

**99.96% BACK THE PROPOSAL**

# VoVL's Lenders Vote in Favour of Resolution Plan by BPCL

This will be among top big-ticket cross-border insolvency resolutions

**Sangita.Mehta**  
@timesgroup.com

**Mumbai:** Lenders of VoVL, the oil and gas exploration company of Videocon Industries, almost unanimously voted for a resolution plan given by Bharat Petroleum Corp (BPCL), said people aware of the development.

VoVL, undergoing insolvency proceedings, received 99.96% votes in favour of a proposal to sell the company to the state-owned BPCL. One unsecured lender with 0.04% debt abstained from voting, the people cited above said. Voting on the VoVL's resolution plan ended on June 22.

The resolution professional will submit the plan to the National Company Law Tribunal (NCLT) for approval. The resolution of VoVL will be among the top big-ticket cross-border insolvency resolutions, said people cited above. The assets of VoVL — mainly the oil exploration blocks — are in Brazil while the sale process was conducted in India.

BPCL's subsidiary BPRL Ventures BV had created 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, BPCL has the first right to match any offer that lenders receive for VoVL oil basins as per the contractual arrangements governed by Brazilian law.

Mid-April, 90% of VoVL's lenders voted on two resolution plans.

The first was to sell the Potiguar Basin and Sergipe Basin to Eneva for \$250 million and then sell Cam-

pos Basin to PetroRio for \$30 million. The second resolution was to give BPCL 30 days to exercise the right to match the offer made by the two Brazilian companies.

BPCL consented to match Eneva and PetroRio's offers, ET reported on May 22. However, as against the \$280 million that the two Brazilian companies offered, BPCL will pay \$200 million to lenders as upfront payment after NCLT approves its resolution plan.

The difference of \$80 million is contingent liabilities that BPCL suggested would be paid to lenders on recovery of certain dues, the first person said. 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%.

The RP has admitted ₹30,640 crore in claims from financial creditors. "The recovery is sub-10% but that was the best offer before us," said one of the lenders.

In April, the government-owned National Asset Reconstruction Company gave a revised and improved offer of ₹1,200 crore to lenders for the loans of VoVL.

"Lenders have neither rejected nor accepted the NARCL offer. They can accept the offer even after the BPCL plan is given to the tribunal for approval just as it happened for Jaypee Infratech," the lender cited above said.



# Cheap Russian oil helps India widen petro product exports

Oil imports from Moscow rose three-fold to \$4.64 bn in April from \$1.2 bn a year earlier.

Dilasha Seth & Rhik Kundu  
dilasha.seth@livemint.com  
NEW DELHI

India has massively expanded export markets for its refined petro products in the last one year, commerce ministry data for April showed, thanks to discounted Russian oil that came gushing in the wake of the Ukraine war.

The increase was significant in the case of Argentina, Ecuador, Egypt, Iraq, Mauritius, Nigeria and Sudan (see chart alongside). There was also a rise in oil export to European countries including Germany, Italy, Portugal and Spain in April. To be sure, the increase comes on a low base, considering that India's oil product exports to several of these countries were minuscule.

Interestingly, such exports also saw a sharp rise to the UK and the Netherlands, which are already large export markets for India.

The rise in oil exports to European countries could be attributed to the European Union's decision to place a ban on the import of Russian diesel, as well as other oil products in February 2023, which impacted operations of several major European refineries, said Prashant Vasisht, senior vice-president and co-group head of corporate ratings at ICRA Ltd.

"My interpretation (on rising oil export to new markets in Africa) is that major oil refinery hubs like the one in Rotterdam (Netherlands), which was exporting to these markets, have been impacted. So, many African countries are now getting their requirements from India," added Vasisht, who leads the oil and gas sector at the agency.

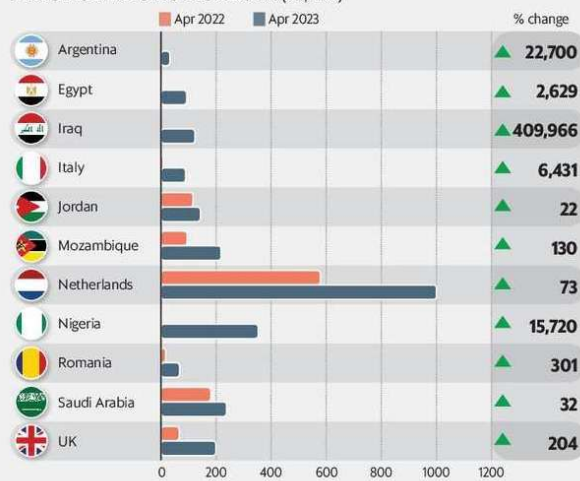
India is a key refining hub in Asia, with an annual installed capacity of 250 million tonnes across 23 refineries.

