ONGC News as on 06 July 2023 (Print)

Publication : Financial Express	Editions : New Delhi
Date :6 July 2023	Page : 26

CORPORATE BRIEFS

EVENT— ONGC

The prestigious Subir Raha Memorial Lecture organized by United Nations Global Compact Network India, IOCL & ONGC witnessed the Member of NITI Aayog & Chancellor of Jawaharlal Nehru University, Dr. Vijay Kumar Saraswat as the keynote speaker. Dr. Saraswat, delivered the keynote address on & Sustainable Energy Transition at the11 th Subir Raha Memorial Lecture in New Delhi. The Subir Raha Memorial Lecture has become a hallmark event in honoring the memory of the late Subir Raha, a visionary leader in the energy sector. The lecture brought together distinguished personalities to discuss pertinent issues & provide valuable perspectives on topics of national and global importance.

Publication : Millennium Post	Editions : Kolkata
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After BPCL, Indian Oil Corp announces rights issue

The board of BPCL had on June 28 approved raising up to Rs 18,000 crore through a rights issue

NEW DELHI: Indian Oil Corporation (IOC), the nation's top oil firm, plans to raise capital through rights issue of equity shares as part of a government's plan to infuse capital into three state-owned fuel retailers to fund their net zero carbon emission projects.

In a stock exchange filing, IOC said its board will meet on July 7 "to consider raising of capital through Right Issue of equity shares to meet the capital expenditure plan for its various projects, subject to various statutory approvals as may be required."

The government, which is the majority owner of the company, is likely to subscribe to the rights issue and infuse equity in the company.

The board of Bharat Petroleum Corporation Ltd (BPCL) had on June 28 approved raising up to Rs 18,000 crore through a rights issue.

The government had in the annual Budget for 2023-24 (April 2023 to March 2024 fiscal) announced Rs 30,000 crore of capital support to state-run fuel retailers — BPCL, IOC, and Hindustan Petroleum Corporation Ltd (HPCL) — to support their energy transition and net zero initiatives. HPCL, which is majority owned by state-owned Oil and Natural Gas Corporation (ONGC), is likely to make a preferential share allotment to the government to get the capital.

IOC had last month doubled its authorised share capital to Rs 30,000 crore. Commenting on the move, Fitch Ratings said the announcements of plans to raise equity capital should strengthen capex spending of the oil firms and the credibility of their emission-reduction plans.

"An injection of capital from the Indian government would provide further evidence for our assumption that the two companies would receive extraordinary sovereign support if needed, the key factor underpinning their 'BBB-'/Stable ratings," it said.

Fitch said the planned aggregate equity infusion may be higher than the budgetary allocation due to minority investors' participation in the rights issues. "All three oil marketing companies (OMCs) last year announced targets to reduce scope 1 and 2 emissions (those directly emitted by the firm itself and those indirectly stemming from its energy or cooling purchases) to zero. BPCL and HPCL seek to do so by 2040, and IOC by 2046.

"We believe the OMCs have the execution capabilities to carry out these plans, but such long-term targets inevitably remain subject to risks, including energy demand-supply mismatches, slow or insufficient technological or policy progress, and lack of infrastructure," it said.

As part of its energy-transition goals, BPCL is also looking to expand its renewable power generation portfolio to 1GW by 2025 and 10GW by 2040, from 50MW currently. IOC is also looking to expand its renewable energy portfolio substantially from the current level of 238MW, and to install 10,000 electric vehicle charging stations in the next three years, from the 1,900 it has already.

In addition, both firms aim to reach an average 20 per cent ethanol blend in their petrol across India by 2025, up from the 10 per cent level that was achieved in June 2022 and to build green hydrogen plants. PTI

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Oil and gas PSUs target 0.7 mtpa green hydrogen capacity by 2030

Our Bureau
New Delhi

Minister of State for Petroleum and Natural Gas Rameswar Teli on Wednesday said that oil and gas sector PSUs have a target of setting up 0.7 million tonnes per annum (mtpa) of green hydrogen manufacturing capacity by 2030.

Besides, the PSUs are also working on establishing 120 kilo tonnes of green hydrogen capacity by 2025-2026, Teli said in his address at the three-day international conference on green hydrogen.

The Minister also informed about the various projects that are undertaken by the oil and gas PSUs dealing with various stages of the green hydrogen value chain.

This includes State-run Oil India, which has initiated a pilot plan for mixing green hydrogen in gas pipelines in Jorhat (Assam). For this, the company is manufacturing 10 kg per day. Besides, gas utility GAIL has started a project to mix 2 per cent green hydrogen in piped natural gas (PNG) in Indore (Madhya Pradesh), Teli said.

