ONGC News as on 18 September 2024 (Print & Online)

Publication : The Economic Times	Editions : New Delhi
Date :18 September 2024	Page : 13

Nat Gas Output, Consumption Fall

Our Bureau

New Delhi: Natural gas production and consumption fell in August over the same period last year.

Natural gas output fell 3.7% to 3,048 million metric standard cubic meters (MMSCM) in August, according to the oil ministry data. Output declined 4.7% at ONGC fields and 3.5% at the private sector fields in August. For the April-August period, the output was 2.2% higher at 15,183 MMSCM. ONGC accounts for half of the country's gas production.

Gas consumption declined 1% to 5,792 MMSCM in August as demand from the power sector declined following rains that brought down temperatures across the country. Scorching heat had sharply pushed up gas demand for air-conditioning this summer. For April-August, national gas consumption was up 18.4% at 30,003 MMSCM.

India imports half the gas it consumes. The estimated liquefied natural gas (LNG) import in August 2024 was 2,794 MMSCM, 2.4% higher than in the same month last year. The import was 17.4% higher for the April-August period at 15,064 MMSCM.

Domestic production of crude oil dropped 2.9% to 2.4 million metric tonnes (MMT) in August. ONGC produced 1.6 MMT while Oil India produced 0.3 MMT and the private players 0.5 MMT in August. Domestic crude oil production has fallen 2.6% in the April-August period.

Publication : The Hindu Business Line	Editions : New Delhi
Date :18 September 2024	Page : 6

Day trading guide

25448 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
25420	25350	25500	25600	Wait for dips. Go long at 25430. Keep the stop-loss at 25390

₹1669 » HDFC Bank

S1	S2	R1	R2	COMMENT
1660	1640	1690	1720	Go long on dips at 1665. Stop-loss can be kept at 1655

₹1951 » Infosys

S1	S2	R1	R2	COMMENT
1930	1900	1960	2000	Go long only above 1960. Keep the stop-loss at 1945

₹507 » ITC

S1	S2	R1	R2	COMMENT
506	503	512	516	Go short only below 506. Stop-loss can be placed at 507

₹295 » ONGC

S1	S2	R1	R2	COMMENT
291	288	297	300	Stuck in a narrow range. Avoid trading this stock now

₹2945 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2930	2910	2965	2985	Go short only below 2930. Keep the stop-loss at 2940

₹783 » SBI

S1	S2	R1	R2	COMMENT
780	775	787	790	Go short only below 780. Stop-loss can be kept at 781

₹4509 » TCS

S1	S2	R1	R2	COMMENT
4465	4430	4550	4600	Go long on a break above 4550. Keep the stop-loss at 4540

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Publication : The Morning Standard	Editions : New Delhi
Date :18 September 2024	Page : 8

Oil exploration in forest land triggers uproar

The Centre's nod for the diversification of 4.49 hectares of forest land of the Hollongapar Gibbon Sanctuary has met with opposition. The approval was granted for oil and gas exploration by Vedanta's Cairn Oil and Gas. An eco-sensitive zone, the Hollongapar Gibbon Sanctuary has India's only ape and gibbon species – the hoolock gibbons. The sanctuary is located in Jorhat district. The Assam units of two youth organisations – Students' Federation of India and Democratic Youth Federation of India – opposed the move and demanded its immediate revocation. They are also mobilising public opinion against it.

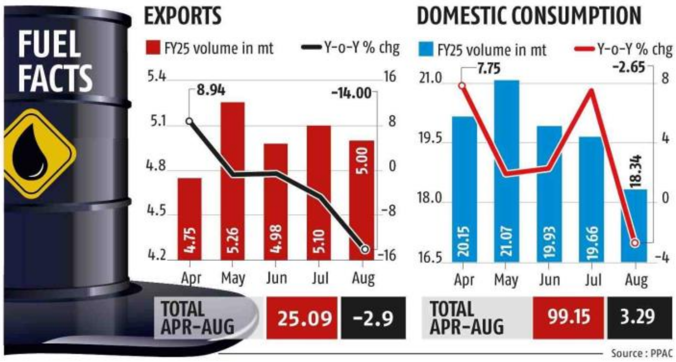
Publication : BizzBuzz	Editions : Hyderabad
Date :18 September 2024	Page : 6

