ONGC News as on 12 August 2024 (Print & Online)

Publication : The Hindu Business Line	Editions : New Delhi
Date :12 August 2024	Page : 5

thehindu businessline.

TWENTY YEARS AGO TODAY.

August 12, 2004

Differential pricing for natural gas on cards

The Petroleum Ministry is actively considering a proposal to allow Oil and Natural Gas Corporation (ONGC) to charge differential rates for the natural gas produced by it, with power and fertilizer plants enjoying a lower tariff relative to other consumers. Currently, ONGC earns ₹2,850 on every million standard cubic metres per day (mmscmd) of gas that it sells to GAIL (India) Ltd, which transports and markets the gas.

Chidambaram upbeat on NTPC offer

The Finance Minister, Mr P Chidambaram, has congratulated Tatas for the "successful" TCS IPO to mop up over ₹5,000 crore and exuded confidence that the forthcoming offers of the National Thermal Power Corporation and a few banks would do well in the resurgent Indian capital market.

Steel makers tie up coking coal supplies till 2005

Indian steel manufacturers have entered into a number of forward contracts in the international market for sourcing coking coal in the price range of $105-140 f.o.b. per tonne. According to industry sources, SAIL has entered into forward contracts within this price range for supplies running up to 2005.

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Pet projects TAKE TWO 13

Why state-run oil companies are spending billions on petchem capacity, amid oversupply and weak margins, writes S DINAKAR

Publication : Business Standard	Editions : New Delhi
Date :12 August 2024	Page : 1, 13

PET PROJECTS

Why state-run oil companies are spending billions on petchem capacity, amid oversupply and weak margins

S DINAKAR
New Delhi, 11 August

In the boardrooms of Indian state refiners and in the halls of the oil ministry, there is a buzz surrounding an esoteric term: The Petrochemical Intensity Index (PII). Indian oil companies plan to produce more of value-added chemicals from processing crude oil while reducing the volume of fuels, whose demand is expected to eventually extinguish as the world shifts to cleaner energy.

Until now, many of these chemicals, the building blocks of plastics and paint used in homes, hospitals, and industries came from China. India depends on imports to meet 19 per cent and 30 per cent of polypropylene and polyethylene, respectively, the basic commoditised chemicals, and 67 per cent and 81 per cent on PVC and Toluene, which are value-added substances, shows CareEdge data.

STATE OF OIL

Name of the company	Product	Capacity addition*	Feedstock
Numaligarh Refinery	Polypropylene	360	Naphtha-based
Hindustan Petroleum	Polypropylene	1,800	Naphtha-based
Hindustan Petroleum	HDPE	420	Naphtha
Indian Oil Corporation	Paraxylene	800	Naphtha
Indian Oil Corporation	Benzene	365	Naphtha
Indian Oil Corporation	Polypropylene	500	Naphtha-based
Bharat Petroleum	Polypropylene	400	Naphtha-based
Petronet LNG	Polypropylene	500	Propane-based
Petronet LNG	Propylene	750	LNG/Gas
GAIL (India)	Polypropylene	560	Propane-based
Nayara Energy	Polypropylene	450	Naphtha-based
Reliance Industries	PVC	1,000	Ethane-based
Adani group	PVC	1,000	Coal-based

*Capacity addition in kilotonne per annum (ktpa)

Source: CareEdge Ratings

But Indian refiners plan to catch up. By 2030, these chemicals may be shipped from Panipat, Paradip, Kochi, Barmer, Dahej, or Nagapattinam. Hindustan Petroleum's new 180,000 barrels per day Barmer refinery has a PII of above 20 per cent, the highest among state refiners, former company chairman M K Surana has said.

Fears of attrition in the fuels business and robust demand for chemicals have prompted refiners to add petchem units as a form of insurance, state-run refining officials tell *Business Standard*, despite concerns about oversupply.

The energy transition will reduce demand for oil products, but increase opportunities to capture the growing demand for petchem, McKinsey says. Refiners will need to find ways to make much less gasoline, marginally less diesel, and more jet fuel and petchem feedstocks, the US-based management consultant has said. Petchem is expected to be the most important driver of global oil demand growth over the medium term, says Paris-based International Energy Agency.

