

'Declaring City Gas Networks as Common Carriers may Face Litigation'

New Delhi: The petroleum and natural gas ministry has told the sector regulator that the latter's proposed regulation on declaring a city gas distribution (CGD) network as a common carrier may lead to litigation as it fails to address the issues raised in previous court cases on the matter.

Previous attempts of the Petroleum and Natural Gas Regulatory Board (PNGRB) to declare city gas networks common carriers have been challenged in court.

To help resolve the issue, the board issued a fresh draft regulation earlier this year – PNGRB (Guiding Principles for Declaring City or Local Natural Gas Distribution Net-



works as Common Carrier or Contract Carrier) Regulations, 2023 – and sought stakeholders' views.

In its views posted on the PNGRB website, the ministry and some city gas companies have said that the draft doesn't contain "guiding principles" but is "procedural in nature".

"Owing to the similarity to the 2020 regulations, notifying the 2023 regulations may lead to litigation again since the 2023 regulations also fails to address the grounds raised in the petitions challenging the 2020 regulations," the ministry said. — **Our Bureau**

Balmer Lawrie plans to expand revenue streams

PTI ■ KOLKATA

Balmer Lawrie & Company will engage a consultant to study the feasibility of entering new business areas, such as the production of ethanol and green hydrogen, to expand its revenue streams, a top official of the firm said on Wednesday.

The diversified PSU, under the administrative control of the Ministry of Petroleum and Natural Gas, currently has eight strategic business units with industrial packaging and logistics services being the key revenue generators of the company.

The Kolkata-headquartered company recorded an annual turnover of Rs 2,380 crore in the last financial year.

"We are in the process of

engaging a consultant to study the feasibility of entering new areas of businesses like manufacturing of ethanol and green hydrogen and doing third-party logistics (3PL).

"The company has ambitious targets and growth plans. The study will find out whether we have the capability and bandwidth to enter these new lines of businesses", Balmer Lawrie Chairman and Managing Director Adika Ratna Sekhar told reporters after the company's AGM here.

The company aims at garnering a revenue of Rs 3,000-4,000 crore in the next two years, and Rs 5,000 crore in the next three to four years, he said, adding that there is a need to increase the revenue streams to meet these targets.

How To Read The Oil Price Spike

Minus geopolitical shocks, India's macroeconomy can handle costlier crude. Even though inflation is cost-push, RBI will likely opt for status quo on high interest rates

Dharmakirti Joshi



Inflationary pressures in an economy can emerge from strong demand, supply shocks or a combination of both. Recent noise on this front has been due to supply shocks from food. Now the worry is the continuous rise in crude oil prices.

Core inflation – obtained by removing fuel and food inflation from the headline number – which indicates pressure from demand on prices, remained below 5% in July and August when headline inflation had spiked to an average 7.1%.

The first quarter (April-June) saw strong gross domestic product (GDP) growth of 7.8%, while inflation softened to 4.6%. In the second quarter (July-September), growth is expected to slow, while inflation has already spiked.

And despite the lower GDP growth projection, CPI inflation will remain above RBI's upper tolerance band of 6%. In the first two months of this quarter, it has averaged 7.1%.

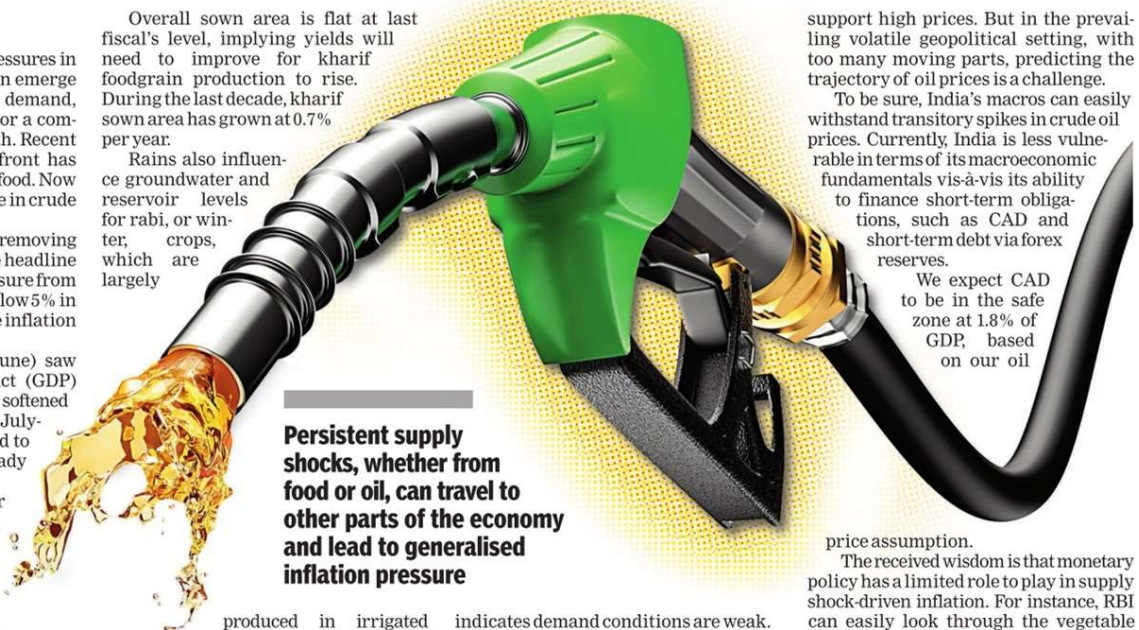
The spike in July and August was due to supply shock, particularly in vegetables. That is now correcting. That means, the inflation pressure being seen now has less to do with economic activity.

