



Govt seeks to appoint HPCL head via search-cum-selection panel

New Delhi: The government has invited applications for the top job at Hindustan Petroleum Corporation Ltd (HPCL) as it looks to use the search-cum-selection committee route for the second time this year to find the head of a state-owned oil firm. The petroleum and natural gas ministry has invited applications from engineers, chartered accountants and cost accountants with PG management degrees, and at least five years of experience in leadership roles, by 14 September.

PTI

Russian crude oil imports by public refiners at 12-month high in July

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New Delhi

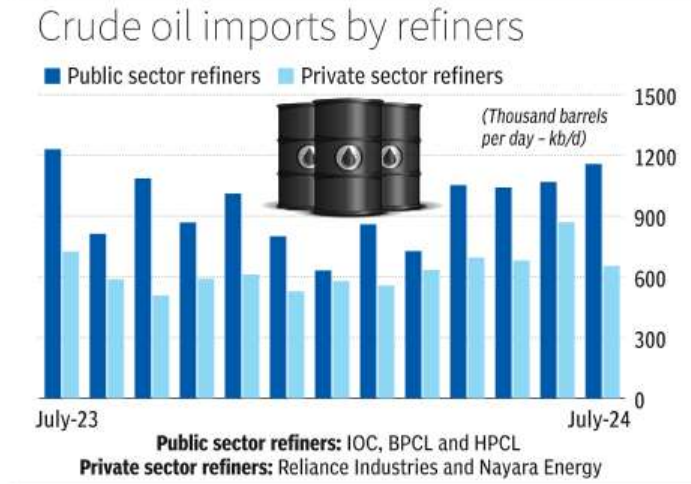
Crude oil imports by public refiners such as Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation rose to a 12-month high in July 2024.

Analysts and trade sources attributed the growth to attractively priced Russian grades compared to some Middle Eastern ones. Tepid demand in China also led to more cargo being redirected to India.

According to data from energy intelligence firm Vortexa, public sector refiners bought 1.157 million barrels per day (mb/d) crude oil from Russia on a provisional basis in July 2024, the highest since July 2023. The shipments last month were lower by almost 6 per cent y-o-y but were higher by 8 per cent m-o-m. However, average crude loadings during January-July 2024 by state refiners fell by more than 9 per cent y-o-y to 1.6 mb/d from 1.73 mb/d a year-ago.

RUSSIAN VOLUMES

Imports by private refiners, such as Reliance Industries



Source: Vortexa

and Nayara Energy from Russia, fell by 10 per cent y-o-y to around 653 barrels per day (mb/d) in July 2024. The decline in shipments on a monthly basis was steeper at 25 per cent.

Average loadings during January-July 2024 (666.57 b/d) were also lower, albeit by 5 per cent compared to the same period a year-ago (701.57 b/d).

Imports of Russia's flagship medium sour grade, Urals, fell by 13 per cent y-o-y to around 1.36 mb/d.

"In July, the decline in Russian Urals outweighed the increase in supplies of Russian Far East and Arctic

grades, which resulted in a net decline in overall imports of Russian crude into India," Vortexa's Head of APAC Analysis Serena Huang told *businessline*.

Imports of ESPO blend rose to 1,70,000 b/d in July 2024 from 70,000 b/d in June. Similarly, shipments of Varandey rose to 1,60,000 b/d last month from 1,41,000 b/d in June 2024.

PRICE ARBITRAGE

India's cumulative crude oil imports fell by over 2 per cent y-o-y and 3 per cent m-o-m to 4.48 mb/d in July 2024.

On pricing dynamics,

Huang said, "Russian crude is likely attractively priced compared to Middle Eastern grades, driving higher import appetite from public refiners."

For instance, Saudi Arabia's official selling price of its flagship Arab Light grade, similar to Urals, in June 2024 was the highest since February. Prices for July have been fixed lower, likely due to rising non-OPEC crude supplies and a gloomy global economic outlook.

"Despite narrowing discounts of Russian crude, it remains a more attractive feedstock compared to Middle Eastern grades from Saudi Arabia and the UAE. The average delivered price of Russian crude in India in May was \$84 per barrel, a \$3 per barrel and \$11 a barrel discount compared to the average UAE and Saudi crude delivered prices respectively," Huang explained in a July 16 commentary by Vortexa.