Brent crude trading at $72.93/bbl

Crude oil prices increased Rs14 to Rs5,833 per barrel in futures trade as participants widened their positions following a firm spot demand. Globally, West Texas Intermediate (WTI) crude oil was up by 0.50 per cent to $70.44 per barrel, and Brent crude traded 0.25 per cent higher at $72.93 per barrel in New York. On MCX, crude oil for October delivery traded higher Rs14 or 0.24 per cent at Rs5,833 per barrel in 12,316 lots. Analysts said raising of bets by participants kept crude oil prices higher in futures trade.

Publication : Business Standard	Editions : New Delhi
Date :18 September 2024	Page : 4

Petro product exports fall 14% as global demand cools



SUBHAYAN CHAKRABORTY
New Delhi, 17 September

The continuing decline in the export of refined petroleum products widened by 14 per cent to 5 million tonnes (mt) in August, according to the latest data from the Petroleum Planning and Analysis Cell.

Exports in this category have decreased by nearly 3 per cent to 18.1 mt in the first five months of 2024-25, largely due to sluggish diesel exports.

Imports of crude oil increased by 6.4 per cent in August, rising to 19.9 mt from 18.7 mt in August 2023, indicating no supply-side shortages.

Conversely, the consumption of petroleum products fell by 2.65 per cent in the latest month to 18.3 mt, suggesting that inventories were not diverted to the domestic market. Sales of diesel, the most-used fuel in the country, fell by 2.5 per cent to 6.5 mmt in August.

As a result, sagging exports are attributed to a loss of demand in European markets, according to industry insiders.

Last week, benchmark Brent crude futures prices fell to a 33-month low of $69 per barrel due to weak demand and concerns about oversupply.

Despite ongoing production cuts by the Organization of the Petroleum Exporting Countries bloc, supplies have continued to rise.

Last week, the International Energy Agency reported that global oil supply increased by 80,000 barrels per day (b/d) to 103.5 million b/d in August, with outages caused by political disputes in Libya and maintenance in Norway and Kazakhstan offset by higher flows from Guyana, Brazil, and elsewhere.

Publication : Business Standard	Editions : New Delhi
Date :18 September 2024	Page : 13

GLOBAL IMPORTANCE OF OIL SHRINKING

It may be becoming less of a factor in world economic growth but when it comes to India, it continues to play an important role

S DINAKAR
New Delhi, 17 September

The outcome was surprising. India was not supposed to overtake China for another few years. Earlier this month, two of the three leading global energy forecasters, whose reports are closely watched by traders, producers and investors, predicted that India will be the largest pillar of global oil demand in 2024.

Fuel consumption may be wobbling this year from a weak global economy, notably China's, and the onslaught of electric vehicles. But the role of oil as a driver of global economic growth appears to be shrinking. Fuels are becoming less of a factor in directly boosting gross domestic product (GDP) as clean energy alternatives squeeze in and energy efficiencies increase — however, when it comes to India, diesel, petrol and LPG continue to play an important role in nation-building, according to an analysis by *Business Standard* based on data generated by the International Energy Agency (IEA), US Energy Information Administration (EIA), Organisation of Petroleum Exporting Countries (Opec), The World Bank, and the International Monetary Fund (IMF).

India may contribute to around 8 per cent of global GDP growth in 2024 while accounting for over 22 per cent of global oil demand growth. However, that isn't the case with China, which, while accounting for a fifth of the global growth engine, may use only 20 per cent of the incremental oil consumed this year, according to calculations by *Business Standard* based on data from the IMF and the IEA.

"China added over 200 Gw in renewables last year and their huge networks of high-speed trains is encouraging travel by rail over road, affecting oil demand," said Prashant Vasisht, senior vice president and co-group head, corporate ratings, at ratings agency ICRA, a US Moody's affiliate. "India is more amenable to growth in oil demand." ICRA expects overall oil use to grow at 3-4 per cent annually for the next few years.

