

Refining and Marketing: April-February 2021 update

March 30, 2021 | Industry Research

Refining

Demand-Supply and Trade situation of Petroleum Products during April-February 2021 i.e. 11M-FY21

Table 1: Production, Consumption, Exports and Imports of Refinery Products (Unit: Million Tonnes/ MMT)

	2019-20	2020-21	Change (y-o-y)	
			2019-20	2020-21
Production	240	211	0.3%	-12.2%
Consumption	198	176	2.3%	-11.3%
Exports	60	51	7.5%	-15.2%
Imports	40	39	34.8%	-1.6%

Source: PPAC

Production of refinery products/petro products has fallen by 12.2% during 11M-FY21. Crude throughput or refineries processed 4.41 mb/d during 11M-FY21 compared with the 5.10 mb/d of crude processed during 11M-FY20. Capacity utilisation during 11M-FY21 was around 87.6% compared with the 101.8% utilization achieved in the same period in the previous corresponding year. Fall in demand (which has fallen by 11.3%) has led to refiners trimming their capacity utilisation in order to remain afloat and protect their margins. In terms of type of crude oil processed by refiners, percentage share of high sulphur (HS) crude in total crude oil processing was around 72.7% during 11M-FY21 compared with the 75.5% processed during 11M-FY20.

Overall consumption of all petroleum products has fallen by 11.3%. Overall consumption has recovered to 88.7% of its pre-pandemic consumption prevalent during the same comparable period in the previous financial year. Cumulatively except for LPG, Bitumen and LDO demand for all refinery products has fallen. The consumption of petroleum products was gathering pace as the vaccination drive was picking up but with the second wave of infections, hitting the economy consumption is getting affected once again.

Exports of POL products have decreased by 15.2% during 11M-FY21 compared with the 7.5% growth achieved during 11M-FY20. Decrease in POL products exports was mainly due to decrease in exports of all products except LOBS/Lube oil and petcoke/CBFS. Global fall in demand of petroleum products due to COVID-19 induced lockdowns and social distancing measures adopted has resulted in the overall fall in exports.

POL products imports have decreased by 1.6% during 11M-FY21 compared with the 38.4% growth achieved during 11M-FY20. Decrease in imports was mainly due to the decline in the imports of due to decrease in imports of high speed diesel (HSD), motor spirit (MS), LOBS/Lube oil, naphtha and aviation turbine fuel (ATF)

Table 2: Trend in monthly Production and Consumption of Petroleum Products during 2020-21 (Unit: MMT)

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Production	16.0	17.3	18.7	19.4	17.9	18.0	18.9	21.4	21.5	22.2	19.4
y-o-y	-24.2%	-21.3%	-8.9%	-13.9%	-19.1%	-9.5%	-16.7%	-4.9%	-2.7%	-2.5%	-10.9%
Refinery Utilization	71%	79%	84%	85%	78%	85%	88%	100%	101%	105%	89%
Consumption	9.4	15.4	16.2	15.6	14.4	15.5	17.8	17.8	18.6	18.0	17.2
y-o-y	-48.7%	-19.4%	-8.4%	-12.3%	-16.2%	-4.4%	2.9%	-3.8%	-1.6%	-3.9%	-4.9%

Source: PPAC, CARE Ratings

*prorated on a monthly basis.

February 2021 saw growth in consumption of LPG 7.7%, Naphtha 0.3%, Lubes & Greases 0.8%, Light Diesel Oil (LDO) 46.5%, Pet coke 0.5% and products categorised under "Others" category 5.5%. The products which registered de-growth were Diesel (HSD) -8.5%, Petrol (MS) -3.0%, Aviation Turbine Fuel (ATF) -37.1%, Bitumen -11.1% and Furnace Oil & Low Sulphur Heavy Stock (FO/LSHS) -10.2% and Kerosene (SKO) -25.8%. The consumption of petroleum products in February 2021 with a volume of 17.2 MMT recovered to 95.1% of the volume of 18.1 MMT in February 2020.

The month of February 2021 witnessed COVID vaccination roll out and increased economic activity accompanied by increased mobility. Rising GST collections indicated positive sentiment and increased domestic production. February is a month during the year that despite least number of working days sees high consumption of petroleum products due

to pleasant weather and festivities due to wedding season. However, February 2021 had 28 days as compared to 29 days in February 2020 effecting the consumption to that extent.

