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World Energy Congress 2024: Power Secretary and Indian Ambassador Inaugurates India Pavilion

Shri Pankaj Agarwal, Secretary, Ministry of Power and Mrs. Reenat Sandhu, Ambassador of India to the Netherlands, jointly inaugurated the India Pavilion at the 26th World Energy Congress (WEC) 2024 today. Participated by Indian Renewable Energy Development Agency Ltd. (IREDA) and other CPSEs under the Ministry of Power, New & Renewable Energy, Coal and Petroleum & Natural Gas, the pavilion serves as a testament to the country's technological progress in the energy and power sector. Welcoming Power Secretary and Ambassador of India to Netherlands, to the exhibition pavilion, Shri Pradip Kumar Das, CMD of IREDA, along with CMDs of other participating Indian CPSEs, underscored the significance of India's presence at the event. The visit of the Power Secretary and the Indian Ambassador at IREDA's stall marked a significant exchange of ideas, focusing on IREDA's initiatives and the transformative potential of renewable technologies in the energy sector. CMD, IREDA, provided insights into the company's recent best-ever financial results, ongoing initiatives, and expansion plans. The India Pavilion at WEC serves as a hub for showcasing innovative technologies and power generation practices, reinforcing India's commitment to environmental conservation on the global stage. Other CPSEs such as ONGC, NTPC, PFC, REC, Power Grid, NHPC, and SECI also participated in the flagship event, collectively reinforcing India's leadership in the global energy transition.



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Gas price hiked

■ **NEW DELHI:** The government has increased the domestic natural gas price for May to \$8.90 per mBtu from \$8.17 per mBtu last month. The price of the gas from the nominated fields of ONGC and Oil India has been kept unchanged at the price cap of \$6.5 per mBtu as per the new formula.

IOC profit shrinks 50% in Q4 on lower margins

SUBHAYAN CHAKRABORTY
New Delhi, 30 April

During the fourth quarter of FY24 (January-March 2024), state-run Indian Oil Corporation (IOCL) saw its consolidated net profit fall 49.3 per cent to ₹5,149 crore from ₹10,290 crore in Q4 of FY23.

On a sequential basis, net profit slipped 43 per cent from ₹9,030 crore.

The sharp fall in net profit during Q4 may be due to lower gross marketing margins on petrol and diesel.

Margins (for petrol and diesel) had reduced to an average of ₹8 and ₹3.4 per litre, respectively, during the quarter, according to a note by Motilal Oswal.

On the other hand, a pump price cut of ₹2 since March 15 may have reduced retail margins as well.

Despite the fall in profits during the latest quarter, the oil marketing company (OMC) saw its consolidated annual net profit grow 268 per cent to ₹43,161.15 crore in FY24 from ₹11,704.26 crore in FY23.

Continuous discounts on an increasing volume of Russian crude supplies are widely understood to be behind this.

In Q4, the company's revenue from operations fell by 2.6 per cent to ₹1.98 trillion, com-



REPORT CARD

IOC financials

| | Q4FY23 (₹ cr) | Q3FY24 (₹ cr) | Q4FY24 (₹ cr) | Q-o-Q (% chg) | Y-o-Y (% chg) |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Revenue* | 2,30,872 | 1,99,906 | 1,98,650 | -0.6 | -2.6 |
| PBT | 13,759 | 12,005 | 7,420 | -38.2 | -46.1 |
| Net profit** | 10,290 | 9,030 | 5,149 | -43.0 | -50.0 |

PBT: profit before tax; *Revenue from operations;

**Attribute to equityholders of the parent

Source: Company

pared to ₹2.03 trillion in Q4 of FY23. This drop in revenue is primarily attributed to lower earnings from the largest segment of petroleum products, which dipped 4.13 per cent to ₹2.11 trillion from ₹2.2 trillion in the same quarter of the preceding year.

With its 10 refineries accounting for a cumulative 80 million metric tonnes per annum (MMTPA) capacity, IOC controls nearly 33 per cent of India's refining capacity.