India may contribute around 8% to global GDP growth in 2024 while accounting for over 22%of global oil demand growth. However, that isn't the case with China, which, while accounting for a fifth of the global growth engine, may use only 20% of the incremental oil consumed this year

The surprise lies not just in India's rapid ascendance as an oil consumer. It's also where the oil is used. Unlike China, and many other parts of the world, India's oil consumption is dictated by fuels, led by diesel. Additional oil demand is distributed across product categories — only 18 per cent of India's demand growth will be for petrochemical feedstock use while globally this figure will be in excess of 90 per cent, and in China virtually all net gains will be for chemical production.

Also, India's oil consumption is increasing at a faster pace than other countries, in part, because the country is still in the initial stages of economic development. A common phenomenon is that when developing countries achieve GDP per capita growth between \$2,000 and \$10,000, energy use is at its fastest, according to an IEA study. The World Bank estimated Indian GDP per capita at \$2,400 in 2022 — behind the Democratic Republic of Congo, Bangladesh and Angola, and a fraction of China's \$12,700.

A LOOK AT OIL DEMAND GROWTH VS ECONOMIC GROWTH

	2024		2025		
	Oil demand growth	Incremental GDP growth 2024	Oil demand growth	Incremental GDP growth 2025	% share of oil as energy source
US	70	1423	70	1059	35
China	120–180	871	260	1257	18
India	210	365	220	403	24
Mexico	0	228	0	111	44
Brazil	110	158	50	107	37
Korea	70	48	−10	82	36
Iran	50	61	30	22	32

International Monetary Fund, World Economic Outlook Database, April 2024
GDP at current prices in billion dollars
Oil demand in 000 barrels per day
Source: IMF, IEA, EIA, Oil Ministry, World Bank

Top five

Rounding up the top five generators of global oil growth this year are Brazil, the US and South Korea. Brazil will account for 110,000 barrels per day (b/d), or 12 per cent of annual oil demand growth, even though it will grow its economy by only \$158 billion, or equivalent of 4 per cent of global growth this year. Brazil's oil use is propelled by the country's juggernaut agricultural exports. Biofuels play an oversized role in Brazil's growth, accounting for 32 per cent of its energy supply after oil.

The US economy is more efficient and diverse — accounting for just 8 per cent of the additional oil used this year but making up a third of global GDP growth. The German economy is expected to grow this year but demand for fuels will decline. Japan's economy and oil demand are both on a decline.

Oil remains the most significant energy source in Korea in terms of total energy supply, and a rebounding petrochemicals sector has boosted demand for oil. Naphtha and LPG are key feedstocks for Korea's large petrochemicals industry, which is a significant exporter of chemicals.

The role of oil in economic growth varies depending on the energy efficiency and availability of alternatives. Oil made up a quarter of India's overall energy supplies, while it was 35 per cent for the US and 18 per cent for China, according to the World Energy Balances report by the IEA.

India's rise

Diesel will continue to dominate India's fuel mix because India has little in the way of alternatives to replace internal combustion engine (ICE) in large trucks unlike China where close to 12-13 million tonnes of LNG, half of India's total LNG imports, is used for road transport. EVs make up more than half of new passenger car sales in China this year compared to a penetration of around 2-3 per centfor India.

The first to herald India's rise as the fastest-growing oil consumer was the US EIA in its short-term energy outlook last week. The agency saw Chinese oil demand growing by just 100,000 b/d this year and 300,000 b/d in 2025, with the growth in India's oil use more than twice that of China at 280,000 b/d this year. The EIA downgraded a forecast for global liquid fuels demand growth to roughly 900,000 b/d this year and 1.5 million b/d in 2025 because of slower economic activity, as well as a slowdown in diesel demand and jet fuel consumption in China.

