

# Only 3 bidders for 21 oil, gas blocks; RIL, Vedanta stay away

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**NEW DELHI:** India's latest bid round for 21 oil and gas blocks attracted just three bidders, two of whom were state-owned explorers Oil and Natural Gas Corp (ONGC) and Oil India Ltd (OIL), according to upstream regulator DGH.

As many as 21 blocks or areas were offered for exploration and production of oil and gas in the Open Acreage Licensing Policy (OALP) Bid Round-VI, for which bidding closed on October 6. Besides ONGC and OIL, Sun Petrochemicals was the only other company to have bid, according to 'Summary of Bids Received Against

Offered Blocks' posted by the Directorate General of Hydrocarbons (DGH).

Of the 21 blocks on offer, 18 got a single bid and the remaining 3 blocks had two bidders.

ONGC, India's largest oil producer, bid for 19 out of the 21 blocks on offer while OIL bid for two. ONGC was the sole bidder in 16 blocks and OIL was the only bidder in the two areas it sought for.

Sun Petrochemicals bid for three blocks, where it is locked in competition with ONGC.

Vedanta Ltd and Reliance-BP combine, which had bid in previous rounds of OALP, did

not bid in the current round.

The government has been hoping that opening up of more acreage for exploration will help boost India's oil and gas production, helping cut down the \$90 billion oil import bill.

In 2016, it brought in an open acreage policy which moved away from the previous practice of government identifying and bidding out blocks to one where explorers were allowed the freedom to identify any area outside of the ones that are already with some company or other, for prospecting of oil and gas. The areas identified are to be clubbed twice a year

and offered for bidding. The firm identifying the area gets a 5 point advantage.

But except for the first-round, private sector participation has been scant. Mining mogul Anil Agarwal's Vedanta Ltd walked away with 41 blocks out of the 55 blocks on offer in the very first round and got another 10 areas in two subsequent rounds. Other rounds have been dominated by state-owned firms. India is 85 per cent dependent on imports to meet its oil needs and finding newer reserves through exploration rounds is key to cutting that reliance. In the previous five

OALP bid rounds, 105 blocks for exploration of oil and gas were bid for. Of these, Vedanta Ltd walked away with 51. OIL won 25 and ONGC another 24.

The joint venture of Reliance Industries and BP got one block. Indian Oil Corporation (IOC), GAIL, BRPL and HOEC too got one block each. The 105 blocks spanning an area of around 156,580 square kilometers in over 17 Sedimentary Basins of India attracted a total committed investment of around \$2.378 billion in the exploration phase.

The 21 OALP-VI blocks are spread over 11 Sedimentary Basins, 9 states cover-

ing 35,346 sq km of area. Of these, 15 blocks are onland, 4 in shallow waters and two in ultra-deepwater.

At the time of the launch of OALP-VI in August, the government had said it is expecting \$300-400 million investment commitment in the exploration of oil and gas through the round.

Under OALP, blocks in Category-I basins are awarded to a company offering the highest share of the revenue from oil and gas produced. Those in Category II and III are bid out to those offering maximum exploration or investment commitment. P11



PFC can invest up to ₹5,000 crore, or 15% of its net worth, in a single project now. REUTERS

## PFC is 11th firm to join Maharatna CPSE club

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**P**ower Finance Corp. Ltd (PFC) was accorded the status of Maharatna central public sector enterprise (CPSE) on Tuesday, giving the state-run firm greater operational and financial autonomy.

*Mint* earlier reported about India's largest power sector company set to become a Maharatna after a clearance from an inter-ministerial committee. The other 10 Maharatna CPSEs at present are Bharat Heavy Electricals Ltd, Bharat Petroleum Corp. Ltd, Coal India Ltd, GAIL (India) Ltd, Hindustan Petroleum Corp. Ltd, Indian Oil Corp. Ltd, NTPC Ltd, Oil & Natural Gas Corp. Ltd, Power Grid Corp. of India Ltd, and Steel Authority of India Ltd. There are 14 Navratna and 73 Miniratna CPSEs.

PFC can now invest up to ₹5,000 crore, or 15% of its net worth, in a single project after its Maharatna status.

"The grant of 'Maharatna' status to PFC will impart enhanced powers to the PFC board while taking financial decisions," PFC said in a statement on Tuesday. "The board of a 'Maharatna' CPSE can make equity investments to undertake financial joint ventures and wholly owned subsidiaries and undertake mergers and acquisitions in India and abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE, limited to ₹5,000 crore in one project."

The decision comes against the backdrop of the government using power sector lenders such as PFC and REC Ltd to instil financial discipline at state-owned electricity distribution companies (discoms).

The Maharatna dispensation was ushered in by the Union government for mega CPSEs to become global giants. Navratna and Miniratna CPSEs can invest up to ₹1,000 crore and ₹500 crore, respectively.



### **Medical oxygen plants set up by GAIL inaugurated by Hon'ble Minister, MoPNG, Shri Hardeep S Puri**

In a major step to increase availability of medical oxygen across the country, Hon'ble Minister of Petroleum and Natural Gas & Housing and Urban Affairs, Shri Hardeep S Puri, inaugurated Pressure Swing Adsorption (PSA) medical oxygen generation plants installed in public health facilities by Oil and Gas PSUs. These included six PSA plants installed by GAIL (India) Limited in Madhya Pradesh, Rajasthan and Karnataka. Another six PSA medical oxygen plants were also inaugurated by local representatives at respective locations. GAIL (India) Limited has set up these plants at 12 government hospitals in four states - Uttar Pradesh (Auraiya, Prayagraj, Ayodhya, Lakhimpur Khiri, Kasganj), Madhya Pradesh (Guna, Panna, Sidhi, Bhind), Karnataka (Udupi, Bidar) and Rajasthan (Dholpur) - at a cost of over Rs 10 crores with a total capacity to the tune of 7,000 litres per minute. These are initiatives undertaken as part of GAIL's Corporate Social Responsibility.

## **GAIL gets CCI's nod to buy power plant**

The Competition Commission of India (CCI) has approved GAIL's acquisition of a 26 per cent stake in ONGC Tripura Power Company. The acquisition has been made from IL&FS Group entities. The proposed combination falls under Section 5(a) of the Competition Act, 2002, a Finance Ministry's statement has said. ONGC Tripura was a special purpose vehicle formed between ONGC, the IL&FS Group and the Tripura government by entering into a shareholders' agreement in 2008 to implement a 726.6-mw thermal power plant in Tripura. ONGC Tripura also owns a 26 per cent stake in the North East Transmission Company.