FIPI

Federation of
Indian Petroleum Industry

Voice of Indian Oil & Gas industry

ANNUAL REPORT 2021-2022

History of FIPI

FIPI was formed in December 2016 by the amalgamation of two important societies namely Petrotech Society and Petroleum Federation of India (PetroFed).

The Federation of Indian Petroleum Industry (FIPI) is an apex Society of entities in the hydrocarbon sector and acts as an industry interface with Government and regulatory authorities. It supports the Government in resolution of issues and evolution of policies and regulations. It represents the industry on various Government bodies, committees and task forces and has been instrumental in voicing industry concerns with government.

It aims to be the most effective and influential voice of the oil & gas industry to facilitate its development as a globally competitive industry that enjoys the respect and trust of the society. Several Government policy initiatives have their genesis in FIPI's reports and publications, some of which are quoted in documents like the Integrated Energy Policy.

All major companies operating in the oil & gas sector in India are members of FIPI. It has a Governing Council which is represented by the top-level executives drawn from the large oil and gas companies operating in India. It has a Director General as its functional head and leadership team consisting of experts drawn from the respective functional domains. It has 15 functional committees which cover every aspect of the oil and gas business and are represented by senior professional executives from the member companies.

FIPI organizes seminars, conferences, workshops, roundtable meetings and brings out study reports to support the Govt. with evidence-based policy recommendation.

Acknowledging the contribution of oil & gas companies, FIPI on behalf of the oil & gas industry organises annual awards programme where the performance of companies is judged by an esteemed Awards committee and an eminent panel of Jury.

FIPI has tie-ups with international agencies like World Petroleum Council (WPC), World LPG Association (WLPGA), International Energy Forum (IEF), IPIECA and International Gas Union (IGU). FIPI, in association with World Petroleum Council (WPC) organises workshops and conferences on various topics of interest like Carbon Emission Management, International Cooperation & Sustainability and Energy Storage Systems. These workshops are organised jointly with WPC and their findings are presented in a special session at the triennial World Petroleum Congress.

At FIPI, we firmly believe that any policy decision must be based on well informed and rigorously established objective evidence. FIPI has commissioned various studies and produced research reports to substantiate its stand on various policy issues.

FIPI, under the aegis of the Ministry of Petroleum and Natural Gas, Government of India provides support in organising Petrotech – an International Oil and Gas Conference and Exhibition which is the largest Petroleum Industry biennial event in South-East Asia. Now this conference cum exhibition will be held annually as India Energy Week.

FIPI participates in international conferences and exhibitions and is open to collaborate and forge alliances with international bodies and associations to promote the oil and gas industry and to serve the interests of its members. On directives from MoP&NG, a CGD Helpdesk portal has been developed at FIPI to provide a centralised platform to all CGD entities for raising their issues to the concerned Government Department / Ministry for required intervention at the level of MoP&NG.

FIPI Committees

FIPI has the following committees having members drawn from its member organisations, with scope as indicated against them.

S. No.	Committee	Scope (in brief)
1	Budget and Investment	The Committee reviews yearly FIPI budget and its allocation to various FIPI activities and recommends it to Governing Council for approval.
2	Tariff, Duties & Taxes	The Committee discusses various fiscal issues faced by the sector such as, matters on corporate tax, custom duty, excise duty, GST related concerns of the industry. It seeks support on behalf of the member companies from MoF, MoP&NG and other governmental agencies.
3	LPG Marketing	The LPG Marketing Committee has members from major oil and gas producing and marketing companies. The Committee discusses the latest developments, policies related to LPG, pricing, marketing, etc.
4	Safety, Health & Environment	The HSE Committee includes representatives from all the major oil & gas companies from upstream, midstream and downstream. It also includes members from service providers companies. The Committee discusses about the various issues related to health, safety and environment.
5	Natural Gas/CNG/LNG	The Natural Gas/CNG/LNG Committee represent members from major gas producing, transportation and marketing companies. The Committee discusses the latest developments, policies related to pricing, marketing, sustainable role of gas, CNG & LNG etc.
6	Alternative Sources of Energy	The Committee discusses the transition happening in energy sector towards cleaner energy sources such as renewable energy – solar & wind, Biofuels – methanol, ethanol, and biodiesel, Hydrogen, Coal gasification, Energy efficiency etc.
7	Refiner's Forum	The Committee constitutes members from major oil refining and marketing companies. The Committee discusses and highlights the issues faced by the refining companies.
8	Upstream Operations	The Committee represent members from major oil & gas producing companies and service providers. The Committee discusses about the latest technological developments and policies related to the exploration and production of the oil & gas and the various issues the companies are facing.

S. No.	Committee	Scope (in brief)
9	Downstream Marketing	The Committee acts as a focal point for all downstream related matters of the oil and gas industry. The Committee discusses about the latest technological developments and policies related to the downstream segment and the various issues the companies are facing.
10	Pipeline's Forum	The Committee discusses about the various issues related to efficient operations of oil and gas pipelines, including safety and performance standards etc.
11	IT & Cyber Security	The purpose of the Committee is to assess the preparedness of Indian oil and gas industry against cyber threats and ways to further strengthen the cyber-security system of Indian Oil & Gas companies.
12	CBM/Shale Oil/ Gas Hydrates	The CBM/Shale Oil/ Gas Hydrates Committee includes representatives from major oil & gas producing companies from unconventional sources like CBM. The Committee discusses about the latest technological developments and policies related to the E&P of the oil & gas from unconventional sources.
13	Audit Committee	The annual accounts of FIPI are presented to the Audit Committee for approval.
14	Petrochemicals Committee	The Committee includes representatives from petrochemical companies and discusses issues related to petrochemicals.
15	City Gas Distribution (CGD)	The CGD Committee includes representatives from city gas distribution (CGD) companies. The Committee discusses about the various issues ranging from permission related to infrastructure development, promotion, pricing and regulations of PNG, CNG & LNG.

Core Purpose Statement

To be the credible voice of Indian hydrocarbon industry enabling its sustained growth and global competitiveness.

Shared Vision

A progressive and credible energy advisory body stimulating growth of Indian hydrocarbon sector with global linkages.

A healthy and strong interface with Government, legislative agencies and regulatory bodies.

Create value for stakeholders in all our actions

Enablers of collaborative research and technology adoption in the domain of energy and environment.

A vibrant, adaptive and trustworthy team of professionals with domain expertise.

A financially self-sustaining, not-for-profit organization.

Governing Council

Mr. S. M. Vaidya
Chairman, IOCL
Chairman, FIPI

Mr. Arun Kumar Singh
Chairman, ONGC
Co - Chairman, FIPI

Mr. P.M.S. Prasad
ED & Member of the Board,
Reliance Industries Ltd.
Vice Chairman, FIPI

Mr. Prabh Das
MD & CEO, HMEL

Mr. Sashi Mukundan
President, bp India and
Senior Vice President, bp Group

Dr. Pushp Kumar Joshi
CMD & Additional Charge of
Director (Marketing), HPCL

Mr. Prasad K. Panicker
Chairman and Head of Refinery
Nayara Energy

Mr. Sandeep Kumar Gupta
CMD, GAIL (India) Ltd

Dr. Ranjit Rath
CMD, Oil India

Mr. Sunil Duggal
Chief Safety Officer &
Group CEO-Vedanta Ltd.
(Cairn Oil & Gas, Vedanta Ltd.)

Mr. V. R. Gupta
Director (Finance), Additional
charge of CMD & Director (HR),
BPCL

Ms. Vartika Shukla
CMD, EIL

Mr. Nitin Prasad
Chairman,
Shell Companies in India

Dr. Anjan Ray
Director, CSIR - IIP

Mr. Akshay Kumar Singh
MD & CEO
Petronet LNG Ltd.

Prof. Rajiv Shekhar
Director, IIT (ISM),
Dhanbad

Leadership Team

Mr. Gurmeet Singh
Director General & Member
Secretary, Governing Council

Mr. T. K. Sengupta
Director
(Exploration & Production)

Mr. Vivekanand
Director
(Finance, Taxation and Legal)

Mr. D L N Sastri
Director
(Oil, Refining & Marketing)

Mr. S K Sharma
Director (Gas)
FIPI

Our Core Activities

- Policy Recommendations
- Special Studies
- Conference & Seminars
- Industry Academia Interface
- Consultancy
- Resolution of issues

Advocacy

From the DG's desk

Dear Members,

I feel honoured and privileged to assume the role of Director General at Federation of Indian Petroleum Industry (FIPI) with effect from 1st January, 2022.

As Director General, FIPI, I look forward to contributing in resolution of issues faced by the Indian oil and gas industry and evolution of policies in the sector for sustained growth and global competitiveness.

As I look back at the last financial year to write this section, the global energy landscape has been radically reshaped since the Russian invasion of Ukraine on 24th February 2022, prompting governments, businesses and other organizations to reduce their dependence on Russian energy. The nations across the world have started to prioritize by providing greater energy security and sustainability.

The global energy situation has been adversely affected due to the ongoing war. The hydrocarbon sector has contributed enormously to global economic progress of the country over the last decade. With new and emerging energy options, India can only move ahead towards cleaner and more sustainable environment. We firmly believe that Indian oil and gas sector along with other low-carbon options will get progressively entrenched in the energy mix, with appropriate policy backing. Our Indian oil and gas industry is continuously evolving and reinventing themselves to play a lead role in providing efficient, clean and green energy solutions for all customer segments and businesses across the country.

On environment related issue, our Hon'ble Prime Minister, Shri Narendra Modi attended the G-20 Summit and the COP26 UN Climate Change Conference. In one of the most ambitious targets by a developing country to combat climate change, Prime Minister Shri Narendra Modi at the COP26 climate summit in Glasgow said that India will achieve net-zero emissions by 2070. This was one of the five major commitments or "Panchamrit" he made on behalf of India, to mitigate climate change.

The rest are as follows:

- To bring its non-fossil energy capacity to 500 GW by 2030
- To bring its economy's carbon intensity down to 45 per cent by 2030
- To fulfil 50 per cent of its energy requirement through renewable energy by 2030
- To reduce 1 billion tonnes of carbon emissions from the total projected emissions by 2030

India is also expeditiously moving forward on its energy transition journey: the government's plan to establish a National Hydrogen Mission is a step in the right direction. The National Hydrogen Policy released by Government in February 2022 aims to facilitate production of 5 million tonnes of green hydrogen by 2030 and the related development of renewable energy capacity. Further, government is also working to promote low carbon technologies through renewables-solar and wind; biofuels and increasing ethanol blending to 20% by 2025-26.

The Union Budget focussed on introducing policies for clean energy transition and sustainability for future. The launch of sovereign green bonds as part of government's borrowing programme in FY23, a battery-swapping policy to boost EV ecosystem, to facilitate domestic manufacturing for the ambitious goal of 280 GW of installed solar capacity by 2030, an additional allocation of Rs 19,500 crore for PLI scheme for manufacturing of high-efficiency solar modules are all steps in this direction.

In the Indian upstream sector, Discovered Small Field (DSF) bid round-III for international competitive bidding was launched on 10th June 2021 spread over 9 sedimentary basins covering more than 13,000 sq.km. with In-place Hydrocarbon estimated to be around 230 MMT. In August, 2021, the OALP Bid Round-VI for International Competitive Bidding was launched. A total of 21 blocks, with an area of approximately 35,346 sq. km. were offered to the investors. In September 2021, DGH had launched Special CBM Bid Round-2021 by offering 15 blocks in Maharashtra, Madhya Pradesh, West Bengal, Jharkhand, Odisha and Chhattisgarh for extracting gas from coal seams (CBM). DGH has also simplified the process to explore and produce oil and gas in the country by limiting the requirement of statutory approvals to only extension of contracts, sale of stake and annual accounts while allowing self-certification and deemed approval for the rest.

Petroleum and Natural Gas Regulatory Board (PNGRB) had launched the 11th CGD bidding round for 65 GA's covering 208 districts. This round attracted overwhelming response from investors with more than 430 bids received against 61 GA's. Further, PNGRB in January 2022 had invited electronic bids under "11A CGD Bidding Round" for additional five GA's. With this, approximately 88% of the country's area have been authorized for development of CGD Network to provide access of natural gas to approximately 98% of country's population. This initiative would help in creating a robust CGD infrastructure, play a significant role in transforming to a gas-based economy and provide a push to government's plan for raising the share of natural gas in the country's energy basket to 15% by 2030.

Staying abreast with the changing world, during 2021- 22 FIPI continued to organize virtual events and conferences for the benefit of the industry.

I. On 15th April 2021, FIPI and The Energy Forum under the aegis of Ministry of Petroleum & Natural Gas organised a half day round table event on - "Developing a Hydrogen ecosystem for a Decarbonized Globe" over a virtual platform. This session was organised to study and explore the challenges and pathways to hydrogen becoming a clean and abundant source of energy that could help tackle the pressing sustainability issues that confronts the world today.

II. On 19th April 2021, FIPI in association with Argus Media organized 'Adapting to a More Competitive Market: New Pricing Mechanism for Middle Eastern Crude'. The dialogue was aimed at understanding the new and emerging dynamics of the international oil market as the ICE Murban Crude Oil Futures market joins the ranks of prominent oil price benchmarks such as Brent and West Texas Intermediate.

III. On 20th May 2021, FIPI in association with IndianOil R&D and World Petroleum Council, organized a webinar on "Energy Storage Systems" on May 20th 2021. The panellists during the panel discussion, shared their insights on various energy storage options, upcoming storage technologies and the future of energy storage and its economics.

IV. On 12th July 2021, FIPI joined hands with Society of Indian Automobile Manufacturers (SIAM) to organize an exclusive Virtual Roundtable on "Expansion of Natural Gas Vehicle (NGV) Ecosystem in India". The roundtable was aimed at discussions for expanding the Natural Gas ecosystem, exploring opportunities for collaboration, raising concerns/issues, etc.

V. On 14th July 2021, FIPI in association with Scottish Development International (SDI) organized an exclusive webinar on 'Energy Transition- CCS & Hydrogen over a virtual platform. The webinar was aimed at understanding the new and emerging clean energy technologies, especially CCS and Hydrogen.

VI. On 12th August 2021, FIPI in association with Indian Gas Exchange (IGX) organized an exclusive webinar on 'Gas Markets - Best Practices' over a virtual platform. The webinar aimed to give an overview of the Indian Gas exchange and understand some of the best practices prevailing in the European Gas market.

VII. On 28th September 2021, FIPI along with the Knowledge Partner the Boston Consulting Group (BCG) organised a one-day workshop on "WINNERS: Women in India's

Energy Sector. The event talked about how the role of women in the oil industry have evolved substantially and focussed on the range of challenges and recommendations that can be developed to address gender imbalances in oil and gas sector.

VIII. On 15th December 2021, FIPI in association with Hydrogen Association of India (HAI) organized a webinar on “Hydrogen Storage & Transportation”. The speakers through presentations, shared their insights on various hydrogen storage and Transportation options, upcoming storage technologies and the future of hydrogen storage & transportation and its economics.

IX. On 20th January 2022, FIPI on behalf of industry members had conducted an interactive session with Deputy Secretary, MoP&NG to discuss possibility of utilisation of gas in power sector. The session saw active participation of senior level officials from gas-based industry players and suggestions were made to MoP&NG for increasing share of natural gas in India's primary mix.

X. On 2nd February 2022, FIPI organized its flagship post budget analysis session with Deloitte as the knowledge partner. The session saw fruitful deliberations on the short, medium and long-term impacts of the announced budget on the oil and gas sector.

XI. On 3rd February 2022, NITI Aayog organized a consultative meeting to discuss a set of recommendations for a more robust future of the upstream oil and gas sector in India. In this meeting, FIPI and its upstream oil & gas member companies participated in detailed discussions on the reforms initiatives by NITI Aayog. Based on the discussions, FIPI has consolidated comments/suggestions from member companies and has further submitted to the government for its consideration to bring constant reforms in the upstream sector.

XII. On 8th February 2022, FIPI in collaboration with Platts convened aknowledge sharing session on Carbon Credit and Intensity. The session covered detailed analysis on aspects related to voluntary carbon credits, carbon market assessments, carbon pricing methodology, carbon offset trades etc.

