



ONGC News, 10.12.2021 Print

Govt has advised ONGC to get partners in Mumbai High, Bassein fields: Minister

PRESS TRUST OF INDIA
New Delhi, December 9

THE GOVERNMENT HAS from time to time advised ONGC to have partnerships in its major fields including Mumbai High and Bassein & Satellite assets off the west coast with a view to raising output and technology infusion, Parliament was informed on Thursday.

In a written reply to a question in the Lok Sabha, Minister of State for Petroleum and Natural Gas Rameswar Teli said national oil companies are free to choose field-specific models including farm out (giving stake) and joint venture/technical service model for enhancing production from their matured and aging fields.

The government, he said, is keen that the domestic production of oil and gas should increase exponentially.

"ONGC being the leading organisation has to play an important role," he said. "The government from time to time advises ONGC to increase exploration and production by having partnerships for its major fields including Mumbai High and Bassein & Satellite asset with the scope of enhancing recov-



ery and technology infusion."

Teli was replying to a question the government asking ONGC to give away a 60% stake and operatorship of the nation's largest oil and gas producing fields.

Amar Nath, additional secretary (exploration) in the Ministry had on October 28 written a three-page letter to ONGC Chairman and Managing Director Subhash Kumar, saying productivity of the Mumbai High and Bassein & Satellite (B&S) offshore assets under the state-owned firm was low and international partners should be invited and given 60% participating interest and operatorship.

The proposal has met with strong resistance from the management of ONGC as well as its unions who feel its assets are being

given away on a platter to the private sector.

Teli said the area under exploration has to be increased which would subsequently lead to more new discoveries in the country. And at the same time, production from existing fields has also to be optimised and increased wherever possible by employing advanced technology, drilling more production wells, wherever technically feasible, and better management.

"As per reforms in exploration and licensing policy for enhancing domestic exploration and production of oil and gas, issued in 2019, national oil companies are free to choose field-specific models including farm out and joint venture/technical service model for enhancing production from their matured and aging fields," he said.

The minister said ONGC officers have written to the ministry against the recommendation for giving out a stake in Mumbai High and B&S assets.

"However, ONGC being managed by the Board and a listed company is required to consider the view points from the perspective of various stakeholders including from the officers' unions," he added.

ONGC advised to get partners in Mumbai fields



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PTI

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OUR CORRESPONDENT

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NOTICE BOARD

CORPORATE ASSOCIATE DIARY

APPOINTMENTS, MOVEMENTS, CELEBRATIONS, HONOURS



CONSTITUTION DAY - RITES

RITES recently celebrated Constitution Day to commemorate the 72th anniversary of the adoption of the Constitution. To mark the occasion, Preamble to the Constitution was read out by the RITES fraternity.



INITIATIVE - NAFED

With the support of Govt. of Arunachal Pradesh, NAFED has taken a step to provide market linkages to the certified organic kiwi-growing farmers of Ziro, AP.



CSR PROJECT - ONGC

Minister of Primary & Secondary Education and Sakala of Karnataka BC Nagesh launched ONGC's sixth CSR project to promote arts and handicrafts in India. The project was launched to generate income among especially-abled.



AWARD - BHEL

Four major units (Haridwar, Bhopal, Hyderabad & Trichy) of BHEL won accolades under the CII-EXIM Bank Award for Business Excellence 2021. The awards were received by the units in presence of CMD Dr. Nalin Shinghal.



AGREEMENT - EIL

For conversion of Biomass to Green fuels, an agreement between EIL and CHEMPOLIS OY, Finland was signed recently in presence of V Shukla, CMD, EIL, S Aggarwal, MD, Fortum India and F Rehman, Head-Bio2X, Fortum.



INTERIM DIVIDEND - NTPC

APCPL, a Joint Venture Company of NTPC, IPGCL and HPGCL, paid second interim dividend of Rs.135 Crore (net of TDS) for the Financial Year 2021-22 towards NTPC's 50% share.



SYMPOSIUM

16th International Metal Ions Symposium in Biology and Medicine was inaugurated with a message from Governor of Maharashtra BS Koshiyani, at the Nehru Science Centre, Mumbai.



AWARD - MOIL

MOIL has received Highest Income Tax Payer & TDS award by Income Tax Department, Nagpur. MOIL CMD Mukund Chaudhari, in presence of other company officials, received the award at the hands of A. Sancheti, Ex-MP Rajya Sabha.



AWARD CEREMONY - ITPO

ITF's 40th edition was successfully concluded recently, in which ITPO's Pragati Choir presented Saraswati Vandana. The Chief Guest Mukhtar Abbas Naqvi, Union Minister of Minorities Affairs, presented the awards to the exhibitors.



