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# Potential restructuring won't impact business, says ONGC

JYOTI MUKUL

New Delhi, 28 April

The Oil and Natural Gas Corporation (ONGC) on Wednesday defended its business prospects as also government strategy, stating that the ongoing discussions with stakeholders were helping it raise issues important for the company and any "potential" restructuring would not significantly affect the company.

News agency PTI had on April 25 reported the petroleum ministry told ONGC to sell stake in producing oil fields such as to Ratna R-Series to private firms, get foreign partners in the Krishna Godavari basin gas fields, monetise existing infrastructure, and hive off drilling and other services into a separate firm to raise production.

Amar Nath, additional secretary (exploration) in the mini-

stry, on April 1 had written to ONGC Chairman and Managing Director Subhash Kumar giving a seven-point action plan, ONGC Way Forward, that would help the company raise oil and gas production by one-third by 2023-24.

The company did not deny

receipt of the letter but said it was also looking into strategic relationships and close alliances with key international players through ONGC Videsh.

The intention is to invite foreign participants to explore Category-II and Category-III basins, which match the size and scale of expectations and portfolio of these large players. "So, it can be stated that the ongoing discussions are neither new nor intended to limit the role or growth of ONGC. Requirement and opportunity for ONGC are to play an even more pronounced role in improving the energy security of the country. ONGC feels confident and comfortable that the ongoing discussions within ONGC and with its stakeholders will help deliver greater value to all stakeholders," said the statement.

# ONGC looking at foreign cos as partners

*New Delhi:* ONGC said on Wednesday that it was looking to partner with foreign players for exploration and that the firm would continue to play a pivotal role in India's oil and gas sector after a potential restructuring that the government is considering.

“ONGC is also looking into strategic relationships and close alliances with key international players through ONGC Videsh,” said Oil and Natural Gas Corporation (ONGC) in an official statement. **ENS**



# Third abducted ONGC staff still in ULFA(I) captivity: Police

**GUWAHATI:** Assam Police on Wednesday said that the third kidnapped ONGC employee is still in the clutches of ULFA(I) militants and that they are hiding in Nagaland.

The search operation for the missing employee is on, they added.



# ONGC wants foreign partners in yet-to-be-developed fields

ONGC is also looking into strategic relationships & close alliances with key international players through (overseas arm) ONGC Videsh'

**NEW DELHI:** India's flagship oil and gas producer ONGC on Wednesday said it is seeking foreign partners for yet-to-be-developed fields in lesser prospective areas but is shackled by uneconomic gas prices and tax structure.

Reacting to a PTI report on the Petroleum Ministry asking Oil and Natural Gas Corporation (ONGC) to sell stake in producing oil fields to private firms, get foreign partners in KG basin gas fields, monetize existing infrastructure and hive off drilling and other services into a separate company to raise production, the state-owned firm said the ongoing discussions with the administrative ministry were neither new nor intended to limit its role or growth.

"ONGC is also looking into strategic relationships and close alliances with key international players through (overseas arm) ONGC Videsh," the company said in a statement.

"Intention is to invite foreign participation to explore Category-II and Category-III basins which match size and scale of expectations and portfolio of these large players."

Indian sedimentary basin is divided into three categories - Category-I includes producing basins such as Krishna Godavari, Mumbai Offshore,



Assam and Rajasthan; Category-II basins are less prospective and contain contingent resources to be developed and produced (example Kutch, Mahanadi, Andaman-Nicobar, Saurashtra Vindhyan); Category-III are ones with only prospective resources to be explored and discovered (example Kerala-Konkan, Ganga Punja, Bengal-Purnea, Narmada, Himalayan Foreland etc).

PTI had on April 25 reported that Amar Nath, Additional Secretary (Exploration) in Ministry of Petroleum and Natural Gas, had on April 1 written to ONGC Chairman and Managing Director Subhash Kumar giving a seven-point action plan, 'ONGC Way Forward' that would help the firm raise oil and gas production by one-third by 2023-24. It identified maturing fields such as Panna-Mukta and

Ratna and R-Series in western offshore and onshore fields like Gandhar in Gujarat for sale of stake to private firms, as well as gas-rich block KG-DWN-98/2 and recently brought into production Ashokenagar block in West Bengal for foreign partner participation.

All the fields identified by the ministry letter are in Category-I basins and are producing. But ONGC wants foreign firms to share exploration risk.

ONGC in the statement said, "The ongoing discussions are neither new nor intended to limit role or growth of ONGC."

