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# तेल व गैस क्षेत्र के लिए मुश्किल रहा साल

लक्ष मिश्र

नई दिल्ली, 27 दिसंबर

यह साल तेल और गैस क्षेत्र के लिए अप्रत्याशित मुश्किलों से भरा रहा। इस क्षेत्र के इतिहास में पहली बार वेस्ट टैक्सस इंटरमीडिएट (डब्ल्यूटीआई) कच्चे तेल की कीमत ऋणात्मक दिशा में गई। जीवन में संभवतः एक बार आने वाला यह रूझान कोविड-19 के कारण लगाए गए लॉकडाउन की वजह से नजर आया। लॉकडाउन के कारण अप्रैल 2020 में वैश्विक मांग धीमी पड़ गई।

उत्तर अमेरिका में डब्ल्यूटीआई को कच्चे तेल की बिक्री के लिए बेंचमार्क के तौर पर इस्तेमाल किया जाता है। अप्रैल 2020 में यह गिरकर ऋणात्मक 40 डॉलर प्रति बैरल हो गया। इसका मतलब हुआ कि कच्चे तेल की उचित भंडारण क्षमता वालों को उत्पादकों की ओर से भुगतान किया जा रहा था। यह सामान्य नियम के बिल्कुल उलट था। भले ही अधिक प्रचलित वैश्विक बेंचमार्क ब्रेंट और कच्चे तेल का भारतीय बास्केट उस स्तर तक कम नहीं हुआ लेकिन इन पर काफी अधिक दबाव था जो शोधित उत्पादों की कीमतों पर भी पड़ा।

कच्चे तेल की कीमत में अप्रत्याशित गिरावट के अगले ही दिन में इसमें तेज सुधार हुआ और यह धनात्मक क्षेत्र में पहुँच गया। तीव्र गिरावट के अगले दिन 22 अप्रैल को डब्ल्यूटीआई ने केवल 10 डॉलर प्रति बैरल से थोड़े अधिक दर पर कारोबार किया और उसके बाद धीरे धीरे 22 जून को 40 डॉलर प्रति बैरल का भाव पार कर गया। उसके बाद से कीमतें बाधित सीमा (रेंज बाउंड) में रही

## पेट्रोलियम उत्पादों की खपत

उत्पाद	अप्रैल-नवंबर 20	अप्रैल-नवंबर 19
एलपीजी	180.5	171.4
पेट्रोल	174.4	203.8
डीजल	449.2	554.3

खपत के आंकड़े लाख टन में

स्रोत: पेट्रोलियम प्लानिंग एंड एनालिसिस सेल

## कच्चे तेल के दाम में गिरावट व रिकवरी

■ **20 अप्रैल, 2020 :** डब्ल्यूटीआई कूड के दाम गिरकर -37.63 डॉलर प्रति बैरल हुए

■ **21 अप्रैल, 2020 :** डब्ल्यूटीआई मूल्य सुधरकर 10.01 डॉलर प्रति बैरल पर आया

■ **22 जून 2020 :** डब्ल्यूटीआई 40 डॉलर प्रति बैरल के पार पहुंचा

■ **24 दिसंबर 2020 :** डब्ल्यूटीआई 48.23 डॉलर प्रति बैरल पर बंद

■ **जनवरी से सितंबर 2020** के बीच कच्चे तेल के इंडियन बास्केट का औसत मूल्य 41.47 डॉलर प्रति बैरल

■ **जनवरी से सितंबर 2019** के बीच कच्चे तेल के इंडियन बास्केट का औसत मूल्य 63.72 डॉलर प्रति बैरल

स्रोत: पेट्रोलियम प्लानिंग एंड एनालिसिस सेल और ब्लूमबर्ग

हैं और धीरे धीरे औसतन 50 डॉलर प्रति बैरल से थोड़े कम पर रही है। भारत में डेलॉइट के पार्टनर देवाशोष मिश्र ने बिजनेस स्टैंडर्ड से कहा, 'कोविड-19 के कारण अप्रैल के दौरान कच्चे तेल की मांग और कीमत नाटकीय रूप से धराशायी होने के बाद कुछ हद तक स्थापित हुई है। भारत में तेल की मांग में धीमी सुधार से न केवल वैश्विक बाजार को स्थायी होने में मदद मिल रही है बल्कि सरकार को अतिरिक्त उत्पाद शुल्क मिलने से सरकार को काफी अधिक राजकोषीय गुंजाइश मिल रही है।'

कच्चे तेल की कीमत में कमी का यह परिदृश्य भारत जैसे आयात पर निर्भर देशों के लिए काफी