Sales from the petrochemicals business, however, rose nearly 10 per cent to ₹6,908.5 crore from ₹6,281.66 crore in Q4

of FY23. In contrast, the quarter under review saw a nearly 21 per cent rise in revenue from other business activities to ₹10,640.09 crore from ₹8,798.86 crore during the same quarter of the previous year.

The company's board declared a dividend of ₹7 per share of face value ₹10, the company said in an exchange filing.

On the marketing front, IOC achieved domestic product sales of 23.737 million metric tonnes (MMT) during Q4, while export sales stood at 1.54 MMT in Q4.

The company's shares fell

4.41 per cent on Tuesday, closing at ₹168.95 on the NSE.

Lower refining margins

For FY24, IOC reported a weaker average gross refining margin (GRM) — the revenue refiners accrue from transforming each barrel of crude oil into refined fuel products.

IOC said the average GRM stood at \$12.05 per barrel for FY24.

This was 38.2 per cent lower than the \$19.52 per barrel recovered in the same period of the previous financial year.

"The core GRM or the current price GRM for FY24 after offsetting inventory loss or gain comes to \$11.44 per barrel," it said.

Lower GRMs have become a fixture for OMCs over the past few quarters.

In 2022, disruptions in supply of Russian oil coupled with a decrease in petroleum product exports from China led to a reduction in the supply of refined products. This prompted GRMs to skyrocket to record highs.

Consequently, earnings for Indian refiners had seen an upswing. However, while Moscow has kept a check on supplies to the international market in 2023, GRMs for Indian refiners have remained at lower levels. Indian OMCs continued to secure oil from Russia at a discounted price.

INDIAN OIL PROFIT HALVES ON WEAKER REFINING MARGINS



INDIAN OIL HAS reported a steep 49% fall in its consolidated net profit for the fourth quarter to ₹5,487.9 crore from ₹10,841.2 crore a year ago. On a sequential basis too, the profit declined 41%, reports **Arunima Bharadwaj**. ■ PAGE 5

Indian Oil profit halves on weaker refining margins

ARUNIMA BHARADWAJ
New Delhi, April 30

INDIAN OIL CORP (IOC) on Tuesday reported a steep fall of 49% in its consolidated net profit for the fourth quarter of FY24 at ₹5,487.9 crore from ₹10,841.2 crore in the corresponding period a year ago.

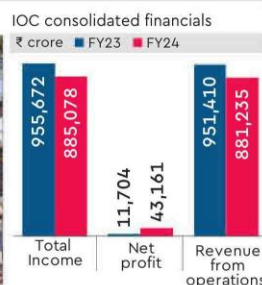
On a sequential basis too, the net profit declined by 41% from ₹9,224.85 crore in Q4FY23.

The fall in profit comes amid a decline in the company's gross refining margins and high global crude oil prices which rose by 16% in the first three months of 2024.

The state-run company's revenue from operations also fell marginally by 3% to ₹2.24 trillion in Q4FY24 compared to the same period the previous fiscal. Total income too fell by 3% to ₹2.25 trillion from ₹2.32 trillion in the fourth quarter of FY23.

The company's annual

SHARP DROP



consolidated profit after tax, however, surged to ₹43,161.15 crore against ₹11,704.26 crore in FY23.

The company's share price closed 4.4% down at ₹168.95 on the BSE on Tuesday.

IOC's board of directors have declared a final dividend of ₹7 per equity share of face value of ₹10 each on the paid-up share capital for FY24, it said in an exchange filing.

The average gross refining margin (GRM) for FY24 stood

at \$12.05 per barrel against \$19.52 per barrel in FY23. "The current price GRM for the year 2023-24 after offsetting inventory loss or gain comes to \$11.44 per barrel," the company said.

IOC's refinery throughput for the last quarter of FY24 stood at 18.28 million tonne as compared with 19.18 million tonne in Q4FY23. On a sequential basis too, the throughput declined marginally by 1.2%.

