VIRAT VAIBHAV, Delhi, 10.6.2018

Page No. 15, Size:(8.44)cms X (7.88)cms.

ओवीएल को अबू धाबी क्षेत्र से अपनी हिस्सेदारी के तेल की पहली खेप मिली

एजेंसी ■ नई दिल्ली

ओएनजीसी विदेश लि . ने कहा कि उसे अबू धाबी के लोअर जाकुम तेलफील्ड से अपने हिस्से के तेल की पहली खेप मिली है।

कंपनी ने इसमें हाल ही में हिस्सेदारी खरीदी है। कंपनी ने एक बयान में कहा कि डास किस्म के कच्चे तेल की पहली खेप न्यू मैंगलोर बंदरगाह पर पहुंची।

इस तेल फील्ड से फिलहाल करीब 4,00,000 बैरल प्रतिदिन उत्पादन हो रहा है। ओएनजीसी की विदेश इकाई ओवीएल की अगुवाई वाले भारतीय समूह ने लोअर जाकुम में 10 प्रतिशत हिस्सेदारी हासिल की है। ओवीएल की अगुवाई वाले समूह में भारत पेट्रो रिर्सोसेज लि . तथा आईओसी शामिल हैं।

इस तेल क्षेत्र में अन्य शेयरधारक अबू धाबी नेशनल आयल कंपनी (60 प्रतिशत), सीएनपीसी तथा जेओडीसीओ (प्रत्येक 10 प्रतिशत) और टोटल तथा ईएनआई (5-5 प्रतिशत) हैं।

HINDU (METRO PLUS), Delhi, 10.6.2018
Page No. 11, Size:(21.56)cms X (13.27)cms.

Private firms renew call to supply ATF

Currently, the entire aviation turbine fuel demand of Mumbai airport is met by public sector units

LALATENDU MISHRA
MUMBAI

Private sector oil companies have renewed their demand to have access to Mumbai airport and supply aviation turbine fuel (ATF) to airline customers.

Currently, the entire ATF demand of 1.4 MMTPA (million metric tonnes per annum) at the Mumbai airport is solely met by public sector oil companies – IOCL, BPCL and HPCL – through two pipelines originating from the two refineries belonging to BPCL and HPCL in Mumbai.

IOCL had entered into an arrangement with BPCL, HPCL and a joint venture company called Mumbai Aviation Fuel Farm Facility Pvt. Ltd (MAFFFL) to supply ATF at the airport, where airlines consume more than a fifth of the total fuel requirement of the country.

Sticky situation: Without competition, airlines cannot enjoy the benefit of competitive prices. ▪NEMMANI SREEDHAR

Private oil companies insist that in the absence of competition, airlines do not enjoy the benefit of competitive prices at Mumbai as has been the case at other airports where Reliance or other private players are present. To allow access to all ATF suppliers on a non-discriminatory basis, MAFFFL was incorporated by Mumbai International Airport Pvt. Ltd. (MIAL), the operator of the airport, for developing the integrated fuel farm facility (IFFF) at the airport.

But private sector oil companies claim that MAFFFL is being controlled by the public sector oil companies which are creating resistance to allow private players to enter the airport. An email seeking response from the PSU firms remained unanswered.

Work under progress

Though the Competition Commission of India (CCI) had granted approval for IFFF to be set up by MAFFFL, the construction work was still under progress. "IFFF and the infrastructure could be used by any of the ATF suppliers, in an open access and arm's length basis, upon payment of a regulated common fee," said a private sector oil company executive on the condition of anonymity.

"But open access is incomplete without ATF suppliers getting access to the main mode of supply pipelines on equal footing," said the executive.

"Using the surplus capacity available in the existing pipeline would bring reduction in the infrastructure charges to be paid by the ATF suppliers," he added.

