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Boost domestic production of oil

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Boost domestic production of oil

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From easing of the tax burden to greater freedom in marketing for greater realisations, a lot needs to be done for increasing domestic crude production

FOLLOWING RUSSIA'S WAR against Ukraine, there has been a sharp rally in crude oil prices. Crude oil price (WTI) shot up from $92/barrel just before the start of the conflict to above $120/bl.

Those dependent on oil imports remain vulnerable. European countries are realigning their supply-chains. India depends on imports for over 85% of its oil demand. The country also has high Union and state imposts on retail sale of petroleum. High fuel prices have started pinching the common man, not just because of direct usage but also since the costs of all goods have gone up because of increased cost of transportation.

This prolonged conflict could either result in prices averaging $135/barrel against the current domestic cost of production of $40-50/barrel or make Russia negotiate at a low price (as it has offered, $35 lower than international prices per barrel). However, if sanctions interfere with the supply-chain, then the Russian offer won't mean much. For India, the supply from Russia is a minuscule single-digit percentage; it depends on the rest of the market suppliers for its need. Thus, the oil marketing companies are steadily hiking petrol and diesel prices.

> **Import parity in the oil & gas value chain by imposing customs duty on crude—on a par with domestic sales tax—can help ensure a level playing field for domestic crude**

India faces a precarious energy security scenario, with potentially an additional import bill of ~$50 billion. As on date, the annual oil import bill is over $100 billion; this could well become $168 billion at a $115/barrel price in 2023. If the prices continue stay elevated, our import bill could well rise to $200 billion. Thus, it is very important for India to focus on domestic supply and its pricing.

In FY21, the CPI averaged 6.2% when the average crude oil price was around $42/barrel. If oil price stays at the forecasted levels, that can cause serious damage to the Indian economy. Consumers are already seeing holes blown in their pockets as the retail price of petrol has already crossed ₹100/litre in most cities. The big concern now is that high fuel prices could bring down the growth rate by almost 1 percentage point, as fuel is a key input in most industries and services. India is reeling under a double whammy of sorts—rising energy demand coupled with diminishing domestic production. Crude oil and gas output have been on a decline since FY21, and data for the first 11 months of FY22 shows no improvement on that count. The negative growth trend continues with crude oil production down by 2.5%.

Isn't it time for India to go back to the drawing board and rework its energy strategy? The clarion call of atmanirbharta needs to be the guiding principle to reduce dependence on imports and effectively use local coal, oil and gas. Import replacement by increasing domestic oil production with forward-looking policies is the only way to bring about much-needed autonomy. Incentivising domestic producers to increase production can enable production of 18 million metric tons of oil in the country, saving ~$10 billion per annum over the current import bill (10% reduction). The focus has to be on enhancing production, along with syngas from coal.

Some corrections in the Mining Act, by adopting the model of Long-Term Production Sharing Contract (PSC) Extension of Oil Blocks for 50 years for better management in terms of planning and reservoir management, are required.

The cumulative levy is 67% if we add royalty, cess and profit of OMCs. On top of that, there are indirect taxes. Efforts are on to augment domestic production through NELP, HELP and OALP. Reduction of fiscal levies from 67% to 40% for pre-NELP blocks if investible surplus is ploughed back for more production through deployment of capital-intensive enhanced recovery technologies is an imperative.

Import parity in the oil & gas value chain by imposing customs duty on crude, on a par with domestic sales tax, to ensure a level playing field for domestic crude could help, apart from bringing in additional revenue of $7 billion.

New fields have long gestation periods. To bring down the cost, a twofold approach is needed. One, rework the tax for the pre-NELP blocks that today constitute the bulk of domestic production along with reduction in multi -mode royalty; two, reduce the indirect tax on consumer for an year.

PSC blocks like HELP need to have freedom in marketing for better realisations from domestic crude. This will also enhance the revenue collection to tune of nearly $80 million.

For faster unlocking of hydrocarbon-in-place, there is a need to shift to self-certification, quite in line with push to Ease of Doing Business.

