



# Oil & Petroleum Update

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**APRIL 2023**



# TABLE OF CONTENTS

PORT ANALYSIS

HIGHLIGHTS

03

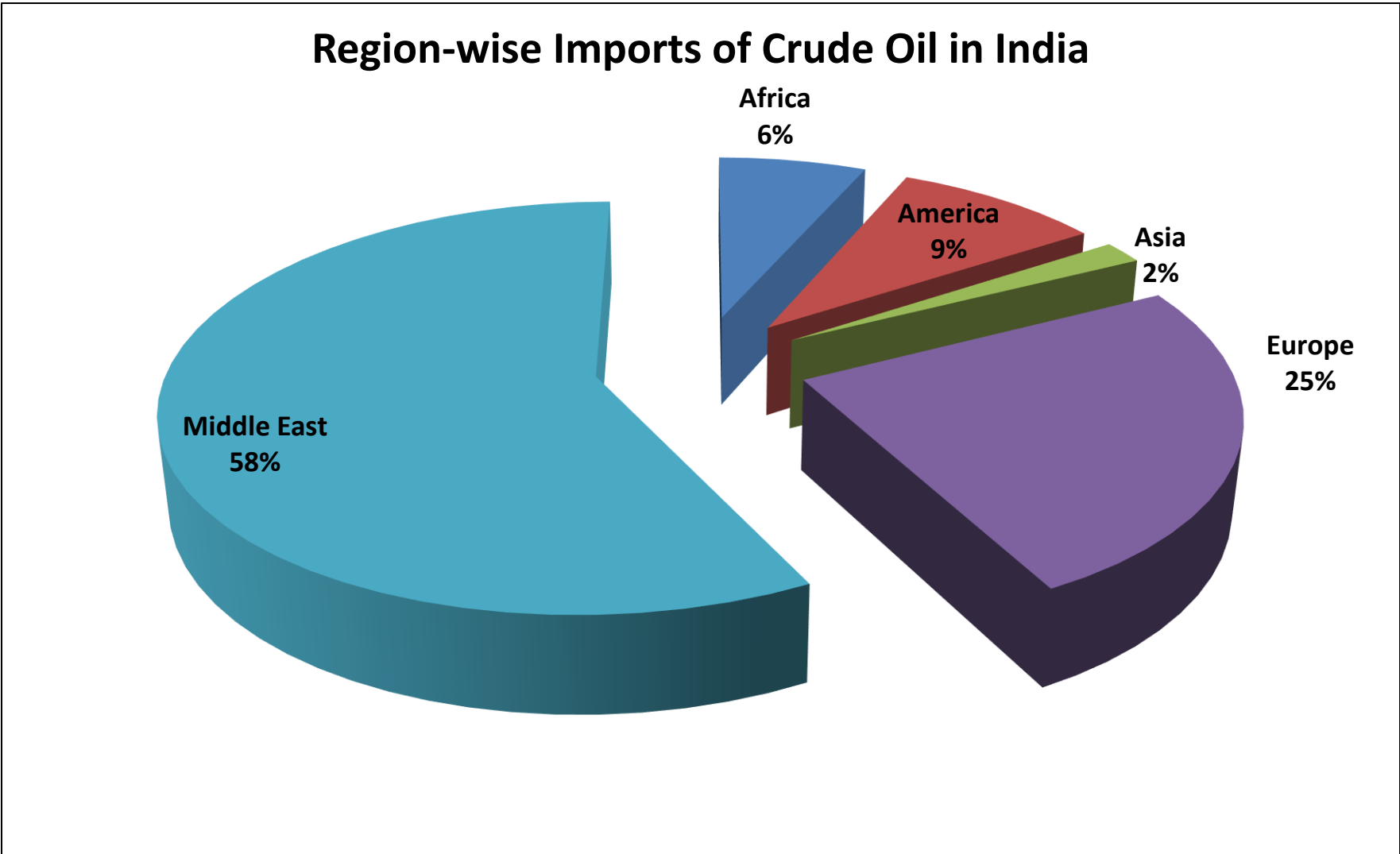
11

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# CRUDE OIL



- Indigenous crude oil and condensate production during March 2023 was down by 2.8 % than that of March 2022 as compared to a de-growth of 4.9 % during February 2022.
- De-growth of 1.7 % was registered in the total crude oil and condensate production during April - March 2023 over the corresponding period of the previous year.
- ‘Crude oil processed during March 2023 was 23.0 MMT, which was 3.0 % higher than March 2022 as compared to a growth of 2.0 % during February 2022. Growth of 5.6 % was registered in the total crude oil processing during April- March 2023 over the corresponding period of the previous year.

