



AGREEMENT—OIL INDIA

OIL's material subsidiary company signed a Definitive Agreement for the transportation of additional petroleum products through OIL's Numaligarh-Siliguri Product Pipeline. The agreement was signed by PK Goswami, Dir. (Operations), OIL & S. Choudhury, Dir. (Fin.), NRL in the presence of Dr. R. Rath, CMD OIL & Chairman NRL, B.J. Phukan, MD (NRL), & Functional Directors, CVO & senior officials.





BUDGET CLIMBDOWN CONCERN

Madam — Apropos the news story “Do not withdraw capital support for oil PSUs,” published on 23 May, this is my response. As a regular newspaper reader, the Government’s recent decision to halve the equity infusion for three major public sector oil companies—Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL)—is concerning. Initially, Finance Minister Nirmala Sitharaman announced a substantial Rs 30,000 crore for these companies to aid their transition to green energy and achieve net-zero emissions. However, this amount was slashed to Rs 15,000 crore, with no clear explanation provided.

Despite impressive profit margins, companies in the capital-intensive energy sector require substantial investments to transition to green energy. Past Government directives led to financial losses and predictable policy support is crucial to offset these losses and ensure their contribution to India’s green energy transition and economic stability.

Khirabdi Tanya | Noida



FY25 begins with marginal growth in refining volumes

ARUNIMA BHARADWAJ
New Delhi, May 23

INDIAN REFINERS PROCESSED 21.6 million tonnes of crude oil in April, registering only a marginal 1% increase from the corresponding period of last fiscal, data from the Petroleum Planning and Analysis Cell showed. The processed volumes, however, came on a par with the government's target of 21.2 million tonnes.

Of the total volumes, government-owned oil public sector undertakings and joint ventures processed 14.5 million tonnes last month, while private refiners processed 7.1 million tonnes of the total crude oil. The country's downstream companies processed 2.2 million tonnes of indigenous crude oil of the 2.4 million tonnes of crude oil produced last month. Total imported crude oil processed came to

be at 19.4 million tonnes by all the Indian refineries.

India intends to increase its refining capacity further to 450 million tonnes per annum from current 254 MMTPA by 2030

The International Energy Agency expects Indian refining capacity to expand by 1 million barrels a day from the currently assessed 5.8 million barrels a day by 2030. The agency sees the majority of growth to be driven by the public sector undertakings as they prepare for continued rising domestic demand and an increased share of petrochemical production.

State-owned oil marketing companies are already planning to increase their respective refining capacities to meet the growing demand. Indian Oil (IOCL), operating and holding approximately 28% of total refinery capacity as of 2023, is planning to expand and enhance its existing capacity by 327,000 barrels per day by 2030. Bharat Petroleum (BPCL) also sees all three of its refineries to add capacity, totalling 134,000 barrels per day, as per IEA.

The country has expanded refining capacity over the years to 5.8 mbd in 2023 from 3.1 mbd in 2006, becoming the fourth largest refiner globally, according to data by IEA. Now, India intends to increase its refining capacity further to 450 million tonnes per annum from current 254 MMTPA by 2030.

India is the third-largest consumer of crude oil and imports almost 88% of its oil requirement. In 2023, the country was the world's second-largest crude oil net importer as it imported 4.6 mbd of oil to meet rising demand and refinery intake, IEA said. In April, India imported 4.86 million barrels per day of crude oil, data from Kpler showed.



Fewer such voyages in May will compel Indian refiners to shift diesel sales back to Asia. REUTERS

India's use of crude tankers to export diesel slows

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Indian refiners' use of crude oil vessels to ship refined fuels such as diesel to key European markets has diminished in May after volumes neared two-year high levels last month, trade sources and analysts said.

That is because rising inventories in the Antwerp-Rotterdam-Amsterdam region and shaky east-west diesel price spreads undermine the case for sellers to ship large volumes of the industrial fuel to the West.

While more April shipments from India to Europe provided a floor for Asian margins, fewer such voyages in May will likely compel Indian refiners to shift diesel sales back to Asia, exacerbating a supply glut in the region, analysts and traders said.

Diesel exports using Suezmax and Aframax vessels Mesta, Pertamina Halmahera and Marlin Santorini—mostly from Reliance Industries' Jamnagar refinery—reached a near two-year high of around 380,000 metric tonnes (2.831 million barrels) in April, Kpler, Vortexa and LSEG shiptracking data showed.

Reliance did not respond to a Reuters email for comment.

Shiptracker Kpler in February estimated a switch by 35 Aframax crude tankers to carry refined products instead of crude.

Traders switched to using Suezmax and Aframax tankers—that typically load so-called "dirty" crude oil and residue fuel—for carrying "clean" refined products after freight rates for long-range (LR) tankers spiked following Houthi attacks on ships in the Red Sea that forced longer voyages and tightened vessel availability.

"At the time it was a reflection of how tight the LRL and LR2 clean product tanker market was given the additional tonne miles vessels were having to do to avoid the Red Sea, and the lack of available prompt tonnage to book because ships were massively displaced given the additional sail times," said Wood Mackenzie's research analyst Emma Howsham.

India, Egypt top destinations for Russian seaborne fuel oil

Moscow: India and Egypt were the top destinations for Russian seaborne fuel oil and vacuum gasoil (VGO) exports in April, as per traders and LSEG data. Russian fuel oil and VGO seaborne exports fell in April by 10% month-on-month to 3.32 million tonnes, as refining capacity idled due to maintenance, technical outages and drone attacks, increased last month by 13.6% from March. **REUTERS**





पेट्रोनेट एलएनजी ने मजबूत वित्तीय परिणाम प्राप्त किया

नई दिल्ली (वि)। पेट्रोनेट एलएनजी लिमिटेड ने चालू वित्त वर्ष में अब तक का सबसे अधिक पीबीटी और पीएटी क्रमशः 4,757 करोड़ रुपये और 3,536 करोड़ रुपये दर्ज किया है, जबकि पिछले वित्त वर्ष में यह क्रमशः 4,335 करोड़ रुपये और 3,240 करोड़ रुपये था। कंपनी ने स्थिर एलएनजी कीमतों पर और अपने संचालन में दक्षता और अनुकूलन हासिल कर मजबूत वित्तीय परिणाम प्राप्त किया है। उत्कृष्ट प्रदर्शन को देखते हुए कंपनी के निदेशक मंडल ने 3 रुपये प्रति शेयर के अंतिम लाभांश को मंजूरी दे दी है।