



ONGC News as on 12 July 2023(Print)

Capex by CPSEs touches 32% of target in Q1FY24

NIKESH SINGH

New Delhi, 11 July

Capital expenditure (capex) by 54 large central public sector enterprises (CPSEs) and five departmental arms having an annual capex target of ₹100 crore and above has touched 32 per cent of their annual capex target of ₹7.33 trillion in the first quarter of this financial year, according to government sources.

This is in comparison to 20.7 per cent capex spent by the CPSEs during the June quarter a year ago.

The capex by this group of CPSEs is around ₹2.34 trillion in the April-June quarter so far.

This is around 71 per cent growth in capex against ₹1.37 trillion spent in the first quarter of FY23. The central government had increased the capex target by 13.4 per cent in FY24 over the revised target of ₹6.46 trillion in FY23.

During FY23, these CPSEs and departmental arms were able to achieve 100.5 per cent of their full-year revised target of ₹6.46 trillion.

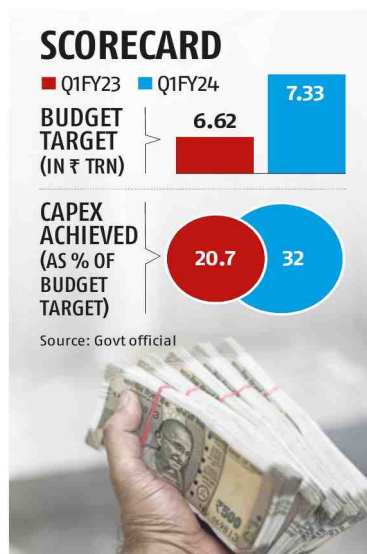
The National Highways Authority of India (NHAI) and the Railways have started this financial year's capex cycle on a stronger note.

In the first three months of FY24, the NHAI has spent around ₹79,865 crore (47 per cent) against its annual capital expenditure target of ₹1.62 trillion; Indian Oil Corporation (IOC) achieved 30 per cent of its capex target of ₹30,395 crore on the back of the resumption of work on its pipeline projects and boosting its refining capacity.

The Railway Board, excluding the Dedicated Freight Corridor Corporation of India (DFCCIL) and Kolkata Metro Rail Corporation, achieved 32 per cent of the capex target of ₹2.44 trillion.

A senior finance ministry official said the focus of the government on capex had pushed these CPSEs to accelerate their expenditure at the beginning of the financial year.

Generally, at the beginning of the financial year, these companies plan their capital expenditure and hence,



there is usually a slow start to the cycle in the first quarter.

He said the capex targets were taken seriously by these CPSEs as that help the government undertake their performance evaluation and decide on performance-related pay.

India's largest crude oil and natural gas producer, ONGC, in the first quarter of FY24 spent around ₹7,531 crore against the annual capex target of ₹30,125 crore. NTPC managed to achieve 16 per cent of its annual target of ₹22,454 crore.

Hindustan Petroleum Corporation and Bharat Petroleum Corporation spent around ₹3,267 crore (32 per cent) and ₹1,600 crore (16 per cent), respectively, of their annual capex target.

The increase in petroleum capex would enable the retrofitting of refineries to meet emission standards and partly augment strategic reserves.

The capex report of these CPSEs after the end of every month is sent for review to the Prime Minister's Office.

The Centre has been focusing on a capex-led recovery for the economy through the exchequer as investments from the private sector lag.



ONGC, RIL-BP, 11 Others Bid for 10 Oil & Gas Blocks

Acceptance of bids ended on July 5 this year after several extensions

Our Bureau

Building Blocks

New Delhi: The government received 13 bids, including three from the private sector, for 10 oil and gas blocks on offer in the latest auction where companies had a year to submit their bids, according to a notification by the Directorate General of Hydrocarbons, which oversaw the process and extended the bid submission deadline several times.

State-run ONGC placed bids for nine blocks while Oil India, Vedanta, Sun Petrochemicals and the joint venture of Reliance Industries and BP placed bids for one block each.

Seven blocks have received just one bid each while the balance three blocks have two bids each.

ONGC would win six blocks without a contest but compete with Vedanta, Sun Petrochemicals and Oil India in one block each. Reliance-BP joint venture also faces no competition for the block it has bid for in the KG Basin.