As crises in the neighborhood—in Sri Lanka—have shown, energy is the life blood of economic stability, and the only way to emerge as a true superpower is by attaining energy security through policies promoting use the domestic resources and creating a ecosystem to accelerate production. The dilemma and delay in course correction will make the situation more critical.

mint primer

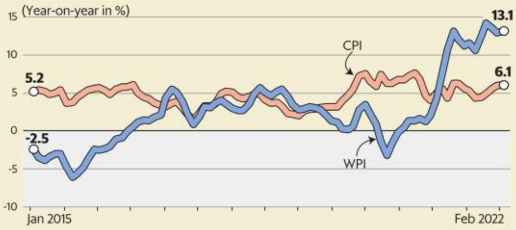
Decoding RBI's latest monetary policy decisions

BY JAGADISH SHETTIGAR & POOJA MISRA

The Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) has kept key policy rates unchanged and introduced a standing deposit facility (SDF), which will be a floor rate. It said a nuanced and nimble approach will be adopted for liquidity management. *Mint* takes a look:

The inflation challenge

The inflation targeting framework mandates RBI to maintain retail inflation at 4%, plus or minus 2%.



Source: MOSPI (CSO)

1 How is the macro-environment?

Elevated geopolitical tensions, risks of further disruption to stretched global supply chains, and higher input costs due to high commodity and crude oil prices have posed a challenge to countries worldwide, and India is no exception. A US Federal Reserve official has said its interest rate policy has been "behind the curve" and it is ready to raise rates faster to curb inflation. Foreign investors withdrew ₹1.44 trillion from Indian markets in FY22. Domestic consumer demand is slowly showing signs of recovery, and capacity utilization has improved to 72.4%. However, higher domestic inflationary conditions can pose to be a dampener.

2 What has been the trend in inflation?

Retail inflation in India has been rising since September 2021, touching 6.07% in February 2022, up from 6.01% in January. This is the second consecutive month inflation has crossed RBI's threshold of 6%. The inflation targeting framework mandates RBI to maintain retail inflation at 4%, plus or minus 2%. Wholesale inflation was 13.11% in February against 12.96% in January.
RBI's challenge is to balance inflation in the economy while supporting the government's borrowing; that is, keeping sovereign borrowing costs in check and enabling economic growth.

3 What were the major decisions of the MPC?

The MPC left the repo rate unchanged at 4%, introduced SDF, revised its annual inflation forecast for FY23 to 5.75% from 4.5%, and trimmed gross domestic product (GDP) growth estimate for FY23 to 7.2% (assuming crude oil price at $100 a barrel). But it did mention that the stance would be less accommodative, and there would be a calibrated withdrawal of liquidity.

4 What is the SDF provided for banks?

At the last meeting, banks were offered a facility to park surplus liquidity through an auctioning system, which was in addition to reverse repo facility. The idea is to suck the surplus liquidity out of the system through the variable reverse repo rate. Now, RBI has regularized the same under the SDF window, which offers 3.75% interest rate for funds parked without any collateral backing. The SDF window will help banks earn a minimum return when they have surplus funds.
The SDF rate of 3.75% would be the floor policy rate.

5 How will RBI's gradual withdrawal help?

Central banks are supposed to respond to prevailing economic situations appropriately by strategizing through monetary tools. Studies have shown that through these tools, central banks succeed in largely containing demand-pull inflation. Cost-push inflation can be handled only through effective supply management which can be done through appropriate fiscal measures. Thus, venturing into a restrictive policy approach could lead to stagflation.

Jagadish Shettigar and Pooja Misra are faculty members at BIMTECH.

FROM THE LABS

Diesel-petrol combo engine

The problem with internal combustion engines is that if you increase the load (such as the weight of the vehicle), you need more fuel to keep the engine running, which results in higher emissions. How can you increase the engine efficiency at higher loads, while also keeping emissions low? Research at IIT Madras might cue a way. Researchers V Pradeep and Dr Anand Krishnasamy of the Department of Mechanical Engineering investigated 'premixed charge compression ignition (PCCI)' and have achieved notable success. PCCI is known to improve fuel efficiency and reduce emissions, but it operates at low loads, of up to 40 per cent of the engine's full capacity. But the researchers were able to increase the engine's load up to 80 per cent of full load, according to an article in IIT Madras' in-house publication *Tech Talk*.

