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TAKE TWO P15
LUBE FOR THE ECONOMY
The oil sector is seen to be greasing the wheels of India's economy for the foreseeable future. Will this lead to more capex for the ministry?
S DINAKAR writes

LUBE FOR THE ECONOMY

The oil sector is seen to be greasing the wheels of India's economy for the foreseeable future. Will this lead to more capex for the ministry?

S DINAKAR
Amritsar, 20 January

For a sector that accounts for 15 per cent of India's gross domestic product (GDP) and 26 per cent of the revenue receipts of the Central and state governments, India's petroleum ministry is woefully underfunded.

The petroleum sector contributed ₹4.32 trillion to the Central exchequer by way of taxes, royalties, and dividends, among others, and ₹3.19 trillion to the states in 2023-24, according to an oil ministry document. That is adequate to almost cover the combined federal government spending on pension, defence, and health. Fuel exports contributed 11 per cent to India's total exports by value last financial year and the country's major oil and gas companies contributed around 10.75 per cent of India's GDP, government data shows.

On the other hand, the oil ministry received ₹1,128.97 crore towards capital expenditure in its Budget estimates (BE) for 2024-25, as against ₹35,508.98 crore in 2023-24, only 3.17 per cent of the budgeted estimates in 2023-24, according to government documents. A ₹30,000 crore grant offered for energy transition plans of state oil companies and a ₹5,000 crore allocation for filling the country's strategic reserves were shelved.

For 2023-24, the ministry received ₹12,240 crore in subsidies for LPG, budget documents show. A parliamentary report says the government must enhance capital expenditure substantially in the upcoming Budget for 2025-26, because the wheel of India's economy will continue to be greased by oil and gas for the foreseeable future.

"Import dependency of the crude oil and natural gas of the country is very high and the same is a big concern for the energy security of the country," says the Standing Committee on Petroleum & Natural Gas in a December 2024 report on Demand for Grants. "In order to achieve the long-term goal of securing energy security, the country needs to make large capital investments."

India imports nearly nine out of every 10 barrels it consumes, and half of its gas needs. Also, the oil and gas sector is a large employment generator.

But of greater concern is the inability of state-owned oil companies to make huge investments. Check these numbers. The Internal and External Budgetary Resources (IEBR) allocation towards capital expenditure of oil PSUs in the current fiscal is estimated to be ₹1.18 trillion, which is a reduction of ₹18,322 crore in the estimated allocation from the actual capital expenditure of ₹1.37 trillion last fiscal, and of the same level as the actual capital expenditure of ₹1.19 trillion in 2022-23.

Oil secretary Pankaj Jain told *Business Standard* at an event in Delhi late last year that the government had not postponed construction of new refineries. He categorically denied any hurdles in building grassroot refining and chemical projects. He said the current refining capacity was adequate to meet fuel demand now.

"Indian oil companies have been prompt in putting up refineries for fuels," says Prashant Vasisht, Senior Vice President and Co-Group Head, corporate ratings, at ICRA, a US Moody's affiliate. "But capex can be increased on petrochemicals and chemicals and renewable energy owing to carbon transition risks in line with global peers."

Bhanu Patni, Associate Director, India Ratings & Research, says: "Oil and gas producers are likely to continue spending on new field developments and maintaining output from existing fields. Refiners, especially oil marketing companies, are also focusing on capacity build-up, debottlenecking, and petchem capex with the lower gross refining margins offset by better marketing margins at the current retail prices."

Fuel use

Unlike China, India will need oil and gas for a much longer duration to power its economy, international forecasters say. The US Energy Information Administration forecasts that India will be the biggest demand driver for oil in 2024 and 2025, adding 280,000-300,000 barrels per day annually — a view seconded by the Paris-based International Energy Agency, which downgraded China's demand outlook while retaining India's.

The petroleum sector contributed ₹4.32 trillion to the Central exchequer by way of taxes, royalties, and dividends, among others, and ₹3.19 trillion to the states in 2023-24

New Delhi-based think tank TERI in a recent report outlined gasoline demand to peak by 2044-45 at 94 million tonnes of oil equivalent (toe) if the government successfully electrifies 30 per cent of its passenger fleet by 2030. Diesel demand is expected to peak at 234 million toe by 2056–57, giving Indian refiners more than two decades to recoup their investments.

India is in a position to build new refining capacity, said Amrita Sen, head of research at London-based research agency Energy Aspects, at the India Energy week in Goa last year, anticipating net global refining capacity to expand by 500,000 bpd annually from 2026-30, compared with oil demand growth of at least 1 million-1.5 million bpd each year, adding to a deficit of transportation products.

"In view of the fact that the demand for petroleum products has been increasing continuously during the last 10 years, the committee feels that the country needs to find more crude oil and gas resources and create additional refining capacity and distribution infrastructure to meet growing demand. Further, oil PSUs need to invest more in energy transition projects to meet net zero commitments," says the parliamentary standing committee's report.

