ONGC News as on 25 September 2024 (Print & Online)

Publication : Financial Express	Editions : New Delhi
Date :25 September 2024	Page : 3

Ujjwala LPG use gains steam on higher subsidy

ARUNIMA BHARADWAJ
New Delhi, September 24

CONSUMPTION OF LPG by Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries has improved to 4.2 refills/year in the last three months after the new coalition government took charge against 3.95 in 2023-24, a government official said. The increase in consumption is attributed to a moderation in prices and an increase in subsidy.

"In the last three months, we have seen changes in the PMUY consumption due to the impact of new connections as well as price reduction," said the source. "What used to be 3.01 refills for standard 14.2 kg cylinder in a regular family, had increased to 3.95 in 2024. In the last three months, due to moderation in prices along with increase in subsidy, the consumption has grown to 4.2 cylinders for a regular family."

As of September 1, 103.3 million PMUY connections have been released across the country, as per the government data. LPG coverage in the country has improved from 62% in April 2016 to near saturation now.

AT A GLANCE

- As of September 1, **103.3 mn** PMUY connections have been released across the country, as per the government data
- During the first five months of FY25, the consumption of LPG increased to **12.4 MT**
- At present, there are **327.69 million** active LPG customers in the country

However, this is still lower than 4.4 refills recorded in FY21 when the government provided up to three refills free of cost in the light of Covid-19 pandemic.

During the first five months of FY25, the consumption of LPG increased to 12.4 million tonnes registering an increase of 6.8% from the corresponding period of last fiscal, as per the data from Petroleum Planning and Analysis Cell.

At present, there are 327.69 million total active LPG customers in the country.

The government had launched the scheme back in 2016 with an aim to provide cooking fuel to poor households while discouraging the use of traditional kitchen fuels including cow dung cakes and firewood which are more polluting. The target to release 80 million connections was achieved in 2019.

The government now expects to extend the benefit to 103.5 million households under the scheme by 2025-26.

Last year in August, the government had announced a price cut of ₹200 per cylinder in LPG prices for all domestic consumers and decided to expand the scheme with additional 7.5 million connections. In October 2023, the government again hiked the subsidy for PMUY consumers by ₹100 taking it to ₹300 per cylinder. In March this year, Prime Minister Narendra Modi announced a cut of ₹100 per LPG cylinder while encouraging the use of LPG cylinders.

Total subsidy given on LPG by the government in the present fiscal stands at ₹11,925.01 crore against ₹12,240.0 crore as per revised estimates of FY24. This subsidy, in FY23, stood at ₹6,817.37 crore. The subsidy amount includes the expenditure on connections given under PMUY.

The Narendra Modi government had earlier said that it will extend PNG connections across the country while expanding the LPG connections under the Ujjwala Yojana. The move is expected to aid in realising the government's target of increasing the share of natural gas in the energy mix from the present 6.8% to 15% by 2030.

The oil ministry in the first 100 days of governance has also initiated a project through state-run GAIL Ltd to connect isolated gas fields to the national grid. The project is expected to increase the availability of gas by 3.5 million standard cubic meters per day (MSCMD).

The effective cost of the increase is expected to be only about 50 paisa per kg of CNG for the final consumer, as per the official.

Publication : The Hindu Business Line	Editions : New Delhi
Date :25 September 2024	Page : 3

Up to 5% green hydrogen can be blended with PNG, finds study

Rishi Ranjan Kala
New Delhi

The initial findings of a study by the State-run Engineers India (EIL) suggests that up to 5 per cent green hydrogen can be blended with piped natural gas (PNG).

"EIL is conducting a study on blending of green hydrogen with PNG. Around 3-5 per cent can be blended without any adverse impact on the pipeline infrastructure. It is an initial finding," a senior government official said.

EIL and IIT Kanpur are studying the impact of green hydrogen on city gas distribution (CGD) pipelines and the initial findings of the report have been submitted to the Ministry of Petroleum & Natural Gas (MoPNG), the official added.

The development assumes significance as this will help the world's third largest energy consumer save on fossil fuel imports. India imports roughly half of its natural gas requirement as liquefied natural gas (LNG).

The world's fourth largest LNG importer consumed 66.63 billion cubic meters (BCM) natural gas in FY24, compared to 59.97 BCM and 64.16 BCM in FY23 and FY22, respectively.

NEED OF THE HOUR. The development assumes significance as this will help India, the world's third largest energy consumer, save on fossil fuel imports ISTOCK.COM

BLENDING GREEN H_2

Hydrogen is a flexible energy carrier and can be used for many energy applications like integration of renewables and transportation.

It is produced using RE and electrolysis to split water and is distinct from grey hydrogen, which is produced from methane and releases greenhouse gases. Energy can be extracted from hydrogen through combustion or through fuel cells, which emit only water as a by-product.

However, using hydrogen has its own disadvantages. According to a study by the US Energy Department's National Renewable Energy Laboratory (NREL) in 2013, "How it (hydrogen) affects the pipelines it travels in and appliances that use it. On the pipeline front, hydrogen embrittlement can weaken metal or polyethylene pipes and increase leakage risks, particularly in high-pressure pipes".

Hydrogen embrittlement is a situation when the metal (pipeline) becomes brittle due to diffusion of hydrogen into the material. The extent of embrittlement depends on the amount of hydrogen and the material's microstructure.

PILOT PROJECTS

The Central public sector undertakings (CPSUs) are already running pilot projects on blending green hydrogen with PNG.

For instance, State-run NTPC has commissioned a green hydrogen blending project at Kawas (Gujarat) with 5 per cent hydrogen blending on a volume basis with PNG. Hydrogen blend was increased to 8 per cent on a volume basis with PNG from December 2023 onwards.

Similarly, GAIL launched a pilot project for hydrogen blending with PNG at Avantika Gas, a JV of GAIL and HPCL, at a rate of up to 2 per cent on a volume basis, which was increased to 5 per cent after March 2023.

GAIL has also installed its first green hydrogen plant having a capacity of producing 1.4 kilo tonnes per annum (KTPA), or roughly 4.3 tonnes per day (TPD), at Vijaipur (Madhya Pradesh).

Initially, the hydrogen produced from this unit will be used as a fuel along with natural gas for captive purpose in the various processes and equipment running in the existing plant at Vijaipur. This hydrogen is also planned to be dispensed to retail customers in the nearby geographies, transported through high pressure cascades.

Besides, government has also launched a study to ascertain the cost dynamics and reliability of transporting green hydrogen through pipelines from renewable energy zones (REZs) to ports for domestic consumption and exports.

A team of officials from GAIL, Indian Oil Corporation (IoCL), Central Electricity Authority (CEA) and NTPC are exploring the possibilities of setting up a pipeline to transfer green hydrogen.

An initial study on the cost dynamics for transporting from Rajasthan to the Paradip port in Odisha has been conducted.

Publication : The Hindu Business Line	Editions : New Delhi
Date :25 September 2024	Page : 10

Rubber Research Institute signs MoU with IOCL

Our Bureau
Kochi

A memorandum of understanding was signed between the Rubber Research Institute of India (RRII) and Indian Oil Corporation Ltd (IOCL) to enhance research on using Rubber Process Oils marketed by IOCL in different tyre and non-tyre rubber products.

