

CPSE dividend receipts at 86% of FY25 target

● Dividends likely to exceed the Budget target by a decent margin

PRASANTA SAHU
New Delhi, January 3

THE CENTRE'S DIVIDEND receipts from the Central Public Sector Enterprises (CPSEs) and other investments have fetched ₹48,376 crore or 86% of the annual target so far in the current financial year.

Going by the performance of the CPSEs so far, the dividend receipts from these companies is poised to exceed ₹60,000 crore for the second year in a row in FY25 as against the target of ₹56,260 crore.

As against the Budget estimate of ₹50,000 crore, the dividends from CPSEs and other residual stakes in other firms had fetched the Centre ₹63,749 crore in FY24, the highest in any financial year.

These CPSE dividends, other than from the Reserve Bank of India and state-run financial institutions, have been driven by robust performance in a wide spectrum of sectors, including petroleum, energy, mining and commodities.

Top dividend payers to the government include Coal India (₹8,073 crore), Oil and Natural Gas Corpora-

ON TRACK

Centre's dividends from CPSEs (₹ cr)



tion (₹6,298 crore), Indian Oil Corporation (₹5,091 crore) and Telecommunications Consultants India (₹3,762 crore).

Higher dividend receipts from CPSEs will further cushion the government's fiscal deficit in FY25. Thanks to the dividend of ₹2.11 trillion from the RBI as against the Budget estimate of ₹80,000-90,000 crore, the government has pegged the fiscal deficit for FY25 at 4.9% of GDP from 5.1% estimated in the interim Budget.

Going by the spending pace which moderated compared to last year, the fiscal deficit may be lower than 4.9% despite a likely lower nominal GDP size than anticipated in the Budget.

Crude oil set for gains as market eyes US, China



London: Crude oil prices were little changed and poised for weekly gains after closing at their highest in more than two months in the previous session, underpinned by expectations of further economic stimulus in China and lower US interest rates. Brent crude futures were down 7 cents at \$75.86 a barrel. US WTI crude dipped by 6 cents to \$73.07. REUTERS

Demand for CNG vehicles soars in 2024 due to stricter emission norms

ARSHAD KHAN @New Delhi

DEMAND for CNG-powered cars rose sharply in 2024 even as total passenger vehicles (PV) grew by less than 5% during the calendar year. Partho Banerjee, senior executive officer of marketing and sales at Maruti Suzuki India (MSIL) said they sold 453,000 units in the period of April-December, a growth of 26.3% over 2023.

"In terms of the CNG penetration, the contribution has now increased to 38.7%. During the same period last year, it used to be 31.4%, indicating a growth of nearly 7.3%," added Banerjee. In CY24, CNG sales were over 5.76 lakh units for MSIL. The carmaker's total PV sales in 2024 stood at 17.91 lakh units, up by 2.7% year-on-year.

Rohan Kanwar Gupta, vice President & sector head, corporate ratings at ICRA said improving CNG availability and favourable operating economics aided by its superior mileage, have aided an increase in the adoption pace of the powertrain over the past few years (17% in H1 CY24).

Gupta added that the launch of various variants by leading



OEMs has also enhanced the options available to the buyers and has in turn further aided demand for CNG vehicles. "Stricter emission norms and restrictions on polluting vehicles are expected to result in a continuation of a general shift towards cleaner vehicles over the medium term, thereby leading to an increase in adoption of CNG, hybrid and EV powertrains," he said.

For Hyundai Motor India (HMIL), CNG vehicles contributed 13.1% of its domestic sales in CY24. Hyundai sold 605,433 units in CY2024, up 0.6% when compared to CY 2023 sales.

"The introduction of our innovative Hy-CNG Duo technol-

ogy in 2024 resonated well with buyers, resulting in the highest CNG contribution of 13.1% to HMIL's domestic sales in CY24, as against 10.4% in CY23," said Tarun Garg, whole-time director and COO at HMIL.

Similarly, Tata Motors saw a surge in demand for CNG-powered vehicles. "We registered a 77% growth in our CNG volumes, selling over 120,000 CNG vehicles in CY24," said Shailesh Chandra, managing director of Tata Motors Passenger Vehicles Ltd. Contrary to this growth, Tata Motors electric vehicle sales grew by just 6% year-on-year to 16,119 in the October-December quarter.

Import of oil from Russia falls 13% in Dec

ARUNIMA BHARADWAJ
New Delhi, January 3

INDIA'S IMPORT OF Russian crude oil declined by 13.2% to 1.39 million barrels per day in December against 1.61 million barrels per day in November, data from Vortexa showed.