लाभकारी है। इसके कारण केंद्र और राज्य सरकारों को वाहन ईंधनों से मिलने वाले अपने राजस्व की हिस्सेदारी को बढ़ाने में मदद मिल रही है। सरकारों ने कीमतों को उसी स्तर पर बनाए रखा है और करों में वृद्धि कर दी है। इससे केंद्र को बजटीय घाटा के बेहतर प्रबंधन में भी मदद मिलती है।

मांग में कमी आने के कारण प्राकृतिक गैस की कीमतों में भी कमी आई। मांग में कमी का असर भारत के घरेलू उत्पादन पर भी पड़ा। अक्टूबर से मार्च 2021 अवधि के लिए घरेलू स्तर पर उत्पादित प्राकृतिक गैस की कीमत में भी 1.79 डॉलर प्रति मिलियन ब्रिटिश थर्मल यूनिट (एमबीटीयू) की कमी की गई। इस कीमत का

निर्धारण एक सूत्र के आधार पर किया जाता है जो प्रमुख गैस केंद्रों में प्राकृतिक गैस की कीमत से जुड़ा होता है और 2014 में इस पद्धति को अपनाने के बाद यह सबसे न्यूनतम रहा। गैस की कम कीमत ने उत्पादकों के उत्साह को कम कर दिया जो पहले से ही कम मांग का सामना कर रहे थे। मूल्य में विचलन भारत में तेल कंपनियों के लिए समूची मूल्य शृंखला में अच्छा संकेत नहीं रहा। कीमतें गिरने के कारण अस्थिरता जोखिम और वित्त लागतें बढ़ने से तेल अन्वेषण कंपनियों को सर्वाधिक झटका महसूस हुआ।

देश की सबसे बड़ी कच्चा तेल उत्पादक कंपनी ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) और देश की सबसे बड़ी रिफाइनर और ईंधन की खुदरा विक्रेता इंडियन ऑयल साल के आरंभ की तुलना में करीब 30 फीसदी कम पर कारोबार कर रही है। यह निराशाजनक स्थिति कोविड-19 के बढ़ते असर के कारण से है। यह डीजल और पेट्रोल जैसे पेट्रोलियम उत्पादों के लिए मांग को धीमा करने के लिए जारी रह सकता है।

मिश्रा ने कहा, 'एशिया में रिफाइनरों को आगे भी दबावग्रस्त क्रैक स्प्रेड देखने को मिल सकता है और उत्पाद को पुनर्संतुलित करने की जरूरत पड़ सकती है। ऐसा इसलिए है कि महामारी ने कुछ अंतिम असर छोड़े हैं।'

दिसंबर में भी पेट्रोलियम उत्पादों की मांग पिछले वर्ष के स्तरों से कम पर है जबकि देश में लॉकडाउन हटाने के बाद

अर्थव्यवस्था को फिर से खोलने के लिए गंभीर प्रयास किए गए हैं।

यहां तक कि दिसंबर में भी पेट्रोलियम उत्पादों के दाम पिछले साल के स्तर से नीचे हैं, जबकि देश में लॉकडाउन खत्म किए जाने के बाद लगातार अर्थव्यवस्था को खोलने की कवायद की जा रही है।

कम कीमतों की वजह से केंद्र को अपने समर्थन की पेशकश पर नए सिरे से काम करने का मौका मिला है और वह समाज के आर्थिक रूप से सबसे कमजोर तबके को मदद बढ़ा सकी है। प्रधानमंत्री उज्वला योजना (पीएमयूवाई) ग्राहकों को मुफ्त रसोई गैस (एलपीजी) सिलिंडरों के वितरण के माध्यम से यह किया गया था। रसोई गैस के मुफ्त सिलिंडरों की वजह से तीन महीने तक (अप्रैल से जून 2020) गैस की मांग को बढ़ावा मिला। भारत ने पश्चिम एशिया के देशों के साथ नरम कूटनीति अपनाई और इसकी वजह से आपूर्ति के अंतर की भरपाई करने में मदद मिली।

लेकिन व्यावहारिक रूप से ज्यादा समर्थन उन शेष लोगों से आया, जहां समर्थन पर कोई लागत नहीं आई। भारत में अब करीब 28 करोड़ एलपीजी ग्राहक हैं।

आधिकारिक अनुमानों के मुताबिक करीब इनमें से करीब 1.5 करोड़ लोग दिसंबर 2016 से रसोई गैस सब्सिडी पाने के पात्र नहीं हैं क्योंकि उनकी सालाना कर योग्य आमदनी 10 लाख रुपये से ऊपर है। शेष करीब 26 करोड़ ग्राहकों को प्रत्यक्ष नकदी अंतरण के लिए बजट आवंटन से सीधे खाते में सब्सिडी दी जा रही है।



तेल व गैस

# The year that turned oil and gas sector on its head



The oil and gas sector this year faced unprecedented headwinds, with West Texas Intermediate (WTI) crude oil prices entering negative territory for the first time in history. This was driven by a global demand slowdown, induced by Covid-19 lockdowns in April. WTI is used as a benchmark for crude oil sale in North America. It fell to minus \$40 a barrel in April. **TWESH MISHRA** writes

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# Oil & gas price volatility likely to continue in 2021

Experts say refiners in Asia may continue to see stressed crack spread

**TWESH MISHRA**  
New Delhi, 27 December

The oil and gas sector this year faced unprecedented headwinds, with West Texas Intermediate (WTI) crude oil prices entering negative territory for the first time in history.