After a long hiatus, Indian companies are reviving plans for three new grassroot refineries with roughly 600,000 bpd of combined capacity. A need for new facilities has come after a surge in fuel and chemical use coupled with a slower-than-expected growth rate for cleaner fuel vehicles. Bharat Petroleum is assessing two newbuild refineries with roughly 360,000 bpd of combined capacity, while state-run explorer Oil & Natural Gas Corp is weighing options for a 240,000 bpd facility in Gujarat, industry sources say. India's current refinery additions will total 1.06 million bpd by 2028, increasing the country's total refining capacity to 6.2 million bpd, according to the oil ministry.

Project delays

But project delays are a matter of concern. They prevent refiners from utilising their budgeted capex.

Indian Oil's Paradip refinery, India's last big greenfield project, was conceived during Prime Minister Atal Bihari Vajpayee's government. It was commissioned during Prime Minister Narendra Modi's first term.

Similarly, state-owned refiner Hindustan Petroleum's upcoming 180,000 bpd refinery in Barmer in Rajasthan is expected to begin commissioning this June, after at least a year's delay. Ashok Gehlot, former chief minister of Rajasthan, said in a tweet that when he visited the refinery in June 2023, top officials had assured him that commercial production would start by December 31 that year. The project has been in the works since 2013.

Indian Oil's 180,000 bpd grassroots refinery project in Nagapattinam in Tamil Nadu faces delays of up to two years due to difficulties in securing investors and higher costs. Indian Oil had increased its stake to 75 per cent to execute the project, it said in an exchange filing last year.

Similar delays are noticed in state-run explorer Oil India's Numaligarh Refinery project. It was to be completed by 2024, but has been pushed to December 2025-March 2026. Oil India plans to treble its capacity to 9 million tonnes a year at an estimated investment of more than ₹28,000 crore. Such delays needed to be avoided, the parliamentary report said.

India's energy security is also at risk by a lack of spending on strategic storage. The government denied ₹5,000 crore to oil companies for refilling the existing three rock caverns with a combined capacity of 5.33 million tonnes, around 10 to 11 days of India's fuel consumption. The caverns are around 67 per cent full, according to the report, which is hardly a week of India's consumption.

The oil ministry said there was no provision to fill crude oil reserves this financial year but a provision will be made in the 2025-26 budget. The Committee has told the oil ministry to maintain the optimum level of Indian Strategic Petroleum Reserves and take up the matter of allocation of adequate budget with the finance ministry, given the current geopolitical scenario, especially that of regions that are major suppliers of crude oil.

"The capital expenditure of the ministry and oil PSUs is not sufficient to meet and manage the surge in demand of petroleum products in the country and achieve net-zero targets," the committee observed in its report. It found the capital expenditure in the current financial year inadequate to achieve the long-term goal of energy security and recommended an increase.

IN NUMBERS

Capex of oil ministry (in ₹ crore)

	2022-23 Actual	2023-24 Budgeted	2023-24 Actual	2024-25 Budgeted
Exploration & production	48,125	NA	55,934	50,382
Refining & marketing	61,822	NA	69,763	57,176
Petrochemical	8,966	NA	10,933	10,851
Payments to ISPRL	0	5,000	0	0
Payment for new caverns	0	508	0	408
Capital support for OMC	0	30,000	0	0

Source: Standing committee on Petroleum Ministry, Dec 2024 report

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Healthy retail margins on diesel and gasoline to boost performance, say analysts

OMCs to register strong Q3FY25 earnings

ARUNIMA BHARADWAJ
New Delhi, January 20

THE COUNTRY'S OIL marketing companies are expected to register strong earnings in the third quarter of the current financial year on the back of healthy retail margins on diesel and gasoline led by a decline in crude oil prices, according to analysts.

Elara Capital expects OMCs' retail margin on diesel to increase to ₹9.3 per litre against ₹0.4 per litre last year and ₹5.8 per litre in the previous quarter. The retail gasoline margin may jump to ₹12.8/litre against ₹7.8/litre in the same period last year and ₹9.4/litre in the previous quarter.

"We expect gross refining margins for PSU (public sector undertakings) refiners — Bharat Petroleum, Chennai Petroleum, Hindustan Petroleum, Indian Oil, and MRPL — to average at $5.1 per barrel in Q3FY25E from $1.6 per barrel in Q2FY25 and $9.3 per barrel in Q3FY24," the brokerage said.

It also expects the average crude inventory gain in the third quarter to be $0.3 per barrel against the loss of $2.7/barrel in the previous quarter. "We expect Ebitda (earnings before interest, taxes, depreciation, and amortization) for oil and gas companies to grow 7% year-on-year and 31% sequentially in Q3FY25E, led by strong retail diesel and gasoline margin for OMCs, though partly offset by LPG losses and weaker gross refining margins from last year," Elara Capital said in its preview.

For the public upstream sector, analysts expect crude oil realisations to remain stable from last year at $72.6 per barrel, but down 2% from the previous quarter.