The researchers did this by replacing diesel with a diesel-petrol mix in a 70:30 ratio and adding water vapour to the exhaust gas recirculation (EGR) system. The high specific heat capacity of water vapour and the low reactivity of gasoline in the fuel blend helped obtain the proper combustion phasing and load extension using smaller quantities of EGR at high loads, the article says.

The experiment tried to address the load range limitation of the PCCI mode of combustion in a light-duty small-bore diesel engine used in agricultural water pumping applications;more research is needed to perfect the technology.

Financials, oil and gas are likely to drive earnings growth in the March quarter

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The January-March quarter could be a challenging one for India Inc, with the Russia-Ukraine crisis remaining unresolved. Rising oil and gas, and other commodity prices could provide strong headwinds on margins for manufacturers in most sectors, despite an improvement in demand during the quarter, aided by the opening up of the economy in the wake of disruptions caused by the Omicron variant of coronavirus.

Among sectors, financials, technology and oil and gas are expected to do well. However, the remaining sectors may see earnings impacted by cost headwinds.

Kotak Institutional Equities expect Q4FY22 net income of its coverage universe to grow 27% year-on-year (y-o-y), and 16% sequentially, predominantly driven by strong earnings growth in banks, oil and gas and consumable fuels. However, excluding these sectors, it expects net income of its coverage universe to grow at a much slower rate of 9% y-o-y.

Motilal Oswal Financial Services Ltd's (MOFSL's) results preview echo these views. MOFSL expects oil and gas, financials, and technology to contribute 88% of incremental earnings in Q4FY22. Excluding

Motilal Oswal expects oil and gas, financials, and technology to contribute 88% of incremental earnings in Q4FY22. HT

financials, it expects Q4FY22 earnings for companies in its coverage universe to record a modest 10% y-o-y growth.

Banks are likely to do well, helped by strong improvement in net interest income (NII), while healthy asset quality, low provisions, and better performance of large banks will lift overall performance. In financials, NII growth is likely to be the strongest in the last eight quarters as credit offtake picked up during the festive season, said analysts at Yes Securities Ltd.

Higher crude oil prices are likely to boost realization of upstream oil and gas companies as improved marketing, refining margins, and inventory gains will benefit downstream companies.

Banks and financial institutions are likely to polarize performance on an overall basis, said Aishvarya Dadheech, fund manager, Ambit Asset Management. He also expects auto, consumer staples, pharmaceuticals, chemicals, and building material to remain laggards. These sectors will be adversely impacted by raw material inflation, he said. Consumer staples and auto will have a double whammy of slower growth (rural) and rising commodities prices, Dadheech said. Even metal and mining will see deterioration in operational performance, he said.

Pharma cos may feel the pinch of cost inflation in key ingredients, higher general administrative and selling costs

Kotak Institutional Equities expects negative-to-single-digit y-o-y net profit growth for automobile, construction materials, consumer staples, pharmaceuticals, and metals and mining sectors. Though metal companies may benefit from rising steel and base metals prices, producers of steel and aluminium dependent on external supplies of key inputs will see an impact on costs and margins, limiting earnings growth.

Automobile manufacturers on the other hand are likely to be impacted because of the production pressure caused by chip shortages, higher raw material costs, and the rising cost of ownership. A weak demand environment and higher fuel, power, and logistic costs may impact the construction sector. Pharma companies may feel the pinch of cost inflation in key ingredients and higher selling and general administrative costs.

The impact of rising commodity prices on earnings for the broader market and economy are likely to be higher than that of Nifty companies, as the representation of these sectors in the index is marginal, said MOFSL. BFSI, IT, utilities, and telecom have largely remained unaffected by input cost pressure. Strong demand visibility in IT, pick-up in credit growth, and normalization of asset quality should lend support to Nifty earning, added MOFSL.

On the revenue front, sales for companies under MOFSL's coverage are likely to grow by 32% y-o-y, led by higher commodity and energy prices.

Gas price surge fuels fights at FedEx, Uber

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Soaring gas prices are squeezing transportation businesses and setting off debates about who will foot the bill. FedEx Corp., Uber Technologies Inc. and Lyft Inc. imposed new or higher fuel surcharges on customers after Russia's invasion of Ukraine shocked energy markets. But local contractors who own the FedEx Ground delivery trucks and some US drivers of the ride-share services are pleading with the companies for even more financial help.

