

India looks elsewhere for oil as US sanctions crimp Russia trade

Bloomberg

Tightening enforcement of US sanctions is denting India's oil trade with Russia, forcing processors to consider other supplies, according to refinery executives familiar with the matter.

Russia is still the dominant supplier to India, but there are signs refiners are buying more from elsewhere.

Overall imports from Saudi Arabia are 22 per cent higher this month than January, with the biggest private refiner — Reliance Industries Ltd. — taking its highest volume since May 2020, according to Kpler.

NEED FOR US NOD

India's refiners are keen to take more Russian oil,



LOSING ALLURE. Now, Russian oil is only \$2-\$4 a barrel cheaper than other supplies REUTERS

but there would need to be US approval for buying to ramp up again, the executives said, asking not to be identified because the information is private.

Russian oil is now only \$2-\$4 a barrel cheaper than other supplies and double-digit discounts are unlikely to

return due to competition for barrels from China, the executives said. The discount blew out to more than \$30 after the war.

India's imports of Russian oil surged after the war as refiners took advantage of cheaper barrels that other buyers shunned.

At its peak last year, crude from the OPEC+ producer accounted for almost half of the nation's purchases, but fresh US sanctions has recently stranded some cargoes.

Moscow is also seeking payment in yuan due to increased scrutiny by some banks over using dirhams to settle the trade in the past few months, said a refinery executive and a government official.

Jan core sector growth slows to 15-month low

SAMREEN WANI

New Delhi, 29 February

India's core sector output, which measures production by eight key industries, logged its slowest pace of growth in 15 months, rising 3.6 per cent in January, according to government data. A lower growth of 0.7 per cent was recorded in October 2022.

The high base effect combined with a single digit growth in five industries and negative growth in two others slowed down production in the first month of this year. In January last year, the core sector had grown by 9.7 per cent. Figures for December were revised upwards from 3.8 per cent to 4.9 per cent.

Madan Sabnavis, chief economist, Bank of Baroda said the January figures were a "mixed bag."

Coal output grew by 10.2 per cent — the only sector to retain a double-digit growth in January — compared to 10.7 per cent previously. Sabnavis said the growth in coal was a reflection of "steady demand for power from business and households."

"In fact with winter being quite severe in January, the demand for heating has gone up," he said. While growth in refinery products fell -4.3 per cent, fertilisers dropped by -0.6 per cent — its lowest growth since February 2022. Crude oil grew by 0.7 per cent in January after a negative growth in the previous two months.

"The oil sector has disappointed with refinery products witnessing a drop of 4.3 per cent with exports being one factor. Domestic demand was steady," Sabnavis explained.

Meanwhile, production in the natural gas sector grew by 5.5 per cent, steel by 7 per cent, cement by 5.6 per

IN THE SLOW LANE

Core sector growth

(% Y-o-Y)



Source: Ministry of Commerce and Industry

Sector-wise growth in Jan

(% Y-o-Y)

Refinery products	-4.3
Fertilisers	-0.6
Crude Oil	0.7
Electricity	5.2
Natural gas	5.5
Cement	5.6
Steel	7.0
Coal	10.2

Source: Ministry of Commerce and Industry

cent and electricity by 5.2 per cent.

Sabnavis said: "The good part is that cement and steel, which are reflective of government capex, witnessed fairly good growth of 7 per cent and 5.6 per cent, notwithstanding the high base effect. But the not-so-good news was that overall growth was just 3.6 per cent." Core sector output in the 10-months of this financial year (FY24) grew by 7.7 per cent compared to 8.3 per cent for the same period in FY23.

● CABINET CLEARS ENERGY, AGRICULTURE SCHEMES

₹75,000-crore rooftop solar scheme gets green light

ARUNIMA BHARADWAJ
New Delhi, February 29

THE UNION CABINET on Thursday approved a ₹75,000-crore scheme for rooftop solar installations in 10 million houses by FY26.

Announced by Prime Minister Narendra Modi on February 13, the PM-Surya Ghar: Muft Bijli Yojana promises to deliver up to 300 units of free electricity each month to the beneficiary households.

The scheme is in line with the policy thrust given to renewable energy and India's commitment to achieve net-zero emission by 2070.

Under the scheme, the government will provide central financial assistance of 60% of the cost for 2kW systems. The government will further provide 40% of additional system cost for systems with capacity between 2kW to 3kW.

At current benchmark prices, this will mean ₹30,000 subsidy for 1 kW system, ₹60,000 for 2 kW systems and ₹78,000 for 3 kW systems or higher, the government said. The subsidy however will be capped at 3 kW systems.

