



AFTER UAE OIL RE DEAL, INDIA SEEKS MORE SUCH TRADES



INDIA'S FIRST-EVER
PAYMENT in rupees
for crude oil

purchased from the
UAE is helping the world's third
largest energy consumer push
for taking the local currency
global, as it looks for similar
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targets.


FINANCIAL EXPRESS
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FINMIN NOT KEEN TO APPROVE FAME III YET

Centre Considers Extending FAME II Scheme to FY25

More funds for EV manufacturing subsidy scheme may be sought in interim budget



SALES IN UNITS		ICE two-wheelers (2W)	Registered E2W	E2W under FAME II	% of E2W in 2W sales
FY20		19,080,000	26,000	14,000	0.13
FY21		13,200,000	44,000	38,000	0.33
FY22		13,300,000	252,000	209,000	1.86
FY23		15,300,000	727,000	303,000	4.53

Source: Ministry of Heavy Industries

Sharmistha Mukherjee

New Delhi: The government is considering the extension of the second leg of its flagship incentive scheme for manufacturing electric vehicles (EVs) into the next financial year and is likely to seek additional resources in the interim budget to expand its corpus.

With the third edition of the Faster Adoption and Manufacturing Electric Vehicles (FAME) scheme yet to get a nod from the finance ministry, possibilities are being explored to extend the current edition till a new supporting framework is put in place, sources aware of the details told ET.

“Additional funds for FAME II can be sought in a vote on account,” said a person aware of the matter. The extension would not require multiple approvals as needed for a fresh scheme and will help maintain momentum in the market in the interim, he added. Next year’s budget will be a vote on account as general elections are due in April-May.

The finance ministry is not keen to approve FAME III yet, which as per estimates would require an outlay of over ₹30,000 crore over the next five years to encourage the adoption of electric two-wheelers, electric buses, and tractors among others.

EV Share in Vehicle Sales Low ►► 11

EV Share in Vehicle Sales Low

►► From Page 1

According to officials aware of the development, there is a view that major electric two-wheeler makers — the largest beneficiaries of FAME I and II — do not require government support anymore.

“Overall, the thought is that resources are limited,” said another official. “If at all they are utilised to incentivise electric mobility, they should not be doled out to personal buyers who can afford cars or

two-wheelers. Rather, investments should be made to develop the ecosystem to support e-mobility.”

India is home to three of the world’s top 10 polluted cities. The government has been working at encouraging the adoption of electric mobility to reduce vehicular emissions and has set a target of 30% share for EVs in all new vehicle sales in the country by 2030. The share of EVs in the overall sale of vehicles remains low, ranging from about 2% in cars to 5% in two-

wheelers. The country is slated to become the third-largest automobile market globally by the turn of the decade.

The ministry of heavy industries (MHI) has disbursed ₹5,228 crore in subsidies for about 1.15 million electric vehicles sold till December 1, 2023, under FAME II.

The government has additionally sanctioned ₹800 crore under FAME II to the public sector OMCs - IOCL, BPCL and HPCL — for setting up 7,500 fast-charging stations across the country to ease range anxiety and encourage the adoption of EVs.

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EPS seeks increased compensation for Ennore oil spill victims

The Hindu Bureau
CHENNAI

AIADMK general secretary and Leader of the Opposition Edappadi K. Palaniswami on Monday urged the State government to enhance the compensation announced for the families affected in Ennore by the oil spill from Chennai Petroleum Corporation Limited (CPCL).

In a statement, he said if the Tamil Nadu Pollution Control Board had frequently monitored and reviewed the industries in the area, the oil spill would not have occurred.

This showed the lack of administrative skills of the present government, Mr. Palaniswami said.

The former CM pointed out that the State government had announced a relief amount of ₹7,500 each to the 6,700 families affected by the oil spill, ₹12,500 each as a relief amount to 2,300 families belonging to the fishing villages, ₹10,000 per boat for repairs.

The announced compensation was low, he said.

● ₹5,294 CRORE UTILISED OUT OF ₹10,000-CRORE OUTLAY

FAME spend to exceed target

E-buses to push up subsidy demand

ROHIT VAID & MUKESH JAGOTA
New Delhi, December 25

THE GOVERNMENT HAS disbursed more than half of the ₹10,000 crore outlay of the e-vehicles incentive scheme FAME (Faster Adoption and Manufacturing of Electric Vehicles) and expects the demand to exceed to target by a fifth by the time the scheme draws to a close, a senior official said.