This second-quarter spike has persuaded CRISIL to raise its consumer inflation forecast for this fiscal to 5.5% from 5%. In our base case, we see the spike in inflation correcting by the third quarter due to proactive and reactive supply enhancing measures by the government, and seasonal arrival of vegetables.

But the underlying assumption here is that the monsoon has picked up well in September after the driest August in 123 years. Indeed, rains have picked up as predicted by the Indian Meteorological Department. But cumulative rainfall till September 26 was still 6% below the long period average, or 'deficient'.

Overall sown area is flat at last fiscal's level, implying yields will need to improve for kharif foodgrain production to rise. During the last decade, kharif sown area has grown at 0.7% per year.

Rains also influence groundwater and reservoir levels for rabi, or winter, crops, which are largely



Persistent supply shocks, whether from food or oil, can travel to other parts of the economy and lead to generalised inflation pressure

produced in irrigated areas. With the El Niño effect at play, the risk from the last leg of monsoon to cereal inflation is present despite the improvement in September rains. So, the government will have to shore up supplies of food grains to check food inflation.

The cruel twist is, just as the risk to inflation from rising food prices was reducing, the crude oil price started rising and is now around \$93 per barrel (September average for Indian basket of crude oil).

Sure, that's lower than last year's peak of \$129 seen on June 8, 2022, but the point is, it is up around 11% since April – primarily because of supply cuts by oil-producing countries, rather than soaring demand.

This follows slowing global growth, led by Europe. The S&P Global and GEPS supply chain indices show spare capacity, which

indicates demand conditions are weak.

CRISIL's inflation forecast assumes crude oil averaging \$90-85 for this fiscal, compared with around \$81.5 in April-September (till September 19). Rising crude prices, if sustained, can show up as higher headline inflation print via direct and cascading effects – through higher prices at the retail pump, and through higher production and transport costs, respectively.

This can also push up the fiscal and current account deficit (CAD) given high subsidies and import dependence. It can also moderate GDP growth. The Economic Survey for 2017-18 had noted that a \$10 per barrel jump in oil price brings down GDP by 20-30 basis points (a basis point is one-hundredth of a percentage point).

To what extent these side effects will play out will depend on how much crude prices rise and how long they stay up. With global growth prospects weak, demand for crude is unlikely to rise to

support high prices. But in the prevailing volatile geopolitical setting, with too many moving parts, predicting the trajectory of oil prices is a challenge.

To be sure, India's macros can easily withstand transitory spikes in crude oil prices. Currently, India is less vulnerable in terms of its macroeconomic fundamentals vis-à-vis its ability to finance short-term obligations, such as CAD and short-term debt via forex reserves.

We expect CAD to be in the safe zone at 1.8% of GDP, based on our oil

price assumption.

The received wisdom is that monetary policy has a limited role to play in supply shock-driven inflation. For instance, RBI can easily look through the vegetable inflation spike in July-August this year. That said, it has to carefully monitor cereal inflation and now the added stress from rising crude oil prices.

Low core inflation provides some relief to policymakers at this juncture and inflation pressure so far has been localised to food. But persistent supply shocks, whether from food or oil, can travel to other parts of the economy and lead to generalised inflation pressure.