The Paris-based IEA, which receives most of its funding from the US, agreed with EIA's assessment in a separate September Monthly Oil Report. It downgraded China's demand outlook by 120,000 b/d to 180,000 b/d in its September report from the August report while retaining India's demand growth at around 204,000 b/d. It expects global oil demand growth of 900,000 b/d this year and 950,000 b/d in 2025.

The outlier was Opec, the oil cartel. Despite a small downgrade, it still expected global oil demand growth at 2 million b/d this year, more than twice what the IEA and EIA predicted. The Saudi Arabia-led Opec forecast China's oil use to grow at 650,000 b/d compared to India's 270,000 b/d in its monthly oil market report last week.

While India has unseated the Chinese oil growth engine this year, next year looks uncertain. The IEA has forecast China to regain its top place as the biggest contributor to global oil demand. However, on a consolidated basis, the IEA predicted in February that India is forecast to be the single-largest source of global oil demand growth from 2023 to 2030, narrowly ahead of China. Underpinned by strong economic and demographic growth, India is on track to post an increase in oil demand of almost 1.2 million b/d over the forecast period, accounting for more than one-third of the projected 3.2 million b/d global gains.

Publication : Financial Express	Editions : New Delhi
Date :18 September 2024	Page : 2

WINDFALL TAX ON CRUDE PETROLEUM SLASHED TO ZERO

THE GOVERNMENT ON Tuesday slashed windfall tax on domestically produced crude oil to nil per tonne with effect from September 18. The tax is levied in the form of special additional excise duty and is notified fortnightly based on average oil prices in two weeks. The last such revision took place effective August 31 when the windfall tax on crude petroleum was set at ₹1,850 per tonne.

Publication : Mint	Editions : New Delhi
Date :18 September 2024	Page : 4

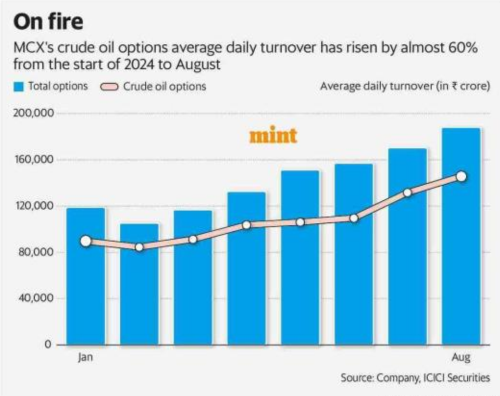
MCX party may get crude check

Manish Joshi
feedback@livemint.com

The Multi Commodity Exchange of India Ltd (MCX) stock has been in focus as the Securities and Exchange Board of India's (Sebi) October deadline for all brokers to charge uniform fees approaches. The stock value has tripled in the past year as investors note the growing activity in commodity trading and MCX's dominant position with a 98% share in commodity futures turnover based on the June quarter (Q1FY25) data.

In its 1 July circular, Sebi mandated market infrastructure institutions (MIIs) to redesign the existing slab-wise structure into one that is uniform and equal for all members (true-to-label). In the last earnings call, MCX's management said they were still finalizing the rate.

MCX charges ₹175 to ₹260 on the value of ₹1 crore for futures contracts to various brokers based on their volumes. Similarly, the rate on options premiums of ₹1 crore contract value (not on the notional value of turnover) is ₹4,000 to ₹5,000. ICICI Securities has assumed FY24's average rate of transaction charges for their FY25 and FY26 estimates.



PRANAY BHARDWAJ/MINT

Investors should not forget the impact of falling crude oil prices on MCX. That's because options are the company's main earnings driver, and crude oil options form a big chunk. In Q1FY25, transaction charges were 85% of MCX's total revenues. Here, almost 65% of transaction charges came from options trading. Within options, the share of crude oil options was about 75%. MCX crude oil contracts are based on New York Mercantile Exchange (Nymex) or Western Texas Intermediate (WTI) crude.

Nymex crude has fallen to an average of $69 per barrel in September from $75 in August. There is a high probability that the premium value of options will slip with the decline in futures value. For instance, if the crude oil price is $70 per barrel, then, assuming the premium is 1%, the at-the-money contract premium is $0.7 or ₹56 at an exchange rate of ₹80. If the crude price drops to $60, then the premium at 1% drops to $0.6 or ₹48. Thus, the premium value falls by 15%, with an equivalent fall in transaction charges even if the number of contracts traded remains the same.

