

SETTING SLOWDOWN FEARS ASIDE

Experts see robust oil demand in FY24

SUBHAYAN CHAKRABORTY

New Delhi, 2 January

Oil demand in India is expected to remain positive this year despite worries over an industrial slowdown in China affecting related economies, and a cut in global crude production, experts said.

These factors had been cited to stress an impending fall in demand a few months back. But most are now increasingly pointing to rising economic activity in the country as a trigger for further increases in India's domestic demand.

In its monthly oil report for December, the Organization of the Petroleum Exporting Countries (OPEC) has projected India's oil demand in 2024 at 5.59 million barrels per day (b/d), up from 5.37 million b/d in 2023, resulting in a growth of 4.1 per cent. The global cartel of countries has pegged India's demand at 5.14 mb/d in 2022. On the other hand, demand in China is expected

Russian cargoes head away amid payment issues

A number of vessels hauling crude from Russia that had been idling off India are now headed away from the country eastwards, amid concerns over oil payments to Moscow that spurred a slump in arrivals last month. Five ships all carrying Sokol oil from Russia's Far East are moving toward the Malacca Strait at 7 to 10 knots, according to vessel-tracking data.

BLOOMBERG

to rise by 3.6 per cent.

India's liquid fuel consumption, which includes crude oil and refined petroleum products, is expected to grow at an average of 0.3 million b/d in 2024, the United States Energy Information Administration (EIA) said in a recent report. "We forecast India's demand growth will

increase to 331,000 b/d in 2024 from 268,000 b/d in 2023, helped by favourable base effects and only a slight slowing in GDP growth (6.0 per cent in 2024 from 6.1 per cent in 2023)," it said.

In 2022, India consumed 4.9 million b/d of oil products and liquids. According to S&P Global, this consumption is forecast to rise to 5.2 million b/d in 2023 and 5.3 million b/d in 2024, it said in a report last week. It expects India's oil demand to grow by 258,000 barrels per day in 2023. Demand from South Asia, which includes India's neighbouring nations, will likely increase by 3.2 per cent in 2024, exceeding China's 2.9 per cent, it had said.

"The domestic consumption of crude oil is expected to grow by 4-5 per cent in FY24 (2023-24), over FY23 driven by economic growth, increased mobility, and air travel," Prashant Vashisht, vice-president at ICRA, said.



STORY SO FAR Domestic fuel* consumption

	Total consumption (Mt)	% chg Y-o-Y
2013-14	158.4	0.85
2014-15	165.52	4.49
2015-16	184.67	11.5
2016-17	194.59	5.37
2017-18	206.16	5.94
2018-19	213.21	3.4
2019-20	214.12	0.4
2020-21	194.29	-9.3
2021-22	201.69	3.8
2022-23	223.02	10.6
2023-24 (Apr-Nov)	152.27	N/A

*Includes petroleum products, naphtha, jet fuel, etc
Mt: million tonne
Source : Petroleum Planning & Analysis Cell

Govt hikes windfall tax on crude oil



PRESS TRUST OF INDIA
New Delhi, January 2

THE GOVERNMENT HAS hiked the windfall tax on crude oil produced in the country and cut the levy to nil on exports of diesel and aviation turbine fuel (ATF).

The tax, levied in the form of Special Additional Excise Duty (SAED), on domestically produced crude oil has been raised to ₹2,300 from ₹1,300 per tonne, according to an official notification.

The SAED on the export of diesel has been reduced to nil from ₹0.50 a litre.

The levy on export of jet fuel or ATF has been cut to nil from ₹1 per litre.

SAED on petrol will continue to be zero. The new rates are effective from Tuesday.

India first imposed windfall profit taxes on July 1 2022, joining a growing number of nations that tax supernormal profits of energy companies.

Govt hikes windfall tax on crude oil

However, the govt cut the levy to nil on exports of diesel and ATF

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litre. SAED on petrol will continue to be zero. The new rates are effective from Tuesday.

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Govt hikes windfall tax on crude oil, reduces tax on diesel, aviation turbine fuel



STATESMAN NEWS SERVICE
NEW DELHI, 2 JANUARY

In a recent move, the government has hiked the windfall tax on crude oil while reducing the tax on diesel and aviation turbine fuel.

According to a government notification, the wind-

fall tax on petroleum crude oil has been hiked to Rs 2,300 a tonne from Rs 1,300.

A tax on diesel of Rs 0.5 per litre was eliminated, it said as was a Re 1 per litre windfall tax on aviation fuel. India imposed a windfall tax on crude oil producers in July 2022. It extended the levy on exports of gaso-

line, diesel and aviation fuel as private refiners wanted to sell fuel overseas to make gains from robust refining margins instead of selling locally.