"In fact during the ongoing discussions there has been an opportunity for ONGC to raise issues which are critical for ONGC to achieve the objectives of delivering value to all stakeholders," it said.

"Despite uneconomical gas

prices, ONGC has been aggressively pursuing its deepwater projects in the east coast and a couple of shallow water projects in the west coast."

ONGC also has a plan of acquiring much larger acreage through open acreage licensing policy (OALP).

"There are certain issues around structure where decisive steps can be evaluated only once the industry is completely under GST regime," it said.

Oil is out of the Goods and Services Tax (GST) regime and operators have to pay state VATs with no set-off, all services.

"Requirement and opportunity for ONGC is to play an even more pronounced role in improving energy security of the country. ONGC feels confident and comfortable that the ongoing discussions within ONGC and with its stakeholders will help deliver greater value to all stakeholders, and make ONGC a much stronger commercial organization, at par with the best in the world," the statement said.

ONGC said contrary to the impression conveyed by the ministry's communication of the firm's role being significantly affected, "the government has been continuously encouraging ONGC to play a much larger role in the context of India's oil and gas sector."

The ONGC board approved Energy Strategy 2040 in April 2019 that outlines strategic growth initiatives across the energy value-chain.

"Besides, there have been regular interactions of ONGC with various stakeholders including the Ministry of Petroleum and Natural Gas (MoPNG), in order to further augment the role of ONGC in the domestic upstream sector," it said.

"The expectation and the strategy for ONGC is to act as the fulcrum around which an ecosystem for thriving oil and gas industry in the country can be created consistent with expectations for meeting Prime Minister's vision to reduce import dependence."

ONGC said it has continuously been reviewing its engagements to move up higher in the value chain to concentrate on areas where the expected risk-reward payoff offers better business opportunities for growth.

"Over the years ONGC benefitted from participation of other players and opportunity specific alliances which have helped ONGC enhance value for itself, besides releasing ONGC resources to pursue more promising opportunities with perceived better risk return tradeoff. PTI

## नए फील्डों के लिए विदेशी भागीदार चाहती है ओएनजीसी

नई दिल्ली (भाषा)। देश की प्रमुख तेल एवं गैस उत्पादक कंपनी ओएनजीसी ने बुधवार को कहा कि वह अपेक्षाकृत कम संभावना वाले क्षेत्रों में उन फील्डों के लिए विदेशी भागीदार चाह रही है जिसका अभी विकास होना है, लेकिन गैस कीमत लाभदायक नहीं होने और कर ढांचे के चलते इसकी प्रगति में बाधाएं हैं। एक खबर पर अपनी प्रतिक्रिया में सार्वजनिक क्षेत्र की कंपनी ने कहा कि पेट्रोलियम मंत्रालय के साथ चल रही उसकी मौजूदा चर्चा में कोई नई बात नहीं है और न ही इसके पीछे मंशा कंपनी की भूमिका या विस्तार को कम करना। खबर के अनुसार पेट्रोलिय और प्राकृतिक गैस मंत्रालय ने ऑयल एंड नेचुरल गैस कॉरपोरेशन (ओएनजीसी) से उत्पादन बढ़ाने के लिये उत्पादक फील्डों में हिस्सेदारी निजी कंपनियों को बेचने, केजी वेसिन गैस फील्ड में विदेशी भागीदारों को लाने, मौजूदा ढांचागत सुविधाओं को बाजार पर चढ़ाने और ड्रिलिंग तथा अन्य सेवाओं को अलग कंपनी में स्थानांतरित करने को कहा है।

# ONGC का कर्मचारी

## उल्फा (I) के कब्जे में

गुवाहाटी। असम पुलिस ने बुधवार को दावा किया कि ओएनजीसी का एक कर्मचारी उल्फा (आई) उग्रवादियों के कब्जे में है और वे नगालैंड में छिपे हुए हैं। विशेष पुलिस महानिदेशक (कानूनव्यवस्था) ज्ञानेंद्र प्रताप सिंह ने कहा, ओएनजीसी के लापता कर्मचारी की तलाश की जा रही है और पुलिस बल को सुरक्षा एजेंसियों से लगातार सूचनाएं मिल रही हैं। ओएनजीसी के दो अन्य कर्मचारी मोहिनी मोहन गोगोई और अलकेश सैकिया को भारतम्यांमार सीमा के पास नगालैंड के मोन जिले में मुठभेड़ के बाद 24 अप्रैल को मुक्त करा लिया गया था। सिंह ने बताया, हमें असम राइफल्स, सेना और नगालैंड पुलिस से सूचना मिली है कि रितुल सैकिया अब भी उल्फा (आई) के कब्जे में हैं। उग्रवादी मोन जिले में छिपे हुए हैं।