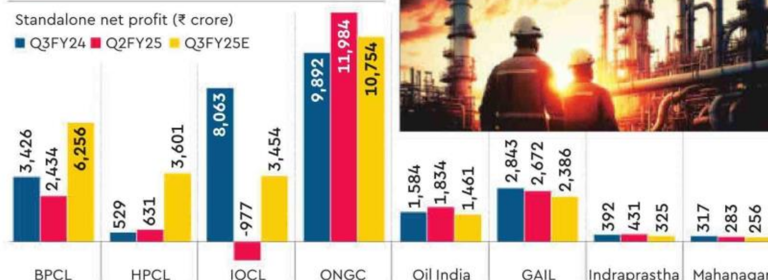
Elara Capital sees Oil India's crude production to grow by a marginal 1% from last year, while gas production is set to be flat due to a delay of a few quarters in Indradhanush Gas Grid gas pipeline connection and constraint in demand from the North-East (until the expansion of Numaligarh refinery by Q3FY26). "We expect ONGC's Ebitda to grow 7% y-o-y in Q3FY25E amid lower statutory levies," it said.

While OMCs are likely to register a healthy Q3FY25, the country's city gas distribution (CGD) companies may see a mixed trend. Analysts expect companies with higher CNG contribution to see a sharp drop in Ebitda per scm (standard cubic meter) margin from last year's levels due to lower domestic gas allocation by GAIL.

"We expect Ebitda to grow a sharp 20% on year for Gujarat Gas due to base effect (weak Ebitda/scm margin in Q3FY24), with volume growth at 5% and Ebitda/scm margin at ₹5.4/scm (up 13% y-o-y). Ebitda for Indraprastha Gas and Mahanagar Gas is set to decline 14% on year and 18% on year, respectively, led by a 21-26% decline in Ebitda/scm margin, though partly offset by a 9-10% volume growth," Elara Capital said.

State-owned natural gas company GAIL is likely to register a 6% fall in its Ebitda during the quarter under review from the same period of last fiscal due to normalisation of gas marketing margin. However, analysts believe that the decline in Ebitda will be partly offset by rising transmission earnings and improved realisation in LPG and liquid hydrocarbon segments.

POSITIVE OUTLOOK



Source: Elara Capital

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Russia sanctions may hit GRMs

Gross refining margins of Indian oil refiners are likely to shrink after fresh sanctions on two Russian oil producers and nearly 200 crude-carrying vessels. >P2

Fresh US sanctions may hit GRMs of Indian oil refiners

Rituraj Baruah
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NEW DELHI

Gross refining margins of Indian oil refiners are likely to shrink going ahead post fresh sanctions on two Russian oil producers and nearly 200 crude-carrying vessels, according to sector experts.

Buyers of cheap Russian oil may now have to look at other sources of oil which are unlikely to be offered at discounts, they said.

"Due to the sanctions, oil companies may have to look at other sources of oil, which may not come with discounts. This would increase the cost and eventually shrink refining margins of the refineries. Although the overall import bill of the country is unlikely to see a major hit, the GRMs may somewhat decline" said Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra.

As Russian discounts fall to below $5 per barrel, GRMs of India public sector OMCs have already declined by about 80% in FY25 from the highs recorded in FY24. Discounts on Russian oil are currently around $2.5-4 per barrel, compared with around $6 per barrel a year ago.

Discounts on Russian oil are currently $2.5-4 per barrel. AP

According to data from the Petroleum Planning & Analysis Cell (PPAC), in the first half of FY25 the refining margins of Mangalore Refinery and Petrochemicals Ltd, a public sector enterprise under the Union petroleum ministry and a subsidiary of Oil and Natural Gas Corp. Ltd (ONGC) declined as much as 80.17% to $2.56 per barrel from $12.91 in the same period last fiscal.

State-run IOCL's GRM in April-September stood at $4.08 per barrel, compared with $13.12 a barrel during the corresponding period of the last fiscal, registering a decline of 68.90%. The other public sector oil majors Bharat Petroleum Corp. Ltd (BPCL) and Hindustan Petroleum Corp. Ltd (HPCL) reported a GRM of $6.12 and $4.03, lower by 60.31% and 61.58%, respectively.

Russia emerged as the top supplier of oil to India in the past three years as it offered crude at steep discounts to get around Western sanctions imposed over its invasion of Ukraine in 2022. So far in the current fiscal (April-October), India has imported crude oil worth $31.86 billion from Russia, about 38.5% of India's total oil imports during the period.

China and India have been among the biggest beneficiaries of Russian crude discounts in the past few years.

For an extended version of the story, go to livemint.com.

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Non-telcos' AGR Bill may be ₹82kcr Less

Govt plans exclusion of non-telecom revenues from sums & other waivers, retrospectively

Kiran Rathee

New Delhi: The government is working on a financial relief package exceeding ₹82,000 crore for non-telecom firms saddled with adjusted gross revenue (AGR) dues following the Supreme Court's 2019 verdict, similar to the relief measures planned for telcos. The retrospective relief may exclude non-telecom revenues from AGR calculations, give 50% waiver on interest and complete waiver on penalties and interest on penalties, multiple people aware of details told **ET**.

