ONGC Plans to Invest ₹1 lcr By 2030 to Boost Capacity

Capacity of MRPL and OPaL likely to be doubled to 8 million metric tonnes

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New Delhi: Oil and Natural Gas Corp (ONGC) is planning to invest ₹1 lakh crore by 2030 to expand its petrochemicals manufacturing capacity, which will include new facilities to produce chemicals directly from crude, according to people with knowledge of the matter.

ONGC's plan is part of the larger government thrust to help India emerge as a major petrochemical hub in the world. ONGC's plans are likely to be implemented by its subsidiary Mangalore Refinery and Petrochemicals Ltd (MRPL) and its joint venture ONGC Petro additions Ltd (OPaL), people cited above said. Hindustan Petroleum Corp (HPCL), ONGC's other subsidiary, has separate petrochemical plans.

By 2030, the combined petrochemicals capacity of MRPL and OPaL is targeted to more than double to 8 million metric tonnes per annum, the people cited above said. Under the expansion plan, two mega projects, one each on the east and the west coast, will be set up, they said. The facilities will either directly use crude to produce chemicals or take other feedstocks. ONGC can also use the crude it produces in the country as feedstock for its crude-to-chemical facility.

ONGC's petrochemicals plans are still in the early stages and haven't been taken to the board yet. ONGC declined comment for the story.

Before it embarks on its massive petchem expansion, ONGC will also need to resolve the skewed capital structure of OPaL, which has amassed a debt of ₹35,000 crore on a very small equity base. OPaL is a joint venture between ONGC and GAIL. A committee of eminent experts is working with an international consultancy to work out a plan to either get a new equity investor in OPaL or turn it into a subsidiary of ONGC.

In the past, the government had rejected ONGC's plan to infuse an equity of ₹10,000 crore, which could have helped OPaL become a subsidiary of ONGC.

Another recent challenge ONGC's petchem unit faces is the reduction in the supply of cheap domestic natural gas, a feedstock, as the government diverted supply to other sectors of the economy. This means higher dependence on pricey imported gas.

Petrochemical's wider applications and the expectations that its demand would survive long after the consumption of transportation fuels have tapered off have encouraged investment in this sector.

The production of major petrochemicals rose about 5% annually between 2017-18 and 2021-22 in the country. Reliance Industries, Indian Oil, GAIL, Bharat Petroleum and Hindustan Petroleum are other oil companies engaged in the petrochemicals sector. Petronet LNG, the country's largest natural gas importer, is also planning to enter the space.

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Centre launches 'Saksham 2023' for fuel conservation

NEW DELHI: State Level Coordinator, Delhi, Hindustan Petroleum Corporation Limited along with Petroleum Conservation Research Association (PCRA), Indian Oil Corporation Limited and other Oil & Gas Public Sector Undertakings (PSUs) under the aegis of the Ministry of Petroleum & Natural Gas (MoPNG) hosted the inaugural function of a dynamic campaign titled SAKSHAM, which will run from April 24 to May 8, with the theme "Urja Sanrakshan—Net Zero Ki Ore", to sensitise the masses about the conservation and judicious usage of petroleum products towards achieving the twin objectives of keeping health and environment safe along with securing energy resources for the future generations.

Multiple activities and mass campaigns will be conducted during the course of SAKSHAM 2023 (Sanrakshan Kshamta Mahotsav) in different parts of the country. The campaign was kicked off on April 24, 2023, in a function inaugurated by Minister of State, Ministry of Petroleum and Natural Gas, Shri Rameswar Teli, the Chief Guest of the event at the India Habitat Centre, New Delhi. During the inauguration ceremony, minister emphasised the importance laid by the government towards energy conservation and accelerated adoption of green and renewable energy. Pankaj Jain, Secretary of the Ministry of Petroleum and Natural Gas administered the oath to participants to conserve Oil and Gas. He also emphasised the importance and relevance of net zero . He further elucidated the importance of various kind of fuel that will aid in energy transition.

During SAKSHAM 2023, Oil and Gas Companies have planned to organise various environment-friendly activities including Cyclothon, Walkathon, Fuel Saving Concerts, Mega Driver Training Workshop, Training Programme for LPG Delivery Boys, PUC Check, Group Talk, etc. At the end of the programme, the chief guest, along with the secretary flagged off a publicity van carrying the message of energy conservation towards net zero. On this occasion, more than 200 school children and Oil and Gas company officials from PCRA, IOCL, BPCL, HPCL, GAIL, ONGC, OIL and IGL were present. MPOST