The auction, the eighth under the Open Acreage Licensing Poli-

7 blocks have received just one bid each

3 blocks have 2 bids each

ONGC places bids for 9 blocks

Oil India, Vedanta, Sun Petrochemicals and RIL-BP JV bid for one block each

ONGC would win 6 blocks without a contest

But it'd compete with Vedanta, Sun Petro and Oil India in one block each

Reliance-BP faces no competition for KG Basin block

cy (OALP), was launched on July 7 last year. Acceptance of bids in this round concluded on July 5 this year after several extensions.

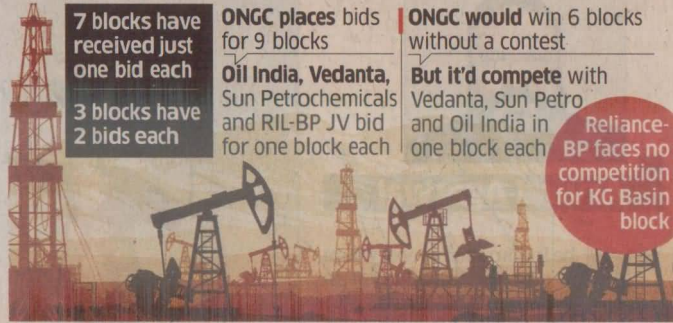
State-run companies have dominated all the bidding rounds under OALP since its launch five years ago, except the first one when Vedanta won most blocks on offer. Foreign firms have shown little interest in Indian exploration licensing rounds.

A 22% drop in domestic crude oil production in a decade and ex-

panding local consumption have pushed up India's dependence on foreign oil to 88% of its domestic needs.

India needs to increase exploration and slow the output decline in its ageing fields.

ExxonMobil, which has expressed interest in the Indian upstream, wants policies to be made more investor-friendly by allowing protection against expropriation and ensuring certainty of returns on investment.



India plans LNG terminal in Iraq

Rituraj Baruah & Utpal Bhaskar

NEW DELHI

India is planning to build a liquefied natural gas (LNG) terminal in Iraq as it looks to diversify supplies and strengthen its energy security, a government official said. The terminal will liquify some portion of the gas currently flared by Iraq and transport it to India, where it will be converted back to LNG for use in city gas distribution as well as power, fertilizer, and steel sectors.

A team from state-run Indian Oil Corp. Ltd (IOCL) and Engineers India Ltd (EIL) will shortly visit Iraq, which has emerged as India's second-biggest source of crude oil imports, the official said on condition of anonymity.

"We recently held a joint commission meeting and reviewed all areas. Iraq has



The terminal will liquify some portion of the gas flared by Iraq.

become India's No.2 oil supplier. We are looking at a deeper partnership. We want to import LNG from Iraq, for which the requisite infrastructure is required, and India is willing to set up an LNG terminal for them for liquefaction. A team from IOCL and EIL will shortly visit

TURN TO PAGE 6

India is planning to build an LNG terminal in Iraq

FROM PAGE 1

Iraq," the official said on condition of anonymity.

India plans to import some portion of the gas currently flared by Iraq, the official added. When natural gas is brought to the surface but cannot be processed soon enough, it is burned away, commonly called flaring. Flaring is done primarily when gas turns up as a by-product of crude oil extraction. India aims to source some portion of around 50 million metric standard cubic metres per day (mmscmd) of gas currently flared by Iraq. In FY23, Iraq was the second largest exporter of crude oil to India, with total supplies of 50.31 million tonnes for \$33.37 billion.

After a gap of almost 10 years, the 18th India-Iraq joint commission meeting (JCM) was held in New Delhi on 20 June. India had also reached out to Iraq at a government-to-government (G2G) level as part of an outreach including the US, UAE, and Saudi Arabia for additional LNG cargoes at affordable prices, as *Mint* reported earlier.

Gazprom Marketing and Trading Singapore (GMTS), earlier a subsidiary of Russian gas giant Gazprom, had agreed to supply GAIL (India) Ltd 2.5 million tonnes of LNG every year for 20 years starting 2018-19. The supply began in June 2018 but remained disrupted for a year after the Russian invasion of Ukraine. This forced the Indian state-run company to buy expensive spot cargoes, prompting the government to look for newer LNG sources.

The New Delhi JCM was held during the visit of Hayan Abdul Ghani Abdul Zahra Al Sawad, Iraq's deputy prime minister for energy affairs and oil minister. A



A team from Indian Oil and Engineers India will visit Iraq.

petroleum ministry statement had said that during the meeting, Union minister for petroleum and natural gas Hardeep Singh Puri highlighted the natural and traditional synergies between the two countries on account of India's position as the growing energy demand centre of the world.