The focus of the project is to improve the product performance and rubber processing in these products.

The research will examine the impact of various rubber process oils marketed by IOCL on tyre and non-tyre performance, seeking to optimise the efficiency and durability of various rubber products. By incorporating sustainable oils, the environmental impact can be reduced and will contribute to the development of safer materials for industrial use.

Publication : Financial Express	Editions : New Delhi
Date :25 September 2024	Page : 6

RUPEE FALLS 9 PAISE TO CLOSE AT 83.63 Vs DOLLAR

THE RUPEE depreciated 11 paise to close at 83.63 against the American currency, weighed down by a muted trend in domestic equities and rising crude oil prices. The Indian rupee opened higher on Tuesday as domestic equities touched fresh record highs.

Publication : Mint	Editions : New Delhi
Date :25 September 2024	Page : 4

Oil dip may not buff paint firms

Harsha Jethmalani
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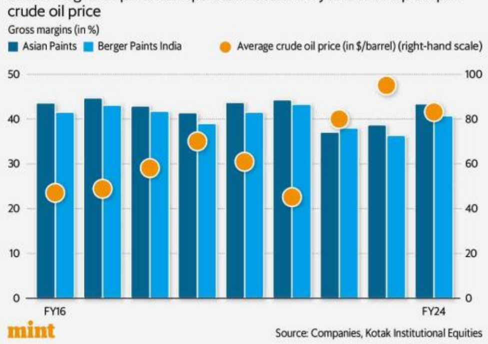
A softening of crude oil prices is usually good news for paint companies. The industry's margin prospects tend to get a leg-up as prices of key input chemicals titanium dioxide and crude-based monomers ease in tandem with oil prices, although the impact on earnings comes with a lag. The price of Brent crude hit a three-year low of $68 a barrel this month and is now about $74 a barrel. Still, this time the picture is unlikely to be as rosy as it was earlier.

That's because paint makers may be tempted to pass on the benefits of easing costs to beat competition and protect market share. Companies may choose to use crude-led additional cost savings for higher dealer discounts and/or reduce prices.

For instance, Asian Paints Ltd has hiked prices at a faster rate than crude oil and has retained the partial benefits of a correction in commodity prices, said ICICI Securities Ltd on 18 September. "In a normal scenario, we believe a similar trend would have followed in H2FY25-H1FY26, if crude oil prices remain lower." But, Asian Paints may pass on most of the benefits now as competition has risen, the report said.

A catalyst

Gross margins of paints companies increased in years of sharp drop in crude oil price



PRANAY BHARDWAJ/MINT

Asian Paints is the market leader in decorative paints and the industry's trendsetter for pricing decisions. Interestingly, after lowering prices in recent quarters, paint companies raised prices 1-2% in July. But it should be noted here that new entrant Grasim Industries's Birla Opus has priced its decorative paint products lower than competitors. So incumbents may want to bridge this gap, capping sharp margin gains.

"Operating margins may only marginally benefit (from low crude oil prices), improving to 16-18% in FY25 (earlier estimates were 15-17%), as high rebates and discounts as well as higher marketing spend to enhance reach and build brands continues," said Poonam Upadhyay, director, Crisil Ratings.

Thus, the Street's excitement on potential benefits from a fall in crude prices may be premature. In the past month, shares of Asian Paints, Berger Paints India Ltd and Kansai Nerolac Paints Ltd gained 3-8%. The market structure is worse than previous cycles in the sector, and lower input prices could make it easier for new competitors such as Grasim to sustain competitive intensity, said Kotak Institutional Equities.

SLIPPERY SLOPE

COS may choose to use crude-led additional cost savings for higher dealer discounts

THE value-volume gap that incumbents face from price cuts is likely to continue in the near term

So, investors may be disappointed if companies choose market share over margins. Further, the value-volume gap that the incumbents face due to price cuts is expected to continue in the near term. The September quarter (Q2) is typically slow for the construction and real estate industries, which hurts demand for discretionary items like paints.

So, expectations from Q2FY25 earnings of paint firms are low. That said, management commentary on demand outlook will be important. Pricing actions to shore up sales in the festive season in Q3FY25 will test incumbents. It will also help investors gauge the sector's earnings trajectory and changing competition.

For now, a re-rating of paint stocks is unlikely. In 2024, Asian Paints and Kansai have fallen 4.5% and 8.2%, while Berger rose 1.2% and benchmark Nifty50 is up 19%. Sure, valuations of key paint stocks have come off recent peaks, but the overhang of elevated competition amid higher supply raises the risk of earnings downgrades and keeps paint stocks under pressure.

Publication : The Hindu Business Line	Editions : New Delhi
Date :25 September 2024	Page : 10

Crude oil climbs on geopolitical risks

Crude oil prices rose on news of monetary stimulus from top importer China and concerns that the conflict in the Middle East could hit regional supply while another hurricane threatened supply in the No 1 producer US. Brent crude futures were up $1.34 at $75.24 a barrel. US WTI crude futures rose $1.38 to $71.75.
REUTERS

Online

Headline	ONGC Join Hands With Reliance-Bp, Oil India, IOCL To Bid For 19 Out Of 28 Blocks In OALP-IX		
Publication	Benzinga	Edition	Online Coverage
Published Date	24 Sep 2024		

ONGC Join Hands With Reliance-Bp, Oil India, IOCL To Bid For 19 Out Of 28 Blocks In OALP-IX

https://in.benzinga.com/markets/equities/24/09/40997026/ongc-join-hands-with-reliance-bp-oil-india-iocl-to-bid-for-19-out-of-28-blocks-in-oalp-ix

Reliance-bp has partnered with the Oil and Natural Gas Corporation (ONGC) to participate in India's largest oil and gas bid.

The bid has reportedly attracted four contenders, making it the most substantial bid in the country's oil and gas sector.

What Happened : India's largest oil and gas bid round, OALP-IX, has drawn significant participation from key players, including state-owned companies like Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL), alongside private sector giant Vedanta Ltd

The Directorate General of Hydrocarbons (DGH) reported that most of the 28 blocks on offer in this round saw only two bids. The blocks, covering an area of 1.36 lakh square kilometres, were offered for exploration and production of oil and gas under the Open Acreage Licensing Policy (OALP).

A major highlight of the OALP-IX round was the first-time collaboration between Reliance Industries and its partner bp plc with ONGC, as they jointly bid for a block in Gujarat's offshore area. This partnership is significant as Reliance and bp had previously only participated in two of the eight earlier bid rounds since the policy was launched in 2017.

This new venture marks a change in strategy and signals a renewed interest in India's oil and gas exploration sector from two of its biggest industry players. ONGC led the way by submitting bids for 14 blocks independently. In addition, it partnered with OIL and Indian Oil Corporation (IOC) to bid for four more blocks. Altogether, ONGC placed bids for 19 of the 28 available blocks, including the one in collaboration with Reliance-bp.