On November 1, the government had increased the windfall tax on petroleum crude to Rs 9,800 per tonne from Rs 9,050 per tonne. It also reduced the windfall tax on diesel to Rs 2 per litre from Rs 4 per litre. The decision to impose the windfall tax in 2022 was believed to be taken in view of the decline in the international oil price and widespread opposition from the oil and gas industry. It was also done to curb the country's widening deficit amid sustained high oil prices.

Windfall Tax is a one-time tax that is imposed on entities that have made huge profits due to favourable market conditions. Government imposes this tax so that in return they can increase their revenue.

Heightened risks for oil



N CHANDRA MOHAN

The writer is an economics and business commentator based in New Delhi. Views are personal.

Downtrend in prices could swiftly reverse if the Hamas-Israel war escalates to the region

Despite the raging war between Hamas forces and Israel's army since October 7, a noteworthy feature is that global oil prices have so far not flared up. Although in the initial weeks, Brent crude spot prices remained elevated at \$90 plus a barrel, they settled down to lower levels of around \$79 a barrel in the last week of December 2023.

The attacks on shipping in the Red Sea by Yemeni Houthi forces contributed to upward momentum in the third week of December, but it petered out as concerns eased regarding any disruption.

The threat, however, still remains. Overall, in December, prices at \$77-78 a barrel were in fact lower by 17% when compared to \$93.7 a barrel in September.

The downtrend in oil prices perhaps reflected an assumption that the conflict will not engulf the West Asian region that accounts for a major proportion of the world's oil production. While those risks still remain heightened, a more fundamental factor is that the world is awash in oil due to rising supplies from the US—which accounted for four-fifths of the increase in 2023—Guyana and Brazil at a time of weakening global growth. There is record production in the US amidst a wave of consolidation by Big Oil.

All of this has more than offset the significant cuts in production announced by OPEC, although allies like Russia are exporting more in recent weeks despite pledges to reduce

shipments.

The decline in oil prices despite the ongoing war between Hamas forces and Israel contrasts with earlier episodes when they have zoomed due to the so-called "fear premium" or jitters over disruptions in oil supplies. Not so long ago, there was turmoil in West Asia, with drone strikes on September 14, 2019 targeting oil processing facilities at Abqaiq and Khurais in eastern Saudi Arabia, cutting the kingdom's oil production by about half—representing about 5% of global oil production—and causing some destabilisation of global oil markets. The attacks on January 17, 2022, on fuel tankers in the United Arab Emirates resulted in oil prices spiking upwards to a seven-year high.

These jitters are similarly bound to reflect in higher prices as risks rapidly escalate of the current conflict spilling over from Israel to Lebanon and Syria ultimately involving Iran for supporting Hamas and other militias like Hezbollah in Lebanon and the Houthis in Yemen. Currently, there is intense shelling from Israel into southern Lebanon. US forces have retaliated to attacks by Iranian-backed militias in Iraq and Syria. US helicopters shot 10

Houthis for targeting vessels. Iran has sent a warship to the Red Sea. Israel's defence minister, Yoav Gallant, has ominously warned of the prospect of a "multi-arena war" notably, in Gaza, occupied West Bank, Lebanon, Syria, Yemen, Iraq and Iran.

The prospects for seven theatres of war getting active with missile and drone attacks near where oil is produced naturally will roil oil markets. How much prices will zoom obviously depends on their impact on disruption to oil supplies.

According to the World Bank, in a small disruption scenario of global oil supplies reducing by 0.5-2%, comparable to the Libyan civil war in 2011, prices will go up to \$93 to \$102 a barrel. In a medium risk

scenario, the disruption in global oil supplies rises to 3%, as during the Iraq war in 2003, raising prices to \$109-121 a barrel. In the large disruption scenario, global oil supplies are down by 6-8%, like during the Arab oil embargo of 1973, resulting in a price spike to \$140-157 a barrel, which can trigger global stagflation.

The outlook on global oil prices could be much worse if the Hamas-Israel conflict involves Iran. As yet,

there is no evidence of its direct involvement behind Hamas's attacks in Israel, but the probability of further US-led sanctions cannot be ruled out, including curbs on its sale of oil.

Iran is the third-largest OPEC producer, generating 2.97 million barrels per day in July-September 2023. These sanctions would straightaway take out 2.9% of global crude supplies. It is true that past sanctions during November 2011 to October 2012 and ongoing ones since July 2018 led to only small declines in global oil supplies by 0.9% and 1.2%, respectively, resulting in limited price spikes.

