ONGC News as on 28 August 2023 (Print)

Publication : Business Standard	Editions : New Delhi
Date :28 August 2023	Page : 2

COST DISALLOWANCE ISSUE

Vedanta wins arbitration against govt in $1.1 bn case

PRESS TRUST OF INDIA
New Delhi, 27 August

Mining magnate Anil Agarwal's Vedanta has won an arbitration against a demand for a higher payout from its prolific Rajasthan oil and gas fields after disallowance of ₹9,545 crore ($1.16 billion) in certain costs incurred, the company said.

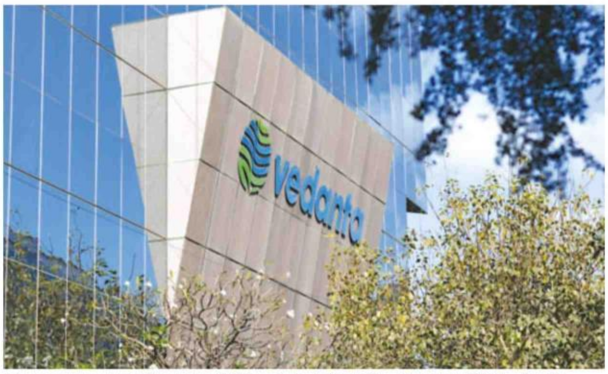
The government had sought additional profit petroleum (or its share from the oil and gas fields) after it reallocated certain costs between the fields in the block and disallowed a portion of the cost incurred on laying a pipeline to evacuate oil produced from the Rajasthan block. According to the contract, companies are allowed to recover all costs incurred before splitting profit in a predetermined ratio with the government. If a certain portion of cost is disallowed, it would result in higher profits and a resultant higher share to the government. Vedanta had challenged such a demand before an arbitration tribunal.

"The company has received an arbitration award dated August 23, 2023... upholding the contention of the company that additional profit petroleum, on account of Director General of Hydrocarbon (DGH) audit exceptions in relation to allocation of common development costs across Development Areas and certain other matters, is not payable as per terms of the Production Sharing Contract for Rajasthan Block," it said in a stock exchange filing.

It, however, did not give details of the arbitration award. "The company is in the process of reviewing the award in detail and evaluating its financial impact," it said.

In its latest annual report, Vedanta had put the number at ₹9,545 crore.

"DGH, in September 2022, has trued up the earlier demand raised till 31 March 2018 up to 14 May 2020 for Government's additional share of profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹9,545 crore applicable interest thereon representing share of the company and its subsidiary," it said.



The government had sought additional share from the oil and gas fields after it reallocated certain costs between the fields in the block

The firm said it disputed the demand and the other audit exceptions as it believed these were not in accordance with the PSC and are entirely unsustainable. "In accordance with PSC terms, the group had commenced arbitration proceedings. The final hearing and arguments were concluded in September 2022. Post hearing briefs were filed by both the parties and award is awaited," the annual report released last month said.

The award has now come.

Sources said DGH, which is the upstream nodal agency of the Ministry of Petroleum and Natural Gas, had way back in May 2018 raised a demand for additional share of profit oil for the government after disallowing ₹1,508 crore out of the cost incurred on laying a heated-pipeline to transport Barmer crude and ₹2,723 crore in the reallocation of certain common costs.

The numbers were revised in subsequent years. These costs pertain to only Vedanta's share in the Rajasthan block as state-owned Oil and Natural Gas Corporation (ONGC), which holds 30 per cent interest in the block, had agreed to pay the government if these costs are disallowed. It was not immediately known if the government will abide by the arbitration award. The government had previously challenged all arbitration awards it had lost.

Publication : Echo of India	Editions : Kolkata
Date :28 August 2023	Page : 5

Skill development training

PAKYONG, AUG 27/--/ The Sikkim State Cooperative Union (SICUN) organised fifteen days of entrepreneurial skill development training on decorative candle making, which commenced today at the conference hall of SICUN, Assam Linzey. The training is funded by the National Small Industries Corporation (NSIC), Guwahati, Numaligarh Refinery Ltd. (NRL), and Oil India Limited under the CSR Scheme. The aim of this insightful programme is to create a platform for budding entrepreneurs through skill development training and to make a profitable business with creativity. A total of forty trainees from diverse locations, including Rumtek, Duga, Assam Linzey, North Sikkim, and Chhota Singtam, attended the training.

Addressing the gathering, Chairman SICUN, Tashi Ongden Lepcha, advised participants to utilise the opportunity to empower themselves and enhance their abilities. He also motivated the participants to fabricate exemplary designs that can be further used for gift items. Furthermore, the Independent Director of NRL, Sudip Pradhan, in his address, underscored the wide range of possibilities for the wax industry. He later added that paraffin wax can be used for making other items, including soap and crayons. At the onset, Additional Registrar, Cooperation Department, Mrs. Kesang Yanki, discussed the employment benefits and marketing prospects under Micro, Small, and Medium Enterprises (MSME). She further urged everyone to be determined and focused during the training. Master Trainer, Mrs. Vani Devi, shared her valuable insights and counselled the trainees to work diligently during the training process. The programme was also attended by Vice Chairman SICUN, Hemant Kr. Dahal, and members of SICUN. (IPR)

Publication : Financial Express	Editions : New Delhi
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IOC, ONGC & GAIL fined for failure to meet listing rules

STOCK EXCHANGES HAVE slapped fines on state-owned oil and gas firms including IOC, ONGC and GAIL for their failure to meet listing requirements of having a requisite number of independent directors and women directors.

Publication : Hindustan Times_edge	Editions : New Delhi
Date :28 August 2023	Page : 8

Bourses slap fines on IOC, ONGC for listing norm lapses

Press Trust of India
feedback@livemint.com

NEW DELHI: Stock exchanges have slapped fines on state-owned oil and gas firms including IOC, ONGC and GAIL for their failure to meet listing requirements of having a requisite number of independent directors and women directors.

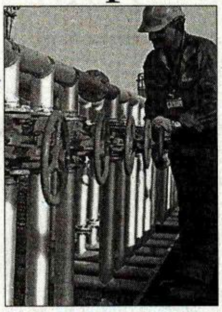
In separate filings, the companies detailed the fines imposed by the BSE and NSE but were quick to point out that appointment of directors was done by the government and they had no role in it.