RBI will therefore need to ensure that demand conditions do not lead to generalisation of inflationary pressures from supply shocks. What that also means is interest rates are likely to remain higher for longer.

Consequently, the Monetary Policy Committee of RBI is unlikely to change the repo rate or its neutral stance during the upcoming October review.

The writer is chief economist, CRISIL Ltd

IGL achieves record numbers in FY23

Provided 3.1 lakh new PNG connections in 2022-23 in its areas of operation

MPOST BUREAU

NEW DELHI: Despite a year of high input gas cost, Indraprastha Gas Limited (IGL), the largest CNG distribution company of the country was able to achieve record top line and bottom line numbers in Financial Year 2022-23. In line with the massive push by the government to expand CNG and PNG infrastructure across the country, IGL was able to provide 3.1 lakh new PNG connections in 2022-23 in its areas of operation overcoming various hurdles.

In addition to the above, 81 new CNG stations had been set up during this period, thereby taking the total number of CNG stations set up by IGL to 792.

This was announced by R K Jain, Chairman, IGL, while addressing the shareholders at the 24th Annual General Meeting of the company in New Delhi today through virtual mode.

Addressing the shareholders, Jain informed that during



the fiscal, IGL achieved gross turnover of Rs. 15,543 crores and PAT was Rs. 1,445 crore. The consolidated PAT of IGL after considering the contribution of the Associate Companies namely, Central UP Gas Limited (CUGL) and Maharashtra Natural Gas Limited (MNGL) was Rs. 1,640 crore. The net worth of the Company was over Rs 7,086 crore as on March 31, 2023. He added that IGL is confident to better its own performance in the ongoing financial year and the first quarter results bear testimony to that fact.

Jain also gave an overview

of future plans of the organization involving consolidation of its presence in existing areas as well as expansion in new geographical areas. Referring to the diversification plans for future growth, he informed that IGL has set up a new joint venture company, IGL Genesis Technologies Ltd., to manufacture meters as a step towards backward integration.

Highlighting IGL's commitment to providing sustainable clean energy solutions, Mr. Jain informed that IGL is actively participating under SATAT and GOBAR-DHAN government

schemes to facilitate waste management and to promote use of Compressed Bio Gas.

He also disclosed that IGL is exploring opportunities to set up Solar Power and Green Hydrogen generation plants. He added that IGL is already in the process of setting up EV charging and battery swapping facilities.

Speaking about the customer centric approach adopted by IGL across its operations, Jain shared that IGL is making conscious efforts to upgrade its services by leveraging technology in all its customer operations. He informed that IGL has been focusing on upgrading various modes of customer interaction through IGL Connect Mobile Application and Customer portal to include new functionalities. He also shared the initiatives undertaken in the areas of Health Safety and Environment as well as CSR. Jain later replied to the questions of the shareholders.



IGL posts record top line in FY23

New Delhi: Indraprastha Gas Limited (IGL) on Wednesday said it reported a record top line and bottom line numbers in financial year 2022-23. In line with the push by the government to expand CNG and PNG infrastructure, IGL was able to provide 3.1 lakh new PNG connections in FY23 in its areas of operation overcoming various hurdles. **ENS**



ONGC signs crude oil sale pact with MRPL



Mangaluru: Oil and Natural Gas Corporation has inked the crude oil sales agreement (COSA) with Mangalore Refinery and Petrochemicals Ltd (MRPL) for the sale and purchase of crude oil. The current agreement between ONGC and MRPL will be applicable till March 31, 2024. A statement by MRPL said the agreement between the two group companies is expected to bring synergy and is expected to streamline the sale and purchase transactions of crude oil from ONGC's fields in Mumbai High. OUR BUREAU

Panel to finalise gas distribution policy set up

CHANDIGARH, SEPTEMBER 27

The state government has constituted a state-level apex committee, under the chairmanship of Chief Secretary Sanjeev Kaushal, to finalise the City Gas Distribution Policy, 2023.