In September, 2021, FIPI awarded the study on 'Scope and Role of Natural Gas in Mitigating Industrial Air Pollution' to The Energy and Resources Institute (TERI). The study will be the first of its kind in the country that will assess the impact of industrial pollution on the local environment and showcase the potential benefits of fuel switching in favour of natural gas on the local environment in select clusters.

FIPI organised the Annual Awards 2021 on 26th November, 2021 at New Delhi. The programme was graced by Hon'ble Minister of Petroleum & Natural Gas and Minister of Housing & Urban affairs, Minister of State of Petroleum & Natural Gas & Minister of Labour & Employment, Secretary MOP&NG, Chairman FIPI and other senior leadership of oil and gas industry and awardees from oil & gas companies. The FIPI Oil and Gas Awards have been created to recognise the leaders, innovators and pioneers in the oil and gas industry. The objective of the FIPI Oil & Gas Awards is to celebrate the industry's most outstanding achievements.

FIPI had participated in 2 international events and conferences:

FIPI pavilion at ADIPEC-2021: In ADIPEC 2021 at Abu Dhabi from 15th to 18th November,2021 FIPI came up with India exhibition hall consisting of ten Indian Oil & Gas operating & Service companies. All major oil and gas players in the industry participated and took part in different meetings with other international companies. FIPI stall was inaugurated by Hon'ble Minister of Petroleum and Natural Gas and Minister of Housing & Urban Affairs on 15th November 2021.

The World Expo 2020, Dubai: Ministry of Petroleum & Natural Gas has organized exhibition and meetings on investment opportunities & technology scouting from 17th to 20th November 2021. Hon'ble Minister, MoPNG addressed the investors on 17th Nov 2021 in a roundtable meeting where senior leadership from Ministry and Industry were present.

FIPI organised the Annual Convention for the year 2021-22 held at Dibrugarh University on 31st March 2022. All the participating chapters made presentations on the activities conducted during the previous year and on the theme "Enhancing the Energy Value Chain through Innovation and Digital Ecosystem" assigned by FIPI. The best presentations were awarded with a cash prize and trophy. The convention organised by FIPI provided a platform to the students to interact, compete and share knowledge with each other and also an opportunity to listen to the industry experts, academicians etc.

FIPI has been extremely proactive in voicing industry concerns with relevant stakeholders and has taken up the following issues with various Ministries, State Governments and Regulators.

I. Submitted a representation to Director General, DGH in April 2021 on Policy Reforms for Early Exploitation of Unconventional Hydrocarbons in India

II. Submitted a representation to Director General, DGH in May 2021 on Request of issuance of two Essentiality Certificates (ECs) for transaction involving two supplies under GST Laws

III. Submitted to Joint Secretary - Tax Research Unit (TRU), Ministry of Finance in June 2021 on Clarification regarding Issuance of Essentiality Certificate for Goods Used/Supplied in relation to Specified Oil & Gas Operations for Concessional GST Rate

IV. Submitted a representation to Secretary, Petroleum & Natural Gas Regulatory Board (PNGRB) in June 2021 on "Expeditious implementation of the Unified Pipeline Tariff (UPT) to accelerate development of truly competitive gas market in India"

V. Submitted representations to Secretary, Ministry of Petroleum and Natural Gas (MoPNG) and Revenue Secretary, Ministry of Finance in August 2021, seeking clarification on the methodology for implementation of amendment in section 8 (3) (b) of CST act on interstate procurement of crude oil and natural gas by petroleum refineries

VI. Submitted to Chairman, Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance; and Secretary, Ministry of Petroleum & Natural Gas in August 2021 regarding Review of Customs duty Exemption Notification No. 50/2017 dated 30.06.2017 S1-404, which provides customs duty exemption and concessional IGST @5% to specified goods applicable to E&P business including CBM operation

VII. FIPI approached Joint Secretary – Marketing, MoPNG in September, 2021 to apprise him with the key issues faced by the downstream retail segment and requested for earliest resolution

VIII. Submitted a representation to Additional Secretary (Exploration), MoP&NG in September 2021 on "Recommendations on Integration of Renewable with Natural Gas for Power Generation and Increasing the Share of Natural Gas in Power Generation Mix"

IX. Submitted a representation to Additional Secretary (Exploration), MoP&NG in September 2021 on "Time Extension on account of the Second Wave of COVID 19 for OALP & DSF Blocks"

X. Submitted to Director General, DGH in September 2021 on Sharing Infrastructure for Operators under DSF Round

XI. Submitted to Director General, DGH in September 2021 on Extension of Exploration Phase for Blocks in North East Region

XII. Submitted to Chairman, Central Board of Direct Taxes (CBDT) in September 2021 regarding TDS on Purchase of Goods - Section 194Q

XIII. Submitted to Under Secretary, MoP&NG in October 2021 on "Implementation of an Independent Gas Transport System Operator (TSO) to accelerate development of a truly competitive gas market in India"

XIV. Submitted to Chairman, CBIC in October 2021 regarding notification of petroleum products under Rule 16 of Central excise rules to enable payment of Excise duty on stock transferred goods at the time of removal from depot / warehouse

XV. Submitted an in-house report developed with inputs from Industry members to DG - PPAC, JS (GP & Marketing) & Additional Secretary (Exploration), MoP&NG in October 2021 on "Creation of a vibrant Natural Gas Market in India-A Policy Reform Perspective"

XVI. Submitted to Joint Secretary (Mktg.), MoP&NG in November 2021 on Representation by Industry Members on Notification for Widening the Geographical Coverage of Remote Service Areas (RSA)

XVII. Submitted to the Central ground Water Authority, Ministry of Jal Shakti in December 2021 on Request for Extending the Benefit of Exemption from Seeking NOC for Ground Water Extraction to Petroleum Retail Outlets

XVIII. Submitted to Additional Secretary - Exploration, MoP&NG in March 2022 on Well Depth Issue in OALP Blocks

XIX. Submitted to Secretary, MoP&NG in March, 2022 regarding Recent amendment under SI. No. 404 of Customs Notification No. 50/2017-Cus

During the last FY 2021-22, FIPI had conducted various Committee meetings with our industry members to discuss the relevant issues pertaining to oil and gas sector and have been continuously working to address their issues with the Ministry from time to time.

On behalf of the Federation of Indian Petroleum Industry, I want to thank all our Members for their continued support, trust and confidence. Our Indian oil and gas industry is continuously evolving and reinventing themselves to play a lead role in providing efficient, clean and green energy solutions for all customer segments and businesses across the country. I take this opportunity to reassure you that FIPI stands strong by the industry and will always be at the forefront willing to deliberate on industry issues and scripting the growth story of Indian oil and gas industry.

Wishing you the very best!

Partnering Inclusive Growth

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POLICY ADVOCACY

MAJOR ADVOCACY AREAS

Upstream

Well Depth Issue in OALP Blocks

Submitted to: - Additional Secretary – Exploration, MoP&NG

FIPI on behalf of member companies presented the issue of well depth in OALP blocks which is creating a hurdle for operators/players towards their committed work program for respective blocks.

As per the Art. 5.1 of RSC for OALP blocks, an operator is required to drill committed wells to a pre-determined fixed depth across a block and any shortfall of this well depth entails full Liquidated Damages as a penalty.

In exploration phase, drilling to a pre-determined fixed depth for all the wells to be drilled in a block is technically challenging, has elements of operational risks and is often impractical. Moreover, the provision of levying a full penalty for even for a small shortfall of pre-determined depth, raises further commercial challenge in investments made on exploratory drilling.

It is a well-known fact in the E&P sector that prospecting for hydrocarbon and exploratory drilling cannot be planned to be drilled to a fixed depth in a block. The depth of wells would depend on geology and its technical merits, operations efficiency and safety.

Following is some of the compelling reasons which recommends a reconsideration for well depths in RSCs of OALP blocks without undue penalty for drilled wells:

- Plays and prospectively can occur at shallower or deeper levels of stratigraphy and may require wells of different depths to drill (both shallower or often deeper than the commitments).
- Well depths are determined based on subsurface targets, efficient well engineering and technical merits/requirements. Drilling to depths just for rock records, without any logical target, may make well designs inefficient and are fraught with operational risks, compromising safety.
- Drilled wells, even including those with discovery, having shortfall of depths will attract a full penalty/LO under current norm.
- Further there is no incentive to drill deeper wells in spite of prospectively. This will deter exploration spent.

As the main intent of policy reform in OALP regime is to encourage operators for more discovery, considering the above factors, it is requested to consider the following way forward for well depth commitments for the OALP blocks:

- Discovery wells, irrespective of depth drilled, be counted towards committed work program
- Well depth shortfall be estimated on total depth drilled in all the exploration wells in a block, till the end of the initial exploration phase.
- Proportionate estimation of penalty for short fall be based on actual drilled depth in exploration wells rather than full penalty in each well with shortfall.

Therefore, FIPI on behalf of member companies requested on the above matter to enable ease of doing business and allow operators to fast-track exploration and drill efficient wells in pursuit to add new resources for the country.

Re-consideration for Timeline Extension on account of Second Wave of COVID-19 for OALP Blocks

Submitted to: - Director General, DGH

FIPI on behalf of member companies presented a view that after the first wave of COVID 19, MoP&NG & DGH were considerate enough to grant a reasonable time extension for relevant blocks/fields. This pragmatic approach was loudly appreciated by the operators and oil industry. But while the OALP operators, along with respective contractors were making recovery in operations after the first wave, the second wave came with full force in March 2021. It severely impacted ongoing operations and caused a bigger setback than the first wave. As experienced across the nation, the second wave caused substantial loss of lives and businesses in the oil industry as well. Specifically, the OALP operators faced uphill challenges, some of which are mentioned below:

- Engaging and accomplishing the work done by contractors (including seismic, drilling and other services)
- Interruption in supply chain for relevant equipment, including from overseas
- Delays in obtaining permissions from local and state authorities
- Impact of monsoon/limited weather window in certain regions (viz. North East)
- As offices of operators and contractors remained closed or operated with minimum staff for an extended duration, it led to adverse impact on taking the operations forward.

It may also be noted that the cascading impact of above factors is causing further disruption in operations leading to delays in completing the committed work program in various blocks.

FIPI, on behalf of its members, requested regarding extension of time and adequate relief of at least 1 year to the Operators for OALP blocks as a Force Majeure resulting from spread of second wave of covid-19.

Sharing of infrastructure for operators under DSF round

Submitted to: - Director General, DGH

The Discovered Small Field Policy notification intended the new operators could leverage on the existing infrastructure of National Oil Companies (NOCs) for quick monetization of their discoveries and the NOCs would in-turn charge a tolling and processing charge for sharing the infrastructure.

The current operators face certain operational issues in using the shared infrastructures. NOCs expect to bring the Oil & Gas to sales specifications, before they enter to the NOC infrastructure, resulting in duplicity on processing facilities and Capex increase. Modifications/ Additions are requested/suggested to tie - into the existing NOC's infrastructure that adds to the operator Capex and Opex, which may not have been factored in while bidding for the Contract Area, given the paucity of data available at the time of bidding. Variability to the Tolling and Processing charges over the future years are unknown as the base assumptions that have gone into the computation of such costs are unknown.

Therefore, FIPI proposed few changes that would aid the Operators to better plan in advance and overcome the operational issues currently faced by them which are listed below:

- Current assumptions used for computation of the tolling and processing charges be a part of the Notice Inviting Offer document (NIO).
- Possibility of making the Tolling and Processing charges fixed and unconditional to give certainty to project economics for the Operator
- More clarity on the access to infrastructure and pipelines relevant to the field in terms of current status, current ullages, etc. to be a part of NIO.
- Information related to Landfall points for oil & gas in case of offshore Tolling needs to be shared.

Time Extension on account of the Second Wave of Covid 19 For OALP & DSF Blocks

Submitted to: - Additional Secretary – Exploration, MoP&NG

The second wave of Covid 19 pandemic has caused severe disruptions in the lives and businesses across the country, including in the oil & gas sector. The oil industry participated with interest in the OALP and DSF auction rounds floated by Government of India, which resulted in award of blocks/fields from 2018 onwards. Whilst work commitments and numerous exploration activities were being taken forward by various Operators, the advent of Covid 19 pandemic caused substantial disruption in the operations of these blocks. To manage this unforeseen challenge, operators approached the Ministry of Petroleum & Natural Gas and DGH to invoke the

Force Majeure clause provided in RSCs. MoP&NG & DGH were considerate to this request and granted a reasonable time extension for relevant blocks/fields. This pragmatic approach by the MoP&NG/DGH was much appreciated by the operators and oil industry.

As OALP & DSF operators, along with respective contractors were making recovery in operations, the second wave of Covid 19 came with full force in March 2021. It severely impacted ongoing operations and caused a bigger setback than the first wave. As experienced across the nation, the second wave caused substantial loss of lives and businesses in the oil industry as well. Specifically, the OALP & DSF operators faced uphill challenges, some of which are mentioned below:

- Engaging and accomplishing the work done by contractors (including seismic, drilling and other services)
- Interruption in supply chain for relevant equipment, including from overseas
- Delays in obtaining permissions from local and state authorities
- Impact of monsoon/limited weather window in certain regions (viz. North East)
- As offices of operators and contractors remained closed or operated with minimum staff for an extended duration, it led to adverse impact on taking the operations forward.

Though DGH issued a support letter in April 2021 for Operators re-facilitation/movement and some delays were averted, many operations/workstreams were still impacted due to nature of the operations.

The cascading impact of above factors caused further disruption in operations leading to delays in completing the committed work program in various blocks.

In view of the above challenges, FIPI on behalf of its members, requested MoP&NG to grant an extension of another one year for blocks other than North East region where a 2 years extension may be considered to complete respective block-wise contractual obligations in light of the ground conditions

Extension of Exploration Phase for blocks in North East Region

Submitted to: - Director General, DGH

Government of India in recent past has introduced a number of progressive reforms in the form of HELP/OALP/DSF, and several policy initiatives in existing PSCs to enhance domestic exploration and production. One such recent incentive by Government is the "Policy Framework for streamlining the working of Production Sharing Contracts in respect of Pre-NELP and NELP Blocks" dated 14th of August 2018 under which The North Eastern Region (NER) of the country is all set to be benefitted as the exploration period has been increased by two years and appraisal period by one year. Further, to stimulate natural gas production in NER, the government has also allowed marketing, including pricing freedom for natural gas to be produced from discoveries which are yet to commence production as on July 1, 2018. Thus, the production sharing contracts (PSCs) of operational Pre-NELP and NELP Blocks in NER will be benefited from this special dispensation taking into consideration of geographical, environmental and logistical challenges in the NER.

The above decision was the outcome of the recommendations in 'Hydrocarbon Vision 2030 for North East' which was released in 2016, outlining steps to leverage the hydrocarbon sector for development of the region. The objectives of the plan are to leverage the region's hydrocarbon potential, enhance access to clean fuels, improve the availability of petroleum products, facilitate economic development and to link common people to the economic activities in this sector. The states covered include Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

The August 2018 policy states that “Additional Extension of Exploration/ Appraisal Period: In all operational Pre-NELP and NELP Blocks, Contractors may be allowed, upon their request, a maximum extension of two years in the exploration period (which can be availed either in whole during a single phase or in parts during different phases) and a maximum extension of one year in the appraisal period respectively. This additional extension shall be over and above the extensions permissible under the extant extension policy related to Pre-NELP and NELP".

However, the recent guideline for evaluation of cases under various policy framework of DGH dated 30.10.2019 under section III clause 2 states “The clause allows the contractor to avail an additional extension for maximum two years in the exploration period. These extensions are envisaged to extend the existing exploration period; hence, Contractor has to exhaust all possible extensions which are presently available under the PSC and extant extension policy dated 18.04.2006 before availing the extension under North-east policy. Further, the NE policy allows extension of one-year for appraisal period; this can be exercised for appraisal of the discovery at any given time".