The operating margin of the company also fell to 3.52% in the quarter ended March from 5.24% the previous quarter. Product sales however improved in Q4FY24. Domestic sales were up by 3.7% on year at 23.74 million tonnes while exports rose by 11.6% to 1.5 million tonne.

IOC arm to build 1 GW RE capacity

The state-owned company plans to invest ₹5,215 crore in building 1 GW of renewable energy capacity including standalone ground mounted solar projects or standalone onshore wind or wind-solar hybrid projects. The board also approved equity investment of ₹1,303.75 crore in the unit.

Last month, the company proposed a new subsidiary in the green energy segment to meet its net-zero targets. This is subject to the approval of NITI Aayog, DIPAM and other government bodies.

Mohit Bhatia takes charge as Director (Commercial) at IGL

NEW DELHI: Mohit Bhatia has on Tuesday taken over as Director (Commercial) of Indraprastha Gas Ltd. (IGL), the largest CNG distribution company of the country, operating city gas distribution (CGD) networks across 30 districts in eleven geographical areas across four states of Delhi, Uttar Pradesh, Haryana and Rajasthan. Bhatia possesses a degree in Civil Engineering from NIT, Suratkhal, Karnataka and an MBA in Marketing from SP Jain Institute of Management & Research, Mumbai. He is a result oriented & experienced senior leader having over 31 years of experience in the oil & gas sector in the areas of Operations, Engineering and Marketing subsequent to joining Bharat Petroleum Corporation Limited (BPCL) in 1993. IGL is a joint venture of GAIL (I) Ltd. and BPCL along with Government of NCT of Delhi.



MPOST

Indian Oil Q4 Net Dives 52% to ₹4,838 cr

Lower refining margins to blame; shares decline 5%

Our Bureau

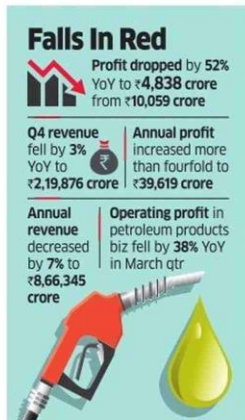
New Delhi: Indian Oil's fourth-quarter profit plunged 52% year-on-year to ₹4,838 crore from ₹10,059 crore, sending its shares down nearly 5% on Tuesday.

Revenue from operations fell 3% year-on-year to ₹2,19,876 crore in the January-March quarter. The company has declared a final dividend of ₹7 per share. This is on top of an interim dividend of ₹5 announced previously. The company's shares closed 4.5% lower at ₹168.95 apiece on Tuesday when the BSE benchmark Sensex ended 0.25% lower.

Profit for 2023-24 was more than four times higher at ₹39,619 crore compared to ₹8,242 crore in the previous year on account of higher marketing margins. Annual revenue was 7% down to ₹8,66,345 crore.

The average gross refining margin (GRM) for 2023-24 was \$12.05 per barrel compared to \$19.52 in the previous year.

The operating profit in the petro-



PRAVIN G

leum products business fell 38% year-on-year to ₹7,272 crore in the January-March quarter while the petrochemical business reported a loss of ₹400 crore against an operating profit of ₹295 crore in the previous year. Higher crude oil prices, partly due to lower discounts on Russian oil, also inflated the cost for the refiner.

The company had accumulated a

loss of ₹1,017 crore by March 31 on the sale of LPG cylinders, which are being sold below market rates, the company said in its earnings statement. The overall profit was also impacted by an additional depreciation of ₹690 crore, which emanated from the revised estimates of the useful life of certain assets.

The company's opera-

ting margin fell to 3.05% in the March quarter from 5% in the October-December quarter and 5.47% in the year-ago period. Its debt-equity ratio has risen to 0.66 at the end of the March quarter from 0.64 at the end of December. This is, however, much lower than 0.98 at the end of March 2023.

