

ONGC March quarter revenue rises to ₹36,293 cr

NEW DELHI: ONGC Ltd reported a standalone net profit (PAT) of Rs 248 crore for the fourth quarter ended March 2023 (Q4FY23), against Rs 8,860 crore profit recorded in the same period of the previous year.

Standalone revenue for the state-run oil and gas major increased by 5.2 per cent to Rs 36,293 crore from Rs 34,497 crore in the year-ago period.

However, the operating margins for the quarter declined by 800 basis points year-on-year, standing at 48 per cent.

The company's Board has recommended a final dividend of Rs 0.5 per equity share for FY 2022-23. The total dividend for FY'23 would be 225 per cent (Rs.11.25 per share of face value Rs 5 each) with a



total payout of Rs. 14,153 crore. This includes interim dividend of 215 per cent (Rs. 10.75 per share) already paid during the year.

During FY 2022-23, ONGC announced a total of eight discoveries, with five on land and three offshore. Among these, three are prospects (two on

land and one offshore), while five are pools (three on land and two offshore).

ONGC attributed the decline in its net profit to a provision of Rs 12,107 crore made in the quarter. This provision is related to disputed Service tax and GST on royalty and interest from April 1, 2016, to March

The company's Board has recommended a final dividend of Rs 0.5 per equity share for financial Year 2022-23

31, 2023.

The company stated that this provision was made as a precautionary measure and it intends to challenge these disputed matters in various legal forums based on legal opinions.

On May 26, ONGC shares closed at Rs 163.75 on the National Stock Exchange, representing a loss of Rs 2.25 (-1.36 per cent) compared to the previous close. AGENCIES

MAJOR MARITIME SERVICES COMPANY DROPS 21 GATIK VESSELS

India's imports of Russian oil in troubled waters

JONATHAN SAUL &
NIDHI VERMA
London/New Delhi, May 26

LLOYD'S REGISTER HAS told Mumbai-based Gatik Ship Management, which has become a major carrier of Russian oil since the Ukraine war, that it will withdraw certification of 21 of its vessels by June 3, the maritime services company told Reuters.

It is the latest setback for Gatik, which was also been forced to find new flags for 36 of its ships after they were deflagged by the St Kitts & Nevis International Ship Registry.

"Lloyd's Register is committed to facilitating compliance with sanctions regulations on the trading of Russian oil," it said in an email to Reuters. "Where supported by evidence, we withdraw class and

CRUDE FACTS

■ Lloyd's Register to withdraw certification of 21 Gatik Ship Management's vessels by June 3

■ The maritime services company's certification is vital for securing insurance and entry to ports

■ Gatik emerged this year as a leading carrier of Russian oil to India using a fleet of over
40 tankers

■ India imported **2.76 MT** of Russian oil in vessels managed by Gatik in the first four months of 2023

■ According to Refinitiv data, about **1.36 MT** of Russian crude is earmarked for arrival in India in May and June on Gatik tankers

services from any vessels found by the relevant authorities to be breaching international sanctions."

Classification societies such as Lloyd's Register in London provide services, including seaworthiness

checks, certification that is vital for securing insurance and entry to ports. Lloyd's said, however, that 11 of the Gatik vessels it was declassifying were also certified by the Indian Register of Shipping (IRClass).

Gatik did not respond to emailed requests for comment.

A major US insurer, the American Club, also told Reuters it was no longer providing cover for Gatik ships, while Russian insurer Ingos-

trakh said it would not work with Gatik in future. Neither the insurers, Lloyd's Register nor the flag registry spelled out the reasons.

Disruption and limits

In response to Russia's invasion of Ukraine, Western powers imposed a price cap on Russian crude of \$60 a barrel. While non-EU countries can import seaborne Russian crude, Western shipowners and insurers are prohibited from handling such cargoes unless they are sold at or below that price.

Last month, spot prices for Russian crude rose above \$60 a barrel and some ship insurance executives said they were nervous of falling foul of the rules as they were unable to independently track the value of cargoes.

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India's imports of Russian oil in troubled waters

INDIA DOES NOT recognise the sanctions imposed on Russia and has quickly become the biggest buyer of seaborne Russian crude. Western efforts to curtail the amount of revenue Russia earns from its energy resources are having a disruptive impact, as are Western sanctions on oil exports from other countries such as Iran and Venezuela.

