ONGC News as on 05 December 2024 (Print & Online)

Publication : Financial Express	Editions : New Delhi
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PM internship scheme kicks off

MANU KAUSHIK
New Delhi, December 4

TWO DAYS AFTER its planned launch, the PM internship scheme (PMIS) kicked off as interns from 656 districts started their internships with companies such as IOCL, ONGC, Vedanta, Maruti Suzuki, Titan, NTPC and others.

The ministry of corporate affairs (MCA) has also started the disbursement of ₹6,000 one-time grant under the direct benefit transfer (DBT) to the selected interns.

While the ministry didn't share the exact number of people who started their internships on Wednesday, the pilot project of the scheme aims to provide 1.25 lakh internship opportunities to people between 21-24 years of age. The interns will get a monthly stipend of ₹5000 for 12 months.

"The internships under PMIS aim to provide interns with hands-on experience and enhance the employability of India's youth," said an MCA statement.

While companies like ONGC are offering accommodation to interns travelling from different districts -- along with training in soft skills and computer proficiency -- others like Maruti Suzuki have designed a comprehensive 30-day induction programme.

Announced in the Budget 2024-25, PMIS aims to provide internship opportunities to 10 million people in top 500 companies over five years.

MCA had launched the pilot project October this year. Under the pilot project, the MCA has received over 6.5 lakh applications for 1.27 lakh opportunities offered by 280 companies. Initially, the scheme was scheduled to inaugurate on December 2, but it has been deferred.

PILOT PROJECT

- Ministry of Corporate Affairs (MCA) has started disbursement of ₹6,000 one-time grant under the DBT to the selected interns

- MCA has received more than 650,000 applications for 127,000 opportunities offered by 280 companies

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CPSE dividend receipts at 76% of annual target

PRASANTA SAHU
New Delhi, December 4

THE CENTRE'S DIVIDEND receipts from the Central Public Sector Enterprises (CPSEs) and other investments have fetched ₹42,713 crore so far in the current financial year or 76% of the annual target.

With lower crude prices aiding bottomlines, state-run oil and gas companies are the top dividend payers with ₹14,387 crore, followed by coal and mining (₹12,114 crore) and power (₹4,415 crore).

Coal India was the top dividend payer to the government so far in FY25 with ₹8,073 crore, followed by Oil & Natural Gas Corporation (₹6,297 crore), Indian Oil (₹5,091 crore), Hindustan Zinc (in which the government owns a 29.54% stake) paid ₹3,619 crore and Telecommunications Consultants India (₹3,443 crore).

Going by the performance of the CPSEs so far, the dividend receipts from these companies may exceed ₹60,000 crore for the second year in a row in FY25 as against the target of ₹56,260 crore.

As against the Budget estimate of ₹50,000 crore, the dividends from CPSEs and other residual stakes in other firms had fetched the Centre ₹63,749 crore in FY24, the highest in any financial year.

These CPSE dividends, other than from the Reserve Bank of India and state-run financial institutions, have been driven by robust performance in a wide spectrum of sectors, including petroleum, energy, mining and commodities.

Higher dividend receipts from CPSEs will further cushion the government's fiscal deficit in FY25.

Thanks to the dividend of ₹2.11 trillion from the RBI as against the Budget estimate of ₹80,000-90,000 crore, the government has pegged the fiscal deficit for FY25 at 4.9% of GDP from 5.1% estimated in the interim Budget.

GOOD SHOW

Centre's dividends from CPSEs (₹ crore)

- Higher dividend receipts will cushion the government's fiscal deficit in FY25
- Govt has pegged fiscal deficit for FY25 at 4.9% of GDP from 5.1% estimated in interim Budget

Recently, the Centre had tweaked the capital management guidelines, giving the CPSEs more operational and financial flexibility by relaxing the criteria for payment of dividends. According to the revised guidelines, every CPSE would pay a minimum annual dividend of 30% of profit after tax (PAT) or 4% of the net worth, whichever is higher.

Financial sector CPSEs like NBFCs may pay a minimum annual dividend of 30% of PAT.

Earlier norms mandated CPSEs to pay a minimum annual dividend of 30% of PAT or 5% of the net worth, whichever is higher.

Publication : The Economic Times	Editions : New Delhi
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ONGC-NTPC Green JV Set to Buy Ayana for $750 M

ONGC NTPC Green Pvt Ltd, an equal JV between ONGC Green and NTPC Green, is set to buy a 100% stake in Ayana Renewable Power for $700-750 million. The deal pegs the enterprise value of Ayana at $1.7-1.8 billion. ▶▶ 11

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ONGC, NTPC Green JV Set to Buy Ayana Renewable for $750 million

Deal pegs enterprise value of Ayana at $1.7-1.8 b; negotiations almost done on terms of sale

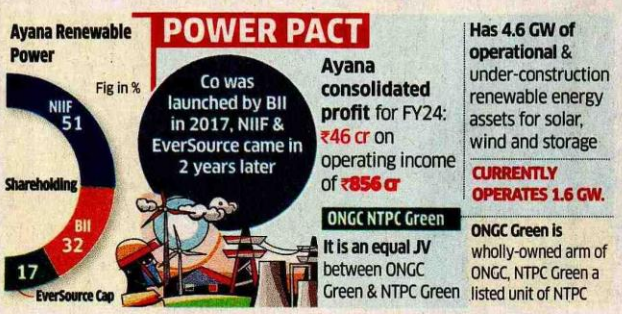
Sanjeev Choudhary

New Delhi: ONGC NTPC Green Pvt Ltd (ONGPL), an equal joint venture between ONGC Green and NTPC Green, is set to acquire a 100% stake in Ayana Renewable Power for $700-750 million, according to people with knowledge of the matter.

The JV has nearly completed the negotiations with Ayana's current shareholders—National Investment and Infrastructure Fund (NIIF) (51%), British International Investment (BII) (32%) and EverSource Capital (17%)—on the terms of the sale, these people said. ONGPL will likely sign the share purchase agreement in a fortnight to purchase Ayana, they said.

The deal pegs the enterprise value of Ayana at $1.7-1.8 billion, people said. ONGC, NTPC, NIIF, BII and EverSource didn't offer comment for the story.

ONGC Green is a wholly-owned subsidiary of state-run Oil and Natural Gas Corp and NTPC Green is a listed subsidiary of NTPC.



Ayana's existing shareholders have infused ₹3,700 crore in the renewable energy platform against their capital commitment of $721 million (about ₹6,100 crore at the current exchange rate), ratings agency ICRA said in a September report. Ayana was launched by BII in 2017. NIIF and EverSource came in two years later. Ayana reported a consolidated profit of ₹46 crore on an operating income of ₹856 crore for 2023-24, per the report.

Ayana has a portfolio of 4.6 GW of operational and under-construction renewable energy assets encompassing solar, wind and storage. It currently operates 1.6 GW. It is expected to add 1 GW by March and another 1.5 GW by the end of the next fiscal year, according to people cited earlier.

ONGC, JSW Neo Energy and Sembcorp were shortlisted to submit binding bids for Ayana in August. Sembcorp sought a deviation in the bidding process and went out of the race while JSW and ONGC submitted bids. ONGC emerged as the top bidder and teamed up with NTPC.

ONGC, which has spent over two decades acquiring oil and gas assets worth billions globally, chose a state-run generator as a partner to mitigate the acquisition risks associated with a sector it is less familiar with. The Ayana deal would boost the green ambition of the oil and gas producer, which aims to have a renewable energy portfolio of 10 GW by 2030. In September, ONGC acquired PTC Energy Ltd for Rs 925 crore. PTC Energy has 288 MW wind generation capacity.

The deal would also expand the portfolio of NTPC Green whose shares are making waves on the bourses since they listed last week. Its shares are trading 37% above the issue price.

The Ayana deal would also offer an exit to private equity investors at a time when several renewable energy deals are struggling to close in the country.