Households will have to apply for the subsidy through the national portal, where they will be able to select a suitable vendor for installing rooftop solar and their rating. Additionally, the scheme facilitates access to collateral-free loans at an approximate interest rate of 7% for systems up to 3 kW.

The scheme also aims at developing a model solar village in each district of the country which will act as a role model for adoption of rooftop solar in rural areas.

The new scheme is expected to significantly reduce electricity bills for households and generate additional income through the sale of surplus power to the discoms.

It is expected to add 30 GW of solar capacity through rooftop installations, produce 1,000 billion units of electricity, and reduce carbon emissions by 720 million tonnes over 25 years, the government said.

Moreover, the scheme also provides a component for payment security for renewable energy ser-

RENEWABLE ENERGY PUSH

■ Central financial assistance of **60%** of the cost for **2kW systems** under the scheme

40%

of additional system cost for systems with capacity between **2kW to 3kW** to be covered by govt



■ Access to collateral-free loans at approximate interest rate of **7%** for systems up to 3 kW

Subsidy will be capped at 3 kW systems



vice company (RESCO) based models as well as a fund for innovative projects in the rooftop solar system.

The government had earlier asked REC to be the nodal agency for the implementation of the scheme which will provide line of credit to the tune of ₹15,000 crore each to eight central public undertakings identified for the implementation of rooftop solar, among other private developers and vendors, amounting to a total credit of ₹120,000 crore.

"REC is supposed to coordinate with CPSUs. We have divided states amongst the CPSU and they will be responsible (for implementation of the scheme) in their areas," power minister RK Singh had earlier said.

The country has a total residential rooftop solar capacity of 2.7 GW, according to government data with 0.67 million households having a rooftop solar.

The government recently also approved amendments to the Electricity (Rights of Consumers) Rules, 2020 which reduces the timeline

for getting new electricity connections and simplifies the process of setting up rooftop solar installations, in an attempt to give more push to the solar energy capacity in the country.

The power ministry has also mandated that the strengthening of the distribution system necessary for rooftop solar PV systems up to 5 kW capacity will be done by the distribution company at its own cost.

"Ultimately, the government's primary objective is to reduce the dependence on fossil fuels and move towards green energy," said Vikram V, vice-president & sector head, corporate ratings, Icra.

"Now, the government is looking to promote rooftop solar in a more vigorous manner, so they have come up with the amendment," Vikram said.

To ensure the feasibility of taking rooftop solar capacity in the grid whenever there is a surplus, necessary upgradation of the distribution infrastructure is required.

Modi to launch ₹22,200 crore projects in West Bengal

PNS ■ NEW DELHI

Prime Minister Narendra Modi will be in West Bengal on March 1 and 2 to launch multiple development projects worth over Rs 22,200 crore, a visit which becomes politically significant as well as it comes amid the BJP's sharp attack on the state government over the Sandeshkhali issue.

An official statement said that on March 2 Modi will launch many development projects, worth over nearly Rs 1.83 lakh-crore, from Bihar for across the country in his first visit to the state after Chief Minister Nitish Kumar quit the opposition bloc and joined hands with the BJP.

While the projects to be launched from Bihar are meant for regions spread across the country, a sizeable part of them will be based in the state. The prime minister will inaugurate and lay

foundation of numerous development projects worth over Rs 35,700 crore in Jharkhand too on March 1, the statement added.

In Bengal, he will attend public programmes in Arambagh on March 1 and Krishnanagar on March 2, while in Bihar he will visit Aurangabad and Begusarai, it said.

His visit to Bengal comes amid rising political heat in the state after many women in Sandeshkhali accused ruling Trinamool Congress strongman Shajahan Sheikh and other members of the party of land grab and sexual assault, an issue seized by the BJP to corner its rival.

Giving details of the project, the PMO said Modi will inaugurate the Sindri fertiliser plant of the Hindustan Urvarak & Rasayan Ltd (HURL) in Jharkhand.

The statement said the PM will inaugurate and lay the

foundation stone of several rail projects worth more than Rs 17,600 crore in Jharkhand. Another key project to be inaugurated in the state is the Unit 1 (660 MW) of North Karanpura Super Thermal Power Project (STPP) in Chatra.