"Everywhere you look is just expenses, expenses, expenses," said Melnik Lyudmila, a 51-year-old who quit driving for Uber and Lyft last month. The companies have tapered the big bonuses they handed to drivers at the height of a labour shortage last year, so she said the hours she spends behind the wheel aren't worth the payout. Lyudmila, who has driven for the companies in New York City since 2016, is looking for other jobs as she waits for gas prices to fall. The war in Ukraine and sanctions imposed on Russia, the world's second largest crude-oil exporter, have driven up the costs of fuels around the globe. The national average price for a gallon of regular gasoline in the US jumped to $4.22 in March, up 20% from February. Prices for a gallon of diesel, the fuel used by truckers, averaged $5.11 in March, up 27% in a month. "It's been rough," said Timothy Richards, who owns a single truck and has two drivers working for his Tauro Trucking LLC business in Huntsville, Ala. "A lot of these shippers, they really don't care that gas is significantly high. They just want their product moved." He said he is seeking more direct business with shippers, rather than going through freight middlemen. Filling up his truck now costs more than $700, up from around $400 before Russia launched its Ukraine invasion, Richards said.

At FedEx, a legion of independent contractors is pressing the company for help. The delivery giant outsources its domestic FedEx Ground deliveries to 5,000 small businesses, which own local delivery routes. These businesses hire their own staff and buy their own trucks, making them responsible for the costs of bringing packages from FedEx sorting centres to homes and businesses. In an online petition being circulated, FedEx Ground contractors are asking for a cash injection, either through a temporary payment or additional compensation per stop. "The reality of the current climate is that many [contractors] are on the verge of financial collapse," according to the petition to FedEx executives. "We are in a very serious situation that is going to require immediate action to save these businesses—your business partners." FedEx pays the contractors based on how many packages they deliver and how many stops their trucks make each day. The contractors say their finances have been strained by higher labor costs, a drop in the volume of packages after a pandemic-driven surge and by the recent spike in fuel costs.

THE WALL STREET JOURNAL.

FedEx also pays a per-stop fuel payment that is adjusted based on the local price of fuel. "This dynamic approach addresses fluctuating fuel prices," a FedEx spokeswoman said. "As the price of fuel rises or falls within local markets, so do the fuel-related payments to service provider companies."

The formula works when the price of fuel moves up incrementally, but many contractors say that with the surge in fuel costs lately they are having a hard time maintaining their profit margins, according to Jeff Walczak, chief executive of eTruckBiz Inc., a consultant to FedEx contractors. "It doesn't keep up," he said.

The contractor model shields FedEx Ground from much of the costs, like fuel, trucks and labor, tied to the so-called last mile of delivery. FedEx is able to get merchants and shippers to pay for some of the rising fuel costs in the form of surcharges on packages shipped.

At FedEx Ground, the fuel surcharge was 11.75% at the end of 2021, and hit 16.25% at the end of March. The company in early April also adjusted its fuel surcharge tables, so that as fuel prices rise, the surcharge goes higher. "Not only is it going up naturally, but it's going up artificially because the table has changed," said Josh Dunham, co-founder of Reveel LLC, a shipping data and analytics firm.

Uber and Lyft shifted some of the burden to riders by introducing a temporary fuel surcharge in mid-March. Riders now pay between 45 cents to 55 cents a trip based on their location. The surcharge goes directly to drivers but is fixed per ride regardless of trip length. Some drivers say the calculus makes sense for shorter trips—which the companies say make for the majority of their rides—but that it discourages them from accepting longer rides, on which they burn more fuel.

Uber and Lyft shifted some of the burden to riders by introducing a temporary fuel surcharge in March

The companies consider drivers independent contractors. The fuel surcharge is "absolutely not enough," said Desiree Gillespie, who quit driving part-time for Uber and Lyft this month. Ms. Gillespie, a Chicago-based tutor, said she wants riders to pay a per-mile surcharge so drivers can account for gas on longer rides.