Publication : The Economic Times	Editions : New Delhi
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PM INTERNSHIP SCHEME

MCA: Cos Giving Holistic Support

New Delhi: Youths from 656 districts across the country have embarked upon internships under the pilot project of the PM Internship scheme, with many companies providing "holistic support" to interns, the corporate affairs ministry said Wednesday. Companies, including ONGC, are offering accommodation to interns from faraway places, along with training them in soft skills and computer proficiency. Maruti Suzuki has designed a 30-day induction programme, the ministry said. —**Our Bureau**

Publication : The Indian Express	Editions : New Delhi
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Windfall gains tax on oil put to rest: the move and its significance

SUKALP SHARMA
NEW DELHI, DECEMBER 4

THE GOVERNMENT on Monday withdrew the windfall gains tax on domestic production of crude oil and export of diesel, petrol, and aviation turbine fuel (ATF), scrapping the levy that was introduced 30 months ago amid a surge in the prices of crude oil and key fuels in the international market in the wake of Russia's invasion of Ukraine.

Apprehensions about the availability of the fuels in the domestic market amid the global energy turmoil at the time had contributed to the decision to impose the levy.

But a lot has changed since then. After the initial shock and supply concerns, global oil and fuel flows have stabilised. International crude and fuel prices are significantly lower, and there is a robust supply in the Indian domestic market.

Primarily due to these reasons, the windfall gains tax was not generating significant revenue. In fact, the levy on petrol exports had been zero since July 20, 2022, and on diesel exports, it had been nil since March 1, 2024.

On ATF exports, the windfall gains tax was reduced to nil from January 2, 2024, while on domestic oil production, the levy was brought down to zero from September 18, 2024.

For all practical purposes then, the tax was already dead — it has now been buried.

When it was first introduced on July 1, 2022, the windfall gains tax on domestic crude was Rs 23,250 per tonne, which translated to roughly $40 per barrel. Crude oil prices were well above $100 per barrel at the time. They are now under $75 per barrel, and are unlikely to shoot up unless there is another major supply shock.

The levy on diesel exports was initially Rs 13 per litre, and exports of ATF and petrol attracted a levy of Rs 6 per litre.

The tax and its rationale

The term windfall gains tax was used to describe cesses under the ambit of central excise imposed on fuel exports and domestic crude oil production to tax supernormal profits of fuel exporters and oil producers.

EXPLAINED ECONOMICS

For domestic crude oil and ATF exports, the windfall gains tax was in the form of Special Additional Excise Duty (SAED); for diesel and petrol, it was a combination of SAED and Additional Excise Duty (AED), which was also known as Road and Infrastructure Cess (RIC).

The duties were reviewed fortnightly, based on the movement in margins on fuels in the international market and global crude oil prices. The levy on petrol was reduced to nil in the first revision itself, and was not hiked afterward.

These levies were imposed as global oil and fuel prices surged in the aftermath of Russia's invasion of Ukraine. As the price of crude oil produced in India is benchmarked to international prices, domestic oil prices also went through the roof. At the same time, margins on fuels were a lot more lucrative in other markets, incentivising refiners, particularly the private sector players, to export fuels. This had resulted in fuel supply disruptions in some parts of the country.

Apart from taking a share of windfall profits of oil producers and fuel exporters to partly soften the blow of duty cuts on domestic petrol and diesel sales, the government also wanted to ensure enough fuel supply to meet domestic demand. Several other countries too had imposed taxes on supernormal profits of energy companies at the time.

The impact and signal

The country's oil industry was understood to have always been against the windfall tax regime. It was argued that it limited the profitability of publicly listed companies, and discouraged efforts to increase oil production in a country that depends on imports to meet more than 85% of its oil needs. The frequent review of the levies, it was argued, made the taxation unpredictable.

The windfall gains tax mop-up was around Rs 25,000 crore in 2022-23 (FY23). But it declined to around Rs 13,000 crore in FY24, and to Rs 6,000 crore in FY25 so far.

The provision to change the tax level, however, continued to be in place even as the levy itself was nil. With Monday's move, the government has effectively withdrawn those provisions as well. This may be seen as an assurance to the country's oil industry that the taxation regime will be predictable and stable.

The scrapping of the windfall gains tax may not have any notable impact on the financials of domestic oil producers like Oil and Natural Gas Corporation (ONGC) and Oil India (OIL), and major fuel exporters like Reliance Industries (RIL) and Nayara Energy (NEL).

It does, however, signal reliable and predictable taxation — and that the government now feels confident that a hard-to-manage surge in oil and fuel prices and supply shocks are unlikely going forward.

Publication : The Morning Standard	Editions : New Delhi
Date :5 December 2024	Page : 10

Hindustan Petroleum Corp sweeps top honors at prestigious FIPI Oil and Gas Awards 2023

Hindustan Petroleum Corporation Limited (HPCL), a Maharatna Oil & Gas PSU, has emerged as a leader in the Oil and Gas industry, bagging three prestigious awards at the FIPI Oil and Gas Awards 2023. These awards are a testament to HPCL's unwavering commitment to innovation, sustainability, and leadership. The Federation of Indian Petroleum Industry (FIPI), the apex society of entities in the hydrocarbon sector, presented the awards. FIPI acts as an industry interface with the government and regulatory authorities, supporting the government in resolving issues and evolving policies and regulations. The FIPI Oil and Gas Awards have been created to recognise the leaders, innovators and pioneers in the Oil and Gas industry. The objective of the FIPI Oil & Gas Awards is to celebrate the industry's most outstanding achievements.

Publication : BizzBuzz	Editions : Hyderabad
Date :5 December 2024	Page : 6

Brent crude trading at $73.88/bbl

CRUDE oil prices on Wednesday climbed Rs23 to Rs5,952 per barrel in futures trade as participants increased their positions following a firm spot demand. On MCX, crude oil for December delivery traded higher Rs23 or 0.39 per cent at Rs5,952 per barrel in 11,359 lots. Analysts said raising of bets by participants kept crude oil prices higher in futures trade. Globally, West Texas Intermediate (WTI) crude was trading 0.31 per cent higher at $70.16 per barrel, while Brent crude was trading 0.35 per cent higher at $73.88 per barrel in New York.

Publication : Mint	Editions : New Delhi
Date :5 December 2024	Page : 1, 6

Saudi Arabia is losing its grip on global oil markets

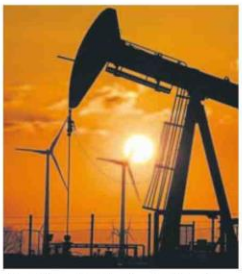
Summer Said, David Uberti & Benoit Faucon

THE WALL STREET JOURNAL.

Saudi Arabia's sway over the Organization of the Petroleum Exporting Countries long meant unquestioned dominance of the global oil market. Those days are over, at least for now.

The kingdom is struggling to execute its plan to keep prices elevated. Higher prices would help pay for Saudi's infrastructure-spending spree, including $1 trillion of projects designed to rapidly pivot the economy away from oil. It would also pinch drivers at the pump and contribute to risks that inflation could stage a global comeback.

But the cartel's increasingly fractious members are pushing to pump more and maximize short-term profits, in part due to the expectation of growing competition from U.S. shale drillers emboldened by former President Donald Trump 's re-election.



The kingdom is struggling to keep prices elevated. AP

"We have more liquid gold than any country in the world," Trump said in his victory speech on Nov. 6. "More than Saudi Arabia. We have more than Russia."

Ahead of Thursday's scheduled meeting of OPEC+, that creates a dilemma for its de facto leadership in Riyadh: continue defending the price of oil, or fight to take back market share.

It appears the Saudis aren't inclined to start another price war.

Saudi officials say the kingdom is likely to keep the spigots tight on its own production, further pushing back plans to loosen them that were already delayed twice.

"They won't be able to bring oil back online next year," said a Saudi official.

Yet another major producer, the United Arab Emirates, has been allowed to add more barrels into the market from January. And Iraq and Kazakhstan are also lobbying the cartel to bring more production of their own, which would boost supplies further and likely depress prices.

OPEC+ is comprised of the core Saudi-led cartel as well as a group of other major oil-producing allies, including Russia.

The Saudis tried to fight U.S.

TURN TO PAGE 6

Publication : Mint	Editions : New Delhi
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Saudi Arabia is losing its iron grip on global oil markets

FROM PAGE 1

shale by waging a price war in 2014 and 2020 but ultimately failed to rein in mounting American production.

This time around, the kingdom's officials are wary of making a bold move before Trump signals where he would like prices to be, they said. While the president-elect has previously said he wanted to ease pain at the pump for consumers, his campaign was funded by oilmen who also benefit from higher prices.

Crude output in the Americas has already helped slash the OPEC+ slice of global supplies to some of its lowest levels since the broader group's 2016 founding.