It is apparent from the August 2018 policy that the 2-year extension of exploration period for operating Pre-NELP and NELP blocks were approved taking into consideration the geographical, environmental and logistical challenges of the North East region. The very essence of providing the incentive for difficult North East region will be sterile in the event the operator has to pay 40% Liquidated Damage as per extant extension policy dated 18.04.2006 prior to availing the 2-year extension. Moreover, it is also felt prudent that the two-year extension of exploration period specific to North-East should also be extended to all blocks of North East irrespective of regimes as the challenges are the same for Pre-NELP and NELP blocks as well as for the blocks under HELP (OALP, DSF, etc.) regime in North Eastern Regions.

Considering the above, FIPI requested that the two-year extension of exploration period for operating Pre-NELP and NELP blocks in the North East region granted through August 2018 policy should precede the "Extant Extension Policy". It was further appealed that blocks under HELP regime in North East region should also be provided with the same two-year of extension as the challenges are same irrespective of regimes. This will certainly encourage investment in pursuing new petroleum plays, leads and field growth possibilities in logistically difficult and geologically complex areas of North East which will go a long way in Nation's quest for YTF hydrocarbons.

Policy Reforms for “Early Exploitation of Unconventional Hydrocarbons in India”

Submitted to: - Director General, DGH

In line with our commitment to an “Atma Nirbhar Bharat”, there is a dire need to increase the production of Natural Gas in India. Considering the current scenario of dwindling reserves of Natural Gas, with no major discoveries in the recent past, it is crucial for the upstream sector to have a focused approach towards exploration and reserves accretion. The growth of the gas market will also be going to be catalyzed by the major infrastructure expansions viz. trunk-line connectivity and setting up of gas hub, etc.

However, the Unconventional Gas sector, despite having a lot of promise, has not been able to emerge as per its original projections. So far out of the 33 blocks awarded for CBM in India, only 8 development blocks have been able to move to development and out of these only 3 are on commercial production. Out of the balance, more than 20 are under relinquishment or relinquished. It may be worthwhile to mention here that the CBM Early Monetization Policy of 2017 and Simultaneous Hydrocarbon exploitation policy of 2018 are noteworthy steps, but many issues like techno-commercial viability, heavy fiscal take skewed towards the Govt. of India, delay in statutory clearances and most importantly - direct incentives for the sector (e.g., in line with Australia, US and China) remains unaddressed.

Thus, the intention of the MoPNG/DGH to engage the stakeholders (May/June 2020) for additional reforms/incentives is a welcome and much-anticipated step towards reviving investor sentiment in Unconventional Hydrocarbons. Eventually, based on the couple of stakeholder interactions at DGH/MoPNG and also at the end of Federation, detailed submissions (including elaborations about direct/indirect incentives in other countries) were provided to the DGH in our submission of June 2020.

Therefore, FIPI eagerly awaits the formal announcement of this policy matter. However, till date, there is no specific information and/or update on the matter and a consequent lack of visibility of a formal announcement of the policy.

Nearly a year has passed since the earlier submission and based on the various periodic stakeholder meetings that has been arranged by FIPI, a relook into various suggestions may be essential thereby suitable edits/modifications, as may be required, may be incorporated. This is for the benefit of all the stakeholders and National interest.

Natural Gas

Integration of Renewables with Natural Gas for Power Generation and Increasing the Share of Natural Gas in Power Generation Mix

Submitted to: -Additional Secretary (Exploration), Ministry of Petroleum & Natural Gas

Decarbonising the power sector by promoting renewables and low carbon intensity fuels such as natural gas, can help in achieving the objective of producing more power but with less emissions. Keeping this in view, FIPI with the support of few oil and gas organizations, had conducted a study on Increasing the Share of Natural Gas in the Power Sector. One of the key recommendations that emerged from the study was integration of renewables with natural gas for power generation.

FIPI presented its view, that a combined gas and renewables offer targeted at the round the clock market could:

- Firm up renewables with a competitive offer.
- Provide a cleaner lower carbon alternative to coal.
- Combination of gas and RE supports India's path to decarbonization.

Facilitating the dispatch of gas fired power plants by creating enabling framework is not only in line with GOI's vision for a clean and green India and increasing the share of gas in the fuel mix, but it also strengthens India's efforts for a more climate friendly world. FIPI proposed the following recommendations: -

- Introduction of PSDF (Power System Development Fund) like scheme for a duration of 2-3 years
  - ➢ Reintroducing scheme for gas-based power plants by launching e-auction for gas for a limited duration of 2-3 years for reviving gas-based power plants.
  - ➢ Significant commercial innovation has taken place in global gas markets that can ensure reliable gas without the traditional volatility (e.g., at fixed prices) to support power generation. This will be further supported with the expected rise in domestic gas production between now and 2025. A medium-term contract could also enable securing better gas prices.

- Pricing of externalities in power purchase and scheduling
  - ➢ Gas plants have advantages in terms of lower emissions, higher flexibility and higher ramp up rates compared to coal plants.
  - ➢ The external costs associated with environmental damages on environment and human health should be factored while inviting bids for bundling of RE with other power sources. Pricing of carbon externalities is essential to achieve decarbonization and ensure neutrality of technology in true sense given the significant differential in externality costs of coal and gas-based power. Cost of externality for coal-based power generation is close to 4 times more than gas-based power generation.

- Merit order dispatch by Discoms to price in cost of externalities
  - ➢ It is recommended that Discoms should build in cost of externalities for coal and gas-based power plants in the merit order offtake while scheduling electricity from power plants.
  - ➢ Assured offtake for the thermal energy
  - ➢ Current and the future tender should include assured off-take for the thermal energy.

- Specify the profile shape required for RTC power
  - Availability of the profile shape of average monthly power requirement and the declaration of the peak periods will ensure that the power supply is optimized to meet the demand and the objective of RTC guidelines.

- Appointment of a centralized organization for grid balancing
  - It is suggested to include a centralized organization such as POSOCO (Public Sector Undertaking of GOI), be appointed to aggregate the peaking and grid balancing requirement. The central agency buys the capacity and operationalizes during peaking, thus aggregating the peaking requirement centrally.

- Designing flexible PPAs with shorter duration
  - The tenders for RE and other power sources integration proposes PPAs for 25 years. 25 years is a long horizon as the power market of India is moving towards shorter terms of PPAs. It shall be beneficial to build in different time horizons like a duration of short term (5 years), medium term (5 to 10 years) and long term (more than 10 years) which would also address the issue of variability of fuel prices.

Implementation of an independent Gas Transport System Operator (TSO) to accelerate development of a truly competitive gas market in India

Submitted to: - Secretary, MoP&NG

The Hon'ble Finance Minister in the Union Budget 2021-22 had announced that an independent Gas Transport System Operator (TSO) was proposed to be set up for facilitation and coordination of booking of common carrier capacity for all natural gas pipelines on a non-discriminatory open access basis.

In this direction, the Ministry's draft to Petroleum and Natural Gas Regulatory Board (Matter related to Natural Gas Sector Development) Rules, 2021 highlighting the establishment of an independent TSO is a positive step towards opening markets by introducing competition among natural gas suppliers and consumers. It also ensures independence, ease and non-discriminatory access to natural gas pipelines and enables a conducive business environment to develop a competitive gas market, thereby fast-tracking PM's vision of a gas-based economy.

A task force on TSO was formed at FIPI, comprising senior officials from its members to deliberate in detail about TSO's formulation and functions to ensure seamless operations of gas pipeline networks. Based on its deliberations, FIPI has compiled the following noteworthy points as below:

- The proposed TSO should not own and operate pipelines. It should be a completely independent and new entity to play an effective role without any actual or perceived conflict of interest, provide a level playing field, and ensure unbiased, non-discriminatory access to all the market participants.
- It would be better to ensure that any conflict of interest does not directly /indirectly influence the proposed TSO. Therefore, such entity directly or through its subsidiary or affiliate should also not be engaged in the gas transportation or gas marketing activities to be eligible for TSO.
- The structure of the proposed TSO could be in line with the already successfully operating system operator in the power sector - Power System Operation Corporation Limited, which is an independent body in Electricity Sector with no conflict of interest with any transmission/supply entity. To achieve the objective of fair trade and non-discriminatory access, the proposed TSO should be responsible for booking all capacity on the pipeline and not limited to the common carrier capacity.
- The proposed TSO should have clearly defined roles and responsibilities; shall publish real time information on pipeline capacity bookings, capacity availability and actual gas flows under all categories, i.e., contract, common carrier, and own-use basis which any unused capacity can be offered to other gas buyers. This would result in optimum pipeline capacity utilization and make any unused capacity in pipelines available to buyers, thereby resulting in higher revenues for the natural gas pipeline entity.

FIPI requested the Government to implement an independent Gas Transport System Operator (TSO) to accelerate the development of a truly competitive gas market in India.

Seeking permission for dispensing LNG - A joint R&D initiative by M/s Ashok Leyland (AL) and M/s Indian Oil Corporation Ltd. (IOCL) for developing and testing Indigenously developed LNG fueled vehicles

Submitted to: - Joint Chief Controller of Explosives, HOD, PESO and Secretary DIPP

The government at various levels is focusing on decarbonising the transport sector through increased efficiency, cleaner CO2 levels, electric mobility around modal shift aiming to reduce the dependence on crude oil imports and to promote low carbon transition in transport. In this regard, the hydrocarbon and the automobile industries have been investing responsibly in BS-VI, CNG, Bio-fuels, and LNG, which is a testimony of the growing realization about the need for clean fuels.

The role of gas-based mobility (CNG/LNG) becomes even more important considering India's commitment at COP26., which focuses on developing, deploying and adopting policies to transition towards low-emission energy systems by rapidly scaling up the deployment of clean energy and energy efficiency measure.

In this regard, identifying LNG as a fuel, for long distance transportation as a priority area is also in line with the Hon'ble Prime Minister's vision of transforming India into a gas-based economy and to enhance the share of natural gas in India's primary energy mix to 15% by 2030. Accordingly, the Union Government has been 'driving the initiative of setting up LNG stations across the Golden Quadrilateral, National Highways and in major mining clusters of the country. In this direction, the government has already Laid the foundation stone for the first 50 LNG fuelling stations.

FIPI in association with PwC as a knowledge partner had carried out a study, "Viability Assessment of LNG as a fuel for long-distance transportation" in 2019. The recommendation from the study report suggests that use of LNG for transportation can be beneficial for a wide range of stakeholders. i.e., society, government, LNG companies, Fleet operators and OEMs in terms of environmental benefits due to lesser greenhouse gas and particulate matter emissions and economic viability due to the price differential between diesel and natural gas.

In this direction, M/S Ashok Leyland (AL) and M/s Indian Oil Corporation Limited (IOCL) had taken joint initiatives for developing and testing indigenous LNG fuelled vehicles at AL's Technical Centre, Chennai Plant. Accordingly, IOCL had requested permission vide IOCL/LNG/Ashok Leyland/01 dt. 20th September 2021 and was awaiting support in this very important step towards the development of LNG infrastructures for long haul transportation in the country.

FIPI on behalf of the oil and gas companies requested DIPP to prioritise the issue that will help in early development of LNG fuelled prototype vehicle indigenously and help promote LNG as a transportation fuel. DIPP promptly responded with PESO approvals for the same.

Notification for widening the Geographical Coverage of Remote Service Areas (RSA)

Submitted to: - Joint Secretary (Marketing), MoP&NG

FIPI took up with MOPNG on behalf of the downstream industry to include the aspirational districts within the purview of Remote service areas and MOPNG has promptly responded in issuing an amendment to the RSA policy. The decision to extend the coverage of RSA to aspirational districts across different parts of the country is a welcome step for the industry and would help facilitate a balance between the social welfare obligations of the Government and ability of the industry to supply the petroleum products in those areas.

However, FIPI on behalf of member companies again requested MoP&NG to review the clause 3 of the notification in the interest of the industry: -

Clause 3: The above list of remote areas is subject to the following conditions:

(I) The retail outlets set up on National Highways / State Highways/ Expressways shall not be counted as remote area outlets.

(II) The retail outlets set up in municipal corporation areas shall not be counted as remote areas outlets.

FIPI presented its recommendations as below: -

- Exclusion of National Highways/ State Highways/ Expressways and municipal limits make it difficult/almost impossible Identifying suitable land parcels for setting up RSA outlets especially in areas such as the North-East. The terrain of such areas (hilly/mountainous or forest tracts) would severely limit the options for industry and will not facilitate in achieving the objective of the aforesaid notification.

- Many of the roads in those RSA districts have been converted from Rural/ MDR to State Highways and SH to NH. However, these stretches continue to be lacking with basic amenities. It will be prudent to include all roads in these districts under remote area for equitable development.

Therefore, FIPI requested to review Clause 3 of the RSA notifications and commented that Highways are the lifeline for economic growth for any district, thus inclusion of NH/SH/Expressways/ Municipal areas in addition to all other roads (MDR/ODR/village roads) for all notified districts in the gazette notification dated 13th October for RSA compliance will help in achieving aspirations for developing these areas. The issue is being pursued with MOPNG.

Extending the benefit of exemption from seeking NOC for ground water extraction to Petroleum Retail Outlets

Submitted to :- The Central Ground Water Authority, Department of Water Resources, Ministry of Jal Shakti

As per the Guidelines issued by the Ministry of Jal Shakti, Department of Water Resources, River Development and Ganga Rejuvenation (CGWA) vide Notification dated 24th September 2020, wherein industries, infrastructure or mining projects were mandated to obtain NOC for ground water extraction.

The said Guidelines exempt:

a) Micro / Small Enterprises drawing ground water less than 10 cum/day and
b) Individual domestic consumers for drinking and domestic uses from seeking NOC for ground water extraction.

It is, therefore, evident that certain types of consumers based either on application / volume of withdrawal of ground water are excluded from the ambit of NOC.

In this context, FIPI on behalf of member companies drew attention that the petroleum retail outlets which are part of Essential Services are not covered under the said exemptions. It is pertinent to mention that the water consumption at these Petroleum Retail Outlets without any attached service stations is also less than 10 cum/day

In this regard, FIPI on behalf of member companies made the following representation:

(I) Oil Marketing Companies such as IOCL, BPCL, HPCL, RIL etc. are engaged in sale of petroleum products from their all- India network of Petroleum Retail Outlets ("Petrol Pumps") operated by respective company or through its dealers. Some of these Petrol Pumps located in the States regulated by CGWA have borewell facility for drawing ground water exclusively for drinking / domestic uses;

(ii) As per Clause 1.0 (v) of guidelines, Micro and Small Enterprises drawing ground water less than 10 cum/day are exempted from seeking No Objection Certificate for ground water extraction;

(iii) A Petrol pump though comparable in size with a Micro or a Small Enterprise and consuming much less water somehow does not get covered under this exempt. It may be pertinent to note that a Petrol Pump may at the most require about 1-2 cum/day of water only for drinking and domestic use;

(iv) A Petrol Pump is a customer interface point where petroleum products which are notified "Essential Commodities" under the Essential Commodities Act, 1955 are supplied to public in general;

(v) Though Petrol pumps are covered under Essential Commodities Act, 1955, it is a public place like any other public place viz., hotels, malls & multiplexes, banquet halls, metro stations, railway stations, airports, seaports, stadia etc;

(vi) In line with obligations advised by statutory authorities like National Highways Authority of India and development initiatives of the Government of India like Swachh Bharat Mission, managed by the Department of Drinking Water and Sanitation under the Ministry of Jal Shakti, a Petrol Pump caters to the needs of its customers by providing basic amenities like drinking water, toilet facilities etc. to it customers;

(vii) Other than providing drinking water, toilet facilities etc. to the commuters, the requirement of water is only for maintaining a green belt in the interests of Environment and to meet certain safety standards as advised by the Petroleum & Explosives Safety Organisation established under the Petroleum Act 1934 which in quantum terms is minimal and much less than the category of Micro and Small Enterprises drawing ground water less than 10 cum/day which is exempted from seeking No Objection Certificate for ground water extraction;

In view of the above, a Petrol Pump covered under Essential Commodities and where requirement of water is much less than what is permitted for Micro and Small Enterprises (10 cum/day) definitely merits favourable dispensation with regard to exemption from seeking No Objection Certificate for ground water extraction.

Therefore, FIPI recommended that the CGWA may also include Petroleum Retail Outlets having consumption of water less than 10 cum/day under the "exempt" category. This will help the Industry and Central Ground Water Authority by saving the avoidable paper work.