Of the total outlay of ₹10,000 crore on FAME scheme that was to run from April 2019 to March 2024, ₹5,294 crore has been spent. The ministry of heavy industries is expecting that in the next three months it will be able to utilise the remaining amount and may even need ₹1,500-2,000 crore extra to service the claims that are expected to come till



SLUGGISH PACE

■ Under the scheme, the subsidy is collected by manufacturers after they have sold the electric vehicle to consumers below cost

■ In the October-December quarter, ₹1,300 crore subsidy will be disbursed under the FAME scheme

March-end mainly from e-bus manufacturers.

Under the scheme, the subsidy is collected by manufacturers after they have sold the electric vehicle to consumers below cost. "Now the demand for subsidy will come from e-busses which had been lagging till now," the official said. The FAME only extends subsidies on procurement of e-buses by state transport undertakings.

Under the scheme, the original

plan was to support acquisition of 7,090 e-busses by state transport undertakings.

"The ministry of heavy industries has sanctioned 6,862 electric buses to various local transport agencies in the cities, state transport undertakings and state government entities for intra-city operations. Out of 6,862 e-buses, 3,487 e-buses have been supplied till November-end," the official said.

In October-December quarter, ₹1,300 crore subsidy will be disbursed under FAME and much of it will be for the e-buses, he added. The claims for October-December quarter sales will be dealt with in January-March. As more buses get delivered by March-end, the settlement of subsidy claims will spill over to the next financial year for which up to additional ₹2,000 crore will be required.

The subsidy is maximum for e-buses of ₹20,000 per kWh. Battery size of a bus is 250 kWh, so the cap on subsidy is 40% of the vehicle cost and ex-factory price limit of ₹2 crore.

The scheme target for electric 2 wheelers was 1 million vehicles and already the subsidy has been extended to 1.04 million such vehicles. In three wheelers, out of the target of 500,000, 122,000 vehicles have been subsidised. In four wheelers or passenger cars for public use (taxis), out of the target of 55,000 only 14,869 vehicles have been covered.



First rupee payment for oil to UAE: India looks for more deals, no targets, say officials

PRESS TRUST OF INDIA

NEW DELHI, DECEMBER 25

INDIA'S FIRST-ever payment in rupees for crude oil purchased from the UAE is helping the world's third largest energy consumer push for taking the local currency global, as it looks for similar deals with other suppliers, officials said, adding internationalisation is a process and there are no targets.

With the nation more than 85 per cent dependent on imports for meeting its oil needs, India has been pursuing a three-pronged strategy of buying from the cheapest available source, diversifying sources of supply and not breaching any international obligation like

the price cap in case of Russian oil. While the strategy helped save billions of dollars, when it ramped up imports of Russian oil that was shunned by some in West post Ukraine war, it is looking to settle trade in rupees instead of dollars in a bid to cut transaction costs by eliminating dollar conversions.

India in July signed an agreement with the UAE for rupee settlement and soon after Indian Oil Corporation (IOC) made payments for purchase of a million barrels of crude oil from Abu Dhabi National Oil Company (ADNOC) in Indian rupees.

Some of the Russian oil imports too have been settled in rupee. Officials said the default payment currency for import of crude oil has been the US

dollar for several decades and the currency traditionally has liquidity as well as lower hedging cost. But to boost the rupee's role in cross-border payments, the Reserve Bank of India allowed more than a dozen banks to settle trades in rupees with 18 countries since last year.

Since then, India has been encouraging big oil exporters such as the UAE and Saudi Arabia to accept the Indian currency for trade settlements, officials said, adding the first success happened in August this year when IOC made the rupee payment to ADNOC.

More such deals may happen in future, they said, insisting there was no target as internationalisation is a process and cannot happen overnight.

First rupee payment for UAE oil: India looks for more deals



PTI ■ NEW DELHI

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"We have to be mindful that it (rupee settlement) does not lead to increase in cost and is in no way detrimental to the trade," an official said.

"Settling a trade in rupee where the amount is not big does not pose much problem but when you have each shipload of crude oil costing millions of dollars, there are issues," India, they said, is navigating the situation keeping overarching national interest in mind.

The internationalization of the rupee will help reduce dollar demand and make the Indian economy less vulnerable to global currency shocks.

A parliamentary standing committee report, tabled in Parliament last week, stated that there were not many takers for Indian rupee.

Officials said that situation was true for 2022-23 fiscal and there has been a rupee trade this year.