OPEC+ production cuts, pushed by Saudi Arabia, have made that even more uncomfortable for other members.

"It's really easy to be part of a cartel when a market is growing," said Jorge León, a Rystad Energy analyst who formerly worked for OPEC. "Nobody wants to be in a cartel where they are cutting production."

The upshot is that OPEC+ has lost some of its geopolitical heft in Washington. U.S. Assistant Secretary of State for Energy Resources Geoffrey Pyatt said the cartel's market power these days is "less than you would imagine" as oil producers elsewhere—Brazil, Canada and Guyana—pump gushers of crude.

"In the world that I live in, the challenge as we think about strategy is, how does the United States think about its status as an energy superpower?" he said. "We don't have to be so fussed about what OPEC or anybody else is doing, because we can focus on our own story."

OPEC watchers say the shift in power has undermined Saudi Arabia's ability to corral the cartel's members or attract new entrants.

That tension spilled into public view last week, when an Iranian OPEC+ delegate published a commentary on the state-run news agency arguing that the cartel's Saudi-led policy to keep prices elevated has largely been a failure, in part because it motivated the U.S. and other producers to pump more. The delegate noted that Angola already quit the cartel, and speculated that other countries could soon follow as a result of the policy.

The situation marks a U-turn from just two years ago, when oil traded for more than $100 a barrel, President Biden pleaded with the Saudis to open the spigots, and some Wall Street investors projected a long run-up in prices similar to the China-driven commodity boom of the 2000s.

Crude output in the Americas has already helped slash the OPEC+ slice of global supplies to some of its lowest levels

Now, with global prices wavering below $75 a barrel, OPEC+ is staring down a Chinese economy that is growing more slowly than expected and becoming increasingly fuel efficient. Instead of pumping more oil starting in January, as previously planned, it "may be wiser to wait for the end of the first quarter and higher Chinese demand to hike output," an OPEC delegate said.

The cartel's internal analysts, overseen by a Saudi official, have trimmed their estimated demand growth this year and next for four consecutive months. Those dimming expectations have contributed to the group's loss of credibility—among traders, U.S. officials and even some delegates—to accurately forecast the market.

The International Energy Agency estimates global supplies will outstrip demand by more than one million barrels a day next year if the group doesn't cut output.

"The industry is overinvesting," Torbjörn Törnqvist , chairman of Gunvor Group, one of the world's largest trading houses, told reporters on the sidelines of an Abu Dhabi oil conference. "There is a surplus [of oil] building up now."

Those factors have pushed Wall Street in recent months to bet on weak prices ahead, contributing in September to hedge funds' first net-bearish positioning on Brent crude futures on record.

Some in OPEC+ worry that Trump's pledge to "drill, baby, drill" through looser regulation and expedited leasing of federal lands could add to the downward pressure on prices. At the same time, U.S. oil executives and analysts are wary of quickly increasing production the way Trump has promised.

Federal officials project U.S. production will average 13.2 million barrels a day this year—47% higher than Saudi's October output—growing to 13.5 million barrels a day in 2025. One county in New Mexico alone now pumps more crude than the smallest six of OPEC's core 12 members.

Saudi oil minister Abdulaziz bin Salman has at times appeared openly frustrated at the kingdom's waning influence.

Under his watch, OPEC meetings were often canceled or conveyed at the last minute, and often online to avoid leaks. In September, he warned prices could drop to as low as $50 per barrel if so-called cheaters within OPEC+ didn't stick to agreed-upon production limits, The Wall Street Journal previously reported.

For some analysts, the strategy for Saudi to continue defending the oil price amounts to a long-term gamble on waiting out U.S. shale's projected peak in the coming years.

Meanwhile, keeping OPEC+ together will be crucial "to sustain themselves through what could be a low-price period," said Karen Young, a senior research scholar at the Columbia University Center on Global Energy Policy.

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Kuwait explores storing oil in Indian strategic reserves

Kuwait's state-owned explorer and refiner is evaluating storing crude in Indian underground caverns under the second leg of the government's programme to boost strategic petroleum reserves in the world's third biggest oil importer.

>P6

Kuwait explores storing oil in Indian strategic reserves

Gulf nation-run firm expresses interest in leasing space from local entity operating caverns

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NEW DELHI

Kuwait's state-owned explorer and refiner is evaluating storing crude in Indian underground caverns under the second leg of the government's programme to boost strategic petroleum reserves in the world's third biggest oil importer.

Participation of Kuwait Petroleum Company in phase 2 is one of the new areas of cooperation being explored, the external affairs ministry said in its reply to the parliamentary committee's query on cooperation between India and the Gulf Cooperation Council (GCC). The information was shared with KPC on 10 November 2022 and the company has shown interest in storing its crude in the facilities of state-run Indian Strategic Petroleum Reserve Ltd (ISPRL), it said.

The status report on action taken by the government on the parliamentary panel's recommendations was submitted on Tuesday.

India's plan to augment strategic reserves is aimed at ensuring energy security during geopolitical tensions which tend to disrupt supplies and drive up prices, as seen in 2022 during the peak of Russia's war in Ukraine. Such reserves can be used in times of emergency.

The Union cabinet approved the construction of caverns along with single-point moorings and pipelines under phase II at Chandikhol, Odisha (4 million metric tonne) and Padur, Karnataka (2.5 mmt) in public-private partnership in 2021. ISPRL has since been engaging with the GCC countries.

The external affairs ministry said that ISPRL has also informed Saudi Aramco and Abu Dhabi National oil Company (ADNOC), the national oil company of the UAE, about the opportunity to participate in the second round.

The external affairs ministry said that ISPRL has also informed Saudi Aramco and ADNOC about the opportunity to participate in the second round. AFP

ISPRL, the custodian of caverns storing critical sovereign crude oil reserves, also operates facilities for any other entity approved by the Centre.

It also coordinates for releasing and replenishing strategic crude oil stock during supply disruptions through an empowered committee of the Government of India.

In the first phase, ISPRL created underground rock caverns to store 5.33 million tonne (mt) of crude across three locations: Visakhapatnam, Andhra Pradesh (1.33 mt), and Mangalore (1.5 mt) and Padur (2.5 mt) in Karnataka.

ADNOC joined phase I to store 5.86 million barrels of its crude in Mangalore. In 2018, it signed another memorandum of understanding (MoU) with ISPRL to explore storing crude at its underground facility at Padur.

The parliamentary panel on external affairs, in its report in January this year, had suggested that the government should actively engage with the GCC countries to secure their participation in phase II of its strategic petroleum reserve programme as these nations contribute almost 35% of India's oil and 70% of gas imports.

On the panel's recommendation of exploring more long-term contracts for oil and gas, the ministry replied India is also eyeing a term contract with Oman, the nation's 12th largest supplier of oil, apart from existing deals with Saudi Arabia, the UAE, Qatar, Kuwait, and Bahrain.

"These strategic engagements underscore India's efforts to secure a stable and diversified energy supply and strengthen diplomatic and economic ties with prominent energy-producing nations in the region," the ministry said, adding that it continues to explore more such opportunities.

The external affairs ministry, in its reply to the parliamentary panel, also said that to broaden the scope of strategic reserves beyond national borders, ISPRL signed an MoU with Oman Tanking Terminal Company LLC (OTTCO) on 25 June 2023 to conduct feasibility studies for ISPRL's potential involvement in phase I of the Ras Markaz project through equity partnership or leasing storage space.

"This endeavour presents a distinctive opportunity to establish strategic storage beyond India, particularly with an oil-producing nation," it said.

The efforts to get into a term contract with Oman coincide with the free-trade talks between the two countries. Earlier, *Mint* reported that negotiations have concluded, and the signing of the agreement would follow soon.

