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## ● **ALTERNATIVE PUSH**

Nitin Gadkari, Union minister

The government has taken a decision that the companies with a worth of more than ₹250 crore can start their own petrol/diesels pumps but the condition is that they should have alternative fuel pumps also.

Business Standard

### **BPCL Trust to sell up to 2% stake to employees**

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## **BPCL Trust to sell up to 2% stake to employees**

Part of its divestment process, state-run refiner Bharat Petroleum Corporation (BPCL)'s board on Friday approved a scheme to sell certain shares from the BCPL Trust of Investment in Shares, to its employees through a new trust mechanism. According to people in the know, up to 2 per cent stake will be offered to employees and at a discounted price.

**BS REPORTER**

# Oil sinks below \$40 on stock losses



**BLOOMBERG**  
London, 4 September

Oil tumbled below \$40 a barrel for the first time in a month with equity losses accelerating and the dollar strengthening.

Futures in New York declined as much as 3.5 per cent on Friday with prices on track for the worst week since June. Stocks in the US, Europe and Asia were weaker, with the S&P 500 Index falling more than 2 per cent. The dollar also strengthened, decreasing the appeal for commodities

denominated in the currency.

“People may be starting to think that the market has maybe gone a little too far, gotten ahead of the economy, and they’re selling off more broadly,” said Michael Lynch, president of Strategic Energy & Economic Research. “The sell-off in equities reflects a bit more pessimism about the economy.”

Crude is off to weak start in September as Covid-19 flare ups in various parts of the world threaten a sustained rebound in oil consumption at a time when the Organization of

Petroleum Exporting Countries and its allies are returning oil to the market.

The diesel market is also weighing on the overall demand outlook. The fuel’s premium to Brent, a key metric used to gauge the market’s strength, plunged to the lowest in at least nine years due to stuttering consumption and a glut of supply.

Diesel, used to power heavy industry such as agriculture and mining, as well as cars and trucks, is an important marker of economic health.

# BPCL plans to offer 2% stake to employees through ESOPs

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**KARUNJIT SINGH**

NEW DELHI, SEPTEMBER 4

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THE BOARD of directors of Bharat Petroleum Corporation Ltd (BPCL) on Friday decided to offer 2 per cent stake in the company to employees through Employee Stock Options (ESOPs), pending approval by shareholders in the company's annual general meeting.

According to sources, all employees of BPCL who have worked for the company for at least 5 years, numbering around 10,000, will be offered ESOPs under the scheme. ESOPs are options given to employees to purchase shares of the company, often, at a discounted rate from market value.

“The employees will be offered the shares at a two-thirds discount from the average share price for the preceding six months from the date of the annual general meeting,” said a source.

# Massive efforts on to douse oil tanker blaze off Sri Lanka coast

India deploys vessels, two Dornier aircraft

MEERA SRINIVASAN  
COLOMBO

Naval vessels from India and Sri Lanka continued their efforts for the second day on Friday to douse the fire that broke out on a large oil tanker off Sri Lanka's east coast, amid fears of a possible oil spill. A Filipino crew member was killed in the fire, following an explosion in the engine room of *MT New Diamond*, while 23 others have been rescued, authorities said.

According to the Sri Lankan Navy, nine vessels from the two countries, including three tugboats, were engaged in the firefighting operation that had so far prevented the flames from spreading to the cargo on-board. The vessel, said to be chartered by the Indian Oil Corporation and heading from Kuwait to Paradip in Odisha, is carrying 2,70,000 metric tonnes of crude oil.



**Raging flames:** An Indian Coast Guard ship battling the fire on the crude oil tanker, some 25 nautical miles off Sri Lanka's southeast coast, on Friday. ■ AFP

The *MT New Diamond* is some 25 nautical miles off Sri Lanka's southeast coast, near the popular surfing spot of Arugambay.

"It is currently parallel to the land. There are no naked flames, only white smoke. The Indian and Sri Lankan vessels are trying their best to contain the fire and tow the vessel further away from

the coast," Navy spokesman Captain Indika de Silva told *The Hindu* on Friday.