Foreign shareholders withdraw from Russia's Arctic LNG 2 project

The project, already faced difficulties in raising funds following Western sanctions against Russia

MOSCOW: Foreign shareholders suspended participation in the Arctic LNG 2 project due to sanctions, renouncing their responsibilities for financing and for offtake contracts for the new Russian liquefied natural gas (LNG) plant, the daily *Kommersant* reported on Monday.

The project, seen as a key element in Russia's drive to boost its LNG global market share to 20 per cent by 2030 from 8 per cent, was already facing difficulties due to U.S. sanctions over the conflict in Ukraine and a lack of gas carriers.

China's state oil majors CNOOC Ltd and China National Petroleum Corp each have a 10 per cent stake in the project, which is controlled by Novatek, Russia's largest LNG producer and owner of a 60 per cent stake in the project.

Kommersant, citing unnamed sources in the Russian government, said both Chinese companies, together with France's TotalEnergies and a consortium of Japan's Mitsui and Co and JOGMEC - which also have a 10 per cent stake each - declared force majeure on participation in the project.

Novatek, CNOOC, JOGMEC and Total did not immediately respond to requests for comment. CNPC and Mitsui declined to comment.

The newspaper said the suspension may lead to Arctic LNG



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2 losing its long-term contracts on LNG supplies, while Novatek will have to finance the project by itself and sell the seaborne gas on the spot market.

Initial investments in the Arctic LNG 2 project stood at \$21 billion. It already faced difficulties in raising funds following Western sanctions against Russia. Sanctions have also resulted in Novatek declaring force majeure over LNG supplies from the project, industry sources told Reuters last week.

The European Union may also impose restrictions on Russia's LNG supplies.

A Beijing-based industry official with direct knowledge of

the matter told Reuters last week that CNPC and CNOOC have both asked the U.S. government for exemptions from sanctions on Arctic LNG 2.

With three processing trains, Arctic LNG 2's capacity is meant to be 19.8 million metric tons per year and 1.6 million tons per year of stable gas condensate. Production is due to start in early 2024. Its first LNG tankers were expected to set sail in the first quarter of next year, according to Novatek.

But industry sources say commercial LNG supplies from the project are now expected no earlier than the second quarter of 2024.

AGENCIES

In a 1st, India pays in Re for UAE oil

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More such deals may happen in future, the officials said. AGENCIES

FACED CHALLENGES DUE TO WESTERN SANCTIONS ON RUSSIA: GOVT

'India's Russian crude imports averted havoc in global oil market'

SUKALP SHARMA

NEW DELHI, DECEMBER 25

GLOBAL CRUDE oil prices would have surged and created "havoc" in the international oil market had India not ramped up oil imports from Russia in the aftermath of Moscow's February 2022 invasion of Ukraine, the petroleum and natural gas ministry told the department-related parliamentary standing committee.

"If they (Indian refiners) had not imported Russian oil into India, which may be a big number of 1.95 million barrels per day, that deficiency would have created a havoc in the crude oil market and the prices would have shot up by about \$30-40," a petroleum ministry representative was quoted as saying in a recent report of the standing committee on petroleum and natural gas. The report was tabled in Parliament on December 20.

"The crude oil market is such that in the market of 100 million barrels per day, if the OPEC (Organization of the Petroleum Exporting Countries) says that they are going to reduce it by



India has a refining capacity of over 250 million tonnes per annum, or 5 million barrels a day. *File*

one or two million barrels per day, prices increase by 10 to 20 per cent and reach up to \$125-130. If India does not absorb--I would call it absorption--1.95 million barrels per day, these prices would have reached \$120-130. It would have created a havoc," the petroleum ministry representative added. The report did not name the representative.

Usually, senior bureaucrats of the petroleum ministry represent the ministry before the standing committee.

India is the world's third-

largest consumer of crude oil and depends on imports to meet over 85 per cent of its requirement. The country has a refining capacity of over 250 million tonnes per annum, or 5 million barrels a day.

From a marginal player in India's oil imports before the war in Ukraine, Russia now tops the list of New Delhi's crude suppliers.

As the West began shunning Russian oil following Moscow's invasion of Ukraine, Russia started offering deep discounts on its oil to willing buyers.

Indian refiners started snapping up the discounted Russian crude, irking many in the West, which wanted Russian oil to be shunned by buyers to curb Moscow's ability to finance the war in Ukraine through oil sales. India has maintained that as one of the top importers of crude, it will buy oil from anywhere it can strike a good bargain.