But the current situation portends a more dismal scenario if Iran chooses to retaliate by blockading the Strait of Hormuz which is located between Oman and Iran and connects the Persian Gulf with the Gulf of Oman and the Arabian Sea. Flows through the Strait in 2022 and the first half of 2023 made up more than one-quarter of total global seaborne traded oil. In addition, around one-fifth of global liquefied natural gas trade also transited the Strait in 2022 according to the US Energy Information Administration.

Oil prices then would spike much more than the risk scenarios outlined earlier and bring the world economy to its knees. International diplomacy must therefore prevail to end the conflict before it spreads to the region and reverses the current softening of oil prices.

The outlook could get much worse if Iran gets involved. US-led sanctions would take out 2.9% of global crude supplies. But a much more dismal scenario would be if Iran chooses to retaliate by blockading the Strait of Hormuz



India turns to Saudi as Russia oil buys fall

Reuters

NEW DELHI

India increased Saudi oil imports in December as payment problems drove its Russian oil buys to an 11-month low, with about five cargoes of the sweet Sokol variant heading to other locations, data from vessel tracking agencies showed.

Indian Oil Corporation (IOC), which was set to get the Sokol oil, had to withdraw from its inventory and buy from West Asia to make up the shortfall, sources told Reuters last month. IOC is the only firm with an annual deal to buy

India's December oil imports from Russia declined 16%-22%, based on Reuters calculation

several Russian grades from oil major Rosneft.

India's oil imports from Russia in December declined between 16% and 22%, based on Reuters calculation of data gleaned from flow tracking agencies Vortexa, Kpler and LSEG. Its imports of Saudi oil, rose by about 4%, however, data from Kpler and Vortexa showed.

'Initial phase posed challenges... some enablers (for CBG now) activated'



India's first attempt at converting its mounting waste, which is choking cities and the countryside, to cleaner natural gas has failed – as a standing committee report on compressed biogas (CBG) has pointed out. Against the target of installing 5,000 CBG plants in six years by 2023–24, only 40 have come up – with only 9,000 tonnes of CBG sold as against an output target of 15 million tonnes per year (equivalent to 54 million

cubic metres of gas a day) by 2023–24. At such output levels, India could have eliminated two-thirds of its liquefied natural gas import. A new crop of entrepreneurs led by EverEnviro has emerged, aiming to take advantage of changes to the CBG policy, easing pricing and offtake. Inaugurated by Prime Minister Narendra Modi in February 2022, EverEnviro's Indore CBG facility, the country's biggest and located

at a landfill that once contained 200,000 tonnes of waste, processes 550 tonnes of organic waste daily. EverEnviro Resource Management Managing Director and Chief Executive Officer **MAHESH GIRDHAR** speaks to **S Dinakar** on the company's and the CBG industry's prospects in what can be called India's second stab at CBG – after the initial attempt failed, in a telephonic interaction. Edited excerpts:

What is the expected CBG volume from your projects?

The aim is to reach 1,000 tonnes per day in five years. By the end of March, production is anticipated to be around 60 tonnes per day. Specific projects, including those in Sangrur and Patiala, are set to commence CBG production, focusing solely on paddy straw as feedstock.

How much does a CBG plant cost?

A typical plant with a capacity of 10 tonnes per day will cost ₹80-100 crore.

After setting up plants, do you see investors taking

equity, like what's happening in solar, where companies set up plants and sell equity? Are such scenarios and valuations expected in this business?

We are still in the early stages, much earlier than solar. I believe in one or two years, we'll start seeing a significant interest from investors in India's green energy sector, especially in the CBG industry.

CBG projects in India were initiated in 2018 but did not gain traction like ethanol ventures because of offtake and pricing issues. What has changed, now that companies such as yours have come forward to invest?

The initial phase posed challenges

for the industry, and certain enablers were required. Some have been activated while others need attention from a policy perspective.



MAHESH GIRDHAR
MD & CEO,
EverEnviro Resource
Management

One crucial enabler is the CBG off-take mechanism through city gas distribution (CGD) and the associated pricing, a recent development pushed by the government, requiring CGD companies to undertake long-term tieups.

The second enabler is the capital subsidy provided by the central government through the MNRE (Ministry of New and Renewable Energy) and in states like Uttar Pradesh, where there is a state subsidy on capital.

The third enabler addresses the

gap in fermented organic manure. The government recently announced marketing incentives for it, providing ₹1,500 per tonne for three years.

The fourth enabler is promoting agricultural mechanisation to handle crop residue in Punjab, Haryana, and Uttar Pradesh. Additionally, efforts are under way for establishing pipeline connectivity to CBG plants, which, if successful, will provide a captive demand.