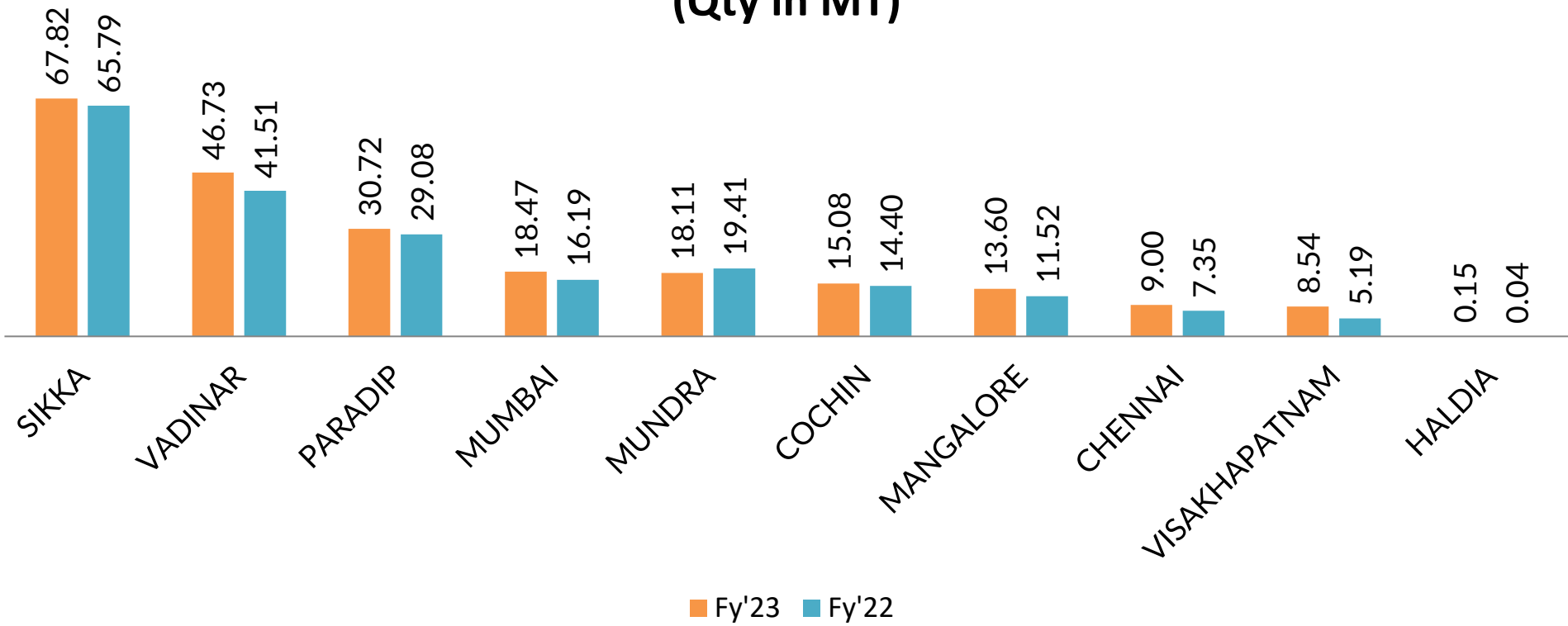


# CRUDE OIL

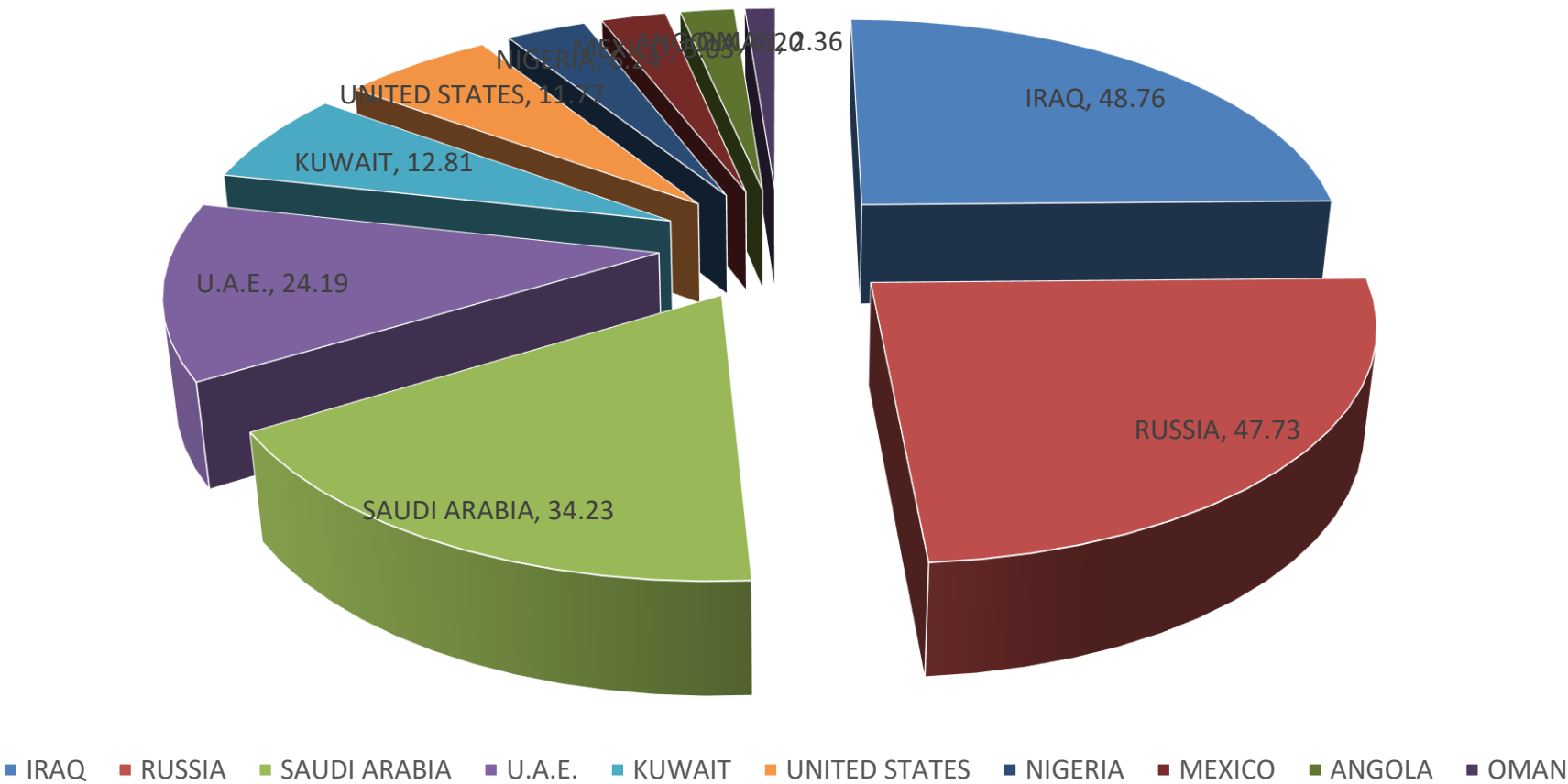


- Crude oil imports increased by 7.9% and 9.4% during April 2023 and April- March 2023 respectively as compared to the corresponding period of the previous year.
- Sikka port saw the Highest Traffic of Crude Oil at 67.82MT in the period of FY'23.

Imports of Crude Oil from top 10 Indian Ports  
(Qty in MT)



Imports of Crude Oil from Top 10 Countries in India, FY'23  
(Qty in MT)