The objective is to streamline the approval process, including infrastructure development and end-user connections. Additional Chief Secretaries of the departments of Home, Agriculture and Farmers' Welfare, Public Works, Industry and Commerce, Environment, Forest, and Wildlife; Development and Panchayat; and Town and Country Planning; besides secretaries of the Irrigation and Water Resources Department and Urban Local Bodies Department will be the committee members. — TNS

नीति आयोग एनएफएसए, रसोई गैस सब्सिडी के मूल्यांकन को तकनीकी सलाहकार नियुक्त करेगा

वैभव न्यूज ■ नई दिल्ली

नीति आयोग राष्ट्रीय खाद्य सुरक्षा अधिनियम (एनएफएसए) और रसोई गैस सब्सिडी के क्रियान्वयन का मूल्यांकन करने के लिए एक तकनीकी सलाहकार नियुक्त करने पर विचार कर रहा है। इसका मकसद यह सुनिश्चित करना है कि लाभ पात्र लाभार्थियों तक पहुंचे। सरकारी शोध संस्थान के विकास निगरानी एवं मूल्यांकन कार्यालय (डीएमईओ) ने केंद्रीय समन्वय एजेंसी के लिए एक तकनीकी सलाहकार की नियुक्ति को निविदा जारी की है। यह तकनीकी सलाहकार राष्ट्रीय खाद्य सुरक्षा अधिनियम और रसोई गैस सब्सिडी का मूल्यांकन करेगा। डीएमईओ ने आरएफपी (अनुरोध प्रस्ताव)



दस्तावेज में कहा, सरकार 2013 में बने राष्ट्रीय खाद्य सुरक्षा अधिनियम (एनएफएसए) के जरिए दुनिया में सबसे बड़े सार्वजनिक खाद्य व पोषण सुरक्षा नेटवर्क को स्थापित करती है। दस्तावेज के अनुसार, बड़े सार्वजनिक व्यय के बावजूद, भारत में खाद्य सुरक्षा तथा पोषण संबंधी परिणामों में प्रगति धीमी रही है। वैश्विक स्तर पर भरपेट भोजन से वंचित लोगों में भारत का हिस्सा 30 प्रतिशत है।

राष्ट्रीय खाद्य सुरक्षा अधिनियम योजनाओं के एक नेटवर्क के माध्यम से रियायती कीमतों पर खाद्यान्न के वितरण, पका हुआ भोजन, घर ले जाने के लिए रशन और खाद्य सुरक्षा भत्ते के लिए कानूनी आदेश प्रदान करता है। इन योजनाओं में लक्षित सार्वजनिक वितरण प्रणाली (टीपीडीएस), एकीकृत बाल विकास योजना (आईसीडीएस) और मिड-डे-मील (एमडीएम) योजना शामिल है। टीपीडीएस के तहत खाद्य सब्सिडी लागू करने की लागत 2021 (संशोधित अनुमान) में 4,22,618.11 करोड़ रुपए थी। एमडीएम तथा आईसीडीएस को लागू करने की लागत क्रमशः 12,900 करोड़ रुपए और 17,252.21 करोड़ रुपए (संशोधित अनुमान) थी।

सरकार सिटी गैस डिस्ट्रीब्यूशन के लिए बना रही पॉलिसी

चंडीगढ़, 27 सितंबर (ट्रिब्यून)

हरियाणा सरकार ने सिटी गैस डिस्ट्रीब्यूशन पॉलिसी बनाने पर काम शुरू कर दिया है। इसके लिए सरकार ने मुख्य सचिव संजीव कौशल की अध्यक्षता में स्टेट लेवल अपेक्स कमेटी का गठन किया है। यह कमेटी अंतिम उपयोगकर्ताओं के लिए चार्ज किए गए कनेक्शन तक बुनियादी ढांचे को तैयार करने के लिए मंजूरी से शुरू होने वाली अनुमोदन प्रक्रिया को तर्कसंगत बनाएगी। इस संदर्भ में सरकार ने नोटिफिकेशन जारी किया है। कमेटी में गृह, कृषि एवं किसान कल्याण, पीडब्ल्यूडी, उद्योग एवं वाणिज्य, वन एवं वन्यजीव, विकास एवं पंचायत विभाग तथा टाउन एंड कंट्री प्लानिंग विभाग के अतिरिक्त मुख्य सचिव को बतौर सदस्य शामिल किया है। इसी तरह से कमेटी में सिंचाई एवं जल संसाधन और शहरी स्थानीय निकाय विभाग के आयुक्त एवं सचिव, एचएसवीपी के मुख्य प्रशासक, एचएसआईआईडीसी के प्रबंध निदेशक तथा एचएसपीसीबी के सदस्य सचिव इस समिति के सदस्य के रूप कार्य करेंगे। उद्योग एवं वाणिज्य विभाग के महानिदेशक कमेटी के सदस्य सचिव होंगे।