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India becomes top oil importer from Russia



India unseated China to become the world's biggest buyer of discounted seaborne Russian crude oil in April, with imports jumping by 12 per cent on the month to a nine-month high, according to early ship tracking data.

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India replaces China as top Russia oil importer

S DINAKAR
Amritsar, 30 April

India unseated China to become the world's biggest buyer of discounted seaborne Russian crude oil in April, with imports jumping by 12 per cent on the month to a nine-month high, according to early ship tracking data and industry officials. Indian purchases of Russian oil exceeded Chinese imports by 450,000 barrels per day (bpd), data from market intelligence agency Vortexa shows.

An appetite for Russian oil has revived as cheaper Venezuelan supplies dried up after the US reimposed sanctions this month on the Latin American nation. A 45-day "wind-down" period expires at the end of May, but sanctions could be relaxed again should the Venezuelan government show progress toward democratic reforms.

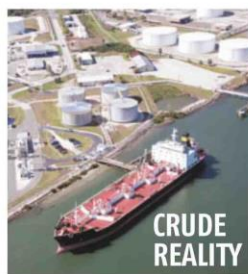
Russian supplies to India increased in April to 1.85 million bpd compared to 1.65 million bpd in March 2024, according to data from Paris-based

market intelligence agency Kpler. The data is as of Tuesday.

London-based Vortexa pegged Russian supplies to India in April at 1.78 million bpd, compared to 1.33 million bpd for China. Both nations accounted for a combined 62 per cent of exports of crude – including Kazakhstan oil exported via Russian ports—from Russia in April, with India accounting for 35 per cent. Chinese seaborne imports averaged 1.84 million bpd in March compared to 1.5 million bpd for India. (China also imports oil and natural gas from Russia via pipelines.)

"Higher Russian crude exports in Feb/ Mar as well as lower imports by Chinese refiners have made available more volumes for Indian refiners," said Singapore-based Serena Huang, head of Asia-Pacific market analysis for Vortexa. "Given that Russian crude cargoes are likely to be more discounted than Middle East grades, Indian refiners are likely to opt for the former," she added.

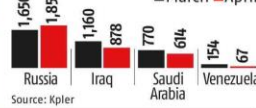
Indian refiners continued to source



Russian crude oil supplies



Top crude suppliers



shipping and insurance services, leaving the doors open for US policing.

Shipments from Venezuela to India more than halved in April to 2 million barrels of crude oil from 4.78 million barrels in March. Venezuelan export-grade Merey is the cheapest among all Indian crude sources. The slump in Venezuelan sales came after Washington ended a six-month relaxation in US sanctions, which ended on April 18, disappointing Indian refiners.

Venezuela's heavy, sour grades undercut Russian and Iraqi crudes by \$14.60 per barrel in February, according to Indian customs data.

Delivered rates of Venezuelan oil into India averaged \$63/bbl in February compared to \$77.60/bbl and \$77.70/bbl, respectively, for Russian and Iraqi grades.

Shipments from Iraq averaged 878,000 bpd, down from 1.16 million bpd last month, 50 per cent higher from February, but in line with a 1.05 million bpd average for the last three months, Kpler data shows.

cheaper grades such as the medium, sour Urals to avoid US sanctions, with the Russian export benchmark accounting for 77 per cent in April compared to 68 per cent in calendar 2023, Kpler data shows. Urals has gained acceptance in India after the US tightened sanctions in February, bringing Russian state shipping behemoth Sovcomflot. Volumes of Urals imported in March totalled 1.35 million bpd, accounting for 82 per cent of

Russian supplies.