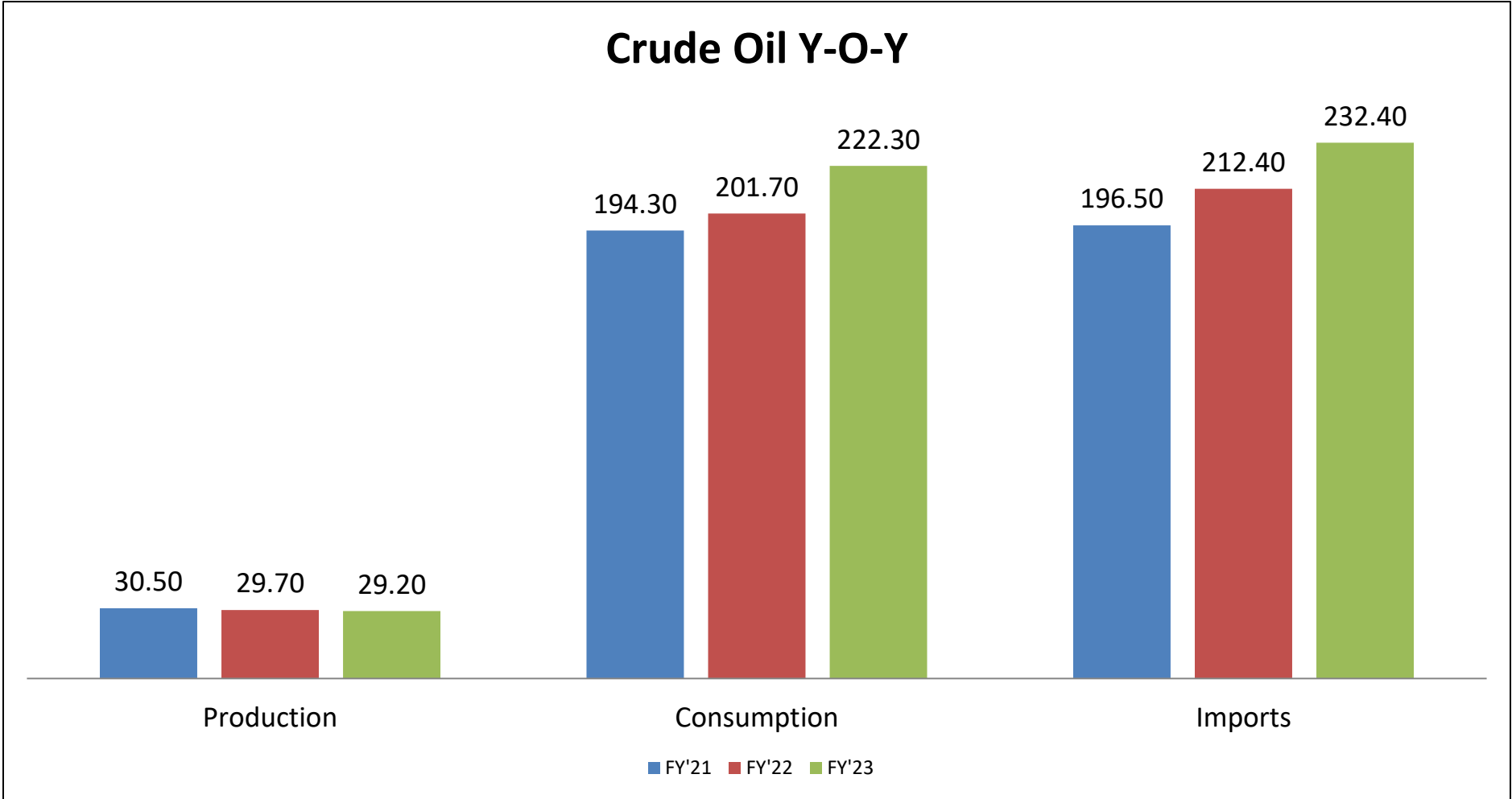




# CRUDE OIL



Top 10 Crude Oil Importers Apr-Mar’23	QTY in MT
INDIAN OIL CORPN. LTD.	63.66
RELIANCE INDUS. LTD.	60.67
BHARAT PETROLEUM COPRN. LTD.	32.04
HINDUSTAN PETROLEUM CORPN. LTD.	25.86
NAYARA ENERGY LTD. (ESSAR OIL LTD.)	18.92
MANGALORE REFINERY AND PETROCHEMICAL LTD.	13.80
BHARAT OMAN REFINERIES LTD.	2.44
INDIAN STRATIGIC PETROLEUM RESERVE LTD	0.15
CHENNAI PERTROLEUM CORPN. LTD	0.14
MANGALORE CHEMICAL AND FERTILIZERS LTD.	0.13