Cumulative product-wise demand-supply of refinery petroleum products

Table 3: Production and Consumption of Refinery Products (Unit: Million Tonnes)

	Production		Change (y-o-y)		Consumption		Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
LPG	11.7	11.0	0.3%	-6.0%	24.0	25.3	6.1%	5.4%
Naphtha	18.7	17.5	3.9%	-6.4%	13.0	12.9	0.2%	-0.5%
MS	35.3	32.2	1.7%	-8.8%	27.8	25.2	8.2%	-9.5%
ATF	14.1	6.2	-0.2%	-56.0%	7.5	3.2	-0.9%	-57.0%
SKO	2.8	2.1	-23.7%	-25.3%	2.2	1.6	-29.1%	-26.9%
HSD	101.4	90.8	0.8%	-10.4%	76.9	65.5	1.1%	-14.9%
LDO	0.6	0.6	-6.9%	12.1%	0.6	0.7	4.9%	26.3%
Lubes	0.8	1.0	-2.7%	15.2%	3.6	3.2	10.7%	-10.8%
FO/LSHS	8.9	7.6	-5.5%	-14.9%	5.8	5.5	-3.3%	-6.3%
Bitumen	4.4	4.2	-11.0%	-3.9%	6.1	6.2	4.8%	1.7%
Pet Coke	13.3	10.9	7.1%	-18.0%	20.1	16.7	4.8%	-17.2%
Others	28.1	26.6	-0.9%	-5.2%	10.5	9.8	-2.3%	-6.7%
TOTAL	240.0	210.7	0.3%	-12.2%	198.2	175.8	2.3%	-11.3%

Source: PPAC

*Others include sulphur, propylene, propane, reformat, butane, MTO (Mineral Turpentine oil) etc

- MS consumption decreased by 3% during February 2021 and by 9.5% during 11M-FY21 but has recovered to 90.5% of its previous year's pre pandemic volumes.
 - The month of February saw easing of restrictions w.r.t. to public transportation, which has transpired to gradual adoption of public transport, though at a lower quantum as compared to pre COVID levels. This has adversely affected the MS consumption during the month.
 - An extra day during the month of February 2020 as compared to February 2021 has resulted in de-growth during the month.
 - Many offices still continue to operate from home which too has affected consumption and tourism, though is moving towards normalisation hasn't reached the pre COVID levels.
- HSD consumption fell by 8.5% during February 2021 and by 14.9% during 11M- FY21 but has recovered to 85.1% of its volumes which was prevalent during 11M-FY20.
 - In addition to school buses remaining suspended, regional factors like transporters strike in West Bengal and Bihar, shifting of agriculture sector's seasonal demand to from February to March in Uttar Pradesh & Punjab, reduced mining activities in Bihar & Jharkhand muted the HSD consumption during the month.
 - Precautionary measures adopted by few states like Maharashtra, Gujarat, Kerala & Karnataka to contain infection by imposing restrictions also mildly muted the diesel consumption during the month.
 - Sectoral analysis of direct consumer segment indicated a growth of 5.7% in the consumption of diesel during the month in manufacturing activities compared to its level in February 2020
 - However, commercial vehicle sales as reported by individual companies in the month of February 2021 has shown a double digit growth indicating a positive outlook towards economic activities.
 - Tractor sales as reported by major individual companies continues to show a double-digit growth on account of good monsoon and thriving rural economy.
- Naphtha consumption increased 0.3% during February 2021 but has fallen by 0.5% during 11M-FY21 as in the same period last year. Petrochemical industries remain the main consumers of naphtha. The growth in Naphtha consumption during the month has been due to the rise in consumption of Naphtha by petrochemical, fertilizer and other miscellaneous sectors.
- ATF consumption fell by 57% during 11M-FY21 and has only recovered to only 43% of its 11M-FY20 volume. Commercial aviation continues to improve, led by a rebound in domestic traffic, COVID-19 has reduced the average passenger trip length in domestic and international travel. International air traffic remains restricted and domestic flights continue to operate with marginal increase over previous month hence keeping up the month on month increase in air travel with February being an exception due to lesser number of days in the month. Passengers carried by domestic airlines during the month of February 2021 stood at 78.3 lakhs as against 123.7 lakhs during February 2020. The total domestic passengers carried for the period of April - February 2021 stood at 456.6 lakhs against 1338.7 lakhs during April - February 2020.
- Bitumen consumption fell by 11.1% during February 21 but has increased by 1.7% during 11M-FY21. MORTH has constructed 11,138 km of National Highways upto February 2021 compared with 8,785 km constructed upto February, 2021.

