potential removal of the windfall

tax on local crude oil production, according to Tarun Kapoor, advisor to the Prime Minister. Kapoor explained that the tax, which was initially imposed in 2022, has become less relevant due to a significant drop in global oil prices compared to when it was first introduced.

The windfall tax was imposed to curb the profits of oil producers like Reliance and ONGC as they capitalized on high global refining margins by selling fuel internationally rather than domestically. With global oil prices now significantly lower, Kapoor indicated that the petroleum ministry has already communicated with the finance ministry regarding the issue, leaving the decision in the finance ministry's hands.

If the tax is removed, it could provide substantial relief for India's oil giants by boosting their gross refining margins. India first imposed the windfall tax on crude oil producers in July 2022, extending it to exports of gasoline, diesel, and aviation fuel.

In a recent development, the Indian government eliminated the windfall tax on crude oil in September 2024, reducing it from Rs 1,850 per tonne, following a previous reduction from Rs 2,100 per tonne in August 2024. These adjustments were made in response to the continuous decline in global crude prices, which currently hover at just over \$75 per barrel, down from over \$92 per barrel in April.

The government reviews the windfall tax every two weeks, and ongoing lower global oil prices may prompt further reductions or the complete removal of the tax altogether.

Headline	ONGC to help KGMU expand night shelter		
Publication	The Times of India	Edition	Online Coverage
Published Date	23 Oct 2024		

## ONGC to help KGMU expand night shelter

<https://timesofindia.indiatimes.com/city/lucknow/ongc-boosts-kgm-night-shelter-capacity-over-fivefold-with-rs-36-crore-funding/articleshow/114477595.cms>

Lucknow: The night shelter at Shatabdi Hospital is in for expansion of its capacity by over five times, increasing from 270 beds, following signing of an MoU between KGMU and Oil & Natural Gas Corporation.

As part of its corporate social responsibility initiative, ONGC will contribute about Rs 36 crore to KGMU for the expansion, aimed at assisting attendants of patients visiting the university. Currently, the four-storey shelter, funded by Lucknow MP and defence minister Rajnath Singh, offers 270 beds, including 43 private rooms and dormitory-style accommodations. Attendants pay a daily fee of Rs 50 to stay there.

Officials said the expansion would increase number of rooms to over 100, boosting the bed capacity to approximately 1,412. This upgrade will help accommodate more attendants, who often face challenges finding space in the existing shelter or resort to sleeping in the corridors of the 3,850-bed KGMU hospitals.

They said the project aligned with Chief Minister Yogi Adityanath's directive to build multi-storey shelters on the KGMU campus, along with the new funding, will enable the construction of eight additional floors, transforming it into a 12-storey building.

KGMU vice-chancellor Prof Soniya Nityanand said, "This initiative marks a significant step towards improving the overall facilities for patient attendants at the university."

Advisor to the Chief Minister, Awanish Awasthi and Head of CSR ONGC Debashish Mukharjee were present on the occasion.

Headline	JP Morgan sees crude oil falling to \$60s by 2025 despite all the tension in West Asia		
Publication	Business Today	Edition	Online Coverage
Published Date	23 Oct 2024		

## JP Morgan sees crude oil falling to \$60s by 2025 despite all the tension in West Asia

<https://www.businesstoday.in/latest/economy/story/jp-morgan-sees-crude-oil-falling-to-60s-by-2025-despite-all-the-tension-in-west-asia-451144-2024-10-23>

Crude oil prices are expected to fluctuate in the coming years, with a potential rise to \$80 per barrel in the last quarter of 2024, before dipping to the low \$60s by the end of 2025, according to a report by JP Morgan.

The report attributes the current volatility to geopolitical tensions in West Asia, but notes that key players in the region, such as Saudi Arabia and the UAE, have strong economic incentives to keep the conflict contained.

The current situation suggests a sustained geopolitical premium in crude prices until the conflict is resolved in the short term, said Natasha Kaneva, JP Morgan's head of global commodities strategy.

Crude oil prices have seen a steady rise, with Brent crude moving from \$71 per barrel in late September to nearly \$81 in early October, only to drop back to around \$73 as demand concerns surfaced. Analysts also highlight weak demand from major economies like China and the U.S., contributing to the downward pressure on prices. Rabobank International expects the market to be oversupplied by about 700,000 barrels per day (bpd) in 2025, which could drive prices lower.

Petroleum Minister, Hardeep Singh Puri, remains confident about the country's ability to manage crude supplies despite geopolitical concerns. There is no shortage of oil, Puri said at a recent event, adding that additional supplies from Brazil and Guyana are helping to stabilize the market. He also acknowledged that while geopolitical tensions can inflate costs due to higher freight and insurance, India's crude needs will be met. India imports over 85% of its crude oil, making price stability crucial for managing inflation and fuel costs domestically.