Oil and Natural Gas Corporation (ONGC) was slapped a ₹3.36 lakh fine, while Indian Oil Corporation (IOC) was asked to pay ₹5.36 lakh fine. GAIL was slapped ₹2.71 lakh fine, Hindustan Petroleum Corporation Ltd (HPCL) ₹3.59 lakh, Bharat Petroleum Corporation Ltd (BPCL) ₹3.6 lakh, Oil India Ltd ₹5.37 lakh and a fine of ₹5.37 lakh was imposed on Mangalore Refinery and Petrochemicals Ltd (MRPL).

Except for IOC which was slapped with the fine for not having the required one woman director on the board, all the companies were fined for violating the norm of having the required number of independent directors.

IOC said the power to appoint directors (including independent and women directors) vests with the Ministry of Petroleum and Natural Gas, Government of India.

"And hence the non-appointment of women independent directors on the Board during the quarter ended June 30, 2023 was not due to any negligence / fault by the company," it said. "Accordingly, Indian Oil should not be held liable to pay the fines and the same should be waived-off". IOC said it regularly takes up the issue with the ministry, for appointment of requisite number of independent directors (including Woman independent director), to ensure compliance with corporate governance norms.



ONGC was slapped a ₹3.36 lakh fine, while IOC was asked to pay ₹5.36 lakh fine. REUTERS

"We would also like to inform that the company had received similar notices from the BSE and NSE in the past imposing fines and waiver requests from the company was considered favorably by the exchanges," it said.

HPCL made a similar filing and cited past record of stock exchanges waiving such fines.

ONGC said it has requested the government for nomination of the requisite number of independent directors on the board of the company.

"Since the appointment of directors is beyond control of the company, request letters have been submitted to stock exchanges for waiving off the fine levied," ONGC said.

BPCL said it had complied with the requirements for the financial year 2022-23 and till April 30, 2023.

Publication : Millennium Post	Editions : New Delhi
Date :28 August 2023	Page : 10

$1.1 BILLION COST DISALLOWANCE CASE

Vedanta wins arbitration against government

OUR CORRESPONDENT

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Publication : Mint	Editions : New Delhi
Date :28 August 2023	Page : 8

Oil companies fined over no. of directors

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Publication : The Economic Times	Editions : New Delhi
Date :28 August 2023	Page : 13

BSE, NSE Penalise IOC, ONGC & GAIL

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Publication : The Indian Express	Editions : New Delhi
Date :28 August 2023	Page : 15

IOC, ONGC, GAIL fined

New Delhi: Stock exchanges have slapped fines on state-owned oil and gas firms including IOC, ONGC and GAIL for not meeting listing norms of having a number of independent directors and women directors. **PTI**

Publication : The Telegraph	Editions : Kolkata
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PSUs fined

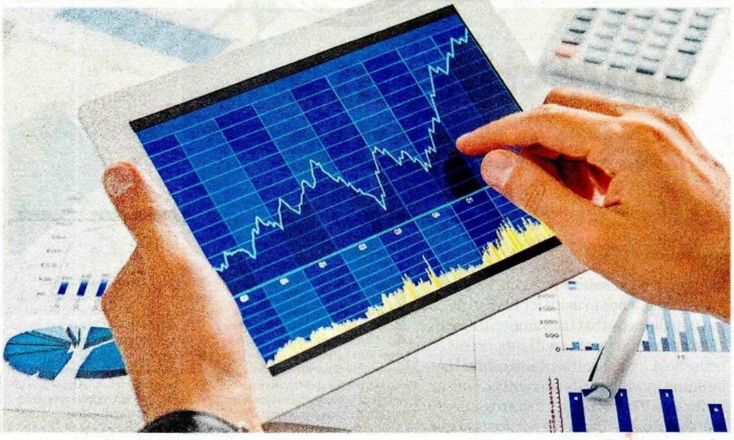
MUMBAI: Stock exchanges have fined on state-owned oil and gas firms including IOC, ONGC and GAIL for their failure to meet listing requirements of having a requisite number of independent and women directors. PTI

Publication : WEALTH (The Economic Times)	Editions : Mumbai
Date :28 August 2023	Page : 1, 10, 11

Publication : WEALTH (The Economic Times)	Editions : Mumbai
Date :28 August 2023	Page : 1, 10, 11

Healthy profits by India Inc. in first quarter

Lower input costs, strong overall demand, and stability in interest rates helped corporate India's performance.



GETTYIMAGES

by **Sameer Bhardwaj**

India Inc. reported a healthy year-on-year (y-o-y) jump in net profit growth in the June 2023 quarter, aided by declining input costs. The benchmark Bloomberg Commodity Index, which tracks the global prices of oil, natural gas, copper, zinc, and other commodities, fell 3.8% between 31 March 2023 and 30 June 2023. However, a higher base effect, weak global demand, and a drop in realisations impacted the y-o-y growth in the topline.

As many as 488 companies of the Nifty 500 index reported an aggregate revenue and net profit (excluding extraordinary items) growth of 6.8% and 45%, respectively, on a y-o-y basis. Excluding financial sector stocks (banks, financial services and insurance), the aggregate EBITDA of 406 stocks grew 23.5% y-o-y. The benefit of falling costs was also visible in EBITDA margins. As many as 213 (or 52.4%) out of 406 stocks witnessed a y-o-y improvement in the June 2023 quarter (data is sourced from Reuters-Refinitiv database).

Energy, automobiles and healthcare sectors saw the highest jump in EBITDA margins. However, not all sectors benefited from lower input costs or commodity prices. Metals, consumer discretionary, and chemicals saw the highest decline in margins on a y-o-y basis. "The continuation of lower commodity price environment was double-edged, acting as a growth catalyst for sectors that benefited from reduced commodity costs, yet hitting commodity-dependent sectors such as metals," states an Elara Securities report.

The financial, energy and automobiles sectors contributed the most to India Inc.'s profitability. Excluding these, the aggregate net profit growth of Nifty 500 companies softens to just 5.1% y-o-y. On the other hand, the metals sector significantly dragged the overall performance. Excluding metals, the aggregate consolidated net profit grew at a healthy rate of 62.5% y-o-y. Despite the overall healthy earnings growth, most incremental earnings between the June 2022 quarter and June 2023 quarter were contributed by a few big companies. Nearly 49% of the aggregate incremental earnings were contributed by three OMCs (Indian Oil, Hindustan Petroleum and BPCL), and the upstream energy producer, ONGC. On the other hand, automobile companies, Tata Motors, Maruti Suzuki and Mahindra and Mahindra, contributed 11.1% to the accretive earnings.