MOU - SBI

SBI, ND Circle and Usha International Ltd. (UIL) joined hands for empowering women entrepreneurs by providing financial assistance from SBI under Joint Liability Group model. An MoU was signed to this effect between SBI and UIL.



ACCOLADE - INDIANOIL

Archana Bhardwaj, ED (Shipping), Refineries Headquarters, IndianOil, was conferred the prestigious 'Women Executive of the Year in Oil & Gas Industry - 2021' by HS Puri, Union Minister of Housing & Urban Affairs and P&NG.



BIJLI UTSAV - REC

As part of 'Azadi Ka Amrit Mahotsav' celebrations, REC Limited recently organized a 'Bijli Utsav' in Sonapur village of Kamrup district & adjoining villages in Assam. The event witnessed speaker sessions by dignitaries.



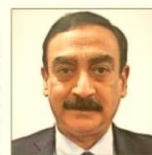
GANGA CONNECT - NMCG

In the concluding session of The Ganga Connect exhibition, GS Shekhawat, Minister of Jai Shakti, & RR Mishra, DG, NMCG, hosted a virtual roundtable with members of the Indian community at the Indian High Commission in London.



APPOINTMENTS

DMRC has strengthened its operation and maintenance (O&M) wing with the appointment of Vikas Kumar as Director (Operations). Kumar, an officer of the 1988 batch of Indian Railway Traffic Service, was earlier working as Executive Director/Operations in DMRC. He has significant working experience of more than 31 years, including 14 years with Indian Railways and over 17 years of experience with the Delhi Metro. He has also received a number of awards from the Indian Railways and DMRC during his career.



FELICITATION - LIC

LIC recently felicitated the Gold, Silver & Bronze medal winners of Tokyo Olympics 2020 & Paralympics Games 2020, including Praveen Kumar, Silver Medal Winner & Sharad Kumar, Bronze Medal Winner, in Paralympics Games 2020.



INSTALLATION - UJJAIN SMART CITY LIMITED

In the city of Ujjain, through the Smart City, and as per the contract, EESL, the Government of India Undertaking has completed installation work of 24,557 LED lights of different denominations of Watts.

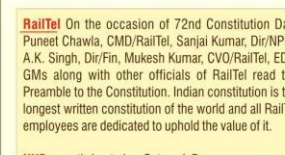


MOA - AMITY

HDFC Bank entered into a MOA with Amity for its unique Rising Bankers' Programme, to generate employment opportunities for the youth through this collaboration, in the Banking and Finance sector.



GAIL Rakesh Kumar Jain recently assumed charge as Director (Finance) of GAIL (India) Limited. Prior to this, Jain held the position of Executive Director (Finance & Accounts) in GAIL. A Cost and Management Accountant by profession, Jain started his career in the company as a Management Trainee and gathered a rich experience of nearly 30 years as he rose through the ranks to his present position. Additionally, Jain holds the position of Director in IGL. Earlier, he was on the Board of Ratnagiri Gas and Power Pvt. Ltd (RGPP).



RailTel

On the occasion of 72nd Constitution Day, Puneet Chawla, CMD/RailTel, Sanjai Kumar, Dir/NPM, A.K. Singh, Dir/Fin, Mukesh Kumar, CVO/RailTel, EDs, GMs along with other officials of RailTel read the Preamble to the Constitution. Indian constitution is the longest written constitution of the world and all RailTel employees are dedicated to uphold the value of it.

NHB recently hosted an Outreach Programme as a part of Azadi Ka Amrit Mahotsav Celebrations under the theme of 'Janta se Judna' at Bhopal. Nikunj Srivastava, IAS, Commissioner, Urban Administration and Development, Madhya Pradesh was the guest of honor. Focused deliberations on housing and housing finance in Madhya Pradesh and India took place during the programme. Further, the Programme saw participation from more than 50 officials of Banks, Housing Finance Companies (HFCs), RRBs etc.

GMB Recognizing the contribution of Gujarat Maritime Board (GMB) to the sector and to the nation, GMB has been awarded the Port Facilitator of the Year award by MALA 2021. GMB has won this prestigious award by being adjudged the best amongst some of the renowned names of the maritime fraternity such as Jawaharlal Nehru Port Trust, Maharashtra Maritime Board & Tamil Nadu Maritime Board. MALA 2021 conferred Gujarat Maritime Cluster Project with the Best Innovation Award for promoting maritime and shipping industry in India.