But the opacity and limited oversight of the shipping sector means many vessels with cargoes from countries targeted by sanctions continue to sail by finding new flags and non-Western registries or insurers, raising concerns about safety and liability.

Every ship requires documents including a flag registry.

While Lloyd's Register is dropping classification for 21 Gatik ships, at least 28 were listed as certified by the Indian Register of Shipping, according to the IRI class website.

IRI class, which is recognised globally, did not respond to requests for comment.

Insurance lost

Gatik emerged this year as a leading carrier of Russian oil to India using a fleet of tankers that has numbered more than 40, shipping data shows.

American Club, one of the world's top 12 P&I insurers which combined provide cover for about 90% of the world's ocean going tonnage, said it previously covered most Gatik ships but as of early April was no longer covering them, declining to say why.

Ingosstrakh, a large Russian insurer active in ship coverage but not part of the top 12, told *Reuters* this month that its insurance cover for Gatik's Prometheus tanker expired in April and had not been renewed.

—REUTERS

Ujjwala to free ration: BJP highlights govt work

EXPRESS NEWS SERVICE
New Delhi, May 26

THE BJP on Friday hosted multiple informal interactions to highlight “domestic” and “global” achievements of the Narendra Modi government, which is set to complete nine years on May 30.

A senior party leader said such meetings among “specific focus groups” began after the prime minister’s return from a five-day international visit Thursday.

A booklet — ‘Sewa, Sushasan and Garib Kalyan’ — on the Modi government’s achievements was released at Friday’s event, which was attended by several BJP leaders and senior ministers.

The party sought to highlight “inclusive” welfare schemes such as the Pradhan Mantri Ujjwala Yojana (PMUY), under which 96 million LPG connections were issued, and the free ration distribution to 800 million people during the Covid pandemic, among others.

Prime Minister Modi, a senior party leader said, was the



first person to become the ‘Pradhan Sewak’ of the country in 2014.

“The country has a ‘Metro Man’, but in true terms, this title belongs to Modi ji if we factor in the magnitude of expansion that this sector has seen,” the senior leader said.

Emphasising the PM’s dedication, the leader said, “He came back to work as soon as he could after the day he lost his mother. This is a prime minister for whom India is passion.”

Among other achievements of the government over the past nine years was the construction of 117.2 million ‘Samman

Ghars’ or public toilets for women in villages across the country. India also now has the world’s largest public health care programme in the form of the Ayushman Bharat Yojana, a leader said.

Also, more than 9,300 Jan Aushadhi Kendras materialised on one hand while the country’s farmers benefited from the direct transfer of a ‘Samman Rashi’ of ₹6,000.

Seeking to stress on creation of infrastructure and what a senior party leader termed was a focus on the creation of national assets, the party sought to underline that 74 new airports were constructed over the past nine years while the total number of airports in 2014 was 74.

Similarly, the party sought to highlight that almost 54,000 km of national highways were constructed in the past nine years as compared to the 91,000 km of highways in existence till 2014. According to the party, 111 waterways had been chalked out and metro rail connectivity reached 15 cities from five.





PetroChina, BP get access to Rotterdam terminal

London: PetroChina

International and energy giant BP have won a tender that will allow each to handle 2 billion cubic metres of gas annually for 20 years at Rotterdam's Gate terminal. PetroChina said it is gradually expanding its global LNG portfolio through long-term investments. REUTERS

ONGC Sees ₹248 Cr Loss in Q4

Our Bureau

New Delhi: Oil and Natural Gas Corp (ONGC) has swung to a loss of ₹248 crore in the fourth quarter after it provided for disputed taxes on royalty. It had reported a profit of ₹8,860 crore in the year-ago quarter. Revenues rose 5% year-on-year to ₹36,293 crore in the fourth quarter on higher gas prices.

“During the quarter and year ended March 31, 2023, the company has provided ₹12,107 crore towards disputed taxes of sales tax /goods and services tax on royalty for the period from April 1, 2016 to March 31, 2023 together with interest thereon,” ONGC said in a statement. This “adversely impacted the profitability” for the fourth quarter as well as for the full year

and the company “shall continue to contest such disputed matters before various forums based on the legal opinion,” it added.

