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# Asian Energy's oilfield acquisition to provide 'contra-cyclical support'

**M Ramesh**  
Chennai

In March, NSE and BSE-listed Asian Energy Services Ltd bought a 50 per cent participating interest in the Indrora oil and gas field near Gandhinagar, Gujarat, from its parent company, Oilmax Energy Pvt Ltd.

This move was to ensure that Asian Energy, which provides services such as 2D and 3D seismic surveys to the oil and gas industry, does not suffer from the cyclical nature of its business, the company's Director Kapil Garg, told *businessline*.

## LACK OF ORDERS

For 2022-23, Asian Energy reported a turnover of ₹114 crore, a steep fall from ₹263 crore in the previous year, and it made a net loss of ₹44 crore, compared with a net profit of ₹38 crore in 2021-22. Garg attributes the decline in turnover and profits

## Asian Energy Services



to a lack of orders. In February, the rating agency, India Ratings downgraded Asian Energy's fund and non-fund-based limits of ₹20 crore and ₹50 crore respectively, while saying, "outlook is stable".

On April 1, the Gujarat government granted a 20-year mining lease for the field, CB/ONDSF/Indrora/2021, to Oilmax Energy, a company founded in 2008 by Garg.

Alongside, Oilmax Energy had taken steps to sell its 50 per cent stake in Indrora field to its listed subsidiary, Asian Energy, "at a discounted price". (The other 50 per

cent in the field is held by the BR Shetty group of Dubai.)

Garg said that before Oilmax took it over, the Indrora field was producing 40 barrels of oil a day (ONGC was a sort of a 'caretaker' operator then.) Now the production has been raised to 70 barrels and in another week, the production would increase to 200 barrels a day. And in August, Asian Energy will start a work programme comprising drilling 16 wells to raising production further to about 1,000 barrels a day, Garg said. The stock market appears to have taken note of these developments. The price of Asian Energy's share has increased from ₹51.50 on March 2 to ₹114.45 on June 6.

Asked if Oilmax, which has a 62.5 per cent stake in Asian Energy, would be merged with the subsidiary, Garg replied in the negative, saying that a merger was once the idea but the current situation no longer warrants it.

# MRPL shelves refinery plan to focus on chemicals

Major investment will be in a new production plant in K'taka

BLOOMBERG

India's Mangalore Refinery and Petrochemicals Ltd shelved a planned refinery expansion to focus on boosting its petrochemical production capacity, which may cost as much as Rs 47,000 crore.

A shifting energy landscape primarily driven by the uptake of electric vehicles has prompted MRPL to focus its efforts on increasing the output of chemicals that can be used for plastics and paints, Sanjay Varma, managing director, said in an interview. The company's major investment will be in a new production plant in the southern Indian state of Karnataka, he said.

Indian and Chinese refiners along with majors such as Exxon Mobil Corp are betting on petrochemicals to underpin future oil demand as the transition to electric vehicles chips away at consumption of transport fuels. The new MRPL plant is likely to be operational in the next three to five years, said Varma.

India is a net importer of petrochemicals and the country is facing a "make-or-buy" decision, said Larry Tan, vice president of chemical consulting in Asia at S&P Global Commodity Insights in Singapore. "There is better value to capture production locally."

MRPL — majority owned by state-controlled Oil and



Natural Gas Corp — plans to spend around 300-400 billion rupees on the new plant, and a further 60-70 billion rupees on smaller petrochemical units, Varma said. The investment will help "de-risk MRPL's future" during the energy transition, he added.

The investment will contribute to ONGC's overall spend of Rs 1 lakh crore to expand its petrochemical capacity to 8 million tons a year by

2030, from 3.4 million tons, according to a spokesman for ONGC.

While MRPL shelved plans to boost the capacity of its refinery on the west coast to 18 million tons a year from 15 million tons, the plant has still run above operational levels, said Varma. The refinery operated at a record average of 17.1 million tons a year over the 12 months ended March 13, he said.





## CDP INDIA : Helping India's Decarbonization Journey

The total opportunity estimated by Indian companies to CDP in 2022 is around INR 31,000 billion, says Prarthana Borah, Director, CDP, India.