Comparing reported earnings with the expected earnings, most companies in sectors such as IT, real estate, chemicals and utilities reported earnings lower than Refinitiv estimates. However, looking at the broader universe, the ratio of the number of companies beating the estimates to those that missed the estimates in the June quarter was favourable. Earnings estimates data compiled by Refinitiv for a minimum of two analysts was available for 311 companies of the Nifty 500 index. Out of these, 171, or 55%, of the companies reported numbers higher than the consensus estimates.

Analysts are optimistic about the earnings growth trajectory of corporate India. A Motilal Oswal report believes that the first quarter performance underpins the underlying overall optimistic narrative of India and estimates 20% earnings growth for Nifty 50 in 2023-24. The Elara Capital report also believes that the overall outlook is cautiously optimistic, with select growth pockets offering compelling opportunities.

Here's how different sectors of the Nifty 500 fared in the first quarter of 2023-24.

Commodity price fall helped margins

*Between 31 March 2023 and 30 June 2023. Percentage change based on international USD prices. **Source:** Refinitiv

Banking & Financial Services

Banks

The sector's performance was supported by strong loan growth and sustained improvement in asset quality. Credit growth was healthy in retail and MSME segments, while the corporate segment saw a reasonable recovery. However, the margins were moderated due to an increase in funding costs amid the re-pricing of liabilities. The opex growth was also higher due to investments in digital avenues and branch expansion.

The performance of private sector banks was supported by moderation in slippages and decent deposit growth. On the other hand, robust treasury income, healthy loan growth in the corporate segment and improvement in asset quality supported the performance of public sector banks.

Among the banking sector stocks of Nifty 500 constituents, Punjab National Bank and State Bank of India reported the highest y-o-y growth in consolidated net profits. The net profits of these banks grew 376% and 153%, respectively. While the improvement in asset quality and interest income supported the performance of the former, the decline in the cost-to-income ratio and healthy domestic credit growth supported the latter. Going forward, healthy asset quality, moderation

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in slippages and contingent buffers will support the sector's performance. However, the funding costs are expected to go up further which will dent sector margins in the future.

NBFCs and Insurance

NBFC companies witnessed strong disbursements in affordable housing loans, MFIs, gold loans, and vehicle financing, but prime mortgages witnessed a slowdown. The asset quality remained largely stable and credit costs were benign. Among NBFC stocks in Nifty 500, CreditAccess Grameen and L&T Finance Holdings reported the highest y-o-y jump in consolidated net profits. Healthy business expansion and improvement in asset quality supported the performance of CreditAccess Grameen. On the other hand, steady growth in net interest margins and fee income and reduction in credit cost aided the performance of L&T Finance Holdings. Going forward, the stabilisation of interest rates will alleviate the impact of margin compression on earnings. The Motilal Oswal report remains bullish on the NBFC sector due to expectations of margin expansion from the second half of 2023-24 and favourable credit costs.

The insurance industry was impacted by the new taxation rules that hit the non-par segment, but retail protection and Ulips gained momentum in the quarter. The sector growth is expected to be driven by VNB and premium growth in the future. Among the private insurers in Nifty 500, ICICI Prudential and Max Life Insurance reported the highest y-o-y growth in consolidated net profits. The performance of both companies was supported by robust investment gains.

Automobiles

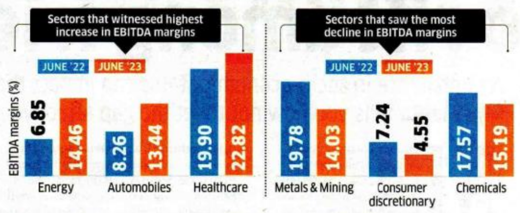
Strong volume growth, driven by healthy demand for SUVs and MHCVs, recovery in 2W demand, decline in commodity prices, improvement in gross margins and operating leverage benefits supported the sector's performance in the June quarter. Among the biggest automobile companies in the Nifty 500 universe, Maruti Suzuki and Mahindra and Mahindra, reported the highest y-o-y jump in consolidated net profits.

Maruti Suzuki reported a 144% y-o-y jump in profits, supported by higher sales volume, improved realisation, cost reduction efforts and higher non-operating income. Mahindra and Mahindra reported a 60% y-o-y jump in consolidated net profits, aided by strong volumes in the automotive and farm segment, and operating leverage benefits across segments (financial services, automotive and farms). Tata Motors reported a profit of ₹3,202 crore in the June 2023 quarter compared to a loss of ₹5,006.6 crore in the corresponding period of previous year. Going forward, the sector's performance will be driven by a strong demand outlook across segments (PV, CV, tractors, 2W), impending rural recovery, stable commodity prices, new product launches, increased government spending ahead of general elections and easing of supply shortages.

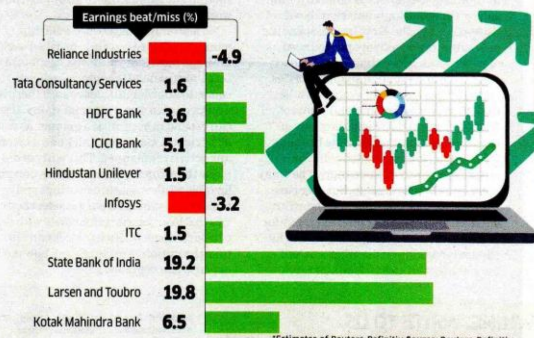
Healthcare

The sector reported a decent performance, with US sales momentum witnessing strong traction led by stabilisation in price pressures, a robust product pipeline and niche product launches. However, the domestic segment saw weakness in sales amid weak growth in acute therapies due to a delayed monsoon and NLEM price impact. Lower raw material and freight costs and operating leverage benefits supported the sector's performance during the quarter. Among the largest pharma firms in Nifty 500, Cipla reported a 45% y-o-y jump in net profits, aided by traction in North American base business. Dr. Reddy's Laboratories reported an 18% y-o-y growth in earnings, helped by new product launches, continued momentum in existing products and favourable forex rates. Going forward, the sector will see margin improvement due to normalised cost inflation and moderation in the US price erosion.