- LPG consumption increased by 7.7% during February 2021 and by 5.4% during 11M-FY21 mainly on account of increased domestic consumption with PMUY refills. During February 2021, out of the five regions, Northern region had the highest share in total PSU LPG sales of 31.8% followed by Southern region at 27.5%, Western region at 21.8%, Eastern region at 16.3% and North Eastern region at 2.5%.
 - PSU LPG Packed Domestic category recorded a cumulative growth of 10.3% during 11M-FY21 compared with 6.3% growth during 11M-FY20. During April - January 2021, around 80.6 lakh new connections and 62.1 lakh DBCs have been released. A total of 8.01 crore BPL households have been covered under PMUY till 28.02.2021 since inception of the scheme.
 - PSU LPG Packed Non-Domestic category recorded a cumulative de-growth of 31.2% during 11M-FY21.
 - PSU Bulk LPG category registered a cumulative growth of 27.3% during 11M-FY21 compared with the 14.3% de-growth witnessed during 11M-FY20.
 - PSU Auto LPG category registered a cumulative de-growth of 34.7% during 11M-FY21 compared with the 2.1% de-growth witnessed during 11M-FY20.
- SKO consumption continues to decline. There are now total 12 number of states/UTs who have voluntarily surrendered the PDS kerosene quota. All UTs except the UT of J&K and Ladakh and the states of Andhra Pradesh, Delhi, Haryana, Punjab, Uttar Pradesh and Rajasthan have been declared kerosene free. States like Gujarat, Bihar and Maharashtra have also voluntarily surrendered a certain quantity of PDS SKO allocation
- Increase in LDO consumption by 46.5% during February'21 and by 26.3% during 11M-FY21 can be ascribed to its usage in various types of furnaces. Power generation, civil engineering and Iron & Steel were the major sectors contributing to the total consumption.
- Consumption of Petcoke, Lubes & Greases and FO/LSHS fell by 17.2%, 10.8% and 6.3% and have recovered to 82.8%, 89.2% and 93.7% of its previous year's volumes during 11M-FY21.

Table 4: Exports and Imports of Refinery Products (Unit: MMT)

	Exports		Change (y-o-y)		Imports		Change (y-o-y)	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
LPG	0.42	0.41	11.1%	-3.1%	13.6	15.2	14.8%	11.6%
MS	11.6	10.3	-1.0%	-10.8%	2.1	1.2	297.0%	-41.6%
Naphtha	8.1	5.7	24.2%	-29.3%	1.6	1.3	-21.9%	-20.2%
ATF	6.4	3.1	-3.4%	-51.2%	0.06	0.00	-74.4%	-100.0%
SKO	0.12	0.01	570.0%	-88.7%	-	-	-	-
HSD	28.7	27.5	13.9%	-4.1%	2.6	0.6	455.8%	-75.5%
LOBS/ Lube Oil	0.007	0.014	10.6%	89.1%	2.5	1.9	15.2%	-21.8%
Fuel Oil	1.41	0.98	-32.9%	-30.9%	3.7	5.7	175.0%	54.3%
Bitumen	0.03	0.007	14.2%	-72.4%	1.4	1.5	94.6%	4.1%
Others%	3.02	2.61	2.8%	-13.8%	-	-	-	-
Others	-	-	-	-	12.4	11.9	20.3%	-4.1%
TOTAL	59.8	50.7	7.5%	-15.2%	40.0	39.4	34.8%	-1.6%

Source: PPAC

% Others in export include Petcoke/CBFS, Benzene, Hexane, MTO, Sulphur etc.

