

Venkaiah asks oil companies to speed up projects, sort out issues with AP govt

CMDs of major oil PSUs make a presentation detailing progress of ongoing projects

CHRSSARMA

Visakhapatnam, April 13

Vice-President M Venkaiah Naidu has suggested to the representatives of the public sector oil companies – ONGC, GAIL and HPCL to expedite projects in Andhra Pradesh and sort out issues, if any, with the State government and become partners in the progress of the State and the country.

He was participating in a programme here on Friday in which the CMDs of the three PSU oil companies gave presentations, explaining to him about the ongoing projects in different parts of the country, with special focus on Andhra Pradesh.

It was stated by the Vice-President that he was given to understand that projects entailing an investment of more than

₹1,10,000 crore were in progress, or to be taken up shortly, in the State by the oil companies.

HPCL CMD MK Surana spoke about the ongoing expansion of the Visakha refinery capacity from 8.3 million tonnes to 15 million tonnes per annum at a cost of nearly ₹21,000 crore and said it will be completed by 2020. Further, the Vijayawada-Dharmapuri pipeline will be taken up at a cost of ₹2,677 crore and the project will be completed by 2021. The pipeline capacity between Visakhapatnam and Secunderabad will be enhanced.

Greenfield complex

He also spoke about two underground (cavern) storage projects of LPG and oil here, already completed. HPCL was also the anchor

in the establishment of the Indian Institute of Petroleum and Energy (IIPe) here and the company had also set up a skill development institute. He said HPCL was investing around ₹31,000 crore in AP projects. Gas Authority of India Limited (GAIL) CMD BC Tripathi spoke about the gas distribution network in the country and in Andhra Pradesh. He said GAIL was maintaining 800 km length of pipeline in Andhra Pradesh – in the districts of East Godavari, West Godavari, and Krishna to evacuate the gas produced by the ONGC, Reliance, Cairn Energy and others. He spoke about the greenfield petro-chemical complex proposed to be set up at Kakinada at a cost of ₹33,000 crore, with HPCL, GAIL and the AP government as partners. He told the Vice-President that the oil companies expected the State government to take care of the viability gap funding and that the IRR was pegged at 14 per cent.



Vice-President Venkaiah Naidu

Venkaiah Naidu enquired about the two issues in particular and suggested to the heads of both the oil companies to sort out the issues with the State government and expedite the project.

Tripathi told Naidu that there was nothing unusual about fixing the IRR at 14 per cent for mega pro-

jects like the one proposed at Kakinada. ONGC CMD Sasi Sankar explained about the projects in progress in the Krishna-Godavari basin, especially offshore ones off Kakinada coast, and he said in the Krishna-Godavari basin, ONGC had spent more than ₹50,000 crore till date ever since oil and gas was discovered in the late seventies. Currently, ₹10,000 crore was being spent on offshore projects and ₹1200 crore on onshore projects. In the next 2-3 years, roughly ₹35,000 crore will be spent by ONGC in the State on projects.

The Vice-President suggested the ONGC CMD that the PSU

should consider setting up a corporate office on the east coast, especially in AP, as it would be more convenient.

Summing up the proceedings, Venkaiah Naidu said that the development of the country should be the main agenda of all and the oil companies and the AP government should strive together to achieve the goal. "Andhra Pradesh is a progressive state, with a proactive Chief Minister, and you should sort out the issues and get the projects going," he said and added that import dependence for oil and gas should be reduced substantially.

Govt comes out with fresh info memorandum for Pawan Hans divestment

PRESS TRUST OF INDIA
NEW DELHI, APRIL 13

THE GOVERNMENT has come out with a fresh information memorandum for strategic sale of helicopter services provider Pawan Hans wherein bidders need to have a minimum net worth of Rs 500 crore.

The latest memorandum has been issued days after the government withdrew the previous note apparently due to a tepid response from investors. The last date for submission of EOs is June 11, 2018 and intimation to the shortlisted bidders is July 02, 2018. Pawan Hans is a joint venture between the government and state-owned ONGC. Under the disinvestment proposal, the government plans to offload its entire 51 per cent stake in the company.

According to the 113-page pre-

liminary information memorandum, which includes 14 annexures, the bidder should have a minimum net worth of Rs 500 crore. In the case of consortium also, the net worth criteria would remain the same. They should set up a SPV and each members should have at least 20 per cent equity share capital.

For entities which are Air Transport Service Operators and hold up to 51 per cent equity share capital of the consortium, the thresholds pertaining to net worth and profitability would not be applicable, the memorandum said. As per the PIM, bids by management or employees of Pawan Hans directly, independently, in consortium, joint venture or as a special purpose vehicle along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by DIPAM.