### ❏ What does CDP stand for in the Indian market and international operations? Mission statements?

CDP works in over 90 countries in North and South America, Europe and Asia to drive companies, cities, states and regions to measure, disclose, manage, and mitigate environmental risks and impacts. Our programs help in accelerating the transition to a sustainable economy, improving resource efficiency, and enhancing resilience. In 2022, 250 companies and 22 cities disclosed to CDP India. CDP India, a subsidiary of CDP Global headquartered in London is committed to achieve India's revised NDCs and to accelerate the Prime Minister, Shri Narendra Modi's ambition of net zero 2070 for India.

### ❏ What benefits may precise carbon reporting and monitoring provide?

The total opportunity estimated by Indian companies to CDP in 2022 is around INR 31,000 billion. CDP specifically asks companies to report on the risk assessment process, adaptation strategy and opportunities for growth through their sustainability focus. By assessing risks and opportunities, companies track progress and improve internal strategy to mitigate environmental risks. Precise carbon reporting and monitoring via CDP offers valuable insights, drives informed decision-making for cost savings, and provides a competitive advantage for low-carbon transitions.

### ❏ In your view where does India stand in achieving its NET ZERO Target by 2070?

There is no question of not achieving the goal Net Zero 2070 goal since it is a commitment from our Prime Minister. A 2070 target for an emerging economy, means putting in significant efforts and balancing economic growth with environmental sustainability. A bigger concern is that a large amount of financing will be required to accelerate

this process. This is where public and private investors need to come out strong in leadership and engagement. CDP is committed to engaging with Indian corporates and the financial sector through a science-based data driven approach that provides insights and helps set ambitious targets.

### ❏ How does CDP aim to "standardise" the assessment of various environmental impacts from various businesses in various industries?

The CDP framework provides a structured and consistent methodology for measuring and disclosing environmental data, enabling businesses to report their impacts in a standardized manner. Our questionnaire covers governance, greenhouse gas emissions, water usage, deforestation risks, and supply chain impacts. By requesting specific data points and metrics from companies, we ensure a consistent and comparable approach to assessing environmental performance. Our framework is aligned with both global assessment frameworks like the TCFD and SEBI reporting like the BRSR.

### ❏ How can you get Private sector and Public sector to reveal their environmental impacts? What standards do you follow when producing data for decision-makers?

At CDP the focus is on science-based data for sustainable decision-making. We highlight how disclosure leads to improved operational efficiency, risk management, cost savings, reputation enhancement, and access to investment opportunities. Companies respond to CDP at the request of over 600 financial institutions with over US\$130 trillion in assets, and over 200 major purchasers with over US\$5.5 trillion in procurement spend. By encouraging investors to request environmental disclosure from companies, we want to create a demand for transparency and motivate organizations.



### ❏ SEBI has introduced Business Responsibility and Sustainability Reporting for the top 1000 listed businesses beginning in 2023; will this improve transparency, prevent corporations from selling unrealistic Net Zero targets?

CDP India supports SEBI for expanding regulations that will drive the standardization of practices. However well-defined disclosure and reporting is still at an early stage and restricted to large corporate houses with expert sustainability teams. Capacity building support for newer companies who are entering the disclosure space is essential to generate high quality and relevant data. CDP questionnaires are 60 percent aligned to BRSR reporting so CDP hopes to support the mandatory disclosure process.

### ❏ What are the key highlights of Cop 27, Please share the key takeaways for India?

Following COP 27, India has a significant opportunity to take a leadership role in addressing climate change by focusing on key initiatives that received endorsement. These include driving partnerships for just transition, advocating for the loss and damage fund, and continuing to take the leadership role in solar and renewable energy transition.

## Oilmax to spend ₹600 cr to develop Assam fields

**M Ramesh**

Chennai

Oilmax Energy Pvt Ltd will spend ₹600 crore (\$75 million) over the next two-and-a-half years in developing the three oil and gas fields it owns in Assam, the company's founder and Chairman and Managing Director, Kapil Garg, told *businessline* on Tuesday.

The company owns three blocks in Assam — Amguri, Duarmara, and Tiphuk. Currently, Amguri produces 2,50,000 cubic meters of gas and 500 barrels a day of condensates (a crude oil-like liquid that comes out of the ground along with the gas).

Once the Indradhansh project — the Northeastern gas pipeline that is currently under construction—is completed, production from Amguri would be raised four-fold, to a million cubic meters of gas a day, Garg said. Four new producing wells would be drilled for this purpose, he said. In

Duarmara, Oilmax is waiting for approval from the State's forest department. The plan is to drill six wells to produce another million cubic meters of gas a day. The company's consultants, Gaffney, Cline & Associates, have established that Duarmara has reserves of 4.1 billion cubic meters of gas.