ENERGY SECURITY

INDIA'S plan to augment strategic reserves is aimed at ensuring energy security

GEOPOLITICAL tensions tend to disrupt supplies and drive up the prices, as seen in 2022

EXTERNAL affairs ministry said the country is eyeing a term contract with Oman

INDIA also has deals with Saudi Arabia, the UAE, Qatar, Kuwait, and Bahrain

Publication : The Daily Guardian	Editions : New Delhi
Date :5 December 2024	Page : 12

Oil delivery to Czech Republic from Russia is interrupted

AGENCIES
PRAGUE

Oil delivery to the Czech Republic from Russia through the Druhzba pipeline has been interrupted, Czech officials said Wednesday. The state Mero company that operates the pipeline network in the country said it was assessing the situation. "The supplies have not been threatened," Mero said. It said the state has reserves for 90 days and oil delivery from the West through the TAL and IKL pipelines has not been interrupted. Czech Industry and Trade Minister Lukas Vlcek said it was not immediately clear what happened. "The Czech refiners are well ready for such a situation and we have a robust system of state reserves," Vlcek said. Orlen Unipetrol refiner said its operations have not been affected. The Czech Republic, Slovakia and Hungary are the only remaining European Union member states still receiving oil from Russia.

The other EU countries stopped buying Russian oil following the country's full-scale invasion of Ukraine in 2022 as part of the EU sanctions to punish Russia for the aggression. The EU exception for the Czechs to get Russia's oil expires on Thursday. The government previously said it was not planning to seek an extension.

Publication : The Hindu Business Line	Editions : New Delhi
Date :5 December 2024	Page : 10

Crude oil steadies ahead of OPEC+ decision

Bengaluru: Crude oil prices were little changed with traders expecting OPEC+ to announce an extension to supply cuts this week while heightened geopolitical tensions continue to dominate market sentiment. Brent crude futures were up 5 cents at $73.67 a barrel by 1214 GMT. US West Texas Intermediate crude futures fell 4 cents to $69.90. REUTERS

Online

Headline	Govt Scraps Windfall Profit Tax On Domestic Crude Oil, Export Of Fuels		
Publication	Business Northeast	Edition	Online Coverage
Published Date	4 Dec 2024		

Govt Scraps Windfall Profit Tax On Domestic Crude Oil, Export Of Fuels

https://www.business-northeast.com/govt-scraps-windfall-profit-tax-on-domestic-crude-oil-export-of-fuels

New Delhi: The government on Monday scrapped 30-month old windfall profit tax on domestically-produced crude oil and on export of jet fuel (ATF), diesel

and petrol following a decline in international oil prices. Minister of State for Finance Pankaj Chaudhary tabled a notification in Rajya Sabha scrapping the levy on crude oil produced by firms like state-owned Oil and Natural Gas Corporation (ONGC) and exports of fuels done by companies like Reliance Industries Ltd.

The notification rescinded June 30, 2022 order and withdrew levy of special additional excise duty (SAED) on production of crude oil (which is refined into fuels like petrol and diesel) and on export of aviation turbine fuel (ATF), diesel and petrol, he said. Alongside, the road and infrastructure cess (RIC) levied on export of petrol and diesel has also been withdrawn.

India Abolishes Windfall Tax on Crude and Fuel Exports, Marking End of Controversial Levy

India first imposed windfall profit taxes on July 1, 2022 joining a growing number of nations that tax super normal profits of energy companies. At that time, export duties of Rs 6 per litre (USD 12 per barrel) each were levied on petrol and ATF and Rs 13 a litre (USD 26 a barrel) on diesel. A Rs 23,250 per tonne (USD 40 per barrel) windfall profit tax on domestic crude production was also levied. The tax rates were reviewed every fortnight based on average oil prices in the previous two weeks. While the levy on export of petrol became nil in the very first fortnightly review that happened in mid-July 2022, the tax on diesel and ATF exports became nil in mid April 2023 but were back in August that year.

There has been no levy on export of ATF and diesel since March this year. As far as crude oil is concerned, the levy fluctuated every fortnight. It was Rs 1,850 per tonne in August 31, 2024 and became nil in the next fortnightly review. Now, the levies on both domestically produced crude oil and fuel exports have been scrapped. The government had garnered about Rs 25,000 crore from the levy in the first year of its implementation, Rs 13,000 crore in 2023-24 and Rs 6,000 crore this year.

India Scraps Windfall Tax on Fuel Exports as Oil Prices Softens, Benefiting Reliance and Nayara

Reliance Industries Ltd, which operates India's largest only-for-export oil refinery at Jamnagar in Gujarat, and Rosneft-backed Nayara Energy are primary exporters of fuel in the country. The government levied tax on windfall profits made by oil producers on any price they get above a threshold of USD 75 per barrel. The levy on fuel exports is based on cracks or margins that refiners earn on overseas shipments. These margins are primarily a difference between the international oil price realised and the cost. The decision to scrap the levy follows softening in international oil prices. The basket of crude oil that India imports averaged USD 73.02 per barrel in November, down from USD 75.12 a barrel in the previous month.

The import price was about USD 90 per barrel in April this year but has continued to slide in subsequent months. It fell to USD 73.69 per barrel in September but rose marginally in the following month. Since its levy, the windfall profit tax has been a subject of controversy. While it initially sought to balance government revenue amid fluctuating oil prices, industry players argued that it negatively impacted profitability and disincentive production. For private and foreign players, it brought in an element of uncertainty in the fiscal regime. The Ministry of Petroleum and Natural Gas too had been lobbying for its removal for some time now. While doing away with tax on domestically-produced crude oil will benefit ONGC and Oil India Ltd, the scrapping of levy on fuel exports would help Reliance and Nayara.

Headline	ONGC Videsh Acquires $60 Mn Stake in Azerbaijan's ACG Field		
Publication	Construction World	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC Videsh Acquires $60 Mn Stake in Azerbaijan's ACG Field

https://www.constructionworld.in/energy-infrastructure/oil-and-gas/ongc-videsh-acquires-60-mn-stake-in-azerbaijans-acg-field/65989

ONGC Videsh Ltd, the international subsidiary of ONGC, has acquired a 0.615% stake in Azerbaijan's Azeri-Chirag-Gunashli (ACG) field and a 0.737% shareholding in the Baku-Tbilisi-Ceyhan (BTC) pipeline for $60 million. This acquisition, finalized on November 29, 2024, strengthens ONGC Videsh's existing interest in the ACG field, where it already holds a 2.31% stake, and its 2.36% stake in the BTC pipeline. The ACG field is one of the largest offshore oil fields in the Caspian Sea, operated by BP since 1999. The BTC pipeline is crucial for transporting oil from the ACG field to international markets. This acquisition enhances India's energy security by securing high-quality international assets, contributing to ONGC Videsh's objective of meeting the growing energy demands of India. With this purchase, ONGC Videsh now holds 32 assets across 15 countries, reinforcing its role as a key player in India's energy future.

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The BTC pipeline is crucial for transporting oil from the ACG field to international markets. This acquisition enhances India's energy security by securing high-quality international assets, contributing to ONGC Videsh's objective of meeting the growing energy demands of India.

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Headline	Govt Cuts Domestic Natural Gas Prices to $7.29 Per MmBtu for Dec		
Publication	Construction World	Edition	Online Coverage
Published Date	4 Dec 2024		

Govt Cuts Domestic Natural Gas Prices to $7.29 Per MmBtu for Dec

https://www.constructionworld.in/energy-infrastructure/oil-and-gas/govt-cuts-domestic-natural-gas-prices-to-7.29-per-mmbtu-for-dec/65973

The oil ministry announced in a notification that the price of domestic natural gas for December has been reduced to $7.29 per million metric British thermal units (mmBtu), down from $7.53 in the previous month. However, the domestic natural gas price will remain at $6.5 for the month, as per the formula used for the calculation of prices. The notification stated that the price of domestic natural gas from December 1, 2024, to December 31, 2024, is set at $7.29/mmBtu on a gross calorific value (GCV) basis. Under the new gas pricing mechanism, domestic gas prices are now subject to a floor and ceiling of $4 per mmBtu and $6.5 per mmBtu, respectively. The price had been $6.5 per mmBtu in November as well. The price applies to natural gas produced from the legacy and oil fields of Oil and Natural Gas Corporation (ONGC) and Oil India (OIL). Under the new pricing regime, domestic gas pricing is linked to imported crude pricing, set at 10 per cent of the Indian crude basket. The prices are revised every month. This pricing decision is part of India's on-going efforts to manage its natural gas sector effectively while balancing the needs of producers and consumers. The new price follows the guidelines set forth by the MoPNG's notification in April 2023, which established the framework for monthly price updates. Key stakeholders, including the Directorate General of Hydrocarbons, ONGC, OIL, and GAIL, have been informed of the new pricing structure to ensure a coordinated approach in managing the country's natural gas sector. An expert explained that the new pricing reflects India's efforts to align its energy policies with global standards, while supporting domestic production and ensuring fair pricing for all stakeholders. The government's monitoring of global energy markets, combined with its policy framework, aims to stabilise pricing and maintain growth in the country's natural gas sector.