On the other hand, Vedanta Ltd , owned by mining magnate Anil Agarwal , was the most aggressive participant, placing bids for all 28 blocks. Sun Petrochemicals Ltd also joined the competition, bidding for seven areas. While four of the blocks attracted three bids each, the remaining blocks saw competition between two bidders, with Vedanta being one of the contenders.

The OALP bidding process operates on a revenue-sharing model, with companies offering a percentage of the revenue and committing to a work program. This round offered a mix of nine onshore blocks, eight shallow-water blocks, and 11 ultra-deepwater blocks, distributed across eight sedimentary basins.

The OALP, introduced in 2017, provides flexibility for oil and gas companies by offering marketing and pricing freedom, encouraging more investment in exploration. The government's goal with these rounds is to reduce India's dependence on oil imports, which totalled $222 billion in 2023.

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Headline	ONGC Videsh, partners win rights to produce gas from ACG field		
Publication	HT Syndication	Edition	Online Coverage
Published Date	24 Sep 2024		

ONGC Videsh, partners win rights to produce gas from ACG field

https://www.htsyndication.com/hindustan-times/article/ongc-videsh%2C-partners-win-rights-to-produce-gas-from-acg-field/84787418

New Delhi, Sept. 24 -- State-run energy explorer Oil and Natural gas Corp's overseas arm ONGC Videsh (OVL) and its partners on Saturday acquired a

25-year right to explore and produce natural gas from BP-operated Azeri-Chirag-Deepwater Gunashli (ACG) field in addition to their decade-old rights of producing oil from the largest oilfield in the Azerbaijan sector of the Caspian basin.

"The NAG (non-associated natural gas) resources of ACG are believed to be significant, with up to 4 trillion cubic feet (tcf) in place," ONGC informed bourses that saw 3.16% jump in company's stock price in the BSE to Rs.295.35. While associate natural gas is produces along with crude from an oil field, NAG is dry gas produced exclusively from gas fields.

Headline	PM-adopted villages to be developed as model		
Publication	Hindustan Times	Edition	Online Coverage
Published Date	24 Sep 2024		

PM-adopted villages to be developed as model

https://www.hindustantimes.com/cities/lucknow-news/pmadopted-villages-to-be-developed-as-model-101727117635644.html

These villages will be equipped with basic facilities like roads, sanitation, sewage network, streetlights and a wellness centre among others

The seven villages adopted by PM Narendra Modi in his parliamentary constituency Varanasi under Saansad Adarsh Gram Yojana (SAGY) during the last 10 years will be developed as the best model villages of the country.

PM has adopted these villages in his Lok Sabha constituency Varanasi.. (HT file)

These villages include Jayapur, Nagepur, Kakarahia, Domri, Paramapur, Pure Bariyar and Pure Gaon. They villages will be equipped with basic facilities like roads, sanitation, sewage network, streetlights and a wellness centre among others, said an official privy to the matter.

The district administration has already chalked out a plan to ensure all-round development of the seven villages, the official added. The project to develop PM- adopted villages as model villages of the country has been prepared under the guidance of Varanasi district magistrate S Rajalingam.

A survey of these villages was carried out to find out their current situation what facilities they are lacking. It was also recorded during the survey as to how many people didn't get houses under the housing schemes and which of these villages lack a school, wellness centre and sewage network.

District magistrate S Rajalingam confirmed it and said, The seven villages will be developed as the model villages of the country. We have planned so. A project has already been prepared. The work will begin there very soon.

The district administration has signed an MoU with the Oil and Natural Gas Corporation (ONGC) Ltd for ensuring development in these villages. Signed under the corporate social responsibility (CSR), the MoU is worth 27.5 crore. Under its CSR, the ONGC will provide funds for development in these villages. The ONGC has released first instalment, the officer added.

PM Modi had launched the Saansad Adarsh Gram Yojana (SAGY) on October 11, 2014 on the birth anniversary of Lok Nayak Jayaprakash Narayan at Vigyan Bhawan, New Delhi with an aim to develop at least three villages as Adarsh gram in every parliamentary constituency by March 2019 and then five villages in every constituency by 2024.

Inspired by the principles and values of Mahatma Gandhi, the scheme places equal stress on nurturing values of national pride, patriotism, community spirit, self-confidence and on developing infrastructure.

Headline	ONGC Videsh, partners win rights to produce gas from ACG field		
Publication	Hindustan Times	Edition	Online Coverage
Published Date	25 Sep 2024		

ONGC Videsh, partners win rights to produce gas from ACG field

https://www.hindustantimes.com/india-news/ongc-videsh-partners-win-rights-to-produce-gas-from-acg-field-101727120340496.html

ONGC Videsh (OVL) and its partners on Saturday acquired a 25-year right to explore and produce natural gas from BP-operated Azeri-Chirag-Deepwater Gunashli (ACG) field

State-run energy explorer Oil and Natural gas Corps overseas arm ONGC Videsh (OVL) and its partners on Saturday acquired a 25-year right to explore and produce natural gas from BP-operated Azeri-Chirag-Deepwater Gunashli (ACG) field in addition to their decade-old rights of producing oil from the largest oilfield in the Azerbaijan sector of the Caspian basin.

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The gas exploration and production rights in ACG was acquired by OVL and other partners through an addendum to the existing Production Sharing Agreement (PSA) . OVL acquired Hess Corporations 2.31% participating interest (PI) in the asset in April 2013. Besides BP (30.37% PI), other partners in the field are the State Oil Company of the Azerbaijan (SOCAR with 25% PI), Hungarian energy firm MOL Group (9.57%), Japanese company INPEX (9.31%), Norwegian firm Equinor (7.27%), ExxonMobil (6.79%), Turkish company TPAO (5.73%), and ITOCHU (3.65%).

The addendum amends the ACG PSA enabling the parties to progress the exploration, appraisal, development of and production from the non-associated natural gas (NAG) reservoirs of the ACG field, multinational oil giant BP said in a statement on September 20.

Rovshan Najaf, president of SOCAR called it a remarkable day in Azerbaijans energy journey. The signing of this gas agreement represents not just a commercial triumph, but also a strategic milestone in our efforts to further diversify our energy resources, he said. This project will bolster Azerbaijans role as a key supplier of energy to Europe, he added.

The addendum, signed on September 21, allows the stakeholders to explore, appraise, develop and produce from the non-associated natural gas reservoirs of the oil field until 2049. The field is located in the south Caspian Sea and covering an area of 435 sq km about 95 km off the coast of Azerbaijan; reserves are estimated to be up to 4 trillion cubic feet (tcf). The NAG reserves were not included in the original PSA signed in 2013. This agreement was amended in 2017 to extend its duration until December 2049.

The stakeholders agreed to drill a well in 2022 to collect gas pressure data from the NAG reserves in the field. The data confirmed the presence of natural gas within the expected pressure range last year. The stakeholders are now planning the development of the NAG reserves, with the first gas production expected in 2025.

ACG produces about 585,000 barrels per day. The crude is transported through the Baku-Tbilisi-Ceyhan (BTC) pipeline to Ceyhan on the Mediterranean coast of Turkiye, from where it is shipped to customers.

