

BPCL Agrees to Match Brazilian Cos' Bids for Two VOVL Oil Assets

VOTING ON THE PLAN to commence today, most lenders to VOVL expected to favour BPCL

Sangita.Mehta@timesgroup.com

Mumbai: Bharat Petroleum Corp (BPCL) consented to match offers given by Brazilian companies for two separate oil basins of VOVL, the oil and gas exploration company of Videocon Industries, said two people aware of the development.

Lenders of VOVL, which is undergoing corporate insolvency, will start to vote on the BPCL plan on Monday, the people said. Most lenders are likely to vote in favour of BPCL's plan, one of the persons cited above said.

BPCL's subsidiary BPRL Ventures BV had entered into a 50:50 joint venture with Videocon's subsidiary Videocon Energy Brazil for oil and gas exploration in the South American country. As a JV partner, it has the first right to match any offer that lenders receive for VOVL oil basins as per the contractual arrangements governed by Brazilian law.

During the middle of last month, 90% of VOVL's lenders voted to sell the Potiguar Basin and Sergipe Basin to Eneva for \$250 million. They voted to sell the Campos Basin to PetroRio for \$30 million, as reported by ET earlier.

At the same time, they also voted to give BPRL Venture BV the first right to match the offers from Eneva and PetroRio. BPCL did not respond to ET's request for comment.

After 2018, Videocon failed to pay its share of cash calls for gas exploration that were made good by BPCL. As a result, BPCL's participating interest increased to 61% while that of Videocon dropped to 39%. It was thus natural for BPCL to match the offer, the people said.

MODEST RECOVERY

After undergoing insolvency proceedings for almost four years, lenders of VOVL may recover a little less than 8%. The RP has admitted ₹30,640 crore in claims from finan-

Unlocking Value

Eneva SA offered **\$250m** for Potiguar Basin and the Sergipe Basin in Brazil

PetroRio offered **\$30 mn** Campos Basin

NARCL improved its offer to **₹1,200 cr** through combination of cash and SRS

The RP admitted **₹30,640 cr** claims from financial creditors

cial creditors. The development comes at a time when lenders are evaluating a revised offer made by the government-promoted asset reconstruction company for the loans of VOVL, formerly known as Videocon Oil Ventures.

Last month, National Asset Reconstruction Co (NARCL) improved its offer for VOVL by ₹100 crore to ₹1,200 crore. Lenders are considering the offer given in a combination of cash and security receipts.

Meanwhile, the resolution of Venugopal Dhoot-founded Videocon Industries — with admitted claims of ₹58,519 crore from financial creditors — has been in limbo for over a year.

The Supreme Court has stayed a proposal to restart the sale process of the consumer durables company following an appeal by Twin Star Technologies, owned by Vedanta promoter Anil Agarwal. The matter reached the apex court after lenders went back on an agreement to sell the company to Twin Star following criticism that the price was too low. Lenders' recovery on the proposed sale of Videocon Industries to Twin Star stood at 4.15%, while that on VOVL is expected at 7.5% of admitted claims.



A notice at a Hyderabad petrol pump says ₹2,000 notes will be accepted only for transactions above ₹1,000, after the RBI announced withdrawal of the high-value banknote. PTI

Customers line up to exchange ₹2k notes; 'no change', say fuel pumps

Rajeev Jayaswal

letters@hindustantimes.com

NEW DELHI: Petrol pumps are facing the heat of the ₹2,000 banknote withdrawal as customers are thronging with the high-value currency notes since Friday evening to buy fuel worth as little as ₹100 or ₹200, forcing many outlets to put up notices that they would not be able to give change for ₹2,000 due to unavailability of notes of smaller denominations.

There has been a sudden spike in cash transactions, at least six dealers in Delhi, Uttar Pradesh, Haryana, Jharkhand and Maharashtra said, requesting anonymity. Several pumps in different regions of Uttar Pradesh have put up notices that ₹2,000 notes will be accepted only for purchase of petrol or diesel of ₹1,000 or more. HT reviewed a couple of such notices.

Delhi-based dealers are equally hard pressed. "Being in the capital, we cannot put up such notices. As ₹2,000 notes are legal tender, we cannot refuse them. But we are also short of smaller notes. We are considering requesting customers to take change through UPI, BHIM and Paytm," one dealer said.

"Earlier, ₹2,000 notes used to be 1-2% of our total daily sales. Now this has jumped to 80%. We are not banks, and our cash-in-hand is limited, depending on what we get in everyday sales. It



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A PETROL PUMP OWNER

is a practical issue that arose due to the Reserve Bank of India's (RBI) decision to withdraw the ₹2,000 currency. It seems that people are not adequately aware that they have ample of time to exchange them in banks," a second petrol pump owner said.