# PETRO- PRODUCTS



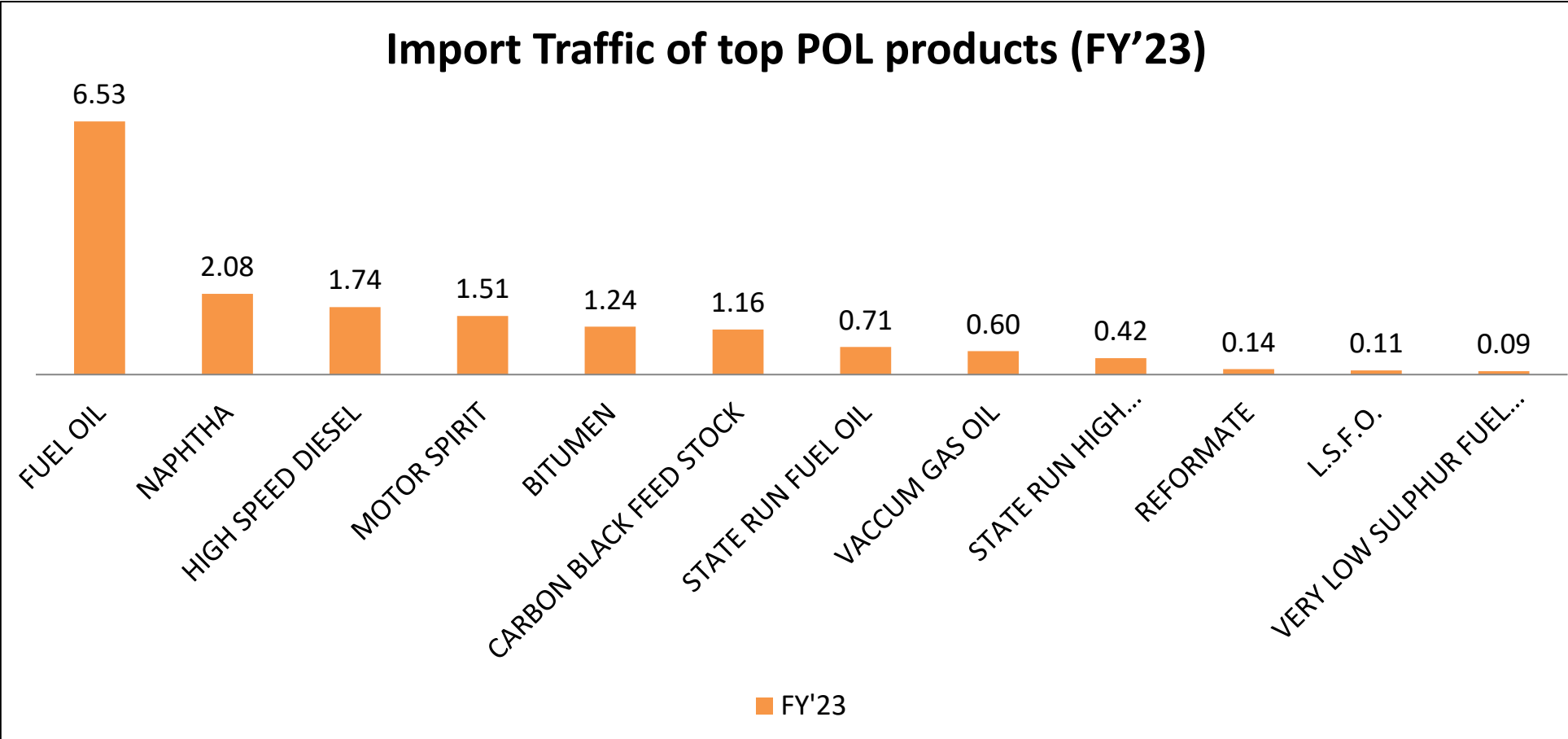
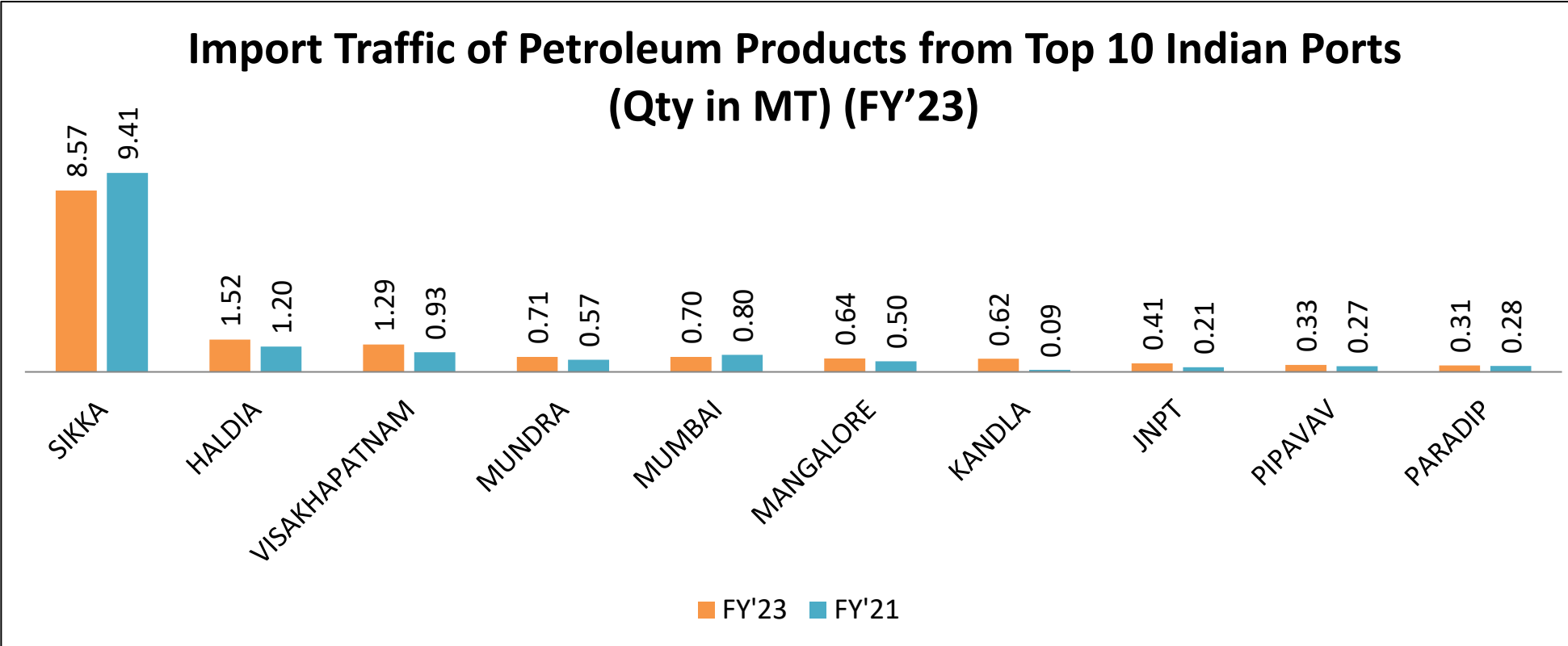
- Production of petroleum products saw a growth of 1.5 % during March 2023 over March 2022 as compared to a growth of 3.3 % during February 2022. Growth of 4.8 % was registered in the total POL production during April- March 2023 over the corresponding period of the previous year.