Headline	Cyril Amarchand Mangaldas advised PTC India Ltd in the sale of its subsidiary, PTC Energy Ltd to ONGC Green Limited		
Publication	Latest Laws	Edition	Online Coverage
Published Date	24 Sep 2024		

Cyril Amarchand Mangaldas advised PTC India Ltd in the sale of its subsidiary, PTC Energy Ltd to ONGC Green Limited

https://www.latestlaws.com/latest-news/cyril-amarchand-mangaldas-ptc-energy-ltd-to-ongc-green-limited-220354/

Cyril Amarchand Mangaldas advised PTC India Ltd in the sale of its subsidiary, PTC Energy Ltd to ONGC Green Limited

Cyril Amarchand Mangaldas advised PTC India Ltd in the sale of its subsidiary, PTC Energy Ltd to ONGC Green Limited

Cyril Amarchand Mangaldas (CAM) advised PTC India Ltd, a listed company ("PTC) in the sale of its subsidiary, PTC Energy Ltd ("PEL") to ONGC Green Limited ("ONGC") through a bidding process. PEL has an aggregate operational wind generation capacity of 288.80 MW which is spread over 7 projects which are in Madhya Pradesh, Andhra Pradesh and Karnataka.

The Transaction was led by Ritika Rathi, Partner along with Sreetama Sen, Partner, with support from Nooreen Haider, Principal Associate; Bhadra Nair, Senior Associate; Aakash Rao, Associate and Esha Goyal, Associate.

The transaction document was signed on 13th September, 2024. The closure of deal is subject to fulfilment of CPs of the transaction document.

Headline	HSBC downgrades ONGC to ‘reduce' over falling oil prices, operational challenges, sees 22% downside to ₹230		
Publication	Mint	Edition	Online Coverage
Published Date	24 Sep 2024		

HSBC downgrades ONGC to ‘reduce' over falling oil prices, operational challenges, sees 22% downside to ₹230

https://www.livemint.com/market/stock-market-news/hsbc-downgrades-ongc-to-reduce-over-falling-oil-prices-operational-challenges-sees-22-downside-to-rs-230-11727159976024.html

HSBC downgraded ONGC from 'Hold' to 'Reduce', citing risks from falling oil prices and operational challenges.

The target price is set at 230, indicating over 22% downside potential amidst concerns over production declines and rising capital expenditure in renewable energy.

HSBC downgraded Oil and Natural Gas Corporation (ONGC) from 'Hold' to 'Reduce' due to concerns over falling oil prices and operational setbacks that have exposed the downside risks to its earnings and project viability. The brokerage has set a target price of 230 for the oil and gas stock, implying an over 22 per cent downside potential.

HSBC cited various challenges, including declining production volumes, delays in key projects, and increased capital expenditure in green energy ventures. These factors, combined with oil price volatility, have led to a cautious outlook for the company in the near term.

The stock has jumped around 60 per cent in the last one year and 44 per cent in 2024 YTD. The oil and gas stock has lost over 10 per cent in September so far after a 1 per cent decline in August. Before that, it rose 22 per cent in July and almost 4 per cent in June. It corrected 6.5 per cent in May after four straight months of gains. It added 5.5 per cent in April, 1.3 per cent in March, 4.5 per cent in February and 23.5 per cent in January.

Currently trading at 295.35, the stock is over 14 per cent away from its peak of 344.60, hit in August 2024. Meanwhile, it has soared over 64 per cent from its 52-week low of 179.80, recorded in October last year.

Key reasons for the downgrade

Concerns regarding ONGC's earnings : According to HSBC, ONGC's earnings are largely dictated by production levels rather than oil prices, as government policies cap the price realisation for oil at USD 75 per barrel and gas at USD 6.50 per mmbtu. With oil prices falling below this threshold, HSBC warned that ONGC faces a significant downside risk. There is no floor for oil prices under current policies, leaving ONGC vulnerable to further price declines, which could impact the profitability of greenfield and enhanced oil recovery projects. This assessment aligns with HSBC's broader view on the global oil market , as noted in a previous report by analyst Kim Fustier.

Production struggles and delayed projects: ONGC has also struggled with declining production volumes, especially from its ageing oilfields, such as the Western High fields, which were discovered in the 1970s Despite efforts to enhance oil recovery, production has continued to decline. Additionally, the KG-DWN-98/2 field, considered one of ONGC's most promising new assets, has faced delays and reduced output guidance. HSBC pointed out that ONGC has missed its forward-year production targets, raising concerns about its ability to maintain consistent output.

Increased capex and renewable energy focus: ONGC's capital expenditure is expected to rise, particularly as the company pivots towards renewable energy. In 2024, ONGC began its green energy transition by acquiring PTC's renewable assets and is currently vying for Ayana Renewable Power. The company has committed 970 billion by 2030 to set up 5GW of renewable power capacity. While this transition marks a positive long-term shift, HSBC expressed concerns about the potential strain on ONGC's core business in the short term.

Weak performance of subsidiaries: HSBC also highlighted the weaker performance of ONGC's subsidiaries, particularly Hindustan Petroleum Corporation Limited (HPCL) and Mangalore Refinery and Petrochemicals Limited (MRPL), which have historically contributed significantly to ONGC's earnings. Declining refining margins in these subsidiaries could affect ONGC's ability to distribute dividends, a key value driver for the company.

Valuation and Dividend Focus

Despite the challenges, HSBC acknowledged that ONGC remains relatively inexpensive compared to other government-owned entities (PSUs) and global oil majors. However, the brokerage attributed this discount to poor earnings growth expectations and high carbon emissions associated with ONGC's traditional oil exploration business. HSBC believes that ONGC's pivot towards renewable energy warrants a higher valuation than previously assigned, although near-term earnings growth is expected to remain slow.

HSBC has valued ONGC using a dividend discount model, as the brokerage believes that government actions heavily influence the company's cash flow and dividends . While the transition to green energy is a positive long-term strategy, it is expected to take time before significantly boosting profits. In the meantime, dividends remain the most reliable gauge of ONGC's value, making them a crucial factor in the company's overall assessment.

HSBC's downgrade of ONGC reflects the company's challenges from falling oil prices, declining production, and rising capital expenditure. While the move towards renewable energy offers a glimmer of hope for long-term growth, the near-term outlook remains challenging. ONGC's ability to navigate these headwinds, maintain dividend payouts, and execute its green energy transition will be critical for its future performance.

Disclaimer: The views and recommendations made above are those of individual analysts or broking companies, and not of Mint. We advise investors to check with certified experts before taking any investment decisions.

Headline	ONGC Videsh inks gas deal in Azerbaijan, Morgan Stanley sees 45% upside		
Publication	Moneycontrol	Edition	Online Coverage
Published Date	24 Sep 2024		

ONGC Videsh inks gas deal in Azerbaijan, Morgan Stanley sees 45% upside

https://www.moneycontrol.com/news/business/markets/ongc-videsh-inks-gas-deal-in-azerbaijan-morgan-stanley-sees-45-upside-12828202.html

ONGC Videsh, a wholly owned subsidiary of ONGC, is engaged in overseas E&P operations and is India’s largest international oil and gas E&P company.