BUMPY RIDE

OPTIONS are the main earnings driver of MCX, and crude oil options form a big chunk

MCX'S revenue from options likely to be ₹680 cr in FY25 and ₹950 cr in FY26, experts say

Sure, one can argue that the surging prices of gold and silver should increase the value of gold and silver futures contracts. However, futures contributed 35% of the total transaction charges revenue, and the precious commodities accounted for 70% of total futures. Thus, their share in transaction charges revenue is 25% versus the 50% of crude oil options. So, potential gains in revenue from precious metal futures may not offset the likely fall in revenue from crude oil options.

ICICI Securities expects MCX's revenue from options to be ₹680 crore in FY25 and ₹950 crore in FY26. ICICI's analysts assumed a lower premium value of options at 1.4% of notional trading value for FY26. In comparison, it was 1.6% in the first five months of FY25. However, there could be a downside to the notional value itself due to lower crude prices.

This can lower the premium value, thus hurting MCX's transaction revenues. With H1FY25 ending, the risk from lower crude oil prices might significantly impact FY26 estimates. This may cap sharp near-term upsides in the stock, which is trading at 47 times FY26 estimated earnings, according to *Bloomberg*.

Publication : The Hindu	Editions : New Delhi
Date :18 September 2024	Page : 13

Windfall tax on crude oil cut to zero

Press Trust of India
NEW DELHI

The government on Tuesday slashed windfall tax on domestically produced crude oil to 'nil' per tonne with effect from September 18.

The tax is levied in the form of a special additional excise duty and is notified fortnightly based on average oil prices in two weeks.

The new rates are effective from September 18, an official notification said.

The last such revision took place effective August 31 when the windfall tax on crude petroleum was set at ₹1,850 per tonne.

Publication : The Hindu Business Line	Editions : New Delhi
Date :18 September 2024	Page : 10

Crude surges amid US Fed's rate cut hopes

Oil rose as optimism over a widely expected interest-rate cut by the US Fed overcame persistent concerns about flagging demand for crude. West Texas Intermediate advanced about 1.5 per cent to trade above $71 a barrel, building on a gain of more than 2 per cent on Monday. Markets are implying a roughly 55 per cent chance that the Fed opts for a aggressive 50 bps rate cut today. BLOOMBERG

Publication : The Indian Express	Editions : New Delhi
Date :18 September 2024	Page : 13

Windfall tax on crude petroleum slashed to 'zero'

Bengaluru: The government has cut the windfall tax on crude petroleum to zero from Rs 1,850 per metric tonne, effective from September 18, a notification issued on Tuesday showed. The government reviews the windfall tax every fortnight, and the cut comes after a significant decline in crude prices. Global benchmark Brent crude prices have fallen to below $75 a barrel from over $92 a barrel in April. **REUTERS**

Publication : Business Standard	Editions : New Delhi
Date :18 September 2024	Page : 1, 2

FY24 DIVIDEND INCOME: PROMOTERS, TOP BIZ FAMILIES SURPASS GOVT

Dividends and proceeds from share buybacks by individual promoters and prominent business families in India in FY24 were once again higher than the Union government's earnings from listed CPSUs or MNCs' earnings from their listed subsidiaries and associate firms in India, writes **KRISHNA KANT** 2

Publication : Business Standard	Editions : New Delhi
Date :18 September 2024	Page : 1, 2

FY24 DIVIDEND INCOME

Promoters, top biz families beat govt

Earn ₹1.06 trillion against govt's ₹82,900 crore

KRISHNA KANT
Mumbai, 17 September

Dividends and proceeds from share buybacks by individual promoters and prominent business families in India in 2023-24 were once again higher than the Government of India's earnings from listed central public-sector undertakings (CPSUs) or multinationals' earnings from their listed subsidiaries and associate companies in India.