Lyft said its surcharge is based on data showing that drivers are spending on average 57 cents more on gas per hour than they were a year ago. Uber said that a per-mile surcharge would disadvantage drivers stuck in traffic.

On Tuesday, New York City-based driver group Justice for App Workers circulated an online petition it plans to send to top Uber and Lyft executives. The group is demanding that the companies cap their rate at 10% so drivers get a bigger slice of fares. Uber said its average global take rate for rides in the fourth quarter was 20%. Lyft doesn't disclose its rate.

"Our workplace expenses have gone up across the board, not only when it comes to paying for gas, but for car and bike maintenance, rental payments, insurance and more," said the petition, which had more than 5,000 signatures by Friday. "App workers are suffering—going into debt, falling behind on bills, even leaving the industry altogether." Uber and Lyft declined to comment on the petition. Uber said it had more active drivers on its US platform in March compared with any month during the pandemic. Lyft said it hadn't seen a dip in drivers on its platform, or the hours they work, compared with January. Uber and Lyft, already dealing with a yearlong labor shortage that has pushed up fares, have previously acknowledged that they need to take steps to appease drivers. Reducing their take rates or absorbing high gas prices are costly options because both companies are under pressure from investors to show a path to profits. Further raising fares could damp rider demand, analysts say. While Uber and Lyft prices have cooled from last summer's record highs, fares were still 22% higher on average in March compared with January 2021, according to market-research firm YipitData. The amount spent on Uber and Lyft trips is inching closer to prepandemic levels on the back of higher prices, but fewer people are riding, YipitData analyst Peter Martin said.

—Lydia O'Neal contributed to this article.

Govt spent ₹91-lakh crore since 2014 on development: FM

Hits back at former finance minister P Chidambaram for his tweet on high fuel tax collections

OUR BUREAU

New Delhi, April 10

Finance Minister Nirmala Sitharaman has said the Modi government has spent around ₹91-lakh crore as developmental expenditure since 2014 till date.

She was tweeting in response to former finance minister P Chidambaram's tweets about the very high collection of fuel tax but less spending on people.

"RBI data shows total developmental expenditure incurred by Modi govt in 2014-22 was ₹90.9-lakh crore, far higher than is being alleged by some sections of the Opposition. In contrast, only ₹49.2-lakh crore was spent on this during 2004-14," Sitharaman said in a series of tweets.

FM Nirmala Sitharaman

Earlier, Chidambaram had alleged that in the eight years of the Modi government, the Centre collected ₹26.5-lakh crore as fuel taxes. "There are approximately 26 crore families in India. That means from every family, the Central government has collected, on average, ₹1,00,000 as fuel tax! Ask yourself, what did an average family get in return for paying this huge amount as fuel tax," he asked in a tweet.

Sitharaman said the expenditure incurred includes ₹24.85-lakh crore spent so far on food, fuel and fertiliser subsidies, and ₹26.3-lakh crore on capital creation.

Heated exchange

These tweets follow multiple hikes in the prices of diesel and petrol after a record 137-day hiatus. Since March 22, petrol and diesel prices have been raised by ₹10 each. On March 22, the price of a 14.2-kg LPG cylinder was also increased to ₹949.50 in the national capital.

Meanwhile, CNG prices have risen by ₹13.1 per kg in the last month.

Oil bonds *(₹ cr)*

	Opening balance	Issue	Discharge	Closing balance	Interest paid
Till 2021-22	-	1,70,518.65	49,595.48	1,20,923.17	1,48,898.94
2022-23	1,20,923.17	0.00	0.00	1,20,923.17	9,195.96
2023-24	1,20,923.17	0.00	31,150.00	89,773.17	9,195.96
2024-25	89,773.17	0.00	52,860.17	36,913.00	6,226.99
2025-26	36,913.00	0.00	36,913.00	0.00	2,731.56
Grand total	**-**	**1,70,518.65**	**1,70,518.65**	**-**	**1,76,249.41**

Let Transport System Operator Manage LNG Pipelines: Shell

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New Delhi: Shell India wants the proposed transport system operator (TSO) to manage the entire capacity of all the natural gas pipelines in the country, and not just the common carrier capacity, to help ensure non-discriminatory third-party access to pipelines, a company executive has said.