ONGC Videsh, the overseas arm of public sector undertaking Oil and Natural Gas Corporation (ONGC), signed an addendum to the existing Production Sharing Agreement (PSA) for ACG Field in the Azerbaijan sector of the Caspian Sea. As a result, international brokerage Morgan Stanley reiterated its 'overweight' call on ONGC, deciding to maintain its target price of Rs 430 per share. This indicates an upside of around 46 percent from the previous session's closing price. "ONGC Videsh, together with the State Oil Company of the Azerbaijan (SOCAR), bp, MOL, INPEX, Equinor, ExxonMobil, TPAO, and ITOCHU, have signed an addendum," said ONGC, in a filing with the exchanges. The addendum allowed the signed parties to progress in the exploration, appraisal, development and production from the Non-Associated Natural Gas (NAG) reservoirs of the ACG field. This will be effective till the end of the existing ACG PSA in 2049. Follow our market blog to catch all the live updates   "The participating interests of the ACG co-venturers in the NAG project are the same as in the existing ACG PSA i.e., bp (30.37 percent), SOCAR (25.0 percent), MOL (9.57 percent), INPEX (9.31 percent), Equinor (7.27 percent), ExxonMobil (6.79 percent), TPAO (5.73 percent), ITOCHU (3.65 percent), ONGC Videsh (2.31 percent). bp remains the operator of the ACG PSA," added the filing. According to Morgan Stanley, there is potential reserve accretion in Azerbaijan. The consortium plans to monetise non-associated gross natural gas reserves of 4 trillion cubic feet (tcf). However, the brokerage noted that international operations have been a drag to ONGC's returns in the past. Nevertheless, trends have been improving in production and reserve accretion. ONGC Videsh, a wholly owned subsidiary of ONGC, is engaged in overseas E&P operations and is India’s largest international oil and gas E&P company with 32 assets in 15 countries. Over the past year, ONGC shares have rallied around 60 percent, as against a 31 jump in the frontline Nifty 50 index. Disclaimer: The views and investment tips expressed by investment experts on Moneycontrol.com are their own and not those of the website or its management. Moneycontrol.com advises users to check with certified experts before taking any investment decisions.

Headline	Signing of Non-Associated Gas deal in Azeri-Chirag-Deepwater Gunashli (ACG), Azerbaijan		
Publication	News Mantra	Edition	Online Coverage
Published Date	24 Sep 2024		

Signing of Non-Associated Gas deal in Azeri-Chirag-Deepwater Gunashli (ACG), Azerbaijan

https://newsmantra.in/signing-of-non-associated-gas-deal-in-azeri-chirag-deepwater-gunashli-acg-azerbaijan/

Bengaluru | 23 September 2023 : ONGC Videsh, together with the State Oil Company of the Azerbaijan (SOCAR), bp, MOL, INPEX, Equinor, ExxonMobil, TPAO, and ITOCHU, have signed an addendum to the existing Production Sharing Agreement (PSA) for ACG Field in the Azerbaijan sector of the Caspian Sea.

The addendum amends the ACG PSA enabling the parties to progress the exploration, appraisal, development and production from the Non-Associated Natural Gas (NAG) reservoirs of the ACG field and is effective till the end of the existing ACG PSA in 2049.

The NAG resources of ACG are believed to be significant, with up to 4 trillion cubic feet (tcf) in place.

The new gas deal was celebrated in Baku today during an event which marked Azerbaijan's national Oil Workers' Day and the 30th anniversary of the signing of the ACG PSA.

The participating interests of the ACG co-venturers in the NAG project are the same as in the existing ACG PSA i.e., bp (30.37%), SOCAR (25.0%), MOL (9.57%), INPEX (9.31), Equinor (7.27%), ExxonMobil (6.79%), TPAO (5.73%), ITOCHU (3.65%), ONGC Videsh (2.31%). bp remains the operator of the ACG PSA.

NAG reservoirs are multiple geological formations beneath and above the currently producing oil reservoirs, and were not initially included in the existing ACG PSA. In 2022, ACG co-venturers and SOCAR agreed to drill a data well into the NAG reservoirs to collect gas pressure data. The data well was completed in 2023, and the interpretation of the acquired data confirmed the presence of natural gas resources within the expected pressure range.

In accordance with the addendum, SOCAR and ACG co-venturers are now planning the next steps for the development of NAG reservoirs. As part of this, an initial well is planned to be drilled to produce gas from two priority reservoirs with the first gas production is expected in 2025.

ONGC Videsh acquired the Participating Interest (PI) in the ACG project in 2013. ONGC Videsh Ltd., a wholly owned subsidiary of ONGC, the flagship NOC of India, is engaged in overseas E&P operations and is India's largest international Oil and Gas E&P company having 32 Assets in 15 countries. ONGC Videsh's production of Oil and Oil Equivalent Gas (O+OEG) during FY'24 was 10.518 MMtoe and is currently producing about 200,000 barrels of O+OEG per day.

Headline	Biggest Indian oil and gas bid draws four bidders, Reliance-bp and ONGC joins hand		
Publication	PSU Connect	Edition	Online Coverage
Published Date	24 Sep 2024		

Biggest Indian oil and gas bid draws four bidders, Reliance-bp and ONGC joins hand

https://www.psuconnect.in/news/biggest-indian-oil-and-gas-bid-draws-four-bidders-reliance-bp-and-ongc-joins-hand/44368

India's largest oil and gas bidding round attracted four major players, including state-owned ONGC, OIL, and private-sector Vedanta Ltd. Most of the 28 blocks on offer received only two bids, according to the Directorate General of Hydrocarbons (DGH).

This bid round, the OALP-IX, covered an area of 1.36 lakh square kilometers, with blocks offered for exploration and production of oil and gas.

For the first time, the bid round saw Reliance Industries Ltd and its partner BP PLC joining forces with ONGC to bid for a block in Gujarat offshore. This partnership marks a notable change, as Reliance and BP had only participated in two of the previous eight oil and gas bid rounds since 2017.

Read Also :

ONGC submitted bids for 14 blocks on its own and partnered with state-owned companies Oil India Ltd (OIL) and Indian Oil Corporation (IOC) for an additional four blocks. In total, ONGC bid for 19 out of the 28 blocks offered, including the one with Reliance.

Under the Open Acreage Licensing Policy (OALP), blocks are awarded based on the highest revenue share offered by companies and their proposed work programs. This bid round included nine onshore blocks, eight shallow-water blocks, and 11 ultra-deepwater blocks across eight sedimentary basins.

The government launched the OALP in 2017 to encourage oil and gas exploration, offering marketing and pricing freedom under a revenue-sharing model.

Reliance and bp, long-term partners in the KG-D6 deepsea block, continue to produce 30 million standard cubic meters per day of gas. The government hopes that increased exploration will bolster India's domestic oil and gas production, helping to curb its $222 billion oil import bill.