Individual promoters and promoter families together earned around ₹1.064 trillion through dividends and proceeds from share buybacks from their listed companies in FY24, up just 0.2 per cent from a year ago.

Promoter families' earnings in FY24 were, however, nearly 28 per cent higher than the government's estimated dividends of around ₹82,900 crore from listed CPSUs such as Oil and Natural Gas Corporation, Indian Oil, Coal India, State Bank of India, Life Insurance Corporation, Power Grid Corporation, NTPC, and Bank of Baroda.

The government's dividend was, however, up 35 per cent year-on-year in FY24 from ₹61,409 crore a year ago.

In comparison, multinationals such as Unilever Plc, Suzuki Motor Corp, British American Tobacco, Nestle SA, and Colgate-Palmolive Inc earned ₹27,710 crore as dividend from their listed subsidiaries and associates in India, up 11.2 per cent from the ₹24,907 crore in FY23.

With this, the dividend of promoter families has been higher than that of the government for six consecutive years. The earnings of promoter families such as the Tatas, and those of Azim Premji, Shiv Nadar, Mukesh Ambani, and Anil Agarwal were ahead of the government's earnings for the first time in FY19.

In comparison, the multinationals' combined earnings from their Indian subsidiaries and associates have always been much smaller. *(See the adjoining charts.)*

ILLUSTRATION: BINAY SINHA

TRACKING THE TREND

Promoters' dividend income from their listed companies
(₹ cr)

Net profit of listed companies in India
(₹ cr)

Note: Dividend income includes the proceeds from share buyback based on promoter holding in the prior period; Dividend income only for non-listed holding company and individual promoter holding in listed group companies; Source: Capitaline, *Business Standard* calculations

The higher income of promoter families has been attributed to large dividend payouts and share buybacks by IT services majors such as Tata Consultancy Services, Infosys, Wipro, HCL Technologies, and Tech Mahindra. These five IT services majors were among the four biggest dividend payers, including expenditure on share buybacks, in FY24.

A majority of the cash-rich companies in IT services are owned and promoted by individuals and families. In comparison, there is no government presence in this space. Government-owned companies operate largely in capital-intensive sectors such as banking and insurance, oil and gas, and power, mining and metals.

In the last five years, dividends and the proceeds from share buybacks of promoter families have increased at a compound annual growth rate of 16.82 per cent, which is slower than the multinationals' dividend income growth of 17.2 per cent but faster than the government's dividend income growth of 13.7 per cent in the period.

Online

Headline	Govt cuts windfall tax on petroleum crude to zero - Details		
Publication	ET Now	Edition	Online Coverage
Published Date	17 Sep 2024		

Govt cuts windfall tax on petroleum crude to zero - Details

https://www.etnownews.com/economy/govt-cuts-windfall-tax-on-petroleum-crude-to-zero-details-article-113435498

Global benchmark Brent crude prices have fallen from over $92 per barrel in April to below $75 a barrel from over. On August 31, the government had slashed the windfall tax on domestically produced crude oil from Rs 2100 per tonne to Rs 1850 per tonne. Prior to that, the windfall tax on crude was Rs 2400 per tonne.

Windfall tax slashed to zero: The Government of India (GoI), on Tuesday, cut the windfall tax on petroleum crude to zero from Rs 1,850 per metric ton. The changed windfall tax will be effective from September 18, a notification issued by the central government said on Tuesday. The government reviews windfall tax every fortnight, and the cut comes after a significant decline in crude prices.

Windfall tax slashed to zero: Why is windfall tax levied? This is the second time since the introduction of the windfall tax in 2022 that the government has reduced the windfall tax to nil. Previously, it was made zero in April 2023.

Global benchmark Brent crude prices have fallen from over $92 per barrel in April to below $75 a barrel from over. On August 31, the government had slashed the windfall tax on domestically produced crude oil from Rs 2100 per tonne to Rs 1850 per tonne. Prior to that, the windfall tax on crude was Rs 2400 per tonne.