Company has provided ₹12,107 crore towards disputed taxes of sales tax /goods and services tax on royalty'

The earnings were also hurt by the rise in exploration cost write-off, which increased 76% year-on-year to ₹4,469 crore in the fourth quarter.

Profit for the full year 2022-23 fell 3.7% to ₹38,829 crore. Annual revenue rose 41% to ₹1,55,517 crore.

ONGC's crude price realisation from the nominated fields fell 12% year-on-year to Rs 6,343 per barrel in the fourth quarter while gas price realization rose 195% to \$8.57 per MMBtu.

The company's crude production fell 2.9% year-on-year in the fourth quarter and gas output shrank 1.5%.

The company has declared a final dividend of 50 paise per share. Ahead of earnings, shares in ONGC closed 1.62% lower on Friday when the BSE Sensex ended 1% higher.

Plan being discussed to create petroleum reserves from salt caverns in Rajasthan

SUKALP SHARMA
NEW DELHI, MAY 26

INDIA IS exploring the idea of developing salt caverns in Rajasthan as strategic petroleum reserves and public sector consultancy company Engineers India Ltd (EIL) has been tasked with studying its prospects and feasibility.

According to EIL's Chairman and Managing Director Vartika Shukla, the company's recent partnership with Germany's DEEPKBB GmbH is in line with the objective as neither EIL nor any other Indian company has the requisite technical knowhow, which the German company has.

The country has three strategic petroleum reserves at Mangaluru, Padur, and Visakhapatnam, but all of these are made up of excavated rock caverns. Over the past decade, while there were plans to build a strategic oil reserve in Rajasthan's Bikaner, the project never really took off. Shukla said that examining the possibility of salt cavern-based strategic storage in Rajasthan can be seen as a renewal of that proposal.

"There are formations in geology which have salt inside. The salt has to be taken out and then the caverns have to be prepared for storage of crude. Majority of the caverns in the south in America, in the Houston area, are all salt caverns. EIL and Indian companies do not have the technology for preparing salt formations underground for cavern storage of crude. We have done this alliance to get this technology into the country," Shukla said.

On being asked about the likely project cost and whether any specific site is being considered, Shukla said that it is too

EXPLAINED

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Salt caverns a cheaper option

UNLIKE ROCK caverns, which are developed through excavation, salt caverns are developed by pumping water into geological formations with large salt deposits to dissolve the salt. Then the salt cavern is created by draining out the salt dissolved in water. Developing salt caverns is said to be easier, faster, less labour-intensive, and cheaper than building a rock cavern.

early to draw up a cost estimate or zero in on a specific site. But she added that the idea is that it would be somewhere in Rajasthan, as it is the state in India that has salt caverns.

Rajasthan has a forthcoming refinery in Barmer and has crude pipelines as well, and such infrastructure is conducive for building strategic oil reserves.

"Once the technology or knowledge is there, only then we can have estimates as to what kind of costs will be involved, and there are so many other factors as well. There will be many steps to project approval and they will be taken step by step. But it is important that India gets that technology, EIL gets that technology to... get an estimate and see how feasible it is," she said.

India's strategic petroleum reserves have a cumulative capacity of 5.33 million tonnes of crude, and can meet around 9.5 days of the country's oil demand. The strategic oil reserves come under the petroleum ministry SPV Indian Strategic Petroleum Reserve.



ONGC REVENUE FROM OPS RISE 5% IN JAN-MAR TO ₹164,066 CRORE

Crude oil price realisations in Q4 declined to \$77.12 per bbl from \$94.98 a year ago

INFORMIST / New Delhi

Oil and Natural Gas Corp Ltd posted a net loss in the March quarter, against expectation of a net profit, largely because of a one-time expense of 92.35 bln rupees related to disputed tax liabilities. The company's revenue from operations during the January-March quarter stood at Rs 164,066.72 crore, registering a growth of five per cent, compared to Rs 155,946.99 crore in the year-ago period.