However, Russia remained the largest crude supplier to the country in December accounting for 31% of India's total crude oil imports.

The country's overall crude oil imports increased by almost 4% to 4.46 million barrels per day month-on-month in December, with higher crude imports from Iraq offsetting the decline in imports from Russia.

"In December, the top five suppliers included Russia, Iraq, Saudi Arabia, the United Arab Emirates, and Angola, with Angola overtaking the United States as the fifth-largest crude supplier," said Xavier Tang, market analyst at Vortexa.

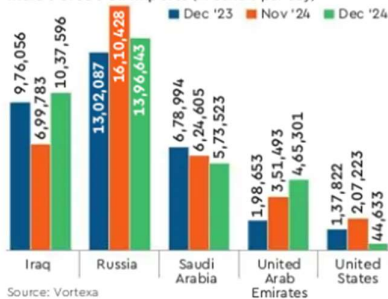
"Indian refiners turned towards African and West Asian producers for crudes as Russian crude exports fell."

While the share of crude oil sourced from Russia and Saudi Arabia, the two traditional oil suppliers to the country, fell in December, the share of crude imports from the United Arab Emirates and Iraq increased.

Iraq's share of Indian imports increased to 23% this month, up from 16% last month. Imports from Iraq increased by 48.3% on month to 1.03 million barrels per day last month, as per the data. Imports from Saudi Arabia fell by 8% to 573,523 barrels per day last month from 624,605 barrels per

OIL TURMOIL

India's crude oil imports (in barrels per day)



Source: Vortexa



day in November.

"Given the discounts for Russian barrels over the West Asian counterparts, India will continue to prioritise importing crude oil from Russia," Tang said.

"However, with the recent reduction in West Asian crude official selling prices, India will likely supplement any shortfall in Russian supplies with West Asian crude grades," he added.

India's crude imports are also dependent on the country's domestic oil demand and export margins.

Meanwhile, the country's crude imports from the US is likely to remain unaffected under the new administration, analysts say. US domestic production is projected to increase next year, as part of the new drilled and completed wells coming online.

"The US incoming president, Donald Trump, has announced that he intends to impose 25% tariffs on imports from Canada and Mexico. This would greatly increase the cost of Canadian heavy crudes which are transported via pipeline into the US, of which, some are exported to India. With the new import tariffs, Canadian heavy crude will almost be economically unattractive to Indian refiners, as such, we could expect to see lower exports of these crudes from the US Gulf to India," said Tang. "The mainstream US crude will likely remain unaffected, and their exports to India will still be driven by economics."

While Trump has announced that he plans to expedite drilling permits on federal land, analysts at Vortexa believe that this would have limited impact on US crude produc-

tion in the near-term.

According to the data, India's private refiners bought 1.68 million barrels of crude oil per day in December while public downstream companies imported 2.78 million barrels of crude oil, accounting for 62% of the total imports.

India's oil demand growth rate is now expected to surpass China's, making it one of the fastest-growing consumption centres, prompting the country's refiners to accelerate expansion plans and widen crude diversification, as per S&P Global Commodity Insights.

"In 2025, India is forecast to deliver a relatively faster growth in oil demand of 3.2%, compared with China's 1.7%," said Kang Wu, global head of macro and oil demand research at S&P Global Commodity Insights.

As India's refining capacity is set to rise, refiners and policymakers are intensifying efforts to diversify the crude import basket to reduce overdependence on a few supplying countries or regions.

Prime Minister Narendra Modi's visit to Guyana has bolstered expectations that the country's refiners are nearing long-term crude oil import agreements with the relatively new South American supplier, S&P said.

"Recent diplomatic visits will help bring in crude oil from Africa and Latin America, but the growth in absolute volume would depend on the overall crude market," said Abhishek Ranjan, South Asia oil research lead at S&P Global Commodity Insights.

"The share of West Asian crude shipments to India's basket is likely to drop by a few percentage points due to the diversification of import sources. But, overall, the crude grades in India's import basket are expected to remain medium grades and we don't anticipate a significant drop in share of sour crude in 2025," Ranjan added.

India, which imports as much as 85% of its needs, has said that it will continue buying oil from the cheapest available sources to meet growing demand, with Russian oil falling in that category due to attractive discounts.

The country's dependency on import of crude oil during April to November of the current fiscal rose to 88.1%, up from 87.6% in the corresponding period of FY24 amid rising demand and stagnant domestic production, as per data from the Petroleum Planning and Analysis Cell.

