



ONGC News as on 12 September 2023 (Print)

Publication : The Economic Times	Editions : Ahmedabad
Date :12 September 2023	Page : 7

No Damage Due to Oil Spill Near Uran: ONGC

Our Bureau

Mumbai: State-run Oil and Natural Gas Corporation (ONGC) on Sunday said last week's "minor" oil spill near Uran in Mumbai did not cause any loss to the fishing and farming communities in the area.

"In the morning hours of September 8, 2023, a minor quantity of oil leaked from one of the crude oil storage tanks at ONGC Uran Plant. Due to heavy rains, the leaked oil entered the stormwater drain channel," ONGC said in a press statement, adding that since the volume of oil that leaked from the plant was minimal, it got trapped between the rocks on the beach, with only traces reaching the shoreline.

"Immediately, the oil spill response (OSR) team from ONGC was deployed to avoid the ingress of oil into the sea and

OIL LEAKAGE
A minor quantity of oil leaked from one of the crude oil storage tanks at ONGC Uran Plant. Due to heavy rains, leaked oil entered stormwater drain channel

cleaning of the shoreline commenced on war footing," the statement said.

Undersea pipelines bring crude oil from ONGC's fields in the Arabian Sea to Uran before transferring it to refineries for processing. Prior to the September 8 incident, the pipeline had reported a major spill in 2013.

Due to heavy rains on the day of the incident, and the beach being a rocky area, the cleaning took a lot of effort. "Due to the ONGC team's timely and tireless efforts, the oil did not enter the sea and no damage to marine life is anticipated," it said.

ONGC said that the local villagers had taken an unauthorised water connection to their fields by breaching the stormwater drain channel wall from the plant for irrigation purposes.

"Due to this breach, a small quantity of oil entered only 4-5 paddy fields. The damage to paddy fields is also very limited," the company said. "None of the fishermen have suffered any loss due to the small oil spill, as it is on the rocky part of the beach."

"Prompt and proactive actions by ONGC for cleaning of oil from the beach and drain channels has led to an early restoration, which is now nearing completion," the statement said.



Publication : The Free Press Journal	Editions : Mumbai
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No damage due to oil spill near Uran: ONGC



There is no damage to either farmers or fishermen due to the minor oil spill near Uran beach recently. In the morning hours of 08 September 2023, a minor quantity of oil leaked from one of the crude oil storage tanks at ONGC Uran Plant.

Due to heavy rains, the leaked oil entered the storm water drain channel. As the quantity of oil leakage from the plant area was minimal, the leaked oil got trapped between rocks on the beach with only traces reaching the shoreline. Immediately, the Oil Spill Response (OSR) team from ONGC was deployed to avoid ingress of oil into the sea and cleaning of the shore line commenced on war footing.



Publication : The Times of India	Editions : Mumbai
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2k litres of oil leaked from plant: ONGC

Navi Mumbai: ONGC authorities have claimed approximately 2,000 litres of crude oil had leaked from its Uran plant on Friday morning, spilling into the storm water drainage and later the Arabian sea, and eventually reaching the Pirwadi beach shoreline.

The company has claimed leakage was via a tank at the plant and not in pipeline. On inspection, ONGC officials found only five paddy fields were affected by the leak. "The joint inspection with Uran tehsildar office team is yet to be conducted for confirming compensation to be given to the affected farmers and fishermen. None of the fishermen have suffered any loss as the spill was at the rocky part of the beach," said An ONGC official. — **George Mendonca**

Publication : Financial Express	Editions : Mumbai
Date :12 September 2023	Page : 1, 17

INVESTMENTS IN AFRICAN UNION MAY DOUBLE TO ABOUT \$150 BILLION BY 2030

G20 inclusion opens up a continent of opportunities

VIVEAT SUSAN PINTO & JATIN GROVER
Mumbai/New Delhi,
September 11

THE INCLUSION OF the African Union into the G20 forum has significant implications for Indian businesses, top India Inc executives and experts say. India's investments into Africa are around \$74 billion, according to data from the ministry of external affairs, with investments driven by companies in sectors such as oil and gas, mining, telecom, pharma, textiles, automotive, fast moving consumer goods and agriculture.