The ₹2,000 banknote has been withdrawn from circulation but will continue to be legal tender, RBI said on May 19, advising people to exchange or deposit the notes by September 30. It has restricted people wishing to change the notes for smaller denominations to ₹20,000 per transaction. There is no restriction of depositing the notes in higher amounts in bank accounts after following Know Your Customer/Client (KYC) norms.

RBI should have prepared mechanisms to exchange ₹2,000 banknotes before announcing such a decision, a third dealer said. The announcement should have been accompanied by advertisements and publicity campaigns so that the common man was reassured, he added.

"Once bitten twice shy. Even

though general people don't have many ₹2,000 notes and they have time till September 30 to get them exchanged in their banks, they don't want to take any chance, thanks to the nightmarish experience of demonetisation of November 2016," he said. While many customers in Delhi could pay petrol or diesel bills through ₹2,000 banknotes, vehicle owners faced trouble in other cities and remote areas. "After heated arguments, I had to use my credit card to pay the fuel bill," a Mumbai-based professional said, requesting anonymity.

"Petrol pumps are accepting ₹2,000 notes provided you fill fuel for the entire sum, as they don't have small notes to return the balance," said a Chandigarh-based entrepreneur.

The ₹2,000 denomination banknote was introduced in November 2016 after the Modi government had introduced demonetisation of ₹500 and ₹1,000 notes. The RBI had stopped the printing of ₹2,000 banknotes in 2018-2019.



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Finmin: Fertiliser subsidy won't exceed ₹1.75-trn BE

Contests fertiliser ministry's view that subsidy to surpass BE

**PRASANTA SAHU AND
SANDIP DAS**
New Delhi, May 21

AFTER A GAP of five years, the Centre's annual fertiliser subsidy will be contained below the budgeted estimate (BE) in the current financial year, a senior finance ministry official told *FE*, citing the decline in global prices of the relevant commodities, including natural gas and urea. The BE for FY24 is ₹1.75 trillion.

The comment came close on the heels of fertiliser minister Mansukh Mandaviya's statement last week that the subsidy on soil nutrients this year could exceed the BE by about ₹46,000 crore. The minister noted that it would take about six months for the lower global prices to reflect in the actual subsidy expenses, because of inventories held by the fertiliser companies.

"We don't think ₹1.75 trillion will be exceeded," the financial ministry official said.

Analysts are, however, of the opinion that since these are still early days, the actual subsidy burden on the exchequer will depend on the unfolding of the geopolitical situations through the year and supply chain dynamics. However, long-term gas and urea contracts that have already been signed at relatively lower rates might give the government some comfort.

The subsidy expenses are due to the policy of making available urea to farmers at a fixed rate and giving them a high level of immunity to fluctuations in the prices of phosphatic and potassic (P&K) fertilisers and their inputs.

In the case of P&K, which too are part of the nutrient based subsidy regime, the subsidy (rather than the price to farmer), is fixed



IMPACT OF DIP IN GLOBAL PRICES

■ Some analysts expect even a sharper reduction in NBS rates for the kharif season

■ Fertiliser minister Mansukh Mandaviya's said last week that the subsidy this year could exceed BE by about ₹46,000 crore

since a 2010 policy change, but a sharp surge in prices might still force the government to raise the subsidy, as it did in FY23.

According to the finance ministry's current assessment, the subsidy requirement will likely be around the BE if not lower, because even though global prices had fallen by more than 20% around January, the allocations in the budget on February 1 were not reduced to that extent. Prices have fallen further after the Budget, the ministry reckons.

Prices of gas (LNG), used for urea manufacturing, have almost halved to \$12-13 per mmBtu now to about an average of \$23-24 in the previous year. Imported urea prices have declined sharply to the current level of \$330/tonne from \$980/tonne in April, 2022.

India meets about 75-80% of the volume of consumption of urea from domestic production while the rest is imported from

Oman, Egypt, the UAE, South African and Ukraine.

Similarly, global prices of DAP have dropped to \$550/tonne currently from \$925/tonne prevailed in April, 2022. The country imports about two thirds of its annual requirement of 10 million tonne of DAP. DAP prices are seen to fall further to around \$ 300-350/tonne range prevailed two years back.

On May 19, the Cabinet approved subsidy of ₹38,000 crore for P&K fertilisers for the kharif 2023 season (April-September) under the nutrient-based subsidy (NBS) mechanism, as against ₹61,000 spent during last kharif season. Following the Cabinet decision, Mandaviya said that, including an estimated ₹70,000 crore subsidy on urea, the government will spend ₹1.08 trillion towards fertiliser subsidy in the summer season.

Some analysts were expecting even a sharper reduction in NBS rates for the kharif season than announced by the government. "It is possible the moderate reduction (in NBS rates) is aimed at allowing the fertilizer players to recoup some of the losses they might have incurred on DAP and MoP last year," a fertiliser analyst, who did not wish to be identified, said.