LPG tanker in TN overturns, tragedy averted

Coimbatore: A LPG tanker overturned on an arterial road flyover in TN's Coimbatore in the early hours of Friday, leading to a minor gas leak. The tanker turned turtle after it got detached from the truck when the driver was negotiating the flyover's roundabout, said district collector Kranthi Kumar Pati. No one was injured.

Traffic came to a transient halt in the central part of the city due to the incident. Schools in a 1-km radius of the accident spot closed for the day as a precaution.

Fire service and rescue personnel sprayed water on the tanker which was carrying 18 tonne of LPG to a BPCL bottling plant at Ganapathy in Coimbatore from Kochi. The leak has been arrested, and efforts are on to shift the gas, Pati said. PTI

Middle East oil prices jump on robust demand from Asia and scant flows from Iran & Russia

Iranian and Russian oil flows have been disrupted by broadening sanctions

DUBAI: The price of some Middle Eastern oil grades strengthened in the final week of December on robust demand from Asian refiners, after barrels from Iran and Russia became sparse and more expensive, *Bloomberg* reported.

Oman and Dubai crude surged to a rare premium to Brent, while Murban futures outperformed the global benchmark in the last two months of the year. Prices gained on higher demand from China and India, and active bidding on the so-called Platts window by companies such as TotalEnergies SE, according to traders.

While the market has started on a quieter note in January, traders said it's still early and bidding can progres-



sively intensify over the month. They are also waiting for official selling prices by major Middle Eastern producers such as Saudi Aramco, which would set the tone for buying.

Iranian and Russian oil flows have been disrupted by broadening sanctions from the US and Europe, while Moscow faced increased pressure

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to abide by OPEC+ production goals. At times, Oman and Murban prices can swing dramatically in the final sessions of each month due to low volumes, though they were already trending higher before that, suggesting market strength.

In late-December, Oman futures on the Gulf Mercantile Exchange and partial lots of

Dubai crude were priced at \$1 or more over Brent, compared with a typical discount to the lighter and sweeter oil.

Cargoes of Russian ESPO to China recently traded at a premium of \$2 a barrel to Brent on a delivered basis, up from a premium of between 80 cents and \$1.50 in the past two months. Indian processors have also raised concerns over fewer offers for Russian Urals, prompting at least one refiner to seek alternatives.

The availability of Iranian supplies to Chinese buyers has slowed in recent weeks, with Iranian Light cargoes priced at a discount of \$1.50 a barrel to Brent, compared with a discount of \$2 to \$3 in late November.

AGENCIES

Oil refiners may see fall in profit next financial year

ENS ECONOMIC BUREAU
@ New Delhi

INDIAN oil refineries will see their profits decline in the next financial year, according to a report by Fitch Ratings. The main reasons for this decline are lower prices for petroleum products, a surplus of these products in the region, and reduced benefits from fluctuations in global crude oil prices.

This decline is attributed to lower prices for petroleum products, oversupply in the region, and reduced benefits from fluctuations in global crude oil prices.

However, oil marketing companies (OMCs) are expected to maintain healthy marketing



margins, thanks to lower Brent crude oil prices and a forecasted 3-4% increase in India's petroleum product demand in financial year 2024-25 (FY25).

"Fitch Ratings expects India's petroleum product demand to rise by 3-4% in the financial year ending March 2025 (FY25), compared with increases of 3% in 7MFY25 and

5% in FY24. This is supported by rising consumer, industrial and infrastructure demand... The growth in petroleum product demand is likely to be broad-based, with diesel and petrol accounting for the majority," reads the report.

The report also noted that India's total gas consumption is expected to increase by around 10% in the financial

year 2025 (FY25), driven by growing demand from key sectors and government policies promoting the use of cleaner fuels.

Natural gas production in India is expected to grow at a low single-digit rate in FY25, supported by development projects on the western and eastern coasts. However, this growth rate is slower than the 9% compound annual growth rate (CAGR) seen between FY21 and FY24.

Liquefied Natural Gas (LNG) imports are expected to increase by around 20% in FY25, driven by growing demand and lower international gas prices. This will make gas more affordable for price-sensitive sectors.



Panic after LPG tanker overturns in Coimbatore

EXPRESS NEWS SERVICE

@ Coimbatore

TENSION gripped in the city on Friday morning after an LPG-loaded tanker toppled from its truck on the old flyover of Avinashi Road at Uppilipalayam, triggering a gas leak.

The tanker, which was carrying 18 metric tons of LPG from Kochi, detached from the truck at about 2.30 am while taking a turn on the roundabout at the flyover.