"The relief to non-telecom firms will be provided as part of the relief package for telcos and is likely to be announced soon, probably in the budget," said one of the people, on condition of anonymity. ET, in its January 18 edition, reported on the government's plan to potentially providing over ₹1 lakh crore in relief to telcos.

Court Battle Ongoing ▸▸ 14

Erasing the Number

Originally, DoT estimated AGR demand of over ₹4 lakh cr for non-telcos

In 2020, 96% of this was withdrawn; over ₹86k cr remains pending

Relief to be given if firms agree to withdraw legal challenges to govt

Over 2,000 affected non-telco firms include PSUs, ISPs, VSAT players, broadcasters, NLD/ILD operators

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Court Battle Ongoing

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It plans to waive 50% of interest and 100% of penalties and interest on penalties of the AGR dues levied on telcos such as Vodafone Idea and Bharti Airtel. "What is being proposed now by the government (for non-telcos) is in continuation of the 2021 telecom reforms, which have removed penalties and reduced the rate of interest on delayed payments. It is now to be implemented retrospectively," said an official.

The Supreme Court's 2019 verdict, backing the Department of Telecommunications' calculation method for AGR, impacted more than 2,000 non-telco companies, including many public sector entities, internet service providers, national and international long-distance service providers, broadcasters, VSAT players and virtual network operators.

Initial demands from DoT totalled more than ₹4 lakh crore for non-telcos. Later, the department withdrew nearly 96% of demand for AGR dues for some state-run firms such as ONGC, PowerGrid and Gail India.

This prompted private firms to seek legal recourse for similar treatment. While the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) ruled in favour of private entities, DoT challenged the verdict. The matter is pending in court.

BIG BREATHER

However, despite partial withdrawal of AGR demand in 2020, non-telecom firms face dues of over ₹86,000 crore, including principal amounts, interest and penalties.

Notably, 90% of dues are concentrated with 15-20 companies—including Gujarat Narmada Valley Fertilizers Company, Railtel, Sify Tech, L&T Finance, Tata Communications, Hathway Cable, Den Broadband, and Asianet Satellite Communications — that each face dues of over ₹1,000 crore. GNFC alone accounts for around 40% of the dues.

Once the firms agree to the proposal, there will be a reassessment of their dues, the official said.

The government believes the package is crucial for many of these firms to remain viable, as their outstanding dues are significantly higher than their net worth or revenues.

Many small companies facing AGR dues don't even exist now, and it would be difficult to recover any dues from them, people in the know said. But since many of these firms have taken legal recourse, the relief will be given if they agree to withdraw all challenges in various courts against the government, the official cited above said.

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Tata Motors to pilot hydrogen trucks in March quarter

TATA MOTORS WILL start operating trucks powered by hydrogen internal combustion engines on a pilot basis in the March quarter. Under the pilot project, part of the National Green Hydrogen Mission, the company along with IOCL will run the trucks on three routes for 18 months.

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Indian Oil Planning to Boost City Gas Volumes

Sanjeev Choudhary

New Delhi: Indian Oil has crafted an aggressive plan to raise city gas sales volumes to 10 million metric standard cubic meters a day (mmscmd) by 2030 from a mere 0.4 mmscmd today, relying on a strategy to win over industries and commercial vehicle owners to rapidly embrace the cleaner fuel, a senior executive said.

"Economics is driving up city gas sales today as lower prices of compressed natural gas (CNG) are luring three-wheelers—passenger as well as commercial—to convert," said a senior Indian Oil executive who asked not to be named. Currently, CNG sales account for 85% of the total volume Indian Oil's city gas division sells.

In five years, the contribution of CNG will reduce to 50% while that of industries and commercial segment will expand to 30%. Households will account for 20%.

"CNG demand will continue to expand but the key driver for meeting the 10 mmscmd goal would be wider adoption by the industry and commercial segment," said the executive, adding that the demand will get a boost as supply infrastructure and availability increases and more companies shift to cleaner fuel due to regulatory changes or to meet their own decarbonization goal.

CNG demand will remain strong over the next five years "if prices remain competitive with liquid fuel," he said. "Purchase of a CNG vehicle today locks in that amount of gas demand for several years in the future."

Indian Oil has licenses to operate in 26 city gas distribution (CGD) areas. It also has a JV with Adani Group, which separately operates in more licensed areas. The target of 10 mmscmd doesn't include the target for the JV.

Indian Oil is building more pipelines and CNG dispensing stations to cater to new demand in its licensed areas where vehicles, homes and industries have so far depended mainly on alternatives like petrol, diesel, fuel oil and LPG.

To meet its sales target, the company is also tying up supplies domestically as well as in the international market.