There's a \$8-\$10 per barrel difference between Urals and sweeter crudes like Sokol or ESPO, according to market data. That helps traders price Urals below the \$60 per barrel price cap imposed by G-7 nations on a FOB basis to avoid Western sanctions. Light, sweet premium grades like Sokol, Espo and Varandey typically trade over the price cap, which necessitates the use of non-Western

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बढ़ सकता है तेल का आयात बिल

भारत का शुद्ध तेल आयात बिल चालू वित्त वर्ष 2024-25 में बढ़कर 101-104 अरब डॉलर हो सकता है। यह 2023-24 में 96.1 अरब डॉलर था। इक्रा ने मंगलवार को कहा कि ईरान-इजराइल संघर्ष में बढ़ती से आयात के मूल्य पर दबाव बढ़ सकता है। घरेलू रेटिंग एजेंसी ने कहा कि रूसी तेल आयात के कम मूल्य से 2023-24 के 11 महीने में 7.9 अरब डॉलर की बचत होने का अनुमान है।

भाषा

इंडियन ऑयल का लाभ 49% घटा

बीएस संवाददाता और भाषा
नई दिल्ली, 30 अप्रैल

वित्त वर्ष 24 की चौथी तिमाही (जनवरी-मार्च) में सरकारी उपक्रम इंडियन ऑयल कॉर्पोरेशन लिमिटेड (आईओसीएल) का समेकित शुद्ध लाभ 49.3 प्रतिशत घटकर 5,487.92 करोड़ रुपये रह गया जो वित्त वर्ष 23 की चौथी तिमाही में दर्ज 10,841.23 करोड़ के शुद्ध लाभ की तुलना में करीब आधा है। कंपनी ने 7 रुपये प्रति शेयर लाभांश की घोषणा की है। तिमाही आधार पर शुद्ध लाभ में 40.5 प्रतिशत की कमी नजर आई। वित्त वर्ष 24 की तीसरी तिमाही में यह 9,224.85 करोड़ था। चौथी तिमाही के दौरान शुद्ध लाभ में इस तेज गिरावट को वजह पेट्रोल और डीजल का कम सकल विपणन मार्जिन है। मोतीलाल ओसवाल की एक रिपोर्ट अनुसार तिमाही के दौरान मार्जिन घटकर औसतन क्रमशः आठ रुपये और 3.4 रुपये प्रति लीटर रह गया था।

नवीनतम तिमाही के दौरान लाभ में गिरावट के बावजूद सार्वजनिक क्षेत्र की इस तेल विपणन कंपनी (ओएमसी) का समेकित वार्षिक शुद्ध लाभ वित्त वर्ष 24 में 2.68 गुना बढ़कर 43,161.15 करोड़ रुपये हो गया जबकि वित्त वर्ष 23 में यह 11,704.26 करोड़ रुपये था। चौथी तिमाही के दौरान परिचालन से कंपनी का राजस्व 3.06 प्रतिशत घटकर 2.23 लाख करोड़ रुपये रह गया जबकि वित्त वर्ष 23 की चौथी तिमाही में यह 2.30 लाख करोड़ रुपये था।

आरईसी का लाभ 33 प्रतिशत बढ़कर 4,079 करोड़ रुपये हुआ
सार्वजनिक क्षेत्र की गैर-बैंकिंग वित्तीय कंपनी आरईसी लिमिटेड का एकीकृत शुद्ध लाभ मार्च 2024 को समाप्त तिमाही में 33 प्रतिशत बढ़कर 4,079.09 करोड़ रुपये रहा। मुख्य रूप से आय बढ़ने से कंपनी का लाभ बढ़ा है। बिजली मंत्रालय के अंतर्गत आने वाली आरईसी ने मंगलवार को शेयर बाजार को दी सूचना में कहा कि उसे एक साल पहले 2022-23 की जनवरी-मार्च तिमाही में 3,065.37 करोड़ रुपये का शुद्ध लाभ हुआ था। कंपनी की कुल आय 2023-24 की चौथी तिमाही में 12,706.66