No wonder, India's state-owned oil companies are spending ₹10,851 crore on petchem projects this financial year, twice what they first budgeted in 2022-23 (FY23), according to the latest budget documents. Actual spends may be higher, if one goes by FY23's actual petchem capex by these companies, which doubled from the budgeted estimates to ₹10,500 crore.

Taken together, refiners led by Indian Oil are scheduled to spend ₹30,000 crore in the three years to March 2025.

Queries sent to state oil marketing companies were not answered by the time of going to press.

Oversupply

S M Vaidya, Chairman of Indian Oil, the country's biggest refiner, aims to more than double the PII of its refineries to 15 per cent by 2030 with the focus on petrochemicals. Indian Oil plans to invest ₹61,000 crore to build a petrochemicals complex in Paradip, Odisha.

The average PII for Indian state refiners is around 5 per cent. By comparison, China's recently commissioned Hengli petchem refinery can generate more than 40 per cent feedstock. Saudi Aramco is working on a strategy to achieve 70 to 80 per cent chemicals for each barrel of crude.

India's petchem demand is expected to grow at a compound rate of about 5 per cent till 2040, with per capita consumption at 10-12 kg, compared to the global average of 30-35 kg, leaving headroom for growth.

However, all these projects are coming up in a market facing oversupply.

"There has been oversupply in the global market, mainly because of significant capacity additions by China in the last few years, whereby China's domestic demand is not improving," said Hardik Shah, director, CareEdge Ratings.

State-run Petronet LNG's Chairman, A K Singh, who has proposed to build a ₹21,000 crore petchem plant, says chemicals are a cyclical business and it is prudent to invest in them when the margins are poor. By the time these projects are ready, the margins would surge, he said in reply to this reporter's question during an earnings call.

But profitability depends not just on cycles, but also on the cost structure and price of feedstocks such as ethane and propane, which are cheap in West Asia and the United States, two of the world's largest petroleum producers.

"The upcoming petchem projects in India are based on natural gas or ethane or propane, which are all imported. However, since the landed costs are much higher than in the US or in the Middle East, our ROCE (return on capital employed) would be in low single digits," said Swarnendu Bhushan, co-head of research, Prabhudas Lilladher.

Advantage US, West Asia

Ethane is the preferred feedstock for ethylene projects, something available in plenty in the US and Saudi Arabia, at $1 per metric million British thermal unit (MMBtu) or lower, industry officials say. When you bring it to India, the cost goes up 10-fold, because you need to ship it, refrigerate, vaporise, and finally pump it to reach the refinery.

So, Saudi Arabia and the US have an advantage of virtually free gas, says R Ramachandran, an oil industry consultant and former director, refineries, at Bharat Petroleum. Complex petrochemicals like polyols, PVC and toluene are better bets, but their volumes are smaller and they need to be marketed well.

While private companies such as Reliance and Adani are venturing into higher value-added chemicals, state-run refiners are focusing on polypropylene (PP) and polyethylene (PE) facilities, which are commoditised chemicals.

State-owned oil refiners including Indian Oil, Bharat Petroleum, Hindustan Petroleum and Numaligarh Refinery are putting up a combined 3 million tonnes a year of polypropylene facilities to make use of the propylene produced in their refineries, according to data provided by CareEdge Ratings.

There are major capacity additions planned for polypropylene, with capacities being set-up or enhanced expected to come on stream from FY26 to FY29, says Shah.

"Refineries are better off manufacturing polypropylene, which adds more to the gross refining margins compared to fuels or LPG," says Prashant Vasisht, Senior Vice President and Co-group Head, Corporate Ratings, at ICRA, a Moody's affiliate.

Private sector players have built scale and ordered supersized ethane carriers years ago to ship the fuel from the US, optimising on scale and transport costs. Export earnings and incentives have helped balance the cost differentials with overseas producers.

Petronet's Singh says the government will need to protect the interests of domestic petchem makers. For instance, Manali Petrochemicals says dumping of imported materials coupled with rising raw materials prices affected its margins in the April-June quarter.

Eventually, it all boils down to New Delhi.