A recent study by the Confederation of Indian Industry (CII) says that Indian investments into the African region can double to levels of about

SAJJAN JINDAL, CHAIRMAN, JSW GROUP

WITH ITS RICH MINERAL RESOURCES AND GIVEN JSW'S PROMINENCE IN THE METALS AND MINERAL INDUSTRY, WE ARE CONFIDENT THAT THIS WILL OPEN UP NEW AVENUES FOR US.



SUNIL MITTAL, CHAIRMAN, BHARTI ENTERPRISES

AS ONE OF THE LARGEST INVESTORS IN AFRICA WITH A PRESENCE ACROSS 14 COUNTRIES, WE HAVE INVESTED OVER \$10 BILLION TILL DATE AND WILL CONTINUE TO INVEST IN THE CONTINENT.



MOHIT MALHOTRA, CEO, DABUR INDIA

IT IS A WIN-WIN FOR INDIAN BUSINESSES LOOKING TO EXPAND THEIR INTERNATIONAL OPERATIONS. OF COURSE, HOW BILATERAL TREATIES SHAPE UP WILL HELP DEFINE RELATIONS BETTER.



\$150 billion by 2030 as Indian companies increasingly seek newer avenues of growth and look to optimise existing operations.

"Africa is poised to be a formidable driver of the global economy. Its

recent inclusion in the G20 is not only timely but essential, paving the way for an environment conducive to innovation, prosperity and sustainability. With its rich mineral resources, and given JSW's prominence in

the metals and mineral industry, we are confident that this will open up new avenues for us," Sajjan Jindal, chairman, JSW Group, told *FE*.

The JSW group has diverse businesses, including steel, energy,

cement and paints, across India, the US, South America and Africa. In recent weeks, the group has been scouting for offshore coal mines in countries such as Australia, Canada and Africa for tie-ups to supply raw

material to its growing operations, pointing to the relevance and importance of the continent both as a supplier and consumer market.

Sunil Mittal, founder & chairman, Bharti Enterprises, says the prospects of Africa for Indian businesses are significant despite geo-political challenges, currency and debt concerns of some countries. For instance, Nigeria's recent demonetisation exercise has exacerbated inflation concerns in the country, which is a key market for many Indian businesses.

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G20 inclusion opens up a continent of opportunities

YET MITTAL REMAINS bullish, having made a daring bet on the continent 13 years ago, when his company acquired Zain Telecom's African operations in a \$10.7-billion deal.

Speaking to FE, Mittal said that the group's telecom arm, Airtel, will continue to invest further in Africa. "Our aim of providing last-mile connectivity, driving financial inclusion and empowering people digitally is having a significant and positive impact on sustainable

growth in Africa," said Mittal, who served as chair of B20 India Action Council on African Economic Integration.

"Africa being the last continent of hope will serve as the growth engine in the coming decades.

The inclusion of the African Union as a permanent member of the G20 will encourage fresh investments and its integration in the global value chain, while offering huge business opportunities," he said.

Mittal isn't the only businessman to be bullish on Africa. Conglomerates such as the Tatas, the Godrej Group, Mahindra & Mahindra (M&M), Aditya Birla Group, Reliance Industries, Cipla, Wipro, Dabur, Marico and

Emami have all made a beeline for Africa over 15 years ago, acquiring local businesses, setting up local manufacturing units and launching new products to tap into the growing aspirations of a consumers in that region.

In a media interaction on Monday, Anish Shah, M&M managing director and CEO, said that Africa was a key market for the conglomerate, where it has a large automotive operation.

"Going ahead, we will look at investments in sectors like hospitality, trucks and real estate," Shah said about the future prospects for the group in Africa.