करोड़ रुपये रही जो एक साल पहले इसी तिमाही में 10,254.63 करोड़ रुपये थी। पूरे वित्त वर्ष 2023-24 में कंपनी का शुद्ध लाभ 14,145.46 करोड़ रुपये रहा जो एक साल पहले 11,166.98 करोड़ रुपये था। इस दौरान आय बढ़कर 47,571.23 करोड़ रुपये हो गयी जो एक साल पहले 2022-23 में 39,520.16 करोड़ रुपये थी।

सेंट्रल बैंक ऑफ इंडिया का शुद्ध लाभ 41 प्रतिशत बढ़ा
सार्वजनिक क्षेत्र के सेंट्रल बैंक ऑफ इंडिया का शुद्ध लाभ बीते वित्त वर्ष 2023-24 की जनवरी-मार्च तिमाही में 41 प्रतिशत बढ़कर 807 करोड़ रुपये हो गया। फंस कर्ज में कमी और ब्याज आय बढ़ने से बैंक का लाभ बढ़ा है। इससे पूर्व वित्त वर्ष 2022-23 की इसी तिमाही में बैंक को 571 करोड़ रुपये का शुद्ध लाभ

हुआ था। सेंट्रल बैंक ने मंगलवार को शेयर बाजार को दी सूचना में कहा कि मार्च 2024 को समाप्त तिमाही में उसकी कुल आय बढ़कर 9,699 करोड़ रुपये रही जो एक साल पहले की समान तिमाही में 8,567 करोड़ रुपये थी। बैंक की ब्याज आय आलोच्य तिमाही में बढ़कर 8,337 करोड़ रुपये रही जो एक साल पहले 2022-23 की जनवरी-मार्च तिमाही में 7,144 करोड़ रुपये थी। इस दौरान बैंक की गैर-निष्पादित परिसंपत्ति (एनपीए) सकल कर्ज का 4.5 प्रतिशत रही जो एक साल पहले मार्च 2023 में 8.44 प्रतिशत थी। शुद्ध एनपीए मार्च 2024 को समाप्त तिमाही में घटकर कुल कर्ज का 1.23 प्रतिशत रहा जो एक साल पहले इसी तिमाही में 1.77 प्रतिशत था। फंस कर्ज में कमी से बैंक का ऐसे ऋण को लेकर प्रावधान 2023-24 की चौथी तिमाही

में घटकर 509 करोड़ रुपये रहा जो एक साल पहले इसी तिमाही में 789 करोड़ रुपये था।

बैंक के निदेशक मंडल ने अनुवर्ती सार्वजनिक निगम (एफपीओ) या राइट इश्यू, पात्र संस्थागत नियोजन या अन्य किसी माध्यम से 5,000 करोड़ रुपये तक पूंजी जुटाने के प्रस्ताव को मंजूरी भी दी है। यह पूंजी मंजूरी के आधार पर बासेल-3 मानकों के अनुरूप शेयर पूंजी (टिअर 1) और बॉन्ड अथवा अन्य प्रतिभूतियों के जरिये जुटाई जाएगी।

स्टार हेल्थ इश्योरेंस का शुद्ध लाभ 40 प्रतिशत बढ़ा

स्टार हेल्थ एंड एलाइड इश्योरेंस का चौथी (जनवरी-मार्च) तिमाही में शुद्ध लाभ 40 प्रतिशत बढ़कर 142 करोड़ रुपये हो गया। कंपनी का पिछले साल इसी तिमाही में शुद्ध लाभ 102 करोड़ रुपये रहा था। स्टार हेल्थ ने शेयर बाजार को दी सूचना में बताया कि समीक्षाधीन तिमाही में कंपनी का सकल लिखित प्रीमियम बढ़कर 4,968 करोड़ रुपये हो गया, जो एक साल पहले इसी तिमाही में 4,199 करोड़ रुपये था। शुद्ध प्रीमियम भी पिछले साल की इसी तिमाही के 3,993 करोड़ रुपये की तुलना में बढ़कर 4,570 करोड़ रुपये हो गया।