# ONGC बोली, टैक्स स्ट्रक्चर के कारण विदेशी पार्टनर ढूंढने में हो रही मुश्किल

■ पीटीआई, नई दिल्ली: ओएनजीसी ने बुधवार को कहा कि वह अपेक्षाकृत कम संभावना वाले क्षेत्र जिनका अभी विकास होना है, उन फील्डों के लिए विदेशी पार्टनर चाह रही है। लेकिन गैस की कीमतें लाभदायक नहीं होने और टैक्स स्ट्रक्चर के कारण इस मामले पर डिवेलपमेंट में बाधाएं आ रही हैं। कुछ

दिनों पहले ही खबर आई थी कि सरकार ने ओएनजीसी को उत्पादक फील्डों में हिस्सेदारी निजी कंपनियों को बेचने, केजी वेसिन गैस फील्ड में विदेशी भागीदारों को लाने, मौजूदा टांचागत सुविधाओं को मोनेटाइज करने के साथ ही ड्रिलिंग और अन्य कारोबार को को अलग इकाई बनाने को कहा है।



# ONGC wants foreign partners for new fields

PRESS TRUST OF INDIA  
NEW DELHI, 28 APRIL

India's flagship oil and gas producer ONGC today said it is seeking foreign partners for yet-to-be-developed fields in lesser prospective areas, but is shackled by uneconomic gas prices and tax structure.

Reacting to a report on the petroleum ministry asking Oil and Natural Gas Corporation (ONGC) to sell stake in producing oil fields to private firms, get foreign partners in KG basin gas fields, monetise existing infrastructure and hive off drilling and other services into a separate company to raise production, the state-owned firm said the ongoing discussions with the administrative ministry were neither new nor intended to limit its role or growth.

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(overseas arm) ONGC Videsh," the company said in a statement.

"Intention is to invite foreign participation to explore Category-II and Category-III basins which match size and scale of expectations and portfolio of these large players."

Indian sedimentary basin is divided into three categories - Category-I includes producing basins such as Krishna Godavari, Mumbai Offshore, Assam and Rajasthan; Category-II basins are less prospective and contain contingent resources to be developed and produced (example Kutch, Mahanadi, Andaman-Nicobar, Saurashtra-Vindhyan); Category-III are ones with only prospective resources to be explored and discovered (example Kerala-Konkan, Ganga-Punjab, Bengal-Purnea, Narmada, Himalayan Foreland etc).

It was reported on 25 April



that Amar Nath, additional secretary (exploration) in ministry of petroleum and natural gas, had on 1 April written to ONGC chairman and managing director Subhash Kumar, giving a seven-point action plan, "ONGC Way Forward" that would help the firm raise oil and gas production by one-third by 2023-24.

It identified maturing fields such as Panna-Mukta and Ratna and R-Series in western offshore and onshore fields like Gandhar in Gujarat for sale of stake to private firms, as well as gas-rich block KG-

DWN-98/2 and recently brought into production Ashokenagar block in West Bengal for foreign partner participation.

All the fields identified by the ministry letter are in Category-I basins and are producing. But ONGC wants foreign firms to share exploration risk.

ONGC in the statement said: "The ongoing discussions are neither new nor intended to limit role or growth of ONGC. In fact during the ongoing discussions there has been an opportunity for ONGC to raise issues which are critical for ONGC to achieve the objectives of delivering value to all stakeholders," it said.

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"Requirement and opportunity for ONGC is to play an even more pronounced role in improving energy security of the country. ONGC feels confident and comfortable that the ongoing discussions within ONGC and with its stakeholders will help deliver greater value to all stakeholders, and make ONGC a much stronger commercial organisation, at par with the best in the world," the statement said.

# ONGC plans bigger local play via OALP

AGENCIES  
New Delhi

The country's largest oil and gas explorer ONGC said it will expand its upstream activity in the country by acquiring much larger acreage through the Open Acreage Licensing Policy (OALP).

The company which is in the midst of a major restructuring exercise proposes to speed ahead on exploring new oil and gas blocks in the country so that the stagnating domestic production is increased.

It has told the government that there are certain issues around structure where decisive steps can be evaluated only once the industry is completely under GST regime but the company remains committed to invest and enhance the country's domestic production of hydrocarbons.

With regard to engaging with other players in E&P activities, ONGC's strategy is to move up higher in the value chain to concentrate on areas where the expected risk-reward payoff offers better business opportunities for growth.