A windfall tax is imposed by the government when an industry or a sector unexpectedly earns large profits due to an unexpected event.

Windfall tax in India The government imposed the windfall tax in India from July 2022 when domestic refiners decided to sell in the global market to benefit from the rising process of crude in the international arena. Upstream oil exploration and production companies such as the Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) stand to benefit from the slashing of the windfall tax as they have to pay the windfall tax on the production of oil.

Headline	ONGC Confirms A Minor Oil Leak, Offshore Mumbai		
Publication	Indian Master Minds	Edition	Online Coverage
Published Date	17 Sep 2024		

ONGC Confirms A Minor Oil Leak, Offshore Mumbai

https://indianmasterminds.com/news/ongc-confirms-a-minor-oil-leak-offshore-mumbai-95367/

Maharatna PSU ONGC (Oil & Natural Gas Corporation) confirmed that a minor oil leak happened on a pipeline in offshore Mumbai. Their statement read,

On the morning of September 16, 2024, at around 0600 hrs, ONGC team of Uran Plant (in Mumbai) swung into action to arrest a minor leak in the flow line originating from offshore. The leak was arrested, and the team ensured no spillage of oil into the beach.

The ONGC further stated that it has a robust safety infrastructure and adheres to laid down HSE guidelines. It (the PSU) has trained manpower to address such incidents promptly. ONGC is deeply committed to the safety of people and the environment , mentioned the state-owned oil giant.

Headline	ONGC releases statement on incident happened at Uran plant in Maharashtra		
Publication	PSU Connect	Edition	Online Coverage
Published Date	17 Sep 2024		

ONGC releases statement on incident happened at Uran plant in Maharashtra

https://www.psuconnect.in/news/ongc-releases-statement-on-incident-happened-at-uran-plant-in-maharashtra/44249

Statement from ONGC basis incident at the Uran plant in Maharashtra- 16th September 2024

"On the morning of 16th Sept 2024 at around 0600 hrs, ONGC team of Uran Plant swung into action to arrest a minor leak in the flow line originating from Offshore. The leak was arrested and the team ensured no spillage of oil onto the beach.

ONGC has robust safety infrastructure, adheres to the laid down HSE guidelines. It has trained manpower to address such incidents promptly. ONGC is deeply committed to the safety of people and environment".

Headline	‘Big disappointment’: Asian state giant cancels crucial offshore rigs tender		
Publication	Upstream Online	Edition	Online Coverage
Published Date	17 Sep 2024		

‘Big disappointment’: Asian state giant cancels crucial offshore rigs tender

https://www.upstreamonline.com/rigs-and-vessels/-big-disappointment-asian-state-giant-cancels-crucial-offshore-rigs-tender/2-1-1710455

Indias Oil & Natural Gas Corporation (ONGC) has cancelled yet another offshore rig tender involving at least four specialised jack-up rigs required for its operations offshore the countrys eastern and western coasts, as the state giant continues to optimise its offshore rig requirements.

ONGC is the largest operator of jack-up rigs in South Asia, with a fleet of more than 30 rigs.

The company plans to spend between $3 billion and $4 billion this year, mostly on offshore exploration and development projects.

However, it has started exploring options to optimise its jack-up fleet, mostly for its west coast operations, drilling sources said.

ONGC recently cancelled a crucial rig tender involving up to four jack-ups, across two separate categories, three people familiar with the development told Upstream.

The four rig tender has been cancelled as ONGC could not conclude negotiations with the bidders, one person noted.

A second source suggested that ONGC wants to optimise its jack-up requirements and is not keen to enter into long-term contracts at the prevailing day rates.

ONGC believes that the current day rates are high and do not justify a three-year charter, as mandated in the tender requirements, he noted.

Another sources described the cancellation of the rig tender a big disappointment for offshore drillers who were aiming to secure lucrative rig deals with ONGC.

The cancellation of the most recent four-rig tender follows another rig tender cancellation by ONGC earlier this year, involving three high pressure high temperature jack-up rigs.

In total, ONGC has cancelled the tender process for at least seven jack-up rigs in recent months, Upstream understands.