Headline	ONGC Videsh's Azerbaijan Gas Venture: Implications and Morgan Stanley's Positive Outlook		
Publication	Pune News	Edition	Online Coverage
Published Date	25 Sep 2024		

ONGC Videsh's Azerbaijan Gas Venture: Implications and Morgan Stanley's Positive Outlook

https://pune.news/market/ongc-videshs-azerbaijan-gas-venture-implications-and-morgan-stanleys-positive-outlook-238488/

ONGC Videsh, the international subsidiary of the Oil and Natural Gas Corporation (ONGC), has recently signed an addendum to its existing Production Sharing Agreement (PSA) for the Azeri-Chirag-Gunashli (ACG) field in the Caspian Sea region of Azerbaijan. This strategic move aims to enhance the exploration and production of natural gas resources in the area.

Key Highlights

Strategic Partnership : The addendum was signed in collaboration with several major players, including the State Oil Company of Azerbaijan (SOCAR), bp, MOL, INPEX, Equinor, ExxonMobil, TPAO, and ITOCHU. This partnership underscores a unified approach towards exploring the Non-Associated Natural Gas (NAG) reservoirs in the ACG field.

Long-Term Commitment : The agreement will remain effective until the current ACG PSA expires in 2049, ensuring a long-term strategy for the involved parties to tap into Azerbaijan's natural gas reserves.

Co-Venturer Interests : The ownership interests for the NAG project align with those in the existing ACG PSA, as detailed below: bp: 30.37%

Following this development, Morgan Stanley has reiterated its overweight' rating on ONGC, maintaining a target price of 430 per share. This forecast suggests a potential upside of approximately 46% from the previous closing price.

Potential Reserve Accretion : Morgan Stanley points to the possibility of reserve enhancements in Azerbaijan, with plans to monetize an estimated 4 trillion cubic feet (tcf) of gross natural gas reserves.

Improvements in Operations : Despite past challenges regarding returns from international operations, recent trends indicate improvements in both production and reserve accumulation.

Company Profile

ONGC Videsh is India's largest international oil and gas exploration and production company, operating 32 assets across 15 countries. Over the past year, ONGC shares have surged around 60%, significantly outperforming the 31% increase of the Nifty 50 index.

The recent agreement in Azerbaijan marks a pivotal moment for ONGC Videsh, positioning it to capitalize on valuable natural gas reserves while enhancing its long-term strategy in international markets. As the company continues to improve its operational performance, investor confidence remains high, as reflected in Morgan Stanley's optimistic outlook.

Headline	Ujjwala LPG use rises on higher subsidy		
Publication	The Financial Express	Edition	Online Coverage
Published Date	25 Sep 2024		

Ujjwala LPG use rises on higher subsidy

https://www.financialexpress.com/policy/economy-ujjwala-lpg-use-rises-on-higher-subsidy-3620791/

Consumption of LPG by Pradhan Mantri Ujjwala Yojana (PMUY) beneficiaries has improved to 4.2 refills/year in the last three months after the new

coalition government took charge against 3.95 in 2023-24, a government official said. The increase in consumption is attributed to a moderation in prices and an increase in subsidy.

In the last three months, we have seen changes in the PMUY consumption due to the impact of new connections as well as price reduction, said the source. What used to be 3.01 refills for standard 14.2 kg cylinder in a regular family, had increased to 3.95 in 2024. In the last three months, due to moderation in prices along with increase in subsidy, the consumption has grown to 4.2 cylinders for a regular family.

As of September 1, 103.3 million PMUY connections have been released across the country, as per the government data. LPG coverage in the country has improved from 62% in April 2016 to near saturation now.

However, this is still lower than 4.4 refills recorded in the financial year 2020-21 when the government provided up to three refills free of cost in the light of Covid-19 pandemic.

During the first five months of the current financial year 2024-25, the consumption of LPG increased to 12.4 million tonnes registering an increase of 6.8% from the corresponding period of last fiscal, as per the data from Petroleum Planning and Analysis Cell. Presently, there are 327.69 million total active LPG customers in the country.

The government had launched the scheme back in 2016 with an aim to provide cooking fuel to poor households while discouraging the use of traditional kitchen fuels including cow dung cakes and firewood which are more polluting. The target to release 80 million connections was achieved in 2019.

The government now expects to extend the benefit to 103.5 million households under the scheme by 2025-26.

Last year in August, the government had announced a price cut of Rs 200 per cylinder in LPG prices for all domestic consumers and decided to expand the scheme with additional 7.5 million connections. In October 2023, the government again hiked the subsidy for PMUY consumers by Rs 100 taking it to Rs 300 per cylinder. In March this year, Prime Minister announced a cut of Rs 100 per LPG cylinder while encouraging the use of LPG cylinders.

Total subsidy given on LPG by the government in the present fiscal stands at Rs 11,925.01 crore against Rs 12,240.0 crore as per revised estimates of FY24. This subsidy, in FY23, stood at Rs 6,817.37 crore. The subsidy amount includes the expenditure on connections given under PMUY.

The Narendra Modi government had earlier said that it will extend PNG connections across the country while expanding the LPG connections under the Ujjwala Yojana. The move is expected to aid in realising the government's target of increasing the share of natural gas in the energy mix from the present 6.8% to 15% by 2030.

The oil ministry in the first 100 days of governance has also initiated a project through state-run Ltd to connect isolated gas fields to the national grid. The project is expected to increase the availability of gas by 3.5 million standard cubic meters per day (MSCMD).

The effective cost of the increase is expected to be only about 50 paisa per kg of CNG for the final consumer, as per the official.

The process involves procurement of compressors and using them to convert low pressure gas from isolated fields to high pressure gas, which can be injected into the national gas grid.

The official also informed that the OPaL (Petro Additions Ltd) petchem plant in Dahej, Gujarat which received the Cabinet's nod for equity infusion of Rs 10,501 by ONGC last month will make the company viable.

OPaL Petchem plant in Dahej, Gujarat was commissioned in 2017 at a cost of about Rs 30,800 crore. OPaL mainly produces polyethylene and polypropylene and has a 12% domestic share in polymers. Infusion of equity and other measures will unlock the valuation of OPaL, said the source.

Headline	ONGC leak prevention measures commended		
Publication	The Hans India	Edition	Online Coverage
Published Date	24 Sep 2024		

ONGC leak prevention measures commended

https://assets.thehansindia.com/andhra-pradesh/ongc-leak-prevention-measures-commended-909209

Kakinada: Following a video circulating on WhatsApp and local media, which claimed there was a leak from an ONGC pipeline in the Dariyalatippa area of Pondicherry, a joint inspection was conducted on September 21.

The inspection was conducted by Revenue Divisional Officer G Kesavardhan Reddy, Tahsildar Ch Vijaya Sri, Mandal Revenue Inspector J Dharmendra, and ONGC officials.

Headline	India's biggest oil, gas bid round gets 4 bidders		
Publication	The Mobiworld	Edition	Online Coverage
Published Date	25 Sep 2024		

India's biggest oil, gas bid round gets 4 bidders

https://www.themobiworld.com/Index/flowNewsDetail/id/6576051.html?val=0df0c4ecefbee5dba5440823769791d3

New Delhi, Sept 24: India's biggest oil and gas bid round attracted four bidders that included state-owned ONGC and OIL and private sector Vedanta

Ltd, with most blocks getting just two bids, according to Directorate General of Hydrocarbons (DGH).