The state-owned upstream major reported a net loss of 2.48 bln rupees in Jan-Mar, while analysts had expected a net profit of 107.85 bln rupees. In the year-ago quarter, the company had reported a net profit of 88.60 bln rupees.

ONGC's crude oil price realisations for the March quarter declined to \$77.12 per bbl from \$94.98 a year ago, mainly due to a fall in global crude oil prices. However, domestic gas prices were significantly higher on a year-on-year basis, resulting in higher gas price realisations of \$8.57 per mBtu against \$2.90 per mBtu a year ago.



The company's crude oil output in Jan-Mar declined 2.9% on year to 5.24 mln tn.

Meanwhile, Mint reported that the company's board declared a final dividend of Rs 0.5 per equity share of the face value of Rs 5 each (10 per cent) for the financial year 2022-23, upon the approval of shareholders. The total dividend for FY23 is 225 per cent (Rs.11.25 per share of face value Rs 5 each) with a total payout of Rs. 14,153 crore.

This includes the interim dividend of 215

Domestic gas prices were significantly higher on a year-on-year basis, resulting in higher gas price realisations of \$8.57 per mBtu against \$2.90 per mBtu a year ago

per cent (Rs. 10.75 per share), which was paid during the year and the final dividend of 10 per cent (Rs.0.50 per share) which has been recommended by the board on May 26.

During the quarter and year ended March 31, 2023, the company has provided Rs. 12,107 crore towards disputed taxes of ST/GST on royalty for the period from April 1, 2016 to March 31, 2023 together with interest.

In terms of production, the total crude oil output during the March quarter stood at 5.23 million metric tonnes (MMT), posting a drop of 2.9 per cent, compared to 5.39 MMT in the year-ago period. The oil output for FY23 stood at 21.485 MMT as against 21.707 MMT in FY22, Mint reported.

Gujarat: ONGC asked to pay damages for crude oil leak in Bharuch district

PTI ■ BHARUCH

The Gujarat Pollution Control Board (GPCB) has ordered the Oil and Natural Gas Corporation (ONGC) to pay Rs 50 lakh in damages for the spillage of crude oil from its pipeline in Bharuch district, an official said on Friday.

It has been alleged that 25 camels died after drinking water contaminated with the spillage on Sunday, though the central government-controlled oil major has denied it.

An agricultural field near Kachhipura village was found covered in crude oil leaked from a pipeline belonging to ONGC on Sunday, said Bharuch-based GPCB regional officer Margi Patel. The board



ordered inquiry after the death of camels was reported.

"We have directed ONGC to pay Rs 50 lakh as environmental damage compensation (to the state authorities)," Patel said.

The actual cause of the death of the camels will be clear only after the autopsy report is available, the official said.

The GPCB has also directed the ONGC to clean up the site, she added.

ONGC posts ₹248 crore standalone loss in Q4, declares 225% dividend

MANISH GUPTA

New Delhi, May 26

STATE-OWNED OIL and Natural Gas Corporation (ONGC) on Friday reported a standalone loss of ₹248 crore in Q4 FY23, against a net profit of ₹8,860 crore in the year-ago quarter due to an exception provision of ₹12,107 crore towards disputed taxes.

The corporation recorded 5.2% hike in its gross revenue to ₹36,293 crore in the quarter ending March 2023



as against ₹34,497 crore in the Q4 FY22, as per the company financial results filed in

an exchange.

For full year FY23, the net profit fell 3.7% to ₹38,829 crore and the gross revenue shot up 40.9% to ₹155,517 crore.

ONGC declared highest ever total dividend of 225% for FY23 (₹ 11.25 per share of face value ₹5 each) with a total payout of ₹ 14,153 crore. This includes interim dividend of 215% (₹10.75 per share) already paid during the year and final dividend of 10% (₹ 0.50 per share).

FINANCIAL EXPRESS
READ TO LEAD

Sat, 27 May 2023

<https://epaper.financialexpress.com/c/72525416>



Beating plastic pollution



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The scale of the challenge is evident from the fact that the Environment Day this year restates the goal it first outlined five years ago

THE THEME FOR this year's World Environment Day on June 5 is #BeatingPlasticPollution. In 2018, when India was the host nation, the theme was the same. In the 50 years of Environment Day, themes, which have ranged from conscious consumption to protecting marine ecosystems, have overlapped quite a few times. But, there have been no explicit repeats. Why are we back where we were five years ago? The answer is the world's failure to move meaningfully away from plastics. In short, beating plastic pollution remains the great white whale of environmental efforts.