This was driven by a global demand slowdown, induced by Covid-19 lockdowns in April.

WTI is used as a benchmark for crude oil sale in North America. It fell to minus \$40 a barrel in April. This means producers were paying those with adequate space to keep crude oil. While Brent, the more popular global benchmark, and the Indian basket of crude oil did not reach those lows, there was significant pressure on refined products.

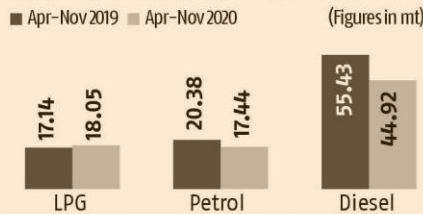
The fall in crude oil prices on April 21 was followed by a sharp recovery back into positive territory the very next day. WTI traded just over \$10 a barrel on April 22, a day after the crash, and then slowly crossed \$40 on June 22.

Prices have been range-bound since, gradually averaging a little below \$50 a barrel. "Crude oil demand and prices have somewhat stabilised after dramatically crashing during April. A swift recovery in oil demand in India is not only helping the stability of the global market, it is giving huge fiscal headroom to the government in terms of additional excise duty," Debasish Mishra, partner at Deloitte in India, told *Business Standard*.

This scenario was (and is) a bonanza for import-dependent countries like India. It has allowed the Centre and state governments to increase their share of revenue from auto fuels by maintaining



## CONSUMPTION OF PRODUCTS



Source: Petroleum Planning and Analysis Cell

prices at the same levels and hiking taxes. It also helps the Centre better manage the budgetary deficit.

Natural gas prices also softened because of a demand slump, and this affected India's domestic production. The price of domestically produced natural gas in India was slashed to \$1.79 per million British thermal units (mBtu) for the October–March 2021 period. This price is determined by a formula linked to the price of natural gas in prominent gas hubs, and is the lowest since this method was adopted in 2014. A lowered price of gas dissuaded producers who were already facing reduced demand because of a lower offtake.

The price fluctuations did not

## CRUDE OIL PRICE CRASH AND RECOVERY

April 20, 2020: WTI crude price crashed to minus \$37.63 a barrel

April 21, 2020: The WTI price recovered to \$10.01 a barrel

June 22, 2020: WTI crossed \$40 a barrel

December 24, 2020: WTI closed at \$48.23 a barrel

■ Indian Basket of Crude oil averaged at \$41.47 a barrel from January to September 2020

■ Indian Basket had averaged at \$63.72 a barrel from January to September 2019

as well as crude oil. Mishra said, "Refiners in Asia may continue to witness stressed crack spreads and need for rebalancing output as the pandemic has made some lasting impacts."

Even in December, demand for petroleum products still trails last year's levels despite a conscious push to reopen the economy after the lockdown was lifted in the country.

These low prices allowed the Centre to rework its offers and enhance support for economically weakest sections of society. This was done by distributing free liquefied petroleum gas (LPG or cooking gas) cylinders to Pradhan Mantri Ujjwala Yojana (PMUY) consumers. These free cylinders significantly boosted the demand for LPG for three months (April to June) and India had to rely on soft diplomacy with West Asian countries, which came in handy and helped bridge the supply gap.

But more support for some practically came at the cost of no support for the rest. India now has about 280 million LPG consumers. According to official estimates, around 15 million are not eligible to get LPG subsidy since December 2016 because they have an annual income above ₹10 lakh. The remaining approximately 260 million consumers were eligible to get subsidy relief from the budgetary allocations through direct benefit transfer in their bank accounts.

But the price of subsidised LPG cylinders was hiked in multiple instalments, and in 2020, nearly 180 million more consumers were out of the support net that successive governments over the years had sustained.



augur well for oil companies across the value chain in India. Oil-exploration companies felt the maximum pinch, with the price crash elevating volatility risks and costs. Refineries in the country suffered inventory losses on both crude oil and petroleum products.