The OALP-IX bid round, where 28 blocks or areas spread over 1.36 lakh square kilometre were offered for finding and producing oil and gas, for the first time saw Reliance Industries Ltd-bp plc combine bidding together with ONGC for one block in Gujarat offshore.

Reliance and its supermajor partner bp plc had bid in just two of the past eight oil and gas bid rounds since 2017. Reliance-bp combine had bid and won the two blocks they had bid for in the previous rounds and this is the first time they have teamed up with ONGC to bid for a shallow water block in the Gujarat-Saurashtra basin.

In the previous eighth round of Open Acreage Licensing Policy (OALP-VIII), state-owned Oil and Natural Gas Corporation (ONGC) had not bid for the ultra deepsea Krishna Godavari basin block that Reliance-bp combine had sought.

The DGH on Monday released the names of the bidders for the 28 blocks offered under the OALP-IX round, bids for which closed on September 21.

ONGC bid for 14 blocks alone and with partners such as state-owned Oil India Ltd (OIL) and Indian Oil Corporation (IOC) for four other blocks. After considering its bid with Reliance-bp, ONGC in all bids for 19 out of the 28 blocks on offer.

Mining billionaire Anil Agarwal-owned Vedanta Ltd bid for all the 28 blocks on offer while Sun Petrochemicals Ltd bid for seven areas.

Of the 28 blocks on offer, four blocks got three bids each while the rest had two bidders, one being Vedanta Ltd.

Blocks are awarded to firms offering the highest share of revenues generated from oil and gas produced from the blocks and the work programme they commit to.

Of the 28 blocks offered in OALP-IX, nine are onshore blocks, eight shallow-water blocks and 11 ultra-deepwater blocks across eight sedimentary basins, with an area of 136,596.45 sq km.

In the previous eight OALP rounds, 144 exploration and production blocks comprising a total area of 242,055 sq km have been awarded. In the last round (OALP-VIII) where 10 blocks were offered, state-owned ONGC won seven blocks while a private-sector consortium of Reliance Industries and bp, Oil India and private-sector Sun Petrochemicals received one block each.

Headline	India’s biggest oil, gas bid round gets 4 bidders; Reliance-bp-ONGC bid together		
Publication	The North Lines	Edition	Online Coverage
Published Date	24 Sep 2024		

India’s biggest oil, gas bid round gets 4 bidders; Reliance-bp-ONGC bid together

https://thenorthlines.com/indias-biggest-oil-gas-bid-round-gets-4-bidders-reliance-bp-ongc-bid-together/

New Delhi: India 's biggest oil and gas bid round attracted four bidders that included state-owned ONGC and OIL and private sector Vedanta Ltd, with most blocks getting just two bids, according to Directorate General of Hydrocarbons (DGH). The OALP-IX bid round, where 28 blocks or areas spread over 1.36 lakh square kilometre were offered for finding and producing oil and gas, for the first time saw Reliance Industries Ltd-bp plc combine bidding together with ONGC for one block in Gujarat offshore.

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The government introduced the OALP in 2017 to attract oil and gas firms to develop India's upstream sector. The OALP guarantees marketing and pricing freedom with a revenue-sharing model, apart from offering reduced royalty rates.

Reliance and bp have more than a decade-old partnership and are partners in KG deepsea block KG-DWN-98/3 or KG-D6 from where they produce about 30 million standard cubic meters per day of gas.

The government has been hoping that opening up more acreage for exploration will help boost India's oil and gas production, helping cut down the USD 222 billion oil import bill. In 2016, it brought in an open acreage policy which moved away from the previous practice of government identifying and bidding out blocks to one where explorers were allowed the freedom to identify any area outside of the ones that are already with some company or other, for prospecting of oil and gas.

Headline	Turning leftovers into mileage: How potatoes could soon power your vehicle		
Publication	Business Standard	Edition	Online Coverage
Published Date	24 Sep 2024		

Turning leftovers into mileage: How potatoes could soon power your vehicle

https://www.business-standard.com/economy/news/turning-leftovers-into-mileage-how-potatoes-could-soon-power-your-vehicle-124092400236_1.html

The Central Potato Research Institute is expected to start a plant to convert potato waste into ethanol by targeting peels and the starch from potato washing water as key components for conversion

India, the world's second-largest producer of potatoes, faces a significant challenge in managing post-harvest waste due to inadequate storage and transportation. However, the Central Potato Research Institute (CPRI) is turning this challenge into an opportunity. It is spearheading a groundbreaking initiative to convert potato waste into ethanol a biofuel with the potential to reduce India's reliance on fossil fuels and decrease environmental impact, according to a report by The Economic Times

The pilot biofuel unit is expected to be located in one of the high-production areas such as Uttar Pradesh, Gujarat or West Bengal and will use substandard and discarded potatoes for ethanol production. According to CPRI, the facility will target potato peels and the starch from potato washing water as key components for ethanol conversion.

Lab research fuels the initiative

CPRI, based in Shimla, recently concluded laboratory studies demonstrating the potential of converting potato waste and peels into ethanol. With 10-15 per cent of India's total potato production discarded each year, these potatoes are now being considered a promising feedstock for ethanol production, following sugarcane and maize. The National Policy on Biofuels also identifies rotten potatoes as a valid ethanol feedstock.

Citing Dharmedra Kumar, a scientist at CPRI, the report mentioned that potatoes offer an alternative feedstock due to the substantial waste generated in the country. India, with the largest cold storage facilities for potatoes, can now tap into this abundant waste for ethanol production.

Annually, India produces around 56 million tonnes of potatoes, of which 8-10 per cent, or approximately five million tonnes, are processed into chips, fries, and dehydrated products. However, due to poor storage and handling, post-harvest losses account for an additional 11-14 million tonnes.

India's ethanol blending program's growth

Earlier this month, Business Standard reported that India's ethanol blending program has made significant strides, saving the country Rs 99,014 crore in foreign exchange since 2014, according to Union Petroleum Minister Hardeep Singh Puri. The government has already achieved a 15 per cent ethanol blending target, aiming to reach 20 per cent by the Ethanol Supply Year (ESY) 2025-26. This increase in ethanol usage has substituted 17.3 million metric tonnes of crude imports since 2014, contributing to reduced carbon emissions by 51.9 million metric tonnes by mid-2024.

The petroleum minister also noted that oil marketing companies have paid Rs 1.45 trillion to distillers since 2014, while farmers have received Rs 87,558 crore in payments. Ethanol-blended petrol (E20) is now available at over 15,600 outlets, with the introduction of E100 fuel for high-performance engines also underway.

India's shift to corn-based ethanol

Meanwhile, India's efforts to expand corn-based ethanol production have turned the country from a net corn exporter to a net importer for the first time in decades. With the government increasing procurement prices for corn-based ethanol in January, there is now a push to reduce reliance on sugarcane for ethanol production. This shift has caused local corn prices to soar, pressuring India's poultry industry, which depends on corn as a primary feedstock.