The margin pressure on fertiliser firms in FY23 was evident when privately run Paradeep Phosphates while announcing Q4FY23 results said its profitability and margins were impacted owing to (low) subsidy rates under NBS for the quarter.

"In the second half of the current financial year, there may be a sizeable reduction in NBS subsidies, given the continued moderation in input prices," the analyst said, adding that for FY24, the fertiliser subsidy could be around ₹1.6 trillion. Fertiliser subsidy in FY23 stood at an all-time high of ₹2.53 trillion, owing to the spike in global commodity prices. The subsidy was last reined at the BE level (₹0.7 trillion) in FY19.

Green hydrogen policy soon: Sukhu

SHIMLA, MAY 21

Chief Minister Sukhvinder Sukhu said a green hydrogen policy would be formulated to promote its use and make the state a leading hub of its production.

"The state's abundant renewable energy resources, including ample sunlight, water and wind, make it an ideal location for generating green hydrogen. The primary objective of the policy is to attract investments in large-scale renewable energy projects, ensuring a consistent and sustainable supply of green electricity for electrolysis," Sukhu said in a statement issued here yesterday.

The CM said the government was actively encouraging young entrepreneurs to invest in the state and the new green energy policy would include various provisions to facilitate their participation.

He said, "By leveraging its natural advantages, the state aims to create a favourable environment for the production of green hydrogen. This will not only contribute to the global fight against climate change, but also make the state a pioneer in sustainable development."

The state government has already signed an MoU with

'MY CM-MY PRIDE' INITIATIVE LAUNCHED

- Chief Minister Sukhvinder Sukhu launched the 'My CM-My Pride' initiative in Shimla on Sunday
- The initiative enables any individual to download his photo clicked with the CM
- He said it signified govt's commitment to utilising tech advancements to establish a stronger connection with the public. TNS

Oil India Limited. This collaboration will enable the production of green hydrogen and ammonia on a pilot basis.

Sukhu said the company had shown interest in establishing a plant in Himachal Pradesh that would produce green hydrogen for ethanol production. This alternative fuel could be directly used as a replacement for petrol, aligning with the government's initiatives towards flexible fuels, he added.

Moreover, the NHPC was also setting up a Green Hydrogen Mobility Project in Chamba on a pilot basis. This project would feature a dedicated solar plant, an electrolyzer unit for hydrogen production and a hydrogen storage system with a dispenser. — PTI



GreenLine to add 1,500 liquefied natural gas-powered trucks to its fleet in FY24

Rishi Ranjan Kala

New Delhi

Green mobility solutions provider GreenLine will add 1,500 liquefied natural gas (LNG) trucks to its fleet in the current financial year, ending March 2024.

The company, part of the Essar Group, aims to decarbonize heavy trucking in India and is paving the way for widespread adoption of LNG-powered freight transportation, which offers better mileage compared to diesel thereby bringing down operating costs.

“By March 2024, GreenLine will deploy 1,500 LNG-powered trucks. It has around 100-110 vehicles, about 66 CNG and LNG tankers on ground,” GreenLine CEO Anand Mimani told *businessline*. Currently, the company

has a total of 160-170 vehicles running.

DECARBONIZING

The idea behind Greenline was to decarbonise the entire logistics value chain, he explained, adding that the company first started with CNG vehicles (Tata 151 and Eicher vehicles) with the maximum weight carrying limit for CNG being up to 15 tonnes.

“We want to move LNG as a fuel and we are one of the biggest virtual pipeline movers on account of LNG in India. It has been a good learning curve. We partnered with Shell and learnt a lot,” Mimani noted.

On financing for LNG-powered trucks, he said so far the vehicles have been purchased through the company's equity.

“We are in talks with banks and NBFC's who are into truck

financing. We have just got a small opening with one of the NBFCs (TVS Credit), who has agreed to fund these vehicles. We are in discussions with other banks like HDFC, ICICI, etc,” Mimani said.

He said that a 55-tonne LNG truck can be used in various industry segments such as chemicals, metals, FMCG, etc.

IOC, ONGC arm call off Kenya field stake talks

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New Delhi: IndianOil (IOC) and partner ONGC Videsh have called off talks for buying a stake in Tullow Oil's Lokichar oil field in Kenya, a deal that was estimated last year to be worth about \$2 billion.

People in the know said the decision to end discussions lasting several months was taken after senior executives from the two Indian suitors visited Kenya in July last year. They, however, did not disclose the reason for pulling out.

Tullow has an Indian connection in company chief executive Rahul Dhir, who headed Cairn India at the time the Indian arm of the then independent Scottish explorer made one of India's largest on-land oil and gas discoveries in Rajasthan's Barmer district. Cairn was acquired by Vedanta in 2011 and merged with the parent in 2017.