Key points from the JP Morgan and Rabobank reports:

**2024 Price Forecast:** Crude prices are expected to reach \$80 per barrel in Q4 2024 due to geopolitical tensions.

**2025 Price Outlook:** Prices could dip to the low \$60s by the end of 2025, driven by weak demand and an oversupplied market.

**Supply Concerns:** Global oil inventories are at their lowest since 2017, but additional supplies from countries like Brazil and Guyana are expected to ease pressure.

**Geopolitical Risks:** Tensions in West Asia, particularly concerning Israel and Iran, could cause price spikes, especially if the Strait of Hormuz, a key oil transit route, is disrupted.

While JP Morgan and Rabobank forecast an oversupplied market by 2025, the Energy Information Administration (EIA) has revised its 2025 global oil demand forecast down by 300,000 bpd, now expecting demand to reach 104.3 million bpd. OPEC has also cut its demand growth projections for 2024 and 2025, citing weaker consumption globally.

Puri emphasized that despite these fluctuations, India's energy security remains intact, pointing to India's preparedness in managing any disruptions to global oil supplies.

Headline	Powering India's future with a green transition		
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## Powering India's future with a green transition

<https://www.cnbctv18.com/business/companies/powering-indias-future-with-a-green-transition-19497489.htm>

As a nation with a steep development trajectory, India has experienced significant economic growth in the past few decades, largely fuelled by fossil

fuels, making it the world's third largest carbon-emitter. To combat this problem of carbon-emission, the Indian government has set an ambitious goal of achieving net-zero emissions by 2070.

As India transitions towards sustainable energy, this shift will not only help mitigate climate change but also ensure long-term energy security and economic growth. With a target of 500 Gigawatts of renewable energy capacity by 2030, India is taking a leading role in global carbon reduction efforts.

The India Energy Transition Summit', presented by Honeywell and CNBC-TV18, brought together experts, industry leaders from public and private sectors, policy makers to discuss sustainable energy solutions and energy efficient future. Click here to watch the summit.

Ashish Modi, President, Honeywell India, set the tone for the summit by emphasising on necessity to tackle CO2 emissions, particularly from hard-to-abate sectors like power and steel, and how it is crucial to meet the net-zero goal India's Energy Transition Journey.

The transition to green energy continues to be a top area of priority for the government, both in terms of bandwidth as well as allocation of government resources. To elucidate, Union Minister for Petroleum and Natural Gas, Hardeep Singh Puri highlighted the government's commitment to the solar rooftop scheme and the impressive increase in biofuel blending, now at 15.8% from just 1.53% in 2014, making India a leader in biofuels after Brazil. Mr. Puri also pointed out the future potential of green hydrogen, stating the need for large-scale production to reduce costs.

Pralhad Joshi, Minister of New and Renewable Energy and Consumer Affairs and Public Distribution, stressed the importance of reliable energy supplies as India's energy demands grow and how it has become increasingly important to develop and implement strategies to ensure a reliable and sustainable energy supply.

Achieving sustainable energy goals presents a multifaceted challenge that demands a variety of technological solutions. Honeywell stands at the forefront of this effort, leveraging its extensive expertise in automation, energy, and aerospace to drive comprehensive sustainability strategies. Dr Gavin P. Towler, Chief Sustainability Officer at Honeywell, noted that 60% of the company's research and development budget is focused on sustainability, environmental impact, safety, and societal resilience. The company has reduced its carbon footprints in India by 52% so far and it is on its path to achieve carbon neutrality across all operations by 2035, underscoring its commitment to a sustainable future.

### Battery Breakthroughs Shaping the Future of Energy Storage

Battery storage systems are essential for maximizing solar energy potential and its reliable availability. Estimates suggesting a six-fold increase in renewable energy storage capacity is necessary to meet net-zero goals by 2050. Honeywell is proactively addressing this with its Microgrid Battery Energy Storage Solution program and Long Duration Energy Storage solutions. The nation has also been having discussions on building a resilient clean energy supply chain and efficient battery storage system forms the core for this to facilitate cross border electricity trade. Players like Honeywell can play a vital role in this space by offering a range of battery storage solutions across the country.

### From Waste to Watts The Role of Biomass in Green Energy Transition

India has the world's largest agricultural sector, placing it at a unique vantage point for the development of biofuels. The nation's vast and diverse agricultural lands, coupled with its rich agricultural heritage, provide a fertile ground for converting biofuel feedstocks such as sugarcane, maize, etc into sustainable energy sources or biofuels. With around 500 million tonnes of biomass generated annually, the government aims to triple sustainable biofuel production by 2030. The rapid scale up can only be possible by deploying multiple SAF pathways which leverage the locally available renewable feedstocks and adoption of hub and spoke models to improve the economy of scale. Producing biofuels provides the farmers and the entire supply chain with additional sources of wealth and job creation thus benefiting the local communities.