India's corn exports, usually ranging from 2 to 4 million metric tonnes annually, are expected to drop to 450,000 tonnes in 2024. Meanwhile, the country is set to import a record one million tonnes of corn, primarily from Myanmar and Ukraine, which grow non-genetically modified (GM) corn. The poultry industry is advocating for the removal of import duties and a lift on the GM corn ban to ease supply constraints.

Headline	Cheaper crude gives room for excise duty hike, fuel price cut		
Publication	The Times of India	Edition	Online Coverage
Published Date	24 Sep 2024		

Cheaper crude gives room for excise duty hike, fuel price cut

https://timesofindia.indiatimes.com/business/india-business/cheaper-crude-gives-room-for-excise-duty-hike-fuel-price-cut/articleshow/113642589.cms

excise duty to partly absorb the windfall gains being made by fuel retailers and give relief to consumers by announcing a moderate reduction in

petrol and diesel prices to tame inflation BofA Securities , the investment banking division of the US banking giant earlier known as Bank of America, said in its latest report.

"A fall in oil prices, and the subsequent reduction in import costs can be construed as India's savings going up, as it pays less for its energy requirements. However, the savings may not necessarily be accrued by households or corporates (by way of lower energy bills), and it is the government which can decide whether to pass on the gains, and how much to pass on, through lower prices, creating a trade-off between fiscal revenues and inflation," the report by Rahul Bajoria said.

In rupee terms, the report estimated crude prices declining just under Rs 9/litre between September (2023) and March 2024. It said oil prices have fallen 20% since the last fuel price revision in April, leading to widening (marketing) margins for fuel retailers the government can tap into.

"The government can look at a gain of almost Rs 110 billion in revenue/profits annually for the additional rupee oil companies make on petroleum products, thus making the gains potentially be close to Rs 1 trillion on an annualised basis, or 0.3% of GDP, if these numbers hold for another year or so," the report said. This gives the government room to recoup revenue it had foregone by reducing excise duty on petrol and diesel in the last two years to cushion consumers from flaring energy prices.

If the government chooses not to absorb the savings, and pass it on to consumers, it will have an immediate impact on inflation and consumption over a longer period. On inflation, petrol has a weight of 2.19% in the CPI, while diesel, which is mostly used for industrial purposes, has a weight of only 0.15%. "Together, a Rs 5 /litre reduction in retail fuel costs would imply a 5.5% reduction in fuel index, which will generate a 14 bp direct impact, and another 14-15 bp of indirect effect over a period of 2-4 months, bringing the total impact closer to 29 bp," the report said.

Noting India meets 80% of oil requirement through imports, the report estimated the 20% decline in crude prices would result in savings of almost $13 billion for every $10/barrel decline annually. "This translates into about 0.3% of GDP on the current account, which further boosts external finances, it said and pointed out the "RBI has accrued about $67 billion of additional foreign reserves in 2024 itself".

Benchmark Brent crude dropped to $70/barrel earlier this month, the lowest since December 2021, and is hovering just below the $75/barrel, down 20% from a peak of $92 in April. The report pointed out that rising volumes of Russian crude at discounts, though narrow at current prices, enhanced the savings on energy imports.

Headline	Asia Power Index ranks India third for overall power; Hardeep Puri credits PM Modi's "visionary leadership" for country' rise		
Publication	ANI News	Edition	Online Coverage
Published Date	24 Sep 2024		

Asia Power Index ranks India third for overall power; Hardeep Puri credits PM Modi's "visionary leadership" for country' rise

https://www.aninews.in/news/business/asia-power-index-ranks-india-third-for-overall-power-hardeep-puri-credits-pm-modis-visionary-leadership-for-country-rise20240924213522/

New Delhi [India, September 24 (ANI): Union Minister for Petroleum and Natural Gas and BJP leader Hardeep Singh Puri has attributed India's ascent in the latest Asia Power Index to Prime Minister Narendra Modi's visionary leadership and global strategy and said that India's rise is an outcome of aggressive diplomatic strategy and bold ambitions to reshape the country's place in the world.

The Sydney-based Lowy Institute's 2024 Asia Power Index has placed India as the third most powerful nation in Asia, behind only the United States and China.

"India's rise is no accident," Puri asserted. "This is the direct result of Prime Minister Modi's aggressive diplomatic strategy and his bold ambitions to reshape India's place in the world. Without his leadership, India would still be languishing behind, but today, we see a nation on the verge of superpower status," Puri said, according to a release on NaMo app.

The report highlights India's remarkable improvement in various categories, particularly in Diplomatic Influence, which surged due to PM Modi's increased international engagements. Puri highlighted Prime Minister Modi's direct involvement.

"It's PM Modi's tireless effort on the world stage that has put India back on the map. He's taken India's nonalignment policy and transformed it into a powerful tool for gaining leverage in global diplomacy," said Puri, a former diplomat who served as India's Permanent Representative at UN.

In a direct critique of previous leadership, the Union Minister took aim at Congress, pointing out how "the country was left rudderless by previous government's indecisive and directionless approach".

"They said Indian economy will be third largest by 2043 and PM Modi is guaranteeing it will be so in his third term itself. IMF has, in fact, recently forecast that India will be the third largest economy by 2027. Under their leadership, India would never have made it to the top three on any power index," said Puri, who is also an author.

"While China's power is plateauing, India is on the rise, and it's clear who we have to thank for that," he added.

The Lowy Institute report notes India's significant gains in Economic Capability, Diplomatic Activity, and Future Resources, signalling a demographic dividend that could fuel its continued rise.

"While countries like China are aging and facing a slowdown, India, under PM Modi, has the resources and the leadership to take the throne as the new kingmaker of Asia," Puri said.

He concluded with a challenge to critics. "Those who question Modi's impact on India's rise need only look at the facts. India's trajectory is up, and the world can no longer ignore it," Puri asserted. (ANI)

Headline	What is slowing down energy transition in the oil and gas industry?		
Publication	Asian Power	Edition	Online Coverage
Published Date	24 Sep 2024		

What is slowing down energy transition in the oil and gas industry?

https://asian-power.com/news/what-slowing-down-energy-transition-in-oil-and-gas-industry

The shift is seen to progress at a slower pace.

Concerns about energy security, fuelled by the Ukraine war, have caused oil and gas companies to prioritise fossil fuels, slowing down their efforts to transition to cleaner energy, according to GlobalData.

Ravindra Puranik, oil and gas analyst at GlobalData, also said that after setting energy transition targets in 2020, the hype among oil and gas companies subsided going into 2024.

Profitability issues and inflation, along with high interest rates are causing uncertainties in undertaking renewable projects, Puranik said.

Whilst this trend is expected to continue, GlobalData said the switch towards clean energy will still take place but at a slower pace.

The company said solar and wind power are leading the transition as oil and gas companies venture in renewable power generation as part of their energy transition endeavour.

Efforts like carbon capture predominantly work to mitigate emissions, whilst hydrogen production, renewable power, and low-carbon fuels offer end-consumers alternatives to fossil fuels, GlobalData said.

Energy storage, mostly in the form of batteries, is another transition avenue being explored by the oil and gas industry, it added.