EBITDA margins: Leaders & Laggards



8 of the 10 biggest firms in Nifty 500 had net earnings more than estimates



*Estimates of Reuters-Refinitiv **Source:** Reuters-Refinitiv

Oil and Gas

The three OMCs reported a stellar performance in the June 2023 quarter supported by strong marketing margins. The combined consolidated net profit of Indian Oil, HPCL and BPCL was ₹31,846 crore in the June 2023 quarter, compared to the combined net loss of ₹14,984 crore in the June 2022 quarter. Reliance Industries' consolidated net profit fell 11% y-o-y as the decline in product cracks, a slower-than-expected ramp-up in China and lower realisation in downstream products impacted its O2C segment performance. However, growth in telecom and retail businesses compensated for the weakness in its O2C segment. The upstream player ONGC reported an 18.4% y-o-y jump in consolidated net profits, supported by lower-than-expected statutory levies and slightly higher gas realization. An ICICI Securities report believes that 2023-24 would be among the strongest years of earnings for the OMCs due to reasonable GRMs and marketing margins. Also, an improved outlook for refining and petrochemicals will support RIL's performance in the future.

FMCG

The sector saw muted sales growth due to continuing weakness in rural demand, unexpected rains and rising competition from smaller players. However, most companies saw an improvement in margins due to the softening of input prices. The ad spending also went up in the quarter as the firms reinvested some margin-expansion benefits.

Among the biggest five FMCG companies in the Nifty 500 universe, Nestle India and Varun Beverages reported 35.5% and 25.4% y-o-y growth in net profits, respectively. Double-digit growth across product categories, prudent pricing and targeted brand support aided Nestle's performance, whereas improvement in net realisation and correction in input prices supported Varun Beverage's performance. Going forward, recovery in rural demand, inflation, improvement in private consumption and distribution expansion are the key factors that will drive the sector's performance.

IT

The sector reported a sub-par performance due to weak discretionary spending and delays in deal closures in financial services and telecom verticals, amid unfavourable macro environment. The weakness was visible across the US and Europe, and negative operating leverage coupled with pricing pressures dented the sector margins. The management commentaries indicate near-term weakness for a couple of more quarters. On a sequential basis, Infosys reported 1% growth, while TCS reported a flat revenue growth in constant currency (CC) terms. Wipro, HCL Technologies and Tech Mahindra reported a dismal -2.8%, -1.3% and -4.2% q-o-q growth in CC terms. A DAM Capital report expects that deferred spending will start flowing in 2024-25, with the improvement in US macros, which could result in growth revival for companies with solid execution prowess. In 2023-24, the focus of companies would be to manage margins through utilisation and general cost optimisation, adds the report.

Metals

The performance of ferrous companies remained under pressure due to weak ASP (average selling price), and higher input costs and energy prices, while non-ferrous companies were impacted due to a fall in prices of base metals. Among steel companies, JSW Steel reported a 178% y-o-y jump in net profit, helped by better operating performance and lower depreciation, whereas Tata Steel's consolidated net profit fell 92% y-o-y due to the weak performance of its Europe operations. Going ahead, the steel sector will be supported by robust domestic demand, higher share of value-added products and lower raw material costs.

The non-ferrous firms, Hindustan Zinc and Hindalco, reported a 36% and 40% decline in consolidated net profits due to a fall in metal prices. The firms will continue to face pressure in the near future as the average aluminium and zinc prices are expected to fall in the second quarter of 2023-24.

Construction materials

The sector saw strong volume growth aided by demand from non-trade and housing segments. However, elevated energy costs and higher depreciation and interest costs impacted profitability. Ultratech Cement reported 6.5% y-o-y growth in consolidated net profit, due to strong domestic demand, while Ambuja Cements reported a 31% jump in earnings, helped by sustained volume growth in blended cement.

Going forward, the cement demand is expected to remain robust, led by a sustained demand from the government's infrastructure projects and a pick-up in real estate. Also, the low-cost fuel inventories will support the margins in the future.

Please send your feedback to etwealth@timesgroup.com

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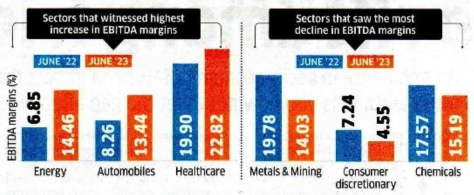

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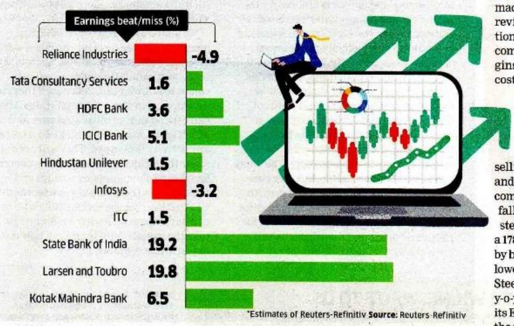

*Estimates of Reuters-Refinitiv **Source:** Reuters-Refinitiv

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The three OMCs reported a stellar performance in the June 2023 quarter supported by strong marketing margins. The combined consolidated net profit of Indian Oil, HPCL and BPCL was ₹31,846 crore in the June 2023 quarter, compared to the combined net loss of ₹14,984 crore in the June 2022 quarter. Reliance Industries' consolidated net profit fell 11% y-o-y as the decline in product cracks, a slower-than-expected ramp-up in China and lower realisation in downstream products impacted its O2C segment performance. However, growth in telecom and retail businesses compensated for the weakness in its O2C segment. The upstream player ONGC reported an 18.4% y-o-y jump in consolidated net profits, supported by lower-than-expected statutory levies and slightly higher gas realization. An ICICI Securities report believes that 2023-24 would be among the strongest years of earnings for the OMCs due to reasonable GRMs and marketing margins. Also, an improved outlook for refining and petrochemicals will support RIL's performance in the future.

FMCG

The sector saw muted sales growth due to continuing weakness in rural demand, unexpected rains and rising competition from smaller players. However, most companies saw an improvement in margins due to the softening of input prices. The ad spending also went up in the quarter as the firms reinvested some margin-expansion benefits.