Has the government mandated CBG blending?

CGD for districts needs to take off, whether it's Indian Oil, Hindustan Petroleum, Torrent Gas, or any other private or public-sector firm. The move provides stability for CBG developers to make substantial investment in infrastructure.

Is the CBG price set by the government, as it happens in the case of ethanol?

Under the CGD-CBG sync scheme, the CBG price is linked to the CNG price, and the CBG players receive the net price after subtracting the marketing margin. We have the option to tie up either under the scheme Sustainable Alternative Towards Affordable

Transportation (SATAT) or CGD-CBG. The SATAT price provides a certain minimum amount, initially ₹46 a kg and now revised to above ₹50. In contrast, the sync pricing mechanism allows for realisations up to ₹70 and even higher, linked to the CNG price. To sustain or develop the industry, a mechanism of price support in the coming years would be beneficial.

Do you think the government should intervene in procurement costs?

I am not in favour of direct intervention. Instead, the focus should be on providing continued support to farmers for machinery and processes. Production-linked incentives work better than input-linked incentives.

What is the subsidy? Do you want some floor price?

The central government provides a maximum of ₹10 crore, equivalent to ₹83 lakh per tonne of CBG, with a cap of ₹10 crore for a 12-tonne plant. In Uttar Pradesh, the maximum subsidy can go up to ₹20 crore (₹75 lakh per tonne of CBG generation), depending on the plant's output. Other than Uttar Pradesh, no other state has significant policy initiatives in this regard.

{ M.P., BIHAR, J'KHAND, C'GARH }

LPG supply hit, work at coal mines affected

HT Correspondent

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PATNA/RAIPUR/BHOPAL: The ongoing truckers' protest disrupted delivery of services in the states of Bihar, Madhya Pradesh and Chhattisgarh on Tuesday.

In Bihar, a shortage of cooking gas cylinders was reported as only 30% of trucks transporting them reached the designated stores or outlets, according to Sudhanshu Kumar Singh, Bihar state coordinator of the Federation of LPG Distributors of India. "There is a shortage of cylinders at several places as trucks are not reaching their destination," he said.

According to state chief secretary Amir Subhani, the Nitish Kumar-led government is keeping a tab on the ongoing agitation and instructions have been issued to district administrations to ensure supply of essentials is not affected.

As most filling stations in Madhya Pradesh reported shortage of fuel, the state government started providing police protection to tankers operated by oil companies.

"Petrol and diesel have been sent from Indore to Khandwa and Burhanpur under police protection," a state government official said, declining to be named. To prevent people stocking up on fuel, district administrations in Umaria, Satna, Sagar and some other districts imposed a 10 litre limit for each vehicle.

In Jharkhand, lifting of coal from mines in Dhanbad was affected, with less than 20% of drivers reporting for work.

In Chhattisgarh, chief minister Vishnu Deo Sai chaired a meeting to review the situation and issued instructions to maintain a smooth supply of essential commodities so that there was no shortage.



No purchase of petrol, diesel vehicles in Himachal: Sukhu on Green agenda

ASHWANI SHARMA

SHIMLA: Chief Minister Sukhwinder Singh Sukhu has ordered all government departments to stop buying diesel and petrol vehicles in the state and instead switch over to electric vehicles.

The chief minister himself has been using electric cars in Shimla and also for his travels in the state.

The green activists are attaching a lot of importance to the Himachal Pradesh government move to ban purchase of diesel or petrol vehicles by Himachal Pradesh government from January 1, 2024 onwards.

“If necessary, the departments will be able to purchase

petrol or diesel vehicles only after the approval of the Cabinet”, he added.

Aiming for ‘Vyavastha Parivartan’, the chief minister since his first budget speech took a pledge for preservation of the green cover of the state and announced various provisions to promote e-vehicles in the state.

Already during the year, the number of e-vehicles purchased in the state for government departments reached 185, while that of private e-vehicles registered in the state are 2,733.

All the departments will ensure replacing their fuel vehicles with e-vehicles in a phased manner. Use of e-vehicles is not only a new beginning, but also

shows the commitment of the government towards environmental preservation, he said.

To meet the requirement of vehicles in departments, permission has been given to ply e-taxis on contract basis. Under the Rs 680 crore Rajiv Gandhi Self-Employment Start-up Scheme, e-taxi permits are being provided to the youth by providing them 50 per cent subsidy on their purchase.

The chief minister said the government is developing infrastructure for charging e-vehicles.

The Transport Department has finalised 54 locations for setting up e-vehicle charging stations in the state, some of which are almost ready.