India has boosted oil imports from sanctions-hit Russia which is selling oil at a discount. Russia has replaced the

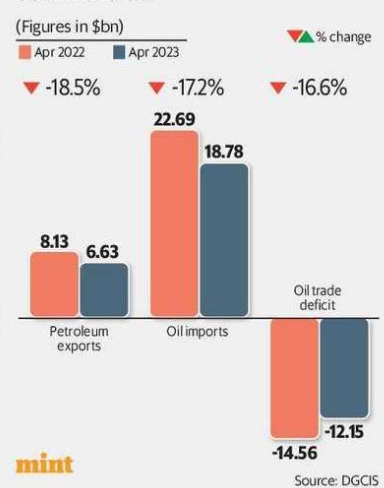
## Growth markets

India's rising exports are on a low base, considering that shipments to several of these countries were minuscule.

### PETROLEUM EXPORTS FROM INDIA (in \$ mn)



### OVERALL PICTURE



SARVESH KUMAR SHARMA/MINT

Middle East as India's largest oil supplier.

According to the Directorate General of Commercial Intelligence and Statistics under the commerce ministry, oil imports from Moscow rose three-fold to \$4.64 billion in April from

a sixth of total outbound shipments.

Oil exports to the UK grew by 204% to \$199 million, and those to Italy were up 6431% to \$89 million. African countries like Nigeria and Mozambique reported a 15720% and 130% growth in shipments at \$353 million and \$218

wherewithal to decide where to buy from. Both, our capabilities and international trade freedom (India has), we can (increase) export to other countries," added Mahurkar.

However, India's overall oil exports were down 18% in April 2023 at \$6.63 billion compared to \$8.13 billion in the corresponding month last year, largely due to softening of international crude oil prices. Average crude oil price in April 2023 hovered at around \$82 per barrel compared to \$103 per barrel in April 2022.

Overall, India's crude oil imports during the month declined by 17.22% to \$18.78 billion compared to \$22.69 billion during the same period last year. As a result, India's oil trade deficit narrowed by 16% to \$12.15 billion during the month, compared to \$13.86 billion in April 2022.

## EXPLOSIVE GROWTH

**THE** increase was significant for Argentina, Ecuador, Egypt, Mauritius, Nigeria, Iraq, Sudan

**EXPORTS** also saw a sharp rise to the UK and the Netherlands, that are large export markets for India.

**HOWEVER**, overall oil exports fell 18% to \$6.63 billion from \$8.13 billion in the year ago.

**CRUDE** oil imports in April fell 17.22% to \$18.78 billion compared to \$22.69 billion a year ago.

\$1.2 billion a year earlier.

The Netherlands continued to be India's top export market for petroleum in April, after replacing China last year. India exported oil and oil products worth over \$1 billion to the Netherlands during the month, accounting for

million, respectively.

"Some countries are constrained to flexibly refine crude due to inability to secure supplies from sanctioned sources", said Deepak Mahurkar, partner at PwC, and an expert in energy sector.

"India has mega refineries and

# India to add 1 mb/d of refining capacity by 2028: IEA

**Rishi Ranjan Kala**  
New Delhi

India, the world's fourth-largest crude oil refiner, is expected to add one million barrels per day (mb/d) of refining capacity in the next five years.

According to the latest refining capacity numbers from the International Energy Agency (IEA), India will increase its refining capacity from 5.2 mb/d in 2022 to 6.2 mb/d in 2028.

As per the Petroleum Planning and Analysis Cell (PPAC), India's cumulative crude oil processing stood at 4.85 mb/d in FY22, which rose to 5.02 mb/d in FY23. During the first two months of FY24, crude processing stood at 5.31 mb/d.

## REFINERY EXPANSIONS

"Over the medium term, regional growth is underpinned by Indian additions that total one mb/d. The new capacity

Refinery expansion (million barrels/day)		
	2022	2028
Refinery capacity	5.2	6.2
Refinery throughput	5.1	6.2
Utilisation rate (%)	98	100

Source: IEA

comes mostly from expansions at existing sites, with only the 180,000 b/d Barmer greenfield project coming online," the IEA said.