IMPACT STUDY

"Engineers India and IIT Kanpur are studying the impact of green hydrogen on city gas distribution (CGD) pipelines. The initial report suggests that 3 per cent green hydrogen can be mixed in CGD pipelines without any adverse effects," he added.

The Minister also spoke about studies being undertaken on hydrogen fuel cell-powered buses and on storage technologies.

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IOC plans rights issue

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Rosneft board berth

Former Indian Oil Corporation (IOC) director G.K. Satish has been appointed to the board of Russian energy giant Rosneft in signs of growing links between India and Russia.

Govind Kottieth Satish, who retired as director for business development at IOC in 2021, is one of three new faces appointed to the 11-strong board of directors of Rosneft, according to a statement issued by the Russian firm.

Satish, who was appointed to the board of IOC on September 1, 2016, is one of the five independent directors on the Rosneft board.

Rosneft said its shareholders at the annual general meeting on June 30 elected a new board of directors.

Igor I Sechin, a confidant of Russian President Vladimir Putin, continues to be the CEO and chairman of the management board of Rosneft. PTI

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Oil importers' dollar demand pushes rupee to 3-week low

ANJALI KUMARI
Mumbai, 5 July

The rupee weakened by 21 paise to settle at a three-week low of ₹82.22 against the US dollar on Wednesday as the greenback's demand from oil marketing companies (OMCs) grew stronger, dealers said.

On Tuesday, the rupee had weakened by 10 paise to settle at 82.01 against the US dollar.

"Stop losses would have been triggered near 82.07-08 as it was trading in a choppy range for the past two weeks. That apart, falling premiums and a lower spot pushed importers to buy dollars and exporters to stay away and wait for higher levels," said Amit Pabari, managing director, CR Forex.

A stop loss is a type of order that investors or traders use to limit their potential losses in the market, said experts.

"As USD-INR has shown reversal with strength, we expect it to continue toward 82.40-50 over the next 10-15 days and 82.70-80 by the end of this month," Pabari explained.

The greenback's demand from OMCs grew stronger as they accumulated stocks of the commodity owing to relatively low levels of the dollar/rupee exchange rate and in anticipation of the upcoming meeting of the Organization of the Petroleum Exporting Countries (OPEC) later this week, dealers said.

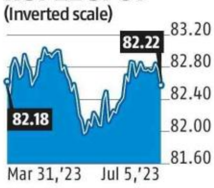
"After Saudi Arabia, Russia's call on curbing oil output by 500,000 barrels per day might have sent a confirmation of oil bottoming out near the $60-70 zone," Pabari added.

Saudi Arabia and Russia, the world's biggest oil exporters, had extended their oil cuts on Monday. Saudi Arabia said it would extend its voluntary cut of 1 million barrels per day for August.

Meanwhile, Russia and Algeria disclosed their plans to decrease output and export volumes for August by 500,000 barrels per day and 20,000 barrels per day, respectively.

Markets also eyed the minutes of the US Federal Reserve's June meeting to get clarity on the movement of the dollar.

RUPEE SPOT
(Inverted scale)



Source: Bloomberg
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Wind turbines may see new quality rules

Rituraj Baruah
rituraj.baruah@livemint.com
NEW DELHI

India is looking to tighten wind turbines standards and the ministry of new and renewable energy is likely to announce a quality control order (QCO) soon, people in the know said. The standards will be aimed at meeting the requirements for various equipment used in wind turbines, ranging from gears to blades.

The QCO route is increasingly being used by the government to take on China, which is known for dumping products in India. This comes amid a widening trade deficit with China which accounts for nearly 40% of India's total trade deficit.

The government has planned QCOs for several products in sectors ranging from textiles to wind power. A QCO bars manufacturers, importers and distributors from storing or selling a product without a standard mark, except under licence from the Bureau of Indian Standards (BIS).

The government is also formulating an Indian Wind Turbine Certification Scheme (IWTCS). The QCO is likely to order mandatory certification under the proposed IWTCS, said one of the people mentioned above.

The quality control order is aimed at ensuring quality upgrade of the domestic wind turbine manufacturing industry. BLOOMBERG

The certification scheme, in the works since 2018, is aimed at creating consolidated standards incorporating global best standards along with relevant national standards, technical regulations and requirements issued by the Central Electricity Authority (CEA), the electricity regulator.

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U.B. Reddy, a member of the national council of the Indian Wind Power Association (IWPA) said that a certification system would help create an Indian standard which would be in tandem with the global standard for certification, known by its acronym IECRE.