Publication : Business Standard	Editions : New Delhi
Date :12 August 2024	Page : 1, 6

Used cooking oil over ethanol: Govt's new route to 5% biodiesel blending

SUBHAYAN CHAKRABORTY
New Delhi, 11 August

The government had been planning to use ethanol to meet its target of blending 5 per cent biodiesel in diesel sales by 2030, but the volatility in ethanol production volumes has forced it to shelve the plan, officials said. Instead, it is now focusing on used cooking oil (Uco), with plans to expand the repurpose used cooking oil (Ruco) initiative launched in 2019, officials said.

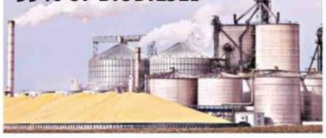
Widely used in Europe, biodiesel refers to biodegradable fuel traditionally manufactured from vegetable oils, animal fats, or recycled restaurant grease. However, large-scale blending has faced multiple hurdles in India due to the limited availability of feedstock notified for biodiesel production by the government. This includes non-edible oilseeds, animal tallow, acid oil, and most importantly, Uco.

Blending of biodiesel in diesel stood at less than 0.1 per cent in August 2021, the petroleum ministry had informed the Lok Sabha. Despite more than 980 million litres of biodiesel having been procured by the oil-marketing companies (OMCs) for blending with diesel since 2015-16, this had reached 0.8 per cent by the end of 2023-24, a senior official from an OMC said.

The Centre's ethanol blending programme has been a major success for petrol, with E20 (20 per cent ethanol-blended) petrol being sold at all retail fuel outlets across the country in 2024. During the current Ethanol Supply Year 2023-24, which runs until October, the blending percentage in petrol has already crossed 13 per cent.

Turn to Page 6

USED COOKING OIL POWERS 35% OF BIODIESEL



- Volatile ethanol supply and high petrol demand restrict ethanol use for diesel blending
- Government turned to ethanol due to a shortage of traditional biodiesel feedstock
- Oil-marketing companies may expand from 200 locations to source used cooking oil
- India produced 200 million litres of biodiesel in 2023
- 35% of this biodiesel was derived from used cooking oil

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3 OMCs may float EoIs for biodiesel from more locations

This is in line with the Centre's plan to achieve 20 per cent blending in petrol by 2025-26, which will require up to 10.16 billion litres of ethanol.

After the US and Brazil, India is the world's third-largest producer of ethanol, according to the International Energy Agency. However, the focus on petrol has kept ethanol away as an alternative blend for diesel.

"The usage of traditional domestic feedstock was initially aimed at for the first few years. Then ethanol was tried, and that too successfully. But securing a sustained supply (of ethanol) has been a challenge," a petroleum and natural gas ministry official said.

State-owned OMCs Bharat Petroleum Corporation and Hindustan Petroleum Corporation have also completed pilot projects to run vehicles on diesel mixed with ethanol

"Initially, the sense was that biodiesel supply would rise, outstripping the availability of flexible-fuel vehicles in the domestic market. But now that is not a problem anymore," the official added.

The current 5 per cent biodiesel blending target was announced in the National Policy on Biofuels, 2018. It also reduced the goods and services tax rate for biodiesel and offered remunerative prices for procurement. An amendment to the policy in 2022 saw the government stick to the 2030 deadline, which is when the Centre plans to tentatively begin direct sales of biodiesel in the country as well.

An exercise to tune the existing national biodiesel policy with more incentives saw the expansion of the Ruco scheme being accepted as the most viable way forward, officials said. The scheme involves the collection of Uco for conversion into biodiesel."As a result, the three OMCs are expected to float expressions of interest for the supply of biodiesel from Uco from more locations in the coming months," an official said.

Publication : The Hindu Business Line	Editions : New Delhi
Date :12 August 2024	Page : 3

Panel interviews GAIL chief, others for IOC Chairman post

New Delhi: Nearly a dozen candidates on Sunday appeared for interview before a search-cum-selection panel that is looking to appoint the new Chairman of Indian Oil Corporation (IOC), sources said. While 10 out of the nearly 60 candidates who applied were called for interviews, GAIL Chairman and Managing Director Sandeep Gupta is being considered a wildcard. Gupta had not applied but was called for the interview, three sources said. Those interviewed included two Directors on IOC board - Satish Kumar Vaduguri (Director-Marketing) and Arvind Kumar (Director-Refineries). PTI

Publication : The Hindu Business Line	Editions : Bangalore
Date :12 August 2024	Page : 2

TODAY'S PICK.