Shares of Oil and Natural Gas Corporation (ONGC), India's largest crude oil producer, and IndianOil, India's largest refiner and fuel retailer, are trading at nearly 30 per cent lower in December than at the beginning of the year. This pessimism is owing to an extended impact of the pandemic, which may continue to stunt the demand for petroleum products (such as diesel and petrol)

# How biofuels can double farm incomes

A total of ₹1 lakh crore worth of biofuel will be purchased every year by oil marketing firms in the future for blending. This money will be ploughed back to the rural economy

India currently consumes only one-third of the global average consumption of energy. As we move towards more robust energy consumption figures, the country faces the unique challenge of fusing together disparate needs: A ballooning appetite while cutting dependence on imports; greening the grid while ensuring affordability; and replacing old forms of energy production while boosting employment, and the human and economic capital of the people. Then there's the fact that the energy sector is closely intertwined with issues related to climate change.

Needless to say, a vigorous idea-need to undergird such energy transitions. The question is particularly cardinal for the sector I am in charge of: Petroleum and natural gas. We import about 84% of our oil and 56% of our gas for domestic use — and this in itself tends to negate the deliverables — delineated above — that we aspire to achieve.

In this context, biofuels have

become a tool for achieving these delicate balance of outcomes. In the past few years, progress made in the use of ethanol, compressed biogas and biodiesel — all different forms of biofuel — will have a direct positive impact on both farm incomes (and the prosperity of agricultural communities), even as it cuts down our import dependence for energy.

Currently, the aim is to achieve 10% ethanol blending in petrol by 2022 and 20% blending by 2030 — something that will cut down carbon emissions in vehicles.

In 2019, in a first for the Republic Day parade, the Indian Air Force flew aircraft in a Vic formation, with the lead plane using a mix of traditional fuel and biofuel, symbolising the government's determination to seek alternative sources of fuel. The primary raw material for ethanol production in India is sugarcane and its by-products, accounting for more than 90% of fuel ethanol supplies under the ethanol blended petrol (EBP) programme of the ministry. This programme injects liquidity into the stressed sugar sector and provides an alternative revenue stream to farmers. This programme also encourages diversion of sugarcane for ethanol production, which results in a decrease in the sugar glut in the country.

Ethanol supplies have improved from 380 million litres in 2013-14 to 1.89 billion litres in 2019. Offers of

about 3.5 billion litres from both sugar/molasses and grain-based distilleries are expected this year. In addition to sugarcane, ethanol is also produced from damaged food grains, B-heavy molasses and sugarcane juice. This translates into a sum of nearly ₹35,000 crore in the past six years — money that has flown back to farmers through sugar mills and distilleries as oil marketing companies (OMCs) provide off-take guarantee at fixed prices. This arrangement also improves the health of the payment cycle to farmers since OMCs settle their ethanol dues to distilleries in 21 days instead of the months that the farmers had to wait for their payment from sugar mills.

The recent decision to utilise surplus rice available with the Food Corporation of India and maize as an additional source of

feedstock for ethanol production, starting this year, means farmers will now have an alternative market for their produce.

With regards biodiesel, the National Policy on Biofuels in 2018 targets 5% blending of biodiesel in diesel by 2030. The policy encourages setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, used cooking oil and short-gestation crops. These crops can be easily cultivated in various states on land that is barren or not fit for edible crops, thus boosting farm incomes. Biodiesel procured by



The primary raw material for ethanol production in India is sugarcane and its by-products, accounting for more than 90% of fuel ethanol supplies under the Centre's ethanol blended petrol programme SHUTTERSTOCK

OMCs for blending high speed diesel has increased from 11.9 million litres in 2015-16 to 105.5 million litres last year.

The Sustainable Alternative Towards Affordable Transportation (SATAT) scheme launched in October 2018 aims to establish an ecosystem for production of compressed biogas (CBG) from various waste biomass sources in the country. Under SATAT, 5000 CBG plants with a total production capacity of 15 million metric tonne per annum (MMTPA), which is equivalent to 54 MMSCMD of gas by 2023, has been planned. This initiative offers a potential for investment of about ₹1.75 lakh crore, generating about 75,000 direct employment opportunities.

Many of the proposed plants will use crop residue such as paddy straw and biomass as feedstock for production of CBG, especially in Haryana, Punjab and Uttar Pradesh. The SATAT scheme will not only stanch greenhouse gas emissions, but will reduce burning of agricultural residue, which results in significant air pollution in cities like Delhi, generate employment in rural and waste management sectors, and boost income for farmers from their unutilised

organic waste. One of the byproducts of CBG plants is biomanure, which can be used in farming.