WORTH \$2BN

IndianOil had in March 2022 shown some interest in acquiring a stake in the project. But those initial contacts with Tullow withered — perhaps because of the project and investment size. Subsequently, IndianOil roped in ONGC Videsh, which brings on the table expertise in operating oil fields.

Tullow holds 50% stake in the south Lokichar field and is willing to give up operatorship in favour of a strategic partner. Total of France and Africa Oil Corporation hold 25% each.

The fields are located in blocks 10BB and 13T, while oil production is projected at 120,000 barrels per day (bpd). Total oil recovery is pegged at 585 million barrels over the field's life.

The Lokichar oil is waxy just like Barmer crude, which, like the Indian project, will have a 825-km heated pipeline to transport the crude to Lamu for shipping. Dhir was appointed Tullow CEO in July 2020 close on the heels of his Delonex, an Africa-focused company he had floated after quitting Cairn India, secured \$600 million funding from Warburg Pincus.

‘Oil supply won’t be affected by stricter price cap enforcement’

The clean energy transition is happening & much faster than many think: IEA’s Executive Director Fatih Birol

HIROSHIMA: The International Energy Agency (IEA) does not expect moves by the Group of Seven nations to counter the evasion of price caps on Russian energy will change the supply situation for crude oil and oil products, the IEA’s Executive Director Fatih Birol said.

The G7, the European Union and Australia agreed to impose a \$60-per-barrel price cap on Russian seaborne crude oil and also set an upper price limit for Russian oil products to deprive Moscow of revenues for its invasion of Ukraine.

The G7 will enhance efforts to counter evasion of the caps “while avoiding spillover effects and maintaining global energy supply”, the group said on Saturday, without giving details, during its annual leaders’ meeting.

The IEA, which provides analysis and input to the G7 on energy, does not see the enhanced enforcement of the price caps affecting the global oil and fuel supply, Birol told *Reuters* in an interview on the sidelines of the summit.

“Any significant changes in the markets as always we will reflect in our analysis, in our reports, but for the time being I don’t see a reason to make a change in our analysis,” he said.

According to Birol, the price cap reached two main objectives: it did not trigger tightness in the markets as Russian oil continued to flow but at the same time Moscow’s revenues were reduced.



‘Any significant changes in the markets as always we will reflect in our analysis, in our reports, but for the time being I don’t see a reason to make a change in our analysis’

“Russia did play the energy card, and it did fail. But there are some loopholes, some challenges for the better functioning of the oil price cap,” Birol said.

The G7 has also brought support for the gas investment back to the communique on Saturday in that it said was a ‘temporary’ solution to address potential market shortfalls and as nations are trying to decouple from the Russian energy.

The move has alarmed climate activists who warned the group may fail to deliver on its goal to achieve net-zero carbon emissions by 2050 and limit global warming to 1.5 degrees Celsius (2.7 Fahrenheit).

“It may have some impact but countries once again reiterated that if there are some impacts to slow down in that

area, they are going to accelerate in the other areas that it will not change their determination of reaching the 1.5 degree Celsius goal,” Birol said.

“The clean energy transition is happening and much faster than many think.”

The language change was brought in by Germany, once a top buyer of Russian gas, sources have said, and the communique did not have a time frame for investments into the gas sector.

“There is no determination of any time frame there, but I think the main issue is because of the reliance of especially European countries on Russian gas almost for decades. Now it is not easy to change everything from one day to another,” Birol said.

AGENCIES

Oil tanker overturns on highway, traffic disrupted

PRESS TRUST OF INDIA

PALGHAR, MAY 21

AN OIL tanker overturned on Mumbai-Ahmedabad highway in Maharashtra's Palghar district on Sunday morning and the oil spilled from it on the road, affecting traffic movement on the busy route for about two hours, officials said.

No casualty was reported in the accident which took place at around 5.30 am, Charoti police outpost's sub-inspector Irshad Sayyed said. As the tanker carrying 33 tonnes of a vehicle engine raw material oil overturned, the oil spilled on about one-km length of the highway near the RTO check post in Dapchori limits, he said.