Analysts tracking the FMCG sector say that consumer goods companies such

as Marico, Dabur and Godrej Consumer derive about 25-30% of their international business revenue from the African continent, with the potential for further growth in the future.

Mohit Malhotra, chief executive officer, Dabur India, says that the move to include the African Union into G20 will help integrate the continent with the larger developed world.

"Africa is growing at a fast pace and so is India. At a broader level, the next phase of growth from a global perspective will come from regions such as Africa. So, it is a win-win for Indian businesses looking to expand their international operations. Of course, how bilateral treaties between

India and Africa shape up will help define relations better," Malhotra says.

Dabur, for instance, has pumped in close to ₹830-850 crore into its African operations, with over ₹580 crore going into capital expenditure and ₹250 crore into revenue expenditure.

The Tata group, on the other hand, is estimated to have made investments of over \$1.7-2 billion (₹13,000-16,000 crore) in Africa across businesses such as automobiles, steel, hospitality and information technology, according to experts.

While companies such as RIL and ONGC, which have invested in the oil & gas sector in Africa, may increase their investments in the region.



● **RATING: BUY**

GAIL India: Sustained outperformance

The company targets to boost domestic gas consumption by FY25

THE OUTLOOK FOR GAIL India (GAIL) continues to strengthen, setting the stage for a sustained period of outperformance over the next 2-3 years. Several factors contribute to this. Growing domestic gas supplies, LNG liquefaction capacity and expectations of moderate pricing of the same, normalisation of LPG prices and some improvement in petrochem segment imply earnings from each key segment should steadily improve over the next 2-3 years. However, there are upside risks to our estimates, with high gas supply and favourable price differentials between US Henry Hub prices and spot LNG could provide a tailwind to the company's profitability.

Recent months have witnessed a noteworthy improvement in domestic gas supplies, notably reaching 99 million metric standard cubic meters per day (mmscmd). A significant driver behind this has been RIL, contributing a substantial 9 mmscmd increase in gas output over the past 6

quarters. RIL's guidance indicates an additional 8-10 mmscmd increase by the end of FY24.

Anticipating further enhancements in domestic gas supply dynamics, especially with the upcoming commencement of ONGC's KG basin asset and the potential for more affordable LNG supplies in the coming years, we project a substantial 20 mmscmd improvement in domestic gas consumption by FY25E. This development is poised to have a material impact on GAIL's transmission segment earnings and trading segment volumes.

Recent data suggests that the upward trajectory of LPG (propane) prices observed over the past 2 months is likely to persist in the medium term. This improvement has a material implication on GAIL—every \$50/t rise in LPG prices improves Ebitda by ₹4.1 billion, while every \$100/t increase in HDPE prices improves petchem Ebitda by ₹5.5 billion or so. For the LPG segment, gas costs are expected to remain relatively stable throughout FY24-25E and increase modestly by \$0.5 per million British thermal units (MMBtu) thereafter.

ICICI SECURITIES

FINANCIALS (₹ mn)

Year to March	FY22A	FY23A	FY24E	FY25E
Net Revenue	927,698	1,456,683	1,057,235	1,121,542
Ebitda	151,516	76,680	111,535	130,372
Ebitda %	16.3	5.3	10.5	11.6
Net profit	122,561	57,507	93,338	109,186
EPS (₹)	18.6	8.7	14.2	16.6
EPS % chg y-o-y	102.3	(53.1)	62.3	17.0
P/E (x)	6.9	14.6	9.0	7.7
EV/Ebitda (x)	6.0	13.2	8.7	7.1
RoCE (Pre-tax) (%)	19.1	6.3	10.0	11.6
RoE (%)	20.9	8.9	13.7	14.6

Source: I-Sec research, Reliance Industries Company data

Day trading guide

20046 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
19985	19900	20150	20200	Go long now and at 20010. Keep the stop-loss at 19970