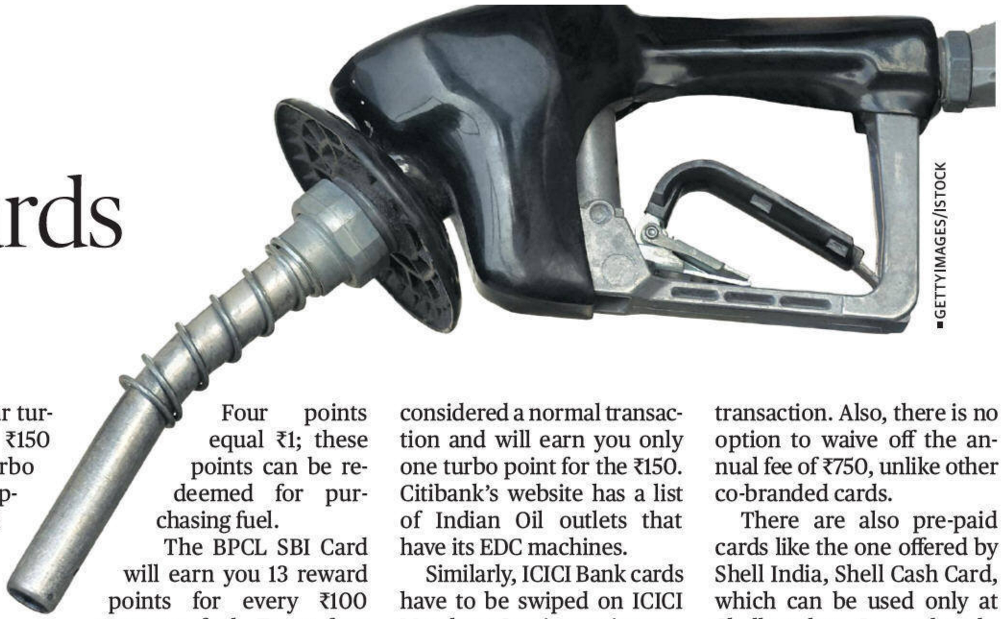
A Reliance spokesperson declined to comment.

A spokesperson for Nayara Energy, formerly Essar Oil, said: "We welcome these initiatives and are committed towards developing mutually beneficial long term partnerships across this ATF ecosystem, and also support initiatives around common carrier principle with respect to product transportation and access."

HINDU (METRO PLUS), Delhi, 10.6.2018
Page No. 2, Size:(4.23)cms X (3.74)cms.

DIGITAL DRIVE

Refuel with co-branded cards



GETTYIMAGES/ISTOCK

Got large fuel bills? Use these cards to cut down your spends

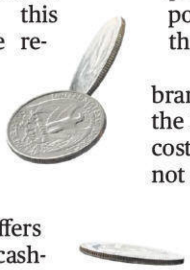
GURUMURTHY K

Are you feeling the pinch of the consistent fuel price hikes? Here is a way to optimise your outgo towards buying petrol or diesel. Banks, in association with Oil Marketing Companies (OMCs), offer co-branded credit cards with special benefits on your fuel spends.

Citibank, ICICI Bank and State Bank of India are the major players offering co-branded fuel cards. Citibank with the Indian Oil Corporation offers IndianOil Citi Platinum and Titanium cards. ICICI Bank offers three HPCL co-branded cards – ICICI Bank HPCL Coral Credit Card, HPCL Coral American Express Card and ICICI Bank HPCL Platinum Credit Card. SBI has tied up with BPCL to offer BPCL SBI Card.

Benefits

These co-branded cards give benefits as either cash-back or incremental reward points that can be redeemed for future fuel purchases. For instance, Citibank's IndianOil card gives you four turbo points for every ₹150 spent on fuel. One turbo point is equal to ₹1. Suppose you spend ₹30,000 a year on fuel. Citibank's card will earn you 800 turbo points, which equals ₹800; this amount can be redeemed to fill 9.4 litres of petrol (at the current price of ₹85 per litre).



ICICI Bank offers 2.5 per cent cash-back on its co-branded fuel cards. However, the cash-back is capped at ₹100 a month, and the minimum transaction value should be ₹500. On non-fuel spends, ICICI Bank cards earn you 'PAYBACK' points. On every ₹100 spent on retail, all the three cards will earn two 'PAYBACK' points. HPCL Coral American Express Card will also give you six points on every ₹100 spent on fuel, in addition to the cash-back.