Others in import include Petcoke, Paraffin wax, Petroleum Jelly, Aviation Gas, MTBE, Reformate etc.

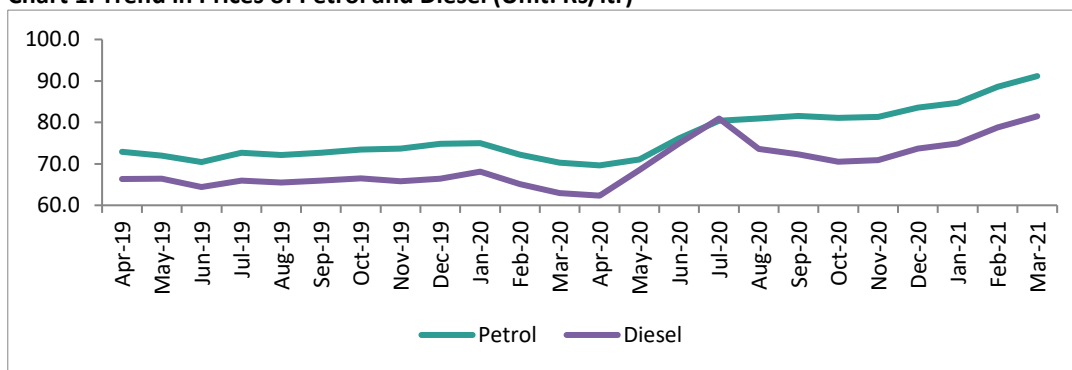
Product-wise pricing of Refinery Petroleum products

Petrol Diesel

Prices of petrol and diesel have been made market-determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with their international product prices, exchange rate, tax structure, inland freight and other cost elements.

Oil firms consider the trade parity pricing which is based on the prevailing prices in the international markets. Retail prices of petrol and diesel in India are linked to their prices in the global markets and not crude oil. Prices of petrol and diesel in India are worked out based on the average of the trailing 15 days of benchmarked Arab-Gulf fuel prices which move in tandem with global crude oil prices. The pricing formula involves 80% of import price and 20% export price of the fuel.

Chart 1: Trend in Prices of Petrol and Diesel (Unit: Rs/ltr)



Source: PPAC

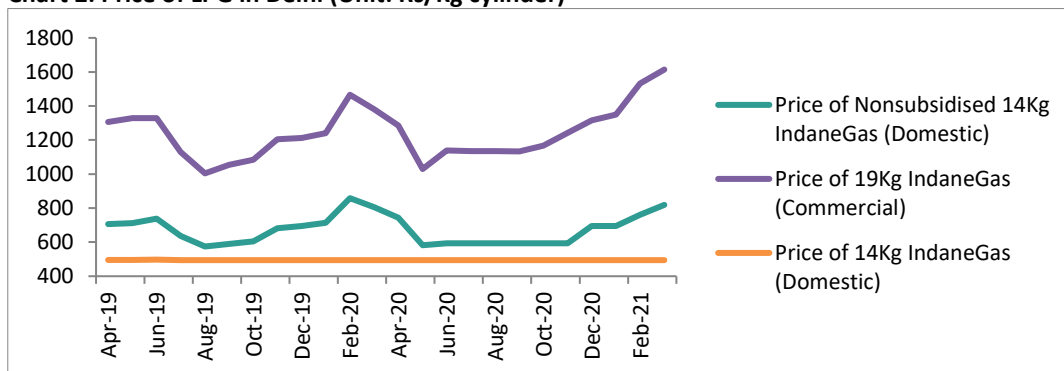
Prices of Petrol and Diesel are at an all-time high. The current high price of petrol and diesel can be ascribed to the high taxes levied by the government coupled with an increase in crude oil price. Taxes make up 59% of the retail price of petrol and 54% of the retail price of diesel (as of 16th March 2021). The price of petrol and diesel have been stable since the start of March-21 but since the last two days, prices of both the autofuels has fallen.

LPG

Unlike the price petrol and diesel which are revised on a daily basis in line with rates of benchmark fuel in the international market, price of LPG is revised on first of every month which too is in line with the counterpart’s product prices prevalent in the international markets.