Among the biggest five FMCG companies in the Nifty 500 universe, Nestle India and Varun Beverages reported 35.5% and 25.4% y-o-y growth in net profits, respectively. Double-digit growth across product categories, prudent pricing and targeted brand support aided Nestle's performance, whereas improvement in net realisation and correction in input prices supported Varun Beverage's performance. Going forward, recovery in rural demand, inflation, improvement in private consumption and distribution expansion are the key factors that will drive the sector's performance.

IT

The sector reported a sub-par performance due to weak discretionary spending and delays in deal closures in financial services and telecom verticals, amid unfavourable macro environment. The weakness was visible across the US and Europe, and negative operating leverage coupled with pricing pressures dented the sector margins. The management commentaries indicate near-term weakness for a couple of more quarters. On a sequential basis, Infosys reported 1% growth, while TCS reported a flat revenue growth in constant currency (CC) terms. Wipro, HCL Technologies and Tech Mahindra reported a dismal -2.8%, -1.3% and -4.2% q-o-q growth in CC terms. A DAM Capital report expects that deferred spending will start flowing in 2024-25, with the improvement in US macros, which could result in growth revival for companies with solid execution prowess. In 2023-24, the focus of companies would be to manage margins through utilisation and general cost optimisation, adds the report.

Metals

The performance of ferrous companies remained under pressure due to weak ASP (average selling price), and higher input costs and energy prices, while non-ferrous companies were impacted due to a fall in prices of base metals. Among steel companies, JSW Steel reported a 178% y-o-y jump in net profit, helped by better operating performance and lower depreciation, whereas Tata Steel's consolidated net profit fell 92% y-o-y due to the weak performance of its Europe operations. Going ahead, the steel sector will be supported by robust domestic demand, higher share of value-added products and lower raw material costs.

The non-ferrous firms, Hindustan Zinc and Hindalco, reported a 36% and 40% decline in consolidated net profits due to a fall in metal prices. The firms will continue to face pressure in the near future as the average aluminium and zinc prices are expected to fall in the second quarter of 2023-24.

Construction materials

The sector saw strong volume growth aided by demand from non-trade and housing segments. However, elevated energy costs and higher depreciation and interest costs impacted profitability. Ultratech Cement reported 6.5% y-o-y growth in consolidated net profit, due to strong domestic demand, while Ambuja Cements reported a 31% jump in earnings, helped by sustained volume growth in blended cement.

Going forward, the cement demand is expected to remain robust, led by a sustained demand from the government's infrastructure projects and a pick-up in real estate. Also, the low-cost fuel inventories will support the margins in the future.

Please send your feedback to
etwealth@timesgroup.com

Publication : Western Times	Editions : Ahmedabad
Date :28 August 2023	Page : 5

ONGC Q1 net profit drops 34 pc on lower oil prices, output

New Delhi: The net profit of Oil and Natural Gas Corporation (ONGC) fell over 34 per cent in June quarter on decline in oil prices and lower output, the firm said. Net profit of Rs 10,015 crore in April-June (first quarter of current 2023-24 fiscal year) compared to Rs 15,206 crore earning in the same period last year, the company said.

ONGC, India's top crude oil and natural gas producer, earned USD 76.49 for every barrel of crude oil it produced and sold from nomination fields against a net realization of USD 108.55 per barrel last year.

Oil prices globally had risen sharply in April-June 2022 after Russia's invasion of Ukraine led to uncertainties over supply and demand.

Crude oil pumped out of below ground and seabed is refined in refineries to produce petrol, diesel and other fuels. Natural gas is used to generate electricity as well as burn kitchen stoves and run automobiles (CNG). ONGC said crude oil production was 3.2 per cent lower at 4.6 million tonnes, while gas output fell 3.3 per cent to 5.04 billion cubic meters.

The reduction in ONGC's production in Q1 FY 2023-24 was due to shutdown in Panna-Mukta offshore platforms for commissioning of new crude oil pipeline to modernise its evacuation facilities, post taking over from JV partners, cyclone Biparjoy (June 2023) disrupting offshore and onshore production and crude oil wells in southern India had to be stopped as a refinery there stopped receiving oil, following a leakage in their pipeline.

To counter the decline in production from some of the matured and marginal fields, ONGC is implementing well interventions and advancing new well drilling activities. The current decline in production is temporary.

Publication : Echo of India	Editions : Kolkata
Date :28 August 2023	Page : 10

IndianOil elevates culinary efficiency with celebrity chef Sanjeev Kapoor as Brand Ambassador

EOI CORRESPONDENT

BENGALURU, AUG 27/--/ IndianOil announced its collaboration with renowned Celebrity Chef Sanjeev Kapoor as the brand ambassador for its innovative Indane XTRATEJ LPG brand. The announcement was made at the prestigious Indane XtraTej Hotelier Harmony Meet in Bengaluru, a confluence of culinary excellence and industry insights.

The event witnessed the unveiling of the new XTRATEJ TV commercial featuring Chef Sanjeev Kapoor, who commended IndianOil's commitment to culinary innovation and efficiency. Kapoor praised the company's dedication to creating a cost-efficient solution that conserves LPG while enhancing business operations, thereby meeting evolving customer expectations.

Satish Kumar, Director (Marketing), IndianOil, revealed the brand-new video commercial for the Indane XTRATEJ LPG brand in the presence of Sanjeev Kapoor, K

Sailendra, Executive Director (LPG)-HO, P Gur Prasad, Executive Director & State Head of IndianOil in Karnataka, and Sandeep Sharma, Executive Director (Corporate Communications & Branding), HO.

K Sailendra, Executive Director (LPG) in his address, highlighted the substantial efforts invested by the R&D team to craft an additive for LPG, resulting in the birth of the innovative product, XTRATEJ. The product's initial trial took place in Belgaum, Karnataka, and since then, IndianOil has observed significant year-on-year growth in market volume. Mr. Sailendra emphasized the forthcoming launch of a high-pressure variable regulator and a commercial LPG Hose, which are currently awaiting approval from LERC, underscoring IndianOil's commitment to

supporting hoteliers and caterers.