₹1632 » HDFC Bank

S1	S2	R1	R2	COMMENT
1620	1590	1655	1670	Go long now and at 1625. Keep the stop-loss at 1615

₹1476 » Infosys

S1	S2	R1	R2	COMMENT
1460	1440	1485	1505	Go long only above 1485. Keep the stop-loss at 1475

₹447 » ITC

S1	S2	R1	R2	COMMENT
445	442	450	453	Go long only above 450. Stop-loss can be kept at 448

₹183 » ONGC

S1	S2	R1	R2	COMMENT
182	180	186	188	Range bound. Outlook is unclear. Avoid trading the stock.

₹2474 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2455	2440	2500	2540	Go long now and at 2460. Keep the stop-loss at 2445

₹592 » SBI

S1	S2	R1	R2	COMMENT
587	582	594	596	Go long now and at 589. Stop-loss can be kept at 586

₹3479 » TCS

S1	S2	R1	R2	COMMENT
3460	3430	3500	3525	Wait for dips. Go long at 3465. Keep the stop-loss at 3455

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.



Publication : Hindustan Times	Editions : New Delhi
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Oil India holds its 64th Annual General Meeting



Oil India Limited held its 64th Annual General Meeting on September 9. Dr Ranjit Rath, Chairman & Managing Director (CMD) in his address to the shareholders,

thanked all investors and shareholders for their continuous trust & investment in the company leading OIL to join the league of Maharatna CPSEs of the country.

Publication : Mint	Editions : New Delhi
Date :12 September 2023	Page : 2

India, Saudi weigh local currency trade

Shashank Mattoo
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NEW DELHI

India and Saudi Arabia have begun discussions on trading in national currencies, officials from the ministry of external affairs said after a visit by Saudi Crown Prince Mohammed bin Salman.

The idea was currently in the "discussion stage", said Ausaf Sayeed, secretary in the ministry.

"The Saudi side is aware that we have worked out similar arrangements with other countries in the region. So, the discussions will be beginning or have already begun," he added.

India conducts trade in national currency with the UAE.

The sides also agreed to expedite talks on a free trade agreement (FTA) between India and the Gulf Cooperation Council (GCC), a six-nation grouping that includes Saudi Arabia. The ministry said delays had been caused by the lack of a chief negotiator on the GCC side, which has been resolved.

Beyond this, the two countries agreed to create a joint task force to channel a prom-



Crown Prince Mohammed bin Salman and Prime Minister Narendra Modi in New Delhi. PTI

ised \$100 billion in investments from Saudi Arabia into India. This was first mentioned during Salman's previous visit to India in 2019.

Much of this relates to the West Coast Refinery Project, a proposed trilateral refinery to be set up between Saudi Arabia's Aramco, the UAE's Adnoc and Indian state-owned firms Indian Oil Corporation Ltd, Bharat Petroleum Corp Ltd and Hindustan Petroleum Corp Ltd.

India and Saudi Arabia have agreed to expedite talks on the India-GCC Free Trade Agreement

Aramco and Adnoc have committed to investing \$44 billion in the project.

"Both sides extended their full support to the early imple-

mentation of the West Coast refinery projects... The two sides agreed to set up a joint task force to help in identifying and channelising the \$100 billion investments promised by the Saudi side—half of which was for the refinery—and again to have monitoring committee to ensure that the progress in this

refinery projects is done as per the plans laid out by both sides," said Sayeed.

They also agreed to push cooperation on semiconductors and the space industry. During the bilateral meetings between the two sides, Prime Minister Narendra Modi asked Saudi officials and leaders to look at the opportunities in the Indian semiconductor ecosystem, according to Sayeed.

Saudi Arabia is India's fourth largest trading partner, according to the external affairs ministry. More than 18% of India's crude oil imports are sourced from Saudi Arabia. During FY22 (Apr-Dec), bilateral trade was valued at \$29.28 billion. During this period, India's imports from Saudi Arabia were valued at \$22.65 billion and exports to Saudi Arabia were worth \$6.63 billion.