PRODUCTION & CONSUMPTION OF PETROLEUM PRODUCTS (in thousand metric tonnes)		
Products	Apr-Mar’23	
	Production	Consumption
LPG	12.8	28.5
MS	42.8	35.0
NAPHTHA	17.0	12.2
ATF	15.0	7.4
SKO	0.9	0.5
HSD	113.8	85.9
LDO	0.6	0.7
Lubes	1.3	3.8
FO/LHS	10.4	6.9
Bitumen	4.9	7.8
Pet-coke	15.4	17.9
Others	31.5	15.7
Total	266.5	222.3

# PETRO- PRODUCTS



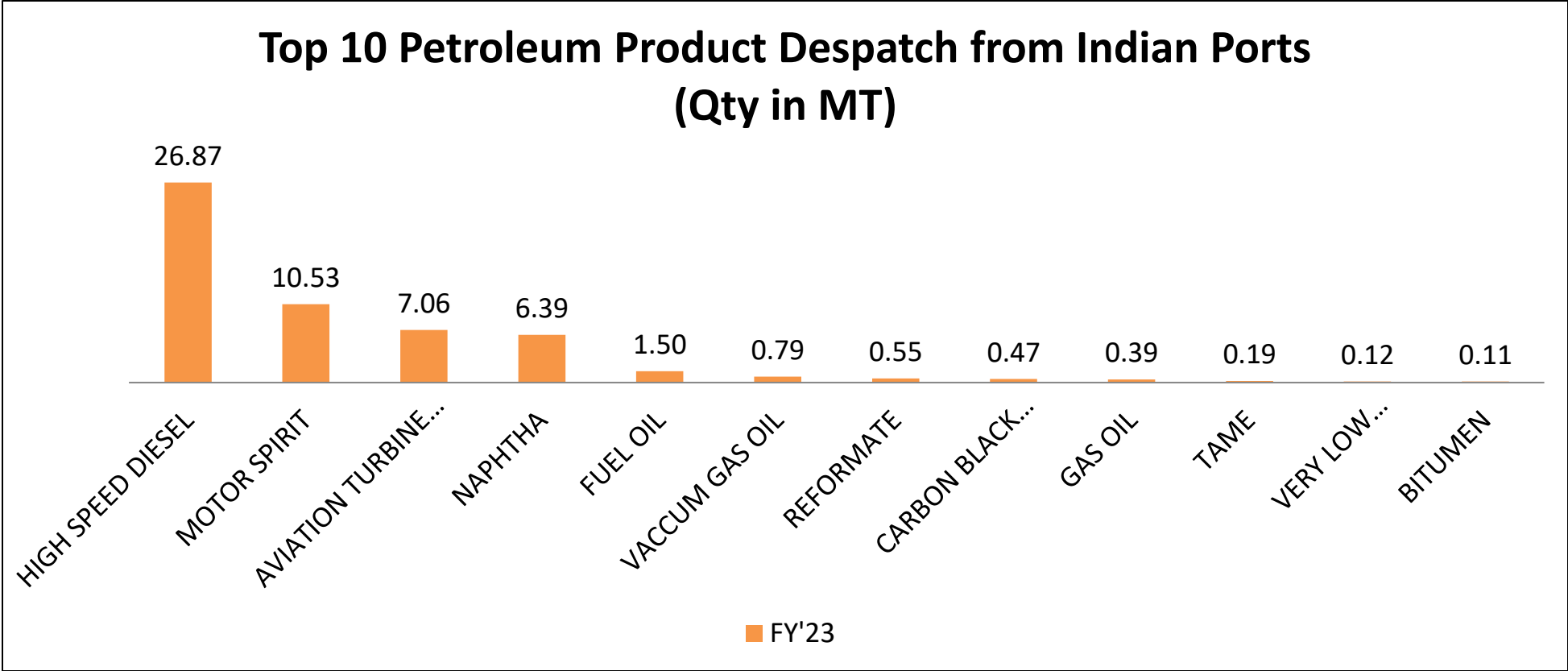
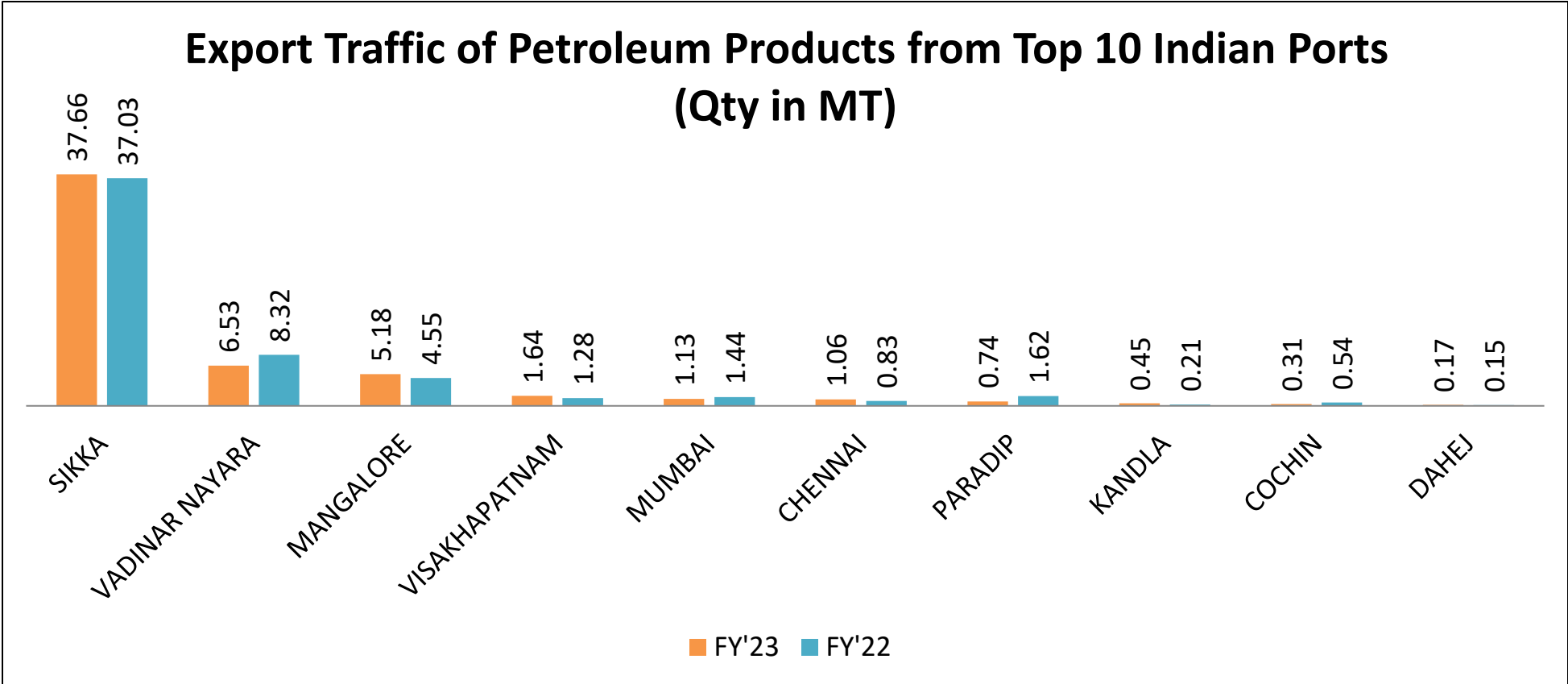
- POL products imports decreased by 7.8% and increased by 11.7% during March 2023 and April- March 2023 respectively as compared to the corresponding period of the previous year.
- The consumption of petroleum products during April-Mar 2023 with a volume of 222.3 MMT reported a growth of 10.2% compared to the volume of 201.7 MMT during the same period of the previous year.



# PETRO- PRODUCTS



- Exports of POL products decreased by 24.1% and 4.1% during March 2023 and April- March 2023 respectively as compared to the corresponding period of the previous year. Decrease in POL products exports during April- March 2023 were mainly due to decrease in exports of motor spirit (MS), naphtha, superior kerosene oil (SKO), high speed diesel (HSD) and petcoke/CBFS etc.