Extending the benefit of exemption from seeking NOC for ground water extraction to Petroleum Retail Outlets

Submitted to: - Chairman, Central Ground Water Board, Bhujal Bhawan

FIPI on behalf of member companies made a representation again with reference to the CGWA notification dated 24th Sept 2020 and FIPI letter dated 3rd December 2021 that the consumption of water at petroleum retail outlets (without any attached service station) is very minimal i.e., up to 1-2 cum/day. Usage of water at such retail outlet is only limited to drinking and domestic purposes and at some places for maintaining a green belt in the interests of Environment and to meet certain safety standards as prescribed by Petroleum & Explosives Safety Organization (PESO) established under the Petroleum Act, 1934.

Further, usage of water at Petroleum Retail Outlets are in line with the obligations advised by Statutory authorities like National Highway Authority of India (NHAI) and development initiatives of the Government of India like Swachh Bharat Mission and in no manner, water is being utilized for any commercial reasons.

As per the Public Notice No. 12/2021 dated 6th September 2021, the closing date for all users whether existing or new (except the exempted category as per section 1 of the notified guidelines) to submit their application to obtain NOC under the guidelines is 31st March 2022. Post that, as per the said Public Notice, users are liable to face fine and legal actions. In this regard, in case of wanting any relief, the Petroleum Retail Sector shall have to bear the cost of adhering the statutory directions without any recourse.

In view of the above, FIPI requested CGWA to exempt Petroleum Retail Outlets from seeking "No Objection Certificate" for ground water extraction, and a clarification of relief to be issued before 31st March 2022.

FINANCE

Amendment u/s 8(3)(b) of Central Sales Tax Act (CST Act)

Submitted to: - Joint Secretary (Revenue & NC), Department of Revenue, Ministry of Finance Amendment u/s 8(3)(b) of Central Sales Tax Act (CST Act)

FIPI submitted a representation on behalf of member companies citing concerns of Oil & Gas industry due to amendment u/s 8(3)(b) of the Central Sales Tax Act (CST Act) with regard to issuance of Form-C on inter-state sale or purchase of goods by dealer or manufacturer or for the use in mining or in the generation of power which provides 2% CST. This will lead to a substantial increase in tax, making some of petroleum products (which are not covered under GST) even uncompetitive.

The following concerns of oil & gas industry due to proposed amendment u/s 8(3)(b) of Central Sales Tax Act (CST Act) were brought under notice by FIPI: -

- In order to remove inter-state trade barrier and to make availability of goods/raw material at competitive prices from other state(s), the Central Sales Tax Act, 1956 provides for procurement of such goods/ raw material at lower sales tax (CST) rate against submission of `Form C' and presently such purchases are subject of maximum tax rate (CST) of 2% as provided under section 8(3)(b) of the CST Act.

- The CST rate against 'Form C' has been kept low at 2% because of non-availability of credit of the CST paid to other state(s) and to keep the prices under check of the final goods manufactured out of the goods/raw materials.

- As per the proposed amendment of Section 8(3)(b) of CST Act, the benefit of lower rate of 2% CST would be available only for covered goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for re-sale by him or subject to any rules made by Central Government in this behalf, for use by him in the manufacture or processing for sale of goods specified u/s 2(d) of CST Act. This proposed amendment is being made by removing eligibility of goods used "in mining or in the generation or distribution of electricity or any other form of power" and incorporating the term "specified under clause (d) of section 2".

- In view of such amendment, the benefit of lower rate of 2% CST on procurement of Non-GST Goods (such as Crude Oil, Natural Gas, HSD, MS, ATF) on inter-state basis, may not be available unless the buyer is a trader of same goods or manufactures/processes to produce such Non-GST Goods. For example, the benefit of 2% CST on Inter-state purchase of Natural Gas or Crude Oil may not be available to the refineries producing both GST and Non-GST product and would become stranded cost.
- Likewise, on inter-state sale of natural gas by Upstream E&P Sector, such benefit of concessional rate of 2% CST may not be available to the Downstream refineries and power generating companies, Fertilizers, etc. The petroleum refineries are using natural gas for captive power generation which is integral part of the entire refinery manufacturing process.
- It is also pertinent to mention that refineries procure crude oil which is used for manufacture of GST as well as Non-GST Goods where there is no clarity on the manner of issuance of Form-C. Therefore, if some restriction is placed for non-issuance of Form-C on procurement of those proportionate quantities of crude oil which are to be used by refineries in manufacture of non-GST Goods, there would be substantial increase in tax cost and same would become stranding in hands of such refineries.
- It is also pertinent to mention that in case of crude, pricing is based on the import pricing parity concept and at present there is no sales tax on import of crude which results in cost in the hand of the seller (upstream sector) as the same is currently not reimbursed by the buyer. Non availability of C Form in case for production of GST product will further increase in the cost of the Seller.
- Further there is no sales tax rate cap on Crude after the abolishment of sec 14 of CST act where crude was classified at declared goods and sales tax rate can't be more than 5%. After abolishment in July 2017, now states are free to increase the rate beyond 5% percent as well (in Rajasthan State, sates tax rate on crude is 5.5%).
- Further, there would be a huge increase in delivered cost of natural gas to the buyers across the country due to increase in embedded tax costs which is non-creditable. This would also reduce the competitiveness of domestic gas vis-a-vis alternate's fuel such as Naphtha, Coal etc.
- Further to above, consequent to implementation of GST excluding major petroleum products, the oil and gas sector companies have already suffered with huge stranded taxes due to non-availability of input tax credit (ITC) of the taxes paid on procurement of capital goods, inputs and input services used for manufacturing and distribution of the excluded goods (non-GST).
- Therefore, the budget proposal for non-availability of 'Form C' for inter-state purchases of goods for usage in manufacturing and other operations in refineries and petroleum operations will further increase the existing loss of ITC and severely hit financial position.

Therefore, FIPI on behalf of member companies requested to consider withdrawal of proposed Amendment u/s 8(3)(b) of Central Sales Tax Act (CST Act) till inclusion of the excluded petroleum products namely, crude oil, natural gas, MS, HSD and ATF under GST regime.

Issuance of two Essentiality Certificates (ECs) for transaction involving two supplies under GST Law

Submitted to:- Director General, Directorate General of Hydrocarbons

FIPI on behalf of the member companies made their representation that as per GST Law, the transfer of goods from one GST Registration to another within the same entity is also declared as supply which attracts GST. As a result, the goods procured (import or domestic) under one GST Registration of an E&P Company attracts GST on transfer to its another location falling under another GST Registration. Therefore, in such case also, in order to avail benefit of concessional rate of 5% GST, the EC is required to be submitted to the concerned jurisdictional GST Authority.

Similarly, on import of specified goods by a sub-contractor where same goods are to be supplied to contractor (E&P companies), EC is required for each leg of the transaction. This understanding is also in line with recent Advance Authority Ruling (AAR) in case of M/s Halliburton Offshore Services Inc. where it ruled that separate EC is required for import and then subsequent sale. The Ruling pertaining to the above had been attached in the detailed recommendation sent by FIPI to DGH.

Therefore, FIPI requested that in view of above legal position which requires issuance of separate EC wherever two supplies are involved, the concerned authority may look into this issue and facilitate E&P companies to avail concessional rate of 5% GST as available under the statute.

Issuance of Essentiality Certificate for Goods Used/Supplied in relation to Specified Oil & Gas Operations for Concessional GST Rate

Submitted to :- Joint Secretary - Tax Research Unit (TRU), Ministry of Finance

FIPI on behalf of the member companies made their representation that there is lack of clarity on whether a separate EC is required to be issued against every such movement/supply or the EC issued (at time of original import of such goods) would be considered as valid. Moreover, DGH is currently issuing only one EC with an understanding that since same imported goods are being subsequently used/ moved within India, separate EC will not add any value. Additionally, all the items imported under EC are well regulated and controlled by DGH and Customs Dept., hence there is no requirement for multiple ECs to track the movement.

Given the above, FIPI on behalf of member companies requested to issue a clarification in respect of notification no.31/2017-GST stating that original EC issued at the time of import under notification no. 50/2017-Customs should be considered as a valid document for all subsequent supplies/ movement goods as long as the same are applied for specified oil and gas operations and are in compliance with the conditions prescribed in law with regard to concessional procurement.

FIPI mentioned that the lack of clarity leading to/could possibly result in additional costs for operators, unwarranted scrutiny by the GST department and have significant impact on the day-to-day business operation and hence requested support to the E&P sector in this regard.

Review of Customs duty Exemption Notification No. 50/2017 dated 30.06.2017 S1-404

Submitted to Chairman, Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance; Secretary, Ministry of Petroleum & Natural Gas

The Hon'ble Finance Minister while the presenting Union Budget for 2021-22 had announced a comprehensive review of customs duty exemption. Accordingly, the Central Board of Indirect Taxes and Customs (CBIC) had invited suggestions from importers, trade associations and stakeholders to give their views by August 10, 2021 on the list of customs exemptions identified for the purpose of review.

Customs notification No.50/2017 St. No. -404 which provides customs duty exemption and concessional IGST @5% to specified goods (List-33 of the notification) applicable to E&P business including CBM operation is under the above review list. Withdrawal of the current exemption or any modification/amendment thereto will increase the tax burden from 5% to 31% which will make the petroleum operation unviable and will act as dampener for investors.

Under the Article-17.5 of the Production Sharing Contract (PSC) which is reproduced below, goods required for petroleum operation have been exempted from customs duty vide notification No.50/2017 dated 30.06.2017. Similar exemption was given in the pre GST era vide notification No.12/2012-Cus and 21/2002-Cus.

"Machinery, plant, equipment, materials and supplies imported by the Contractor and its Subcontractors solely and exclusively for use in Petroleum Operations under this Contract or similar contracts with the Government where customs duty has been exempted by the Government shall be exempt from customs duties and export duties or other charges on re-exportation of the said items in accordance with applicable legislation".

Similar contractual provisions granting exemption from customs duty on imports required for Petroleum Operations in Pre-NELP, CBM, OALP (HELP) and DSF contracts have also been provided by the Government. Investments have been made and are planned based on the assurance of customs duty exemptions provided by the Government in E&P policies and contracts.

The Government has been making every effort to attract investment in the high-risk E&P sector in India to increase domestic oil and gas production. This requires investment in the form of global best practices, latest exploration technologies by providing incentives. With over half of the geologically challenging sedimentary areas remaining unexplored or poorly explored even after several rounds of bidding, focus has now shifted to frontier areas like deep-water, ultra-deep water, geologically and logistically challenging areas, involving huge capital outlay, advanced technologies with a high degree of risk. Hence, in order to meet the stated objectives, investors have to be given sufficient fiscal incentives to explore in such high-risk areas.

Indigenous procurement has already progressed in petroleum operation. Line pipes, valves, chemicals, drill bits, telecom equipment, etc. are being procured locally. However, high value and critical machines/equipment like rig, specialized vessels, Xmas tree, subsea equipment, etc. which have no import substitution will significantly increase the cost of petroleum operation if the current exemption is withdrawn, which otherwise has been assured by the Government in all E&P policies and contracts.

In this backdrop and in line with the objective of meeting the hydrocarbon needs of the country, FIPI requested that the existing fiscal incentives including exemption from the customs duty on imports for petroleum operations should continue.

Methodology of Implementation of Amendment in Section 8(3)(b) of CST Act on Interstate Procurement of Crude Oil and Natural Gas by Petroleum Refineries

Submitted to:- Secretary, Ministry of Petroleum & Natural Gas; Revenue Secretary, Ministry of Finance

The Government of India (GOI), vide amendment to Section 8 (3) (b) of the CST Act made during the Union Budget 2021 restricted the eligibility to purchase Natural Gas and Petroleum Crude against Form C only for use in the manufacture or processing for sale of non-GST goods i.e., five Petroleum products viz. MS, HSD, ATF, Crude and Natural Gas. The amendment also enables GoI to frame rules for the proper operationalization of the above stated provisions.

FIPI on behalf of member companies drew kind attention to the unintended consequences of the amendment that need to be corrected for the smooth operations in the petroleum sector by making necessary provisions in the CST Rules referred to in the amendment to the CST Act.

- Absence of Mechanism for Allocation of Eligible Inputs to Common Outputs (both GST and Non-GST): The production process in any oil refinery involves production of both Non-GST (HSD, MS and ATF) and GST (LPG, Naphtha, Fuel Oil, Pet coke, Sulphur and Kerosene) goods out of the common input i.e., the crude oil.

Thus, even though the prime object of setting up of a refinery is to produce transport fuels (HSD, MS and ATF) production of other products is incidental.

Given the above process requirement of a refinery, it is industry's understanding that refineries are eligible to obtain C forms for the entire quantity of crude oil/ natural gas sourced from outside the state. However, the ambiguity surrounding the issue is a cause of concern and shouldn't result in a situation of hefty demands and consequent litigations.

- Imports has Advantage over Domestic Procurement: - Import of petroleum crude attracts 'nil' customs duty and import of LNG [substitute of domestic natural gas] attracts a total customs duty of 2.75% on ad valorem basis.

Imposition of additional tax (by way CST or VAT) on procurement of crude or natural gas from local sources makes the import that much more competitive. The burden of additional tax has to be borne effectively by the domestic producers of crude oil and natural gas. In case the inter-state sourcing is restricted to prorated use in the manufacture and sale of non-GST goods the situation will further worsen considerably impacting the economics of indigenous production and consumption. Sourcing against C-form provides a reasonable method to keep the cost disadvantage within tolerable limits. The impact is maximum in the case of sourcing of natural gas where VAT rates go as high as 25%. As the VAT rates vary there are also consequential issues due to tax arbitrage.

Therefore, FIPI requested to remove tax ambiguity by making an amendment in Rule 13 of Central Sales Tax (Registration a Turnover) Rules, 1957, that if Petroleum Crude and Natural Gas is purchased by a Petroleum Refinery in the course of inter-state trade or commerce, such procurement shall continue to be eligible against Form C for all quantities purchased on such basis.

Further FIPI requested that in case the Governments feels that concessional duty natural gas / crude will be allowed only in the ratio of non-GST goods produced by a refinery, historical data of production of various goods in a refinery, the Government may fix a ratio, to the extent such concessional duty procurement shall be permitted.

TDS on Purchase of Goods - Section 194Q

Submitted to: - Chairman, Central Board of Direct Taxes (CBDT)

The Finance Act, 2021 has introduced a new section viz. 194Q for withholding of taxes on payment for purchase of goods, which has been made effective from 1 July 2021. As per section 194Q of the Act, any person being a buyer who is responsible for making payment to any person resident in India for purchase of any goods of the value or aggregate of such value exceeding INR 50 lakhs in any previous year, shall deduct an amount equal to 0.1 percent of such sum exceeding INR 50 lakhs as TDS. Further, section 194Q (3) gives power to the Central Board of Direct Taxes (CBDT) to issue guidelines for removal of difficulties in giving effect to the provisions of section 194Q of the Act. The CBDT has issued guidelines vide Circular No 13 of 2021 for withholding of taxes under section 194Q of the Act dated 30 June 2021.

Issues faced under section 194Q of the Act:

Guideline no. 4.3 of the guidelines issued by the CBDT dated 30 June 2021 pertaining to withholding tax on component of Goods and Service Tax levied on sales states as under:

4.3.1 Vide circular no 17 of 2020 dated 29th Sept 2020 it was clarified that no adjustment on account of GST is required to be made for collection of tax under sub-section OH) of section 206C of the Act since the collection is made with reference to receipt of amount of sale consideration. However, the situation is different so far as TDS is concerned. It has been clarified in circular no 23 of 2017 dated 19th July 2017 as under "wherever in terms of the agreement or contract between the payer and the payee, the component of 'GST on services' comprised in *the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid or payable without including such 'GST on services' component. GST for these purposes shall include integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Goods and Services Tax. "*

4.3.2 Accordingly with respect to TDS under section 194Q of the Act, it is clarified that when tax is deducted at the time of credit of amount in the account of seller and in terms of the agreement or contract between the buyer and the seller, the component of GST comprised in the amount payable to the seller is indicated separately, tax shall be deducted under section 194Q of the Act on the amount credited without including such GST. However, if the tax is deducted on payment basis because the payment is earlier than the credit, the tax would be deducted on the whole amount as it is not possible to identity that payment with GST component of the amount to be invoiced in future. (Emphasis Supplied)"

The CBDT vide the above guidelines has clarified that TDS is not required to be deducted on the component of GST comprised in the amount payable to the seller. Currently, petroleum products are not included in the purview of Goods and Services Tax provisions. Accordingly, Excise Duty, Value Added Tax and Central Sales Tax is levied on the sale of petroleum products. Excise Duty, Value Added Tax & Central Sales Tax and other state levy if any is shown separately on the invoice issued by the Company.