Syria fears, OPEC issues propping up oil price: IEA

PRESS TRUST OF INDIA

PARIS, APRIL 13

FEARS OF fresh escalation in Syria's brutal war coupled with compliance with a pledge by the OPEC cartel and Russia to limit production are keeping oil prices at current high levels, the International Energy Agency said on Friday.

However, a string of tit-for-tat tariff announcements by the world's top economies the United States and China has sparked worries that prices could suffer should their dispute descend into an all-out trade war. "Political uncertainty in the Middle East has returned to the fore in recent days. As we write, uncertainty about the next steps in Syria and Yemen have helped propel the price of Brent crude oil back above \$70" per barrel, the IEA said in its monthly report today.

Western powers were continuing to weigh their options in Syria, though US President Donald Trump appears to have backed away from imminent action after threatening strikes against President Bashar al-Assad's regime following an alleged chemical attack.

Nonetheless, "oil market participants remain circumspect even though the geopolitical situation in the Middle East has eased somewhat," Commerzbank Commodity Research said in a note. The price of oil was also supported by a drop in production by the Organization of the Petroleum Exporting Countries (OPEC) and Russia, as they continued to comply with a 2016 deal that was reached in Vienna after prices crashed amid a global glut, the IEA said in the report. In fact, some of the parties to the agreement cut their production even more than they had promised, helping prices to hover above \$72.60 per barrel for the Brent benchmark and at around \$67.65 for WTI on Friday.

"It is not for us to declare on behalf of the Vienna pact countries that it is 'mission accomplished', but if our outlook is accurate, it certainly looks very much like it," the IEA said. OPEC kingpin Saudi Arabia pushed its production below its target, meanwhile, as unrest in Libya also kept output below planned levels. Another country suffering production drops was crisis-hit Venezuela, which has been forced to increasingly rely on crude imports, chiefly from Russia, to meet its needs.

'Mission accomplished' for Opec & allies, says IEA as oil stocks shrink

REUTERS

London, April 13

OPEC AND ITS allies appear to have accomplished their mission of bringing global oil stocks to desired levels, the International Energy Agency said on Friday, signalling that the markets could become too tight if supply remains restrained.

The IEA, which coordinates the energy policies of industrialised nations, said global stocks in developed countries could fall to their five-year average — a metric used by OPEC to measure the success of output cuts — as early as May.

"It is not for us to declare on behalf of the Vienna agreement countries that it is 'mission accomplished', but if our outlook is accurate, it certainly looks very much like it," the IEA said in its monthly report.

Vienna-based Opec has reduced production in tandem with Russia and other allies since January 2017 to prop up global oil prices, which soared above \$70 per barrel this month, giving a new boost to booming US shale oil output.

But as oil production collapsed in Opec member Venezuela and still faces hiccups in countries such as Libya and Angola, the oil exporter group is producing below its targets, meaning the world needs to use stocks to meet rising demand.

On Thursday, the Organisation of the Petroleum Exporting Countries said in its monthly report that oil stocks in the developed world were only 43 million barrels above the latest five-year average. The Paris-based IEA put the figure at just 30 million barrels as of the end of February.

The IEA said that even though non-Opec output was set to soar by 1.8 million barrels per day this year on higher US production, it was not enough to meet global demand, expected to rise by 1.5 million bpd or around 1.5%.

With production declines in Venezuela and Africa, Opec was producing 31.83 million bpd in March, below



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the call on its crude for the rest of the year at 32.5 million bpd.

"Our balances show that if Opec production were constant this year, and if our outlooks for non-Opec production and oil demand remain unchanged, in 2Q18-4Q18 global stocks could draw by about 0.6 million bpd," the IEA said.

The figure would represent 0.6% of global supply or around half of Opec's current production cuts of nearly 1.2 million bpd.

The output-limiting pact runs until the end of the year and Opec meets in June to decide its next course of action. Opec's de facto leader, Saudi Arabia, has said it would like the pact to be extended into 2019.

Opec secretary-general Mohammad Barkindo told *Reuters* on Thursday Opec and its allies were poised to extend the pact into 2019 even as a global glut of crude was set to evaporate by September.

Work on Urja Ganga project ahead of schedule

PTI ■ NEW DELHI

State-owned gas utility GAIL India Ltd on Friday said the first phase of the 2,655-km gas pipeline from Jagdishpur in Uttar Pradesh to West Bengal and Odisha will be completed before the scheduled target of December 2018.