While crude oil prices did breach the \$100-per-barrel mark in initial months following Russia's invasion of Ukraine, they retreated as oil markets regained supply balance. In 2023, the price of global benchmark Brent crude has not breached the \$100 mark even once. Currently, Brent is hovering around \$80 per barrel.

"Diplomatically, we are a sovereign country and could say that we have been doing what is good for the country as well as the world," the petroleum ministry representative said.

On the question of difficulties being faced by Indian refiners in importing oil from Russia, the ministry told the panel that due to Western sanctions on Russia, challenges include pay-

ments and logistical arrangements like shipping and insurance. The ministry said in its submission that not all Indian banks "smoothly process" payment in dollars for Russian oil purchases.

"Due to economic sanctions...crude oil buyers are facing challenges in making logistics arrangement (ships availability, insurance for ships), getting insurance coverage for crude oil and making payments. Hence, Indian buyers...arrange import of Russian origin crude oil grades from the counterparties on delivery basis, where the seller takes responsibility in delivering crude oil (with suitable Insurance coverage) at discharge ports in India," the ministry said.

With major Western powers imposing a \$60-per-barrel price cap on seaborne Russian crude from December 5, 2022 and Russian oil being bought on delivered basis, Indian refiners have faced some issues with banks demanding documentary proof from them that the price of oil, excluding delivery-related overheads like freight and insurance costs, was indeed in line with the price cap.

India's first rupee payment for UAE oil sparks search for more deals

Press Trust of India
Mumbai

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rency for trade settlements, officials said, adding the first success happened in August this year when IOC made the rupee payment to ADNOC.

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RUPEE TRADE

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A parliamentary standing committee report, tabled in Parliament last week, stated that there were not many takers for Indian rupee.

Officials said that situation was true for 2022-23 fiscal and there has been a rupee trade this year.

"During FY23, no crude oil imports by oil PSUs were settled in Indian rupee. Crude oil suppliers (including UAE's ADNOC) continue to express their concern on the repatriation of funds in the preferred currency and also highlighted high transactional costs associated with conversion of funds along with exchange fluctuation risks," the ministry told the panel.

The ministry, whose submissions are part of the committee's report which was tabled in Parliament last week, said India Oil Corporation has informed that it incurred high transaction costs as crude oil suppliers pass on the additional transactional costs to IOC."

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IOC, BPCL, HPCL in Talks to Raise ₹5,500cr by Securitising Licence Fee

Licence fee is linked to the volume of petrol and diesel sold at a pump

Sanjeev Choudhary

New Delhi: Indian Oil, Bharat Petroleum and Hindustan Petroleum are discussing plans to raise ₹5,500 crore by securitising the licence fee they get from their petrol pump dealers as part of the government's push for asset monetisation by state companies, according to multiple people familiar with the matter.

Top company executives at three state-run refiners have discussed the monetisation plan with officials at Niti Aayog and the petroleum and finance ministries for months, they said. Indian Oil is targeting to raise ₹2,500 crore while BPCL and HPCL are aiming for ₹1,500

crore each by securitising the licence fee for three years and selling the securities to banks or other buyers, according to the companies' plans. The licence fee is



Indian Oil is targeting to raise ₹2,500 crore while BPCL and HPCL are aiming for ₹1,500 crore each

linked to the volume of petrol and diesel sold at a pump and is settled between a dealer and the company each fortnight or month. The licence fee for diesel and petrol varies from ₹ 128 per kilolitre to ₹369 per kilolitre based on the location of the petrol pump. A goods and services tax (GST) of 18-28% also applies to the licence fee.

Indian Oil, BPCL and HPCL didn't respond to ET's request for comment for the story. A source close to Indian Oil, who didn't want to be named, said the idea of monetising licence fees was first discussed last year when fuel retailers were making losses following a spike in international fuel prices and were lo-

oking to raise cash through innovative means. While the plan to monetise licence fees is on the table, the urgency to execute it has reduced as companies are now flush with cash due to record-high profits in the first half of the current fiscal year, the person said. Compared to Indian Oil, BPCL and HPCL appear keener on the plan to monetise licence fees, another person with knowledge of the matter said.

The government has been pushing state-run oil companies for years to monetise their assets to raise resources that can be deployed in new projects.