# Top Importers & Exporters of PETRO-PRODUCTS



Top 10 Exporters from India (FY’23)	Quantity
RELIANCE INDUS. LTD.	37.54
NAYARA ENERGY LTD. (ESSAR OIL LTD.)	6.57
MANGALORE REFINERY AND PETROCHEMICAL LTD.	4.88
INDIAN OIL CORPN. LTD.	2.21
HINDUSTAN PETROLEUM CORPN. LTD.	1.65
BHARAT PETROLEUM COPRN. LTD.	0.56
ONGC MANGALORE PETROCHEMICALS LTD.	0.22
HALDIA PETROCHEMICALS LTD.	0.13
SHELL INTL. TRADING MIDDLE EAST LTD.	0.06
VITOL ASIA PTE LTD.	0.05

Top 10 Importers In India (FY’23)	Quantity
RELIANCE INDUS. LTD.	8.51
INDIAN OIL CORPN. LTD.	1.20
HINDUSTAN PETROLEUM CORPN. LTD.	1.11
HALDIA PETROCHEMICALS LTD.	0.84
PHILIPS CARBON BLACK LTD.	0.72
BHARAT PETROLEUM COPRN. LTD.	0.55
VITOL ASIA PTE LTD.	0.19
PP SOFTTECH PVT. LTD.	0.15
AGARWAL INDUSTRIAL CORPN. LTD.	0.14
BITUMEN CORPN. INDIA PVT. LTD.	0.12



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# HIGHLIGHTS

- **India and China snap up Russian oil in April above 'price cap'**
- **India reimposes windfall tax on crude oil, levy on diesel exports scrapped**
- **Diesel, ATF exports to Europe touch multi-year high in March**
- **India's top oil explorer ONGC signs MoU with France's TotalEnergies**
- **Guyana rules out offering crude oil export discounts to India**
- **Indian refiners' crude processing near record peaks in March**
- **Fuels from Russian oil gets backdoor entry into Europe via India**



## India and China snap up Russian oil in April above 'price cap'

- India and China have snapped up the vast majority of Russian oil so far in April at prices above the Western price cap of \$60 per barrel, according to traders and Reuters calculations.
- Synopsis That means the Kremlin is enjoying stronger revenues despite the West's attempts to curb funds for Russia's military operations in Ukraine. A G7 source told Reuters on Monday the Western price cap would remain unchanged for now, despite pressure from some European Union countries, such as Poland, to lower the cap to increase pressure on Moscow.
- India accounts for more than 70% of the seaborne supplies of the grade so far this month and China for about 20%, Reuters calculations show.

**Source: *The Economic Times***



## India re-imposes windfall tax on crude oil, levy on diesel exports scrapped

- India has reimposed special additional excise duty (SAED) on domestically produced crude oil, The Economic Times (ET) has reported. SAED is commonly known as windfall tax.
- The Centre has made no changes to the windfall tax exemption given to petrol and ATF in the last announcement on April 4.
- The latest move to reimpose windfall tax on crude oil means that now only domestically produced crude oil will attract a windfall tax of Rs 6,400 per tonne while petrol, diesel and ATF will remain exempt.
- In the April 4 notification, the Centre had slashed windfall tax on crude oil from Rs 3,500 per tonne to zero, while the levy on diesel was reduced to Rs 0.50 per litre from Rs 1 per litre previously.
- India first introduced windfall profit taxes on July 1, 2022. In doing so, India joined a growing number of nations that tax unprecedented profits of energy companies. At that time, export duties of Rs 6 per litre (\$12 per barrel) were levied on petrol and ATF, and Rs 13 a litre (\$26 a barrel) on diesel.

**Source: *Business Standard***





# Diesel, ATF exports to Europe touch multi-year high in March

- After falling to a nine-month low in February, India’s petroleum fuel exports—mainly diesel and aviation turbine fuel—to Europe surged to a multi-year high in April as the continent’s demand rose due to refinery disruptions in France and anticipation of lower production during the springtime refinery maintenance season.
- India’s refined fuel exports to Europe shot up to an average of 385,547 barrels per day (bpd) in March from 169,196 bpd in February, and 276,068 bpd in January, as per data shared by energy cargo tracker Vortexa.
- In the run-up to the European Union’s ban on Russian refined fuels from February 5, Indian refiners, particularly private sector players, rushed to cater to the region. The same was true for other fuel exporters like China and Saudi Arabia, as Russia was the EU’s largest fuel source, and a ban on fuel imports meant that the lion’s share of the supplies to the region would not be available anymore.

source- Indian Express



# India’s petroleum use at record high in FY23 on surging fuel demand



- India’s consumption of petroleum products hit a new record in financial year 2022-23, underscoring robust demand for transportation fuels and some other refined products, shows an analysis of data released by the Petroleum Planning & Analysis Cell (PPAC) of the oil ministry.
- India consumed a total of 222.30 million tonnes of petroleum products in 2022-23, 10.2 per cent higher year on year (YoY). An analysis of historical data shows that the previous consumption record for petroleum products was 214.13 million tonnes in 2019-20. Demand took a hit in 2020-21 due to the pandemic, and posted a modest recovery in 2021-22. In 2022-23, demand for most products breached pre-COVID highs as various sectors of the economy made a full recovery from the pandemic’s impact. As per PPAC’s projections released late February, the country’s petroleum product consumption will touch a new high of 233.81 million tonnes in 2023-24.
- India consumed 85.90 million tonnes of diesel 2022-23. Diesel is the most-consumed fuel in India, accounting for close to 40 per cent of the country’s overall consumption of petroleum products, followed by petrol at around 16 per cent. The country’s consumption of petrol in 2022-23 was 34.98 million tonnes, up 13.4 per cent YoY. India’s LPG consumption in 2022-23, although just 0.9 per cent higher YoY, also hit a new consumption record at 28.50 million tonnes.