The customers of Oil Marketing Companies in India deduct TDS on the entire amount of invoice including Excise Duty, Value Added Tax and Central Sales Tax since the guidelines issued by the CBDT mentions about non-deduction of tax only on component of Goods and Services Tax and not specifically for Excise Duty, Value Added Tax and Central Sales Tax. Due to deduction of tax on entire invoice amount leads to blocking of working capital in the scenario where there is no liability to discharge tax considering carry forward business losses and or unabsorbed depreciation.

Considering that the CBDT vide guidelines dated 30 June 2021 has clarified that tax is not required to be deducted on the component of Goods and Services Tax, FIPI on behalf of member companies recommended that the CBDT issues suitable guideline/ clarification wherein it is clarified that TDS should not be deducted on Excise Duty, Value Added Tax & Central Sales Tax and any other state levy which are mentioned separately on the face of the invoice similar to Goods and Services Tax.

Notification of petroleum products under Rule 16 of Central excise rules to enable payment of Excise duty on stock transferred goods at the time of removal from depot / warehouse

Submitted to :- Chairman, CBIC

Excise duty, being one of the levies that the petroleum industry continues to be subject to, is an indirect tax intended to be a pass-through tax, i.e., to be collected from the customer and paid to the Government. Excise duty is required to be paid at the time of removal of the goods from the refinery/factory, regardless of whether the goods are removed for immediate sale to customers or by way of stock transfer to depots. Thus, in cases where goods are stock transferred to the depots for subsequent sale to ultimate customers. Excise duty is payable much in advance of sale and receipt of sale proceeds. The following issues are faced by the industry: -

1. **Excise duty component:**
   Based on the current provisions of the law, although Excise duty is intended to be an indirect tax, the companies are required to pay a significant amount upfront whilst stock transferring goods to the depot, while the realization from the customer happens at a much later date. This results in a huge strain on working capital of the companies.

2. **Timing of payment of duty and resulting challenge:**

(a) In terms of the relevant provisions of the Central Excise Duty Act,1944 (the Act) and Central Excise Rules, 2017 (the Rules), Excise duty levied and collected is required to be discharged by the 6th day of the month succeeding the month of removal of the goods from the refinery. In those case where the goods are to be dispatched to customers, companies raise invoices including excise duty, and invariably collect the invoice proceeds from the customers within the time that the excise duty has to be paid to the Government. The operation of this cycle is aligned with the objective of the duty being a pass-through levy.

(b) However, in those cases where the goods are stock transferred from the refinery to the depot for sale at a future date, which typically takes 15-30 days, the company is obliged to pay excise duty long before a sale has even been concluded. Consequently, the company is subject to a cash outflow (almost 80%) of the price of the product, long before it earns any income/collects excise duty on the said product.

(c) In cases of stock transfer,
- Companies are subject to significant blockage of working capital as the deposit of excise duty occurs much before the realization from the customer. Considering that the refineries are located in a single/few States whereas sales are made to 28 States and 8 Union Territories across India, petroleum products being stock transferred generally constitute up to 30% of the overall production. This involves a substantial payout towards excise duty on a monthly basis, seriously impacting the working capital.

3. Modified version of excise duty is not in sync with the new ecosystem of taxation:
- Presently, the excise duty is a levy which is applicable exclusively to a few industries including the petroleum industry. Further, as against a single tax applicable to all other industries operating in the country, this industry, with a few others, continues to be subject to a multi tax system.
- In the new order of taxation where one levy alone, namely GST, is applicable, in a case of stock transfer, the tax that is invoiced to the depot has to be paid only on the 20th of the month following the month of such transfer, providing additional time horizon for making sales and collecting GST, unlike excise duty which needs to be deposited by 6th of the following month.

4. Multiple challenges faced by the industry: The petroleum sector is currently saddled with multiple challenges, key amongst which are:

(a) Exclusion from the GST regime and having to continue dealing with multiple taxes thereby
- Being subject to a cascading tax effect, and reversing of GST input tax credit (the credit for input taxes cannot be taken against any duty other than GST, leaving the industry with stranded taxes that can be as high as around 60%);
- Complying with a multiple tax regime, its related costs and efforts;
- Running parallel IT systems catering to these multiple levies for an uncertain period of time;
- Being excluded from an ease of doing business regime, which is available to the rest of the industries.

(b) Challenges in sourcing of crude, particularly the heavy crude which is traditionally available from Iran and Venezuela, on account of restriction imposed by US in May 2018 to procure from those countries.
(c) Steady rise in crude price worldwide, from $ 52/bbl to $80/bbl, putting pressure on refining margins.
(d) Discontinuation of LOCs and LOUs: The RBI circular in March 2018 discontinued Letters of Undertaking (LoUs)/Letters of Comfort (LoCs) for trade credits for imports increased working capital cost.
(e) The consequent need for considering alternate options which entail high importation costs duties as compared to the cost of importing crude.
(f) The continuing effects of the pandemic and lockdown in several stages, which have impacted sales significantly.
(g) In addition to the above, the subject matter of levy of excise duty on stock transfer adversely impacts the working capital requirement and challenges are being faced on the liquidity.

5. The Petroleum industry is a constantly evolving industry on account of changing dynamics of demand and supply, raw materials, etc. Further, being a highly Government regulated sector, strict norms and precautions need to be followed. Accordingly, it becomes necessary, to be competitive, to reduce the costs to the extent possible to survive and be profitable.

6. Legal provisions and relief sought

a. Rule 16 of the Central Excise Rules, 2017 enables the Government to notify the goods which can be cleared from the factory to a warehouse without payment of excise duty. Currently, no notification has been issued specifying any goods.

b. The enabling Rule 20 continued to remain in the statute even when the aforementioned relaxation was withdrawn for petroleum products by notification no. 17/2004-CE (NT) dated September 4, 2004. In this connection, it is pertinent to note that in 2004, companies became eligible to avail the input tax credit of service tax in addition to excise duty, due to integration of Cenvat laws, and utilize the same for payment of output excise duty.

c. The new central excise rules prescribed after introduction of GST continue to have enabling provisions permitting warehousing under Rule 16. This strongly indicates that the Government is keenly conscious of the need to provide relief to the petroleum industry under the new tax environment where Excise duty is now applicable primarily only to the petroleum products.

d. The need to re-implement the enabling provision by way of notification is accentuated by the current environment where (a) the input tax credit on procurements is not available to be utilized against output excise duty liability (b) further, in any case, much of the GST paid on these procurements are to be reversed as most of the products sold are not covered by GST, and are therefore, a cost to the industry (c) in addition, the significantly huge excise duties having to be paid upfront in cash is a double whammy as it leads to blockage of sizeable working capital and thus incurring additional interest costs.

7. FIPI on behalf of member companies recommended the following: -

   a. The petroleum sector attracts the highest rates of indirect taxes like excise duty, cess, VAT etc. to enable higher revenue collections for the government. Also, exclusion of petroleum goods from GST has already saddled the sector with high indirect tax costs. When compared to other sectors which have transitioned to GST, the industry suffers the burden of dealing with multiple taxes, GST reversals, challenges in crude sourcing etc. The blockage of working capital due to excise duties is an additional and avoidable burden on the companies.

   b. Since the warehousing provisions are provided for under the new central excise rules which is primarily applicable to petroleum products, there is a case to urgently notify petroleum products under Rule 16 of the Central Excise Rules, 2017 requiring that in cases of stock transfer, the payment of excise duty is to be made only when they are sold from the depots for sale to customers, and not at the time of removal from the refinery/factory. This would be aligned with the provisions of law, past notifications, and the commitment to make doing business in India less complicated, and more friendly.

   c. Further, this will help to ease the burden on a sector that is currently drained by multiple challenges mentioned in para 4 above, even while having no adverse impact whatsoever, on the quantum of taxes being collected by the Government from the sector.

8. It is therefore humbly requested that the aforementioned points be considered, and the petroleum products be notified under Rule 16 of the Central Excise Rules, 2017 on an immediate basis.

Recent amendment under Sl. No. 404 of Customs Notification No. 50/2017-Cus

Submitted to: - Secretary, MoP&NG

FIPI on behalf of member companies highlighted issues faced by the industry on recent amendment under Sl 404 of customs notification vide Notification No. 02/2022-Cus dated 1st February 2022. The issues and details pertaining to them are as follows:

1. The pruned list has excluded number of items which are currently not available in India: -

The Finance Bill 2022 has excluded a number of items in List 33 including significant items such as Drilling equipment, Offshore installations especially Subsea Hardware and Vessels, Equipment a machinery required for handling gas at onshore / offshore locations, Specialty Chemicals, etc.

However, many of these items are not currently manufactured indigenously in India. Further, the cost is very high for those items which are domestically available. Concerns pertaining to lead time, safety and reliability are also there for certain items. The aforementioned parameters have high significance for project execution. Any adverse impact on such aspects will have repercussions on existing operations, as well as ongoing exploration efforts. Industry members highlighted that the estimated increase in the costs could be as high as a range of 25-40% due to the additional Customs Duty and IGST Charged on merit rates.

It is requested that the revised list may be reviewed. Comparison of list of goods for list 33 under SI No 404 pre amendment and post amendment dated 1st February 2022 was brought out.

2. Lack of harmony between HSN code and description of Specified Goods:-

The erstwhile List-33 containing list of goods required for petroleum operations has been pruned and the concerned HSN Codes have been prescribed against the revised description of goods. In this regard, it is observed that there are certain goods which are appearing under column (3) of List-33, however, the corresponding HSN under which such goods were being imported by the industry are missing. There are many items in the list that may create discrepancies and confusion and E&P industry may be denied the duty exemption benefit as is available under the PSC/RSC.

In this context, it is pertinent to mention that on perusal of description column under Serial no. 404, it is clear that the intent is to provide the concessional rate (i.e., BCD-Nil & IGST @ 5%) in respect of the import of goods specified in column (3) of List-33. The industry is of the view that in case of any infirmity between the description of goods and HSN thereof, the description of goods would prevail for the purposes of claiming concessional rate by E&P industry at the time of import of such goods.

In this connection, it is also relevant to mention that while opting for the exemption at ICEGATE portal under Serial no. 404 of Notification No. 50/2017-Cus (as amended), it is observed that portal has been updated keeping in mind the chapters covered in list 33. Thus, ICEGATE portal also enables E&P importers to claim benefits in respect of goods which falls under any HSN of the respective chapters.

FIPI highlighted that classification of goods under various HSN has always been a subject matter of dispute, in general, as the correct classification, inter-alia, involves technical specification of goods. It may be appreciated that since the instant benefit is conditional and therefore as long as the goods of specified description are being imported for the petroleum operation, the intended benefit should not be restricted to HSN entries, which is intended primarily for the statistical purposes.

It is requested by the industry that the amended List 33 should remove the reference of HSN or to provide the HSN only up to 2-digit level.

3. Restoration of deemed export benefits in respect of consumables:-

The E&P Sector has been availing benefit of deemed export under the Foreign Trade Policy wherein procurement of HFHSD via International Competitive Bidding (ICB) was eligible for refund. Under pre-GST regime, upfront exemption was available under Central Excise Law on such supply of HFHSD.

During pruning exercise of specified goods, the item 'consumable' as was appearing at Serial no. (24) of the List-33 has been removed, resulting in denial of deemed export benefit in terms of FTP.

In view of above, it is requested that the competent authority may either restore such deemed export benefit specifically or a suitable exemption may be provided under Central Excise Law for upfront exemption on supply of Fuel to E&P companies for petroleum operations so as to promote Ease of Doing Business.

4. Disposal of unused and surplus items to be covered along with scrap sales

E&P activities are highly probabilistic where the exact quantity of items required for various petroleum operations such as exploration, mining or drilling, cannot be predicted in advance. As a result, generation of surplus items due to various reasons such as variation in initial estimation, advancement of technology etc., are an inevitable outcome.

In this regard, we would like to highlight the pre-amended condition-48 (earlier condition-40A) read with TRU Clarification D.O.F.No. 334/7/2017-TRU dated 01.02.2017, as per which the condition of disposal of goods on payment of customs duty was applicable for unused, surplus, condemned and obsolete items as well. However, as per recent amendment under Condition-48 vide Notification No. 02/2022-Cus read with the associated explanation, the industry is of the view that effective from 02.02.2022, such disposal condition is applicable only in respect of goods which are sought to be disposed of after their use in unserviceable form or as scrap. Thus, the surplus generated from imports on or after 02.02.2022, cannot be disposed of unless it is put to use for petroleum operations.

In this backdrop, since the amended condition, inter-alia, allows disposal of goods as scrap, it is requested that the competent authority may clarify that such surplus items can be cleared as scrap upon payment of 7.5% customs duty on its transaction value, in the manner as prescribed under Condition-48(d).

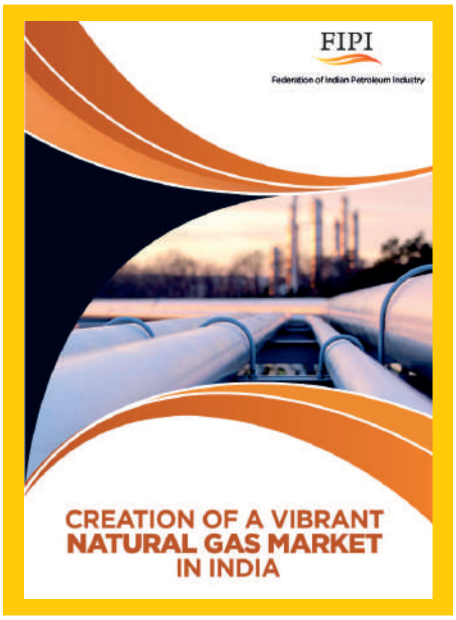
Research Reports

Research reports

1. **Creation of a Vibrant Natural Gas Market in India**

An achievable transition must be based on the energy that is available for all global society; it must be clean, the supply must be secure, and it must be affordable. A just transition can only be achieved with Gas as a major component of the global energy mix. Keeping that in mind, FIPI and its members from the natural gas committee have developed a report on "Creation of a Vibrant Natural gas market in India".

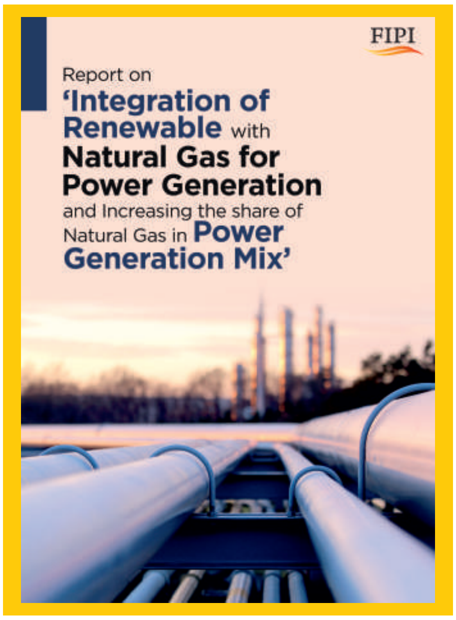
The report focuses on the role of Gas in today's energy transitions. It has identified the various policy reforms that have been undertaken during the last 5-6 years in the gas value chain and have also highlighted the further reforms/policy supports required from the Government/regulator to create a vibrant gas market in India. Such policy support, if extended, will help increase natural gas consumption while achieving twin objectives of (i) emissions reductions of CO_2 and air pollutants and (ii) transforming India into a gas-based economy by increasing the share of natural Gas in the primary energy mix to 15% by 2030.