In Arambagh in West Bengal, he will inaugurate and lay the foundation stone of developmental projects related to sectors like rail, ports, oil pipeline, LPG supply and wastewater treatment. He will inaugurate Indian Oil's 518-km Haldia-Barauni crude oil pipeline developed at a cost of about Rs 2,790 crore. This pipeline passes through Bihar, Jharkhand and West Bengal and will supply crude oil to Barauni, Bongaigaon and Guwahati refineries in a safe, cost-efficient, and environment-friendly manner, the statement said. He will also launch multiple



projects for strengthening of infrastructure at Syama Prasad Mookerjee Port, Kolkata worth about Rs 1000 crore. In Krishnanagar, the statement said he will lay the foundation stone of Raghunathpur Thermal Power Station phase II (2x660

MW) located at Raghunathpur in Purulia district.

This coal based thermal power project of the Damodar Valley Corporation employs highly-efficient super critical technology. The new plant will be a step

towards strengthening the energy security of the country, it said.

Among other projects, he will inaugurate the flue gas desulfurization (FGD) system of the unit 7 & 8 of the Mejia thermal power station developed at a cost of about

Rs 650 crore and the road project for four laning of Farakka-Raiganj section of NH-12 developed at a cost of about Rs 1,986 crore.

In Bihar's Aurangabad, he will inaugurate and lay the foundation stone for several national highway projects worth more than Rs 18,100 crores.

He will also lay the foundation stone of the six-lane bridge across Ganga that will be developed as a part of the Patna ring road. It will be one of the longest river bridges in the country and help decongest traffic through the capital city and provide faster and better connectivity between the north and south regions of the state.

He will also inaugurate 12 projects under Namami Gange in Bihar that have been developed at a cost of about Rs 2,190 crore.

In Begusarai in Bihar, the projects to be launched will

witness a significant boost to the energy sector in the country as he will inaugurate and lay the foundation stone for multiple oil and gas projects worth about Rs 1.48 lakh-crore. The projects are spread across the country in various states like Bihar, Haryana, Andhra Pradesh, Maharashtra, Punjab and Karnataka along with KG Basin.

The oil and gas sector projects worth about Rs 14,000 crore will be taken up in Bihar. This includes foundation stone laying of the expansion of the Barauni refinery with project cost of more than Rs 11,400 crore.

He will also inaugurate the HURL's fertiliser plant in Barauni which has been developed at a cost of over Rs 9,500 crore. The prime minister will launch several railway projects worth about Rs 3,917 crore as well, the statement said.

Windfall Tax on Domestic Crude Raised



REUTERS

Our Bureau

New Delhi: The government on Thursday raised the windfall tax on domestically produced crude oil to ₹4,600 per tonne from ₹3,300 per tonne.

According to a notification issued by the finance ministry, export duty on diesel was cut to nil from ₹1.50/litre, while that on petrol and aviation turbine fuel (ATF) remained unchanged at nil.

The latest change in rates will come into effect from March 1.

The government had introduced the windfall profit tax in July 2022. The duty rates are reviewed every fortnight based on average crude oil prices in the previous two weeks.

PM to flag off 'First Oil' from KG Basin, ₹2.50 lakh cr projects in three states

STATESMAN NEWS SERVICE
NEW DELHI, 29 FEBRUARY

Prime Minister Narendra Modi will visit Jharkhand, Bihar and West Bengal for two days from Friday and launch projects worth nearly Rs 2.50 lakh crore, including oil and gas sector projects worth Rs 1.48 lakh crore, across the country.

Mr Modi will reach Sindri, Dhanbad in Jharkhand on Friday and inaugurate, dedicate and lay the foundation stones of multiple development projects worth Rs 35,700 crore in the State. The projects are related to fertiliser, rail, power, and coal sectors.

In Bengal, the Prime Minister will participate in a public programme later to launch multiple development projects worth more than Rs 7,200 crore in Arambagh, Hooghly. On Saturday, he will be in



Krishnanagar, Nadia district to inaugurate and lay foundation stones of projects worth Rs 15,000 crore.

Mr Modi is also expected to lay the foundation stones of projects worth Rs 21,400 crore. The Begusarai public function in the State will mark a significant event for the energy sector when the PM launches oil and gas projects worth about Rs 1.48 lakh crore.

These projects are spread across states like Bihar, Haryana, Andhra Pradesh, Maharash-

tra, Punjab and Karnataka along with KG Basin. Mr Modi will dedicate 'First Oil' from KG Basin to the nation and will flag off the first crude oil tanker from the ONGC Krishna Godavari deepwater project.

The extraction of 'First Oil' from KG Basin marks a historic achievement in India's energy sector, promising to significantly reduce dependence on energy imports. The project also heralds a new era in India's energy sector, promising to bolster energy security and foster economic resilience.