He called for strengthening relations between the two sides, including the oil and gas sector, capacity building and diversification of trade baskets between the two countries.

He also underlined the readiness of Indian companies to explore investment opportunities in Iraq, the upgradation of infrastructure facilities of the oil and gas sector and their amenability for sourcing increased quantities of crude oil from Iraq based on appropriate pricing regime. The Iraqi minister, on his part, expressed his government's desire to welcome Indian companies to invest in Iraq, including in rehabilitation projects.

Queries emailed to the spokespersons of India's petroleum and natural gas ministry, Iraq's embassy in New Delhi, IOCL, and EIL on Tuesday remained unanswered.

rituraj.baruah@live-mint.com

On track for pan-India roll-out of E20 petrol by 2025, said Puri

ENS ECONOMIC BUREAU
NEW DELHI, JULY 11

E20 PETROL, or petrol with 20 per cent ethanol, is now available at 1,350 fuel retail outlets and will be available all over the country by 2025, Petroleum Minister Hardeep Singh Puri said at an industry event on Tuesday. The minister also announced that the Global Biofuels Alliance (GBA)—

an initiative by India with support from the United States (US) and Brazil—will be opened to other countries for membership on July 22 at G20 Energy Transition Ministerial Meeting in Goa.

India achieved the target of 10 per cent ethanol blending in petrol in June last year, months ahead of the targeted timeline of November 2022. The success in the ethanol blending pro-

gramme prompted the government to advance the deadline for pan-India E20 roll out to 2025-26 from 2030.

According to the government, the country is well on track to meet the revised E20 petrol timeline. Sale of E20 petrol was launched by Prime Minister Narendra Modi in February this year, starting with 84 retail outlets of public sector oil marketing companies (OMCs). In just about

five months, the number of outlets dispensing E20 petrol has jumped to 1,350. In all, India has close to 87,000 fuel retail outlets, with the three OMCs—Indian Oil Corporation, Bharat Petroleum Corporation, and Hindustan Petroleum Corporation—having a cumulative market share of over 90 per cent.

"India is a success story in biofuels. India's bioenergy story has the potential to be replicated in

other countries while highlighting the value biofuels can bring to energy security, decarbonisation, and a circular economy to life," Puri said. According to the government's estimates, the ethanol blending programme has translated into foreign exchange savings of over Rs 54,000 crore in the past nine years, while also augmenting India's energy security.

FULL REPORT ON
www.indianexpress.com

SECTOR WATCH OIL AND GAS

India explores liquefaction units in Iraq to convert flared gas into LNG

SUKALP SHARMA
NEW DELHI, JULY 11

INDIA HAS initiated exploratory talks with Iraq to assess the possibility of building facilities to liquefy natural gas that is flared at the West Asian country's oil and gas facilities, and transporting it as liquefied natural gas (LNG) to India, a senior government official said. The proposal came up during last month's India-Iraq Joint Commission Meeting in Delhi. India already has strong ties with Iraq, particularly in energy trade with Baghdad being a top source of Delhi's crude oil imports.

Put simply, gas flaring refers to burning of unwanted and unutilised associated natural gas that is produced during oil production and other processes in the oil industry. A major oil and gas producer, Iraq is one of the biggest gas flaring countries as it lacks facilities to capture and process the gas to convert it into fuels or export it as LNG.

"Iraq flares a lot of natural gas and we are a large importer of gas. So, we are exploring if our companies can set up plants in Iraq to liquefy that gas into LNG," said the official, who did not wish to be identified. As per estimates by global agencies, Iraq flares around 50 million standard cubic metres per day (mscmd) of natural gas. In 2022-23, India's LNG imports stood at 19.9 million tonnes, which is equivalent to 71.6 mscmd of natural gas.

Over the past couple of years, Iraq has committed in international fora that it will make efforts to reduce gas flaring at its facilities, given that flaring leads to high intensity



File

pollution and waste or precious natural resources. Meanwhile, Indian gas companies, particularly GAIL (India) Ltd and Petronet LNG Ltd have been scouting for opportunities to set up or invest in gas liquefaction plants in other countries.

The official quoted above, however, did not name the Indian companies that may be looking at building liquefaction facilities in Iraq. The estimated timelines are also not clear, considering various impediments, particularly the security situation in Iraq. India depends on imports to meet about half of its natural gas requirement. India, like many other countries, views natural gas as a key transition fuel as it makes efforts to accelerate its move to green energy.