Three years ago, the government had drawn up a plan, which expected state oil and gas companies to transfer some of their pipelines to InvITs and sell minority stakes in those to raise Rs17,000 crore. The plan didn't take off as the companies said they could raise capital from lenders at a much lower cost than the return they may have to offer to InvIT investors.

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IOCL green H2 tender in legal mess, gets one bid

Rituraj Baruah

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NEW DELHI

The tender to set up the first green hydrogen plant of state-run oil refiner and marketer Indian Oil Corp. Ltd (IOCL) received one bid till the 29 November deadline, people aware of the development said.

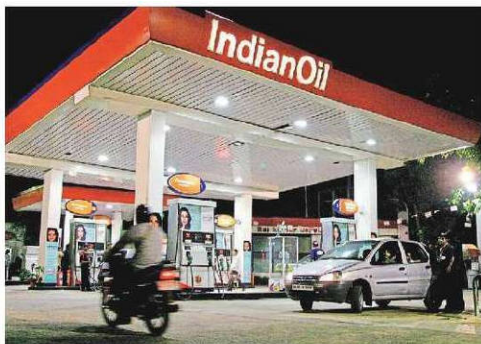
The bid came from GH4India Pvt. Ltd, which is IOCL's own joint venture (JV) with infrastructure and engineering major Larsen & Toubro (L&T) and renewable energy company ReNew, the people said on the condition of anonymity. The JV, in which all three companies have equal stakes, was formed this year in August.

Meanwhile, an industry body of green hydrogen firms has approached the Delhi high court, alleging bias towards IOCL's JV in the tender clauses.

"Around 50 players had participated in the pre-bid consultation. However, only one player submitted the bid due to the right of first refusal clause," said another person aware of the development.

According to the people cited above, the right of first

TURN TO PAGE 6



The sole bid came from GH4India Pvt. Ltd.

BLOOMBERG

Indian Oil's green H2 tender in legal mess, gets one bid

FROM PAGE 1

refusal clause (Clause 19 of the tender) gives IOCL preferential right to purchase excess green hydrogen generated at the green hydrogen generation unit (GHGU). In case IOCL does not confirm the purchase within 60 days, the operator can offer the gas to third-party customers. However, the price offered to them cannot be lower than what was offered to IOCL. Other terms and conditions offered, too, must be less favourable than those offered to IOCL.

"The parties would have to agree that IOCL shall be entitled to exercise its right of refusal every time the quantity of the green hydrogen generated at the GHGU increases on account of capacity augmentation or technological upgradation, modification or restructuring," said one of the people earlier.

Queries sent to the petroleum ministry, Indian Oil, ReNew and L&T remained unanswered till press time. Industry body Independent Green Hydrogen Producers' Association (IGHPA) could not be reached for comment.

IOCL's tender, released on

29 August, was for a BOOT (build, own, operate, transfer) contract for a GHGU of 10 kilotonne per annum (KTA) at its existing Panipat Refinery Petrochemical Complex in Haryana. The tender was for a contract of 25 years, wherein the selected player would maintain and operate the project for the duration.

Meanwhile, IGHPA has petitioned the Delhi high court against the tender, particularly aggrieved by the right to first refusal clause. IGHPA was formed last year by six renewable energy companies

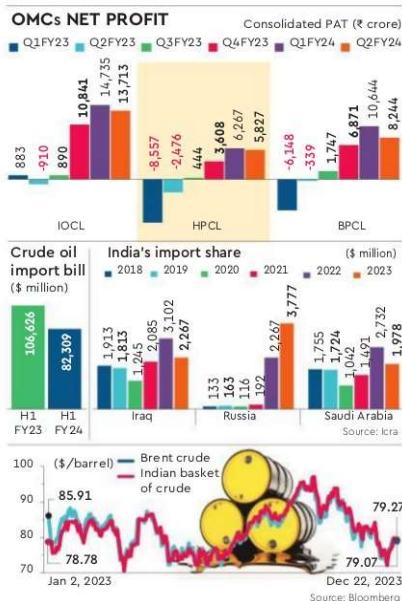
—Azure Power, Acme Group, Fortum India, O2 Power, Sprng Energy and Sun-Edison Infrastructure.

The court has admitted the plea and, through its order dated 29

November, issued notice to the Government of India and other parties asking to file affidavits. The latest hearing in the matter was held on 18 December, where IGHPA acknowledged that it has received counter-affidavits from respondents. The court has allowed IGHPA to submit its own counter-affidavit within three weeks. However, the court has not stayed the tender and would hear the matter next on 1 February.