2. **Report on 'Integration of Renewable with Natural Gas for Power Generation and Increasing the share of Natural Gas in Power Generation Mix'**

FIPI with the support of oil and gas organizations, had conducted a study on Increasing the Share of Natural Gas in the Power Sector. One of the key recommendations that emerged from the study was integration of renewables with natural gas for power generation. It was studied that a combined gas and renewables offer could provide a cleaner lower carbon alternative to coal and would support India's path to decarbonization.

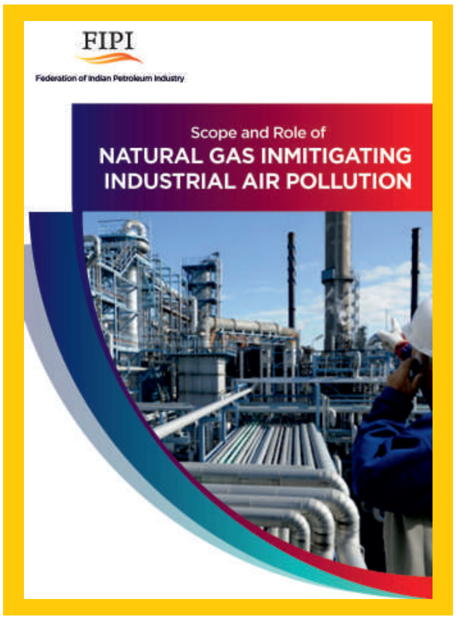
Through this study, FIPI on behalf of the oil and gas companies suggested factors for promoting clean power generation and increasing the share of natural gas in the power sector.



Upcoming Research Reports in 2022-23

1. **Scope and Role of Natural Gas in Mitigation of Industrial Air Pollution**

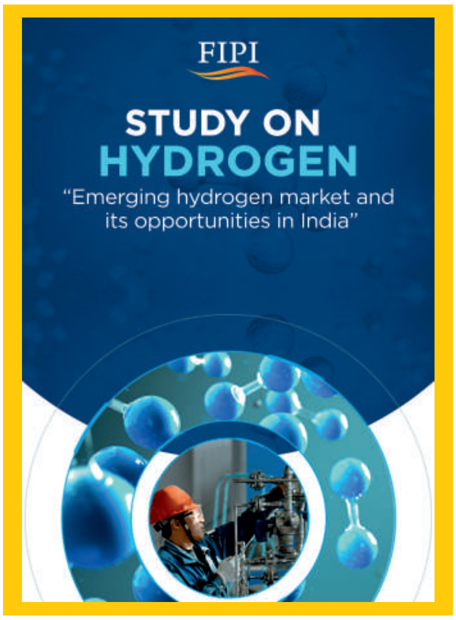
This study has drawn its inspiration from the environment status report by NEERI in the Morbi-Wankaner industrial cluster of Gujarat. Based on the findings of the report, the National Green Tribunal (NGT) mandated a ban on coal gasifiers in the industrial cluster and advocated for a fuel switch in favour of gas in 2019. Consequently, the region has now emerged as one of India's major demand centres for natural gas.



Considering that, FIPI, along with its Study partner organizations, namely – GAIL, ONGC, Pipeline Infrastructure Ltd. (PIL), Shell and Exxon, have initiated a study on "Scope and Role of Natural Gas in Mitigation of Industrial Air Pollution". TERI has been engaged as the research partner for the study and was awarded the work in September 2021, consisting of three industrial clusters, namely Gurgaon (Haryana), Varanasi (UP) and Sangareddy (Telangana). In August 2022, TERI has submitted a draft report, and final report is awaited. The report's findings will present a pressing case to the policymakers for mandating gas in industrial clusters and serve as a single data point for all advocacy efforts in this direction.

2. **Study on Hydrogen- "Emerging hydrogen market and its opportunities in India"**

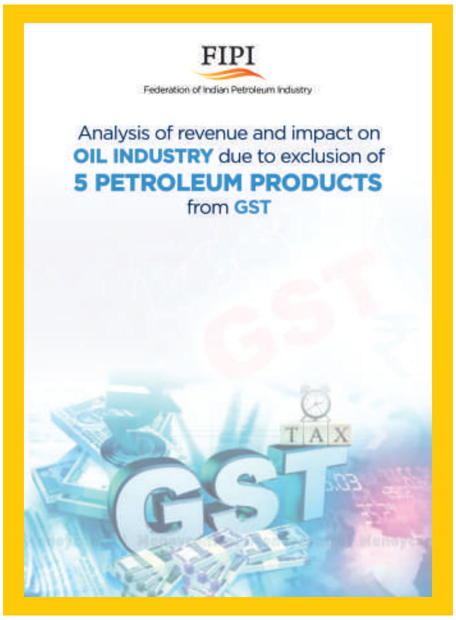
The objective of the study is to understand and gauge the hydrogen market potential in India by identifying the consumption, production, storage and distribution trends, technological barriers, cost competitiveness of hydrogen technologies and other novel uses of low-cost hydrogen to reduce India's carbon footprint in the environment.



Considering the above, FIPI, along with its study partner organisations- IOCL, Jio BP, BPCL, HPCL, HMEL, GAIL, Shell, ONGC, PIL, Exxon Mobil and Nayara Energy, have initiated a study on "Emerging hydrogen market and its opportunities in India". ICF has been engaged as the research partner for the study and was awarded the work in July 2022.

3. **Analysis of revenue and impact on oil industry and other sectors due to exclusion of 5 petroleum products from GST and recommendation for their inclusion under GST**

In 2019, FIPI, at the request of MoP&NG had undertaken a study, in knowledge partnership with Deloitte, highlighting the impact faced by Oil and Gas industry due to the non-inclusion of 5 excluded products under the levy of GST with period of reference as July 2016 - June 2017 and July 2017 – June 2018. The detailed report with findings and recommendations was submitted to MOP&G.



MoP&NG has now asked FIPI to update the study by carrying out the impact assessment for the years, FY 2018-19, FY 2019-20 and FY 2020-21. Deloitte has been engaged as the research partner for the study.

4. **Promotion of Indian E&P Sector for enhancing E&P activities among International Operators/Investors**

FIPI, on advice from the Ministry, has awarded International Consultant "BCG" a Study on "**Promotion of Indian E&P Sector for enhancing E&P activities among International Operators/Investors".** This study's main aim is to promote the Indian E&P sector for expediting & enhancing E&P activities on the domestic front to International Operators/Investors through roadshows in London and Houston.

Events

Developing a Hydrogen ecosystem for a Decarbonised Globe - April 15, 2021

The Energy Forum and Federation of Indian Petroleum Industry under the aegis of Ministry of Petroleum & Natural Gas, Government of India organized a half day round table event on the topic- "Developing a Hydrogen ecosystem for a Decarbonized Globe" on 15th April 2021 on a virtual platform. This session was organized to study and explore the challenges and pathways to hydrogen becoming a clean and abundant source of energy that could help tackle the pressing sustainability issue that confronts the world today. The prestigious event witnessed participation by Energy Ministers from key nations, distinguished panelists from major Hydrogen companies and more than 3,000 eminent delegates from across the world.

The event started with opening remarks by Mr. Dharmendra Pradhan, Minister for Petroleum and Natural Gas and Minister for Steel. Mr. Pradhan said that hydrogen has a great potential in future as a source of energy and can reduce global warming by replacing fossil fuels. Inclusion of hydrogen as an energy carrier for future energy portfolio provides opportunities such as power to gas, power to power and power to mobility, and enabling further grid applications. He also mentioned that hydrogen is capable of having alliance with other initiatives like promotion of compressed biogas under the Sustainable Alternate Towards Affordable Transportation (SATAT) scheme and promoting a gas-based economy.

During the ministerial session, Dr. Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology, the UAE said that, India is UAE's biggest and most important trading partners particularly in the field of energy. He said that UAE is ready with its portfolio of products to meet the surging energy demand from India. Mr. Angus Taylor, Minister for Energy and Emissions Reductions, Australia said that Australia shared India's interest in building a hydrogen economy and welcomes Indian government's National Hydrogen Mission initiatives to develop a roadmap for using hydrogen as clean fuel.

Post the ministerial session, the planned panel discussions covered deliberations on key topics pertaining to hydrogen, its availability, storage, transportation, and creation of an overall hydrogen ecosystem. The key participants included Dr SSV Ramakumar, Director (R&D), IOCL , Mr. James Hetherington, Director Hydrogen Strategy Team, International Climate Change and Energy Innovation Division, Australia, Mr. Elji Ohira Director General of Advanced Battery and Technology Department, Japan, Dr. R.K. Malhotra Director General, FIPI and President of Hydrogen Association of India, Mr. Sambit Mohanty from Global Platts in Energy Markets, Mr. Nigel Holmes, CEO of Scottish Hydrogen and Fuel Cell Association, Mr. Dimitrios Dimitriou, Hydrogen Business Development manager, Abu Dhabi National Oil Company (ADNOC), UAE, Mr. Anish De from KPMG, David Hart Director of E4 tech, Ms. Irina Gayda from Energy Centre Moscow School of Management, Professor P.V. Arvind from University of Groningen, Netherlands, Professor Andrea Zuttel, Director of Laboratory of Materials for renewable energy, Switzerland, Mr. Debashish Mishra, partner at Deloitte, Dr. Renu Swaroop, Secretary, Department of Biotechnology, Mr. Indu Shekhar Chaturvedi, Secretary of the Ministry of New and Renewable Energy (MNRE), Mr. Sunil Kumar, Joint Secretary, MoPNG, Mr. Satya S. Tripathi, Secretary General, and Global Alliance for Sustainable Planet, Mr. Mark Kirby, President and CEO of Canadian's Hydrogen and Fuel Cell Sector (CHFCA), Mr. Tarun Kapoor, Secretary, MoPNG.

There was an interactive discussion among eminent leaders from the gas industry and the event was appreciated by one and all.

"We are keen to work with Indian public and private sectors to help develop the hydrogen market & support India's growing demand for energy & need for cleaner fuels"- Dr Sultan Ahmed Al Jaber, Minister of Industry & Advanced Technology, UAE.

"Australia shares India's interest in a building a hydrogen economy. We welcome your National Hydrogen Mission plan to develop a roadmap for using hydrogen as part of your energy mix"- Mr. Angus Taylor, Minister for Energy and Emissions Reduction, Australia

"The time of hydrogen energy has come and India needs to have supportive policies for it. The combination of supportive policies and innovations will allow India to emerge as a strong player in hydrogen"- Dr. R K Malhotra, DG, FIPI & President, Hydrogen Association of India.

"Last year India and Denmark began a new era of cooperation. A partnership that will enable us to cooperate on promoting sustainable solutions needed in both India and Denmark."- H.E. Mr. Dan Joergensen, Minister for Climate, Energy and Utilities, Denmark

"The length & breadth of technological explorations and the need for decarbonizing the world has renewed the focus on newer areas. Now there is a new traction for hydrogen economy." - Dr. S S V Ramakumar, Director (R&D), IOCL

"Only through joint efforts and concrete, measurable actions on hydrogen and other emerging technologies we will be able to achieve deep decarbonization and meet critical climate and clean energy goals."- H.E. Mr. David M. Turk, Deputy Secretary of Energy, US..

"The whole area of hydrogen economy is important for clean energy ecosystem. Our Hon'ble PM Narendra Modi has given us clarion call of Aatmnirbhar Bharat, & cleaner energy & renewables form an integral part of this mission"- Dr. Renu Swarup, Secretary, DBT.

“While all leading countries are making efforts in the hydrogren R&D and pricing, India is also focusing on its usage. We want hydrogen to come on a commercial scale and we are working towards making it commercially viable” - Mr. Tarun Kapoor, Secretary, MoP&NG

"Hydrogen will pave the way for a low carbon economy. Reducing emissions is very important to achieve sustainable growth and our international commitments towards climate change"- Mr. P Harish, Additional Secretaries (ER), MEA.

India remains committed to environmental and climate causes with a massive thrust on deploying renewable energy and energy efficiency measures." - Shri Dharmendra Pradhan, Minister of Petroleum & Natural Gas and Steel, India.

Adapting to a More Competitive Oil Market: New Pricing Mechanism for Middle East Crude- 19th April, 2021

The Federation of Indian Petroleum Industry (FIPI) in association with Argus Media organized 'Adapting to a More Competitive Market: New Pricing Mechanism for Middle Eastern Crude' on 19 April, 2021 over virtual platform. The dialogue was aimed at understanding the new and emerging dynamics of the international oil market as the ICE Murban Crude Oil Futures market joins the ranks of prominent oil price benchmarks such as Brent and West Texas Intermediate. During the session, the experts joining from Argus Media helped the participants better understand the changing energy markets after the pandemic and the factors that will set the pace and direction for the market in the medium to long term. The team of experts joining from Argus Media included Mr Francis Osborne, Argus Global Head of Forecasting, Argus Media; Mr Alajandro Barbajosa, Vice President Crude Middle East; Mr Karl Kleemeier, VP Business Development, Argus Media; and Ms Azlin Ahmed, Asia Crude Editor, Argus Media.

Commencing the proceedings of the day, Mr Rajiv Bahl, Director – Finance, Taxation and Legal, FIPI extended a very warm welcome to the speakers and participants at the session. He highlighted that the initiation of the ICE Murban crude futures market by Abu Dhabi will bring about tectonic changes to the international oil markets.

The following presentation at the session was by Mr Alejandro Barbajosa and Mr Karl Kleemiere on the 'New Pricing Mechanism for Middle East Crude'. The presentation pointed out that the pricing scenario in the oil market today are truly historic. One of the driving forces behind this shift has been the surplus of crude in the Atlantic basin driven by the growth of Shale oil in the US. This has presented serious challenge to the Middle-Eastern monopoly on the Asian market.

Lastly, the experts from Argus Media provided detailed answers to the audience questions. The one-and-a-half-hour-long session witnessed an overwhelming participation by over 250 participants across the oil and gas value chain in the country.

Mr. Francis Osborne, Argus Global Head of Forecasting, Argus Media presenting his presentations on Oil Market Outlook.

Mr. Alejandro Barbajosa, VP crude Middle East & Asia-Pacific, Argus Media giving his presentation on 'New pricing mechanisms for Middle Eastern crude: UAE'.

Mr. Karl Kleemeier, VP Business Development, Argus Media delivering his presentation on 'New pricing mechanisms for Middle Eastern crude: UAE'.

Strengthening NGV Ecosystem in India – 12th July, 2021

Federation of Indian Petroleum Industry (FIPI) and Society of Indian Automobile Manufacturers (SIAM) jointly organized an exclusive Virtual Roundtable on "Expansion of Natural Gas Vehicle (NGV) Ecosystem in India" on 12 July, 2021. The roundtable was aimed at discussions regarding expanding the Natural Gas ecosystem, exploring opportunities for collaboration, raising concerns/issues, etc. The roundtable saw active participation from Top-level executives from Gas & Auto Industries.

The speakers from Gas Industry included Mr Pramod Narang, Director (Technical) – Petronet LNG Ltd and Mr Raman Chadha, CEO – GAIL Gas. The speakers from Auto Industry were Mr Ashish Chutani; Head Govt & Policy Affairs, Maruti Suzuki India Ltd and Mr S Krishnan, Sr Vice President - Product Development, Ashok Leyland.

Commencing the day's proceedings, Mr Prashant K Banerjee, Executive Director, SIAM extended a warm welcome to the speakers and participants. He highlighted that the Government of India has laid out an ambitious plan of expending the CNG & LNG infrastructure across the country and this is possible only with the cooperation between the Gas and Automobile industry leadership. Mr. R K Malhotra, Director General, FIPI in his opening remarks highlighted that Natural gas has been identified as a fuel for reducing pollution and with the start of CNG vehicles in 90's has helped a lot in reducing the pollution in cities like Delhi and Mumbai. He further added that Natural gas vehicles will be going to play a very important role in achieving the target of 15% gas share in the primary energy basket by 2030.

The event received an overwhelming response and was attended by a wide spectrum of participants.

Mr Prashant K Banerjee, Executive Director, SIAM delivering the welcome address


Mr. Pramod Narang, Director (Technical), PLL giving his presentation on "LNG Infrastructure roadmap across India".


Mr Raman Chadha, CEO – GAIL Gas giving his presentation on "CNG Infrastructure roadmap across India".