Source: Indian Express

# Guyana rules out offering crude oil export discounts to India



- *Guyana's oil production in total has tripled from a year ago to about 380,000 barrels of oil per day.*

South America's fastest growing oil producer has turned down the Indian government's request for discounted crude oil purchases during trade discussions, Guyana Vice President Bharrat Jagdeo said. Guyana's oil production in total has tripled from a year ago to about 380,000 barrels of oil per day. The government has rights to about 12.5% of the barrels, which are marketed under a one-year contract reached with BP (BP.L) last November. India and Guyana have discussed a potential bilateral oil agreement for two years. The countries have failed to reach mutually agreed terms for now, Jagdeo said, with talks continuing on agriculture, health care and other areas. "Any sale of our crude will have to be on commercial terms, not a discounted terms," Jagdeo said at a briefing. "We don't have a proposal at this point in time (from India) to buy crude". Guyana has been also trying to attract Indian companies to take part in its first competitive oil auction, which will offer 14 offshore blocks to highest bidders. Indian companies have not confirmed participation. The auction, initially set for September last year, was postponed to July. Indian buyers have sought a discount to compensate for high freight costs to send its oil to the Asian country, Jagdeo said. "Guyana crude is costly for us because of high freight. Instead of paying a high freight for their oil, we will prefer to buy oil from the Middle East and east and west Africa," said a person familiar with the Indian traders thinking. "Without concessions their crude doesn't make commercial sense for us." India's Foreign Minister, Subrahmanyam Jaishankar, is expected to visit in the coming days to sign a memorandum of understanding between the two countries, Jagdeo said. "We are moving forward on many of the other areas," Jagdeo said.

Source: Reuters

# Indian refiners' crude processing near record peaks in March



- *Refinery throughput gained 3% to 5.44 million barrels per day (23 million tonnes) year-on-year for March.*

Indian refiners' crude oil processing stayed near record peaks in March, provisional government data showed, catering to solid seasonal demand in the world's third biggest oil consumer. Refinery throughput gained 3% to 5.44 million barrels per day (23 million tonnes) year-on-year for March. Throughput stood at 5.46 million bpd (20.85 million tonnes) in February. Crude oil processed in tonnes, was the highest since Reuters records going back to 2009. Crude processed in million bpd terms, taking into account the fewer days in February, was also the highest since Reuters records going back to 2009.

To be continued on next page



# Indian refiners' crude processing near record peaks in March



In March, India's fuel consumption hit a record high. "In March, we generally see seasonal high demand. Fuel demand is rising with heightened industrial activity and also as it is harvesting season," said Prashant Vasisht, vice president and co-head, corporate ratings at ICRA. "Demand might slow when monsoons hit India, but overall we still project increased fuel demand for the year as the Indian economy is expected to record good growth." Natural gas output was up 2.4% to 2.96 billion cubic metres year on year, while crude oil production fell 2.9% to 2.45 million tonnes, the data showed. Preliminary sales data showed Indian state refiners posted an 8.4% rise in sales of gasoil to 3.45 million tonnes in the first half of April compared with the same period last month, indicating higher demand from the agriculture sector and a recovery in industrial activity. India has been stocking up on discounted Russian crude oil. Western nations have imposed a \$60 a barrel price cap for anyone buying Russian oil as part of sanctions against Moscow. However, India and China have paid prices above the cap, according to traders and Reuters calculations.

REFINERY PRODUCTION IN TERMS OF CRUDE THROUGHPUT (in '000 tonnes)

	Mar-23	Mar-22	April 2022-March 2023	April 2021-March 2022
	Actual	Actual	Actual	Actual
IOC, Guwahati	97	93	1,080	730
IOC, Barauni	580	596	6,785	5,620
IOC, Gujarat	1,346	1,338	15,567	13,474
IOC, Haldia	743	747	8,506	7,305
IOC, Mathura	898	884	9,573	9,123
IOC, Digboi	59	61	713	708
IOC, Panipat	1,298	1,285	13,810	14,849
IOC, Bongaigaon	258	248	2,775	2,639
IOC, Paradip	1,418	1,383	13,598	13,217
BPCL, Mumbai	1,358	1,269	14,546	14,437
BPCL, Kochi	1,542	1,522	16,017	15,402
BORL, Bina	736	704	7,842	7,410
HPCL, Mumbai	874	711	9,804	5,558
HPCL, Visakh	874	825	9,287	8,410
CPCL, Manali	1,034	1,062	11,316	9,040
NRL, Numaligarh	205	188	3,091	2,624
MRPL, Mangalore	1,502	1,504	17,116	14,871
ONGC, Tatipaka	5	6	73	75
HMEL, Bhatinda	1,110	1,092	12,735	13,027
RIL, Jamnagar	2,822	3,056	34,433	34,757
RIL, SEZ	2,538	2,073	27,872	28,264
Nayara, Vadinar	1,707	1,690	18,692	20,164
TOTAL	23,004	22,337	255,233	241,703

Source: Reuters



# Fuels from Russian oil gets backdoor entry into Europe via India

- Record high imports of crude oil from Russia in fiscal 2022-23 helped India's refiners boost exports of diesel and jet fuel to Europe
- Europe typically imported an average of 154,000 barrels per day (bpd) of diesel and jet fuel from India before Russia's invasion of Ukraine.
- That increased to 200,000 bpd after the European Union banned Russian oil products imports.
- Russia stays India's top crude supplier with 1.64 million barrels shipped daily in March.



# Reports for April 2023

- J. M. Baxi & Co. Monthly Agri Products Update
- J. M. Baxi & Co. Monthly Automotive Logistics Update
- J. M. Baxi & Co. Monthly Cement Update
- J. M. Baxi & Co. Monthly Chemical Update
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