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Headline	Government Ends Windfall Tax on Crude Oil and Petroleum Exports		
Publication	Currentaffairs Adda247	Edition	Online Coverage
Published Date	4 Dec 2024		

Government Ends Windfall Tax on Crude Oil and Petroleum Exports

https://currentaffairs.adda247.com/government-ends-windfall-tax-on-crude-oil-and-petroleum-exports/

The Indian government has abolished the windfall tax on crude oil, petrol, diesel, and ATF, citing stabilized global crude prices, declining tax revenue, and industry opposition.

The Indian government has abolished the windfall tax on crude petroleum oil, petrol, diesel, and Aviation Turbine Fuel (ATF) , effective November 2, 2024. Additionally, the Road and Infrastructure Cess on the export of petrol and diesel has been scrapped. Initially imposed on July 1, 2022, to curb abnormal profits by oil companies during the Russia-Ukraine war, the tax aimed to stabilize domestic supplies and fund welfare programs. However, its removal follows a review by the PMO, Revenue Department, and Petroleum Ministry, citing stabilizing crude prices and reduced revenue from the tax.

Headline	ONGC increases stake in subsidiary OPaL to 95.69%		
Publication	IIFL	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC increases stake in subsidiary OPaL to 95.69%

https://www.indiainfoline.com/news/companies/ongc-increases-stake-in-subsidiary-opal-to-95-69

OPaL operates a cutting-edge petrochemical complex encompassing five square kilometers, with a production capacity of 1.1 million tonnes per annum (MTPA) of polyethylene, 1,100 KTPA of ethylene, and 400 KTPA of propylene. The complex also includes modern facilities for pyrolysis gasoline hydrogenation, butadiene extraction, and benzene extraction.

In FY24, OPaL generated a turnover of 14,323 Crore. The increased investment was agreed by ONGC's board on September 25, 2024, and is consistent with the Government of India's desire to strengthen the company's downstream integration. The rights issue was made available on equal terms to all existing shareholders, ensuring conformity with governance standards.

The oil giant's revenue stood at 33,881 Crore in the quarter under review, down 4% from 35,266 Crore in the previous quarter. EBITDA for the quarter was 17,025.2 Crore, somewhat higher than the previous quarter's 16,974 Crore but significantly lower than the projection of 17,199 Crore.

Headline	Govt scraps windfall tax on ATF, crude products, petrol and diesel; relief to oil companies		
Publication	New Kerala	Edition	Online Coverage
Published Date	4 Dec 2024		

Govt scraps windfall tax on ATF, crude products, petrol and diesel; relief to oil companies

https://www.newkerala.com/news/2024/76189.htm

he government on Monday withdrew the windfall tax levied on Aviation Turbine Fuel (ATF), crude products, petrol and diesel through a notification introduced in the Lok Sabha.

The withdrawal of the windfall tax is a big relief to the oil companies like Reliance and ONGC.

The tax was imposed in July 2022 to seek a share of higher revenue earned by these oil giants because of rising global crude prices through higher refining margins.

The removal of the tax will make these companies make higher profits on refining margins.

The Ministry of Finance notification says that the special additional excise duty (SAED), commonly known as windfall tax on the production of petroleum crude and on the export of Aviation Turbine Fuel (ATF), motor spirit, commonly known as petrol and high spirit diesel oil will no longer be levied.

The windfall tax used to be revised every 15 days based on international crude oil prices after it was imposed in July 2022. The tax rates were reviewed every fortnight, based on the average oil price in the last two weeks.

The tax formula used to be managed by the Department of Revenue and adjusted as per the fluctuations in global oil prices.

But now with average crude oil prices coming down government was not earning much in revenue from any of the sectors ATF, Crude oil, petrol or diesel so it decided to withdraw the windfall tax.

Headline	Assam MP Ajit Bhuyan voices concern over shifting of ONGC's ops		
Publication	North East Now	Edition	Online Coverage
Published Date	4 Dec 2024		

Assam MP Ajit Bhuyan voices concern over shifting of ONGC's ops

https://nenow.in/north-east-news/assam-mp-ajit-bhuyan-voices-concern-over-shifting-of-ongcs-ops.html

Assam Rajya Sabha MP Ajit Kumar Bhuyan has voiced concern in the upper house about the shifting of some operations of the ONGC (Oil and Natural Gas Corporation Limited) from the state to New Delhi and other locations.

Guwahati:

Bhuyan said that the Assam asset of ONGC in Nazira was entrusted with the responsibility of exploring and producing crude oil in the Northeastern region.

Assam was in the forefront since British Era in the matter of it's natural resources in the form of Oil, Coal, Natural Gas, tea etc. The Digboi oil refinery was established by British, he said.

After independence government of India took up the thread and ONGC was formed. The regional set up of ONGC in Nazira was entrusted with the responsibility of exploration and production of crude products in the North eastern part of the country, he added.

However, he said that, instead of expanding its activities, some operations have been shifted to the national capital and other locations.

But now instead of expansion of it's activities in a systematic design, some functions are being shifted to Delhi or other places, he lamented.

Bhuyan said that strong resentment has grown in the minds of the people of Assam as functions related to tenders, finance and logistics, among others, have been shifted out of the state.

The functions relating to tender, finance, logistics, etc. are some of those functions are being shifted. A strong resentment has grown up in public mind for these actions, he said.

The MP urged the Central government not to relocate any activities or functions of the Assam asset of ONGC to other locations in the country.

Headline	Vikram Saxena Appointed as the Director (Technology & Field Services) at ONGC Limited		
Publication	Observe Now	Edition	Online Coverage
Published Date	4 Dec 2024		

Vikram Saxena Appointed as the Director (Technology & Field Services) at ONGC Limited

https://observenow.com/2024/12/vikram-saxena-appointed-as-the-director-technology-field-services-at-ongc-limited/

Vikram Saxena has been named the next Director (Technology & Field Services) at ONGC Limited, a Maharatna Public Sector Undertaking under the Ministry of Petroleum and Natural Gas. The announcement came from the Public Enterprises Selection Board (PESB) following its 94th selection meeting on December 1. Saxena, currently Group General Manager at ONGC, was chosen from a pool of ten candidates interviewed for the role.

Headline	ONGC rises Stake in OPal through investment of Rs 10,501 Crore		
Publication	PSU Connect	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC rises Stake in OPal through investment of Rs 10,501 Crore

https://www.psuconnect.in/news/ongc-rises-stake-in-opal-through-investment-of-rs-10501-crore/45526

Maharatna Oil PSU, Oil & Natural Gas Corp. increased its stake in ONGC Petro additions Ltd. from 94.57% to 95.69% by investing Rs 10,501 crore in the subsidiary, according to an exchange filing. ONGC has been allotted 490.6 crore shares of OPaL having a face value of Rs 10 each by way of subscription of shares on a right basis.

The public sector undertaking invested approvals from the Union government and the board of directors, it said. The move was made to facilitate the goal for further vertical integration of ONGC to downstream petrochemicals, according to the company.

In November, ONGC Videsh Ltd., a wholly owned subsidiary of ONGC, acquired an additional stake in an offshore Azerbaijan oilfield from Norway's state-owned Equinor for $60 million.

The Shares of ONGC closed 1.86% higher at Rs 262.35 apiece on the National Stock Exchange, compared to a 0.75% advance in the benchmark Nifty. The share price has risen 27.94% on a year-to-date basis.

OPaL was incorporated on Nov. 15, 2006, and has a plant in the Dahej special economic zone in Gujarat's Bharuch district. The subsidiary has a design capacity of 1.1 million tonnes per annum in terms of poly-ethylene capacity ratings.

OPaL operates a large petrochemical complex covering 5 square kilometers, with a capacity to produce 1.4 MT of polymers and 5 lakh tonnes of chemicals annually.

Headline	ONGC Stake Update: PSU Increases Investment In This Subsidiary - Details		
Publication	Republic Business	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC Stake Update: PSU Increases Investment In This Subsidiary - Details

https://www.republicbiz.com/industry/ongc-stake-update-psu-increases-investment-in-this-subsidiary-details

Oil and Natural Gas Corporation (ONGC) raised its stake in its subsidiary, ONGC Petro Additions Limited (OPaL), from 94.57 per cent to 95.69 per cent.