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REGISTRATION FOR PUBLIC PROCUREMENT PARTNERS

Inter-ministerial clarity sought on China bidders

DPIIT asks ministries to submit inputs within 30 days of application

ASIT RANJAN MISHRA
New Delhi, 20 January

To address the high number of pending applications, a standing committee reviewing the implementation of public-procurement orders, chaired by the secretary to the Department for Promotion of Industry and Internal Trade (DPIIT), has asked nodal ministries to submit their recommendations on registration of bidders from countries sharing land borders with India within 30 days of receiving the application.

This was the view after it emerged that India had granted registration to only 17 entities of the 269 applications, with 148 applications rejected while 104 applications are waiting for comments from nodal ministries or the National Security Council Secretariat, Ministry of Home Affairs, and Ministry of External Affairs.

The number of applications received was 775 but 506 of those were incomplete and a deficiency letter was issued to applicants.

"Standing Committee may direct all the concerned Ministries/ Departments to give their explicit recommendations regarding the grant of registration or otherwise within 30 days for further processing of the application. Standing Committee may also direct the concerned Ministries/ Departments to expedite their recommendations/ comments on the pending applications," the minutes of the latest meeting of the standing committee, reviewed by *Business Standard*, showed.

ILLUSTRATION: BINAY SINHA

AWAITING REGISTRATION

Ministry/ Department	No. of pending applications
Health & Family Welfare	16
Petroleum & Natural Gas	14
Steel	11
Financial Services	8
Power	6
Heavy Industries	5
Civil Aviation	5
Electronics & IT	5
Telecommunication	4
Chemicals & Fertilisers	3

Source: DPIIT

In February 2023 the Department of Expenditure had mandated that any bidder from a country that shared land borders with India would be eligible to bid in any procurement, whether of goods, services, or works including turnkey projects, only if the bidder was registered with the committee concerned at the DPIIT. This applies also to Indian bidders who have a Specified Transfer of Technology (ToT) arrangement with an entity from a country that shares land borders with India.

The above amendment to the public-procurement order aligns with Press Note 3 of 2020, which mandated government clearance for investment from land-bordering countries, particularly China, following the Galwan Valley clashes of security forces of the two neighbours, also in 2020. Pending applications include 16 with the Ministry of Health and Family Welfare, 14 with the Ministry of Petroleum and Natural Gas, 11 with the Ministry of Steel, and eight with the Department of Financial Services.

Ajay Dua, former industry secretary, said this was more of a request than direction by the standing committee. "The 30-day limit should also be applicable to the Ministries of Home and External Affairs because security clearance takes a lot of time. As Chinese entities supply goods, services and work at a competitive price, it also helps the government cut costs," he added.

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Ethanol production to get a boost from cut in FCI rice prices

SANDIP DAS
New Delhi, January 20

THE GOVERNMENT'S DECISION to significantly reduce prices of the rice allocated for ethanol manufacturers from the Food Corporation of India's surplus stocks would bring in stability in grain prices.

"Rice prices which had been at an elevated level for last one year would decline as the government has announced 20% cut in prices to ₹2,250/quintal from ₹2,800/quintal fixed earlier under open market sale of the Food Corporation of India surplus stock," Abhinav Singhal of the Grain Ethanol Manufacturers Association said.

Stability in feed prices would boost ethanol production from rice. The earlier pricing of ₹28/kg offered by FCI was unviable for manufacturers, Singhal said, adding that maize prices have risen sharply because of the demand from the poultry and livestock feed industry.

About 70-odd grain-based ethanol manufacturers contribute about 65% of the 10,000 million litres of biofuel produced in the country annually while the rest is produced from sugarcane.

According to a food ministry order, state governments and their corporations can purchase up to 1.2 million tonne (MT) of rice from the FCI surplus stock, while ethanol distilleries are allowed to buy up to 2.4 MT at the reduced rate. "These decisions reflect the Government of India's commitment to supporting states in fulfilling their obligations under state schemes, promoting food security, and bolstering ethanol production as part of the national energy strategy," food minister Pralhad Joshi had said. Oil marketing companies pay ₹64/litre for ethanol produced from rice.

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Oil demand falling faster than it looks in China

IS CHINA STILL the best justification for ongoing crude demand, or the worst?

While most of the world remains fixated on the slow-motion car crash in its real estate sector, oil executives seem unruffled. "We are very bullish on China, and their demand picking up, especially with the big stimulus package coming out," Saudi Arabian Oil chief executive Amin Nasser told a conference in Singapore in October.

The major forecasting groups have a similar outlook. Growth last year was well below annual increases that have averaged about 600,000 daily barrels over the past decade — but it was still positive, by their estimates. Consumption rose by about 300,000 barrels a day, according to the Organization of the Petroleum Exporting Countries, while the International Energy Agency saw a 200,000 barrel-a-day gain.