Oil India (₹643.95): BUY

Gurumurthy K
bl. research bureau

Oil India share price has risen very well over the last couple of weeks. On Friday, the stock surged 5 per cent and has closed the week on a strong note.

That keeps the broader uptrend intact and keeps the door open for more rise. Support is in the ₹610-₹600 region. Also, the 8-day and the 21-day moving averages at ₹600

and ₹587 have been limiting the downside very well since mid-June this year.

Oil India share price can rise to ₹700-₹705 in the coming weeks.

Traders can go long now at around ₹644. Accumulate on dips at ₹620. Keep the stop-loss at ₹595. Trail the stop-loss up to ₹655 as soon as the stock moves up to ₹670.

Move the stop-loss further up to ₹675 when the price touches ₹685. Exit the long positions at ₹700.

Note: The recommendations are based on technical analysis. There is risk of loss in trading

Publication : Financial Express	Editions : New Delhi
Date :12 August 2024	Page : 2

July power demand up 7% on rain deficiency

ARUNIMA BHARADWAJ
New Delhi, August 11

INDIA'S POWER DEMAND is estimated to have risen by 7% to 150 billion units (BU) in July compared to the same period last fiscal, driven primarily by higher consumption in rain-deficient northern states.

In June, power demand increased by 8.6% year-on-year. According to Crisil, power demand for the first four months of FY25 also registered a 10% increase over the corresponding period last year.

However, power demand in other regions moderated in July as monsoon coverage helped lower temperatures.

Data compiled by Crisil showed that power demand in the southern region rose by 4%, while it declined by a marginal 1% in the western region.

The sharp rise in demand in the northern region was primarily due to lower rainfall in Punjab, Haryana and Rajasthan.

Rainfall in Maharashtra and Gujarat was 63% and 45% above normal, respectively, last month. In contrast, Punjab and Haryana experienced deficient rainfall of 44% and 41%, respectively, likely leading to higher power demand for irrigation, as these are key agricultural states, the report noted.

As demand grew, power generation also increased, estimated to have risen by 5% year-on-year to 156 BUs in July, more than adequately meeting the increased demand.

"Excluding hydropower, coal, nuclear and renewable energy generation increased during the month by 4%, 17%, and 12% year-on-year, respectively," the report stated.

Hydropower generation, however, is estimated to have declined by 6% year-on-year due to deficient rainfall in the northern region.

According to provisional data from Grid India, water levels in 10 reservoirs in the region were only at 33% of total capacity as of August 1, compared to 76% last year, according to the Central Water Commission.

Additionally, coal supply to power stations has improved this fiscal year, with dispatches surging 6.7% year-on-year in the first quarter of FY25.

As of July 31, coal stocks at thermal power plants stood at 46 million tonne, sufficient to last 15 days, compared to 36 million tonne, which was estimated to last 13 days during the same period last year.

Crisil projects power demand to rise by 6.5-7.5% year-on-year in FY25, driven by weather variations, including severe and prolonged heat waves in the first quarter of FY25 and insufficient rainfall in northern India in July.

"Also supporting demand is strong economic activity, with estimates pointing to the country's gross domestic product expanding by 6.8% year-on-year," the report added.

NO LET-UP

Coal stocks

As on Jul 31, 2023	As on Jul 31, 2024
36 mn tonne	46 mn tonne
13 days stock	15 days stock

Source: CRISIL and CEA

- Power demand for the first four months of FY25 registered a **10%** increase
- Demand in the southern region rose by **4%**, while it declined by a marginal **1%** in the western region
- Water levels in 10 reservoirs in the region were only at **33%** of the total capacity

Online

Headline	GAIL chairman Sandeep Gupta wildcard for Indian Oil Corporation		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	12 Aug 2024		

GAIL chairman Sandeep Gupta wildcard for Indian Oil Corporation

https://energy.economictimes.indiatimes.com/news/oil-and-gas/gail-chairman-sandeep-gupta-wildcard-for-indian-oil-corporation/112454010

On Sunday, a search-cum-selection panel interviewed nearly a dozen candidates to appoint a new chairman for Indian Oil Corporation (IOC). One

unexpected candidate, Sandeep Gupta, joined the list of contenders. The current chairman, Shrikant Madhav Vaidya, is set to retire after his extension ends on August 31, 2024.