अदाणी टोटाल गैस के शुद्ध लाभ में 59 प्रतिशत की बढ़त

अदाणी टोटाल गैस लिमिटेड (एटीजीएल) का शुद्ध लाभ 2023-24 की जनवरी-मार्च तिमाही में 59 प्रतिशत बढ़कर 165 करोड़ रुपये रहा। मुख्य रूप से सीएनजी बिक्री बढ़ने से उसका लाभ बढ़ा है। अदाणी समूह और फ्रांस की टोटाल एनर्जीज की संयुक्त उद्यम कंपनी ने एक बयान में कहा कि एक साल पहले 2022-23 की इसी तिमाही में उसे 104 करोड़ रुपये का शुद्ध लाभ हुआ था। समीक्षाधीन तिमाही में अदाणी टोटाल की आय पांच प्रतिशत बढ़कर 1,257 करोड़ रुपये हो गई। इस दौरान सीएनजी की बिक्री 20 प्रतिशत बढ़कर 14.9 करोड़ मानक घन मीटर हो गई। पाइप प्राकृतिक गैस की बिक्री 15 प्रतिशत बढ़कर 8.3 करोड़ मानक घन मीटर रही। वित्त वर्ष 2023-24 के दौरान कंपनी का शुद्ध लाभ 653 करोड़ रुपये रहा।

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Key infrastructure sectors grew at slower pace in March

Core infrastructure sectors, comprising 40% of industrial output, grew by 5.2% in March, slower than the previous month, primarily on lower crude oil production and contraction in refinery products and fertilizers, according to ministry of commerce and industry data. >P2

Core sector growth falls again in March

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NEW DELHI

India's core infrastructure sectors, comprising 40% of industrial output, grew by 5.2% in March, slower than the previous month, primarily due to lower crude oil production and contraction in refinery products and fertilizers, according to data released by the ministry of commerce and industry on Tuesday.

The eight core infrastructure sectors—coal, crude oil, steel, cement, electricity, fertilizers, refinery products, and natural gas—had grown by 7.1% in February, hitting a three-month high. This figure was revised upward from an earlier estimate of 6.7%.

According to ministry data, production growth across the eight core industries stood at 7.5% for FY24, the slowest in three years. However, FY24 outperformed most years of the Modi administration, barring FY22 and FY23, when growth rates were at 10.4% and 7.8%, respectively.

Core sector growth stood at 4.2% in March 2023, benefiting from a lower base, and contributing to higher growth in the index during the month



The eight core infrastructure sectors, including coal, crude oil, had grown by 7.1% in February, hitting a three-month high. AFP

under review.

While refinery and fertilizers output contracted by 0.3% and 1.3%, respectively in March, crude oil, natural gas and steel production also showed signs of slowing. While crude production declined month-on-month from 7.9% to 2%, natural gas production fell from 11.3% in February to 6.3% in March. Steel production also declined from 9.1% to 5.5% during the period.

However, electricity and

cement sectors bucked the trend, with double-digit and high, single-digit growth, respectively. In March, electricity (weightage of 18.75% in the index) drove growth in core industries' output, posting an 8% increase in production. Cement surged 10.6% following a robust 9.1% growth in February, according to the ministry data.

Additionally, natural gas production expanded by 6.3%, coal by 8.7%, steel 5.5%, and

crude oil by 2%. Although both natural gas and steel production witnessed month-on-month decline, they remained in positive territory, indicating potential growth in the coming months.

The contraction in refinery products (-0.3%) significantly impacted the production index of the eight core industries, given its highest weightage of 28.04%. Refinery product growth remained moderate for much of FY24, spiking only in September and November.

"Fertilizers production witnessed a decline, considering this is a non-sowing season and beginning of harvest, when typically there is little demand. The energy basket of crude, gas and refinery products showed different tendencies. Natural gas was up by 6.3% while refinery products were down marginally due to lower growth in exports. Crude production was up by around 2%," said Madan Sabnavis, chief economist, Bank of Baroda.