Over the years ONGC benefitted from the participation of other players and



the company enhance value for itself, besides releasing ONGC resources to pursue more promising opportunities with perceived better risk return tradeoff.

The company said that in its efforts to augment production of oil and gas, it is endeavouring to engage all interested players so that the concept of 'Atmanirbhar Bharat' is the central theme of our domestic project execution.

On the back of enabling policy facilitation by the Government, ONGC has rolled out its separate Gas vertical, which will increase its activities in the gas sector leveraging on its strong domestic and international presence. It is also taking steps to augment its renewables portfolio.

ONGC is also looking into strategic relationships and close alliances with key international players

Business Standard

**ONGC Videsh invokes force majeure in Mozambique project**

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## **ONGC Videsh invokes force majeure in Mozambique project**

ONGC Videsh has invoked force majeure in a liquified natural gas project in Mozambique. Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, the Area 1 Operator Total E&P Mozambique Area 1 Limitada informed the withdrawal of all Mozambique LNG project personnel from the Afungi site.



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## **Chennai Petroleum logs ₹232-crore profit in Q4**

CHENNAI

Chennai Petroleum Corporation Ltd.'s reported standalone net profit stood at ₹232 crore for the fourth quarter ended March against a net loss of ₹1,638 crore in the year-earlier period. Revenue from operations rose 24.7% to ₹14,705 crore, it said in a statement. For FY21, the firm posted a profit before tax of ₹1,277 crore against a loss of ₹3,016 crore in the year-earlier period.



# New Covid wave may delay Air India, BPCL divestment

Centre expects to conclude the process this financial year

ARINDAM MAJUMDER  
New Delhi, 28 April



The timeline for divestment of Air India and Bharat Petroleum Corporation (BPCL) may be pushed by two to three months due to impact of the second Covid-19 wave.

However, the government is confident of wrapping up the sale of the two companies by FY22 and meeting the divestment target of ₹1.75 trillion. This will be achieved by sale of government stake in core and non-core public sector undertakings (PSUs).

"There may be minor disruptions in short-term goals like quarterly targets of divestment but there is no change in the annual divestment target," a government official said.

Sources said bidders that have been shortlisted for the sale of Air India have asked the government to postpone the deadline of submitting financial bids as they are facing issues with due diligence of sites. With a second wave of the pandemic gripping India, multiple countries have banned flights to and from the country in order to stop the spread of the virus. This is impacting the

travel plans of merchant bankers and lawyers.

"Much of the divestment work can be done online as the virtual data room (VDR) can be accessed from anywhere. However, a lot of the process also depends on physical verification of sites and properties which is currently not possible. Many of our team members, who are involved in the process, are also sick and on leave," said a person.

The government has commenced the process of inviting financial bids for the sale of Air India, with the deal expected to be completed by September this year.

Tata Group was among several companies that had put in initial bids in December last year to buy the loss-making national carrier.

After assessing the preliminary bids, eligible bidders were allowed access to the VDR of Air India, after which investors' queries were answered, sources said.

They added that the trans-

action has now moved to the financial bidding stage.

The government is selling its 100 per cent stake in Air India, which has been in losses ever since merger with domestic operator Indian Airlines in 2007.

The strategic divestment of BPCL has moved one step forward with the completion of sale of the Numaligarh refinery. Interested parties are soon expected to be invited for financial bids. Same is the case with Shipping Corporation of India. However, the official was not sure when this would happen, given the uncertain times.

In 2020, many of the strategic sales got stuck, including the one of Shipping Corporation, due to the nationwide lockdown. Investors from Singapore and Hong Kong held multiple rounds of virtual meetings, but the deal could not go through. Shipping Corporation is in the second stage of divestment and has received several bids.

# New wave may delay divestment schedule

Privatization of BPCL and Air India likely to be delayed, says Dipam secy

Asit Ranjan Mishra  
asit.m@livemint.com  
NEW DELHI

**T**he government's ambitious divestment schedule for FY22 may get delayed by a few months because of the second wave of the covid-19 pandemic, divestment secretary Tuhin Kanta Pandey indicated on Wednesday. Pandey, however, exuded confidence that the ₹1.75 trillion target is still achievable.

"Any divestment would mean that there are bidders on the other side and we have to listen to them as well. To some extent, the timing will be conditioned by the way they respond. In the last month or so, the pandemic has really come like a storm. We have to wait and see if the storm passes," Pandey, who is in charge of the department of investment and public asset management (Dipam) and department of civil aviation, said at the third edition of the three-day Mint India Investment Summit 2021, which began on Wednesday.