China's customs and output data paint quite a different picture. Combine domestic refinery processing with net exports of gasoline, diesel, and the like, and the consumption of petroleum is about 300,000 daily barrels lower than in 2023. If the country is still sucking up crude, it's likely because it was adding to a stockpile that's still relatively lean by the standards of other oil importers. Fuel that's used to pad out inventories in 2024 is essentially consumption pulled forward from the future, so it's not the sort of thing you'd want to rely on if you're investing in a 15-year oil project.

DAVID FICKLING
Bloomberg

Another sort of pulled-forward consumption will pose a further headache for oil producers. One of the main elements we've seen of that stimulus package that Nasser was so happy about emerged this month — an 81 billion yuan ($11 billion) extension of Beijing's vehicle trade-in policy to get consumers to upgrade old cars and appliances to more energy-efficient variants.

As Morgan Stanley's former chief economist Stephen Roach has pointed out, that won't result in a larger sum of consumer spending so much as alter the timing of it, getting people to buy new durable goods sooner than they would have done. But its effect on fuel consumption will be more lasting, because an earlier purchase of an electric car means a faster decline in demand for gasoline.

Some 60% of vehicles bought under the programme last year came with a plug, and China's car market is already at a tipping point: Battery and plug-in hybrid cars, locally termed new energy vehicles or NEVs, in December made up 49.4% of car sales, and 46.8% across the full year. Conventional and normal hybrid cars will be a minority of the market this year, and the only way is down. Cars in China have a typical lifetime of about 13 years, so the size of the conventional fleet has likely been flatlining for a couple of years, and increasingly dominated by more efficient recent models.

To give Nasser credit, his great hope for Chinese demand doesn't focus on road fuels so much as petrochemicals. But it's increasingly hard to frame that as part of the country's growth story. As we've written, China has been actively onshoring its petchem industry for several years now with several massive refineries specialising in producing polymers and other organic chemicals. Much of this ends up exported again, so it's arguable whether the end-user is Chinese at all.

Take commodity plastics such as bags, utensils, cheap household goods, fabric, and bulk wholesale materials. Exports in this category increased from $80 billion in 2018 to $132 billion in 2023, much of it going to the South and Southeast Asian countries that are increasingly becoming workshops for China's exports.

If you assume oil being sold at a 50% mark-up above the prevailing price of polyethylene (the most common plastic feedstock) it still represents about 600,000 barrels a day, about a fifth of the increase in China's oil consumption over the period.

These products and their fossil raw materials are getting used, whether it's in China or elsewhere. But oil producers counting on Beijing's stimulus to stoke demand for their products need to think hard about where their ultimate consumers are living.

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'Auto sector needs to make nature its ideal for recycling'

New Delhi: The automobile sector needs to make nature its "ideal" when planning recycling strategies, said union environment, forest and climate change minister Bhupender Yadav on Monday. Automobiles contribute 20-30% to urban air pollution in India. The transport sector accounts for about 8% of India's total greenhouse gas emissions. PUJA DAS

Publication : The Hindu Business Line	Editions : Mumbai
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Refiners ask ADNOC to offer oil delivered price

New Delhi: State-run refiners have asked Abu Dhabi National Oil Co (ADNOC) to offer pricing its crude on a delivered basis as well to manage costs, sources said. Refiners in India have been hit hard by a spike in global oil prices and shipping rates after Washington recently imposed sweeping new sanctions targeting Russian insurers, tankers and oil producers. REUTERS

Online

Headline	Indian Achievers' Forum hosts 67th National Conference on Mission Viksit Bharat in New Delhi		
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Indian Achievers' Forum hosts 67th National Conference on Mission Viksit Bharat in New Delhi

https://www.ahmedabadmirror.com/indian-achievers-forum-hosts-67th-national-conference-on-mission-viksit-bharat-in-new-delhi/81883709.html

Indian Achievers' Forum hosts 67th National Conference on Mission Viksit Bharat in New Delhi

New Delhi, [India, January 20: The 67th National Conference on Mission Viksit Bharat 1947 To 2047 was organized by the Indian Achievers' Forum on Thursday, 16th January, at the prestigious Indian Habitat Centre, New Delhi. The Indian Achievers' Forum proudly marked its silver jubilee, honoring a legacy of fostering collaboration, recognizing excellence, and driving impactful change across industries. Over the past 25 years, the Forum has connected visionaries, celebrated achievements, and championed ethical practices in business and community development.

The Summit was graced by eminent guests of honours including Shri Surendra Nath Tripathi, Retd. IAS, Director General, Indian Institute of Public Administration, Dr. Manoj Garg, Retd. IAS, Hon. President AIBCF, Shri Amod Kumar Kanth, Retd. IPS, Founder & General Secretary, Prayas JAC Society, and Air Marshal VPS Rana PVSM, VSM (Retd.). The gathering attracted huge participation from numerous business leaders, CSR professionals, and industry experts from across India. The event also honoured the presence of distinguished international guests including H.E. Ms. Jacqueline Mukangira, High Commission of the Republic of Rwanda to India, H.E. Prof. Joyce Kakuramatsi Kikafunda, High Commissioner of the Republic of Uganda to India, and Mr. Jules Debrailly, Trade Counsellor Embassy of France, adding to the event's global significance.