Four points equal ₹1; these points can be redeemed for purchasing fuel.

The BPCL SBI Card will earn you 13 reward points for every ₹100 spent on fuel. Every four points will earn you ₹1 at the time of redemption.

Invariably, all the co-branded fuel cards waive off the 1 per cent fuel surcharge cost. However, this waiver is not applicable in the case of SBI and ICICI once your fuel expense exceeds ₹4,000.

The above benefits look attractive, but there is a catch. The benefits pertaining to fuel spends can be redeemed only if these cards are swiped on the point-of-sale machines offered by the respective banks. That is, Citi's IndianOil card has to be swiped in Citibank's EDC (Electronic Data Capture) machine at a the fuel station to get the four turbo points for every ₹150 spent on fuel. Else, this spending will be considered a normal transaction and will earn you only one turbo point for the ₹150. Citibank's website has a list of Indian Oil outlets that have its EDC machines.

Similarly, ICICI Bank cards have to be swiped on ICICI Merchant Services swipe machines to get the 2.5 per cent cash-back.

However, SBI has not explicitly specified any such restrictions.

Even redeeming the points for future fuel purchases cannot be done at all retail outlets. SBI website has a list of BPCL outlets where the reward points can be redeemed for fuel.

Apart from co-branded cards, Standard Chartered Bank's Super Value Titanium Card is another option with fuel benefits. It gives 5 per cent cash-back on fuel spends across all fuel stations, with some cap on the benefits. The minimum transaction value should be ₹750. The maximum cash-back that can be obtained is ₹200 per month and ₹100 per transaction. Also, there is no option to waive off the annual fee of ₹750, unlike other co-branded cards.

There are also pre-paid cards like the one offered by Shell India, Shell Cash Card, which can be used only at Shell outlets. It can be obtained by paying an initial one-time fee of ₹50. It offers 0.5 per cent cash-back for a minimum fuel purchase of ₹500. Recharging this card is free only if done through cash or net banking. Additional charges are levied, as applicable, by the issuing bank if a credit/debit card is used.

The take away

Co-branded fuel cards give the most benefits for those who run up large fuel bills. For two-wheeler riders, who are unlikely to meet the minimum transaction value, these cards will not make any difference.

Those who commute to office in cars and refuel frequently would find these cards suitable.

PUMP UP

- Incremental reward points or cash-backs
- Reward points can be redeemed for future fuel purchase
- Fuel surcharge waived off, but with a cap

The catch

Benefits on fuel spends can be redeemed only if the credit card is swiped on the point-of-sale machines offered by the respective banks

STATESMAN, Delhi, 10.6.2018
Page No. 14, Size:(10.70)cms X (19.76)cms.

Global economy can absorb oil burden: Morgan

PRESS TRUST OF INDIA
NEW DELHI, 9 JUNE

Rising oil prices do not pose a major threat to aggregate global growth, as the increase in crude prices is largely driven by robust demand conditions, says a Morgan Stanley research.

Following the recent rise in oil prices speculations among investors are rife as to whether this poses downside risks to global growth, but Morgan Stanley's chief global economist, Chetan Ahya, believes the answer to this depends on whether the rise is driven by a significant shift in demand or supply.

According to the global financial services major, the current rise in oil prices is taking place against a backdrop, where global growth has been strong and above trend for the past five quarters.

"Combining the projected rise in oil demand and prices, we calculate that the global oil burden will rise to 3.1 per cent of global GDP in 2018 from 2.4 per cent in 2017," Mr Ahya said in a research note and added that the global economy, however, is "well-positioned" to absorb this moderate rise in the oil burden.

Morgan Stanley's global oil strategist Martijn Rats expects oil prices (Brent crude) to rise gradually to $85 a barrel by the fourth quarter of 2019.

"A recovery in investment growth has been followed by an uptick in global productivity growth. On the whole, the buffer of these productivity gains should help the economy withstand the rise in input costs," the report noted.

Citing the example of China, the report said during the 2003-07 period, strong growth in China resulted in an increase in oil demand and prices.