The fate of the planned 1.2 mb/d Ratnagiri refinery remains unclear. Land acquisition constraints are the latest roadblock to the project that was first proposed in the middle of the last decade. Even if finally approved, the refinery is not expected to come online in the IEA's forecast period (2022-28), it added.

According to Motilal Oswal Financial Services, the Indian Oil Corporation's (IOC) refinery projects are currently



underway. The expansion of the Panipat refinery to 25 million tonnes per annum (mtpa) is expected to be completed by September 2024. The expansion of the Gujarat refinery to 18 mtpa and the Baruni refinery to 9 mtpa is expected to be completed in 2023.

Bharat Petroleum Corporation (BPCL) is also ramping up the existing refinery capacity at Bina (Madhya Pradesh) from 7.8 to 11 mtpa. Similarly, Hindustan Petroleum Corporation (HPCL) has also undertaken expansion of its refineries at Bhatinda and Vizag, as well as the greenfield refinery at Barmer, which are expected to be completed in FY24.

Globally, more than six mb/d of new crude distillation capacity is scheduled to be completed before 2028. At the same time, 1.6 mb/d of capacity is slated to shut, leaving a 4.4 mb/d net increase.

About 70 per cent of the six mb/d of new capacity is located East of Suez. China is expected to be the single largest contributor with India and West Asia tied for the second place.

In terms of net capacity additions, regions East of Suez make up the bulk of the increase, with 3.3 mb/d of net capacity growth. China leads the new builds, contributing 1.5 mb/d or 34 per cent to the net global additions through 2028.

West Asia raises net capacity by 900,000 b/d, while Other Asia adds 1.1 mb/d over the same period. India also accounts for a significant share of the increase, with a net addition of one mb/d, of which 880,000 b/d are expansion projects.

## Stable supply of clean energy

MOL FSRU (Floating Storage and Regasification Unit)

Challenger, the world's largest FSRU has received the first LNG for Hong Kong in a commissioning process for an LNG import



project. The project will soon begin commercial operation and supply gas to power plants in Hong Kong. The name of the unit will soon be changed to the “Bauhinia Spirit”.

The FSRU will be operated in the Southern waters of Hong Kong under a long-term charter to Hong Kong LNG Terminal Ltd, which was jointly established by two local power companies in Hong Kong — CLP Power Hong Kong and The Hongkong Electric Company. They will provide not only FSRU's operation, but also jetty operation and maintenance services and port-related services.



# LPG gas tanker overturns in Nigdi

**WEB DESK**

An LPG gas tanker belonging to Bharat Petroleum overturned near Madhukarrao Pavle bridge in Pimpri Chinchwad in the early hours of Sunday. As a precautionary measure due to the presence of gas in the tanker, the police department swiftly instructed the power supply to be shut down to avoid any potential danger.

The incident took place as the LPG gas tanker was travelling from Mumbai to Pune. The electricity supply to approximately 550 customers residing in Nigdi Gavthan, Sector 24 and 26, and Sainath Nagar areas. This precautionary measure was implemented to ensure the safety

of the residents in the vicinity of the overturned gas tanker.

At 10:30 am, after a thorough assessment and successful containment of potential risks, the electricity supply was gradually restored in Sector 26. However, in accordance with the instructions from the police department, the electricity supply remained suspended in the rest of the affected area.

After hours of careful evaluation and effective risk mitigation, the power supply in the remaining affected areas was fully restored at 5 pm. This restoration of electricity allowed the residents to resume their daily activities and regain access to essential services.





## पेट्रोल और डीजल की कीमतें यथावत

नई दिल्ली, वार्ता। वैश्विक स्तर पर तेल की कीमतों में जारी गिरावट के बावजूद घरेलू स्तर पर पेट्रोल और डीजल की कीमतें आज भी यथावत रही, जिससे दिल्ली में पेट्रोल 96.72 रुपये प्रति लीटर तथा डीजल 89.62 रुपये प्रति लीटर पर पड़े रहे। हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन की वेबसाइट पर आज जारी दरों के अनुसार, देश में आज पेट्रोल और डीजल की कीमतों में कोई बदलाव नहीं हुआ है।