Energy Transition - CCS & Hydrogen – 14th July, 2021

The Federation of Indian Petroleum Industry (FIPI) in association with Scottish Development International (SDI) organized an exclusive webinar on 'Energy Transition- CCS & Hydrogen on 14 July, 2021 over virtual platform. The webinar was aimed at understanding the new and emerging clean energy technologies especially CCS and Hydrogen. The team of experts joined from Scottish Development International (SDI) included Mr Peter Godfrey, Senior Regional Advisor, Storegga and Dr Edris Joonaki, Fluid Properties Expert/Technical Lead, National Engineering Laboratory TUV SUD.

Commencing the proceedings of the day, Mr T K Sengupta, Director – Exploration & Production, FIPI extended a warm welcome to the speakers and participants at the session. He highlighted that the oil and gas companies can use these technologies to generate clean energy by capturing the carbon, carbon sequestration and carbon storage. He further highlighted that Scotland being connected to North Sea is bringing a lot of technological advancements and FIPI will make its endeavor to connect the industries between these two countries for any potential collaboration in the energy transition space.

Mr Peter Godfrey in his presentation on the “ACORN CCS/ Hydrogen Cluster Project” highlighted the major macro factors driving CCS deployment. Those are: (i) Political (Climate neutrality, Net Zero, Carbon budgets, etc.) (ii) Economic (Carbon border taxes, Emissions trading schemes, etc.) (iii) Social (Climate change movements, creating political will, etc.) (iv) Technology (CCS is proven technology, only solution for heat and industry, etc.)

Dr. R K Malhotra, DG FIPI in his closing remarks thanked speakers from SDI for collaborating with FIPI for energy transition topic on CCS and hydrogen. He further added that based on the presentation and discussion on CCS; some of our upstream companies attending the webinar can also focus to find the opportunity of capturing and storing CO_2 from the industrial belt along the Bombay high and FIPI and SDI can jointly work and collaborate in this direction.

The session was brought to an end with an overwhelming response.

Mr Kevin Liu, Head of APAC Energy, SDI delivering the opening remarks.

Mr. Peter Godfrey, Senior Regional Advisor APAC, Storegga Geotechnologies Ltd. giving his presentation on 'ACORN CCS/ Hydrogen Cluster Project'.

Dr. Edris Joonaki, Fluid Properties Expert/Technical Lead at TÜV SÜD UK National Engineering Laboratory delivering his presentation on 'Technical aspects of CO2 Process Streams and Sequestration in Reservoirs'.

Workshop on “WINNERS: Women in India's Energy Sector- 28th September, 2021

Federation of Indian Petroleum Industry (FIPI) along with the Knowledge Partner the Boston Consulting Group (BCG) organized a one-day workshop on “WINNERS: Women in India's Energy Sector” on September 28, 2021. The workshop was attended by more than 300 delegates (physically and virtually) and was appreciated in terms of content by one and all.

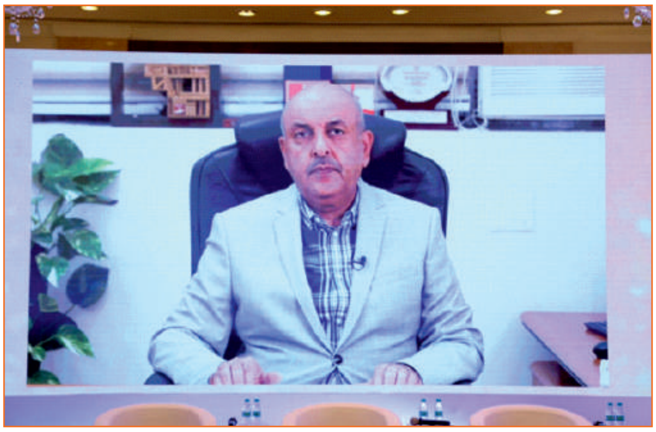
Dr R. K. Malholtra, Director General, FIPI presented welcome note to the attendees in the conference by stating women's contribution to the economic development of any country is enormous. He said that India is celebrating 75 years of independence and during this time a lot has been done for women empowerment including education, provision for legal rights, right in property etc. He said many women are at the forefront in the energy and oil & gas industry. He recognized that certain social and cultural reservations have been affecting participation of Indian women in this area and talked about how various career opportunities should be made available to them to support diversity across sector.

Shri S.M. Vaidya, Chairman IOCL & Chairman, FIPI was the Guest of Honour for the event and addressed the audience virtually. He complimented FIPI for planning this special session which talks about how the role of women in the oil industry have evolved substantially. Shri Tarun Kapoor, Secretary, MOP&NG, was the Chief Guest for the event. He appreciated FIPI for organizing this event which has brought together energy and gender experts to discuss advancing women's engagement in the energy sector.

The event saw participation from eminent leaders, Ms. Vartika Shukla, CMD, EIL, Ms. Pomila Jaspal, Director (F), MRPL, Dr. Vibha Dhawan, Director General, TERI, Ms. Whitney Merchant, Partner, BCG, Mr. Kaustubh Verma, Managing Director & Partner, BCG, Ms. Ulrike von Lonski, Chief Operating Officer, World Petroleum Council, Ms. Vanadan Hari, CEO, Vanda Insights, Ms. Harjeet Kaur Joshi, CMD, Shipping Corporation of India, Dr. Alka Mittal, Director (HR), ONGC, Ms. Ravneet Pahwa, Country Head, Deakin University, Mr. Ranjan Kumar Mohapatra, Director (HR), IOCL, Ms. Esha Srivastava, Director (IC), MOP&NG, Ms. Poonam Barua, Founder Chairman, WILL Forum India. Ms. Lakshmi Puri, Former Assistant Secretary- General, UN and Former Deputy Executive Director, UN Women gave the valedictory address and shared her valuable insights through a recorded message. She highlighted that there is a clear link between energy access, energy economics and participation of women. Women in rural India are at the forefront when it comes to energy sustainability.

The event received an overwhelming response from all the participants.

Shri S.M. Vaidya, Chairman, IOCL & Chairman, FIPI delivered a special address, highlighting the role of women across the entire value-chain of Indian energy sector.



"Women-centric schemes gain greater traction, they are directly connected to energy sector, especially through cooking gas. PMUY became a huge success as it was centered around women." - Shri Tarun Kapoor, Secretary, MoP&NG.

Ms. Whitney Merchant, Partner, BCG shared the details of WPC Untapped Reserves 2.0 survey with Kaustubh Verma, MD & CV Partner, BCG, highlighting the opportunities & scope for improving involvement of women in the Oil & Gas sector.

Ms. Ulrike von Lonski, COO, World Petroleum Council; Ms. Amrita Sen, Dir. of Research, Energy Aspects & Ms. Vandana Hari, CEO, Vanda Insights discuss the opportunities and challenges for women in Indian energy sector highlighted by WPC Untapped Reserves 2.0 survey.

"One barrier that women create for themselves is that they hold themselves back from leadership roles, women must come forward." - Dr. Alka Mittal, Dir.(HR), ONGC

"Organizations have to ensure support for women at a time of their need and provide them with an empathetic workspace to ensure they don't drop out in the middle." - Ms. Esha Srivastava, Director (IC), MoP&NG

"Women don't require organisational support, it is the organizations that requires women's support." - Mr. Ranjan Kumar Mohapatra, Director (HR), IOCL.

"There is a clear link between energy access, energy economics & participation of women. Women in rural India are at the forefront when it comes to energy sustainability" - Ms. Lakshmi Puri. former Assistant. Secretary-General, UN and former Deputy Executive Director, UN Women

2021 Edition of India Energy Forum by CERA Week on October 20-22, 2021

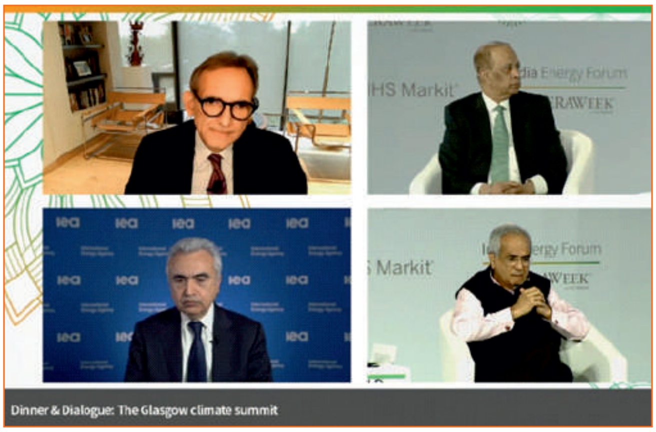
The 5th India Energy Forum by CERAWeek was organized in a hybrid format from 20-22 October 2021. The Honourable Minister of Petroleum & Natural Gas and Minister of Housing & Urban Affairs, Shri Hardeep Singh Puri inaugurated the forum and said that the forum facilitated and enabled deeper and necessary dialogue on India's energy future. He said that, India's Oil and gas industry has made significant progress in the recent years. Several new reforms have been introduced to meet country's energy demand based on the energy vision. He further stated that the industry has risen to the occasion in a commendable manner during these challenging times by ensuring energy supplies, energy efficiency, energy sustainability, energy security and energy justice.

The India Energy Forum generated global outreach and a regional impact with more than 9,000 delegates, representing over 450 organizations and 45 countries. The dialogues that emerged from the forum suggest India's energy transition will need to take a revolutionary, rather than an evolutionary, approach as new technologies continue to mature and disrupt the energy sector. Energy transition will provide ample opportunities for India to leapfrog to the future energy system, widely showcased by the recently announced National Hydrogen Mission, rapid electrification of transport sector and PLI schemes for solar PV cell and batteries manufacturing. India's solar power generation potential provides ample opportunities to back green hydrogen production ambitions for reducing emissions in hard-to-abate industrial sectors. Biofuels and geothermal energy are the emerging low-carbon energy sources.

India's energy transition is characterized by the need to provide energy access to its vast population and improve per capita consumption whilst also aiming to reduce the emission intensity. The forum held strategic dialogues which emphasized upon India's energy future in a global context, with new challenges and opportunities as the world emerges from Covid-19 pandemic.

The forum played the role of bringing together the global energy leaders and experts to deliberate on the opportunities and challenges in India's energy sector.

"To cater to the increasing energy demand in the country, we have to explore all supply options that are sustainable, secure and affordable." - Shri Hardeep Singh Puri, Minster of Petroleum & Natural Gas and Housing & Urban Affair.



Mr. Carlos Pascual, Senior Vice President, IHS Markit, Dr. Fatih Birol, Executive Director, IEA, Dr. Rajiv Kumar, Vice Chairperson, NITI Aayog and Atul Arya shared their perspectives on advancing a just energy future.

Session in Progress

India Pavilion at ADIPEC-2021- November 15-18, 2021

For the third time, FIPI organized India Pavilion at the Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC), Abu Dhabi during November 15-18, 2021. Ten Indian Oil & Gas companies, namely IOCL, ONGC, BPCL, HPCL, GAIL, Petronet LNG, OIL, L&T, EIL & Cairn Energy participated in the India Pavilion at ADIPEC-2021.
ADIPEC provides one of the most important platforms for the oil and gas industry to do business and exchange information, attracting global energy ministers, global CEOs and leading decision makers during the four days of business discussions and knowledge exchange.

The theme of this year's India Pavilion was 'Synergy in Energy – Partnerships for a sustainable Future" wherein we portrayed capabilities of Indian Oil & Gas companies to the world.

The Hon'ble Minister for Petroleum & Natural Gas and Housing & Urban affairs, Shri Hardeep Singh Puri formally inaugurated the India Pavilion on November 15, 2021. The inaugural ceremony was witnessed by Shri Pavan Kapoor, India's Ambassador to UAE; Shri Subhash Kumar, Co-Chairman, FIPI & Chairman, ONGC; Ms. Esha Srivastava, Director (International Cooperation), MoP&NG and several other dignitaries from Indian Oil & Gas industry.

ADIPEC has become one of the most influential global Exhibition & Conferences in the Oil & Gas sectors. ADIPEC 2021 attracted enormous footfall encompassing 100,000+ energy professionals, 2,000+ exhibiting companies from 51 NOCs and IOCs across the globe showcasing the latest products, services and technologies to the world including participation of 26 country pavilions in the exhibition arena. The event brings together professionals from the global Oil & Gas industry to discuss the best practices followed and decide on the future course of action to meet energy transition challenges.

Hon'ble Minister Shri Hardeep Singh Puri, MoP&NG & Urban affairs inaugurating the India Pavilion set up by FIPI at ADIPEC 2021

Hon'ble Minister Hardeep Singh Puri interacting with Mr Fatih Birol, Executive Director of IEA at our pavilion.

Group Photograph with Hon'ble Minister Hardeep Singh Puri

India Pavilion at ADIPEC 2021.

Mr. S. M. Vaidya, Chairman, FIPI & Chairman, IndianOil interacting with the officials.

Group photo with Mr Fatih Birol, Executive Director of IEA at our pavilion.

Hon'ble Minister Shri Hardeep Singh Puri interacting with Mr Pavel Sorokin, Deputy Minister of Energy of the Russian Federation at India Pavillion.

FIPI Post Budget Analysis 2022 on 1st February, 2022

The Union Budget for the Year 2022-23 was announced by the Hon'ble Finance Minister of India Smt. Nirmala Sitharaman on 1 February, 2022. Keeping up with FIPI's long tradition, FIPI organized its flagship FIPI Post Budget Analysis 2022 session on 2nd February with Deloitte India as the knowledge partner. The Budget session was attended by nearly 300 delegates (virtually) and was appreciated in terms of content by everyone. The objective of the session was to analyze the recently presented Union Budget 2022-23 and weigh the impact of the Budget on the Economy and India's oil and gas industry. The session was attended by many senior dignitaries from across the industry.

In his opening remarks, Mr. Gurmeet Singh, Director General, FIPI, welcomed all the panelists during the budget analysis session organized by FIPI. He said that the Budget has come against the backdrop of gradual recovery taking place in the Indian economy hit by the COVID-19 pandemic and spoke about some of the key announcements highlighted in the Economic Survey and Union Budget 2022-23. He mentioned that India is on a growth trajectory as India's GDP is projected to grow in real terms by 9.2% in 2021-22 and 8.0-8.5% in 2022-23 as highlighted in the economic survey.

He further added that FIPI through its Pre-Budget Memorandum, is still pursuing the government on issues like OIDB cess and inclusion of five petroleum products under the ambit of GST and assured the industry members that it will continue to highlight these issues at relevant forums in the future as well.

Setting the context for the session, while Mr. Debasish Mishra, Partner, Deloitte India, made presentation on the key takeaways of the Economic Survey, the insights on Direct tax & Indirect tax were presented by Mr. Jimit Devani, Subject Matter Expert and Mr. Anoop Kalavath, Partner, Deloitte respectively.

The main highlight of the session was the 'Panel Discussion on Union Budget 2022-23, focusing on the outcome for oil and gas companies in the new budget. The panel comprised of Mr. Sandeep Kumar Gupta, Director - Finance, Indian Oil Corp Ltd, Mr. Rakesh Kumar Jain, Director – Finance, GAIL (India) Ltd, Ms. Pomila Jaspal, Director – Finance, MRPL, Mr. Hitesh Vaid, Deputy Chief Financial Officer, Cairn Oil & Gas, Vedanta Ltd and Mr. Kartikeya Dube, Chief Financial Officer – Reliance BP Mobility Ltd. The panel discussion was moderated by Ms. Bela Sheth Mao, Tax Partner, Deloitte.

Delivering the closing remarks at the session, Mr. Vivekanand, Director (Finance, taxation and Legal), FIPI, thanked all the panelists and the subject matter experts for providing their insights on the Union Budget 2022-23 and its implications on the oil & gas industry and the economy as a whole. In his concluding comments, he said that for achieving a gas-based economy, it is crucial for gas to be included under the ambit of GST and subsequently the other petroleum products and assured the industry members that FIPI will continuously strive to pursue this issue at relevant forums in the future as well.

Mr. Gurmeet Singh, Director General, FIPI welcoming the participants.

Mr. Debasish Mishra, Partner, Deloitte India delivering the presentation on Post Budget Analysis 2022.