The company raised its stake in OPaL through the subscription of 490.6 crore equity shares at Rs 10 each through a rights issue. The total investment was Rs 4,906.20 crore.

OPaL had a turnover of Rs 14,323 crore in the financial year 2023-24 (FY24). Earlier, it had a turnover of Rs 14,628 and Rs 16,065 in FY23 and FY22, respectively.

ONGC Group's Board of Directors approved the additional investment. The investment was made in line with the approval of the government at its meeting held on September 25, 2024.

Since the downstream sector policy in the petroleum sector was increasing the fragility and instability within the sector, this decision comes in line with the government's objective of vertical integration.

OPaL operates a mega petrochemical complex that is spread over 5 sq km. The complex has a capacity to produce 14 lakh tonnes of polymers and 5 lakh tonnes of chemicals.

Shares of Oil and Natural Gas Corporation Ltd closed at Rs 262.25, up by Rs 4.65, or 1.81 per cent, on the BSE.

ONGC had earlier reported a net profit of Rs 11,984 crore, up by 34 per cent quarter-on-quarter (QoQ).

There was an increase in the company's margins supported by higher operational efficiency and the oil major's EBITDA margin increased from 48.1 per cent, in the previous quarter to 50.3 per cent.

Headline	ONGC Received Three Awards of Excellence at Grow Care India Awards 2024		
Publication	Srecfoundation	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC Received Three Awards of Excellence at Grow Care India Awards 2024

https://www.psukhabar.com/2024/12/04/ongc-received-three-awards-of-excellence-at-grow-care-india-awards-2024/

A proud moment for India's Energy Maharatna Company ONGC, as the Mumbai High Asset secures three prestigious accolades, reaffirming

our steadfast dedication to fire safety occupational health, and environmental sustainability.

Platinum Award Grow Care India Fire Safety Award 2024, Gold Award Grow Care India OHS Award 2024, Gold Award Grow Care India Environment Award 2023

These honors celebrate our unwavering commitment to operational excellence, workplace safety, and environmental stewardship.

Headline	ONGC, NTPC Green JV set to buy Ayana Renewable for $750 million		
Publication	The Economic Times	Edition	Online Coverage
Published Date	4 Dec 2024		

ONGC, NTPC Green JV set to buy Ayana Renewable for $750 million

https://economictimes.indiatimes.com/industry/energy/oil-gas/ongc-ntpc-green-jv-set-to-buy-ayana-renewable-for-750-million/articleshow/115981373.cms

ONGC NTPC Green Pvt Ltd (ONGPL) is acquiring a 100% stake in Ayana Renewable Power for $700-750 million. The deal values Ayana at $1.7-1.8 billion and includes 4.6 GW of operational and under-construction renewable energy assets. This acquisition boosts ONGC's green energy goals and expands NTPC Green's portfolio, offering an exit to Ayana's existing investors.

New Delhi: ONGC NTPC Green Pvt Ltd (ONGPL), an equal joint venture between ONGC Green and NTPC Green, is set to acquire a 100% stake in Ayana Renewable Power for $700-750 million, according to people with knowledge of the matter.

The JV has nearly completed the negotiations with Ayana's current shareholders-National Investment and Infrastructure Fund (NIIF) (51%), British International Investment (BII) (32%) and EverSource Capital (17%)-on the terms of the sale, these people said. ONGPL will likely sign the share purchase agreement in a fortnight to purchase Ayana, they said.

The deal pegs the enterprise value of Ayana at $1.7-1.8 billion, people said. ONGC, NTPC, NIIF, BII and EverSource didn't offer comment for the story.

ONGC Green is a wholly-owned subsidiary of state-run Oil and Natural Gas Corp and NTPC Green is a listed subsidiary of NTPC.

Ayana's existing shareholders have infused 3,700 crore in the renewable energy platform against their capital commitment of $721 million (about 6,100 crore at the current exchange rate), ratings agency ICRA said in a September report. Ayana was launched by BII in 2017. NIIF and EverSource came in two years later. Ayana reported a consolidated profit of 46 crore on an operating income of 856 crore for 2023-24, per the report.

Ayana has a portfolio of 4.6 GW of operational and under-construction renewable energy assets encompassing solar, wind and storage. It currently operates 1.6 GW. It is expected to add 1 GW by March and another 1.5 GW by the end of the next fiscal year, according to people cited earlier.

ONGC, JSW Neo Energy and Sembcorp were shortlisted to submit binding bids for Ayana in August. Sembcorp sought a deviation in the bidding process and went out of the race while JSW and ONGC submitted bids. ONGC emerged as the top bidder and teamed up with NTPC.

ONGC, which has spent over two decades acquiring oil and gas assets worth billions globally, chose a state-run generator as a partner to mitigate the acquisition risks associated with a sector it is less familiar with. The Ayana deal would boost the green ambition of the oil and gas producer, which aims to have a renewable energy portfolio of 10 GW by 2030. In September, ONGC acquired PTC Energy Ltd for Rs 925 crore. PTC Energy has 288 MW wind generation capacity.

The deal would also expand the portfolio of NTPC Green whose shares are making waves on the bourses since they listed last week. Its shares are trading 37% above the issue price.

The Ayana deal would also offer an exit to private equity investors at a time when several renewable energy deals are struggling to close in the country.

Headline	Govt scraps windfall tax on ATF, crude oil products, petrol, diesel		
Publication	The New Indian Express	Edition	Online Coverage
Published Date	4 Dec 2024		

Govt scraps windfall tax on ATF, crude oil products, petrol, diesel

https://www.newindianexpress.com/business/2024/Dec/03/govt-scraps-windfall-tax-on-atf-crude-oil-products-petrol-diesel

The windfall tax, which targeted unexpected profits from domestic crude oil production, was first imposed in July 2022.

As per the notification, the tax on the production of petroleum crude and the export of ATF, petrol, and diesel will no longer be levied.

This move is expected to benefit oil producers and refiners such as Reliance Industries and ONGC, potentially improving their refining margins. Shares of Reliance Industries rose following the announcement. ONGC shares closed at '257.65, up by 0.37%, while Reliance Industries shares closed at '1,310.60, up by 1.42%.

The decision to roll back windfall tax followed a review by the Prime Minister's Office (PMO), the Revenue Department, and the petroleum ministry. It was also accompanied by the withdrawal of the Road and Infrastructure Cess (RIC) on the export of petrol and diesel.

The windfall tax was introduced in July 2022 in response to surging crude oil prices caused by the Russia-Ukraine war and Western sanctions on Russia. The tax rates were revised every fortnight based on international crude oil prices. However, with global crude oil prices stabilising around $70$75 per barrel, the government decided to eliminate the levy. The rollback is believed to be a response to declining government revenues from tax, which fell from '25,000 crore in FY23 to about '6,000 crore in FY25.

The windfall tax was last revised on August 31, when it was set at '1,850 per tonne for crude petroleum. Export duties on diesel, petrol, and jet fuel had already been reduced to zero as of September 18, signalling the government's intent to phase out the levy. Since its levy, the windfall tax has been a subject of controversy. While it initially sought to balance government revenue amid fluctuating oil prices, industry players argued it negatively impacted profitability and disincentivised production. For private and foreign players, it brought in an element of uncertainty.

With demand conditions remaining favourable, Indian manufacturers continued to scale up production. Although price pressures curbed domestic sales to a certain extent, the growth of new export orders gained momentum.

Headline	What is Oilfields Amendment Bill: How it will boost investment in petroleum sector		
Publication	newsnine	Edition	Online Coverage
Published Date	4 Dec 2024		

What is Oilfields Amendment Bill: How it will boost investment in petroleum sector

https://www.news9live.com/business/biz-news/what-is-oilfields-amendment-bill-how-it-will-boost-investment-in-petroleum-sector-2766258

The Oilfields (Regulation and Development) Amendment Bill, 2024, which was passed in the Rajya Sabha recently, is expected to improve investment in the petroleum sector which will ultimately ensure India's energy security.

New Delhi: The Rajya Sabha on Tuesday passed a bill that seeks to amend existing law governing exploration and production of oil and gas, and delink petroleum operations from mining operations to boost investment in the sector. The Oilfields (Regulation and Development) Amendment Bill, 2024, introduced in the Rajya Sabha in August this year, was passed by a voice vote.

