FINANCIAL EXPRESS, Delhi, 10.5.2023
Page No. 3, Size:(2.66)cms X (9.79)cms.

Gas row: Govt challenge to pro-Reliance ruling junked

THE DELHI HIGH Court has rejected a government challenge to an arbitration panel award that had ruled in favour of Reliance Industries Ltd in a dispute over gas migration from fields operated by state-owned ONGC in the KG basin.

The government had slapped a provisional penalty of $1.55 billion on Reliance for "unjust enrichment" from gas migrating from the ONGC-operated KG-D5 block to the private firm's adjoining KG-D6 area. It had sought $175 million in additional profit petroleum from Reliance and its UK partner BP Plc.

Reliance-BP challenged the penalty before an arbitration panel, which ruled that the two firms had produced gas from their contract area and there was no question of "unjust enrichment".

The government challenged the arbitration award before the Delhi High Court, which in an order on Tuesday upheld the ruling of the arbitration panel, favouring Reliance. **–PTI**

FINANCIAL EXPRE
READ T

BUSINESS LINE, Delhi, 10.5.2023
Page No. 3, Size:(2.99)cms X (9.31)cms.

HC upholds tribunal ruling favouring Reliance in gas sale case

Reuters
New Delhi

Delhi High Court has upheld the ruling of an arbitration panel favouring Reliance Industries and its foreign partners in a dispute over gas migration from fields operated by ONGC.

The Oil Ministry had approached the court after an international arbitration panel rejected its $1.55-billion fine on Reliance and its partners.

The Oil Ministry's case pertains to for selling gas that migrated from ONGC's fields in the east coast Krishna-Godavari basin to their block in the same area.

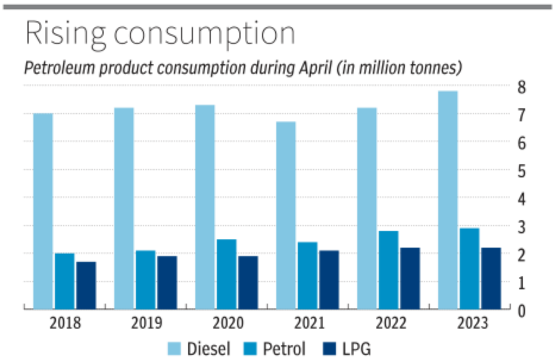
"...the view taken by the arbitral tribunal is most certainly a "possible view", which calls for no interference," the court order said.

BUSINESS LINE, Delhi, 10.5.2023
Page No. 3, Size:(15.95)cms X (12.49)cms.

Diesel usage hits record 7.8 mt in April on robust industrial, farm activities

SIGNS OF GROWING ECONOMY. Petrol consumption increases 3.6% to 2.9 mt, LPG flat at 2.2 mt

Rishi Ranjan Kala
New Delhi



Source: Petroleum Planning & Analysis Cell (PPAC)

India's diesel consumption in April hit a record 7.8 million tonnes aided by robust industrial and farm activities. Besides, heightened activity prior to the closure of the financial year also aided sales.

Diesel, which accounts for 44-45 per cent of the total refined petroleum products consumption in the world's third largest fuel guzzler, is the mainstay of the transport sector.

MIXED SHOW

According to the Petroleum Planning and Analysis Cell (PPAC), on an annual basis, diesel consumption was higher by 8 per cent from 7.2 mt in April 2022. However, on a m-o-m basis, the usage was flat.

The consumption of high-speed diesel (HSD) at 7.8 mt is the highest in the past two decades. In FY23, during November, December and March as well diesel consumption had hit 7.8 mt aided by rising industrial activity and growing personal travel.

In the case of petrol, India consumed 2.9 mt of motor spirit, which was higher by 3.6 per cent Y-o-Y, but declined m-o-m by 6.5 per cent from 3.1 mt in March 2023.

ICRA VP & Co-Group Head (Corporate Ratings) Prashant Vasisht said: "High consumption of diesel can be attributed to growth in the economy and possibly healthy industrial activity and the harvesting season for agriculture. Last year in April, offices and schools were just starting and gradually opened up over many months."

HEIGHTENED ACTIVITY

Petrol and diesel consumption typically is higher in March every year due to heightened activity prior to closure of the financial year. April is usually a lower consumption month vis-a-vis March every year (barring events like Covid lockdowns etc), he added.

An official with an oil marketing company (OMC) said the expectation is that diesel usage will largely be on the FY23 pattern, but the growth rate will undergo correction and be in the range of 5-6 per cent Y-o-Y.

LPG CONSUMPTION

"The annual growth in FY23 is around 12 per cent, which is on the back of a lower base in FY22. Now, growth will largely be incremental with a boost coming in FY24 from heightened construction activities," he added.

The consumption of liquefied natural gas (LPG) during April was flat on an annual basis at 2.2 mt but declined by 8.3 per cent m-o-m from 3.1 mt in March 2023.

"LPG consumption decline in April is due to significant fall in natural gas prices globally owing to which industrial consumers such as Morbi ceramic manufacturers have switched over to gas from propane/LPG," Vasisht said.

BUSINESS STANDARD, Delhi, 10.5.2023
Page No. 1, Size:(14.94)cms X (18.81)cms.