IGHPA has moved the Delhi HC against the tender, particularly aggrieved by the right of first refusal clause

Oil markets may remain volatile next year also



OMCs seen making healthy profits if crude hovers around \$85

ARUNIMA BHARADWAJ
New Delhi, December 25

THE GLOBAL OIL markets in 2023 were impacted by geopolitical tensions, sluggish demand from the world's top consumers, and a tightening global supply, all of which resulted in high volatility in prices throughout the year.

Even as the global players try their best to contain the turbulence now, experts see the oil market striving to strike a balance between global demand and supply in 2024 as well.

"Even if such chaotic events (sudden geopolitical tensions) fail to emerge over the next 12 months, volatility will remain high as most energy markets have not yet been able to adapt to previous swings in supply and demand fundamentals to find a new normal," said Dan Klein, head of Energy Pathways, S&P Global Commodity Insights.

With production growth accelerating in the US, analysts now see a blurry picture for supply cuts within the Organisation of Petroleum Exporting Countries (Opec) and whether it will continue to govern the markets as it has been doing till now.

All said and done, if crude prices do bounce back on expectations of demand recovery from China, India's state-run oil marketing companies (OMCs) might have to incur higher costs on the raw material again, said Gnanasekar Thilagarajan, director, CommTrends Research. But this should not affect their profitability in the longer run, analysts say.

In the first two quarters of the financial year, OMCs have been able to make healthy profits compared to the first half of the last fiscal, primarily on the back of improved marketing margins. Marketing margins of the three public-sector companies improved in the last quarter owing to discounted Russian crude oil even as the OMCs kept the prices of auto fuels unchanged. Analysts now see OMCs to register healthy marketing and refining margins in the third and the final quarter of the fiscal compared to the corresponding levels last year, provided that crude prices remain at the level of \$85-\$87 per barrel.

"Nevertheless, even with the call of a steady uptick in prices hereon, we remain bullish on both upstream and downstream profitability in this price range for India," ICICI Securities said.

Meanwhile, the current lower crude oil prices have come as a relief to OMCs. Their gross refining margins could improve on the back of healthier diesel crack spread.

"Recent trends in product spreads imply that gross refining margins will remain in the \$7-\$8/bbl range (Singa-

pore), which translates to a \$2-\$3/bbl premium for OMCs," ICICI Securities said. "Coupled with the strong retail fuel margins, earnings momentum should be robust for OMCs over FY24-25E."

Furthermore, the country's gas sector is likely to see stronger demand entering into 2024.

"Even spot LNG prices do seem moderation, if there are concerns on demand growth for oil and gas - sourcing costs for CGDs (city gas distribution companies) are likely to remain under control, which therefore, creates stronger demand for gas over FY24-25E," ICICI Securities said in its report.

According to S&P Global, production growth is expected to slow but remain positive in 2024, continuing the push for higher LNG and pipeline exports.

"Despite low Henry Hub gas prices in 2023, and a pullback in gas-oriented drilling, lower-48 natural gas production will reach 103.4 billion cubic feet per day (Bcf/d) in 2024, up by 4.3 Bcf/d due to strong oil prices stimulating associated gas production."

The consumption of natural gas is also seen rising in the power sector in the next financial year on the back of rising demand for power.

"We see 30-40% rise in demand for gas from the power sector starting from February as the power ministry expects the prices to touch the ceiling of ₹10 for most time of the day after which it becomes viable for power companies to purchase gas," said Rajesh Mediratta, MD and CEO of the Indian Gas Exchange.

Even though it remains to be seen how the global demand and supply fundamentals pan out for the energy markets, a price range of \$75-\$80/bbl for crude remains ideal to maintain the profitability of Indian OMCs, while for gas companies, the reduction in LNG prices by \$1.2-\$1.3/MMBtu is a material benefit from a pricing competitiveness and margin standpoint, said analysts.

Starting January, oil prices remained at the higher end at about \$82 per barrel following the price cap of \$60 per barrel put by the Group of Seven (G7) industrialised countries on Russian oil shipments in response to Russia's invasion of Ukraine. The prices touched their highest level of \$97 a barrel by the end of the first half of the financial year 2023-24 as Russia and Saudi Arabia announced an extension in its output cut till the year end.

Now again, analysts see crude prices hovering in the range of \$80-\$85 per barrel going ahead even after the Opec+ has decided to extend the output cut of 1.7 million barrels a day to 2024 as the announcement failed to arrest any fall in prices.