The components of a biofuel supply chain create a circular rural economy that results in substantial environmental, socio-economic and health benefits for communities. A total of ₹1 lakh crore worth of biofuel will be purchased by OMCs every year in the near future for blending. This money will be ploughed back to the rural economy, thus doubling farmers' incomes. Keeping in mind international climate commitments and domestic requirements, Prime Minister Narendra Modi's emphasis has been on energy availability, accessibility and affordability; efficiency in energy use; energy sustainability; and energy security for mitigating global uncertainties. The quest, therefore, has been to shift the perception and the functioning of my ministry from one focused on international trade to one that strengthens the human development indices of the poorest standing in the queue.

Dharmendra Pradhan is Cabinet minister for petroleum and natural gas and steel  
The views expressed are personal



Dharmendra Pradhan

# Crude oil production falls by 5% in November

**PRESS TRUST OF INDIA**

NEW DELHI, 27 DECEMBER

India's crude oil production fell by 5 per cent in November, primarily due to a sharp drop in output at Rajasthan oilfields operated by private sector Cairn Vedanta, government data showed.

India is dependent on imports for 85 per cent of its needs and the government is pushing domestic explorers to raise output to help cut down imports.

Crude oil production in November at 2.48 million tons was lower than 2.61 million tons produced in the same month a year back.

Rajasthan fields produced 9.6 per cent less crude oil at 476,990 tons as Mangala, Aishwarya and other



fields in the Cairn block flowed less oil for a variety of reasons, according to data released by the ministry of petroleum and natural gas.

State-owned Oil and Natural Gas Corporation (ONGC) produced 1.5 per cent less oil largely due to lesser than the anticipated output at newer fields.

Oil India Ltd produced 6.6 per cent less oil from Assam due to protests/agitation in the state following the Baghjan blowout.

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Gas output during April-November was 18.7 bcm, down 11.8 per cent over the previous year.

# A 'gloom, doom and boom' year for metals

RAJESH BHAYANI

Mumbai, 27 December

The year 2020 is one of those in which industrial commodities like metals and oil have seen extremes, both on the upside and downside. While Covid-19-led lockdowns across the globe destroyed demand in the early part of 2020, a supply cut-driven rally and sharp recovery in the auto sector have emerged as big themes. Domestic demand for these commodities, for instance, has seen a spike from September and is likely to increase further.

T Gnanasekar, founder, Commtrendz Research and Fund Management, said: "2020 was a gloom, doom, and boom year for metals. The year began on a gloomy note as the virus spread began and by late March the doom set in, with all markets collapsing. But, supply-side issues related to Covid restrictions, fiscal stimulus packages, and a strong auto-sector rebound reversed the doom to the present boom scenario."

Price movements in iron ore and copper were particularly sharp. Copper, the bellwether for the global economy, scaled in December to its top levels after 2013, while iron ore is at a lifetime high. Steel is also the highest since 2008. Metals prices are up between 10 and 27 per cent in 2020 so far. Lead, however, is trading marginally higher than the 2019-end levels.

Brent and WTI crude oil are exceptions and still trailing below prices at the end of last year. Oil saw its first-ever trade at negative prices for delivery in the spot market, meaning a buyer gets oil as well as money.

The major reasons for a sudden fall in commodity prices were the virus and the lockdown in China (especially in the Wuhan region) initially, which resulted in the stoppage of production and thereafter disturbances in world shipping movements and further lockdowns in many countries and congestion in ports, paralysing production. In the US, the largest oil storage place was full, which resulted in WTI closing \$37 negative in April on contract expiry, something unusual in the history of commodities' markets.

In India too, several brokers stopped trading in oil for a few weeks following MCX-settled oil contracts turning negative and some brokers incurring

huge losses.

Sunil Duggal, Group chief executive officer, Vedanta Ltd, says after a turbulent 2020, which saw demand for metals and oil collapse, there is a steady recovery since September as the global economy bounced back.

"We expect 2021 to be much better in terms of demand and price realisation for both base metals and oil as vaccine programmes are rolled out on a war-footing and there are no more disruptions, thereby facilitating a sharp rebound in economic growth. While oil did face headwinds due to the lockdown and reduced travel, we are witnessing demand for various fuels come back to pre-Covid levels. Thus, oil prices too should see an uptick as broader recovery sets in," says Duggal.

According to commodity analysts at Nirmal Bang Securities, "Opec (Organisation of Petroleum Exporting Countries), along with other producers, decided to continue with oil production cuts. The reduction is 6-7 million barrels per day (mbpd). In the past even 1 mbpd cut used to make a huge impact on prices."

In the near term though, prices may see some pressure on oversupply in the US and the new virus strain impacting Europe. In the latter part of 2021, prices could move up as vaccine availability increases trade, tourism, and other activities, thereby fuelling demand.

Steel and iron ore mines in India are encashing the bull run in these metals, driven by auto sector revival. All companies have been raising prices with each passing month. And the upward journey is likely to continue.