The Narendra Modi government has set an objective to increase the share of natural gas in India's primary energy mix to 15 per cent by 2030 from a little over 6 per cent at present. This means that India's natural gas demand is likely to grow considerably over the next few years, which in turn means that imports will also increase substantially.

FULL REPORT ON
www.indianexpress.com

Indian Oil to adopt smart tech to keep an eye on LPG truck drivers

N. Ravi Kumar

HYDERABAD

Indian Oil Corporation has decided to keep a close watch with technology on drivers of trucks that move bulk liquefied petroleum gas (LPG) and Indane cylinders for the company across the country to ensure they stay alert on the wheels and drive safely.

Monitoring of the drivers will join its earlier efforts at tracking the movement of trucks that remain crucial to maintaining supplies, from over 35 loading locations, to the more than 100 bottling plants and

nearly 13,000 distributors of the company. Keen on having in place an integrated approach, the company is proposing a Centralised Vehicle Tracking and Management System (CVTMS) as well as a Driver Status Monitoring (DSM) system.

From observing the driver's eye movements and other behaviour using advanced computer vision algorithms and machine learning models, sending out alerts, geo-fencing, determination of Geo-RTD (round trip distance) routes to creating geo-spatial database, there will be several aspects to the pro-

posed mechanism for which the company is inviting bids from firms. It has estimated the value of the work, for five years, to be nearly ₹221 crore.

Vehicle tracking system for LPG trucks are not new with sources among Indane distributors saying while GPS devices were first introduced by some in the trade on their trucks several years ago, the company followed suit by mandating the system for all such vehicles. Besides a voice board to send out alerts, DSM will feature a camera with face detection and identification.

Govt floats tender to set up 0.45 mt green hydrogen plant

Solar Energy Corporation of India (SECI) has floated a tender for setting up a production facility of 0.45 million tonne (mt) of green hydrogen in India under the Strategic Interventions for Green Hydrogen Transition (SIGHT) scheme. SECI is a Government of India enterprise under the administrative control of Ministry of New & Renewable Energy. The Union Cabinet has approved the National Green Hydrogen Mission with an outlay of ₹19,744 crore up to 2029-30. PTI

Hampi G20 sherpa meet to focus on digital public infra, green growth

SUBHANY CHAKRABORTY
 New Delhi, 11 July

Digital public infrastructure (DPI) and green growth will remain key focus areas as G20 Sherpas meet for the third time this year in Karnataka's Hampi later this week, officials said.

India will also continue to stress on the need for leveraging these to create multilateral policy that can benefit the global south, they added. The government has not published any outcome document from the previous two meetings that focused on policy intentions. The meeting starting July 13 will set the ground for incorporating these into a joint statement that will be endorsed by the leaders in September. But while the Sherpas will discuss dozens of policy objectives, India will look to steer the conversation towards DPIs and green development. India is battling for the G20

formally adopting DPI as a key measure to address crucial issues, such as digital identity, financial inclusion, and equitable access to education and health, the officials said.

"Some of the characteristics of the DPI facilitate interoperability,

harmonisation, principles of an open network, humane development, etc. These characteristics solve the key problems faced by the world within the financial ecosystem, such as scaling, interoperability, last-mile penetration, cost efficiency, etc, paving the way for the Indian model of DPI to be exported to the globe

and setting benchmarks to strive for," said Kazim Rizvi, founder of emerging policy think tank The Dialogue. The previous Sherpa meets have demonstrated various population-scale DPIs of the India Stack, a set of open application programming interfaces

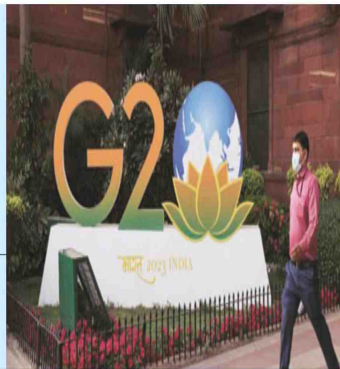


THE INDIA FOOTPRINT

ON INDIA'S AGENDA

- Global adoption of Indian digital solutions like UPI, Aadhaar and CoWIN
- G20-led pool of funds for climate finance & green tech
- Commitment by rich nations towards global south focussed policy making

- Wrapping up of talks on development, agriculture, and tourism
- Ground to be created for discussing final joint statement



that allows governments, businesses, start-ups, and developers to utilise a unique digital infrastructure to solve many of India's hard problems. The upcoming meet will see India promote key DPIs, such as Aadhaar, Co-Win, UPI, DigiLocker, and India's Artificial Intelligence-based language platform Bhashini to the G20 nations, officials added.