New Delhi and Riyadh also discussed deepening defence ties, having completed two rounds of joint naval exercises.

"We are now exploring the possibility of taking these joint exercises to other domains. The other important aspect is the joint collaboration in terms of defence manufacturing," Sayeed said.

Publication : The Hindu Business Line	Editions : Mumbai
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Joint task force to be set up to expedite \$50-b west coast refinery project

Rishi Ranjan Kala
New Delhi

India and Saudi Arabia will set up a joint task force to explore early implementation of the west coast refinery project for which the Arabian nation will invest \$50 billion. A monitoring committee will also be created to ensure that the progress is as per plans.

At the first India-Saudi Arabia Strategic Partnership Council meeting on Monday, both countries agreed to diversify their hydrocarbons relationship into a comprehensive energy partnership. It was chaired by Prime Minister Narendra Modi and Saudi Arabia's Crown Prince and Prime Minister Mohammed bin Salman Al Saud.

ENERGY TIE-UP

Secretary (CPV and OIA) Ausaf Sayeed said that both sides agreed to diversify the

hydrocarbon relationship into a comprehensive energy partnership.

Both countries have extended full support for the early implementation of the west coast refinery project, which is a trilateral partnership between Saudi oil giant Aramco and Indian Oil Marketing Companies (OMCs), for which \$50 billion is already earmarked, he added.

The two sides have agreed to set up a joint task force to help in identifying and channelising the \$100 billion investment promised by the Saudi side, half of which is for the refinery and also to create a monitoring committee to ensure that the progress in the refinery project is as per plans laid out by both nations.

India is setting up the Ratnagiri Refinery and Petrochemicals (RRPCL) project, which is a joint venture company formed in



POWERING UP. Commerce Minister Piyush Goyal with Saudi Arabia's Minister of Investment Khalid A. Al-Falih in New Delhi

September 2017 by Indian Oil Corporation (IOCL), Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL) with equity participation of 50:25:25.

Saudi Aramco and Abu Dhabi National Oil Company (ADNOC) have expressed their intent to partner in the 60 million tonnes per annum (MTPA) refinery, which will be built

with an estimated cost of ₹3-lakh crore.

A memorandum of understanding (MoU) was signed to this effect with the two oil and gas giants. At present, the project has

been delayed due to changes in location of plant, completion of site suitability studies, etc.

ENVIRONMENTAL STUDY

Besides, the overall cost and timelines have not been determined as suitability of the site identified by the Maharashtra government has not been established. Environmental study can be carried out only after finalisation of land location.

The International Energy Agency (IEA) in a June 2023 report said that the fate of the planned 1.2 million barrels per day (mb/d) Ratnagiri refinery remains unclear.

Land acquisition constraints are the latest roadblock to the project that was first proposed in the middle of the last decade.

Even if finally approved, the refinery is not expected to come online in its forecast period (2022-2028).

Biofuel pact to reduce petrol, diesel dependence, says Puri

MANISH GUPTA
New Delhi, September 11

PETROLEUM AND NATURAL gas minister Hardeep Singh Puri on Monday said India will show the world a new path on biofuels, less dependent on petrol and diesel, through the Global Biofuel Alliance (GBA).

He stated that Prime Minister Narendra Modi followed the mantra of *Vasudhaiva Kutumbakam* by launching the alliance that aims to position biofuels as a key to energy transition across the world.

A total of 19 countries and 12 international organisations have already joined the alliance, which will also create jobs and push economic growth, Puri said in a series of posts on social media platform 'X'.

The GBA will develop an alliance of governments, international organisations and industry to facilitate adoption of biofuels. It will bring together consumers and producers to drive biofuels development and deployment.