Smoke 'em out

While the Ministry of Petroleum and Natural Gas has distanced itself from the recommendations of a government panel that sought from 2027 a ban on diesel cars in large cities, those with populations of over one million, the apprehensions of those who own such vehicles and those who plan to acquire them will not go away. Certainly, the direction of government policy has been clear for quite some time. The gap between petrol and diesel prices, which made vehicles powered by the latter attractive, has narrowed; poor air quality levels routinely see diesel vehicles being asked to stay off roads, and the life of diesel vehicles has been pegged at 10 years in the National Capital Region while petrol vehicles can be used for 15. In addition, the country must keep to international commitments on controlling emissions and there is little doubt that diesel vehicles especially contribute to air pollution. Worldwide, there is an increasing trend to ban vehicles using fossil fuels, but that is not confined to diesel vehicles alone. More than 30 countries have announced plans to ban vehicles using internal combustion engines. Before 2027, the date set by the government panel, three countries - Norway, South Korea and Belgium - will have restrictions in place, with many more poised to follow suit in the years until 2050. In short, there is much to support the proposition of controlling vehicular emissions, but whether an outright ban on the use of diesel cars four years from now is feasible in Indian cities is quite another matter. There are several things that the government will have to do, working with the automotive sector, if it wants to implement the suggestion. First, it will have to announce a time-bound plan to stop manufacture of diesel-powered cars. It must then allow those who own such vehicles a reasonable period of time to plan replacements. Alternatively, it must put in a place a generous scheme to buy back these cars, or to subsidise their replacements. To ensure that diesel vehicles are not replaced with less noxious but nonetheless polluting petrol vehicles, the government must firm up its electric vehicles policy. Electric cars must be more affordable and operating them must be less of a challenge than it presently is, with the absence of charging stations being the most obvious shortcoming. Government policy on subsidy to electric vehicles must be consistent, and not haphazard as it presently is. The socialistic notion that big ticket investments in public transportation will reduce the need for private vehicles may be a fanciful one in a country as aspirational as India. People will want their own vehicles, and the need to control emissions must accommodate this desire. Finally, the government would do well to begin by stricter monitoring of emission levels. As previously argued in these columns, a well-maintained 15-year-old car pollutes less than a poorly-run, three-year-old does.



Stalled refinery expansion proposal on PMO radar

Move set to boost domestic crude output and meet the rising demand

SUBHAYAN CHAKRABORTY

New Delhi, 21 May

Nudged by the Prime Minister's Office (PMO), the petroleum and natural gas ministry is set to expedite discussions with stakeholders on half a dozen expansion and greenfield development plans of stalled oil refinery projects.

These units have been facing roadblocks due to land hurdles, lack of environmental clearances or funds. This move is set to boost domestic crude output and meet the rising demand.

One of the projects under consideration is the contentious West Coast Refinery in Ratnagiri, Maharashtra.

The government will soon form a core team to look into the hurdles, revive talks and bring multiple stakeholders to the discussion table, officials said. This will include officials from the ministry and oil marketing companies (OMCs), among others.

"Even for those projects in the public sector, the executing agency is OMCs, state governments or private participants. The ministry often acts as a bridge, and that is what we will do," an official said.

The government is working to raise the total crude oil refining capacity in the country to 450 MMTPA (million metric tonnes per annum) from the current 250 MMTPA or about 5 million barrels per day (bpd). Meanwhile, fuel demand is expected to double to 10 million bpd by 2050.

India already has the fourth-largest crude refining capacity in the world.

However, the rapidly growing domestic demand has made the government prioritise capacity addition.

Fuel consumption reached a 24-year high in February 2023 to 4.82 million bpd. Consequently, the country's petroleum



product consumption may touch a new high of 233.81 million tonnes in 2023-24, according to government estimates.

Stalled projects

Complex and capital-intensive refinery projects generally have a long gestation period. But a slew of challenges has held up the industry's growth in India.

The largest such project is the planned West Coast Mega Refinery, which is set to come up in the Nanar area of Ratnagiri district.

First announced in 2015, the \$44-billion project had targeted an unprecedented refinery capacity of 60 MMTPA.

But a lack of cooperation between the then Shiv Sena-controlled Maharashtra government and the BJP-led central government had held up the mega project. In 2018, Saudi Aramco and the UAE's ADNOC had signed a framework agreement to jointly develop the Ratnagiri refinery.

The foreign partners were to hold a 50 per cent stake in the project, while Indian Oil Corporation (IOC) would have a 25 per cent stake. The remaining 25 per cent would be divided equally between Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL).

But delays over acquiring the massive 15,000 acres required for the project had tested the resolve of the parties, sources said.

As of end-2022, while the state government had managed to acquire 2,900 acres, land acquisition hurdles and stiff opposition continue over the rest of the land.

"There has been serious thought of breaking up the project into several refineries in different areas. This is because the initial plans now seem too big to be sustainably executed," an official said.

Announced in 2013, India's largest upcoming integrated refinery and petrochemical project, the Rajasthan Refinery Project (RRP), is also behind schedule.

The HPCL Rajasthan Refinery (HRRL), a joint venture between HPCL and the Rajasthan government had also faced severe cost overruns.

The initial estimate of the project — coming up near Pachpadra town in Barmer district — was ₹43,129 crore. And, this has skyrocketed to ₹72,000 crore. Touted as the single-biggest investment at one location in the country so far, the project had set a new deadline of 2022 in 2018.

HRRL had then also stated that the project will be mechanically completed within four years from the last date of receipt of all statutory approvals.