The Sherpas will also turn their attention to the issue of green transition of energy systems and economies, the urgent need for which has been

acknowledged by all nations even if they disagree on how to ensure it, a NITI Aayog official said.

Under green growth, India is pursuing specific objectives such as ensuring "green tech and energy efficiency", and the older target of securing sustainable climate and development finance for developing and poorer nations, he added. "India needs to leverage the strength of its economy, and consumption potential of its market to ensure that it gets technology which will specifically address its sustainable development

goals, on reasonable terms," said Samrat Sengupta, former programme director (climate change & renewable energy) at the Centre for Science and Environment.

India is also trying to form a consensus on the building of a separate pool of funds aimed at meeting the energy transition needs of the global south. The Sherpa track of discussions oversees 13 separate working groups on areas such as agriculture, tourism, education, corruption, and trade, among others.

"Broad level of consensus has emerged in many areas, such as a

commitment to advancing existing and new G20 collective actions that will contribute to bring on track the implementation of the 2030 Sustainable Development Goal Agenda. There have also been commitments helping the Net Food Importing Developing Countries (NFIDCs) achieve food security," the official mentioned above said.

Major differences remain over potential language used to criticise Russia's invasion of Ukraine.

The yawning gap in positions on the issue remains hard to bridge given that two crucial meetings of G20 Finance Ministers and Foreign Ministers held earlier this year were unable to agree on consensus outcome documents because of opposition from China and Russia to the text describing the war in Ukraine.

"Outcome statements issued after ministers' meeting in various working groups have specifically kept out references to Ukraine, and recognized the G20 is not the forum to resolve security issues. It will be difficult to reverse this position," a Delhi-based foreign diplomat who has been party to the discussions said.

SECL lines up ₹1,218-cr spend for solar projects



AS PART OF its net zero commitments, Chhattisgarh-based mining company SECL has lined up an investment of ₹1,218 crore spread up to 2025-26 for setting up solar projects. PTI

PART OF BROADER HYDEL POLICY

Govt Proposes Hydro Power Project Scheme with ₹16k-cr Outlay

Financial support to enable infra and grant for NE states to pick stakes in projects

Shilpa Samant
@timesgroup.com

New Delhi: The power ministry has proposed a scheme with an initial outlay of around ₹16,000 crore to financially support new hydropower projects, people in the know said. The financial support will envisage enabling infrastructure and grant for the north-eastern states to pick stakes in such projects, they said. The scheme will be part of the broader hydropower policy that has already been sent to the Cabinet for approval last month, one of the people said.

Enabling infrastructure around hydropower projects will get a budgetary support of around Rs 12,000 crore. While the enabling infrastructure for such projects currently includes roads and bridges, transmission lines from the power sta-



tion to the pooling stations too could be added to it as per the proposal. Pumped hydropower storage projects may also get the financial benefits. North-eastern states that wish to have a joint venture for such projects are likely to be given financial assistance for their stake and the total funds proposed to be earmarked for such support is Rs 4,000 crore, the person said.

Most of the potential for new hydropower capacity is in Arunachal Pradesh, another person said.

Identified capacity in Arunachal Pradesh is the highest among states having hydropower potential, as per a report from the Parliamentary Standing Committee on Energy.

States' participation as stakeholders could accelerate the development of such projects.

Crude oil prices edge up on supply cuts, weak dollar



London: Crude oil prices edged higher on Tuesday supported by supply cuts by the world's biggest oil exporters and hopes for higher demand in the developing world in the second half of 2023 despite a sluggish economic outlook. Brent crude futures was up 64 cents to \$78.33 a barrel at 01324 GMT and US West Texas Intermediate crude was up 71 cents at \$73.7. REUTERS

NHPC pursuing over 20,000 MW of pumped storage projects

Rishi Ranjan Kala

New Delhi

State-run hydro-power major NHPC is pursuing pumped storage projects (PSPs) of over 20,000 megawatts (MW) across Maharashtra, Odisha and Andhra Pradesh.

“Towards development of PSPs, NHPC is pursuing the development of 20,625 MW capacities in different States and also has signed MoUs. These include MoUs with Department of Energy (Maharashtra), Odisha through GRIDCO, DVC and Department of Energy (Andhra Pradesh),” NHPC CMD, RK Vishnoi, told *businessline*.