Dipam had planned to complete the privatization of Bharat Petroleum Corporation Ltd and Air India in the first half of FY22. However, Pandey hinted that such strategic disinvestments may spill over to the second half of FY22.

"I must admit that with the present wave, we have to see how soon we are able to have freer physical movement, particularly flight schedules and others, because certain amount of site inspection is also involved in the due diligence. However, subject to the availability of human resources that the bidders deploy, a lot of work can progress online and some of the work that is more physical will have to actually wait till things are clearer on the physical movement side," he said. This



The central government had planned to complete the privatization of Air India and Bharat Petroleum Corporation Ltd in the first half of FY22.

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may lead to a little bit of a delay in the divestment cycle, Pandey said.

NITI Aayog has already finalized and made its recommendation for divestment of two public sector banks and one insurance company to Dipam, the chief executive officer of the government-backed think tank, Amitabh Kant, said at an earlier session of the India Investment Summit. "We have sent a very strong signal that India is willing to take tough decisions to boost growth. Dipam will be taking this forward in due course," he added.

The recommendations will be taken forward by the department of financial services in consultation with the Reserve Bank of India for legislative changes, Pandey said. "They are targeting the monsoon session for bringing the

amendments (in Parliament)," he said.

However, Pandey hinted that the actual sale of the financial institutions may not take place in FY22. "The finance minister had suggested that the two banks and one general insurance company will be taken up. It was not clearly said that all will be accomplished in FY22. Of course, we have another one, which is IDBI Bank. What she (Nirmala Sitharaman) said in the budget speech is that in addition to IDBI Bank, there will be two more banks (that will be put for privatization)," he said.

The much-anticipated initial public offering of Life Insurance Corporation may now be launched in the March quarter of FY22 and both Dipam and LIC are engaged in discovering the embedded value of the life insurance behemoth, he said. "This is the most critical task that we are monitoring on a very intensive basis, almost on a week-to-week basis," he said.

Gireesh Chandra Prasad and Rhik Kandu contributed to this story.





# Reliance to set up 1,000-bed Covid hospital in Jamnagar

Reliance Industries (RIL) will set up a 1,000-bed Covid-19 hospital with oxygen facility at Jamnagar in Gujarat's Saurashtra region where it operates the world's largest crude oil refinery, with the 400-bed facility getting operational in the next five days, the state government said Wednesday. Responding to Chief Minister Vijay Rupani's request, RIL Chairman Mukesh Ambani has directed the company officials to build a 1,000-bed Covid-19 hospital with oxygen in Jamnagar, the state government said in a statement. Ambani has informed the chief minister that by the next Sunday, a 400-bed hospital with oxygen facility will be started by Reliance Industries in Jamnagar.

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# Saudi Arabia in talks to sell 1% Aramco stake

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28 April

Saudi Arabia's crown prince said the kingdom is in talks to sell a 1 per cent stake in state oil giant Saudi Aramco to a "leading global energy company" as he forecast a rebounding economy in the aftermath of the coronavirus pandemic.

The kingdom is looking at the potential sale — which could be worth about \$19 billion, based on the company's market value — as a way to lock in customer demand for the country's crude, Crown Prince Mohammed Bin Salman said in a rare interview on a Saudi television channel late Tuesday. While providing few details on which company is involved in the talks, he said the sale could take place in the next two years.

"I don't want to give any promises about deals finalizing, but there are discussions happening right now about a 1% acquisition by one of the leading energy companies in the world," Prince Mohammed, the country's de facto ruler, said. "This deal could be very important in strengthening Aramco's sales in the country where this company resides."

China is the largest buyer of Saudi Arabian oil. Almost 30 per cent of the kingdom's crude exports went to the Asian country last month, according to data compiled by Bloomberg. Japan was the next biggest importer.

The crown prince is increasingly leaning on Aramco, the world's biggest oil company, to help finance his plan to transform and diver-



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**MOHAMMED BIN SALMAN**

Saudi crown prince

sify the Saudi economy — an initiative dubbed Vision 2030. That effort has faced hurdles in recent years, with investors spooked by the kingdom's domestic political crackdown and the killing of Saudi critic Jamal Khashoggi in 2018, and then with the Covid-19 pandemic last year.

Aramco's 2019 initial public offering — in which it sold about 2 per cent of its stock on the Riyadh bourse — raised almost \$30 billion. The money was transferred to the kingdom's sovereign wealth fund and was meant to support investments to shift the biggest Arab economy away from a reliance on oil sales. Since then, Aramco has taken on debt and started selling off some non-core assets.