"The core sector numbers can mean growth of 5-6% in Index of Industrial Production (IIP) for the month," Sabnavis added. Core sector output contributes 40.27% to the IIP.

In March, electricity drove growth in core industries' output, posting an 8% increase in production



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India slashes windfall tax on petroleum crude

Bengaluru: India has cut its windfall tax on petroleum crude to Rs 8,400 a metric tonne from Rs 9,600 with effect from May 1, the government said on Tuesday. The tax, which is revised every fortnight, was left unchanged at zero for diesel and aviation turbine fuel. **REUTERS**

India's oil import bill could swell in FY25: ICRA

PTI ■ NEW DELHI

India's net oil import bill could widen to USD 101-104 billion in current fiscal from USD 96.1 billion in 2023-24 and any escalation in the Iran-Israel conflict could impart an upward pressure on the value of imports, ICRA said on Tuesday.

The domestic rating agency said based on its analysis, lower value of Russian oil imports is estimated to have led to savings of USD 7.9 billion in 11 months (April-February) of 2023-24, up from USD 5.1 billion in 2022-23.

"With India's oil import dependency expected to remain high, if the discounts on purchases of Russian crude persist at the prevailing low levels, ICRA expects India's net oil import bill to widen to USD 101-104 billion in FY2025 from USD 96.1 billion in FY2024, assuming an average crude oil price of USD 85/bbl in the fiscal," ICRA said.

Additionally, any escalation in the Iran-Israel conflict and an associated rise in crude oil prices could impart an upward pressure on the value of net oil imports in the current fiscal year, it added.

As per ICRA's calculations, a USD 10/barrel uptick in the average crude oil price for this fiscal pushes up the net oil



imports by USD 12-13 billion during the year, thereby enlarging the current account deficit (CAD) by 0.3 per cent of GDP.

Accordingly, if the average crude oil price rises to USD 95/barrel in FY2025, then the CAD is likely to widen to 1.5 per cent of GDP from ICRA's current estimate of 1.2 per cent of GDP for 2024-25.

CAD, which is the difference between value of India's imports and exports, is estimated at 0.8 per cent in 2023-24.

India is more than 85 per cent dependent on imports for its needs of crude oil, which is converted into fuels such as petrol and diesel at refineries. ICRA said the value of India's

imports of petroleum crude and products declined by 15.2 per cent YoY during April-February of last fiscal, even as volumes rose slightly in this period.

This was supported by the fall in average global crude oil prices as well as savings from stepped up purchases of discounted Russian crude.

In volume terms, the share of crude petroleum imported from Russia jumped to 36 per cent in April-February FY2024 from 2 per cent in FY2022, while that from West Asian countries (Saudi Arabia, the UAE and Kuwait) fell to 23 per cent from 34 per cent, respectively.

ICRA estimates that the lower imputed unit value of imports

of Russian oil, compared to imports from West Asia, has led to savings in India's oil import bill amounting to USD 5.1 billion in 2022-23 and USD 7.9 billion in 11 months of 2023-24, thereby compressing

India's CAD/GDP ratio by 15-22 basis points in FY2023-24.

However, the extent of monthly discounts relative to price narrowed sharply over the fiscal, to 8 per cent on an average in September-February FY2024 from 23 per cent in April-August FY2024. Consequently, the savings related to purchase of Russian crude are likely to have dipped to USD 2 billion in September-February FY2024 from USD 5.8 billion in April-August FY2024, ICRA said.

Post the Ukraine war, some Western nations shunned Russian oil, leading to Moscow offering discounts. This led to Indian refiners lapping up the discounted oil. The recent conflict in the Middle East also poses threat to crude oil import route. Earlier this month, Iran first launched drone and rocket attacks on Israel, which retaliated by firing a missile.

India imports oil from Saudi Arabia, Iraq and the UAE as well as liquefied natural gas (LNG) from Qatar through the Strait of Hormuz, which is a narrow sea passage between Oman and Iran.