"Currently, the industry needs IECRE certification and it is accepted for projects in the country. The IWTCS would create and Indian standard of global level and IWTCS certification may help get Indian productions accepted globally also," Reddy said, adding that new quality control measures including the planned QCO and the indigenous standards would benefit the domestic industry.

India already has norms and a qualification process including an approved list -- revised from time to time -- of models and manufacturers for equipment to be used in wind power projects.

Experts suggest a QCO is aimed at ensuring quality upgrade of the domestic wind turbine manufacturing industry, along with curbing low-quality imports. According to the ministry, around 70-80% indigenization has been achieved in wind power equipment manufacturing. Several major global players in this field are present in the country, including more than 14 firms who either have joint ventures under licensed production or are subsidiaries of foreign companies. The annual energy production capacity of domestic wind turbines is about 12,000 MW.

However, several components of wind turbines come through imports from China, Japan, South Korea and Europe.

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Centre to promote R&D for green hydrogen mfg, storage

New Delhi: The Union ministry of new and renewable energy on Wednesday released the draft road map for research and development of green hydrogen manufacturing and storage. It outlines plans to develop efficient, safe, and cost-effective hydrogen storage methods that enable high-density storage, reduce leakage, and allow for easy and quick refueling. It has proposed three key approaches for promoting R&D—mission mode, grand challenge projects and blue sky projects. STAFF WRITER

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Gujarat, TN Ports Set to Develop Hydrogen Hubs

Move to catalyse transition towards green fuel

Twesh.Mishra@timesgroup.com

New Delhi: India's plans to introduce hydrogen as a fuel have gained momentum with the VO Chidambaranar (VOC) Port in Tamil Nadu and the Deendayal Port in Gujarat all set to develop hydrogen hubs.

The shipping ministry has asked these two ports to also buy hydrogen powered 'green tug' boats, used for ushering large ships into berths, said officials aware of the development. The Cochin Shipyard is in advanced stages of developing green tugs that run on hydrogen, they said.

"Under the green tug transition programme, the Jawaharlal Nehru Port, Paradip Port, VOC Port and the Deendayal Port will be buying two green tugs each. In addition, hydrogen hubs will be set up at VOC and Deendayal ports to catalyse the transition towards green fuel," a senior official aware of the development told **ET**.

In addition, the Centre is aiming to have two Indian ships that are powered by green hydrogen or its derivative fuels by 2027. This will be followed by the addition of at least two ships powered by green fuels every year, said officials. These plans are in line with India's goals to decarbonise its ports under the Harit Sagar Green Port Guidelines 2023. The objective of the guidelines is to minimise waste through efforts to "reduce, reuse, repurpose and recycle" to attain zero waste discharge from port operations and promote monitoring, based on environmental performance indicators.

Cochin Shipyard is in advanced stages of developing green tugs that run on hydrogen

The Green Ports Policy paves the way for incentives to fleet owners for adoption of compressed natural gas, LNG, electric or green hydrogen-powered trucks. The move is aimed at reducing the intensity of emissions at major ports.

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Green hydrogen roadmap pitches for fuel cell tech in long-range heavy vehicles

Rishi Ranjan Kala
New Delhi

The Ministry of New and Renewable Energy (MNRE) on Wednesday released a draft R&D roadmap for the green hydrogen ecosystem in India, which stresses developing fuel cells for long-range travel, particularly in the road transport sector.

The draft report emphasises on a combination of hydrogen fuel cells, advanced batteries and supercapacitors that will be key technologies in the automobile sector in the coming years.

"Hydrogen technologies across the value chain are currently under development. Mature technologies such as fuel cells are not yet cost-competitive with alternatives, and other upcoming technologies promising lower costs are yet to prove long-term performance," it pointed out.

R&D ROADMAP

The roadmap proposes Blue Sky Projects, which have a long-term horizon of 0–15 years with a focus on establishing global IP and competitive advantage for the Indian industry.

Blue Sky projects will aim to develop the capabilities of the Indian R&D sector within an array of subjects, such as the development of reversible Solid Oxide Electrolysers (SOECs) and Solid Oxide Fuel Cells (SOFCs).

For India, the transition to hydrogen and fuel cells may happen in cascading steps along six major heads: Technology Development, Demonstration programmes, Capacity building and Applied Research, Fundamental research, and Policy Framework, the draft roadmap noted.

It emphasised that research and innovation efforts will entail more efficient and cost-effective fuel cells and upscaling to higher capacities; simultaneous vendor development to make critical components of fuel cells (such as catalysts and membranes) available within India would make the fuel cells really affordable.