Oil & gas contributes ₹3.4 trn to govt kitty

ARUNIMA BHARADWAJ
New Delhi, January 2

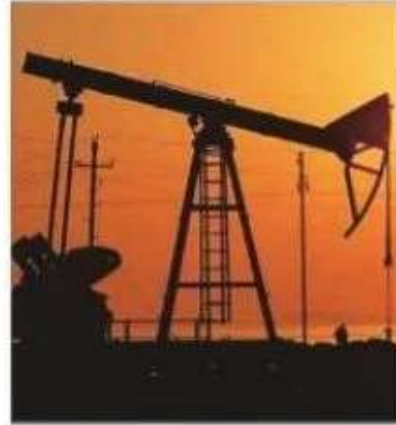
INDIA'S PETROLEUM SECTOR contributed ₹3.41 trillion to the exchequer in the first half of the current financial year, down 4.6% on year, according to the latest data released by the Petroleum Planning and Analysis Cell. Of this, the sector contributed ₹1.85 trillion to the Centre and ₹1.56 trillion to the states.

The amounts paid includes excise duty, customs duty, royalty rates on crude oil, corporate/income tax, service tax, cess on crude oil, and such other cess and surcharges on petroleum products.

"The subsidy burden on petroleum products was ₹4,596 crore during first half of FY24 including ₹30,396 crore during FY23 and the onetime grant of ₹22,000 crore on account of under recovery on domestic LPG (Liquified Petroleum Gas) to the oil marketing companies (OMCs)," the report said.

In the first half of the previous financial year 2022-23, India's oil and gas sector had contributed ₹3.57 trillion to the exchequer which included ₹1.97 trillion and ₹1.60 trillion to the central and state exchequer respectively. In FY22, the contribution to the exchequer stood at ₹7.74 trillion.

The exchequer received ₹1.41 trillion as sales tax from across states and Union territories in the first six months of the current fiscal.



The central government has levied an excise duty of ₹1.24 trillion on the sector from April to September compared to the excise duty of ₹2.88 trillion in FY23, the data showed.

In May 2022, the central government had reduced the excise duty on petrol by ₹8 per litre and on diesel by ₹6 per litre to keep a check on the high fuel prices.

It has also levied an additional basic excise duty of ₹2 per litre on unblended petrol intended for retail sale from November 2022.

Even after a surge in the global crude oil prices post the Russia-Ukraine war, the oil marketing companies had kept the auto fuel prices unchanged. However, latest reports suggest that the government is likely to cut the prices of petrol and diesel to the tune of ₹4-6 per litre owing to lower crude prices in the global markets presently.



OVL works on oil-for-dividend deal with Venezuela

Utpal Bhaskar
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NEW DELHI

ONGC Videsh Ltd (OVL) is in talks with its Venezuelan partner to secure oil cargoes in lieu of unpaid dividends totalling \$600 million, two people aware of the development said. This follows the US easing sanctions on Venezuela, where India's overseas explorer has partnered state-owned Petróleos de Venezuela SA (PdVSA) for the San Cristobal project.

Any oil flowing in from Venezuela holds significance for India, the world's third largest oil buyer that once counted the Latin American country among its largest oil suppliers.

A spokesperson for OVL confirmed in response to a query that the San Cristobal project owes dividends of around \$600 million to the company. "Post easing of US sanctions, OVL is in continuous dialogue with PdVSA for recovery of accrued dividend by various mechanisms including allocation of crude cargoes in lieu of accrued dividend," the spokesperson said.

OVL, the overseas arm of Oil and Natural Gas Corp. Ltd



Any oil flowing in from Venezuela holds significance for India. **BLOOMBERG**

(ONGC), acquired 40% in San Cristobal in 2008, with PdVSA owning the balance. OVL holds 40% through ONGC Nile Ganga (San Cristobal) BV, a wholly owned subsidiary of ONGC Nile Ganga BV

While declared dividends add up to \$400 million, undeclared dividends account for another \$200 million. The dividends have remained unpaid since Venezuela's late president Hugo Chávez appropriated PdVSA's earnings for populist spending.

In October 2022, the US announced a political agreement with Venezuela, now led

TURN TO PAGE 6

Oil-for-dividend deal with Venezuela in the works

FROM PAGE 1

by Nicolás Maduro. Following this, the US treasury department temporarily authorized “all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), related to oil and gas sector operations in Venezuela, including transactions with PdVSA, subject to certain conditions.”

The authorization suspended sanctions covering most oil and gas sector operations in Venezuela, including energy sales to the US and others, as well as the payment of taxes, royalties, costs, fees, dividends and profits related to oil and gas sector operations or transactions involving PdVSA.