While the world's quest for clean energy gained momentum with the

With E20 (20% ethanol blending with petrol) implementation by 2025, India will save about ₹45,000 crore in oil imports and 63 MT of oil annually

HARDEEP SINGH PURI
UNION MINISTER



launch of GBA, the alliance will bolster the transformation of farmers from *annadatas* to *urjadatas* with an additional source of income, the minister added.

"In last nine years, we have given ₹71,600 crore to our farmers. With E20 (20% ethanol blending with petrol) implementation by 2025, India will save about ₹45,000 crore in oil imports and 63 MT of oil annually," he said.

The global ethanol market was valued at \$99.06 billion in 2022 and is predicted to grow at a CAGR of 5.1% by 2032 and surpass \$162.12 billion by 2032, as per the ministry of petroleum and natural gas.

According to the International Energy Agency (IEA), there will be 3.5-5x biofuels growth potential by 2050 due to net zero targets, creating a huge opportunity for India.

GBA will support worldwide development and deployment of sustainable biofuels by offering capacity-building exercises across the value chain, technical support and sharing of policy lessons.

It will help mobilise a virtual marketplace, connect technology providers, and develop & adopt internationally recognised standards, codes, sustainability principles and regulations.

JCB bets big on hydrogen-powered engines

Janaki Krishnan

British construction equipment company JCB is betting on hydrogen as the fuel of the future, and plans to bring it to India as well with its hydrogen-powered engines that will drive the machines.

The company, which is the world leader in backhoe loaders with about 55 per cent market share, has developed a hydrogen-based internal combustion engine. While it is still to be deployed commercially in the UK, it is already using them on a pilot basis on some of its off-road machines such as the backhoe loaders.

The advantage of hydrogen combustion engine, which works on the same principle as a normal diesel engine, is that it emits zero carbon and the only emission is water vapour.

The current Chairman of JCB, Lord Anthony Bamford, who is the son of the founder Joseph Cyril Bamford, is the prime driving force behind the



GREEN DRIVE. Tim Burnhope, JCB's Chief Innovation Officer, with a hydrogen-powered machinery

construction machinery giant's push into hydrogen. He sees it as the silver bullet for realising the UK's target for achieving zero carbon emission by 2050.

ALTERNATIVE FUELS

Bamford, who admits to being "wholly biased for India", told media persons at the company's world headquarters in Staffordshire, that India has no choice but explore alternative fuels such as hydrogen to solve its energy problems and reduce dependence on imports. Talking about the prospects of using hy-

drogen-powered machinery in India, Bamford said: "We make 200 engines in India everyday. If we are making hydrogen engines commercially, we would be making them in India as well." He said it was difficult to put a timeline to it as the biggest obstacle to making hydrogen engines on a mass scale was sourcing the hydrogen for it.

Hydrogen is produced by splitting water and separating the elements, but the process is expensive, involving the use of electrolyzers. In India, Reliance Industries, Adani Group, and a

few others have announced ambitious plans to produce hydrogen on a commercial basis. RIL, for instance, plans to retail trying up with original equipment makers, while it also has plans to make hydrogen through tie-ups. Officials at JCB indicated that it was in talks with several companies, including the Ambanis, for green hydrogen production in India.

Tim Burnhope, Chief Innovation Officer, expects some development to take place for commercial production of its engines in the UK in the next 12-18 months, while it is likely to showcase the product later this year in India.

JCB sells one in two construction equipment machinery in India, and its highest-selling product in India is the backhoe loader. Launched in 1979, it has become a key product at infrastructure projects in the country. India accounts for about a fourth of the company's global revenues. It reported global revenue of £4.4 billion in 2021, with sales of

close to 100,000 units, while profit before tax came in at £502 million.

EXPORT HUB

India has also become a significant country for the company as an export hub, with 45 per cent of what it makes in India being exported to around 130 countries world wide. The company has six manufacturing facilities across India.

Last year, it inaugurated one of its largest facilities in Vadodara on a 47 acre land at an investment of £100 million.

The writer is in London at the invitation of JCB