The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and currently purchases of LPG cylinders at the prevailing market price. The amount of subsidy provided by the government on the annual quota of 12 refills varies from month to month. The subsidy amount is determined broadly by factors such as crude oil and foreign exchange rates.

Chart 2: Price of LPG in Delhi (Unit: Rs/Kg cylinder)



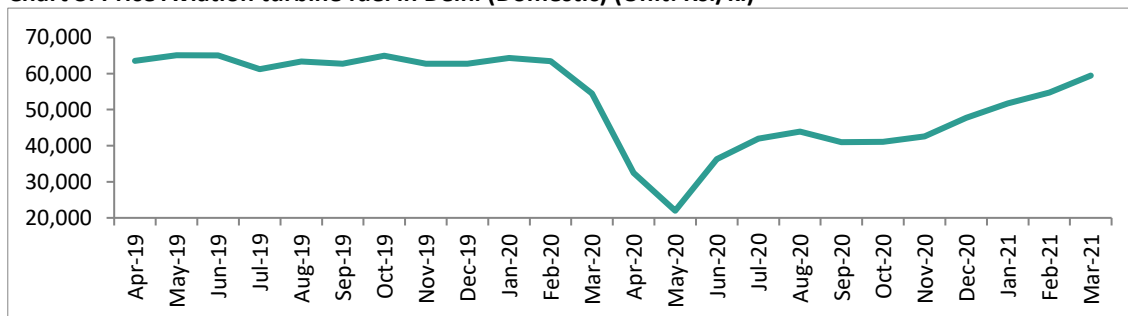
Source: CMIE, IOCL

Non-subsidised liquefied petroleum gas (LPG) prices were hiked by Rs 25 on March 1, 2021. With effect from March 1, the price of non-subsidised LPG is at Rs 819 per cylinder (14.2 kilograms) in Delhi. In the month of February 2021, LPG prices were hiked almost three times.

ATF

ATF prices are revised on 1st and 16th of every month based on the average price of benchmark international rate and foreign exchange rate in the preceding fortnight. Though the price of the fuel is in line with ATF prices in the international markets in the domestic economy the selling price of the fuel varies from city to city depending on local taxes.

Chart 3: Price Aviation turbine fuel in Delhi (Domestic) (Unit: Rs./kl)



Source: CMIE

Jet fuel prices on Monday were hiked by a 6.5% on the back of a rally in international oil prices. Aviation turbine fuel or ATF price was hiked by Rs 3,663 per kilolitre, or 6.5 per cent, to Rs 59,400.91 per kl in the national capital. This is the third increase in jet fuel prices since February. Rates were increased by 3.6 per cent on February 16, and by Rs 3,246.75 per kl on February 1. The increase in rates will add to the margin woes of airlines who continue to operate flights at less than capacity, amid pandemic-driven travel restrictions.

Marketing

The retail marketing of petroleum products in India is done mainly by the public sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd (BPCL), and private companies like Reliance, Nayara & Shell. Important processes in the marketing include storage, distribution and sales of petroleum products. The OMCs perform marketing activities through their vast network of Terminals/Depots, LPG Bottling Plants, Retail Outlets, LPG Distributorships and SKO/LDO Dealers across India.

• Retail Infrastructure

Vast marketing infrastructure of OMCs comprise of petrol/diesel stations, Indane (LPG) distributorships, lubricants & greases outlets, consumer pumps which are backed by bulk storage terminals and installations, inland depots, aviation fuel stations, LPG bottling plants and lube blending plants amongst others.

Table 5: Industry marketing infrastructure as on 01.03.2021 (Unit: in Numbers) (Provisional)

Particulars	Total
POL Terminal/ Depots	303
Aviation Fuel Stations	257
Retail Outlets (total)	75,696
^ out of which Rural ROs	20,386
SKO/LDO agencies	6,439

Source: PPAC

Petroleum, Oils and Lubricants (POL) depot consists of strategic storage of crude oil refinery products in sufficient quantities. The POL depot provides bulk storage facility for various fuels to meet the stocking requirements of various oil companies.