Mr Kapoor, a fervent advocate of IndianOil's XtraTej LPG Cylinders, emphasized how the landscape of cooking has transformed. He praised IndianOil's unwavering dedication to customer efficiency, underscoring how the hospitality industry now benefits from innovations like XtraTej that enhance business operations. Kapoor applauded IndianOil for providing a cost-efficient solution that conserves LPG, essential in an era where customer expectations continue to evolve rapidly. Kapoor expressed his honor in endorsing a brand as impactful as Indane XTRATEJ and extended his commendation to IndianOil for its commitment to culinary excellence.

Mr. Kumar underscored IndianOil's enduring commitment to customers. While IndianOil initially focused on domestic segments, the company now extends its prowess to commercial sectors. Holding a remarkable 49 percent market share, IndianOil caters to a staggering 14.6 crore customers connections and delivers 27 lakh cylinders daily. This achievement is bolstered by an expansive distributor network and modern LPG bottling plants. IndianOil's progressive product lineup prioritizes green fuels and energy-efficient solutions. XTRATEJ, a game-changing product, promises a minimum 5 percent efficiency boost, with potential for more based-on usage.

Publication : Millennium Post	Editions : New Delhi
Date :28 August 2023	Page : 10

IOC announces Sanjeev Kapoor as brand ambassador for XTRATEJ LPG

NEW DELHI: Indian Oil Corporation (IOC) proudly announced its collaboration with renowned Celebrity Chef Sanjeev Kapoor as the brand ambassador for its innovative Indane XTRATEJ LPG brand.

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Sathish Kumar, Director (Marketing), underscored IndianOil's enduring commitment to customers. Holding a remarkable 45 per cent market share, IndianOil caters to a staggering 16 crore customers connections and delivers 27 lakh cylinders daily. MPOST

Publication : Mint	Editions : Mumbai
Date :28 August 2023	Page : 7

Vedanta wins arbitration in Rajasthan oil block case

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NEW DELHI

Mining magnate Anil Agarwal's Vedanta Ltd has won an arbitration against a demand for a higher payout from its prolific Rajasthan oil and gas fields after disallowance of ₹9,545 crore ($1.16 billion) in certain costs incurred, the company said.

The government has sought additional profit petroleum (or its share from the oil and gas fields) after it reallocated certain costs between the fields in the block and disallowed a portion of the cost incurred on laying a pipeline to evacuate oil produced from the Rajasthan block.

As per the contract, companies are allowed to recover all costs incurred before splitting profit in a predetermined ratio with the government. If a certain portion of cost is disallowed, it would result in higher profits and a resultant higher share to the government. Vedanta had challenged such a demand before an arbitration tribunal.

Vedanta, however, did not provide details of the arbitration award. "The company is in the process of reviewing the award in detail and evaluating its financial impact," it said in a stock exchange filing.

In its latest annual report, Vedanta had put the number at ₹9,545 crore.

It was not immediately known if the government would abide by the arbitration award. The government had previously challenged all arbitration awards it had lost.

Publication : Financial Express	Editions : Bangalore
Date :28 August 2023	Page : 11

Oil export uptick helps refiners maintain high run rates

SUKALP SHARMA
New Delhi, August 27

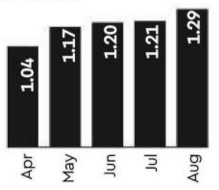
WITH DOMESTIC DEMAND for fuels and other petroleum products witnessing a slump due to the monsoon rains, India's refined products exports has witnessed an uptick, helping the country's refiners keep refinery runs high at a time when refining margins are robust globally, shows an analysis of data shared by commodity market analytics and intelligence firm Kpler.

The cumulative clean product exports from India in August have so far been the highest since May 2022, with jet fuel exports at a historic high. In oil industry parlance, clean products refer to the class of petroleum products that are uncontaminated and not previously used in any application. Most major crude oil-based fuels like diesel, petrol, jet fuel, kerosene, and naphtha are categorised as clean products. Dirty refined products refer to the likes of fuel oil, low sulphur waxy residue, and carbon black feedstock.

So far in August, India's jet fuel exports have averaged at a record high of 242,382 barrels per day (bpd), Kpler data shows.

CUMULATIVE EXPORTS FROM INDIA

2023 Clean Product Exports (*million bpd*)



*Provisional Source: Kpler

The previous peak of 206,871 bpd was in June 2018. Last month, India's jet fuel exports were 198,968 bpd.

In June, which marked the onset of the southwest monsoon, jet fuel exports stood at a robust 183,661 bpd. As for cumulative clean products, India exported 1.29 million bpd in August, the highest since May last year when the export volumes stood at 1.32 million bpd, as per Kpler. In July and June, India's clean product exports were also strong at 1.21 million bpd and 1.20 million bpd, respectively.

"Jet fuel exports out of India are hitting an all-time high in August and in general, clean product exports out of India are the highest since May 2022. So, even though domestic demand is shaky because of the monsoon season impact, Indian refiners seem to be running quite high, availing themselves of refinery margins being well in the double digits," Kpler's Lead Crude Analyst Viktor Katona told *The Indian Express*.

Demand for fuels and other petroleum products usually tempers during the monsoon in India due to lower demand for transportation fuels and refined products used in some industries where work slows down because of the rains.

Publication : Financial Express	Editions : Bangalore
Date :28 August 2023	Page : 6

FPI investment in equities at ₹10,689 cr in Aug

AFTER INFUSING A staggering amount in Indian equities over the past three months, the pace of inflow from foreign investors ebbed in August with a net investment of ₹10,689 crore because of higher crude oil prices and resurfacing of inflation risks.

Publication : Mint	Editions : Mumbai
Date :28 August 2023	Page : 13

MY VIEW | GENERAL DISEQUILIBRIUM

We have valid reasons to be wary of BRICS expansion

RAJRISHI SINGHAL

is a policy consultant and a senior journalist. His Twitter handle is @rajrishisinghal.

BRICS is now BRICS-Plus and within this change lie diverse, multiple incarnations. Whatever shape BRICS-Plus finally takes, this new configuration not only promises to impart some fresh energy to a multilateral grouping that had got stuck in an existential cul-de-sac, but also reinvigorates the de-dollarization debate. It also raises some critical and uneasy questions about India's role in the future of BRICS-Plus.