So, in Amguri and Duarmara, Oilmax will drill ten wells, each costing about \$7 million. In Tiphuk, a field that Oilmax won in the DSF-3 round of bidding (in which the government auctions 'discovered small fields'), the company plans to drill two side wells, which will cost \$5 million.

The entire project cost of \$75 million is to be funded from internal accruals, Garg said, adding that Oilmax is a debt-free company.

Oilmax, set up by Garg in 2008, is the parent company of the listed entity, Asian Energy Services Ltd (NSE: ASI-ANENE), and has a 62.5 per cent stake in it — the rest is with the public.



## ENERGY MINISTER'S NEW MANTRA

# Women to drive renewable energy push

PTI / New Delhi

Union Power and New & Renewable Energy Minister **RK Singh** has exhorted women to increase participation in the renewable energy sector and steer the country's transition towards net zero emissions.

Speaking at a conference on 'Women in Renewable Energy: A Dialogue on Policy, Technology, Skilling, and Finance' on Monday,



Singh mentioned India's key achievements in the renewable energy sector and stated that the country's actions are in line with commitments made in the Paris Agreement to limit the temperature increase to well below 2°C above pre-industrial levels.

As per a statement issued by the Ministry of New and Renewable Energy, Singh exhorted women to increase participation in the renewable energy sec-

tor and steer India's transition towards net zero emission.

Highlighting the role of women in combating climate change, he emphasized the significance of developing women-centric policies and implementation frameworks in the renewable energy sector. Singh recognised how women are more effective in bringing about changes at the grassroots level through community engagement and household-level action.

OUR VIEW



## India can be an oasis of hope in a crisis-hit world

*The risk of a recession in the West along with the China-1 trade allow India a chance to step up, but it must act with alacrity to make the most of this extraordinary opportunity*

As the Reserve Bank of India takes stock of the economy amid an uncertain global landscape, it may be pertinent to see where our economy stands. Recently, Germany reported a second successive quarter of contraction in its economy in the three months ended 31 March. While the decline was mild, it is now in a recession, which is defined as two quarters in a row of output fall. Much of Germany's troubles are due to the rise in energy prices driven by Russia's retaliatory moves to restrict natural gas supplies in response to sanctions on it for invading Ukraine. Surprisingly, the Russian economy seems to be surviving rather well, which raises questions over the efficacy of the West's sanctions. That aside, with Euro Zone's biggest economy now shrinking, others in the common market union will get affected too. This could show in Europe's trade in the upcoming quarters. Adding to the troubles is inflation, which is ruling well above tolerance levels despite having eased from its peak. This will tie the hands of policymakers in acting too enthusiastically to prop up growth. In the UK, inflation is above 8%. Across the Atlantic in the US, the story isn't too different, with inflation, at 4.9% in April, more than double the 2% rate the Federal Reserve is targeting.

The debt-ceiling can be kicked down the road has brought relief. But it is the Federal Reserve's action on which the prospect of a recession may now hinge. It has reiterated its tough stance against inflation, although investors seem to be betting this to be more of a posturing, and that its rate hike cycle is over. Should the Fed surprise, though, the US, and thus the world, may be at risk of a deep slump. China's economy, the world's second-largest,

also is tottering, with output having expanded an uncharacteristically weak 3% in 2022. In this broadly gloomy canvas, India stands out, as the International Monetary Fund has described, as a "bright spot". The 7.2% gross domestic product (GDP) expansion in 2022-23 indicates that it is holding up better than the rest. While the low contribution of India's exports in its GDP, and in global exports, make it less vulnerable to any external shock, New Delhi's efforts to grow exports—with some welcome success—have deepened trade linkages lately. So, we can't expect to remain insulated. In addition, our financial markets are connected deep-enough to serve as a channel for any external instability to hit our shores.

Be that as it may, there are opportunities that India can eye. With much of the industrialized world busy staving off a recession, our economy could be a haven of tranquillity, especially as the world tries to de-risk itself, even decouple entirely, from China. As this causes big investment shifts, India's continued expansion could serve as a big draw. But we must not take ourselves, by virtue of being counted in the big-league of global economies, as a natural choice. Smaller Asian economies such as Vietnam, Indonesia and even Bangladesh are just as eagerly trying to woo investors in this China-1 trade—and with notable success. So, we'll need to make aggressive efforts to pitch our economy. New Delhi has made significant moves by easing hurdles to business and it is also relying significantly on the production-linked incentive (PLI) scheme. These have helped, no doubt. But our efforts need to go farther to capitalize on an extraordinary opportunity of this scale. We need visibly greater engagement with stakeholders.