Aviation Fuel stations are situated at airports which can refuel aircrafts Aviation Turbine Fuel (ATF) is dispensed from specially designed re-fuellers, which are driven up to parked airplanes and helicopters. Major airports have hydrant refuelling systems that pump the fuel right up to the filling outlets on the tarmac through underground pipelines for faster refuelling. Essentially, ATF is pumped into an aircraft by two methods: Overwing and Underwing. Overwing fuelling is used on smaller planes, helicopters, and piston-engine aircraft and is similar to automobile fuelling - one or more fuel ports are opened and fuel is pumped in with a conventional pump. Underwing fuelling, also called single-point which is used on larger aircrafts.

Retail Outlets, commonly known as Petrol Pumps are engaged in making available automotive fuels/ lubricants and other value added services for the automobile / private transport sector. The Retail unit is so named, as it involves dispensing fuels of relatively smaller volumes to the vehicle fuel tank. Almost 99% of petrol and 90% of diesel is sold through retail pumps. There are almost 75,696 retail outlets in India and around 27% of these ROs are present in rural regions (as of 1.3.2021). PSU OMCs account for 90% of the retail outlets present in the country.

SKO/LDO agencies as the name suggests market/distribute kerosene and light diesel oil to its customers. In the case of Public Distribution System (PDS) Kerosene which is a subsidized product, it is distributed to the customers through the PDS network (Ration shop) of the State Governments / Union Territories (UT).

• LPG Marketing

LPG in India is predominantly marketed by Public Sector Oil Marketing Companies (OMC).

Table 6: Region-wise data on LPG marketing (As on 01.03.2021)

Particulars	North	North-East	East	West	South	Total
LPG Active Domestic Customers (in Lakh)	884.2	100.7	561.5	609.1	733.5	2889
LPG Coverage (Estimated)	114.1%	93%	86%	90.1%	107.2%	99.7%
PMUY Beneficiaries (in Lakh)	249	42	254	175	81	801
LPG Distributors (Numbers)	8,131	1,073	5,029	5,315	5,445	24,993
Auto LPG Dispensing Stations (Numbers)	114	0	48	145	345	652
Bottling Plants* (Numbers)	62	12	28	45	52	199
LPG Bottling capacity# %(MMTPA)	6.5	0.7	3.3	4.8	5.7	21.0

Source: PPAC

*Includes Numaligarh BP, Duliajan BP and CPCL BP. # Bottling Capacity is based on number of shifts presently in operation at plants. %LPG Bottling capacity is on 1.01.2021

- PSU OMCs together have 28.89 crore active LPG customers in the domestic category which are being served by 24,993 LPG distributors. The LPG coverage of the country is estimated/based on active domestic connections and estimated households as on 1 March 2021 and it is around 99.7%.
 - Uttar Pradesh has the most number of LPG distributors accounting for 16.5% of the total, followed by Maharashtra and Bihar at 8.8% and 7.9% respectively.
- PSU OMCs have a total of 199 LPG bottling plants all over India with rated bottling capacity of around 21 million metric tonnes per annum (MMTPA).
 - Uttar Pradesh has the most number of LPG bottling plants accounting for 13% of the total, followed by Maharashtra and Tamil Nadu at 10% and 9.5% respectively.
- PSU OMCs have a total of 652 Auto LPG Dispensing Stations all over India for catering to LPG demand in the automotive sector.
 - Karnataka has the most number of Auto LPG Dispensing Station accounting for 17% of the overall total followed by Tamil Nadu and Kerala at 13.7% and 10.4% respectively.

• Product Pipelines

The primary transportation of POL products across the country takes place by four transportation modes viz. pipelines, rail, coastal and road. Generally pipeline represents the cheapest mode of POL transportation. Pipelines are the most cost effective, energy efficient, safe and environment friendly mode of transportation of petroleum products. They ease the overburdened rail & road infrastructure and minimise the environmental impacts arising out of rail and road transportation.

Table 7: Major product pipeline network (as on 01.03.2021)

	Oil India	IOCL	BPCL	HPCL	Others*	Total
Length (kms)	654	9,400	2,241	3,775	2,395	18,465
Capacity (MMTPA)	1.7	46	19.5	34.7	9.4	111.3

Source: PPAC

* HPCL and BPCL lubes pipeline included in products pipeline data

Pipelines play a significant role in meeting the demand of petroleum products in India by ensuring product availability to consumers and the public at large from the refineries itself. Primarily products which are transported via these product pipelines are ATF, Lubes and LPG.