Nearly a dozen candidates on Sunday appeared for interview before a search-cum-selection panel that is looking to appoint the new chairman of Indian Oil Corporation (IOC), the nation's largest oil firm, sources said. While 10 out of the nearly 60 candidates who applied were called for interviews, GAIL chairman and managing director Sandeep Gupta is being considered a wildcard.

Gupta had not applied but was called for the interview, three sources aware of the matter said.

"They had invited 10 of the candidates who had applied. Gupta was the 11th person to be interviewed," one of them said.

Gupta, 58, was director (finance) in IOC before he was appointed the CMD of gas utility GAIL in October 2022.

Those interviewed on Sunday included two directors on IOC board - Satish Kumar Vaduguri (Director-Marketing) and Arvind Kumar (Director-Refineries).

Five executive directors of the company too were interviewed.

Bharat Petroleum Corporation Ltd (BPCL) director (marketing) Sukhmal Kumar Jain as well as company's director (refineries) S Khanna were also interviewed, sources said adding Hindustan Petroleum Corporation Ltd (HPCL) director (marketing) Amit Garg also appeared.

The panel is looking for a replacement for Shrikant Madhav Vaidya, whose one-year extension beyond his retirement age of 60 years ends on August 31. The Ministry of Petroleum and Natural Gas had in June sought applications from engineers, chartered accountants and cost accountants with post-graduate management degrees from leading institutions and having at least five years experience in leadership roles for the top job at IOC.

The age eligibility cut off has been set at not more than 58 years for internal candidates and 57 years for outsiders with 60 years as the retirement age. But this was relaxable in the case of deserving candidates.

This discretion was used in the case of Gupta, who has less than two years before retirement in February 2026, and Satish Kumar Vaduguri, who has only 11 months of service left.

Sources said Gupta may have been the panel's choice.

"The entire process is being carried out in utmost secrecy," one of the sources cited above said.

Vaidya, who took over as the chairman of India's biggest oil company on July 1, 2020, was to retire on August 31, 2023, when he attained the superannuation age of 60 years. But he was in a rare move "re-employment on a contract basis" for one year "beyond the date of his superannuation i.e with effect from September 1, 2023, till August 31, 2024," according to an official order dated August 4, 2023.

Thereafter a three-member search-cum-selection committee was constituted to find who will head IOC after August 31, 2024. The panel is headed by the government headhunter Public Enterprises Selection Board (PESB) chairperson and includes the oil secretary and former Hindustan Petroleum Corporation Ltd (HPCL) chairman M K Surana as members.

The committee, however, couldn't make much progress over the age eligibility issue.

Sources said the ministry initially proposed allowing anyone who has not attained the age of 61 years to be considered for the job. This made Vaidya eligible for the job.

However, the proposal did not find favours with the Prime Minister's Office (PMO

Thereafter the government reverted to the old system of appointing PSUs head with 60 years as the retirement age.

Prior to Vaidya, no chairman of a Maharatna PSU was given an extension beyond 60 years in recent years. In fact, the government had last year denied Ranjan Kumar Mohapatra an eight-month extension as director (human resources) of IOC till his superannuation age.

The oil ministry recommended an extension of service for Vaidya after PESB in May last year did not make any recommendation for the next chairperson of IOC after interviewing 10 candidates, including Arvind Kumar who at that time was managing director of Chennai Petroleum Corporation Ltd (CPCL).

IOC's was the second instance in recent months where PESB did not find a suitable candidate for the top job at blue-chip oil companies and retired personnel were given charge.

On June 3, 2021, PESB did not find anyone suitable from nine candidates, including two serving IAS officers, to head ONGC.

The ministry thereafter constituted a search-cum-selection panel and named Arun Kumar Singh, who had retired after attaining 60 years of age from BPCL, to head ONGC. Singh wasn't eligible to apply in the first place but the eligibility rule was changed to allow consideration of persons who have attained 60 years of age.

A similar but bigger age relaxation (allowing persons up to the age of 61 years to be considered) was being sought for IOC.