Analysts now believe that there may come a time in 2024 where some Opec+ members opt for a market share strategy over price defence.

THE
YEAR
AHEAD
2024

'Oil payment to UAE in rupees to spur deals'

Press Trust of India

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NEW DELHI: India's first-ever payment in rupees for crude oil purchased from the United Arab Emirates (UAE) is helping the world's third largest energy consumer push for taking the local currency global, as it looks for similar deals with other suppliers, officials said, adding internationalisation is a process and there are no targets.

With the nation more than 85% dependent on imports for meeting its oil needs, India has been pursuing a three-pronged strategy of buying from the cheapest available source, diversifying sources of supply and not breaching any international obligation like the price cap in case of Russian oil. While the strategy helped save billions of dollars, when it ramped up imports of Russian oil that was shunned by some in West post Ukraine war, it is looking to settle trade in rupees instead of dollars in a bid to cut transaction costs by eliminating dollar conversions.

India in July signed an agreement with the UAE for rupee set-



In July, India and the UAE agreed to settle trade in rupees instead of dollars. AFP

tlement and soon after Indian Oil Corporation (IOC) made payments for purchase of a million barrels of crude oil from Abu Dhabi National Oil Company (ADNOC) in rupees. Some of the Russian oil imports too have been settled in rupee.

Officials said the default payment currency for import of crude oil has been the US dollar for several decades and the currency traditionally has liquidity as well as lower hedging cost.

But to boost the rupee's role in cross-border payments, the Reserve Bank of India allowed more than a dozen banks to settle trades in rupees with 18 countries since last year.

Russia continues high levels of crude processing in mid-Dec

Bloomberg

Russia's oil processing in the past week remained close to its highest daily refining runs in more than eight months amid decreased seaborne exports.

The nation's refineries processed around 5.65 million barrels of crude a day from December 14 to December 20, according to a person with knowledge of the matter. That's down some 50,000 barrels a day, or 0.88 per cent, from the previous seven days, when average daily refinery runs reached the highest since early April.

Russian daily crude refining in the first 20 days of December averaged around 5.57 million barrels a day, up almost 60,000 barrels a



day on most of November, according to Bloomberg calculations based on historic data.

Russia's refinery runs are scrutinized by oil market watchers as it's one of the key remaining gauges — alongside seaborne crude exports — to follow trends in the nation's production after the government classified official output data amid international sanctions.

Daily overseas crude supplies from Russian ports fell sharply to 3.18 million barrels a day in the week to Dec. 17 amid a brief pause in shipments from the Baltic port of Primorsk, tanker-tracking data monitored by Bloomberg show. Still, the less volatile four-week average increased by 80,000 barrels a day.

Russia, in coordination with its OPEC+ allies, has pledged to cut its combined crude and petroleum exports by 300,000 barrels a day through year-end and to deepen the curbs by another 200,000 barrels per day in the first quarter of next year.

The pledge on export cuts comes on top of voluntary output curbs of 500,000 barrels a day from March 2023 through 2024.



Shareholders quit Russia's Arctic LNG 2 project

Foreign shareholders suspended participation in the Arctic LNG 2 project due to sanctions, renouncing their responsibilities for financing and for offtake contracts for the new Russian liquefied natural gas (LNG) plant, the daily *Kommersant* reported on Monday. The project was already facing difficulties due to US sanctions over the conflict in Ukraine and a lack of gas carriers. REUTERS



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कच्चे तेल का रुपये में पहला भुगतान यूएई को

नई दिल्ली। यूएई से खरीदे गए कच्चे तेल के लिए भारत ने रुपये में पहला भुगतान कर अपनी मुद्रा को वैश्विक स्तर पर ले जाने की दिशा में कदम बढ़ा दिया है। भारत ने जुलाई में यूएई के साथ रुपये में भुगतान के लिए समझौता किया था। इंडियन ऑयल कॉरपोरेशन ने अबू धाबी नेशनल ऑयल कंपनी से 10 लाख बैरल कच्चे तेल की खरीद का भुगतान भारतीय रुपये में किया है।