Damage in its pressure cage caused the leakage. After approximately 11 hours, rescue teams managed to seal the breach and transfer the tanker to the BPCL bottling unit near Ganapathi in the city.

The fire and safety personnel recommended the authorities restrict public entry within a 250-meter radius to avoid major accidents.

Accordingly, all traffic was redirected, and routes connecting to the flyover were closed until the afternoon. Nearly 40 schools within a kilometre radius declared a holiday to ensure the safety of their students. Also, the commercial establishments and electricity supply were shut down until the rescue operation was complete.

PNG, CNG consumers to get uniform insurance cover

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NEW DELHI

Piped natural gas customers, households, industry as well as CNG vehicle users, are likely to get uniform insurance cover against leaks and other accidents, following a recommendation by the Petroleum & Natural Gas Regulatory Board (PNGRB).

At a meeting with stakeholders, the regulator noted that it is imperative that piped natural gas (PNG) consumers should also be insured as is the case with liquid petroleum gas (LPG). And along with domestic PNG consumers, commercial and industrial users of PNG and compressed natural gas (CNG) should also be covered by insurance. The open house discussion was held on 20 December, amid instances of leakages and accidents.

Although considered safer than LPG, sporadic instances



While insurance cover is provided to CNG consumers and depots, there is no universal coverage for PNG.

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of pipeline leaks in the case of PNG have been reported. In May 2024, four people were injured in Mumbai due to a leakage caused in a PNG pipeline during an excavation work. In November 2023, one person died and three others were injured in Palwal, Haryana, due to a pipeline leakage and eventual explosion.

CNG vehicles report higher

instances of accidents. Last month, a collision between an LPG and a CNG truck in Jaipur claimed eight lives, injuring 41 people. In October, a bus in Mumbai caught fire due to leakage of CNG from its fuel supply system.

The minutes released on 1 January said there was unanimous consensus on the need for "uniform insurance policy"

in city gas distribution sector.

While insurance cover is provided in cases to CNG consumers and workers in CNG depots, there is no universal coverage and the PNG space is largely out of the insurance coverage.

Noting that PNG is a much safer fuel and is currently not covered under the insurance scheme, HPCL said that the CGD sector needs to be under the ambit of insurance.

"There was consensus among the stakeholders for covering the PNG consumers akin to LPG consumers and oil and gas marketing companies agreed to roll out the policy within two months' time frame," the regulator said in the minutes.

According to the regulator, CGD companies should match the best terms being offered

for insurance, or enhance their offerings in providing immediate and general cover to all PNG and CNG consumers as is the case with LPG.

It also said claim procedures need to be well thought-out, deliberated, covering known or common scenarios. In a bid to for consumer convenience, PNGRB also suggested that

efforts should be made to ensure routine insurance claims don't need judicial oversight or intervention.

Damages to surroundings and neighbours must also be considered while for-

mulating the policy and offering insurance cover, it said.

The regulator will include insurance in the quality of service regulations, making it mandatory for all entities.

For an extended version of the story go to livemint.com

Although CNG users report more accidents, instances of pipeline leaks at PNG households were reported



एलपीजी के लिए गैस आवंटन में कटौती

नई दिल्ली। सरकार ने एलपीजी उत्पादन में इस्तेमाल होने वाली प्राकृतिक गैस के आवंटन में कटौती करने के साथ कम कीमत वाले ईंधन को आईजीएल एवं अदाणी-टोटल गैस लिमिटेड जैसे शहरी गैस खुदरा विक्रेताओं को दे दिया है। अधिकारी ने कहा कि आवंटन प्रक्रिया में कुछ सप्ताह लग सकते हैं और शहरी गैस खुदरा विक्रेताओं को जनवरी के मध्य से आपूर्ति बढ़ने की संभावना है।

एलपीजी के लिए प्राकृतिक गैस का आवंटन घटाया

नई दिल्ली: सरकार ने एलपीजी उत्पादन में इस्तेमाल होने वाली प्राकृतिक गैस के आवंटन में कटौती करने के साथ इंड्रप्रस्थ गैस लिमिटेड (आइजीएल) एवं अदाणी-टोटल गैस लिमिटेड जैसी शहरी गैस खुदरा विक्रेताओं को दे दिया है। सरकार ने सीमित उत्पादन के चलते पिछले साल अक्टूबर और नवंबर में भी शहरी गैस विक्रेताओं की आपूर्ति में 40 प्रतिशत तक की कटौती की थी। (प्रेट्र)