The Hindustan Urvarak and Rasayan Ltd (HURL) Sindri Fertiliser Plant which the Prime Minister will dedicate at Sindri, Jharkhand, has been developed at a cost of more than Rs 8,900 crore, and brings the country closer to self-sufficiency in the urea sector.

The hydrogen-powered ferry PM launched

SHAJU PHILIP

THIRUVANANTHAPURAM, FEBRUARY 29

PRIME MINISTER Narendra Modi Wednesday virtually launched India's first indigenously developed hydrogen fuel cell ferry. The vessel, manufactured by Cochin Shipyard Limited (CSL), will be deployed for service at Varanasi in Uttar Pradesh.

Built at a cost of Rs 18 crore, the ferry will be handed over to the Inland Waterways Authority of India by the CSL after rigorous trials. The Ministry of Ports, Shipping and Waterways met 75 per cent of the project cost.

What are the ferry's features?

The Hydrogen fuel cell vessel is a 24-meter-long catamaran, which can carry 50 people in its air-conditioned passenger area. The accommodation area has been constructed with high-quality fiberglass reinforced plastic, similar to metro train coaches.

This boat has five hydrogen cylinders that can carry 40kg of hydrogen and support eight hours of operations. The vessel is also



The ferry cost Rs 18 crore to build. PTI

fitted with a 3-kW solar panel. A hydrogen fuel cell-powered vessel has zero emission, zero noise and is energy-efficient, which makes it more environment-friendly. Since there are no moving parts, the ferry requires less maintenance than combustion vessels.

How do hydrogen fuel cells work?

A hydrogen fuel cell generates electricity by utilising the chemical energy contained in

hydrogen. It releases only pure water, not discharging pollutants. The energy within the hydrogen is converted into electricity and heat, which is then used to power the vessel's propulsion mechanism. In the fuel cell, the hydrogen reacts with the oxygen in the air to produce electricity. Unlike batteries, hydrogen fuel cells do not require recharging. Provided uninterrupted supply of fuel and oxygen, these cells would work continuously.

What type of cells have been used here?

This vessel uses a 50-kW PEM (proton-exchange membrane) fuel cell, with Lithium-Ion Phosphate batteries. The advantage is that the cells can quickly change their output depending upon the power demand. PEM fuel cells are popular in automotive applications because they operate at a lower temperature, and are lighter and more compact.

How was it developed?

The vessel has been built completely by the CSL, which also developed the vessel automation system and power management system. The hydrogen fuel cell system was

developed by KPIT Technologies, Pune, in collaboration with the Council of Scientific and Industrial Research Labs, under the Union Ministry of Science and Technology.

While hydrogen fuel cell technology has been under development for maritime applications, only a few countries globally have done demonstration projects. This ferry, thus, has given India an early mover advantage to tap the potential of hydrogen as an emerging green fuel in the marine sector.

The Centre's 'Harit Nauka' (green boat) initiative envisages a green transition of inland vessels. In line with this, the ferry can be replicated in other parts of the country.

What is the Harit Nauka initiative?

In January 2024, the shipping ministry unveiled the Harit Nauka guidelines for inland vessels. As per the guidelines, all states have to make efforts to use green fuels for 50 per cent of inland waterways-based passenger fleets in the next one decade, and 100 per cent by 2045.

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Govt hikes domestic natural gas price

The government on Thursday hiked the price of domestically-produced natural gas to \$8.17 per mBtu for March from \$7.85 per mBtu in February on a gross calorific value basis, as per a notification by the oil ministry's Petroleum Planning and Analysis Cell. The natural gas produced by Oil and Natural Gas Corp Ltd and Oil India Ltd will be subject to a ceiling of \$6.50 per mBtu on a gross calorific value basis for March, the notification said.

Gas price up, cap to protect users

TIMES NEWS NETWORK

New Delhi: Govt on Thursday raised March price of natural gas produced from domestic fields under legacy financial and regulatory regimes by about 4% to \$8.2 per unit (million metric British thermal units) but consumers will not be impacted due a \$6.5 price cap in the current pricing mechanism.

The government had in April 2023 linked domestic gas pricing to 'Indian basket' — or the mix of crude bought by the Indian refiners after scrapping the earlier formu-

la based on benchmark prices in gas-surplus markets such as the US, Canada, Europe and Russia. The revised formula, based on recommendations by a panel led by economist Kirti Parikh, set domestic gas price at 10% of the monthly average of the Indian Basket in the previous month, with a floor of \$4 and a cap of \$6.5 per unit.

The floor ensured minimum remunerative price for producers in a depressed market, while the cap protected consumers such as CNG and PNG consumers from the full impact of price spikes.