The company said it has placed pipe-laying order for 530 km between Bokaro in Jharkhand and Angul in Odisha, worth Rs 780 crore. "With these awards, major contracts of the project, i.e. pipe supply and laying contract orders for 2,200 kms have been finalised," it said in a press statement. The prestigious 2,655 km long Jagdishpur-Haldia & Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) project, also known as the 'Pradhan Mantri Urja Ganga' project, was inaugurated by Prime Minister Narendra Modi in July 2015.

"The project is progressing

in full swing and first phase of the project will be completed before the scheduled target date of December 2018," it said. "GAIL till date has committed over Rs 7,400 crore for the project which will pass through the state of Uttar Pradesh, Bihar, Jharkhand, West Bengal and Odisha."

The project will usher in industrial development in eastern part of India by supplying environmentally clean natural gas to fertilizer and power plant, refineries, steel plants and other industries.

It will also provide clean energy to households and transportation in the cities enroute the pipeline. The city gas network laying activity in Varanasi, Bhubaneswar and Cuttack has already commenced. Project activities will start on ground in other cities namely Patna, Ranchi and Jamshedpur by next month, GAIL said.

GAIL Chairman and

Managing Director B C Tripathi said the project activities are progressing as per schedule and major contracts for the project have been awarded.

"The schedule completion date for Phase-I of the project from Phulpur in Uttar Pradesh to Dobhi, Patna and Baruani in Bihar is December 2018 and we are confident of completing it ahead of schedule," he said. "City gas project Activities are also progressing well. The project will create a boon for clean industrial development in the eastern part of the country."

GAIL, he said, has achieved its annual targeted total capital outlay and has expended around Rs 4000 crore during the fiscal year ending March 2018. The company will be spending its targeted capital outlay of Rs 6,400 crore in the current fiscal largely for the 4,000 km of pipeline and city gas projects it is presently executing, he added.



Shell sells 8.5% stake in Mahanagar Gas Ltd.

A unit of Royal Dutch Shell has sold 8.5% stake in Mahanagar Gas Ltd., which retails CNG to automobiles and piped cooking gas to households in Mumbai and adjoining areas. BG Asia Pacific Holdings (BGAPH), a wholly-owned subsidiary of Shell, reduced its shareholding in MGL from 32.5% to 24%, MGL said in a regulatory filing. The sale of equity shares was done in the open market by way of a bulk deal on April 11, it said. P11

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PRESS TRUST OF INDIA
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GAIL to finish Urja Ganga project phase-1 before time

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State-owned gas utility GAIL India Ltd holds 32.5 per cent stake in MGL, while the government of Maharashtra has 10 per cent. The remaining 25 per cent is with public shareholders.

"This is part of Shell's ongoing portfolio optimisation to transform Shell into a simpler company, delivering stronger returns," Shell said in its media statement. PTI

शेल ने महानगर गैस में 8.5 प्रतिशत हिस्सेदारी बेची

एजेंसी ■ नई दिल्ली

दिग्गज तेल कंपनी रॉयल डच शेल के स्वामित्व वाली कंपनी बीजी एशिया पॅसिफिक होल्डिंग्स (बीजीएपीएच) ने महानगर गैस लिमिटेड (एमजीएल) में अपनी 8.5 प्रतिशत हिस्सेदारी बेच दी है। एमजीएल मुंबई और उसके आसपास के क्षेत्रों में वाहनों को सीएनसी और घरों में पाइप वाली गैस पहुंचाने के कारोबार से जुड़ी है। एमजीएल ने बयान में कहा कि शेल

की पूर्ण स्वामित्व वाली अनुषंगी बीजीएपीएच ने एमजीएल में अपनी हिस्सेदारी 32.5 प्रतिशत से घटाकर 24 प्रतिशत कर दी है। इक्विटी शेयरों की बिक्री 11 अप्रैल को एक थोक सौदे के माध्यम से खुले बाजार में की गई।

उल्लेखनीय है कि सरकारी कंपनी गेल इंडिया लिमिटेड की एमजीएल में 32.5 प्रतिशत और महाराष्ट्र सरकार की 10 प्रतिशत हिस्सेदारी है। शेष बची 25 प्रतिशत हिस्सेदारी सार्वजनिक शेयरधारकों के पास है।

शेल ने महानगर गैस में 8.5 प्रतिशत हिस्सेदारी बेची

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प्रधानमंत्री नरेंद्र मोदी तथा नेपाल के प्रधानमंत्री केपी शर्मा ओली दिल्ली में 7 अप्रैल, 2018 को भारत-नेपाल पेट्रोलियम उत्पाद पाइपलाइन के श्रुमि पूजन का श्रौगणेश करते हुए। ये पाइपलाइन बिहार के मोतीहारी से नेपाल के अमलेखगंज के बीच बिछाई जाएगी।