बीपीसीएल-बीना का विलय मंजूर

शाइन जैकब
चेन्नई, 9 दिसंबर

विनिवेश के लिए निर्धारित भारत पेट्रोलियम कॉरपोरेशन (बीपीसीएल) द्वारा इस साल जून में ओमान की सरकारी स्वामित्व वाली तेल कंपनी ओक्यू की बीना रिफाइनरी परियोजना में पूरी हिस्सेदारी का अधिग्रहण करने के बाद कंपनी को अब निवेश और सार्वजनिक परिसंपत्ति प्रबंधन विभाग (दीपम) से बीपीसीएल के साथ रिफाइनरी के विलय के लिए मंजूरी मिल गई है।

बीपीसीएल ने दो महीने पहले 72.63 करोड़ रुपये में परिवर्तनीय शेयर वारंट के रूप में भारत ओमान रिफाइनरीज (बीओआरएल) या बीना रिफाइनरी में मध्य प्रदेश सरकार की हिस्सेदारी का भी अधिग्रहण किया था। कच्चे तेल की खरीद और कार्यशील पूंजी आवश्यकताओं समेत बीपीसीएल की परिचालन और वित्तीय दक्षता बढ़ाने के लिहाज से इस विलय से निवेशक के साथ तालमेल लाए जाने की संभावना है।

इस घटनाक्रम की जानकारी रखने वाले सूत्रों के मुताबिक इस सप्ताह की शुरुआत में दीपम द्वारा इस प्रस्ताव को इस शर्त पर मंजूरी दी गई थी कि इस विलय से विनिवेश प्रक्रिया प्रभावित नहीं

दीपम से मिली हरी झंडी



■ कच्चे तेल की खरीद और कार्यशील पूंजी की आवश्यकता समेत परिचालन और वित्तीय दक्षता बढ़ाने के लिहाज से खास है यह विलय

■ इस सप्ताह की शुरुआत में दीपम ने इस प्रस्ताव को इस शर्त पर मंजूरी दी थी कि इस विलय से विनिवेश प्रक्रिया प्रभावित न हो

■ विलय के लिए पेट्रोलियम मंत्रालय की मंजूरी भी शीघ्र मिलने की उम्मीद

होगी। दीपम के सचिव तुहिन कांत पांडेय ने इस संबंध में कोई जवाब नहीं दिया। कंपनी के निदेशक मंडल ने कॉरपोरेट मामलों के मंत्रालय से भी संपर्क किया था और मंत्रालय की मंजूरी में कम से कम छह से नौ महीने का समय लगने की संभावना है, जिससे विनिवेश प्रक्रिया प्रभावित होने के आसार नहीं हैं। एक सूत्र ने कहा कि विलय के लिए पेट्रोलियम मंत्रालय की मंजूरी भी शीघ्र मिलने की उम्मीद है।

बीओआरएल को वर्ष 1994 में बीपीसीएल और ओक्यू (जिसे पहले ओमान ऑयल कंपनी के रूप में जाना जाता था) के बीच एक संयुक्त उद्यम के रूप में शामिल किया गया था। इस साल 30 जून को बीपीसीएल ने ओक्यू को बीओआरएल में उसकी 36.62 प्रतिशत हिस्सेदारी का अधिग्रहण करने के लिए 2,399.26 करोड़ रुपये का भुगतान किया था। बीओआरएल और उसकी हिस्सेदारी बीपीसीएल को

हस्तांतरित की जा चुकी है। इस घटनाक्रम के जानकार एक सूत्र ने कहा कि मध्य प्रदेश सरकार (जीओएमपी) भी बीओआरएल में 2.69 करोड़ परिवर्तनीय शेयर वारंट रखने वाली कंपनी में हितधारक थी, जिसे बीपीसीएल ने दो महीने पहले खरीदा था। इस नियोजित विलय के बारे में पूछे जाने पर कंपनी के निदेशक (वित्त) वेत्सा रामकृष्ण गुप्ता ने बिजनेस स्टैंडर्ड को बताया कि इससे कंपनी के परिचालन में तालमेल आएगा। गुप्ता ने कहा 'एकल आधार वाले दृष्टिकोण में यह एक और रिफाइनरी बन जाएगी। हमारी कच्चे तेल की खरीद बीपीसीएल के स्तर पर केंद्रीकृत रूप से परिचालित हो जाएगी।' वर्ष 2020-21 के दौरान बीओआरएल के कच्चे तेल की खपत 79.40 प्रतिशत की औसत क्षमता उपयोग के साथ 6,190 टीएमटी थी।