The Indian Coast Guard (ICG) said that its ship *Shaurya* was coordinating the firefighting and rescue operation with the master of the burning vessel. To augment the ongoing efforts, the ICG has deployed additional ships with pollution res-

ponse equipment.

"Under the inter-governmental, South Asia Co-operative Environment Programme, the ICG has taken the lead in the efforts," an official told *The Hindu*. Two Dornier aircraft have also been deployed from India to assist the efforts.

(With inputs from Dinakar Peri in New Delhi)

# 'Piped gas suppliers may gain from norms on force majeure'

## Regulator issues guidelines amid lockdown-led delays

N.RAVI KUMAR  
HYDERABAD

City Gas Distribution (CGD) entities implementing projects to supply piped natural gas to households as well as CNG for automobiles and industries are likely to save on penalties for work delays triggered by the pandemic, with the Petroleum and Natural Gas Regulatory Board (PNGRB) issuing guidelines on force majeure considerations.

"To examine the requests of CGD entities for time extension... the board has approved the guidelines for consideration of Force Majeure in CGD networks," PNGRB said. Sources working on different CGD projects said several entities had approached the regulator in the wake of the COVID-19



lockdown. An official said little work was possible at the height of the lockdown, till the third week of April. Some relaxation in construction activity that followed was not of much use as, by then, many migrant labourers had returned to their native places.

With many factories closed, access to material was also a challenge. Most

CGD entities, especially those awarded projects in the 9th and 10th round of bidding by the PNGRB, were likely to benefit from the guidelines. Indian Oil Corporation Executive Director (Southern Region Pipelines) D.S. Nanaware said a minimum work programme had been agreed to by the CGD entities and non-compliance would attract penalties.

As per the force majeure norms, "in the event of authorised entity rendered unable to perform any obligation... the relative obligation of the entity affected by such force majeure shall be suspended for the period during which such force majeure lasts." Consumers may face a delay to the extent of the period for which force majeure is invoked.

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# BPCL post privatisation to bear cooking gas subsidy

**NEW DELHI:** Cooking gas customers may continue receiving subsidy into their bank accounts post privatisation of PSU oil refiner and retailer Bharat Petroleum Corporation Ltd (BPCL), with the government clarifying to potential investors that the present system would not be changed post the change of management in the company.

Sources said several potential bidders for BPCL in their query have raised the issue of subsidy on cooking gas, whether such subsidy would be borne by the new owners post the sale of government stake in



the company. The government head clarified that the present system where the oil companies pay the subsidy amount and the government reimbursed such payments would continue.

Private oil companies such as Reliance, Nayara Energy do not get any subsidy support from the government for cooking gas. So if these companies were to sell domestic LPG cyl-

inders, it would be priced at market rates.

“The government wants to change the status of more than eight crore cooking gas subscribers with BPCL. They would continue to get subsidy post-privatisation. But since such subsidy first have to be paid by the company, the bidding parameters for BPCL would need to be reworked,” said one of the potential bidders for BPCL.

The government has allocated Rs 40,915 crore as petroleum subsidy for FY-21, a six per cent increase from Rs 38,569 crore allocated for the

last fiscal. Of this the allocation for LPG subsidy has been increased to Rs 37,256.21 crore for the current year. But till now in the first quarter, government had to draw nearly Rs 1,900 crore from subsidy provisions.

What concerns companies is government subsidy reimbursement which is often delayed resulting in changes in financial reporting.

OMCs gross under-recoveries on LPG in FY-19 was Rs 31,500 crore which was nearly 73 per cent of the total amount. In FY-20, five months of LPG subsidy payments to OMCs has been rolled over.

IANIS



# Exports, imports are showing positive trends, says Goyal

## OUR CORRESPONDENT

**NEW DELHI:** The country's exports as well as imports are showing positive trends as the outbound shipments are approaching the last year's levels, after making a sharp dip in April this year due to the COVID-19 pandemic, Commerce and Industry Minister Piyush Goyal has said.