The global production of plastics has risen almost 200 times in seven decades—the average male life expectancy. It was two million tonnes in 1950 and, in 2021, it had risen to more than 390 mt. And more than half of the total plastics over this period was produced and marketed only since 2000. Bear in mind, these figures are plastics industry submissions. If one were to include synthetic fibres, the total plastic production would be much higher.

Of the plastics produced so far since 1950, almost two-thirds ended up in the environment, including in landfills, while only just over a quarter is still in use, as per one estimate. Recycling, the most effective plastic-pollution solution, accounts for a mere 6-9% of the plastics produced so far.

The plastic pollution problem, though, is not merely one of waste, but also one of a massive carbon footprint—production and disposal of the material through incineration, the European Commission

estimates, emits close to 400 million tonnes of carbon dioxide annually. For perspective, the annual energy savings from recycling all global plastic waste is pegged at an equivalent of 3.5 billion barrels of oil per year. With every year of our plastic addiction, the emission challenge will only worsen—the production, use and disposal of fossil-fuel-based plastics is forecast to reach 19% of the global carbon budget by 2040.

What is behind our addiction to plastics? There are, of course, many uses of the polymer and there is hardly any sector that is untouched by it. But, our problem largely is one of single-use plastics. Almost 50% of the plastics used can be dubbed under the head of packaging material; globally, the UNEP says, one million plastic bottles are purchased every minute while a whopping five trillion plastic bags are used every year. The use-and-throw nature of many classes of plastic products—which never degrade and are only capable of becoming ever smaller particles—explains why beating plastic pollution has been such an insurmountable challenge. And, single-use plastics have a rather heavy carbon footprint, with 98% of these being produced from “virgin” feedstock, that is, from fossil fuels and not plastics already produced.

Pictures/videos of giant plastic islands in the oceans, turtles and seal-pups choking on six-pack yokes, and cattle with plas-

tic bags in their rumen may stir us enough to vehemently demand action every now and then, but there are even deadlier consequences that we have become aware of only lately. Micro and nanoplastics, fragments that the naked eye can't see, have now permeated almost every sphere of our habitats, and are now part of the planet's fossil record, marking the Anthropocene, the age of humans.

Our agriculture is 4-23 times more likely to be contaminated by microplastics than our oceans. Microplastics are entering our body through food, drinking

water, through the air we breathe, and even our skin. They are being detected in our lungs, livers and other key organs. Such is the exposure that it is likely to become congenital—a study showed presence in the placenta. The health effects are

yet unknown, but there is evidence of chemicals linked to plastics causing severe health concerns.

None of this would be news to most. And yet, we seem to be resigned to a presumed inevitability of plastic pollution, outside our bodies and within. Indeed, by 2050, we are expected to produce almost 4 times the plastics we do today. And going by the scenario today, the OECD projects, plastic waste will almost triple by 2060, with half of all plastic waste still ending up in landfills and less than a fifth recycled.

India, though the second-largest plastic polluter after the US (the margin between the two is quite a large one), doesn't figure among the ten worst per capita polluters. If the economic growth that it targets over the next few years is realised, this could change. The country has attempted single-use plastic bans, but to limited effect. The items identified for the ban have very low utility quotients along with high environmental impact. But the fact is they constitute only a single-digit share (by percentage) of the total waste generated.

Meanwhile, affordable alternatives to the banned items—to illustrate, plastic bags under a certain thickness—continue to be a seemingly unsolvable riddle. The recycling capacity remains inadequate if not marginal. And the disincentives, including in terms of jobs in both the organised plastic industry and the unorganised waste processing segment, remain heavily skewed against a meaningful crackdown.

The UNEP and OECD both see a solution in a circular economy for plastics. To that end, India's Plastic Waste Management Rules contain a germinal element, in the Extended Producer Responsibility that mandates manufacturers to collect and process end-of-life products, quite like what Japan has tried to do over more than a couple of decades now. But implementation remains a challenge, with waste collection still left to the unorganised sector. Also, given waste management is under the domain of states, there has to be a truly federal push. Else, we stare at a plastic-poisoned future.