However, metals led by copper may see some correction shortly. An analyst said: "Copper could slip if speculators, which are holding their largest net long positions on the London Metals Exchange and Comex exchanges since 2017, turn less bullish and cut their positions."

But Gnanasekar says, "As the demand response is expected to prop up commodity prices, vaccines and hopes of the pandemic ending will improve growth prospects. Interestingly, the past year has seen no fresh capacity addition in mining, which could accelerate prices. Demand will be strong across sectors as economies open up after Covid."

However, he cautions about the possibility of supplies increasing gradually.

## THE SHEEN IS BACK

As of Dec 24

LME (\$/tonne)	Price	Chg YTD(%)
● Copper	7,793.0	26.6
● Zinc	2,817.0	22.9
● Nickel	16,951.0	21.1
● Tin	20,277.0	20.3
● Aluminium	2,022.0	12.3
● Lead	1,956.5	1.7
Crude oil (\$/bbl)		
● Brent	50.8	-23.5
● WTI	48.1	-21.3
● China HR Steel (CNY/tonne)	4,771.0	24.2
● China Iron Ore 62% (\$/tonne)	162.9	78.6

Source: Bloomberg/LME; Compiled by BS Research Bureau

## COMMODITY INDEX: ON THE RISE



**VIOLATION OF ANNUAL SURVEILLANCE AUDIT REQUIREMENT**

# Bunker suppliers issued show-cause notice

**P MANOJ**

Mumbai, December 27

The Directorate General of Shipping has sought an explanation from ship fuel (bunker) suppliers such as Reliance Industries, Indian Oil Corporation, Bharat Petroleum Corporation, Hindustan Petroleum Corporation and Nayara Energy for violating the “annual surveillance audit” requirement set by the country’s maritime administration.

These five are among the 24 valid bunker supplier registration certificate holders who have been asked to show cause why their permits should not be withdrawn for non-compliance with rules prescribed by a Merchant Shipping Notice issued in 2014.

**DG Shipping’s charge**

“Certificate issued as above shall cease to be valid, if the bunker supplier fails to carry out an annual surveillance

audit within three months, before or after each anniversary date. The verification report has to be forwarded to the Directorate, on completion of the audit for records”, according to Para 8.4 of MS Notice 3 of 2014.

However, these 24 entities have “violated” the rules prescribed by Merchant Shipping Notice of 2014 and “continued to supply bunkers to various vessels with deemed invalid bunker supply registration certificate”, J Senthil Kumar, Engineer and Ship Surveyor-cum-Deputy Director General (Technical), wrote in the show cause notice, a copy of which was reviewed by *BusinessLine*.

The bunker supply registration certificate issued by DG Shipping mandates satisfactory completion of annual surveillance audit of bunker supply management system by the DG Shipping or auditors of the Indian Register of Ship-



Reliance, IOC, BP and HP, among others, are said to have flouted the norms

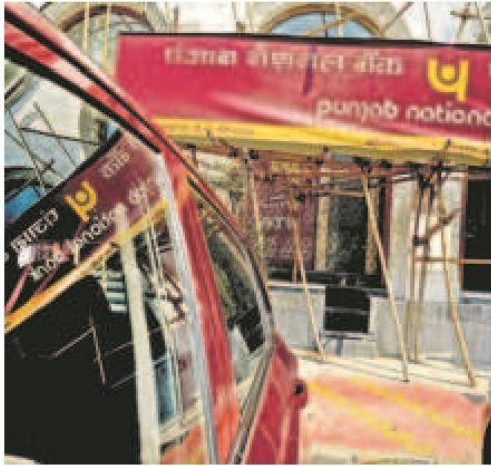
ping, a ship classification society. Reliance Industries holds a permit to supply bunkers at Kakinada; Bharat Petroleum has a certificate for four locations – Surat, Kandla, Mahul and Sewree; Hindustan Petroleum at two locations (Sewree terminal and Surat); Indian Oil Corporation at JNPT in Navi Mumbai and Budge Budge; Oil and Natural Gas Corporation at Nhava in Navi Mumbai and Nayara Energy in Gujarat.

Other valid bunker supplier registration certificate holders who have been sent notices in-

clude Bhambhani Shipping (Mumbai); G P Global Energy (Gujarat); Geostan Marine (Kochi); Kan Enterprises (Visakhapatnam); Modest & Parsons International (Mumbai); Ocean Bunkers (Mumbai); Vert Line Marine Bunkers (Chennai); SES Bunkering (Mumbai); Sea Petroleum International (Mumbai); Shiny Shipping & Logistics (Mumbai); Tycoon Oil (Mumbai); Global Cambay Marine Services (Surat) and Manali International (Gandhidham).