दीपम की मंजूरी के संबंध में कोई प्रतिक्रिया दिए बिना उन्होंने कहा कि बीओआरएल आज एक अलग इकाई है, इसलिए उधार की लागत काफी है। यह विलय हो जाने के बाद निश्चित रूप से उधार की लागत में कमी आएगी। हम कुछ आगे के एकीकरण की योजना भी बना रहे हैं। बीना रिफाइनरी में आगे के इस एकीकरण का कार्यान्वयन आसान हो जाएगा।

India's retail inflation likely accelerated in Nov. to 5.1%

Reuters Dec. 6-8 poll of 39 economists cites rising prices of vegetables, fruits

REUTERS
BENGALURU

India's retail inflation likely accelerated last month towards the upper limit of the RBI's target range as fruit and vegetable prices rose, a Reuters poll found.

The Reserve Bank of India left interest rates on hold on Wednesday but the central bank said price pressures may persist in the near-term.

The December 6-8 poll of 39 economists forecast November consumer price inflation at 5.1%, faster than October's 4.48%. If realised, it would be within the RBI's target band of 2-6% for a fifth consecutive month. The CPI data is due on December 13.



Feeling the pinch: Strong momentum in prices of perishables fanned inflation last month, says Singhal. •THULASI KAKKAT

"Last month's reduction in fuel taxes and a slightly favourable statistical base were offset by strong momentum in the prices of perishables," said Yuvika Singhal, economist at QuantEco

Research.

That was pushed further "because of untimely rains and the uptick in LPG (liquefied petroleum gas) and kerosene prices", she added.

Brent crude oil, India's

biggest import, slid more than 16% last month.

High inflation last year has kept this year's price gains subdued compared with a year earlier. But that is expected to wane as prices are set to rise for mobile phone bills and clothes, putting inflation back on a rising trend.

"The upcoming impact from the hike in telecom tariffs, volatility in the price of perishable goods and any plausible supply-chain disruptions from COVID's latest variant could negate the recent respite we had in fuel and global commodity prices," said Madhavi Arora, lead economist at Emkay Global-Financial Services.

Rashtriya Sahara

60% se adhik vaishvik tel ki khapat karte hai ye desh

Dec 10, 2021 | Delhi | Pg No.: 10 | | Sq Cm:78 | AVE: 512667 | PR Value: 2563333



Better margins to aid OMCs in second half

Ujval Jauhari
 ujval.j@livemint.com

Crude oil prices have softened a bit, and that may well offer state-run oil marketing companies (OMCs)—Bharat Petroleum Corp. Ltd (BPCL), Hindustan Petroleum Corp. Ltd (HPCL) and Indian Oil Corp. Ltd (IOC)—a breather.

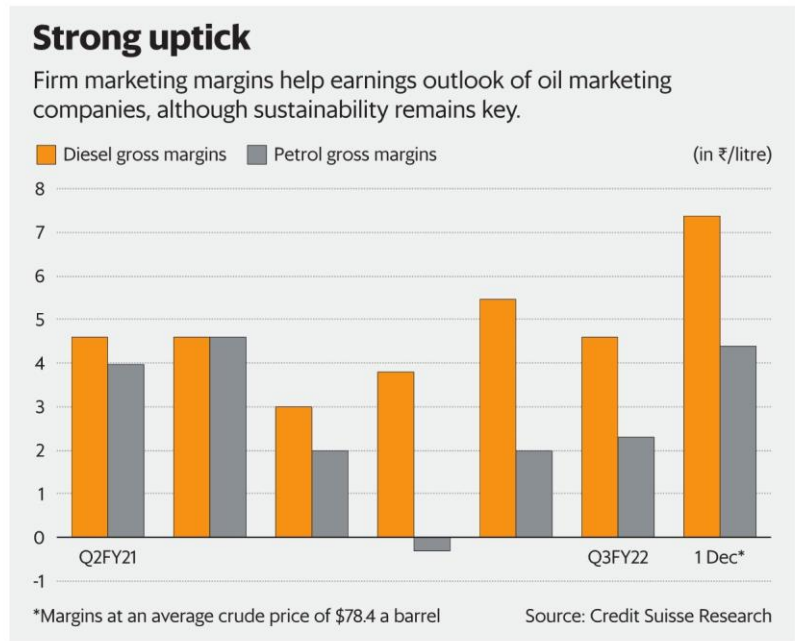
“The sharp correction in crude and flat retail prices have resulted in marketing margins on diesel and gasoline (petrol) rising above the normative level of ₹3/litre,” said analysts from Jefferies India in a report on 2 December. They added, “This has created room for likely reduction in retail prices in the run-up to elections in February 2022.”