Powered by Tata Steel, the summit was attended by more than 200 delegates from various countries across the globe.

The event commenced with the ceremonial lighting of lamp, followed by a warm welcome speech of Harish Chandra, President Indian Achievers' Forum. Setting the summit's tone, he articulated the vision behind the event: "To fortify the business communities and individuals across the nation."

Esteemed Guests of Honours contributed valuable insights to the summit's overarching vision, starting with Shri Ravi Shankar, Secretary Indian Achievers' Forum, in his summit overview, who highlighted the vitality of efforts from business leaders - small or micro, in realizing the dream of Viksit Bharat 2047.

Following him, Shri Surendra Nath Tripathi, Retd. IAS, Director General, Indian Institute of Public Administration, in his address to the vast gathering, said: Governance is the backbone that supports economic development, social welfare, and sustainable growth and the role of business leaders, entrepreneurs, and public servants is integral to creating an environment that nurtures innovation, fosters inclusivity, to take ownership of our future.

Shri Amod Kumar Kanth, Retd. IPS, Founder & General Secretary, Prayas JAC Society, urged viewing obstacles as stepping stones to reignite the collective fire to work for national progress. In the Human Development Index India lies at 134th position out of 193 countries despite being the world's fifth-largest economy with a GDP of $3.41 trillion. Bridging this gap calls for unified efforts among business leaders, the government, and society to meet the SDG targets in the next five years and realize the vision of a developed India by 2047, he said.

Corroborating their statements, Air Marshal VPS Rana PVSM, spoke of the immense power harnessed when government and society at large join hands to work in convergence, citing two nations as examples: Israel, a country with a relatively small population yet a powerful military, and China, a nation with a vast population that continues to successfully compete with developed countries.

During the event, few individuals and organisations were recognised with the Achievers' World 40UnderForty Award and Indian Achievers' Award. Some of the award winners were-

Mr. Sai Tarun Kaniganti, Software Developer II, USA

Mr. Aaquib Iqbal, Director, Mobelchem Specialty Pvt. Ltd., India

Ms. Rajalakshmi Soundarapandiyan, USA

Mr. Chandrashekar Althati, USA

Ms. Akila Selvaraj, Chief Product Officer, iQi Inc., USA

Ms. Sanyukta Kulkarni, Senior Manager Route Development, Indian Subcontinent, USA

Mr. Aravind V, HSE Lead - Construction Management Projects (India), JLL, India

Mr. Dinesh Besiahgari, Frontend Engineer II, USA

Mr. Hariprasad Sivaraman, Lead Principal Software Development Engineer Test, USA

Mr. Nikhil Chandrashekar, Senior Programmer Analyst, USA

Ms. Smita Patil, General Manager & Cluster Head HiTech, USA

Mr. Shashank Sawant, Competency & Career Development Leader, USA

Mr Deepak Jayabalan, Data Engineer, Machine Learning, USA

Mr. Niravbhai Jayantibhai Patel, Ph.D., FRSC, Vice President Research & Development, Nivagen Pharmaceuticals Inc., CA, USA

Mr. Abhinav Nellaiah Iyer, Senior Technical Solutions Consultant, USA

Ms. Aditi Ranjit Kumar Verma, Sr. Engineer Systems Design, T-Mobile, USA

Mr. Pavel Bawa, Deputy Head of International - South Asia, University of East London

Ms. Disha Gupta, Head of Operations and Recruitment India, Nepal, Sri Lanka, UAE, Birmingham City University

Ms. Apeksha Jain, Distributed Applications Architect, USA

Mrs. Agrani Punj, Head of International Business, Supervac Industries LLP, India

Mr. Mamidi Ratna Abhishek, Senior Data Scientist, Swiggy, India

Mr Sambit Patnaik, Founder & MD, RapidE Power & Mobility Solutions Pvt. Ltd., India

Mr. Amitava Ghosh, Senior VP, Head of Business - Japan, G China, Korea, Tech Mahindra, India

Mr Krunal Patel, Co-Founder & COO, Indra Water, India

Mr. Sanjay Dimri, Director, Soltech Pump and Equipments Pvt. Ltd., India

Mr. Sambit Satapathy, Managing Director, Akshay Seeds Private Limited, India

Mrs. Priyanka Gowda Ashwath Narayana Gowda, Enterprise Technical Team Lead, America First Credit Union

Mr. Samant Kumar, Portfolio Manager, USA

The event progressed with an engaging panel discussion on the theme Fostering Collective Action: Multi-Sector Collaboration for Promoting Ethics and Responsible Business Practices,' moderated by Dr. Somnath Singh, Deputy Director, UN Global Compact Network India (UN GCNI). During the course of the event, several summit partners showcased their corporate presentations bringing their projects to life on screen, and international dignitaries shared valuable insights and discussed the opportunities their respective countries offer.