However, as this growth was driven by strong productivity gains, macro stability indicators such as inflation, and current account surpluses remained in check and growth continued on an upward trajectory, virtually unperturbed by the rise in input costs.

ओएनजीसी ONGC

BUSINESS STANDARD, Delhi, 10.6.2018

Page No. 5, Size:(21.29)cms X (24.21)cms.

Proposal to have natural gas & ATF under GST faces resistance

DILASHA SETH
New Delhi, 9 June

A debate on whether to include natural gas and jet fuel under the goods and services tax (GST) has turned out to be a stormy affair with a few states stiffly opposing the move.

At an event in New Delhi, a GST Council official revealed that a proposal to include natural gas (on an experimental basis) and ATF could also be brought in before including petrol and diesel.

Some states have strongly opposed inclusion of petrol and diesel under GST even as global oil prices have skyrocketed adding to the burden on consumers. However, the remaining are in favour of including natural gas and ATF under GST compared to passenger fuel due to lower revenue loss burden.

Dheeraj Rastogi, joint secretary of the GST Council, had at a PHD Chambers event on Friday said that there is some consensus for bringing natural gas under GST and it could be followed by ATF.

However, Andhra Pradesh finance minister Yanamala Ramakrishundu reacted strongly to the statement and opposed inclusion of natural gas under GST in a letter to the chairman of the GST Council.

"Andhra Pradesh got a revenue of ₹5.23 billion on sale of natural gas during the year 2017-18. Being a producer of natural gas, our state will lose substantial revenue if it is included under GST as our ultimate consumption is less than our production," Ramakrishundu said.

He added that the state already lost autonomy in raising fiscal resources with the introduction of GST. "For the same reason, Andhra Pradesh opposes introduction of other petroleum products under GST. We will stand to lose substantially in terms of revenues if petroleum products are included under GST," said Ramakrishundu on Saturday.

MIXED REACTION FROM STATES ON RECOMMENDATION

- Some states have strongly opposed inclusion of petrol and diesel under GST even as global oil prices have surged, adding to the burden on consumers
- The remaining are in favour of including natural gas and ATF under GST compared to passenger fuel, due to lower revenue loss burden
- Andhra Pradesh finance minister Yanamala Ramakrishundu opposed inclusion of natural gas under GST in a letter to the chairman of the GST Council
- Some states have reservations as far as petrol and diesel are concerned
- But Maharashtra is in favour of including petrol and diesel in the GST fold
- Assam too is in favour of inclusion of petrol and diesel, only after GST stabilises

However, some states do not find any harm in including natural gas and ATF under GST but have reservations so far as petrol and diesel are concerned. But Maharashtra is in favour of including petrol and diesel under GST.

Assam finance minister Himanta Biswa Sarma told *Business Standard* that his state is in favour of including natural gas and ATF within GST. "There is a probability that natural gas and ATF will be included under GST as the compensation burden will not be very huge. Assam supports inclusion of natural gas and ATF under GST."

However, the inclusion of petrol and diesel should take place only after GST stabilises, he added. "Currently, even if we include petroleum, consumers may not get much benefit because the burden of compensation cess will be higher. States need not worry as they will get full compensation. However, once GST stablises and states no longer require a compensation from the Centre, then only should we look at including petroleum under GST.

An official pointed out that inclusion of natural gas and ATF might be easier as there were fewer states that would need to be convinced. "The use of natural gas is concentrated in only 8-10 states. As for ATF, only states with large airports will be worried," he added. Besides, the portion of revenue from natural gas and ATF in the states' revenue pool is far lower than from petrol and diesel.

According to estimates, states earn about ₹60 billion in tax revenue from natural gas with most of it concentrated in Gujarat, Maharashtra and Uttar Pradesh. "Petroleum products currently outside the GST regime can be brought in starting with natural gas and ATF, given their predominant B2B usage, less chances of diversion of credit and since they are easier to govern," said Bipin Sapra, partner, EY.