A major poll issue in the region, the state government has repeatedly pointed out spiralling cost overruns and delays. It sought the Centre's help to quickly finish the project.

Stricter Caps Won't Hurt Oil Supply: IEA

Hiroshima: The International Energy Agency (IEA) does not expect moves by the Group of Seven nations to counter the evasion of price caps on Russian energy will change the supply situation for crude oil and oil products, the IEA's Executive Director Fatih Birol said.

The G7, the European Union and Australia agreed to impose a \$60-per-barrel price cap on Russian seaborne crude oil and also set an upper price limit for Russian oil products to deprive Moscow of revenues for its invasion of Ukraine.

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"Any significant changes in the markets as always we will reflect in our analysis, in our reports, but for the time being I don't see a reason to make a change in our analysis," he said. **Reuters**

Kirit Parikh

The recommendations of the Kirit Parikh committee on gas pricing have given rise to some unnecessary misgivings. Before allaying these misgivings, I summarise the main recommendations of the Parikh committee for natural gas pricing reforms.

* The price of APM (administered Price Mechanism) gas, i.e. gas produced by public sector companies, ONGC and OIL, which were allotted the gas fields without any competitive bidding, should be within a floor price and a ceiling price. The floor price of \$4/MMBTU would cover at least the marginal cost of production of gas by ONGC and OIL. The ceiling price of \$6.5/MMBTU was fixed so that it will remain below the cost of regassified imported LNG.

* The price of APM gas is to be fixed based on the average cost of import of Indian crude oil in the previous month with a slope of 10 per cent subject to the floor and ceiling prices. Thus if the import price was US\$70/barrel, the gas price should be \$7/MMBTU. Since this exceeds the ceiling price, APM gas price will be fixed at the ceiling price.

* There are other fields given through bidding with different pricing regimes, some with cost sharing, some profit sharing and some product sharing. Producers from these fields are free to set the price of gas within a ceiling price that the government revises every six months. The committee had recommended that this limit be removed from January 1, 2026. The reason for delaying the removal was that many contracts are linked to it and that a sudden removal will cause disruption and legal tangles. In fact, such a delay was argued for by the gas producers.

CRITICS ARE WRONG

A number of questions have been raised with respect to these recommendations. I shall spell them out and answer them:

* *Why revise APM prices when the world market price of gas has come down to \$2/MMBTU at the Henry hub in USA?*

The APM price was \$8.57/MMBTU and the revision brought it down to \$6.5/MMBTU, which reduced the price for PNG (piped Natural Gas supplied to households) and CNG (Compressed Natural Gas for transport) users by 8-10 per cent. If the APM pricing mechanism was not revised in April 2023, the price of APM gas would have been \$9.16/MMBTU.

It is untenable to argue that price should not have been revised and on the other hand, object to lower price for PNG and CNG users!

* *Some critics are intrigued by the floor price of \$4 and ceiling price of \$6.5 for APM gas and also ask why it is applicable to only APM gas.*

The reason for treating APM gas differently is that they do not have any cost, profit or production sharing

obligations as the other gas producers. The reason for the floor of \$4 is that it will cover the marginal cost of production of gas by ONGC and OIL. The ceiling price of \$6.5 is fixed because it will be lower than the cost of landed and regassified imported LNG even when the price of gas on the international market falls to \$2. Since 2017-18, the import price of LNG has not fallen below \$6/MMBTU.

* Some also question the price of \$12.12/MMBTU set for difficult fields as this is only marginally below the well head price in the previous six months. They do not seem to have appreciated that the price is only a ceiling and if gas can be imported at a lower cost the domestic producers cannot charge a price above it.

* *Also the linking of APM gas price to average price of imported crude in the*

The reason for treating APM gas differently is that they do not have any cost, profit or production sharing obligations as the other gas producers

Why the new gas pricing policy works

The varied price band for APM and new gas fields will incentivise domestic output



previous month is questioned.

The reason for this linkage is that the main alternative fuels of PNG and CNG users are LPG (liquefied petroleum gas) and diesel, respectively. The linkage assures that the consumers of PNG and CNG will find gas price to be economically attractive compared with their alternatives.

The APM gas pricing mechanism was changed because the earlier formula that linked APM gas producer price to the weighted average price of international hubs in US, Canada, Europe and Russia, led to some anomalies. For example, the price from October 20 to September 21 was \$1.79, way below the marginal cost of production of ONGC and OIL. Also in a competitive and efficient market the consumer prices of domestic gas and imported gas should be equalised and not producer prices. The upper ceiling of \$6.5 is also based on long-term cost of Indian crude imports over many years.

ROAD AHEAD

Finally, there have been questions as how these policies will lead to government's target of having 15 per cent share of gas in the country's energy basket by 2030 from 6.5 per cent today. Even today our import of gas constitutes

45-50 per cent of consumption. Thus we need to increase domestic production from existing fields as well as from new fields.