The government had proposed setting up a TSO last year to manage the common carrier capacity of natural gas pipelines. The oil ministry and the Petroleum and Natural Gas Regulatory Board are working out the structure of TSO and the rules to guide its functioning.

The govt had proposed setting up a TSO last year to manage the common carrier capacity of natural gas pipelines

"We are saying everything should be under the purview of the transmission system operator, so the entire capacity of the pipeline, whether it is what you consider today as own use or common carrier or contract carrier, that distinction in our view for this purpose is artificial and should apply to the full volume. That's when you get a truly level playing field," Nakul Raheja, head of the gas business for Shell India,said.

Business Standard
'We see a very bright futurefor gas in India'
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‘We see a very bright future for gas in India’

Amid the volatility in spot liquefied natural gas (LNG) prices, the world's largest LNG trader, Shell's India arm, is betting big on the country's natural gas business. **NAKUL RAHEJA**, country head of Shell Energy India, talks to **Shine Jacob** about the LNG segment and natural gas potential in the Indian market as a transition fuel. Also, he discusses the company's aggressive plans of using LNG as a transportation fuel. Edited excerpts:

How is the global energy dynamics and LNG sector moving after the Ukraine crisis?
A tragic situation is unfolding right now at a humanitarian level in Ukraine. You've seen a number of announcements that we have made as a company in the last four to six weeks in that space. Our first focus and responsibility is on our own people who are in Ukraine. We have staff in Ukraine and are looking after their well being and safety. We have made public announcements in terms of exiting our investments in Russia, but also in terms of reducing our dependence on the hydrocarbon chains actually coming out of Russia. About one third of Europe's gas actually comes from Russia. At the moment, it is still unclear on how this is going to play out over a period of time, particularly in the gas space.

Do you think price volatility is a concern in the LNG space?
Persistently high prices certainly do not create confidence for customers of any product. So, to the extent that we've had elevated spot LNG prices for the last several months, that is certainly creating concerns in the minds of many of our current and potential customers in the market. It is also true that spot prices have been extremely volatile. It was less than $2 per mmBtu two years ago and $30 now. In 2020, we were thoroughly benefiting from the lower spot prices and pulling as much LNG we could supply into the country. Future bodes well from an LNG perspective for India. We've had more supply options than ever before. So, all of that should continue to contribute to the dynamism in the market. In terms of long-term LNG prices, volatility has been a lot less.

Q&A

NAKUL RAHEJA
Country head of Shell Energy

How do you see India's target of raising the share of natural gas in the energy mix to 15 per cent?
We see a very bright future for gas in India. Renewables are also a very compelling source. For India's own energy transition, and more broadly for the world, I think that is something that we should all support. Hope that our 500 gigawatts ambition and even beyond are delivered over a period of time. The challenge with renewables is around intermittency. The wind doesn't always blow. The sun doesn't always shine, and it doesn't always rain in the quantities and in the time-frame that you want. And therefore, the challenge in the transition phase, in particular, over the next decade or two, is going to be how you manage that intermittency in a way that does not threaten your energy security. For this, we think gas has a tremendous role to play.

We should encourage as many renewables as we can, but in partnership with gas. This is because gas can come in, manage the intermittency and give us the best of both — a decarbonised electricity grid with the lowest carbon footprint.

How are you seeing LNG as a transportation fuel in India?
Potentially, we can see a fivefold increase in terms of how much gas is going into the sector in 10 to 15 years. We also see a tremendous opportunity in the heavy duty segment for LNG to play a direct role as a transportation fuel. India is a market where this can become a viable business. If we can encourage our OEMs (original equipment manufacturers) to make LNG trucks and buses in India, then it may create a long runway for gas in this space. It could make a big contribution towards that 15 per cent target. We are now actually in the process of setting up our first site near Surat. Here, LNG by Shell will be available as a transport fuel for trucks, buses and heavy duty customers for the first time in India.

You were reportedly in the race for some renewable energy companies. What is your take on this?
I can't comment on specific potential transactions. Shell has committed to a net zero emission target of its own globally as a company, and we've said we want to become net zero by 2050 or sooner. I'm trying to partner with our customers on their journeys as well, and obviously a big part of that is a switch to electricity and lower carbon or zero carbon forms of energy in general. We see exciting opportunities in that space in India.