Queries emailed to the spokespersons of India’s ministries of petroleum & natural gas and external affairs on Thursday remained unanswered. While a PdVSA spokesperson couldn’t be contacted, queries emailed to the Venezuelan embassy in New Delhi on Tuesday were unanswered till press time.

“We are trying to secure oil



OVL has been investing in overseas oil and gas assets as part of India’s energy security strategy. BLOOMBERG

cargoes in lieu of these stuck dividends. Venezuelan oil is back only for six months with a lot of caveats. Also, they don’t have the capacity to rapidly ramp up production,” one of the two people cited above said on condition of anonymity.

Analysts concur with this assessment. S&P Global Commodity Insights in a note post the easing of US sanctions said “it expects little change in

Venezuelan oil production capacity in the next six months, as PdVSA has little to no investment capital and much of the oil-related infrastructure is in a poor state of repair.”

“Venezuela’s current capacity lies between 800,000-850,000 b/d (barrels per day), with current production sitting around 750,000 b/d,” the S&P report said and added, “India used to be a regular buyer of Venezuelan crude oil grades prior to the imposition of US sanctions. During the pre-sanctions period from 2017 to 2019, India imported approximately 300,000 b/d of Venezuelan crude grades, with private refiners like Reliance Industries being the key buyers.”

OVL also owns 11% in Venezuela’s Carabobo Project I, where Indian Oil Corp. Ltd and Oil India Ltd own 3.5% each, with PdVSA and Spanish energy major Repsol holding 71% and 11%, respectively.

OVL has been investing in overseas oil and gas assets as part of India’s energy security strategy. The overall investment by state-owned companies in oil and gas assets abroad stands at \$36.555 billion across 55 assets in 25 countries.

OVL, Venezuela work on oil-for-dividend deal

Utpal Bhaskar

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Russian crude oil cargoes head away from India amid payment issues

STATESMAN NEWS SERVICE
NEW DELHI, 2 JANUARY

Reports suggest that a number of vessels hauling crude from Russia that had been idling off India are now headed to eastwards away from the country.

The development comes amid concerns over oil payments to Moscow that spurred a slump in arrivals last month.

Citing vessel-tracking data, the reports said five ships, all carrying Sokol oil from Russia's Far East – the NS Commander, Sakhalin Island, Krymsk, Nellis, and Liteyny Prospect – are moving towards the Malacca Strait at 7 to 10 knots.

A sixth, also holding Sokol, the NS Century, is still close to Sri Lanka, they added.

The NS Century hauls about 700,000 barrels, and was



sanctioned by the US Treasury last year. Four of the other vessels carry similar volumes, while the fifth, the Nellis, can hold twice as much.

According to the recent data released by energy cargo

tracker Vortexa, in December, India's crude oil imports from Russia increased around 3 per cent compared to last month at 1.52 million barrels per day (bpd) of Russian crude oil.

Last month, the import was

1.48 million bpd. Notably, Russia retained the position of top supplier of crude oil to India in the last month of the year.

However, when compared with January 2023, India's

oil imports from Russia fell in December to their lowest. The fall was due to local refiners not receiving a single Sokol cargo due to payment issues, according to Kpler.

"China seems to have stepped in to save the idling Sokol cargoes," said Viktor Katona, lead crude analyst at data intelligence provider Kpler.

The US and its allies have imposed sanctions on entities deemed to have breached the USD 60-a-barrel cap on Russian crude exports, which came into effect late in 2022.

It is worth highlighting that for India, Russia has become a major source of crude oil since Moscow sent troops to Ukraine in February 2022. It has overtaken Saudi Arabia and Iraq to become the biggest supplier of the commodity.

Windfall Tax Hiked on Local Crude



ISTOCK

Press Trust of India

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SAED on petrol will continue to be zero. The new rates are effective from Tuesday.

India first imposed windfall profit taxes on July 1 2022, joining a growing number of nations that tax supernormal profits of energy companies.

The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks.

Windfall tax on crude hiked; no levy on diesel, ATF for export

FUELLING FACTORS. To be effective from Jan 2, changes follow a surge in crude prices

Shishir Sinha
New Delhi

The Finance Ministry has raised the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically-produced crude, to ₹2300 per tonne from ₹1300. However, such levy on export-bound diesel and jet fuel has been reduced to nil.

To date, windfall levies on diesel and jet fuel (aviation turbine fuel or ATF) were ₹0.50 and ₹1. All the changes are effective from January 2. Such a levy on export-bound petrol will continue at nil.