## Punjab National Bank puts three stressed accounts up for sale



MINT

**New Delhi:** State-run Punjab National Bank (PNB) has put up for sale three stressed accounts with total outstanding dues of nearly ₹34.50 crore. The three accounts are Mangalam Oil Industries, with outstanding dues of ₹10.77 crore; Alliance Fibres Ltd (₹18.31 crore); and Birsa Institute of Technology (Trust) (₹5.41 crore). **PTI**

Business Standard

### The year that turned oil and gas sector on its head

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## The year that turned oil and gas sector on its head



The oil and gas sector this year faced unprecedented headwinds, with West Texas Intermediate (WTI) crude oil prices entering negative territory for the first time in history. This was driven by a global demand slowdown, induced by Covid-19 lockdowns in April. WTI is used as a benchmark for crude oil sale in North America. It fell to minus \$40 a barrel in April. **TWESH MISHRA** writes

5 ▶

# Crude oil production falls by 5% in November

**PRESS TRUST OF INDIA**

NEW DELHI, 27 DECEMBER

India's crude oil production fell by 5 per cent in November, primarily due to a sharp drop in output at Rajasthan oilfields operated by private sector Cairn Vedanta, government data showed.

India is dependent on imports for 85 per cent of its needs and the government is pushing domestic explorers to raise output to help cut down imports.

Crude oil production in November at 2.48 million tons was lower than 2.61 million tons produced in the same month a year back.

Rajasthan fields produced 9.6 per cent less crude oil at 476,990 tons as Mangala, Aishwarya and other



fields in the Cairn block flowed less oil for a variety of reasons, according to data released by the ministry of petroleum and natural gas.

State-owned Oil and Natural Gas Corporation (ONGC) produced 1.5 per cent less oil largely due to lesser than the anticipated output at newer fields.

Oil India Ltd produced 6.6 per cent less oil from Assam due to protests/agitation in the state following the Baghjan blowout.

During April-November, India's oil production was 6 per cent lower at 20.42 million tons. The output from Rajasthan during this period dropped 16 per cent to 3.91 million tons.

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ONGC produced 3.7 per cent less gas after the Hazira processing plant was shut down for maintenance.

Gas output during April-November was 18.7 bcm, down 11.8 per cent over the previous year.

# Fuel prices unchanged across metros on Sunday

IANAS ■ NEW DELHI

Oil marketing companies (OMC) continued to hold the pause button on petrol and diesel prices across the four metros on Sunday. In the national capital, petrol was sold for ₹83.71 per litre. Similarly, in the other key cities of Mumbai, Chennai and Kolkata, the fuel was priced at unchanged levels of ₹90.34, ₹86.51 and ₹85.19 respectively. The prices have been the same since they were last revised on Dec 7. The OMCs have gone on a pause mode at a time when expectations of vaccines to counter the pandemic and that of a major pick-up in the demand have kept crude oil on the boil with the prices breaching \$50 a barrel mark.

# No going back on privatisation of BPCL, Air India

**Covid-19 carnage may have slightly pushed back timelines but there is certainly no going back on privatisation of bluechip public sector undertakings like BPCL and Air India. Government officials expressed confidence of completing BPCL and Air India sale in the next few months. The government has put the onus on the top management of CPSEs to increase the market capitalisation of state-run companies.**

# Panel cites PM to reject India's Cairn tax claim



**New Delhi, Dec. 27:** A three-member tribunal at the Permanent Court of Arbitration in The Hague cited statements by Prime Minister Narendra Modi and other ministers pledging not to use retrospective taxation to overturn a ₹10,247 crore tax demand on British oil and gas firm Cairn Energy Plc.

The tribunal, in a 582-page judgment on December 21, ordered return of the value of shares that the income-tax department sold as also the dividend it seized and tax refunds it withheld to recover tax demand that was levied following the 2012 amendment to the Income-Tax Act that gave authorities powers to seek taxes on past deals.

It ruled that the 2006 reorganisation of Cairn Energy's India business prior to listing on local bourses was not "unlawful tax avoidance" and ordered tax authorities to drop the tax demand.

In the order, the tribunal, which consisted of one member appointed by the Indian government, said the Bharatiya Janata Party's (BJP) 2014 "election manifesto criticised the preceding government for having unleashed 'tax terrorism' and 'uncertainty', which 'negatively impact[ed] the investment climate'."

In his first Budget speech in July 2014, the new finance minister, Arun Jaitley, proposed that a CBDT-supervised 'High Level Committee' be implemented to scrutinise fresh cases that had arisen following the 2012 Amendments.