ONGC has yet to respond to an Upstream query on the cancellation of the four-rig tender.

One drilling source argued that ONGC could potentially plot a comeback in the drilling rig market, once the day rates soften. However, the number of rigs likely to be retendered by ONGC could not be confirmed by Upstream.

Two categories

ONGC earlier this year floated a tender for chartering four jack-up rigs across two key categories, each on three year terms.

The first category involved a charter of up to three cantilever-type jack-up rigs of MLT or BMC design able to operate in water depths up to 300 feet.

For the second category, ONGC required one cantilever-type jack-up of F&G design for operations in up to 300 feet of water.

Key bidders

Multiple rig contractors submitted technical and commercial offers to ONGC this year for the jack-up rig tender.

Middle East-based Shelf Drilling submitted the lowest offer in the first category, offering an operating day rate of $95,000 for jack-up Shelf Trident XII, Upstream reported.

The other price bids opened by ONGC in the first category included an offer of $96,500 from Indias Dynamic Drilling for the jack-up Victory Driller, and compatriot Greatship quoting $104,300 for its rig Greatdrill Chaaya, drilling sources said.

For the second category, ONGC requiring one cantilever-type jack-up of F&G design for operations in up to 300 feet of water, Shelf offered its jack-up JT Angel, quoting an operating day rate of $96,000, sources said.

While ONGC carried out price negotiations in both categories with interested bidders, a final agreement could not be concluded, promting the cancellation, sources said.

India imports more than 85% of its oil demand and the government is aiming to reduce its dependence on imports by at least 10% through greater domestic exploration and production efforts, which mandates a higher requirement for offshore rigs.

Increased activity offshore Indias western coast, which is home to ONGCs prized Mumbai High asset, has also led to higher demand for offshore rigs and vessels.

ONGC also has significant drilling commitments across several offshore blocks awarded as a part of Indias Open Acreage & Licensing Policy (OALP).

Headline	ONGC Appoints Arunangshu Sarkar as Director (Strategy)		
Publication	ilougemedia	Edition	Online Coverage
Published Date	17 Sep 2024		

ONGC Appoints Arunangshu Sarkar as Director (Strategy)

https://ilougemedia.com/ongc-appoints-arunangshu-sarkar-as-director-strategy/

In a recent announcement, Oil and Natural Gas Corporation (ONGC) has appointed Arunangshu Sarkar as the new Director to spearhead its Energy, Petrochemicals and Corporate strategy as part of a board revamp to infuse fresh lease of life.

Before the elevation, a petrochemical engineer from Indian School of Mines, Dhanbad, Sarkar was Group General Manager (Production) at ONGC.

Headline	Private oil companies' fuel retail share rises on stable domestic pump prices		
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Private oil companies' fuel retail share rises on stable domestic pump prices

https://economictimes.indiatimes.com/industry/energy/oil-gas/private-oil-companies-fuel-retail-share-rises-on-stable-domestic-pump-prices/articleshow/113411435.cms

Synopsis Reliance Industries and BP's joint venture has significantly increased its petrol and diesel sales in India this year, achieving a market share of 2.75% for petrol and 4.35% for diesel. Nayara also saw growth, while Shell experienced mixed results. Private players' market share in fuel retail has risen amid declining refining margins globally. Lessons from the Grandmasters

New Delhi: The joint venture of Reliance Industries and BP has sold about 50% more petrol and diesel in the retail market this year over the previous year as refining margins slump globally while stable domestic pump prices ensure attractive gains.

RIL-BP's sales of petrol and diesel rose 49% and 53% respectively in the April-August period this year over the previous year, according to industry data. This gave them a national market share of 2.75% for petrol and 4.35% for diesel.

Nayara, the Rosneft-backed refiner that operates the largest number of petrol pumps among private players, sold 14% more petrol and 12% more diesel this year, ending up with a market share of 5.7% in petrol and 5.2% in diesel. Shell, another private retailer, sold 11% less petrol this year. It, however, sold 6% more diesel. It has less than 0.5% share in both fuels.