On the insistence of states, petroleum has been kept out of GST and, hence, continues to face a cascading effect of multiple taxes. However, certain petroleum products such as cooking gas, kerosene and naphtha are part of GST. While crude oil, diesel, petrol, natural gas and ATF do not attract GST, these are used as inputs in the petrochemical, fertiliser and transport industries and this leads to a cascading of taxes. Naphtha and liquefied petroleum gas are included under GST.

Pratik Jain, partner, PwC India, said "There is a lack of consensus on bringing passenger fuels like petrol and diesel under GST. Therefore, bringing natural gas and ATF first would be a great move. Natural gas is a cleaner fuel compared to coal and should definitely be under GST.

Civil aviation secretary Rajiv Nayan Choubey had said recently that a proposal would be made to the finance ministry to bring ATF under the GST to curb increase in jet fuel costs due to rising global crude oil prices.

The finance ministry had earlier proposed bringing natural gas into the GST fold at 5 per cent duty to provide benefit to upstream exploration and production companies, which would allow them to receive credit for GST paid on inward supplies and ensure lower costs. Petroleum minister Dharmendra Pradhan, backed by transport minister Nitin Gadkari, has pitched for inclusion of petroleum products under GST so that consumers can benefit from price rationalisation.

The BJP-led government has lowered the excise duty on petrol and diesel only once during its tenure but raised it nine times between November 2014 and January 2016.

States earned ₹1.6 trillion in tax revenue from petroleum products in 2016-17, with Maharashtra, Gujarat, Uttar Pradesh and Tamil Nadu being the top four revenue earners.

"If the central government is serious about including petroleum products under GST, let it make a serious proposal. Let it commit to a programme for compensating the states for the loss of revenue. Without such firm commitments such talk is wooly," Kerala finance minister Thomas Isaac tweeted recently. Bihar deputy chief minister Sushil Modi had earlier told *Business Standard* that states must be allowed to levy additional taxes over GST on petroleum products.

DNA, Delhi, 10.6.2018
Page No. 6, Size:(17.54)cms X (10.21)cms.

Andhra govt against move to bring natural gas under ambit of GST

Amaravati: The Andhra Pradesh government on Saturday opposed the move to bring natural gas within the ambit of the Goods and Services Tax (GST) as such a plan would make the state lose substantial revenue.

Referring to reports in this regard, State finance minister Yanamala Ramakrishnudu said the proposal was not even circulated to the states.

In a statement, Ramakrishnudu also opposed any move to include any petroleum product under GST.

Issuing of statements by the officials of the council on such sensitive policy issues cannot be accepted, he said.

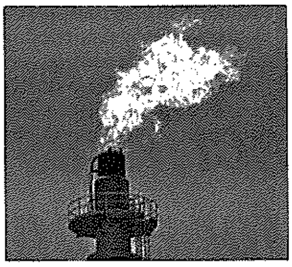


Image for representation

> The state has lost autonomy in raising fiscal resources with GST roll-out. Now, inclusion of natural gas will further affect revenue.
>
> **Yanamala Ramakrishnudu,** state finance minister

Andhra Pradesh secured a revenue of Rs 523 crore on sale of natural gas in 2017-18.

"Being a producer of the natural gas, the state would lose substantial revenue if the gas is included in GST ambit as our ultimate consumption is lesser than the production," he said.

"The state has already lost autonomy in raising fiscal resources with the introduction of GST. Now, inclusion of natural gas in GST will further affect the revenue position. For this reason, we oppose inclusion of other petroleum products also under GST," he added.

He claimed the group of ministers, constituted by the GST council to deliberate on various issues and make recommendations, was issuing statements to media before putting them up in council.

"Such press briefings are creating confusion in the minds of traders and tax payers, he said. —PTI

PRIVATISATION

Disinvestment, then and now

It seems that the incumbent regime is uncomfortable with the D-word.

OPINION

RAVI SHANKER KAPOOR

We don't slaughter cows, Arun Shourie once said, we starve them to death. The disinvestment minister in the Atal Behari Vajpayee government knew it too well. For public sector undertakings (PSUs) are the biggest holy cows of the country, many of which are dying a slow death; Air India is one example. But no slaughter or sale.