IMPACT

This decision has been taken as crude prices saw some rise earlier. This will likely impact oil exploration com-



HOW IT WORKS. The tax rates are reviewed every fortnight based on the average oil prices in the previous two weeks

panies such as ONGC and Oil India. Product prices have come down, so the windfall gain tax has been revised downward. Cutting the windfall levy on diesel and ATF for export will impact primary fuel exporters Reliance Industries and

Rosneft-backed Nayara Energy.

India first imposed windfall profit taxes on July 1, 2022, joining several nations that tax supernormal profits of energy companies. At that time, export duty of ₹6 per litre (\$12/bbl) was levied on

petrol and ATF, and ₹13 a litre (\$26/bbl) on diesel. A ₹23,250 per tonne (\$40/bbl) windfall profit tax on domestic crude production was also levied. The tax rates are reviewed every fortnight based on the average oil prices in the previous two weeks.

The domestic producers of petroleum crude, like ONGC, sell their crude at international parity price. As international crude prices rose sharply, these producers made supernormal profits. The prices of diesel, petrol and ATF rose even more sharply, which led to extraordinary cracking margins (difference between the product price and the crude price) on exports of these products. The cess/duties were imposed in this background.

तमिलनाडु में 20,000 करोड़ रु की परियोजनाओं की सौगात

शाइन जैकब

प्रधानमंत्री नरेंद्र मोदी ने मंगलवार को तमिलनाडु के तिरुचिरापल्ली में रेल, सड़क, तेल, गैस और नौवहन क्षेत्रों से जुड़ी 20,000 करोड़ रुपये की विकास परियोजनाओं की आधारशिला रखी और कुछ को राष्ट्र को समर्पित किया। मोदी ने कहा कि ये परियोजनाएं तमिलनाडु की तरक्की की गति को और तेज करेंगी। इनसे यात्रा सुगम होगी और राज्य में हजारों लोगों को रोजगार मिलेगा।

तमिल अभिनेता और डीएमडीके पार्टी के अध्यक्ष तिरु विजयकांत को श्रद्धांजलि देते हुए प्रधानमंत्री ने कहा कि न केवल सिनेमा, बल्कि राजनीति के क्षेत्र में भी वह एक कप्तान थे। उन्होंने अपने फिल्म और राजनीति में कार्यों से लोगों के लिए दिलों में खास जगह बना ली थी और राष्ट्रीय हितों को हमेशा सब चीजों से ऊपर रखा। विजयकांत का हाल ही में निधन हो गया था। प्रधानमंत्री ने कुछ माह पहले गुजरे एमएस स्वामीनाथन के योगदान को भी याद किया, जिन्होंने देश की खाद्य सुरक्षा में महत्वपूर्ण भूमिका निभाई थी।

मोदी ने कहा कि अगले 25 वर्षों में भारत को विकसित राष्ट्र बनाने में आजादी का अमृत महोत्सव विशेष भूमिका निभाएगा। उन्होंने विकसित भारत में आर्थिक और सांस्कृतिक दोनों पहलुओं की ओर इशारा करते हुए कहा कि तमिलनाडु देश की



प्रधानमंत्री मोदी ने रेल, सड़क, तेल, गैस और नौवहन क्षेत्रों से जुड़ी विकास परियोजनाओं की आधारशिला रखी और शिलान्यास किया

तरक्की और संस्कृति का आईना है। शानदार साहित्य रचने वाले संत तिरुवल्लुवर और सुब्रमण्य भारती जैसे लेखकों का जिक्र करते हुए उन्होंने कहा कि तमिलनाडु प्राचीन भाषा तमिल का घर है और यह सांस्कृतिक विरासत का खजाना है। प्रधानमंत्री ने यह भी कहा कि तमिलनाडु सीवी रमन जैसे तमाम महान वैज्ञानिकों की स्थली है। जब भी वह इस राज्य में आते हैं तो इन विभूतियों से उन्हें नई ऊर्जा मिलती है।

मोदी ने तिरुचिरापल्ली में अंतरराष्ट्रीय हवाई अड्डे पर 1100 करोड़ रुपये से अधिक धनराशि से विकसित नए टर्मिनल भवन का उद्घाटन किया। नया टर्मिनल वार्षिक स्तर पर 44 लाख यात्रियों को सेवाएं देने में सक्षम है। तमाम आधुनिक सुविधाओं एवं फीचर से लैस यह टर्मिनल व्यस्त समय में