The kingdom is looking at the potential sale as a way to lock in customer demand for the country's crude, said Saudi Arabian Crown Prince Mohammed Bin Salman.

## Saudis look to sell Aramco stake to global energy firm

[Bloomberg](#)  
feedback@mint.com

Saudi Arabia's crown prince said the kingdom is in talks to sell a 1% stake in state-run giant Saudi Aramco to a "leading global energy company" as he forecast an economic rebound after the coronavirus pandemic.

The kingdom is looking at the potential sale—which could be worth about \$19 billion, based on the company's market value—as a way to lock in customer demand for the country's crude, Crown Prince Mohammed Bin Salman said in a rare interview on a Saudi television channel late Tuesday. While providing few details on which company is involved in the talks, he said the sale could take place in the next two years.

"I don't want to give any promises about deals finalizing, but there are discussions happening right now about a 1% acquisition by one of the leading energy companies in the world," Prince Mohammed, the country's de facto ruler, said. "I cannot mention the name but it's a huge company. This deal could be very important in strengthening Aramco's sales in the country where this company resides."

China is the largest buyer of Saudi Arabian oil. Almost 30% of the kingdom's crude exports went to the Asian country last month, according to data compiled by [Bloomberg](#). Japan, South Korea and India were the next biggest importers.

As well as China, Aramco is keen to make further inroads into India, the fastest growing market for oil consumption before the pandemic hit. But the company faces strong competition from other suppliers and Indian refiners are among the most price-sensitive in the world.

The crown prince is increasingly leaning on Aramco, the world's biggest oil company, to help finance his plan to transform and diversify the Saudi economy—an initiative dubbed Vision 2030. That effort has faced hurdles in recent years, with investors spooked by the kingdom's domestic political crackdown and the killing of Saudi critic Jamal Khashoggi in

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Although the Aramco IPO was the biggest share sale in history the majority of the cash was raised from local investors and rich Saudi families. Most foreign investors balked at the valuation and stayed away. The sale only earned a fraction of the \$100 billion originally envisaged.

Prince Mohammed said the government, which still controls more than 98% of

Aramco's stock, may sell more shares on the Saudi stock exchange, without giving a time frame. The state-run company said in a statement that any decision to sell more shares is "a matter for the

majority shareholder, who has said it will consider the possibility and timing according to market conditions."

The kingdom is increasingly looking at ways to get money from Aramco's assets. The company announced this month that a US-led consortium will invest \$12.4 billion in its oil pipelines. It is also considering a deal for gas pipelines, [Bloomberg](#) reported this week.

Aramco has separately started a strategic review of its upstream oil and gas assets that could see the firm opening them up to foreign investors.

Saudi Arabia will likely need to increase crude production further to make up for demand that's expected to keep rising over the next two decades, according to the crown prince. While consumers such as those in China and India use more, output from producers like the US and Russia is set to drop over the next 10-20 years, leaving a supply gap for Saudi Arabia to fill, Prince Mohammed said.

**The potential 1% stake sale could be worth about \$19 billion, based on Saudi Aramco's market value**

# Oil rises as global outlook offsets worries over India

## 'Demand may increase in second half'

**REUTERS**

LONDON

Oil prices rose on Wednesday as expectations of rising fuel demand offset concerns about the impact of a surge in India's coronavirus cases and higher U.S. crude inventories.

Brent crude futures were up 67 cents, or 1.01%, to \$67.09 a barrel at 1352 GMT, after rising 1.2% on Tuesday.

An OPEC+ decision to stick to plans for a phased easing of oil production restrictions from May to July underscored the group's confidence in a recovery in global demand.

"The market is supported by the general belief that the COVID endgame is in sight," Tamas Varga, analyst at PVM Oil associates, said. "The market clearly thinks



that these extra barrels will be easily accommodated as global consumption picks up in [second half of] 2021," he added.

Goldman Sachs said on Wednesday it expected "the biggest jump in oil demand ever, a 5.2 million barrels per day rise over the next six months" as vaccination campaigns accelerate in Europe and demand for travel climbs.



## Fuel prices remain steady; revisions expected next month

IANAS ■ NEW DELHI

Fuel prices in the country remained unchanged on Wednesday as oil marketing companies decided to wait for state elections to get over before restarting daily revision of petrol and diesel prices in line with price movement globally.