Headline	India to develop roadmap post-20 PC ethanol blending target: Minister Hardeep Singh Puri		
Publication	EPR Magazine	Edition	Online Coverage
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## India to develop roadmap post-20 PC ethanol blending target: Minister Hardeep Singh Puri

<https://www.eprmagazine.com/news/india-to-develop-roadmap-post-20-pc-ethanol-blending-target-minister-hardeep-singh-puri/>

India's own energy consumption is projected to increase significantly from 5.4 million barrels per day today to an anticipated 7 million barrels per day by 2030. This growing demand positions India as a major contributor to global energy consumption, with projections indicating that 25 per cent of the increase in global energy demand over the next two decades will originate from India alone.

Addressing the 7th G-STIC Delhi Conference on Accelerating Technologies Solutions for the SDGs, Hardeep Singh Puri, Minister of Petroleum and Natural Gas, articulated India's evolving journey towards sustainable energy solutions. Highlighting the potential for these technological advancements to be replicated across the Global South, Puri provided insights into the complexities of energy transitions within democratic frameworks, emphasising that there is no clear answer to whether these transitions are inherently easier or more difficult in democracies.

The conference, organised by TERI and VITO, along with the support of eight other not-for-profit independent technology research institutes, is being hosted in India for the first time. The conference will deliberate on challenges under the umbrella theme Harmonising Technology, Policy, and Business Pathways for Sustainable Future and Coexistence. Speaking at the inaugural session of the conference, Hardeep Singh Puri discussed the critical trilemma that democratically elected governments face globally: balancing affordability, availability, and sustainability in energy policy. He pointed out that as global energy demand rises, India's own energy consumption is projected to increase significantly from 5.4 million barrels per day today to an anticipated 7 million barrels per day by 2030. This growing demand positions India as a major contributor to global energy consumption, with projections indicating that 25 per cent of the increase in global energy demand over the next two decades will originate from India alone.

Affordability remains a primary concern in addressing this energy transition. The Minister emphasised the government's commitment to research and development, citing innovative solutions such as hydrogen fuel cell technology being piloted in public transport. Currently, India is operating 15 hydrogen-powered buses, which are still in the demonstration phase. These initiatives reflect a broader vision for sustainable transport solutions that can contribute to reducing the carbon footprint.

A highlight of the address was the substantial progress made in ethanol blending, which has surged from just 1.53 per cent in 2013-14 to 16 per cent. This achievement has prompted the government to advance its blending target of 20 per cent from 2030 to 2025, showcasing a proactive approach to energy sustainability. Puri noted that discussions have already begun to establish a roadmap for sustainable energy solutions beyond the 20 per cent blending target, indicating a forward-thinking strategy that anticipates future energy needs. The Minister stressed the need to address the energy requirements of developing nations, particularly in the Global South, where many countries rely heavily on energy imports. He expressed confidence that the success of India's ethanol initiatives could serve as a model for these regions, although he acknowledged that, unlike Brazil, India lacks the luxury of abundant arable land for biofuel production. Nevertheless, he emphasised the potential for innovative biofuel strategies to alleviate import dependency while addressing local energy needs. The Minister also highlighted the transformative impact of the Ujjwala scheme, launched in 2016, which has significantly expanded access to cooking gas. The number of cylinder connections has increased from 140 million to 330 million, providing clean cooking fuels to economically weaker sections of society. This initiative, along with other social schemes of the government, has played a crucial role in lifting approximately 250 million people out of multidimensional poverty under Prime Minister Narendra Modi's leadership.

In his concluding remarks, Hardeep Singh Puri focused on the potential of green hydrogen as a game-changer for India's energy landscape. He outlined the importance of local demand, production, and consumption in making green hydrogen a viable energy source. The key challenge remains in reducing the cost of production, and he called for ongoing innovation and scaling of technology in this sector.