# India's Blue Economy Sets Sail to Unlock a Sea of Opportunities!

## Guest Column



**Kiren Rijiju**  
Minister of Earth Sciences

*"For whosoever commands the sea commands the trade; whosoever commands the trade of the world commands the riches of the world, and consequently the world itself," wrote English adventurer Sir Walter Raleigh in 1829.*

The blue economy encompasses the sustainable use of ocean resources for growth, job creation, and environmental sustainability. It offers a vast array of resources that have immense potential for various industries, including food, medicine, fresh water, minerals, and renewable energy. India, with its vast coastline and strategic location in the Indian Ocean, is poised to harness the potential of the blue economy and unlock a sea of opportunities. However, to realise the potential of our oceans in a sustainable way, we must embrace technology, enhance our understanding of the ocean and address climate change.

In the Indian Ocean, India has been allocated areas rich in rare metals, such as hydrothermal sulphide vents in the mid-ocean ridge area and poly-metallic nodules in the central Indian Ocean, by the International Seabed Authority. By utilising advanced

technology, we can strike a balance between a sustainable future for both our economy and the ocean.

The ocean also offers numerous renewable energy sources, including tidal energy, offshore wind energy, wave energy, ocean current energy, ocean thermal energy, and salinity gradient energy. To fully harness these, it is crucial to map their availability spatially and temporally, usability, economic feasibility within the Indian Exclusive Economic Zone (EEZ).

One of the most pressing issues related to the ocean is climate change, with its impacts being felt most strongly in polar regions such as the Arctic, Antarctic, and the Himalayas. The Arctic is warming at an alarming rate, four times faster than the global mean. The Indian Ocean is

## DEEP OCEAN MISSION SEEKS TO TACKLE THE MULTIFACETED OPPORTUNITIES AND ISSUES PLAGUING THE OCEANS

especially vulnerable due to its landlocked nature and high thermal expansion. To effectively manage these challenges, it is crucial to monitor ocean dynamics with floats, buoys, and remote sensing technologies. This allows us to predict future sea-level rise along the Indian coastline, providing insights for coastal mapping.

India's vast coastline provides an opportunity to produce clean drinking water sustainably. Low-temperature thermal gradients can be harnessed in environmentally friendly desalination plants, which not only produce fresh water but also generate clean electricity.

It is also imperative to build a strong workforce dedicated to the study of ocean biology, particularly in the field of blue biotechnology. This specialised knowledge can help extract valuable drugs, chemicals, and nutraceuticals. It is important to place emphasis on



VARANI SAHU

infrastructure and training to nurture young minds and foster exploration in this emerging field. Additionally, the establishment of a dedicated research vessel, made in India, will facilitate various studies encompassing all aspects of the Indian Ocean.

PM Narendra Modi's government has taken proactive steps to safeguard its oceans and coasts. The government has launched a mission-mode project called the Deep Ocean Mission. Spearheaded by the Ministry of Earth Sciences, this initiative brings together various line ministries, research institutions, and academia to tackle the multifaceted opportunities and issues plaguing the oceans.

With the implementation of the Deep Ocean Mission, the government endeavours to harness the boundless potential of the ocean and fortify India's blue economy. This ambitious initiative, aligned with the visionary agenda of Prime Minister Shri Narendra Modi, aims to

elevate the contribution of the blue economy from single-digit figures to double-digit growth in our nation's GDP. Also, United Nation announced the decade (2021 to 2030) as the "UN decade of Ocean Science for sustainable development" seeks knowledge of Ocean, essentially to drive "the Science we need for the ocean we want". India's contribute to this endeavour in collaboration with various International agencies.

Ministry of Earth Sciences is dedicated to spearheading the triumph of the Deep Ocean Mission by collaborating with experts, stakeholders, and international partners.

Together, let us embark on this transformative journey to secure the future of our oceans, safeguard the well-being of coastal communities, and secure a prosperous

future for our nation. By protecting and harnessing the power of our oceans, we can create a harmonious co-existence between humanity and the deep blue, leaving a lasting legacy for generations to come.

## THE MISSION AIMS TO ELEVATE SHARE OF BLUE ECONOMY FROM SINGLE-DIGIT FIGURES TO DOUBLE-DIGIT GROWTH