The Johannesburg summit of BRICS leaders, which ended on 23 August 2023, agreed to induct six new members: the United Arab Emirates (UAE), Saudi Arabia, Argentina, Iran, Egypt and Ethiopia. Along with the existing five members—Brazil, Russia, India, China and South Africa—the expanded grouping of 11 members now presents an interesting alchemy of geo-political and geo-economic interests. There are two surprises: the omission of Indonesia and the inclusion of Saudi Arabia. The membership of the UAE and Egypt was not in doubt because both had become members of the BRICS multilateral development bank, the Shanghai-based New Development Bank (NDB). Even Bangladesh, which joined the NDB recently, was considered a certainty, but it might have to wait some more.

Moving beyond the politics of expanding membership, BRICS-Plus provides an interesting image of the grouping's desire to present a non-Western, alternative development model. In terms of its geographical footprint, the grouping now has three members in Africa, five in Asia, two in South America and one in Europe, providing BRICS-Plus with strengthened Global South credentials. Looking at some of the other nations queuing up outside the door further reinforces the identity of BRICS-Plus as an emerging, powerful and influential non-Western bloc.

Other consequential outcomes arise from expanded membership. After the addition of Saudi Arabia, Iran and the UAE, BRICS-Plus now represents close to 45% of the world's oil production capacity. And though dark clouds surround the future of fossil fuels, the coming together of four large producers (including Russia) is likely to animate global energy markets in the near future. The alignment of interests is unlikely to influence pricing or production decisions—that dynamic may remain restricted to OPEC-Plus for the moment—but is likely to manifest itself in the currency selected to invoice global oil and gas sales. A beginning might be made by Saudi Arabia invoicing its oil sales to China and India (accounting for 35% of Saudi's total oil sales) in yuan and rupees, respectively, which would then have the potential to revitalize the debate on de-dollarization, something that has been viewed only as a theoretical construct so far.

De-dollarization prospects may have brightened but BRICS-Plus could end up following a Chinese script

The declaration at the end of the 15th BRICS summit last week provided clues on how BRICS-Plus would pursue the de-dollarization goal: "We stress the importance of encouraging the use of local currencies in international trade and financial transactions between BRICS as well as their trading partners. We also encourage strengthening of correspondent banking networks between the BRICS countries and enabling settlements in the local currencies. We task our Finance Ministers and/or Central Bank Governors, as appropriate, to consider the issue of local currencies, payment instruments and platforms and report back to us by the next Summit."

This puts in the shade, at least for the time being, all speculation over a BRICS currency. Any unit of money must fulfil three key functions—as a unit of account, medium of exchange and store of value—and dislodging the US dollar's dominant position in any of these functions seems like a long-term project. In the meantime, the use of local currencies for trade and financial deals between BRICS-Plus members will require finance ministers to come up with a common payments platform, which is no less tricky.

Any form of de-dollarization presents a quandary for India as well. India's balance of trade with BRICS-Plus has it at a distinct disadvantage. At the end of financial year 2022-23, India's merchandise trade with BRICS-Plus nations had a negative balance of over $177 billion, with China and Russia alone accounting for over $126 billion. Even discounting for the unusual 2022-23 spike in Russian imports, China's $83-billion trade gap is unlikely to disappear any time soon. Such large trade gaps, even with BRICS-Plus trade conducted in local currencies, has a direct bearing on the rupee's value. The other option is to secure higher inflows of BRICS-Plus currencies through portfolio investments and foreign direct investment.

Any form of de-dollarization—whether through a separate currency or local currency invoicing—benefits China primarily, as it runs a trade surplus with almost all BRICS-Plus members and accounts for a large chunk of BRICS-Plus GDP.

However, India's anxieties are not limited to geo-economics. For one, BRICS-Plus seems to be moving away from its original geo-economic focus and inching towards an anti-West configuration which could potentially put India in an embarrassing situation. Two, the current mix has only four democracies—India, Brazil, Argentina and South Africa—and that invests BRICS-Plus with a changed geo-political complexion. Finally, China seems to have an outsized say in membership expansion, despite New Delhi's feeble protests, and this could eventually prove inimical to India's economic and strategic security.

Publication : The Hindu Business Line	Editions : New Delhi
Date :28 August 2023	Page : 2

Higher diesel exports help refined products shipment grow 15% y-o-y in July

Rishi Ranjan Kala
New Delhi

India's petroleum products (POL) exports rose 8 per cent m-o-m and 15 per cent on an annual basis in July 2023 aided by higher outbound shipments of diesel during the months, the highest so far in FY24.

According to the Petroleum Planning and Analysis Cell (PPAC), India's POL exports stood at 5.4 million tonnes (mt) in July. Diesel exports accounted for more than 44 per cent of the total outbound shipments of refined petroleum products during the month. Export of high speed diesel (HSD) rose a healthy 22 per cent m-o-m and 9 per cent y-o-y to 2.38 mt last month, which is the second highest in the 2023 calendar year, after March (2.48 mt).

An oil marketing company (OMC) official said that lower demand during the monsoon months led to more capacity to spare for exports and demand from Southeast Asia and some from North-western Europe. Most of the uptick is from diesel.

HSD EXPORTS

ICRA's Senior V-P & Co-Group Head (Corporate Ratings) Prashant Vasisht also pointed out that July exports are higher owing to a surge in HSD exports.

"HSD production has declined due to crude production cuts by OPEC+ which has led to higher lighter crude processing leading to a fall in HSD production. Another reason for the surge in HSD exports is the embargo on Russian HSD by the EU because of which supply has reduced," he added.

For the April-July period in FY24, the POL exports fell by more than 6 per cent y-o-y to around 20 mt. In value terms, the decline was steeper at 39 per cent to $14.4 billion during the same review period.

The current financial year commenced with POL exports declining from March 2023 high of 6.06 mt to 4.37 mt in April. Outbound shipments rose to 5.31 mt in May before softening to 5.01 MT a month later. In FY23, barring March, the exports were in the range of 4-5.7 mt.

DIESEL EXPORTS

Diesel exports are following a similar trajectory in FY24. Shipments, which stood at 2.5 mt in March 2023, fell to 1.91 mt in April before appreciating to 2.4 mt a month later. It again fell to 1.95 mt in June.

Besides diesel, the uptick in exports was registered in petrol, ATF and fuel oil.