Sources indicated that price revisions may begin early next month after results to state elections are declared. However, whether price of petrol and diesel would move up or down would depend on average global price in the last fortnight of March. With no price change on Wednesday, pump price of petrol and diesel remained at ₹90.40 a litre and ₹80.73 a litre respectively in Delhi. This is the 14th consecutive day when fuel prices have not been revised. The price of the two auto fuels had fallen by 16 paise and 14 paise per litre respectively on April 15 after a 15 day break when OMCs kept its prices static. Thereafter revision of fuel prices have been halted.

Across the country as well the petrol and diesel prices remained unchanged on Wednesday but its retail levels varied depending on the level of local levies on respective states.

# Independent transition to renewable energy critical for India

In order to counter the growing Chinese dominance in rare earth elements, India must step up its cross-national collaborations and secure mines

The oil age was triggered by the invention of kerosene in 1866 and got further consolidated with the development of the oil drilling process in 1859. Both these events accelerated the use of oil which, in turn, fuelled global economic prosperity. The period from the end of the second World War to the early 1970s saw an uninterrupted oil boom as the rising oil output matched an ever-increasing oil consumption globally.

But as the oil-fed economies started to see the collateral damage unleashed by fossil fuels in the form of climate change, the popularity of oil started to wane post the 1970s. This also heralded the advent of renewable energy.

These, renewable energy is steadily gaining momentum and preference over tra-



KOTA SRIRAJ

The writer is an environmental journalist. The views expressed are personal.

ditional energy sources such as fossil fuels. Perhaps the biggest energy rush after the great oil boom is the haste to build renewable energy capacity and to harness critical minerals required to manufacture rechargeable batteries at large scale.

This is understandable given the fact that India aims to generate 40 per cent of its energy needs from renewable sources by 2030 and aspires to become a country with 30-40 per cent electric vehicles (EVs). India's over-dependence on fossil fuel left the nation at the whim of the Organisation of the Petroleum Exporting Countries (OPEC) in terms of production and prices for a very long time.

But this scenario can change by having control over the critical raw materials needed for building a sus-

tainable renewable energy regime.

However, seeing the current state, India seems to be everything but self-reliant in the renewable energy sector. In 2019-20, India imported about ₹8,500 crore worth of lithium (Li)-ion batteries. It was the same in 2018-19, which saw a six-fold rise as compared to 2014-15.

India's dependence on global resources, especially Chinese inputs, to lead its renewable energy ambitions is flawed to say the least. Our energy transition cannot take place by simply importing the necessary products.

The recent tension with China and the subsequent constraints in sourcing the renewable energy products and raw material have shown how India's dependence on the OPEC is now merely shifting to Chinese suppliers



who wield a considerable clout in the global market of renewable energy raw material.

As India is transitioning from a fossil fuel economy to an electric one, the local production of renewable energy components, especially batteries, assumes unparalleled

significance. As a first step towards gaining self-reliance in the renewable energy sector, India must concentrate on securing control over essential components and critical minerals required for manufacturing batteries on a colossal scale.

Worryingly, China has already developed appreciable hegemony over the 17 rare earth elements that play a pivotal role in the making of rechargeable batteries. According to a 2019 working paper of the Organisation for Economic Co-operation and Development (OECD), eight of the 14 large cobalt mining firms in Congo are now Chinese-owned. Significantly, they account for half of Congo's cobalt output.

Some of the elements such as niodymium, molybdenum, titanium, lithium,

zinc and vanadium have electrical and magnetic properties that can help store wind, hydro and solar energy. These elements are available across the world only in some geographical pockets and India must have continued availability of these elements for transitioning to a green economy.

In order to counter the growing Chinese dominance over rare earth elements, India must step up its cross-national collaborations and quickly secure the mines through investment and co-ownership, so that the raw material for emerging the country's future is safe. Similarly, aggressive and occasionally rare earth element prospecting must be taken up to discover new mines in India and elsewhere.

This will not only de-risk the raw material supply chain

but will also free India from any Chinese strategy to monopolise the global market in rare earth elements. Furthermore, India must also invest in state-of-the-art research that can focus on reducing dependence over rare earth elements such as cobalt on whose availability China is developing a stranglehold.

The coming years will witness a considerable shift from oil to rare earth minerals. This will mark a new chapter in global geopolitics. In the past, developed economies built their prosperity by riding on the fossil fuel boom. This is true even today. India, too, must develop the ability to independently transit to green energy by harnessing the potential of rare earth materials. This will usher in a green economy that is prosperous as well as good for the planet.