Concluding the event, in the vote of thanks Mr. Prashant Das, Secretary AIBCF acknowledged the contributions of all stakeholders and the sponsors - Tata Steel, SBI, REC, NTPC, NHPC, Canara Bank, Powergrid, National Insurance Company, Bank of India, Indian Oil, PNB, Oil India, LIC, ONGC, PSB, BPCL, PFC, RCF etc. Mr. Prashant Das also reiterated dignitaries' agreement on the foundational vision of the summit.

Headline	Fresh US sanctions on Russian oil may hit GRMs of Indian refiners		
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Fresh US sanctions on Russian oil may hit GRMs of Indian refiners

https://www.livemint.com/industry/fresh-us-sanctions-on-russian-oil-may-hit-grms-of-indian-refiners-petroleum-11737375864514.html

New Delhi: Gross refining margins of Indian oil refiners are likely to shrink going ahead post fresh sanctions on two Russian oil producers and nearly 200 crude-carrying vessels, according to sector experts.

Buyers of cheap Russian oil may now have to look at other sources of oil which are unlikely to be offered at discounts, they said.

"Due to the sanctions, oil companies may have to look at other sources of oil, which may not come with discounts. This would increase the cost and eventually shrink refining margins of the refineries. Although the overall import bill of the country is unlikely to see a major hit, the GRMs may somewhat decline" said Prashant Vasisht, senior vice president and co-group head, corporate ratings, Icra.

Decline in public sector GRMs

As Russian discounts fall to below $5 per barrel, GRMs of India public sector OMCs have already declined by about 80% in FY25 from the highs recorded in FY24. Discounts on Russian oil are currently around $2.5-4 per barrel, compared with around $6 per barrel a year ago.

According to data from the Petroleum Planning & Analysis Cell (PPAC), in the first half of FY25 the refining margins of Mangalore Refinery and Petrochemicals Ltd, a public sector enterprise under the Union petroleum ministry and a subsidiary of Oil and Natural Gas Corp. Ltd (ONGC) declined as much as 80.17% to $2.56 per barrel from $12.91 in the same period last fiscal.

State-run IOCLs GRM in April-September stood at $4.08 per barrel, compared with $13.12 a barrel during the corresponding period of the last fiscal, registering a decline of 68.90%. The other public sector oil majors Bharat Petroleum Corp. Ltd (BPCL) and Hindustan Petroleum Corp. Ltd (HPCL) reported a GRM of $6.12 and $4.03, lower by 60.31% and 61.58%, respectively.

Russia emerged as the top supplier of oil to India in the past three years as it offered crude at steep discounts to get around Western sanctions imposed over its invasion of Ukraine in 2022. So far in FY25 (April-October), India has imported crude oil worth $31.86 billion from Russia, about 38.5% of India's total oil imports during the period.

China and India have been among the biggest beneficiaries of Russian crude discounts in the past few years.

Bhanu Patni, associate director, corporates, India Ratings, said: There could be a two-way impact on the GRMs. In case of an increase in the cost of crude procurement, the refining margins of Indian players, currently benefitting from

discounts on Russian crude procurement, may somewhat decline. However, if there is an overall rise in crude prices globally due to the supply side constraints, the margins globally may see an uptick."

Impact of sanctions

The US Treasury on 10 January imposed sanctions on Russian oil producers Gazprom Neft and Surgutneftegas, along with 183 vessels that have shipped Russian oil, in a bid to hit the countrys revenue from oil sales.

On 13 January, Mint reported that the fresh sanctions are unlikely to have an immediate impact on supplies to India for about the next two months as the crude required for this period has already been loaded on vessels and is in transit.

Post this period, refiners will realign their supply arrangements as per their requirement, an official said on the condition of anonymity, adding that an impact, if any, may be in the form of narrowing of discounts, leading India to procure oil at market prices.

Earlier this month, India Ratings forecast that GRMs will remain subdued during FY26 like in the first half of FY25, on account of slow global consumer and industrial demand, especially China, and additional supplies flowing from refinery capacity additions seen globally. However, demand of petroleum products in India is expected to remain strong during FY26, with bulk demand coming from diesel, petrol and LPG, it said.

India's petroleum product demand continues to remain robust with consumption seen at a record 252.9 million tonnes for the next financial year (FY26). According to data from the Petroleum Planning and Analysis Cell, demand for petrol is projected to grow 6.64% in FY26 to 42.6 million tonnes from 39.98 million tonnes projected for this fiscal. Diesel consumption is projected at 94.12 million tonnes, higher by 2.77% than the 91.57 million tonnes estimated for FY25.

Despite the domestic demand for petroleum products being robust, the global trend has been subdued due to weak demand by China, the second largest importer of crude oil, leading to a fall in crack spreads globally. Crack spreads are the price difference between a barrel of crude oil and the petroleum products refined from it.