Disincentives, including in terms of jobs in the organised plastic industry and the unorganised waste collection and processing segment, remain skewed against meaningful action

ई-फ्यूल पर भी दौड़ेगी हंटर 350

हंटर 350 रॉयल एनफील्ड की लोकप्रिय बाइक में से है। हाल ही में इस बाइक के इंजन को बीएस6 फेज2 के नए मानकों के आधार पर अपडेट किया गया है।



रॉयल एनफील्ड ने अपनी मोटरसाइकिल हंटर 350 (ओबीडी2) में कुछ बदलावों के साथ इसे पेश कर दिया है। इसके इंजन को बीएस6 फेज-2 के नए आरडीई मानक के अनुसार अपडेट किया गया है। यानी अब यह मोटरसाइकिल इथेनॉल मिक्स पेट्रोल से भी चलेगी।

फीचर्स

यह बाइक छह पेंट स्कीम रिबेल रेड, रिबेल ब्लू, रिबेल ब्लैक और डेपर ग्रे, डेपर एश और डेपर वाइट में रेट्रो-स्टाइल डिजाइन के साथ आती है, जिसमें एक साउंड हेडलैप, सर्कुलर टर्न इंडिकेटर, ओआरवीएम और टेललाइट्स जैसे फीचर्स हैं। इसमें टियरड्रॉप आकार का फ्यूल टैंक है, जिसपर रॉयल एनफील्ड बैज देखने को मिलता है। यह छोटी रॉयल एनफील्ड बाइक के तौर पर लोकप्रिय है। बाइक की वेबसाइट के अनुसार किशतों में खरीदने पर डाउन पेमेंट यानी 4999 रुपये ही पड़ रहा है और इसके बाद आपको कुछ शर्तों और विकल्पों वाला ईएमआई प्लान लेना होगा।

बाइक का दमखम

नई हंटर 350 में 349 सीसी, सिंगल-सिलेंडर, 4-स्ट्रोक एयर-ऑयल कूल्ड इंजन है, जो फ्यूल इंजेक्शन टेक्नोलॉजी से लैस है। इसका 5-स्पीड गियरबॉक्स वाला इंजन 6100 आरपीएम पर 20.2 बीएचपी की पावर और 4,000 आरपीएम पर 27एनएम का अधिकतम टॉर्क जनरेट करता है। इस दमदार स्टाइलिश बाइक की टॉप स्पीड 114 किलोमीटर प्रति घंटा है। जिसका व्हीलबेस 1370 मिलीमीटर लंबा है। बाइक में 25 डिग्री का शार्प रेक एंगल है। फ्यूल टैंक 13-लीटर का फ्यूल टैंक दिया गया है। सभी वेरिएंट डुअल-चैनल एबीएस (एंटी-लॉक ब्रेकिंग सिस्टम) के साथ आते हैं।

क्या है कीमत

इस बाइक की एक्स शोरूम कीमत 1,49,900 रुपयों से लेकर 1,68,900 रुपयों के बीच है।

समझें ई20 फ्यूल का गणित

जियो-बीपी के तैयार किए ई20 पेट्रोल में 80% पेट्रोल और 20% इथेनॉल है। दिल्ली में एक लीटर पेट्रोल की कीमत करीब 96 लीटर है। इसके हिसाब से 80% पेट्रोल की कीमत 76.80 रुपये हुई। इसी तरह, इथेनॉल की कीमत 55 रुपये प्रति लीटर तक है, यानी 20% इथेनॉल की कीमत 11 रुपये हुई। इस तरह एक लीटर ई20 पेट्रोल में 76.80 रुपये का सामान्य पेट्रोल और 11 रुपये का इथेनॉल शामिल हैं और एक लीटर ई20 पेट्रोल की कीमत 87.80 रुपये पड़ी। ये सामान्य पेट्रोल से 8.20 रुपये सस्ता है। पेट्रोल और इथेनॉल की कीमतों से ही ई20 पेट्रोल की कीमतें तय होंगी।

सर्वेश्वर