Panel discussion moderated by Ms. Bela Sheth Mao, Partner, Deloitte India

Mr. Vivekanand, Director (Finance Taxation and Legal), FIPI delivering the closing remarks.

11th Annual Convention of FIPI Student Chapters on 31st March, 2022

The 11th Annual Convention of FIPI Student Chapters was held on 31st March 2022 in the premises of Dibrugarh University. The convention provides a platform to the students to interact, compete and share knowledge with each other and also an opportunity to listen to the industry experts, academicians etc. This year the theme given to the Student Chapters was “Enhancing the Energy Value Chain through Innovation and Digital Ecosystem”.

A total of 43 participants (36 Students and 7 Faculty members) from 8 FIPI Students Chapters participated in the convention. In addition to the above, students and faculty members from various departments of Dibrugarh University were also present during the convention. FIPI had invited Dr. L K Nath, Vice Chancellor, Dibrugarh University to deliver the Keynote Address and senior officials from Indian Oil & Gas Industry viz. Shri Prasanta Borkakoty, Resident Chief Executive, Oil India; Shri Rajesh Kumar Sharma, ED-Asset Manager, ONGC Assam Asset and Shri G Ramesh, ED-Head, AOD State Office, IOCL were invited to address the gathering during the Inaugural Session and also as the esteemed Jury member to adjudge the presentations during the day. Shri Gurmeet Singh, Director General and Shri T K Sengupta, Director (E&P) FIPI were present during the event.

From the Indian Oil & Gas Industry OIL, ONGC and IOCL were the main sponsors of the event. Shri T K Sengupta, Director (E&P), Federation of Indian Petroleum Industry (FIPI), delivered the Welcome Address and thanked the management of Dibrugarh University for giving an opportunity to FIPI to organize the Convention in their premises. While emphasizing the theme of the presentation i.e. “Enhancing the Energy Value Chain through Innovation & Digital Eco System, he mentioned the enhancement of three 'Es' i.e. Energy, Efficiency & Environment to be achieved through two “Ds” i.e. Decarbonization & Digitalization. Shri Gurmeet Singh, Director General FIPI delivered the Keynote Address and apprised the participants about national & international events conducted by FIPI, initiatives for Academia and future planning.

Dr L K Nath appreciated the initiatives of FIPI w.r.t. various academic activities and events. The senior executives present from OIL, ONGC and IOCL delivered the address and shared their experience, Knowledge & latest happenings in the field of oil & gas with the students and the faculties present during the event.

After the Inaugural session the event was divided into two competition segments. In the first part, the Student Chapters made a 10 minutes presentation on the activities covering the technical events, quiz contests, article/paper/poster presentations, webinar/lecture series, activities related to CSR and social awareness events organized during the previous year.

In the second part, a theme presentation on “Enhancing the Energy Value Chain through Innovation and Digital Ecosystem” was also made by the Student Chapters of FIPI. Each Chapter was given 15 minutes for the presentation and 5 minutes were kept for the question & answers by the Jury members w.r.t their presentation.

The Jury members viz. Shri T K Sengupta from FIPI, Shri Prasanta Borkakoty from Oil India; Shri Rajesh Kumar Sharma from ONGC Assam Asset and Shri G Ramesh from AOD-SO, IOCL adjudged the presentations as per the evaluation criteria which included number of the technical events, quizzes, webinars/lecture series/paper and poster presentation relevant to the Indian Oil & Gas industry organized by the Chapters during previous year and introduction, contents, summing up, oratory, time management etc. for theme presentation.

The 11th Convention of FIPI Student Chapter was a huge success.

Lighting of Lamp by the Dignitaries present during the Inaugural Session

Shri Gurmeet Singh felicitated Dr L. K. Nath, Vice Chancellor, Dibrugarh University

Special Commendation Award - Dibrugarh University

Special Commendation Award -IIT (ISM) Dhanbad

Group Photograph of Participants during the 11th Convention of FIPI Student Chapters.

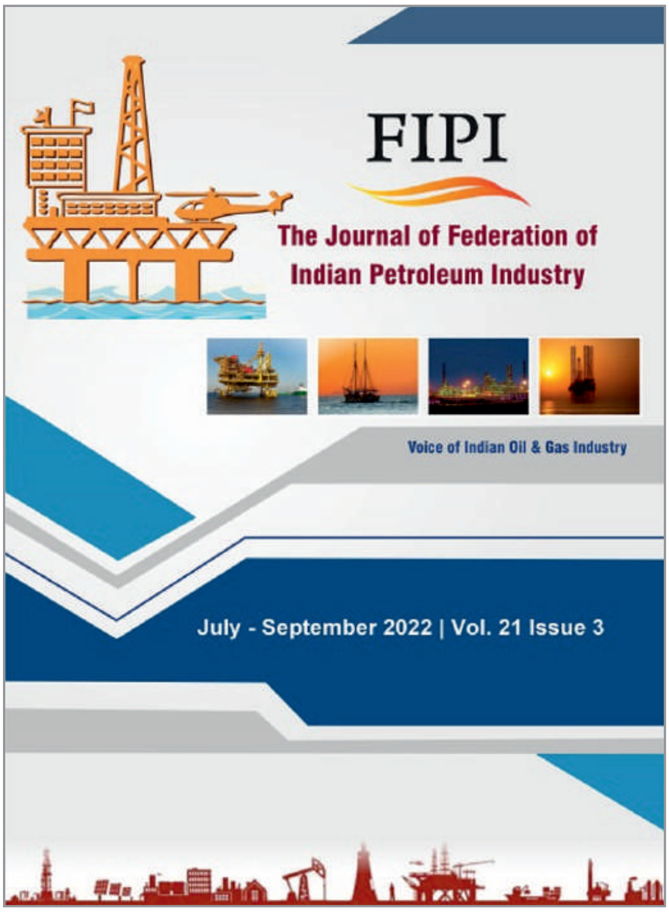
Membership Services

FIPI Journal

The quarterly FIPI Journal is regularly published and has been widely appreciated for its content and contribution by member companies and recipients. The Journal is also available on the website of FIPI.

Policy & Economic Report

FIPI has started publishing a monthly policy report focusing on Economic and Policy issues pertaining to global as well as national oil & gas sector. This report contains a detailed analysis of the various policy issues and the oil & gas market trends. The report is published on the 1st week of every month and is also uploaded on our website.



Weekend Reading

With an objective of keeping our members updated on the latest developments in the field of oil & gas, we bring you Weekend Reading every Friday covering the latest news and energy stories from across the globe and provide various reports & analysis on a wide range of subjects.

Website

The FIPI website www.fipi.org.in carries information about the Federation and its activities which is regularly updated. The 'Oil & Gas in Media' section is uploaded daily to provide the latest news and happenings in the global as well as domestic markets. It is proposed to enrich it further with assistance from members and other organizations in the hydrocarbon sector.

FIPI Awards

The FIPI Oil and Gas Awards have been created to recognize the leaders, innovators and pioneers in the oil and gas industry. The objective of the FIPI Oil & Gas Awards is to celebrate the industry's most outstanding achievements.

FIPI select among applicants and reward those companies and individuals who have demonstrated an unparalleled ability to succeed, continually set standards of excellence, and who will be or are the stars of the industry.

All companies operating in India, including those who are not members of FIPI, are eligible to apply.

In our constant endeavor FIPI had earlier revamped the Awards scheme making it more objective by adopting quantitative parameters to the extent possible. The parameters of a few awards had been modified while a few others had been renamed. The 'Pipeline Transportation - Company of the year' award had been split into two categories viz. 'Oil/Petroleum Products Pipeline - Company of the year' and 'Natural Gas Pipeline - Company of the year'. The 'Production and Development - Company of the Year' had been renamed as 'Oil & Gas Production - Company of the Year' and further split into two categories viz. <= 1MMTOE and > 1MMTOE. The 'Project Management - Company of the Year' had been renamed as 'Best Managed Project of the Year'. The 'Best Start-up in Oil & Gas Sector' had been renamed as 'Best Start-up in the Energy Sector'. One new category of award titled 'Initiatives in Clean Energy - Company of the Year' had also been introduced. There were nineteen categories of awards in which the performance of Oil and Gas companies were judged.

Evaluation

Entries are reviewed and evaluated by an 'Awards Committee' consisting of eminent personalities with vast experience in Oil & Gas Industry and specific domains. The committee presents the evaluation to an eminent Jury and winners are announced as per the verdict of the Jury.

FIPI

WINNERS OF FIPI AWARDS 2021

November 26, 2021

Award Category	Winner
Young Achiever of the Year in the Oil & Gas Industry (Female)	Sujatha Danthuluri L&T Hydrocarbon Engineering Ltd.
Young Achiever of the Year in the Oil & Gas Industry (Female) (Special Commendation)	Neha Shah Sinha Cairn Oil & Gas - Vedanta Ltd.
Young Achiever of the Year in the Oil & Gas Industry (Male)	Manu Khanna Cairn Oil & Gas - Vedanta Ltd.
Young Achiever of the Year in the Oil & Gas Industry (Male) (Special Commendation)	R Suresh BPCL (Mumbai Refinery)
Woman Executive of the Year in Oil & Gas Industry	Archna Bhardwaj Indian Oil Corp. Ltd.
Woman Executive of the Year in Oil & Gas Industry (Special Commendation)	Papia Mandal Engineers India Ltd.
Innovator of the Year – Team	IOCL (team led by Dr. SSV Ramakumar, Director, R&D & P&BD)
Innovator of the Year – Team (Special Commendation)	RIL (team led by Dr. Virendrakumar Gupta, Sr. Vice President)
Special Award (For significant increase in Gas Production)	Reliance Industries Ltd.
Special Award (For Urja Ganga Gas pipeline & Associated CGD networks)	GAIL (India) Ltd.
Digitally Advanced - Company of the Year	Indian Oil Corporation Ltd.
Digitally Advanced - Company of the Year (Special Commendation)	Reliance BP Mobility Ltd. & L&T Hydrocarbon Engineering Ltd.

Continue

FIPI

WINNERS OF FIPI AWARDS 2021

November 26, 2021

Award Category	Winner
Digital Technology Provider of the Year	AspenTech India Pvt. Ltd. & Deloitte Touche Tohmatsu India LLP
City Gas Distribution – Growing Company of the Year	Think Gas Distribution Private Ltd.
City Gas Distribution – Established Company of the Year	Indraprastha Gas Ltd.
Engineering Procurement Construction (EPC) - Company of the Year	McDermott
Service Provider - Company of the Year	Schlumberger Asia Services Ltd.
Oil/Petroleum Products Pipeline Transportation - Company of the Year	HPCL - Mittal Pipelines Ltd.
Natural Gas Pipeline Transportation - Company of the Year	Gujarat State Petronet Ltd.
Oil & Gas - Exploration Company of the Year	Oil and Natural Gas Corp. Ltd.
Oil Marketing - Company of the Year	Hindustan Petroleum Corp. Ltd.
Sustainably Growing Corporate of the Year	Bharat Petroleum Corp. Ltd. & GAIL (India) Ltd.
Excellence in Human Resource Management – Company of the Year	GAIL (India) Ltd.
Oil & Gas Production Company of the Year (Production more than 1 MMTOE)	Cairn Oil & Gas - Vedanta Ltd.
Best Managed Project of the Year	Reliance Industries Ltd. (E&P) (For R-Cluster project located in Block KGD6)
Refinery of the Year (Capacity up to 9 MMTPA)	IOCL – Mathura Refinery
Refinery of the Year (Capacity higher than 9 MMTPA)	IOCL – Panipat Refinery
Initiatives in Clean Energy Company of the year	Indian Oil Corp. Ltd.


FIPI AWARDS 2021
Initiatives in Clean Energy Company of the year
FIPI


FIPI AWARDS 2021
Refinery of the Year
(Capacity higher than 9 MMTPA)


FIPI AWARDS 2021
Refinery of the Year


FIPI AWARDS 2021
Best Managed Project of the Year


FIPI AWARDS 2021
Oil and Gas Production Company of the Year
(Production more than 1 MMTOE)


FIPI AWARDS 2021


FIPI AWARDS 2021
Sustainably Growing - Corporate of the Year


FIPI AWARDS 2021
Sustainably Growing - Corporate of the Year


FIPI AWARDS 2021
Oil Marketing - Company of the Year


FIPI AWARDS 2021
Oil & Gas Exploration - Company of the Year


FIPI AWARDS 2021
Natural Gas Pipeline Transportation Company of the Year


FIPI AWARDS 2021
Oil / Petroleum Products Pipeline Transportation
Company of the Year


FIPI AWARDS 2021
Service Provider - Company of the Year


FIPI AWARDS 2021


FIPI AWARDS 2021
Digital Technology Provider of the Year


FIPI AWARDS 2021
Digital Technology Provider of the Year


FIPI AWARDS 2021
Digital Technology Provider of the Year


FIPI AWARDS 2021
Digitally Advanced - Company of the Year
Special Commendation


FIPI AWARDS 2021
Digitally Advanced - Company of the Year


FIPI AWARDS 2021
Special Award


FIPI AWARDS 2021
Innovator of the Year (Team)
Special Commendation


FIPI AWARDS 2021
Innovator of the Year - Team


FIPI AWARDS 2021
Woman Executive of the Year in the Oil & Gas Industry
Special Commendation
Papia Mandal


FIPI AWARDS 2021
Woman Executive of the Year in the Oil & Gas Industry


FIPI AWARDS 2021
Young Achiever of the Year in the Oil & Gas Industry (Male)


FIPI AWARDS 2021
Young Achiever of the Year in the Oil & Gas Industry
(Female)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Oil / Petroleum Products Pipeline Transportation


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Member Organizations (as on June 1, 2022)

Corporate - Group A Members: 13

Bharat Petroleum Corp. Limited
BP Exploration (Alpha) Limited
Cairn Oil & Gas, Vedanta Limited
Chennai Petroleum Corp. Limited
GAIL (India) Limited
Hindustan Petroleum Corporation Limited
Indian Oil Corporation Limited
Mangalore Refinery & Petrochemicals Limited
Nayara Energy Limited
Oil & Natural Gas Corporation Limited
Oil India Limited
Petronet LNG Limited
Reliance Industries Limited

Corporate - Group C Members: 7

Bharat Oman Refineries Limited
Engineers India Limited
FMC Technologies India Private Limited
HPCL-Mittal Energy Limited
Numaligarh Refinery Limited
Pipeline Infrastructure Limited
Shell Companies in India

Ordinary Members: 25

Axens India (P) Limited
Baker Hughes
Dynamic Drilling & Services Pvt. Limited
Ernst & Young LLP
ExxonMobil Gas (India) Pvt. Limited
GSPC LNG Limited
Haldor Topsoe India Pvt. Limited

IHS Markit
IMC Limited
Indian Strategic Petroleum Reserves Ltd
Indraprastha Gas Limited
Invenire Petrodyne Limited
Indian Oiltanking Limited
Jindal Drilling & Industries Limited
LanzaTech Private Limited
Larsen & Toubro Ltd.
Reliance BP Mobility Limited
SAS Institute (India) Pvt Limited
Schlumberger Asia Services Limited
Scottish Development International
South Asia Gas Enterprise Pvt. Limited
Total Oil India Pvt. Limited
UOP India Pvt. Limited
VCS Quality Services Private Limited

Ordinary Members against Cross-membership: 4

(without payment of any fee by either party)

Decom North Sea
IPIECA
World LPG Association
International Gas Union

Institutional Members: 6

Chandigarh University
CSIR-Indian Institute of Petroleum, Dehradun
IIT (ISM) Dhanbad
MIT World Peace University Pune
Rajiv Gandhi Institute of Petroleum Technology
University of Petroleum & Energy Studies

Introductory Member: 10

Antelopus Energy Private Limited
Chi Energie Private Limited
h2e Power Systems Private Limited
HPOIL Gas Private Limited
Indian Gas Exchange Limited
IRM Energy Private Limited
Megha Engineering & Infrastructures Limited
Secure Meters Limited
SNF Flopam India Private Limited
THINK Gas Distribution Pvt. Ltd.

FIPI Leadership Team

Federation of Indian Petroleum Industry (FIPI)
PHD House, 3rd Floor, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi–110016
Website: www.fipi.org.in