On crude oil import momentum, Huang said, "With lower Russian crude exports last month (July 2024), coupled with rising planned maintenance, supplies to India will likely be lower in August and September."



OIL, registered phenomenal growth in its Crude Oil & Natural Gas production with an increase of 6.22% in crude oil while Natural Gas production has been up by 9.80% in Q1 FY25 vis a vis Q1 FY24. Declaring its financial results for the quarter ended 30 June 2024, OIL reported a Profit After Tax for Q1 FY25 at Rs 1,466.84 Crores with the contribution to the exchequer in the form of Special Additional Excise Duty of USD 10.27/bbl in Q1 FY25 compared to USD 2.59/bbl in Q1 FY24 amounting to Rs.507.75 Crore in Q1 FY25 vis a vis Rs.113.55 Crore in Q1 FY24.



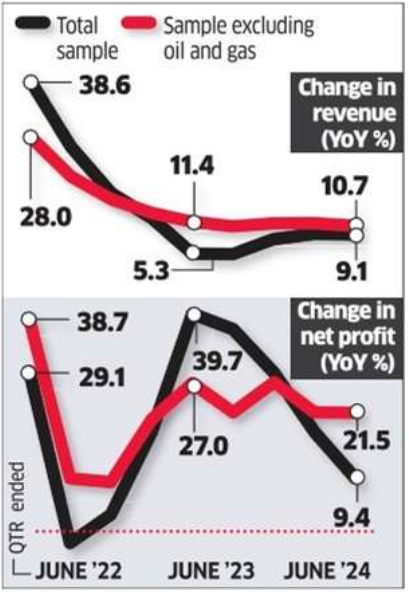
REVENUE AND PROFIT GROWTH IN SINGLE DIGITS AGAIN Oil & Gas Spoil India Inc Show in June Quarter

ET ANALYSIS

Ranjit Shinde

ET Intelligence Group: A sharp fall in net profit of oil and gas firms due to lower gross refining and marketing margins restricted India Inc's bottom line growth for June 2024 quarter, partly offset by a stellar show from banking and finance companies. For a sample of 3,340 companies, net profit grew at a six-quarter low of 9.4% year-on-year while revenue rose 9.1%, marking a fifth straight quarter of single-digit growth. Excluding oil and gas, aggregate revenue and profit growth was at 10.7% and 21.5%, respectively.

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Operating Margin

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The gross refining margins (GRMs) of Indian refining companies are benchmarked to the Singapore GRMs. The measure captures the difference between the price of crude and those of products derived from it. Lower Chinese demand has hurt regional GRMs over the past few quarters. In addition, domestic oil marketing companies reduced petrol and diesel prices by Rs 2 per litre in March, which further impacted their performance. The aggregate net profit of the oil and gas companies in the sample fell 41.3% while revenue grew 4% year-on-year in the June quarter.

Banking and finance companies on the other hand continued to report robust revenue and profit growth albeit at a lower net interest margin (NIM). Their aggregate revenue rose by 21.1% while net profit grew by 20.2%. Excluding lenders, the sample's revenue and net profit growth moderated to 6.6% and 4.4%, respectively.

"The overall corporate performance in the June 2024 quarter reflected a return to normalcy after Covid and aberrations in the form of commodity cost deflation in the previous quarters," said Deepak Jasani, retail research head, HDFC Securities, adding that elections, a harsh summer and the shortage of labour played a part in the muted performance during the quarter.

The operating margin for the full sample fell by 150 basis points year-on-year to 17.4%

in the June quarter. After excluding oil and gas companies, the margin level improved to 20.8% and the year-on-year contraction was lower at 70 basis points.

"Ebitda margin for the companies under our coverage excluding Financials contracted by 120 basis points year-on-year to 16.3%," said Gautam Duggad, institutional research head, Motilal Oswal Financial Services, highlighting that 10 out of 17 sectors covered by the brokerage reported margin expansion.

On the sectoral front, it was a mixed bag. Those that failed to register growth in revenue and net profit included cement, media and entertainment and steel. On the other hand, construction, consumer durables, automobiles and ancillaries, pharmaceuticals and capital goods showed improved revenue and profit.

With the new government in place at the Centre and the budgetary focus on development, Duggad is of the view that the combination of economic growth, moderating inflation and current account and fiscal deficits well within the tolerance band may keep sentiment strong.