यहां 3500 यात्रियों को संभालने की क्षमता रखता है।

प्रधानमंत्री ने सेलम-मेगनेसाइट जंक्शन-ओमालुर-मेत्तूर डैम के 41.4 किलोमीटर रेल खंड और 160 किलोमीटर लंबे मद्रुरै-तूतीकोरिन रेल खंड के दोहरीकरण, तिरुचिरापल्ली-मानामदुरै-विरुधुनगर, विरुधुनगर-तेनकाशी जंक्शन एवं सेनगोट्टाई-तेनकासी जंक्शन-तिरुनेलवेली-तिरुचेंदूर आदि तीन परियोजनाओं के विद्युतीकरण जैसी कई रेलवे परियोजनाएं भी देश को समर्पित कीं। इन रेल परियोजनाओं के विकास से राज्य में रेलवे की यात्री और माल ढुलाई क्षमता में खासा इजाफा होगा। प्रधानमंत्री ने कई सड़क परियोजनाओं का भी उद्घाटन किया। उन्होंने इस दौरान एक बहुत ही महत्वपूर्ण सड़क परियोजना का शिलान्यास भी किया।

पीएम मोदी ने 20 हजार करोड़ रुपये से अधिक की दी सौगात

तिरुचिरापल्ली, (पंजाब केसरी): प्रधानमंत्री नरेन्द्र मोदी ने मंगलवार को यहां कई परियोजनाओं को राष्ट्र को समर्पित किया और कुछ नई परियोजनाओं की आधारशिला रखी। इन परियोजनाओं की कुल लागत 20,140 करोड़ रुपये है। पीएम मोदी ने कार्यक्रम को संबोधित करते हुए कहा कि आज भारत शीर्ष पांच अर्थव्यवस्थाओं में शामिल है, आज भारत दुनिया में एक नई उम्मीद बनकर उभरा है। बड़े निवेशक देश में निवेश कर रहे हैं और इसका फायदा तमिलनाडु और देश की जनता को मिल रहा है। तमिलनाडु मेक इन इंडिया का बड़ा ब्रांड एंबेसडर बन रहा है। अपने संबोधन में प्रधानमंत्री ने राज्य में हाल ही में हुई भारी बारिश, दिसंबर 2023 में आई बाढ़ और इनसे हुए नुकसान का जिक्र किया और कहा कि वह प्रभावित परिवारों की पीड़ा समझ सकते हैं। उन्होंने कहा, "केंद्र सरकार संकट की इस घड़ी में तमिलनाडु के लोगों के साथ खड़ी है। हम राज्य सरकार को हरसंभव सहायता प्रदान कर रहे हैं। प्रधानमंत्री



'मेक इन इंडिया' ब्रांड एंबेसडर बन रहा तमिलनाडु : पीएम मोदी

ने तमिलनाडु में हवाई और बंदरगाहों, रेलवे, राजमार्ग, पेट्रोलियम और प्राकृतिक गैस, परमाणु ऊर्जा और उच्च शिक्षा से संबंधित 20 परियोजनाओं की आधारशिला रखी, उद्घाटन किया और राष्ट्र को समर्पित किया। मोदी ने देसिया मुरपोक्कू द्रविड़ कषगम (डीएमडीके) के नेता विजयकांत की

प्रशंसा की, जिनका कुछ दिन पहले ही निधन हो गया था। तमिल सिनेमा और राजनीति में उनके योगदान की भी प्रधानमंत्री ने सराहना की। प्रधानमंत्री ने कहा कि एक नेता के रूप में, राजनीति में विजयकांत ने हमेशा राष्ट्रीय हित को हर चीज से ऊपर रखा। उन्होंने कहा, "मैं उन्हें अपनी श्रद्धांजलि अर्पित करता हूँ।

नए टर्मिनल भवन का उद्घाटन किया

करीब 1,100 करोड़ रुपये से अधिक की लागत से विकसित, दो-स्तरीय नए अंतरराष्ट्रीय टर्मिनल भवन में सालाना 44 लाख से अधिक यात्रियों और व्यस्त समय के दौरान लगभग 3500 यात्रियों की सेवा करने की क्षमता है। नए टर्मिनल में यात्रियों के लिए अत्याधुनिक सुविधाएं हैं। उन्होंने 9,000 करोड़ रुपये से अधिक की पेट्रोलियम और प्राकृतिक गैस परियोजनाओं की आधारशिला भी रखी। प्रधानमंत्री कार्यालय ने पिछले दिनों एक बयान में कहा था कि पेट्रोलियम और प्राकृतिक गैस क्षेत्र की परियोजनाएं क्षेत्र में ऊर्जा की औद्योगिक, घरेलू और वाणिज्यिक आवश्यकताओं को पूरा करने की दिशा में एक अहम कदम होगा।