कच्चे तेल का रुपए में पहला भुगतान यूएई को, दूसरे देशों से भी कोशिश जारी

एजेंसी ■ नई दिल्ली

सफलता

संयुक्त अरब अमीरात (यूएई) से खरीदे गए कच्चे तेल के लिए भारत ने रुपए में पहला भुगतान कर अपनी मुद्रा को वैश्विक स्तर पर ले जाने की दिशा में कदम बढ़ा दिया है। अधिकारियों ने कहा है कि भारत अन्य तेल आपूर्तिकर्ता देशों के साथ भी इसी तरह के रुपया भुगतान सौदों की कोशिश में लगा हुआ है। लेकिन इसे अंतरराष्ट्रीय स्तर पर लागू करना एक प्रक्रिया है और इसके लिए कोई लक्ष्य नहीं रखा गया है। अपनी 85 प्रतिशत से अधिक तेल जरूरतों को पूरा करने के लिए भारत आयात पर निर्भर है।

इसके लिए उसे बड़े पैमाने पर डॉलर में भुगतान करना होता है। लेकिन पिछले साल से भारत ने तेल की खरीद का भुगतान डॉलर के बजाय रुपए में करने की व्यवस्था शुरू की है और इस दिशा में रिजर्व बैंक ने भी जरूरी कदम उठाए हैं।

इस दिशा में भारत ने जुलाई में यूएई के साथ रुपए में भुगतान के लिए एक समझौते पर हस्ताक्षर किए थे। सार्वजनिक क्षेत्र की तेल कंपनी इंडियन ऑयल कॉर्पोरेशन (आईओसी) ने अबू धाबी नेशनल

ऑयल कंपनी (एडीएनओसी) से 10 लाख बैरल कच्चे तेल की खरीद का भुगतान भारतीय रुपए में किया है। इसके अलावा रूस से आयात किए गए कच्चे तेल के कुछ हिस्से का भी भुगतान रुपए में किया गया है। एक अधिकारी ने कहा, हमें इस बात का ध्यान रखना होगा कि तेल खरीद का भुगतान रुपए में करने से लागत न बढ़े और इसका व्यापार पर किसी भी तरह से नुकसान न पड़े। उन्होंने कहा, जहां तक अधिक नहीं है वहां रुपए में सौदा निपटान में ज्यादा समस्या नहीं होती है। लेकिन जब कच्चे तेल का हरेक जहाज लाखों डॉलर की कीमत का हो तो समस्याएं होती हैं।

यूएई को कच्चे तेल का रुपए में पहला भुगतान

नई दिल्ली(भाषा)। भारत ने कच्चे तेल की खरीद के लिए रुपए में पहला भुगतान संयुक्त अरब अमीरात (यूएई) को कर अपनी मुद्रा को वैश्विक स्तर पर ले जाने की दिशा में कदम बढ़ा लिया है। अधिकारियों ने कहा है कि भारत अन्य तेल आपूर्तिकर्ता देशों के साथ भी रुपए में भुगतान की कोशिश में लगा हुआ है। इसे अंतरराष्ट्रीय स्तर पर लागू करना एक लंबी प्रक्रिया है। अपनी 85 प्रतिशत से अधिक तेल जरूरतों को पूरा करने के लिए भारत आयात पर निर्भर है।

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लाख बैरल कच्चे तेल की खरीद का भुगतान भारतीय रुपए में किया है। इसके अलावा रूस से आयात किए गए कच्चे तेल के कुछ हिस्से का भी भुगतान रुपए में किया गया है।

एक अधिकारी ने कहा, हमें इस बात का ध्यान रखना होगा कि तेल खरीद का भुगतान रुपए में करने से लागत न बढ़े और व्यापार पर भी असर न हो।

जहां रकम अधिक नहीं है वहां रुपए में सौदा निपटाने में ज्यादा समस्या नहीं होती है। लेकिन जब कच्चे तेल का हरेक जहाज लाखों डॉलर का हो तो समस्याएं होती हैं। रुपए के अंतरराष्ट्रीयकरण से डॉलर की मांग कम करने में मदद मिलेगी और भारतीय अर्थव्यवस्था पर वैश्विक मौद्रिक झटकों का कम असर होगा। पिछले सप्ताह संसद में पेश संसदीय समिति की एक रिपोर्ट में कहा गया है कि भारतीय रुपए में कच्चे तेल का भुगतान लेने की दिशा में प्रगति अच्छी नहीं है। इस पर अधिकारियों ने यह माना कि वित्त वर्ष 2022-23 में हालात ऐसे ही रहे हैं लेकिन इस साल तेल का कुछ कारोबार रुपए में हुआ है।

■ मुद्रा को
वैश्विक स्तर पर
ले जाने की दिशा
में महत्वपूर्ण कदम