The removal of ceiling price and complete pricing and marketing freedom by January 1, 2027 as recommended by the committee would create incentives to invest in E&P (exploration and production). While the government has delayed decision on this recommendation, it has provided incentive of 20 per cent price premium to ONGC and OIL for increasing production from their non-APM fields.

Also, to reach the government's target it is necessary to increase domestic demand. The demand for PNG and CNG can contribute to this. The suggested pricing will ensure healthy growth in this demand. To increase demand for the power sector in the face of dramatic cost reductions of solar power and battery technologies and net zero target of 2070, gas price would have to fall significantly.

I have described the rationale of the Parikh committee suggestions and none of the comments made by the critics are persuasive.

The writer is Chairman, IRADe, and head of the committee set up to review gas pricing formula

अटके संयंत्रों पर पीएमओ की नजर

शुभायन चक्रवर्ती
नई दिल्ली, 21 मई

प्रधानमंत्री कार्यालय (पीएमओ) की निगरानी बढ़ने के साथ पेट्रोलियम और प्राकृतिक गैस मंत्रालय ने तेल रिफाइनरी के विस्तार और नई परियोजनाओं में तेजी लाने के लिए हिस्सेदारों से बातचीत तेज कर दी है। इस समय जमीन संबंधी कठिनाई, पर्यावरण की मंजूरी न मिलने, धन की कमी आदि वजहों से कई परियोजनाएं अटकी हुई हैं, जिन पर प्रधानमंत्री कार्यालय नजर बनाए हुए है। देश में कच्चे तेल के घरेलू उत्पादन को गति देने के लिए यह कदम उठाए जा रहे हैं, जिससे बढ़ती मांग पूरी की जा सके।

विचाराधीन परियोजनाओं में से एक परियोजना महाराष्ट्र के रत्नागिरि में पश्चिमी तट पर स्थित विवादों से घिरी रिफाइनरी है।

एक अधिकारी ने कहा कि सरकार जल्द ही कठिनाइयों पर विचार करने, बातचीत बहाल करने और विभिन्न हिस्सेदारों को चर्चा के लिए साथ लाने के लिए एक प्रमुख दल का गठन करेगी। इस दल में मंत्रालय, तेल विपणन कंपनियों (ओएमसी) के अधिकारी व अन्य शामिल होंगे।

एक अधिकारी ने कहा, 'सार्वजनिक क्षेत्र की परियोजनाओं को लागू करे वाली एजेंसी या तो ओएमसी, राज्य सरकारें और निजी क्षेत्र के साझेदार होते हैं। मंत्रालय प्रायः पुल का काम करता है और हम यही करेंगे।'

सरकार देश में कच्चे तेल की कुल उत्पादन क्षमता मौजूदा 250 एमएमटीए से बढ़ाकर 450 एमएमटीपीए (मिलियन मीट्रिक टन प्रति साल) या



करीब 50 लाख बैरल प्रति दिन करना चाहती है। बहरहाल ईंधन की मांग 2050 तक दोगुना बढ़कर 100 लाख बैरल प्रतिदिन होने का अनुमान है।

भारत इस समय रिफाइनिंग क्षमता के हिसाब से विश्व का चौथा बड़ा देश है। लेकिन घरेलू मांग तेजी से बढ़ रही है, जिसे देखते हुए सरकार क्षमता विस्तार को प्राथमिकता दे रही है।

फरवरी में ईंधन की खपत बढ़कर 24 साल के उच्च स्तर 48.2 लाख बैरल प्रतिदिन पहुंच गई है। इसी के साथ सरकार के अनुमान के मुताबिक देश में पेट्रोलियम उत्पादों की खपत 2023-24 में बढ़कर 2,338.1 लाख टन की नई ऊंचाई पर पहुंच जाएगी।

रुकी हुई परियोजनाएं
जटिल और पूंजी पर केंद्रित रिफाइनरी

तेल क्षमता बढ़ाने पर जोर

■ देश में तेल की बढ़ती मांग को देखते हुए अधिकारियों का एक प्रमुख दल रिफाइनरी परियोजनाओं की योजना अटके होने के मसले करेगा विचार

■ देश में कच्चे तेल की कुल उत्पादन क्षमता मौजूदा 250 एमएमटीए से बढ़ाकर 450 एमएमटीपीए या करीब 50 लाख बैरल प्रति दिन करने का लक्ष्य

■ ईंधन की मांग 2050 तक दोगुना बढ़कर 100 लाख बैरल प्रतिदिन होने का अनुमान

■ जटिल और पूंजी केंद्रित होने के कारण रिफाइनरी संयंत्र स्थापित करने में लगता है वक्त, लेकिन भारत में जमीन अधिग्रहण, खर्च बढ़ने व पर्यावरण संबंधी समस्याएं भी