# RIL, Aramco discuss cash & share deal'

**NEW DELHI:** Reliance Industries is reported to have held talks with Saudi Aramco on a cash and share deal for sale of a 20 per cent stake in its oil refining and petrochemical arm.

Ambani had in August 2019 announced talks for the sale of a 20 per cent stake in the oil-to-chemicals (O2C) business, which comprises its twin oil refineries at Jamnagar in Gujarat and petrochemical assets, to the world's largest oil exporter.

The deal was to conclude by March 2020 but has been delayed for reasons not disclosed by either company.

*Financial Times* quoting sources reported that the talks have been revived in recent weeks.

Aramco is weighing paying for the stake with its shares ini-

tially and then staggered cash payments over several years, it said adding the proportion of shares versus cash was still up for debate and terms had yet to be finalised. An email sent to Reliance Industries for comments was not answered.

Saudi Arabia's Crown Prince Mohammed bin Salman late on Tuesday hinted at talks to sell a minority stake in the Saudi national oil company to a foreign investor. "I don't want to give any promises but there's a discussion for the acquisition of 1 per cent," he said in a television interview. He did not give details of the deal or the parties involved but added that it would be "very important in strengthening Aramco's sales in the country where this company resides".

PTI



## कच्चातेल वायदा कीमतों में तेजी

नई दिल्ली। मजबूत हाजिर मांग के कारण कारोबारियों ने अपने सौदों के आकार को बढ़ाया जिससे वायदा कारोबार में बुधवार को कच्चा तेल की कीमत 40 रुपए की तेजी के साथ 4,716 रुपए प्रति बैरल हो गई।

मल्टी कमोडिटी एक्सचेंज में कच्चातेल के मई डिलीवरी वाले अनुबंध की कीमत 40 रुपए अथवा 0.86 प्रतिशत की तेजी के साथ 4,716 रुपए प्रति बैरल हो गई जिसमें 7,102 लॉट के लिए कारोबार हुआ। बाजार विश्लेषकों ने कहा कि कारोबारियों द्वारा अपने सौदों का आकार बढ़ाने के कारण वायदा कारोबार में कच्चातेल कीमतों में तेजी आई।

वैश्विक स्तर पर, न्यूयॉर्क में वेस्ट टैक्सास इंटरमीडिएट कच्चे तेल का दाम 0.40 प्रतिशत की तेजी के साथ 63.19 डालर प्रति बैरल हो गया।

# एलपीजी-सीएनजी बेस्ड क्रिमेशन फर्नेस शिफ्ट करने का विरोध नगरपालिका सचिव से मिले गढ़ी केसरी के लोग

गन्नौर, 28 अप्रैल (निस)

गढ़ी केसरी में प्रस्तावित एलपीजी-सीएनजी बेस्ड क्रिमेशन फर्नेस को नगरपालिका द्वारा गढ़ी केसरी से गन्नौर शहर के श्मशान घाट में शिफ्ट करने की बात कही जा रही है। इस पर गढ़ी केसरी के ग्रामीणों ने कड़ा एतराज जताते हुए रोष प्रकट किया और क्रिमेशन फर्नेस को गढ़ी केसरी में ही बनाए जाने की मांग की।

वहीं गढ़ी केसरी कंठी माता शिव मुक्तिधाम के प्रधान एवं वार्ड पार्षद प्रतिनिधि अशोक त्यागी, नगरपालिका चेयरमैन सतप्रकाश शर्मा, पार्षद रामेश्वर दास भी नगरपालिका के फैसले का विरोध करते हुए बुधवार को नगरपालिका सचिव से मिले और गढ़ी केसरी में ही क्रिमेशन फर्नेस का निर्माण करने की मांग की। सतप्रकाश शर्मा ने कहा

“इस बारे में अधिकारियों से बात करेंगे। गन्नौर में एक और फर्नेस सिस्टम लगाने के प्रयास किए जाएंगे, ताकि गढ़ी केसरी व गन्नौर शहर दोनों श्मशान घाटों में यह सुविधा मिल सके।”

- पद्दीप खर्ब, नगरपालिका सचिव

कि गन्नौर शहर के श्मशान घाट में जगह कम होने की वजह से फर्नेस को गढ़ी केसरी में लगाया जाना तय हुआ था। अब नगरपालिका इसे दोबारा गन्नौर श्मशान घाट में शिफ्ट करने की तैयारी कर रही है। जगह कम होने की वजह से शहर में छोटे बच्चों की अंत्येष्टि के लिए बने श्मशान घाट में इस फर्नेस को लगाया जाने की बात कही जा रही है, यह जगह भी काफी कम है।