Petrol, or motor spirit (MS), rose by 2.4 per cent y-o-y to 1.26 mt in July 2023. Petrol exports have largely been in the range of 1.23-1.26 mt so far in the current fiscal year.

Aviation turbine fuel (ATF) exports rose 9 per cent y-o-y to 7,82,000 tonnes in July. This is the fourth consecutive month of increase in jet fuel shipments abroad.

Export of fuel oil, also called heating oil, rose 4 per cent y-o-y to 1,42,000 tonnes in July making it the fourth month of higher outbound cargoes in a row during FY24.

India's refined petroleum products export

	April		May		June		July	
	2023	2022	2023	2022	2023	2022	2023	2022
Volume (million tonnes)	4.4	5.4	5.3	5.7	5.0	5.5	5.4	5.01
Value ($ billion)	3.3	5.8	3.6	6.5	3.5	6.6	4.1	4.90

Source: PPAC

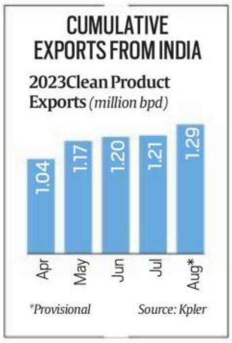
Publication : The Indian Express	Editions : New Delhi
Date :28 August 2023	Page : 15

RAINS DAMPENED INDIA'S DOMESTIC PETROLEUM DEMAND

Uptick in petroleum exports help refiners maintain high run rates

SUKALP SHARMA
NEW DELHI, AUGUST 27

Demand for fuels usually tempers during the monsoon. *File*



WITH DOMESTIC demand for fuels and other petroleum products witnessing a slump due to the monsoon rains, India's refined products exports has witnessed an uptick, helping the country's refiners keep refinery runs high at a time when refining margins are robust globally, shows an analysis of data shared by commodity market analytics and intelligence firm Kpler.

The cumulative clean product exports from India in August have so far been the highest since May 2022, with jet fuel exports at a historic high. In oil industry parlance, clean products refer to the class of petroleum products that are uncontaminated and not previously used in any application. Most major crude oil-based fuels like diesel, petrol, jet fuel, kerosene, and naphtha are categorised as clean products. Dirty refined products refer to the likes of fuel oil, low sulphur waxy residue, and carbon black feedstock.

So far in August, India's jet fuel exports have averaged at a record high of 242,382 barrels per day (bpd), Kpler data shows. The previous peak of 206,871 bpd was in June 2018. Last month, India's jet fuel exports were 198,968 bpd. In June, which marked the onset of the southwest monsoon, jet fuel exports stood at a robust 183,661 bpd. As for cumulative clean products, India exported 1.29 million bpd in August, the highest since May last year when the export volumes stood at 1.32 million bpd, as per Kpler. In July and June, India's clean product exports were also strong at 1.21 million bpd and 1.20 million bpd, respectively.

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Demand for fuels and other petroleum products usually tempers during the monsoon in India due to lower demand for transportation fuels and refined products used in some industries where work slows down because of the rains. This year, the season's pattern has been more disruptive than usual, including some extreme weather events in some parts of the country, which appears to have had an enhanced impact on fuel demand, a senior official with a public sector fuel retailer said. Indian refiners expect the demand to recover from next month and improve further with the upcoming festival season.

According to data released by the Petroleum Planning & Analysis Cell (PPAC) of the Ministry of Petroleum and Natural Gas, India's consumption of fuels and other petroleum products in June declined 6.4 per cent from May to 19.36 million tonnes. It further declined to 18.09 million tonnes in July. The official data for August is likely to be available in the second week of September.

Domestic diesel consumption was down 3.7 per cent sequentially in June and 12.9 per cent in July, as per the PPAC data. Diesel is the most-consumed petroleum fuel in India with a share of nearly 40 per cent in the country's petroleum product consumption pie. In the case of petrol, domestic consumption fell 5.9 per cent month-on-month in June and 5.3 per cent in July.

India, the world's third-largest consumer of crude oil, depends on imports to meet over 85 per cent of its oil requirement. The country is a net exporter of petroleum products thanks to its refining capacity of 250 million tonnes per annum, or around 5 million bpd, which is higher than its domestic demand.

While public sector refiners Indian Oil Corporation, Bharat Petroleum Corporation, and Hindustan Petroleum Corporation have traditionally been more focussed on the domestic market, private sector players Reliance Industries and Nayara Energy are relatively bigger exporters. Having enough export outlets during the lean monsoon season helps Indian refiners maintain high capacity utilisation levels even when domestic demand is subdued.

Publication : The Times of India	Editions : New Delhi
Date :28 August 2023	Page : 19

G20 economies need to invest $35tn more to achieve net-zero, says study

TIMES NEWS NETWORK

New Delhi: G20 economies would need to invest about an estimated $35 trillion this decade, over and above the current spending, to be on track to reach net zero greenhouse gas emissions by 2050, a study by McKinsey said.

"While G20 economies have made tangible progress in reducing emissions in recent years, CO2 emissions still need to further decrease almost 50% by 2030 versus 2020 levels to reach net zero goal on time.

To achieve that goal, much of the investment needed for the transition to a low-emissions economy would need to be made upfront to successfully transform the world's energy and land use-systems," analysts at the management consulting firm said.The report was released on the sidelines of the B20 summit.

To put it in perspective, G20 economies at present emit about 31 gigatons CO2 per annum and would need to reduce that by about half by the end of this decade. While China and some Latin American countries have the highest emissions reduction requirements among the upper middle income countries, Germany has the highest reduction needs among high income countries.

Business-led innovations can account for a considerable proportion of financing required to meet the sustainability goals, helping close some amount of the net zero gaps, suggest experts.

Societies would need to consider greater public-private commitment and collaboration, new incentives and even bolder innovation possibilities, analysts said.

"Market responses to new incentives for net zero occur when subsidies or other forms of public support crowd in more private spending, as could regulatory and policy changes. For example, government grants and concessions, or funding from state-owned enterprises and development finance institutions could help improve the risk and return profiles of investments. Greater public support could also further accelerate technology learning, resulting in avoided spending towards the net zero investment gap," they said.

Besides, new high growth opportunities across sectors from healthcare to renewables can fuel long-term economic growth that drives progress towards sustainability and inclusion goals.