CARE Ratings Views and Opinions: Outlook FY21

Consumption

In the recent months as the economic environment has improved, India's fuel demand is on a recovery path after the lows witnessed during April-May 2020 as economic activity is picking up with the subsequent easing of lockdown restrictions. The Indian economy is now expected to witness a faster turnaround with the roll out of the vaccine, increased mobility and less disruptions in business operations.

The consumption of petroleum products in the country, underscores the high growth potential that the domestic market offers for refined products and India will continue to be a major demand centre over the long-term but since the virus is showing no signs of abating for the time being, demand is to be muted or subdued for the time being. Overall consumption of petroleum products is to fall by 9.5% during FY21.

- Increase in consumption of LPG and LDO is to remain elevated while there will be a fall in consumption of ATF, SKO, Petcoke, lubes and greases and FO&LSHS during H2-FY21.

The consumption of petrol which constitutes around 13%-14% of the overall fuel consumption and diesel which constitutes around 39% of the overall fuel consumption will register a fall in consumption of 7.6% and 12.8% by the end of FY21.

- Recovery in consumption of petrol is expected to be around 61% and 0.4% for diesel during H2-FY21.
- Demand for petrol will be more resilient than diesel due to an increased preference for using personal vehicles instead of public transport to follow distancing norms. Improvement in freight activities may also support fuel sales.
- Vibrancy in the rural markets is to also further demand of diesel on the back of a favourable monsoon seasons and a good kharif cropping season.
- Night curfews, resurgence of a second wave of COVID-19 cases and restricted movements of goods due to states being cautious of the spread of the virus might restrict the use of the auto-fuels to a certain extent.

The LPG segment is witnessing a major transformation, with a slew of reform measures. Consumption of LPG has remained elevated and has defied a broader demand slump for oil products in India as families spent more time

cooking at home amid the lockdown. Going forward, LPG demand is to increase by 5.4% during FY21. LPG consumption had increased by 5.9% during FY20 and has increased by 5.4% during 11M-FY21 as well.

- LPG consumption is also benefitting as the government is stocking up supplies to ensure regular deliveries across the economy.

Consumption of ATF is to continue to be sub-par as airlines are yet to resume full operations. Going forward, ATF demand is to fall by 54.3% during FY21.

Production

In terms of refining activities, crude throughput is to fall by 12.1% during FY21. Consumption of crude oil is likely to come down to around 4.5 mb/d during FY21 as compared with the 5.09 mb/d consumed during FY20.

Going forward, refiners are also expected to produce diesel in lesser quantities and focus more on the production of petrol in order to respond to changing demand dynamics.

- There has been a structural shift in India's demand for diesel as slowing primarily the country's car fleet are shifting predominantly to petrol, trucks are getting more efficient and solar pumps are displacing diesel-fed units across the countryside. Some auto makers are also rejigging their portfolio by either discontinuing diesel-powered vehicles or those which have low sales volume.
- Use of hydrogen and natural gas in trucks and buses is also leading to a shift which has entangled refiners at crossroads, considering over the years diesel sales have been double of that of petrol.
- The price advantage of once diesel had is also stymied as the fuel now costs almost as much as petrol in some states.

Outlook FY22

Estimated consumption of petroleum products

	Y-o-Y growth (Overall)	Y-o-Y growth (Diesel)	Y-o-Y growth (Petrol)
FY22 (E)	11.3%	16.3%	13.2%

Overall Fuel Consumption: With the Indian government focusing on inoculating the entire population, we could expect increase in mobility, more air travel, to drive the overall fuel consumption growth. Further opening up of the economy; internally and externally on back of a low base will also support the overall growth.

Diesel Consumption: Prediction of a normal monsoon, sanguine farming activity, recovery in port traffic and increase in logistics activities is to support diesel demand during FY22. Increase in personal mobility coupled with a low base is also to support consumption going forward.

Petrol Consumption: Increase in personal mobility, PV and 2-3 wheeler sales coupled with a low base effect experienced during H1-FY21 is to lead to an increase in consumption

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