Replying to the debate on the bill, Oil Minister Hardeep Singh Puri said that the oil and gas sector involves high investment and long gestation period. We need oil and gas sector for 20 more years. We need to bring this legislation here to provide a win-win confidence not only to our own operators but also to foreign investors so that they can come and do business here with a view to benefit everyone, Puri said.

He said policy stability, dispute resolution and sharing of infrastructure, especially for small players are new provisions in the bill. The bill aims to decriminalise some of the provisions of the original 1948, the Oilfields (Regulation and Development) Act, by introducing penalties, adjudication by an adjudicating authority and appeal as against the order of adjudicating authority.

The bill proposes to introduce petroleum lease' and expands the definition of mineral oils to include crude oil, natural gas, petroleum, condensate, coal bed methane, oil shale, shale gas, shale oil, tight gas, tight oil and gas hydrate. This is with a view to raising domestic output and cutting reliance on imports.

Several opposition members demanded that the bill be sent to a standing committee for further scrutiny. Opposition member N R Elango (DMK) demanded that the Bill must be referred to a select committee saying the mining word is being been replaced only to take away the rights of the states.

I want to assure all members that this is not about handing over to the corporate sector, this is not about taking the powers of the states away. The petroleum mining leasing will still have to be granted by state governments, no matter what changes have been brought about, Puri asserted.

The government has nothing to hide on this and this bill is a win-win for the states, he asserted. Puri said as India grows economically on the way to become a developed nation by 2047, its energy requirements are increasing and there is a need to enhance the domestic production of oil and gas to meet the rising demand and secure its energy supply.

We currently produce about 30 million metric tonnes (mmt) of crude oil and 36.5 billion cubic metres of natural gas annually. As against this production we consume 235 mmt of petroleum products and 68 billion cubic metres of natural gas. There is clearly a very large gap between what we produce and what we consume, he said.

Puri lamented that between 2006 and 2016 virtually nothing was done on the exploration front, the implications of which are felt currently with domestic production falling.

The minister said all the provisions in the Bill intend to substantially improve the ease of doing business and make India an attractive destination for enhanced production of oil and gas to monetise our vast reserves. We want to ensure that investors will have more confidence to come here unlike the dull period between 2006 and 2014. There will be one lease, one licence. If there is dispute then for dispute management there will be predictability and stability. Shaktisinh Gohil (Cong) contested Puri's claim of the previous government not doing anything on the exploration front citing the examples of Mumbai High, Neelam and Heera, which account for ONGC's 59 per cent of production, were built between 1976 and 1984.

He also drew the attention of the minister to a particular clause of the amendment saying it provides very wide discretional rule-making powers to the central government with respect to petroleum lease.

Asking the government to continue with the existing arbitration provision as per model production sharing contracts, he said the proposed amendment could be seen by international oil and gas companies as a risk where the government has disproportionate power to control and interfere with contractual disputes.

Participating in the debate, Aam Aadmi Party member Sanjay Singh said that BJP leaders promised to lower diesel prices to Rs 40 per litre and petrol to Rs 50 but it was never fulfilled. He said in 2014 crude oil prices were $135 per barrel but neither diesel nor petrol prices reached Rs 100 per litre. When crude oil price dipped to $19 per barrel even then petrol and diesel were sold at high rates, he added.

He said that the bill proposes to bring in new investors and encourage big corporate houses in the sector where public sector unit ONGC is making a profit of Rs 40,000 crore. Treasury bench members interrupted Singh's speech when he praised former Delhi Chief Minister Arvind Kejriwal for giving free electricity, free education, free treatment and cheap petrol and diesel compared to a BJP-ruled state and a union territory.

AIADMK member M Thambidurai expressed concern over the impact of hydrocarbon exploration on farmers in Tamil Nadu. He said that during the DMK rule, it was hydrocarbon exploration in green fields but the AIADMK chief stopped it later to save farmers in Thanjavur area.

NCP member Fauzia Khan and CPI Member PP Suneer expressed concerns over the decriminalisation of offences under the new bill. The bill has a provision to impose the highest penalty of Rs 25 lakh and removes clauses related to imprisonment.

BJP's priority is corporate comfort over the exploitation of our precious natural resources. State-led enterprises like ONGC should be prioritised instead of private players in the sector for the sake of economy and people. ONGC is a competent organisation but the government is aggressively promoting private players in the sector, Suneer said.

BJP member Ghanshyam Tiwari lauded the bill and said that it has been brought under the five pledges taken by Modi government to replace old laws that have the influence of the colonial era. BJD member Manas Ranjan Mangaraj, BJP members Kalpana Saini, Mahendra Bhatt, Sanjay Seth and Sikander Kumar also participated in the discussion on the bill. Dola Sen (AITC), Chunnilal Garasiya (BJP) and Yerram Venkata Subba Reddy (YSRCP) also took part in the discussion.

Headline	Rajya Sabha approved amendments to the Oilfields Act		
Publication	Any Tv News	Edition	Online Coverage
Published Date	4 Dec 2024		

Rajya Sabha approved amendments to the Oilfields Act

https://anytvnews.com/business/rajya-sabha-approved-amendments-to-the-oilfields-act/

New Delhi, December 3 (IANS). The amendments made in the Oilfields Act 1948 were approved by the Rajya Sabha on Tuesday.

This will increase ease of doing business in the country and will also help in the development of India's rapidly growing energy sector.

The proposed amendments will further strengthen India's energy sector under the leadership of Prime Minister Narendra Modi, Petroleum and Natural Gas Minister Hardeep Singh Puri said, calling it a historic step towards the future.

The Union Minister elaborated that petroleum (crude oil/natural gas) is found in the pores of underground rocks and is extracted by drilling, hence separation of the words mine' or exploration' mentioned in the present Act will remove the ambiguity. And there will be ease in doing business in this area.

Further explained that the term mineral oil' is traditionally understood to mean natural gas and petroleum. As unconventional hydrocarbon resources have been discovered and developed, there was a need to update the definition of the term to today's standards.

The definition of mining lease has been amended to make it clear that leases granted before the coming into force of the Oilfields Amendment Act will be called mining leases. Thereafter the said terminology shall be discontinued and the term petroleum lease as defined in clause (f) shall be used.

The Act provides for incentives to investors for development of fields, including planning of reservoir management practices. This provision empowers the government to make rules to protect the environment and promote the development of green energy projects and to adopt energy transition measures, so that the government and companies can achieve their climate vision.

The minister said the proposed amendments also provide for a proper system for imposing fines as well as setting up adjudication authorities, mechanisms and appeals to deal with appeals arising therefrom.

Headline	Oilfields bill an important legislation: PM Modi		
Publication	ET Energyworld	Edition	Online Coverage
Published Date	4 Dec 2024		

Oilfields bill an important legislation: PM Modi

https://energy.economictimes.indiatimes.com/news/oil-and-gas/oilfields-bill-an-important-legislation-pm-modi/115954767

Prime Minister Narendra Modi lauded the Oilfields (Regulation and Development) Amendment Bill, 2024, passed in the Rajya Sabha, as crucial for enhancing energy security and fostering India's prosperity.

The Bill aims to reform oil and gas exploration laws, separating petroleum operations from mining to attract investment into the sector.

Prime Minister Narendra Modi on Tuesday described the Oilfields (Regulation and Development) Amendment Bill, 2024, as an important legislation that would boost energy security and also contribute to a prosperous India. His post on X came following the Bill's passage in the Rajya Sabha.

The proposed law seeks to amend the existing law governing exploration and production of oil and gas, and delink petroleum operations from mining operations to boost investment in the sector.

The Oilfields (Regulation and Development) Amendment Bill, introduced in the Rajya Sabha in August, was passed by a voice vote.

Modi said, "This is an important legislation which will boost energy security and also contribute to a prosperous India."

Oil Minister Hardeep Singh Puri said India's rapidly growing energy sector took a historic step into the future with the landmark amendments to the Oilfields (Regulation and Development) Act, 1948, being successfully passed in the Rajya Sabha. Join the community of 2M+ industry professionals.