Existing rules for hiring board-level positions in PSUs allow consideration of candidature of an internal person with at least two years of service left before retirement and three years in case of outside candidates.

IOC refines crude oil into products like petrol, diesel, liquid petroleum gas (LPG), and aviation turbine fuels. It also makes petrochemicals and retails CNG.

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IOC refines crude oil into products like petrol, diesel, liquid petroleum gas (LPG), and aviation turbine fuels. It also makes petrochemicals and retails CNG.

Besides being the backbone of Indian fuel supplies, IOC is pivoting India's energy transition -- the shift from fossil-based systems of energy production and consumption -- including oil, natural gas, and coal, to renewable energy sources like wind and solar, as well as lithium-ion batteries.

IOC owns and operates 10 oil refineries with a combined capacity of 80.6 million tonnes, making up for almost a third of India's 251.2 million tonnes of refining capacity. It also owns 36,285 petrol pumps out of 86,855 pumps in the country. Besides, it owns half of the nation's 25,386 LPG distributors. It runs 131 out of 283 aviation fuel stations in the country. PTI ANZe of Indian fuel supplies, IOC is pivoting India's energy transition -- the shift from fossil-based systems of energy production and consumption -- including oil, natural gas, and coal, to renewable energy sources like wind and solar, as well as lithium-ion batteries.

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Headline	ONGC Receives Govt Approval To Invest Additional Rs 10,501 Crore In OPaL		
Publication	Khabar India	Edition	Online Coverage
Published Date	11 Aug 2024		

ONGC Receives Govt Approval To Invest Additional Rs 10,501 Crore In OPaL

https://www.khabarindia.in/ongc-receives-govt-approval-invest-additional-rs-10501-crore-opal/

(FE) Oil and Natural Gas Corporation (ONGC) said that it has received the government approval to invest more capital into ONGC Petro additions

Limited (OPaL). The investment will include infusion of additional equity capital upto Rs 10,501 crore in ONGC Petro additions Limited (OPaL), which will take ONGC's stake in its subsidiary to 95.69 per cent. The company received the approval from the Ministry of Petroleum & Natural Gas, Govt. of India (GoI) on August 9, 2024.

It is informed that the company has received a letter dated 09.08.2024 from Ministry of Petroleum & Natural Gas, Govt. of India (GoI), inter-alia, conveying approval of the GoI for infusion of additional equity capital upto Rs 10,501 crore in ONGC Petro additions Limited (OPaL), conversion of back stopped Compulsorily Convertible Debentures (CCDs) amounting to Rs 7,778 crore and balance payment of Rs 86 crore with respect to share warrants, totalling to Rs 18,365 crore, it said in a regulatory filing.

Headline	Centre approves investment of Rs 10,501Cr in ONGC Petro additions Ltd		
Publication	Sunday Guardian Live	Edition	Online Coverage
Published Date	11 Aug 2024		

Centre approves investment of Rs 10,501Cr in ONGC Petro additions Ltd

https://sundayguardianlive.com/business/centre-approves-investment-of-rs-10501cr-in-ongc-petro-additions-ltd

Business Centre approves investment of Rs 10,501Cr in ONGC Petro additions Ltd

NEW DELHI: The central government has granted an approval letter to Oil and Natural Gas Corporation Limited (ONGC) to invest significantly in ONGC Petro additions Limited (OPaL), the company informed the exchange in a filing.

This decision marks an important moment for OPaL, as it will receive an infusion of additional equity capital amounting to Rs 10,501 crore.

The Company has received a letter dated 09.08.2024 from the Ministry of Petroleum & Natural Gas, Govt. of India (GoI), inter-alia, conveying approval of the GoI for infusion of additional equity capital up to Rs 10,501 crore in ONGC Petro additions Limited (OPaL), said the company on Friday.

Furthermore, the GoI has also sanctioned the conversion of back-stopped Compulsorily Convertible Debentures (CCDs) worth Rs 7,778 crore, along with a balance payment of Rs 86 crore related to share warrants. The total investment thus reaches Rs 18,365 crore, which will elevate OPaLs status to a subsidiary of ONGC, with a commanding 95.69 per cent equity stake.

This will change the status of OPaL into a subsidiary of ONGC with a 95.69 per cent equity stake, the company statement added.