The real and ultimate victim is the taxpayer, forsaken by the political class. For, politicians care only about holy cows.

Even holier are the shibboleths of the pre-liberalisation era, held by politicians and intellectuals close to their hearts. Unless these shibboleths are fought against and demolished, it is very difficult, if not impossible, to sell PSUs—indeed to carry out any meaningful reform.

Privatisation is the most meaningful and substantive economic reform. For it is the concretisation of the idea that the business of government is not business—something that Narendra Modi had famously spelt out as Chief Minister of Gujarat (it has not been followed since he became Prime Minister, though). When government sells a PSU, it rolls itself back from a sector, lets private enterprise take care of the sold entity, and reduces its own role in the economy.

Privatisation is also the boldest and most emblematic reform, as it hits at the most visible entities of socialism—state-run companies that are supposed to stay at the commanding heights of the economy. Therefore, privatisation cannot be carried out in a technocratic manner: a body of experts recommending it, and bureaucrats and financial professionals executing it.

Unfortunately, this was the path chosen by the Modi regime for disinvestment in Air India and other PSUs. Niti Aayog, headed by the Prime Minister, prepared a list of PSUs to be privatised, leaving the execution to ministries. What was ignored was the fact that before selling PSUs to private parties, the very idea of privatisation has to be sold politically and ideologically.

When Vajpayee was Prime Minister (1998-2004), a department of disinvestment was set up; it was later upgraded to a ministry. Arun Jaitley was the first disinvestment minister but he was there for a short period in which he sold Modern Food to Hindustan Lever.

Shourie succeeded him. Beginning with Balco, which was sold to Sterlite, he successfully privatised a number of PSUs, both profitable and loss-making. These included several ITDC hotels, Hindustan Zinc, Indian Petrochemicals Corporation Ltd, and Maruti. There was tremendous resistance to the sale of these state-run companies, and it came from all quarters—the managements and workforce of the targeted PSUs, the administrative ministries, political parties including the ruling party, the Sangh Parivar, trade unions, intellectuals, sundry activists, professional revolutionaries, et al.

Shourie and others forcefully argued in favour of privatisation; they offered economic and moral arguments to justify their actions; they made a case for the sale of PSUs.

That was then. In 2004, the Congress-led United Progress Alliance (UPA) formed government with outside support from the Left Front. Needless to say, the commies were rabidly opposed to disinvestment. Communist Party of India general secretary A.B. Bardhan triggered bloodshed on Dalal Street by infamously saying in May 2004, "Bhaad mein jaaye disinvestment (Let disinvestment be damned)."

Disinvestment has been damned since then; even Modi, seen as a pro-liberalisation leader earlier, has been unable to revive it. To begin with, the UPA government officially downgraded it; the ministry of disinvestment was reduced to department of disinvestment and brought under the Finance Ministry.

In a way, the Modi regime went a step further—in the wrong direction. It even dispensed with the D-word; the department of disinvestment was renamed as the Department of Investment & Public Asset Management or Dipam; it was an assault on assault, and yet it was in tune with the Prime Minister's penchant for evocative acronyms. Comrade Bardhan would have applauded. But the point is: how can you carry out disinvestment if you are scared of or uncomfortable with the very word itself?

It seems that the incumbent regime is not just uncomfortable with the D-word but also at odds with the very philosophy and economics it connotes. How could the government, so devoted to dirigisme, let go of the "national carrier"? How could it allow a private company to run the airline that has been "national pride" for so long? This was the reason that tough conditions were imposed on the prospective buyer of Air India.

So, the government wanted to hold 24% stake in the airline after privatisation. It also insisted on the retention of not just employees but also the brand name "Air India". The political environment was hostile to the sale of AI which, to boot, is heavily debt-ridden. Besides, the employees are unionised and unions have political links. The negatives were so many and so substantive that no private party could garner courage to bid for Air India.

So, Air India will continue to bleed the taxpayer for an indefinite period. Meanwhile the big holy cow, Air India, will fade into irrelevance. Just like MTNL, BSNL, public sector banks, scores of other PSUs.