After stating that, "this government will not ordinarily bring about any change retrospectively which creates a fresh liability", he announced that "henceforth, all fresh cases arising out of the retrospective amend-

ments of 2012 in respect of indirect transfers and coming to the notice of the Assessing Officers will be scrutinised by a High Level Committee to be constituted by the CBDT before any action is initiated in such cases," the order said.

On November 7, 2014, Jaitley, according to the order, insisted that his government had taken a "policy decision that as far as this government is concerned, even though there is a sovereign power of retrospective taxation, we are not going to exercise that power".

On January 13, 2015, Jaitley was quoted as saying that the 2012 Amendment had "scared away investors from India" and that "the government had no intention of using the retrospective tax provision".

"This view was confirmed by Prime Minister Narendra Modi on February 14, 2016. The Prime Minister was quoted in the *Financial Times* as saying that the government "will not resort to retrospective taxation; we are making our tax regime transparent, stable and predictable", the tribunal said.

The income-tax department in 2015 slapped a ₹10,247 crore tax demand on Cairn for alleged capital gains it made in the 2006 business reorganisation. Cairn denied the scheme, avoided any tax that was prevalent on that date and challenged the demand through an arbitration.

During the pendency of the arbitration, the government sold the UK energy major's near five per cent holding in Vedanta Ltd, seized dividends totalling ₹1,140 crore due to it from those shareholders and set off a ₹1,590-crore tax refund against the demand. — PTI

## 15 पीईएम ईंधन सेल बसों के लिए बोली आमंत्रित

नई दिल्ली। भारत के हाइड्रोजन आधारित मोबिलिटी सॉल्यूशंस इकोसिस्टम को बढ़ावा देने की दिशा में इंडियन ऑयल, देश का सबसे बड़ा रिफाइनर और फ्यूल रिटेलर, 15 पॉलिमर इलेक्ट्रो मेम्ब्रेन (पीईएम) ईंधन सेल बसों की खरीद के लिए बोलियां आमंत्रित कर रहा है। यह परियोजना देश में हरित विकल्प के रूप में हाइड्रोजन-आधारित गतिशीलता के सभी पहलुओं को देखने का देश में पहला प्रयास है।

इंडियन ऑयल के अध्यक्ष एस एम वैद्य ने कहा, इंडियन ऑयल देश में हाइड्रोजन के प्रयासों का नेतृत्व कर रहा है और यह अभ्यास एक बड़ी परियोजना का हिस्सा है जिसका उद्देश्य हाइड्रोजन मूल्य श्रृंखला के सभी पहलुओं को संबोधित करना है। वैद्य ने यह भी कहा कि इस उपक्रम को आंशिक रूप से केंद्रीय पेट्रोलियम मंत्रालय के हाइड्रोजन कॉर्पस फंड द्वारा समर्थित किया जा रहा है।

## देश के आठवें बेसिन से उत्पादन शुरू

नई दिल्ली। केन्द्रीय पेट्रोलियम और प्राकृतिक गैस एवं इस्पात मंत्री धर्मेन्द्र प्रधान ने बंगाल की खाड़ी में स्थित आईओसी के नए बेसिन से उत्पादन का शुभारंभ किया। यह देश का आठवां बेसिन है जिसमें से उत्पादन शुरू हुआ है। यह नया कुआं अशोकनगर-1 जहां से उत्पादन शुरू हुआ है वह पश्चिम बंगाल के 24 परगना जिले में स्थित है। आईओसी ने इसे समय से पहले तैयार कर उत्पादन शुरू करने में कामयाबी हासिल की है।

## धर्मेन्द्र प्रधान ने आईओसी के नए प्लांट का शुभारंभ किया

कोलकाता। केन्द्रीय पेट्रोलियम और प्राकृतिक गैस एवं इस्पात मंत्री धर्मेन्द्र प्रधान ने कोलकाता में इंडिया ऑयल (आईओसी) के लुब्रिकेंट ब्लेंडिंग प्लांट का शुभारंभ किया। इस अवसर पर इंडियन ऑयल के अध्यक्ष एस एम वैद्य समेत अन्य वरिष्ठ अधिकारी भी उपस्थित रहे। इस कारखाना पर 142 करोड़ रुपये का निवेश किया गया है। पेट्रोलियम मंत्री ने इस मौके पर कहा कि इस कारखाने से पूर्वी भारत में लुब्रिकेंट की बढ़ती मांग को आसानी से पूरा किया सकेगा।



## पेट्रोल-डीजल के दाम 20वें दिन स्थिर रहे

नई दिल्ली। देश में तेल विपणन कंपनियों ने लगातार 20 वें दिन रविवार को पेट्रोल और डीजल के दामों में कोई बदलाव नहीं किया है। दिल्ली में पेट्रोल का दाम आज 83.71 रुपये और डीजल का 73.87 रुपये प्रति लीटर पर टिका रहा।