Headline	Govt moves to ready ground for 5% ethanol mix in diesel		
Publication	The Times of India	Edition	Online Coverage
Published Date	12 Aug 2024		

Govt moves to ready ground for 5% ethanol mix in diesel

https://timesofindia.indiatimes.com/city/delhi/government-initiates-plan-for-5-ethanol-blend-in-diesel/articleshow/112451248.cms

New Delhi: Govt is looking at a new plan of 5% blending of ethanol in diesel (ED-5) as it moves closer to achieving the target of 20% blending in petrol in the next two years, reports Dipak Dash.

The PMO last week held a meeting on the new proposal with all ministries concerned, sources said.

In June, ethanol blending with petrol touched 15.9%. Sources said govt wants to get the ground ready for ethanol blending in diesel. Though ethanol blending in diesel will mean that we have to produce more of this green fuel, it will be good for the environment and cut our crude oil imports and save foreign exchange, said an official.

TOI has learned that Automotive Research Association of India (ARAI) had done a trial run in 2018-19. The trial was done on BS-III and BS-VI buses to assess vehicular performance, emission and durability. The test was conducted for 500 hours and no major failure was recorded. Sources said the pilot project found fuel consumption was slightly lower than normal diesel.

However, the trial of ethanol-blended diesel has so far not been done on BS-VI vehicles. One of the oil PSUs is likely to undertake a trial of the fuel on a heavy-duty vehicle for assessment.

Recently, while replying to a question in RS, petroleum minister Hardeep Singh Puri said blending of ethanol with diesel was at an experimental stage and initial tests showed the formation of deposits in fuel tanks and other implications.

Headline	Western insurers cover Russian oil tankers despite price cap worries		
Publication	Madras Tribune	Edition	Online Coverage
Published Date	12 Aug 2024	Journalist	Bureau

Western insurers cover Russian oil tankers despite price cap worries

https://madrastribune.com/2024/08/10/western-insurers-cover-russian-oil-tankers-despite-price-cap-worries/

Some Western insurers, including Norway's Gard AS, are continuing to provide cover for tankers carrying Russian crude, despite international sanctions and price cap measures, Reuters reported. Other insurers that are keeping Russia's oil flowing are West of England Protection & Indemnity Club, American Steamship Owners Mutual Protection and Indemnity Association, Inc., Maritime Mutual Insurance Association (NZ) Ltd., and the London P&I Club. These insurers said that they rely on the attestation letters from the participants in the trade that all work was legal and complied with Western sanctions.

Headline	Oil holds on to last week's gains buoyed by Mideast tensions, economic data		
Publication	Mint	Edition	Online Coverage
Published Date	12 Aug 2024	Journalist	Bureau

Oil holds on to last week's gains buoyed by Mideast tensions, economic data

https://www.livemint.com/market/stock-market-news/oil-holds-on-to-last-week-s-gains-buoyed-by-mideast-tensions-economic-data-11723423247357.html

BEIJING, - Oil prices were little changed in early Asian trading on Monday, holding on to most of last week's more than 3% gains, supported by geopolitical tensions and better economic data.

Brent crude futures fell 7 cents, or 0.09%, to $79.59 a barrel by 0021 GMT, while U.S. West Texas Intermediate crude futures rose 2 cents, or 0.03%, to $76.86.

"Traders remain mindful of simmering tensions in the Middle East," ANZ analysts said in a note.

The risk of an escalation in the Israeli-Palestinian conflict continued to support prices after Iran and Hezbollah vowed to retaliate for the assassinations of Hamas leader Ismail Haniyeh and Hezbollah military commander Fuad Shukr.

The Israeli incursion into Gaza intensified on Saturday with an airstrike on a school compound that killed at least 90 people, according to the Gaza Civil Emergency Service, though Israel said the death toll was inflated. Hamas cast doubt on its participation in new ceasefire talks on Sunday.

Brent ended last week up more than 3.5% on the week, while WTI gained more than 4%, on supportive economic data and increased hopes of a U.S. interest rate cut.

Three U.S. central bankers said last week that inflation appeared to be cooling enough for the Federal Reserve to cut interest rates as soon as next month.

China's consumer prices rose faster than expected in July, and U.S. weekly jobless claims fell more than expected last week.