According to Jasani, demand needs to revive materially in rural and semi-urban areas to enable corporates to show top line and margin growth. "Post monsoon, hopes are set on revival in the rural economy and a better Q2, though stubborn food inflation may restrain the upside," Jasani said.



Swan Energy to Sell LNG Terminal to Botas for \$399 M

Mumbai: Swan Energy Ltd plans to sell its stake in a floating liquefied natural gas terminal to Turkey's state-run Botas for \$399 million. The deal, which is likely to be completed in six months, is subject to the approval of shareholders and regulators, the Mumbai-based company said in a stock exchange filing.

Vasant 1, the 180,000-cubic-meter floating storage and regasification unit, is owned by its subsidiary Triumph Offshore Pvt where Swan holds a 51% stake in the unit, while



The textiles-to-petrochemicals company had originally planned to commission the terminal on the west coast at the Jafrabad port in 2019-20. However, it suffered delays

IFFCO controls the rest.

It isn't clear if IFFCO too will sell its shares. Spokespersons from both IFFCO and Swan didn't immediately comment on the matter.

as the related port facilities couldn't be completed in time due to the Covid outbreak and a cyclone in 2022, according to Swan's annual reports. Triumph got the delivery of the FSRU from Hyundai Heavy Industries Shipyard in September 2020, and chartered it to Botas in January 2023. India currently has seven land-based LNG terminals, but five of them are operating at less than half of their capacities due to weaker demand and the lack of pipelines connecting them with the national gas grid.

—**Bloomberg**

BRENT CRUDE FUTURES DOWN AT \$80.38 A BARREL

Crude Oil Prices Edge Down



LONDON: Oil prices slipped on Wednesday after US crude inventories rose unexpectedly and as worries eased slightly that a wider Middle East conflict could threaten production in one of the world's major regions for crude production. Brent crude futures were down 31 cents, or 0.4%, to \$80.38 a barrel. US West Texas Intermediate crude futures fell 72 cents, or 0.9%, to \$77.62 per barrel. U.S. crude inventories rose by 1.4 million barrels, compared with estimates for a 2.2 million barrel drop. – **Reuters**



₹3,600-cr Projects OKed to Upgrade Power Infra in Gurugram, F'bad

Our Bureau

New Delhi: The power ministry on Wednesday approved projects worth ₹3,600 crore for modernization and upgradation of power distribution infrastructure in Gurugram and Faridabad districts.

The projects will be covered under the Revamped Distribution Sector Scheme. They are likely to benefit consumers of Manesar and Badshahpur in Gurugram district and Old Faridabad, NIT, Balabhgarh and Greater Faridabad in Faridabad district.

The projects will be covered under the Revamped Distribution Sector Scheme

The projects entail works for around 500 feeders with latest technology, setting up of 20

new Gas Insulated Substations, 12 in Faridabad and 8 in Gurugram. It also includes 3,500 km of underground cabling, commissioning of around 5,000 new distribution transformers, among others. Automation of the network will also be taken up that would contribute significantly for prompt fault detection and restoration of power, the government said.

The automation and modernization of distribution infrastructure will help the two cities become future ready with the underground cabling work improving citizen safety and overall aesthetics, especially in congested areas.

After IOC, govt seeks to appoint HPCL head through search-cum-selection committee

PTI

NEW DELHI

The government has invited applications for the top job at Hindustan Petroleum Corporation Ltd (HPCL) as it looks to use the search-cum-selection committee route for the second time this year to find the head of a state-owned oil firm.

The Ministry of Petroleum and Natural Gas (MoPNG) has invited applications from engineers, chartered accountants and cost accountants with postgraduate management degrees from leading institutions and having at least five years experience in leadership roles by



September 14, according to an advertisement posted on its website.

"Selection shall be through a search-cum-selection committee," it said.

This after, the government headhunter PESB in June rejected all candidates it interviewed for the top job.

The Public Enterprises Selection Board (PESB) on June 14 interviewed eight can-

didates, including a director on the HPCL board and managing director of Indraprastha Gas Ltd (IGL), but rejected them all.

Now the search committee route has been taken that allows flexibility in selecting candidates.

The HPCL CMD post will fall vacant on September 1, 2024, when incumbent Pushp Kumar Joshi retires on attaining a superannuation age of 60 years.

"The search-cum-selection committee may recommend relaxation in the eligibility, age and qualifications/experience criteria in respect of outstanding candidates," the advertisement said.