For perspective: Brent crude oil prices are now hovering around \$75 per barrel levels. Prices averaged around \$51 a barrel at the start of 2021 and crossed \$85 a barrel in the last week of October. Credit Suisse’s analysts said in a report on 1 December, “The recent decline in crude prices has resulted in marketing margins at two times of pre-covid level.”

The government’s move to reduce excise duty on petrol and diesel, followed by various state governments cutting value-added tax on auto fuels, also brings comfort. The tax cuts will support the ability of OMCs to pass on any potential rise in crude price in future.

Meanwhile, benchmark Singapore gross refining margins (GRM) improved to \$3.7 a barrel in the September 2021 quarter (Q2FY22) from an average of \$1.2 a barrel in the March 2021 quarter. October and November saw further improvement in refining margins, though December has seen some softening due to the Omicron threat. Even so, Q3 refining margins will be about \$3 plus a barrel higher sequentially due to high cracks in the first two months of Q3FY22, said analysts at Credit Suisse.

Overall, improving marketing and refining margins means OMCs are poised for a decent second half of this fis-



SATISH KUMAR/MINT

cal. Even so, investors should closely monitor how demand shapes up. Note that among the OMCs, HPCL derives a higher contribution from retail fuel sales in its portfolio, while IOC’s earnings significantly depend on the refining segment.

BPCL’s investors would closely follow the progress on its privatization. However, privatization premiums are no longer priced in, and the risk-reward is

estimated earnings for FY23. This measure for HPCL and IOC stands at 5.6 times and 5.8 times, respectively. On an EV/Ebitda basis, BPCL, HPCL and IOC trade at 7.04 times, six times and 5.6 times for estimated FY23 numbers, respectively, *Bloomberg* data shows. EV is enterprise value. Ebitda is earnings before interest, taxes, depreciation and amortization.

Nitin Tiwari, an analyst at YES Securities, said, “BPCL’s relatively expensive

valuations may be difficult to sustain, going ahead. Historically, BPCL’s upstream assets were one of the reasons that helped it command higher valuations.” Of course, more recently, privatization is a key trigger, which may also

have a positive influence on the other two OMCs’ stocks, depending on the valuation BPCL attracts.

Tiwari added, “From a medium- to long-term perspective, the growing importance of petrochemicals would be a swing factor. Here, IOC and HPCL stocks are better placed owing to their comparatively stronger petrochemicals portfolio.”

AMID TAILWINDS

SHARP correction in crude and flat retail prices have resulted in marketing margins on fuel rising

TAX cuts will support the ability of OMCs to pass on any potential rise in crude price in future.

ANALYSTS reckon that the valuations of all the three OMC stocks are not too demanding

attractive, said Jefferies’ analysts. Note that shares of BPCL have underperformed those of IOC and HPCL so far this year. However, BPCL’s large special dividend paid in September does offset the underperformance to some extent.

To be sure, analysts reckon the valuations of all three stocks are not too demanding. Based on *Bloomberg* data, BPCL’s shares trade at eight times the



DIPAM NOD TO BPCL-BINA REFINERY MERGER PLAN

DIPAM nod to BPCL-Bina Refinery merger plan

SHINE JACOB

Chennai, 9 December

After divestment-bound Bharat Petroleum Corporation (BPCL) acquired Oman's state-owned petroleum investment company OQ's entire stake in the Bina Refinery project in June this year, the company has now got clearance from the Department of Investment and Public Asset Management (DIPAM) for the merger of the refinery with BPCL.

BPCL also acquired Madhya Pradesh government's stake in Bharat Oman Refineries (BORL) or Bina Refinery in the form of convertible share warrants for

₹72.63 crore two months ago. The merger is likely to bring synergy between raising the operational and financial efficiency of BPCL, including crude oil procurement, and the working capital requirements.

According to sources, the proposal was cleared by DIPAM early this week on the condition that 'the merger should not affect the divestment process'.

DIPAM Secretary Tuhin Kanta Pandey did not respond to messages and calls from Business Standard.

BPCL's Director (Finance) Vetsa Ramakrishna Gupta told Business Standard that it would bring cohesion to the company's operations. "It would

become one more refinery from a stand-alone point of view. Our crude oil procurement would become centrally operated at the BPCL level," said Gupta.

BORL's crude oil intake in 2020-21 (FY21) was 6,190 thousand metric tonnes, with average capacity utilisation of 79.4 per cent.

"BORL is a separate entity today, so there is a high cost of borrowing. Once it merges, the cost of borrowing would come down. We are planning some forward integration as well. It would be easier to carry out this forward integration at Bina Refinery," he added, without responding to the DIPAM clearance.