Headline	Hardeep Singh Puri on Crude Prices, 'No Shortage Of Oil In The World'		
Publication	ET Now	Edition	Online Coverage
Published Date	23 Oct 2024		

### Hardeep Singh Puri on Crude Prices, 'No Shortage Of Oil In The World'

<https://www.etnownews.com/videos/hardeep-singh-puri-on-crude-prices-no-shortage-of-oil-in-the-world-geopolitical-problems-news-video-114486006>

Hardeep Singh Puri on Crude Prices, 'No Shortage Of Oil In The World' | Geopolitical Problems | News#crudeoil #crudeprices #opec #insurance #etnow #oilprices #topnews #businessnews #hardeepsinghpuri

Headline	Finance Ministry to decide on scrapping windfall tax as crude prices decline, says PM's advisor		
Publication	India Blooms	Edition	Online Coverage
Published Date	24 Oct 2024		

## Finance Ministry to decide on scrapping windfall tax as crude prices decline, says PM's advisor

<https://www.indiablooms.com/finance-details/21509/finance-ministry-to-decide-on-scrapping-windfall-tax-as-crude-prices-decline-says-pm-s-advisor.html>

New Delhi: The Union finance ministry is expected to decide on scrapping the windfall tax on crude oil, as falling prices have made the levy less relevant, said Prime Minister's advisor Tarun Kapoor, media reports said.

Kapoor revealed that the Union petroleum and natural gas ministry has already written to the finance ministry seeking the withdrawal of the tax, reported Mint.

"I think the petroleum ministry has written to the finance ministry. Anyway, there is not much relevance in it (windfall tax) now," Kapoor was quoted as saying by Mint.

Kapoor said this on the sidelines of the World Biogas Association India Congress 2024 on Wednesday.

The windfall tax on domestically produced crude oil was introduced in 2022 after the Russia-Ukraine conflict led to a sharp increase in oil prices, resulting in windfall profits for oil and gas companies.

This tax is levied as a special additional excise duty and is adjusted every fortnight based on the average oil prices over two weeks.

Since September 18, the windfall tax on domestically produced crude oil has been set at zero, with the tax on the export of diesel and aviation turbine fuel also reduced to zero.

Crude oil prices have remained relatively subdued despite ongoing volatility in the market due to the conflict in West Asia.

On Wednesday, the December Brent crude oil contract on the Intercontinental Exchange was trading at \$75.63 per barrel, 0.54% lower than its previous close, the report said.

Union minister for petroleum and natural gas Hardeep Singh Puri also commented on the oil market, noting on Tuesday that global oil prices may decline as there is no shortage of oil.

According to the report, he said, "I think [oil prices should come down. It depends on global factors. One thing is very clear there is no shortage of oil in the world. They were producing some 102 million barrels per day earlier, then some voluntary cuts took place."

In its October oil market report, the International Energy Agency (IEA) stated that global oil demand is projected to grow by just under 900,000 barrels per day (kb/d) in 2024 and close to 1 million barrels per day (mb/d) in 2025, marking a significant slowdown compared to the 2 mb/d growth seen during the 2022-2023 post-pandemic period.

The report also noted that China's contribution to global demand growth is expected to decrease, accounting for 20% of the gains in 2024 and 2025, compared to almost 70% in 2023.

Headline	Global oil prices should come down soon: Hardeep Singh Puri		
Publication	The Financial Express	Edition	Online Coverage
Published Date	23 Oct 2024		

## Global oil prices should come down soon: Hardeep Singh Puri

<https://www.financialexpress.com/commodities-2/global-oil-prices-should-come-down-soon-hardeep-singh-puri/3646905/>

Petroleum and natural gas minister Hardeep Singh Puri on Tuesday said that he expects international crude oil prices to come down emphasizing on the fact that there is no shortage of the oil in the world.

I think it (oil prices) should come down. It depends on global factors. One thing that is very clear is there is no shortage of oil in the world. Today, more and more oil is coming into the , Puri said.

Brent prices have been following a volatile trajectory ever since the conflict between Israel and Iran escalated. On Tuesday, Brent prices hovered around \$74.4 per barrel on concerns weakening global demand.

He highlighted that countries such as Brazil and Guyana are bringing more crude to the market.

Now, there are other factors like geopolitical tensions. There is no shortage. But if there is tension in one part of the world and if you have to take a longer route, then the cost of freight, insurance, etc., will go up. There is more than enough oil in the world, and prices should hopefully come down. That is my personal expectation, he said.

Puri noted that the government has been successfully able to navigate through such situations in the past and will continue to do so.

, recently, intensified efforts to expand crude oil purchases from Brazil amid escalating Middle East tensions. However, plentiful availability of discounted Russian crude and logistical hurdles could pose challenges in boosting purchases from the South American supplier according to S&P Global Commodity Insights.

Puri recently visited Brazil to discuss how India could expand crude oil purchases from Brazil, as well as look for opportunities to collaborate on offshore deep and ultra-deepwater exploration and production projects.

Brazilian exports of crude to India have been subdued in recent months. So far in 2024, India has imported crude from Brazil during just five months, with imports this year peaking at 41,600 barrels per day in April, data from S&P Global Commodities at Sea showed. In December 2023, Indian imports of Brazilian crude were as high as 143,000 bpd.