Millenniumpost
Shell to set up LNG stations, bullish on gas market in India, says official
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Shell to set up LNG stations, bullish on gas market in India, says official

Shell operates a 5 mn tonnes/year LNG import facility at Hazira in Gujarat

NEW DELHI: Global energy giant Shell will foray into retailing LNG for long-haul transportation like trucks, with its first filling station coming up in Gujarat this year as it bets big on the Indian gas market, a senior company official said.

Shell operates a 5 million tonnes a year liquefied natural gas (LNG) import facility at Hazira in Gujarat and has a small network of petrol pumps. It is now looking at the LNG for trucks/buses market as a growth avenue.

"We are looking to develop our own LNG sites and retail stations in the country," Nakul Raheja, country head of Shell Energy India, said.

"So we are working now on our own expansion plans in this place and if things go to plan, then within this calendar year we should have our first site ready selling LNG as a transport fuel to heavy duty vehicles in the state of Gujarat and we are going to follow that up with a few more sites next year," he added.

While the first site is likely to be an exclusive LNG retail outlet, the company may in the future look to co-locate the LNG refuelling facility within petrol pumps.

"We are starting off with Gujarat in the vicinity of Hazira. Of course, as a very natural place to first start with around Surat and then logically expand, you know, further into Western India to begin with and then working on plans beyond that," he said, adding the company may have three-four sites in next 12 to 18 months.

The government is pushing the use of LNG as fuel for long-haul transportation. It is targeting 50 stations in Gujarat, Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Rajasthan in next three years and ultimately 1,000 outlets.

LNG, which is natural gas super-cooled to liquid form, has much less carbon footprint than diesel. Besides environmental benefits, it is also cheaper on long-haul routes. PTI

Ukraine bans all imports from Russia

MELBOURNE: Ukraine has banned all imports from Russia, one of its key trading partners before the war with annual imports valued at about $6 billion, and called on other countries to follow and impose harsher economic sanctions on Moscow.

"Today we officially announced a complete termination of trade in goods with the aggressor state," Economy Minister Yulia Svyrydenko wrote on her Facebook page on Saturday.

"From now on, no Russian Federation's products will be able to be imported into the territory of our state."

Since the start of Russia's invasion of Ukraine on Feb. 24, exchange of goods and services between the two neighbouring countries has been virtually non-existent, but Saturday's move makes the termination of imports a law, *Reuters* reported

"The enemy's budget will not receive these funds, which will reduce its potential to finance the war," Svyrydenko said.

"Such a step of Ukraine can serve as an example for our Western partners and stimulate them to strengthen sanctions against Russia, including the implementation of the energy embargo and isolation of all Russian banks."

Ukraine's President Volodymyr Zelenskiy has repeatedly called on the West to boycott Russian oil and other exports and halt exports to Russia over its military assault.

The West has imposed numerous measures on Russia that have already isolated Moscow to a degree never before experienced by such a large economy and on Saturday British Prime Premier Boris Johnson said more sanctions are to come. AGENCIES

छत्तीसगढ़ में जिंदल लगाएगी दूसरा संयंत्र

जिंदल स्टील ऐंड पावर लिमिटेड (जेएसपीएल) की छत्तीसगढ़ के रायगढ़ स्थित अपने संयंत्र में कोयला गैसीकरण (कोयले को गैस में बदलना) संयंत्र स्थापित करने की योजना है। यह देश में इस तरह का दूसरा संयंत्र होगा। कंपनी ओडिशा के अंगुल स्थित अपने संयंत्र में इस्पात उत्पादन के लिए कोयला गैसीकरण प्रौद्योगिकी का इस्तेमाल पहले से कर रही है। 20 लाख टन सालाना उत्पादन क्षमता वाला यह संयंत्र 2018 में शुरू हुआ था और यह देश का पहला ऐसा संयंत्र है जहां इस प्रौद्योगिकी के जरिये और घरेलू कोयले के इस्तेमाल से इस्पात उत्पादन होता है। *भाषा*