

## SCOPE conducts workshop on 'GST: Issues & Implications'



Standing Conference of Public Enterprises (SCOPE), in collaboration with the Institute of Cost Accountants of India (ICMAI), organised an interactive workshop on 'GST: Issues & Implications' at SCOPE Complex, New Delhi, recently. The workshop was inaugurated by Sandeep Kumar Gupta, Chairman, SCOPE & CMD, GAIL. Atul Sobti, Director General, SCOPE; CMA Manoj Kumar Anand and CMA Nisha Dewan from ICMAI also addressed the participants. The workshop attended by over 60 participants from various PSEs, aimed at equipping participants with a deeper understanding of GST's evolving framework, through technical sessions, expert-led discussions, and case studies. The event also provided participants with actionable insights to optimize Input Tax Credit (ITC), mitigate risks, and ensure compliance with the latest GST amendments and judgments.

# US-indexed LNG catches fancy of Indian firms on Trump's return

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Nearly 13 years after Gail, a state-run gas distributor, had agreed to source liquefied natural gas (LNG) from two American projects at Henry Hub-linked prices, companies are taking the same path under short-term contracts and based on the same formula.

This coincides with the return of Donald Trump to United States (US) presidency. Trump, in his earlier stint, had pushed New Delhi to boost sourcing crude oil and LNG from the US, and a clamour by Indian city gas utilities and industrial consumers for purchase contracts linked to Henry Hub.

Gail, state-run refiners Bharat Petroleum and Hindustan Petroleum, and IGL, India's biggest city gas utility, plan to secure among them a combined 4 million tonnes of LNG a year, with supplies

starting in 2025-28 under a mix of short- and medium-term contracts, industry officials said.

Gail awarded Qatar Energy this week a contract for 60 standard-sized items of LNG cargo under a five-year supply tender, which closed this month. That translated into around 3.6 million tonnes of LNG shipment from April 2025 to March 2030, sources said.

Gail declined to comment.

The impending Trump administration will ask India to boost purchases of oil and LNG to shrink a growing trade surplus, industry officials said.

An official in a top refiner said the availability of discounted Russian crude oil reduced the attractiveness of US crude oil grades. But LNG is an attractive option, officials said, because US gas competes well with supplies from West Asia. Petronet LNG, a state-run firm, was asked to pursue



an LNG supply-cum-investment deal with a US developer on Washington's prodding during Trump's previous term. But his departure put cold water on a proposed deal.

Henry Hub-based LNG pricing is cheaper than oil-linked alternatives. Supplies of Henry Hub-linked LNG delivered to India will cost around \$9 per million

British thermal units (Btu) based on current levels, freight, and production costs, according to industry officials. The Gail tender had sought supplies at 115 per cent of Henry Hub in addition to a constant. Transport costs from the US are around \$2.50 per million Btu and the cost of liquefying the gas for transportation as LNG is around \$3 per million Btu, industry

■ Henry Hub-linked LNG costs around \$9/Mbtu, cheaper than oil-indexed alternatives (\$10-11/Mbtu) and spot market prices (\$15/Mbtu)

■ Gail awarded Qatar Energy a contract for 60 LNG cargoes (3.6 mn tonnes) over five years starting April 2025

■ IGL, India's largest CNG supplier, plans direct LNG imports to offset subsidised gas allocation cuts

■ Deal coincides with Donald Trump's return, echoing past US pressure to boost crude oil and LNG imports

■ Bharat Petroleum, Hindustan Petroleum, and IGL seek LNG deals to secure a combined 4 mt annually between 2025-2028

sources said.

Petronet LNG pays \$10-11 per million Btu for oil-indexed term volumes from Qatar, according to a company official. LNG in the spot market costs around \$15 per million Btu. Bharat Petroleum is seeking 1 million tons a year of LNG from 2027 for around 10 years to supply an expanding city gas business, preferably indexed

to Henry Hub, to balance other supply contracts linked to oil, an official said. Hindustan Petroleum has issued a tender for purchasing 1 million tons a year for 15 years for a 5-million-tonne-a-year facility in Chhara in Gujarat on the west coast, with Henry Hub pricing options open, a company official said.

Hindustan Petroleum has awarded a contract to Gail to supply a commissioning cargo for Chhara in January.

IGL, the country's biggest CNG supplier, is taking a first stab at direct LNG import instead of relying on supplies from other state-run oil companies like Gail or the Indian Gas Exchange, a company official said. IGL used to secure over 6 million cubic metres of subsidised APM (administered price mechanism) gas a day in April 2023 but New Delhi has slashed allocation to 3.5 million cubic

metres a day, analysts said. IGL wants to directly import the volumes on Henry Hub-linked terms because they come closest to the price of APM gas, a senior company official told *Business Standard*.

Inquiries by Indian firms also coincide with new LNG production capacity of around 140 million tons coming on stream globally by 2028, much of it in the US, according to the industry data. India is likely to import 27-28 million tons of LNG this financial year, of which around a fifth is indexed to Henry Hub, and the rest to crude oil, according to the oil-ministry data.

To put proposed Henry Hub-indexed volumes in context, they will account for another 15 per cent of India's LNG purchases.

Henry Hub pricing is attractive because it reduces reliance on oil-linked LNG pricing, the official from the top refiner said.