Headline	Union Minister Hardeep Puri welcomes passage of Oilfields (Regulation and Development) Amendment Bill		
Publication	Himachal Patrika	Edition	Online Coverage
Published Date	4 Dec 2024		

Union Minister Hardeep Puri welcomes passage of Oilfields (Regulation and Development) Amendment Bill

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New Delhi [India, December 3 : Union Petroleum and Natural Gas Minister Hardeep Singh Puri on Tuesday expressed his happiness over the passage of Oilfields (Regulation and Development) Amendment Bill, 2024 in the Rajya Sabha, calling it a "historic step into the future."

"The epochal amendments proposed will further strengthen and propel India's energy sector under the leadership of PM Sh @narendramodi Ji and ensure policy stability, international arbitration, extended lease periods, etc.," the Union Minister said in a series of post on X.

The Oilfields (Regulation and Development) Amendment Bill, 2024, expands the definition of mineral oils to include petroleum and natural gas. The bill was introduced by Union petroleum and natural gas minister Hardeep Singh Puri for consideration and passing.

The Bill will regulate the exploration and extraction of natural gas and petroleum. The amended bill expands the definition of mineral oils to include petroleum and natural gas in it.The amended bill includes any naturally occurring hydrocarbon, coal bed methane, and shale gas/oil in the category of mineral oils. However, it clarifies that mineral oils will not include coal, lignite or helium.The amended bill also provides for mining leases, this will include various activities such as exploration, prospecting, production, making merchantable, and disposal of mineral oils.

Further in his post on X, Union Minister Puri highlighted that since petroleum (crude oil/natural gas) is found in the pore spaces of subsurface rocks and is extracted by drilling, delinking of terms like 'mine,' 'quarried,' or 'excavated' as referred to in the current act will remove ambiguity and introduce ease of doing business into the sector, which is more technologically driven.

"The term 'mineral oil' is traditionally understood to be natural gas and petroleum. As unconventional hydrocarbon resources have been discovered and developed, the definition needs to be updated to reflect the modern understanding of the term," he added.

Puri also noted that the definition of mining lease is being amended to clarify that leases granted prior to the commencement of the Oilfields (Regulation and Development) Amendment Act will be called mining leases. "Thereafter, the use of said terminology will be discontinued, and the term petroleum lease, as defined in clause (f), shall be used," he added.

The Union Minister emphasized the significance of the amendments, saying, "the move will encourage the investors for holistic development of the field, including planning for proper reservoir management practices as well as confidence to induct capital-intensive enhanced recovery methods."

"The provision seeks to empower the government to make rules for the protection of the environment and promoting the development of green energy projects and the adoption of energy transition measures to enable the government and the companies to achieve their climate vision," he said.

Puri further said that the benefits of the act to the small operators and new entrants, adding that provisions of the act enable the GoI to make rules to enable sharing of production and processing facilities and other infrastructure by two or more lessees.

"Small operators and new entrants often face difficulties in carrying out operations due to high costs of infrastructure and facilities. This provision enables the GoI to make rules to enable sharing of production and processing facilities and other infrastructure by two or more lessees," he added.

The amendments proposed in the Oilfields (Regulation and Development) Act 1948 seek to assure the investor that the terms of the lease shall remain stable for the entire duration of the lease and will not be altered to its disadvantage, Puri pointed out.

The new bill will replace the mining lease with a petroleum lease to cover a similar set of activities. However, existing mining leases granted under the old Act will continue to be valid.

The new bill will empower the central government to make rules on several matters, like regulating the grant of leases, terms and conditions of leases, including the minimum and the maximum area and the period of the lease, conservation and development of mineral oils, methods for producing oil, and manner of collection of royalties, fees, and taxes.

The proposal also empowers the central government to make rules on the merger and combination of petroleum leases, sharing of production and processing facilities, obligations of lessees towards protecting the environment and reducing emissions, and alternative mechanisms for resolving disputes in relation to the grant of petroleum leases.

For cases of violation of rules, the bill provides to hike the punishment and penalty from a current fine of Rs 1000 to Rs 25 lakhs. In cases of exploring, prospecting, and production without a valid lease, a penalty of Rs 25 lakhs and continued violations will attract a penalty of Rs 10 lakh per day.

For dispute resolution, the central government will appoint an officer of the rank of joint secretary or above for adjudication of penalties. Appeals against the decision of the adjudication officer can be filed at the appellate tribunal specified in the Petroleum and Natural Gas Board Regulatory Board Act, 2006.

Headline	RS approves amendments to Oilfields Act, Union Min hails ‘historic move'		
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RS approves amendments to Oilfields Act, Union Min hails ‘historic move'

https://kashmirreader.com/2024/12/05/rs-approves-amendments-to-oilfields-act-union-min-hails-historic-move/

Hailing this as a historic step into the future, Minister for Petroleum and Natural Gas Hardeep Singh Puri said: The epochal amendments proposed

will further strengthen and propel India's energy sector under the leadership of Prime Minister Narendra Modi, and ensure policy stability, international arbitration, extended lease periods etc.

Since petroleum (crude oil/ natural gas) is found in the pore spaces of subsurface rocks and is extracted by drilling, delinking of terms like mine' quarried' or excavated' as referred to in the current Act will remove ambiguity and introduce Ease of Doing Business into the sector which is more technologically driven, the minister said.

The term mineral oil' is traditionally understood to be natural gas and petroleum.

As unconventional hydrocarbon resources have been discovered and developed, the definition needs to be updated to reflect the modern understanding of the term, the minister pointed out.

The definition of a mining lease is being amended to clarify that leases granted prior to the commencement of the Oilfields (Regulation and Development) Amendment Act will be called mining leases. Thereafter, the use of said terminology will be discontinued and the term petroleum lease as defined in clause (f) shall be used.

To encourage investors for holistic development of the field including planning for proper reservoir management practices as well as confidence to induct capital-intensive Enhanced Recovery methods. The provision seeks to empower the government to make rules for protecting the environment and promoting the development of green energy projects and the adoption of energy transition measures to enable the government and the companies to achieve their climate vision.

Minister Puri also pointed out that small operators and new entrants often face difficulties in carrying out operations due to the high costs of infrastructure and facilities. This provision enables the government to make rules to enable the sharing of production and processing facilities and other infrastructure by two or more lessees. The proposed amendments provide for a proper mechanism for the levy of penalties as well as for the handling of appeals arising therefrom with the formation of adjudication authority, mechanisms and appeals, he added.

Headline	Oil Fields Regulation And Developments Act: PM Modi Posts Important Update		
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Oil Fields Regulation And Developments Act: PM Modi Posts Important Update

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Modi said, "This is an important legislation which will boost energy security and also contribute to a prosperous India."

Oil Fields Regulation And Developments Act: PM Modi Posts Important Update | Image: Republic

Prime Minister Narendra Modi retweeted Union Minister Hardeep Singh Puri's post highlighting the importance of Amendments proposed to The Oilfields (Regulation and Development) Act, 1948.

What Did PM Modi Tweet?

Modi said, "This is an important legislation which will boost energy security and also contribute to a prosperous India."

What Had Hardeep Singh Puri Said?

In the original post, Union Minister Puri said, "India's rapidly growing energy sector takes a historic step into the future with the landmark amendments to Oilfields (Regulation and Development) Act 1948 being successfully passed in Rajya Sabha today.

The epochal amendments proposed will further strengthen and propel India's energy sector under the leadership of PM Sh @narendramodi Ji, and ensure policy stability, international arbitration, extended lease periods etc."

The notice in the tweet read, "The present global energy scenario and the hydrocarbon landscape has dramatically changed. Hence, there is a need to amend the Act to reflect current realities, and national priorities, promote Ease of Doing Business (EoDB), decriminalize provisions and align India's Exploration and Production (E&P) framework with practices of competing geographies."

Headline	A Nation in Transition: Insights from the Economic Times India Ascends		
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A Nation in Transition: Insights from the Economic Times India Ascends

https://economictimes.indiatimes.com/news/india/a-nation-in-transition-insights-from-the-economic-times-india-ascends/videoshow/115964961.cms

At the inaugural edition of The Economic Times India Ascends, key policymakers and thought leaders, including Minister for Petroleum and Natural

Gas Hardeep Singh Puri; Civil Aviation Minister, Ram Mohan Naidu Kinjarapu; Chief Economic Advisor, V. Anantha Nageswaran deliberated on a range of critical issuesfrom the country's energy transition journey to incentives for new airlines.