रहा है क्योंकि अब शुरुआती योजना पर काम जारी रखना बहुत मुश्किल लग रहा है।'

देश की सबसे बड़ी परियोजना के रूप में 2013 में राजस्थान रिफाइनरी परियोजना की घोषणा हुई थी। यह भी निर्धारित तिथि से पीछे चल रही है। एचपीसीएल और राजस्थान के बीच संयुक्त उद्यम एचपीसीएल राजस्थान रिफाइनरी (एचआरआरएल) को लागत बढ़ने के संकट से भी जूझना पड़ रहा है।

शुरुआत में बाइमेर के पचपादरा कस्बे में बन रही परियोजना पर 43,129 करोड़ रुपये लागत आने का अनुमान लगाया गया था, जो अब बढ़कर 72,000 करोड़ रुपये हो गया है।

इसकी सभी रिफाइनरी इकाइयों को तैयार करने की अंतिम तिथि मार्च 2024 बरकरार है, लेकिन अगले 3 महीनों में इसकी 4 यूनिट परिचालन के स्तर पर पहुंच सकती हैं।

सार्वजनिक क्षेत्र की आखिरी नई रिफाइनरी बीपीसीएल की मध्य प्रदेश स्थित बीना रिफाइनरी थी, जो 2011 में चालू हुई। शुरुआत में इसकी क्षमता 6 एमएमटीपीए थी, जिसे 2018 तक बढ़ाकर 7.8 एमएमटीए कर दिया गया।

बुंदेलखंड इलाके में 49,000 करोड़ रुपये की विस्तार योजना बनाई गई थी, जिससे क्षमता बढ़कर 11 एमएमटीपीए हो जाएगी। पिछले महीने में मध्य प्रदेश सरकार ने इसके विस्तार को मंजूरी दी थी। साथ ही विमान ईंधन, लीनियर लो डेंसिटी पॉलिथीन, बिटुमिन और बेंजीन जैसे सह उत्पादों के उत्पादन के लिए एक पेट्रोकेमिकल परियोजना स्थापित करने को भी मंजूरी दी गई है।

करने के लिए समझौता किया था।

परियोजना में विदेशी साझेदार की हिस्सेदारी 50 प्रतिशत थी, जबकि आईओसीएल का मालिकाना 25 प्रतिशत और शेष 25 प्रतिशत बीपीसीएल और एचपीसीएल में विभाजित था।

सूत्रों ने कहा कि परियोजना के लिए 15,000 एकड़ जमीन के अधिग्रहण में देरी के कारण इसके विभिन्न पक्ष निराश होने लगे। 2022 के अंत तक जहां राज्य सरकार 2,900 एकड़ जमीन अधिग्रहण करने में सफल रही, वहीं जमीन अधिग्रहण की कठिनाइयों और तेज विरोध के कारण जरूरी शेष जमीन का अधिग्रहण रुका हुआ है।

एक अधिकारी ने कहा, 'विभिन्न इलाकों की कुछ रिफाइनरी की परियोजनाएं खत्म करने पर विचार हो

परियोजनाओं के तैयार होने की अवधि सामान्यतया लंबी होती है। लेकिन भारत में तमाम चुनौतियों ने वृद्धि रोक रखी है।

इस तरह की परियोजनाओं में सबसे बड़ी परियोजना पश्चिमी तट की मेगा रिफाइनरी है, जो महाराष्ट्र के रत्नागिरि जिले के नानार में स्थापित की जा रही है। इसकी घोषणा 2015 में की गई थी। 44 अरब डॉलर की परियोजना की तेल शोधन क्षमता 60 एमएमटीपीए होगी। लेकिन पहले की शिव सेना के नेतृत्व वाली महाराष्ट्र सरकार और भाजपा के नेतृत्व वाली केंद्र सरकार के बीच मसलों के कारण बड़ी परियोजना अटक गई।

सरुदी अरामको और यूएई की एडनॉक ने 2018 में रत्नागिरि रिफाइनरी और पेट्रोकेमिकल्स लिमिटेड परियोजना को संयुक्त रूप से विकसित

पेट्रोल और डीजल की कीमतें स्थिर

नई दिल्ली, वार्ता। वैश्विक स्तर पर कच्चे तेल में नरमी के बावजूद आज घरेलू स्तर पर पेट्रोल और डीजल की कीमतें स्थिर रही, जिससे दिल्ली में पेट्रोल 96.72 रुपये प्रति लीटर तथा डीजल 89.62 रुपये प्रति लीटर पर स्थिर रहा। तेल विपणन करने वाली प्रमुख कंपनी हिन्दुस्तान पेट्रोलियम कार्पोरेशन की वेबसाइट पर आज जारी दरों के अनुसार, देश पेट्रोल और डीजल की कीमतों में कोई बदलाव नहीं हुआ है।