The minister said this during his meeting with various export promotion councils (EPCs) on September 3.

The meeting was held to discuss the issues concerning the country's global trade, ground-level situation, and problems being faced by the exporters.

On imports, Goyal said that inbound shipments of capital goods have not declined, and the reduction has been seen mainly in crude, gold and fertilisers.

He added that the trade deficit is reducing drastically and India's share in the global trade is improving due to resilient supply chains.

He also said the ministry is trying to generate more reliable and better trade data so that the nation can do better planning and frame policies accordingly.

"The country's exports as well as imports are showing positive trends. The exports are approaching the last year's levels, after making a sharp dip in April this year due to the pandemic," an official statement said



on Friday quoting the minister.

Further, Goyal said 24 focus manufacturing sectors have been identified that have the potential to expand, scale up operations, improve quality, and lead enhancement of Indian share in global trade and value chain.

These sectors have capacity to do import substitution and push exports. On the issue of recent changes in the Merchandise Export from India Scheme (MEIS), the minister said that the capping of Rs 2 crore will not affect 98 per cent of the exporters who claim benefit under the scheme.

The government has already announced the Remission of Duties or Taxes on Export Products (RoDTEP) scheme for exporters to replace MEIS.

This new scheme would reimburse the embedded taxes and duties already incurred by exporters.

He said that special economic zone (SEZ) issues are being taken up with the finance ministry.

In a separate statement, export promotion council for SEZs and export-oriented units (EOU) said it raised matters such as resolution of incentives under the SEIS (Service Exports from India Scheme) for the exports made during 2019-20 and this financial year.

"In order to boost domestic manufacturing and check imports, there should be exemption from five per cent health cess on medical devices manufactured in SEZ/EOU units and supplied to the domestic market," it said.

Contracting for the fifth straight month, India's exports slipped 10.21 per cent to USD 23.64 billion in July, on account of decline in the shipments of petroleum, leather and gems and jewellery items.

# Gadkari exhorts automakers to build flex-engine vehicles to promote alternative fuel

PTI ■ NEW DELHI

Promising all support to the automobile industry, Union minister Nitin Gadkari on Friday encouraged automakers to introduce flex-fuel engines in India on a large scale to promote alternative fuel in alignment with the Government's 'Aatmanirbhar Bharat' drive.

To encourage alternative fuel, the Government has decided to allow automakers meeting certain criteria to set up own fuel pumps, provided they sell green fuel too, Gadkari said, asserting that carmakers could easily introduce flex engines on par with Brazil, the US and Canada if they could leapfrog from BS-IV norms to BS-VI.

"Government has taken a decision that the companies with a worth of more than ₹250

crore can start their own petrol/diesels pumps but the condition is that they should have alternative fuel pumps also," Road transport minister Gadkari said addressing SIAM's 60th annual convention 2020 - 'Rebuilding the Nation, Responsibly' through video conference.

Gadkari, who also holds the MSME portfolio, said the vision was to make the Indian automobile industry number one manufacturing hub in the globe and cut on huge annual crude imports bill to the tune of ₹7 lakh crore by promoting alternative fuel. Wondering when automakers like BMW, Mercedes, Hyundai, Honda, Toyota and Suzuki could manufacture flex-engine vehicles for the US, Canada and Brazil, Gadkari asked why couldn't they start production in India.

# IOC-hired tanker up in flames



A Sri Lankan Navy boat sprays water on New Diamond that caught fire off east coast of Sri Lanka. REUTERS

■ The Indian Coast Guard (ICG) on Friday said two explosions were heard in a crude-laden ship bound for India.

■ IOC-hired tanker New Diamond burst into flames on Thursday off the eastern coast of Sri Lanka.

■ Joint efforts by ICG ships, Sri Lanka Navy and tugs helped rescue 22 out of the 23 crew. PTI