It is critically important to take up large-scale development of hydro PSPs, as it can play a vital role in grid balancing and can be utilised to meet peak power requirements, energy arbitrage, ancillary services, RE smoothing, he explained.

Vishnoi emphasised that in line with the paradigm shift to-

● POWER SAVER

PSPs utilise surplus grid power from thermal power stations or other sources to pump up water from the lower to upper reservoir, and reproduces power during peak demand

wards clean energy transition and trajectory of energy markets in the country, NHPC as a business growth plan has diversified its business portfolio towards development of PSPs.

PUSH TO HYDRO PSPs

The Power Ministry has initiated several policy initiatives to expedite implementation of PSPs. They enable supply of dispatchable RE power and help in meeting the peak requirement of the power grid.

Last month, the then Power Secretary Alok Kumar had told *businessline* that the Ministry had come out with guidelines

for PSPs in April 2023 and received good response. “I’m told that the industry has approached the Central Electricity Authority (CEA) for close to 30,000 MW of projects,” he said.

POTENTIAL OF PSPs

The CEA has projected a requirement of 236 gigawatt hours (GWh) of Battery Energy Storage Systems and 27 GW of PSP by FY32. The identified potential of PSPs in India is about 119 GW (comprising 109 PSPs). Of this, eight projects (4.7 GW) are under operation and four (2.8 GW) are under construction. The government aims to commission 39 hydro PSPs of 47 GW capacity by FY30. Besides, the CEA has given concurrence for two projects (2.3 GW).

Further, 33 projects (42 GW) are under survey and investigation for preparation of DPRs. Of these, the Ministry of Environment, Forest & Climate Change has already given terms of reference to 22 projects.

Yogi govt approves 2 thermal power projs

OUR CORRESPONDENT

LUCKNOW: In a move aimed at providing affordable electricity to the people of Uttar Pradesh, the Yogi government has given its approval for two 'Obra D' thermal power projects.

These projects, with a capacity of 800MW each, will be constructed in Sonbhadra's Obra at a cost of Rs 18,000 crore.

The decision to approve the Obra D thermal power plants

was made during a Council of Ministers' meeting chaired by CM Yogi Adityanah at Lok Bhavan.

The agreement for these projects was signed between the Yogi govt and National Thermal Power Corporation (NTPC) during Global Investors Summit held in Lucknow earlier this year.

Under the agreement, projects will be implemented through a 50-50 partnership between govt and NTPC.

UP to set up 1,600 MW power plant with NTPC

LUCKNOW: The Uttar Pradesh Government will set up a 1600 megawatt thermal power plant in collaboration with National Thermal Power Corporation (NTPC) at Obra, Sonbhadra district.

The project cost has been pegged at Rs17,965 crore and it will have two generation units of 800 megawatt each.

In the meeting of the state cabinet presided by Chief Minister Yogi Adityanath on Tuesday, the proposal of this first Ultra Super Critical Power Plant of UP was approved. Energy minister of UP, AK Sharma said that there has been a rise in the demand for electricity in the state in the recent past and to meet this the government has decided to set up a new power plant in collaboration with NTPC.



सुजलॉन को केपी ग्रुप से मिला पवन ऊर्जा परियोजना का ठेका

एजेंसी ■ नई दिल्ली

अक्षय ऊर्जा समाधान प्रदाता सुजलॉन समूह को गुजरात में केपी ग्रुप से 47.6 मेगावॉट की पवन ऊर्जा परियोजना का ठेका मिला है। हालांकि, कंपनी ने सौदे के मूल्य का खुलासा नहीं किया है। यह परियोजना भड़ूच जिले के वागरा में स्थित है। कंपनी ने बयान में कहा कि इस परियोजना के 2024 में चालू होने की उम्मीद है। इस आकार की परियोजना 36,000 घरों को रेशन कर सकती है और सालाना कार्बन उत्सर्जन में 1.42 लाख टन की कमी ला सकती है। सुजलॉन परियोजना के लिए एस133 पवन टर्बाइन की आपूर्ति



करेगी और परियोजना के क्रियान्वयन की निगरानी करेगी। साथ ही वह परियोजना को चालू भी करेगी। सुजलॉन समूह के मुख्य कार्यपालक अधिकारी (सीईओ) जे पी चलसानी ने कहा, इस परियोजना से उत्पादित बिजली की आपूर्ति वाणिज्यिक और औद्योगिक (सीएंडआई) उपभोक्ता खंड को की जाएगी।