HC upholds tribunal verdict favouring RIL in gas sale case

THE STORY SO FAR

2013: ONGC accuses RIL of siphoning gas from its blocks, moves Delhi HC

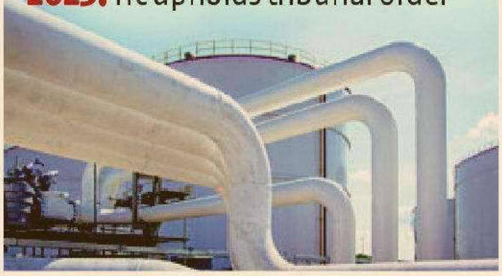
2014: HC disposes of petition, directs govt to consider petroleum consulting firm D&M's report

2015: D&M finds connectivity of reservoirs across ONGC, RIL blocks

2016: Govt slaps a provisional penalty of $1.55 bn on RIL for 'unjust enrichment'; RIL moves arbritral tribunal

2018: Tribunal rules in favour of RIL; govt moves HC

2023: HC upholds tribunal order



BHAVINI MISHRA
New Delhi, 9 May

The Delhi High Court (HC) on Tuesday dismissed the Centre's petition accusing Reliance Industries (RIL) and its partners of draining gas from their deposits and making a profit off it.

In doing so, Justice Anup Jairam Bhambhani upheld the international arbitration award of July 24, 2018, in favour of the RIL-led consortium. The consortium includes UK-based BP Plc and Niko Resources of Canada.

"This court is not persuaded to hold that the conclusions drawn by the arbitral tribunal are such that no reasonable person would reach. Suffice to say that the view taken by the arbitral tribunal is most certainly a 'possible view', which calls for no interference," the order read.

The HC observed that when an arbitral award is challenged, it may interfere only if the award is induced or affected by fraud or is in "contravention of the fundamental policy of law, or if it is in conflict with the most basic notions of morality and justice".

Turn to Page 6

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RIL...

"In the opinion of this court, firstly, the aforesaid inferences are factual conclusions arrived at by the arbitral tribunal, which cannot be second-guessed by this court in the exercise of its powers under Section 34 of the Arbitration and Conciliation Act, 1996 (grounds to challenge the arbitral award). Secondly, in the opinion of this court, the factual conclusions are perfectly rational, coherent, and logical, especially considering what was composed in the production sharing contract (PSC) was a purely commercial transaction entered into by two contracting parties," the order read. The government had contended that RIL was guilty of fraud and unjust enrichment of over $1.5 billion.

"It is contended that the migrated gas alone was valued at about $1.5 billion as on June 30, 2016," the order noted.

The dispute between the government and RIL arose when Oil and Natural Gas Corporation (ONGC) on July 22, 2013, wrote to the Directorate General of Hydrocarbons (DGH) saying that the gas pools of the Reliance block and the ONGC blocks appeared to be connected with possible migration of gas between the two blocks.

RIL, which is the contractor of KG-DWN-98/3 block in the Krishna-Godavari Basin off the coast of Andhra Pradesh, was accused of making a profit by draining and selling the gas that migrated from adjacent ONGC blocks. This led ONGC to file a writ petition before Delhi HC in which the Ministry of Petroleum and Natural Gas (MoPNG), DGH, and RIL were also made parties.

The petition was disposed of by the court by directing MoPNG to consider the report produced by the expert agency by the name of DeGolyer & MacNaughton — a petroleum consulting company based in Dallas, Texas. The agency was to undertake an independent third-party study to verify the claimed continuity and migration of gas from the ONGC blocks to the Reliance block.

More on business-standard.com

ECONOMIC TIMES, Delhi, 10.5.2023
Page No. 1, Size:(15.60)cms X (8.22)cms.

OIL BEING SOLD BY NEW RUSSIAN OPERATOR, IN WHICH ONGC HOLDS 20% STAKE

ONGC to Get Dividends Instead of Oil from Russia's Sakhalin-1 Field

Repatriating dividends difficult since start of war; on flip side, ONGC won't have to deal with price cap sanctions

Sanjeev.Choudhary
@timesgroup.com

New Delhi: Oil and Natural Gas Corp (ONGC) has stopped receiving its share of oil from Russia's Sakhalin-1 but will get dividends from the field, according to people with knowledge of the matter.

Until a little after the beginning of the Ukraine war last year, ONGC, which has a 20% participating interest in Sakhalin-1, used to get a proportionate share of oil from the field, which it could sell to anyone. But now all the oil from Sakhalin-1 is sold by a new company Russia formed last year to operate the field, which had stopped production for several months. It's now producing at near-normal levels of about 200,000 barrels per day, according to the people cited earlier.

ONGC has a 20% stake in the new Russian operator, which would give the Indian firm a proportionate share in dividends whenever they are paid out, they said.

Change in Cash Flow ▸▸ 10

Change in Cash Flow

▸▸ From Page 1

This will change ONGC's cash flows with respect to the project, a person familiar with the matter said. The ability to regularly sell Sakhalin-1 oil meant quick cash realisation. Dividends may come only once or twice a year. Since the beginning of the war, it's been hard for Indian state firms to repatriate dividends from a few other Russian oil and gas fields as Western sanctions have restricted cross-border money transfers.

Indian state firms, including ONGC, Oil India, Indian Oil and BPCL, have stakes in a few other Russian fields where they receive only dividends but in Sakhalin-1, ONGC could previously sell its share of oil. Indian state firms have been unable to repatriate $300-400 million of dividends from Russia since the beginning of the war, a petroleum ministry official said last month.

This also means that an Indian company finds it hard to send its share of capex and opex for a Russian field, according to people familiar with the matter.

The operator uses the oil revenues to provide for much of the capex and opex for the project, instead of issuing cash calls to stakeholders, the person said.

The oil from Sakhalin-1, known as the Sokol blend, has mostly traded above the Western price cap of $60 per barrel, which means increased efforts for sellers to find buyers, shippers and insurers.

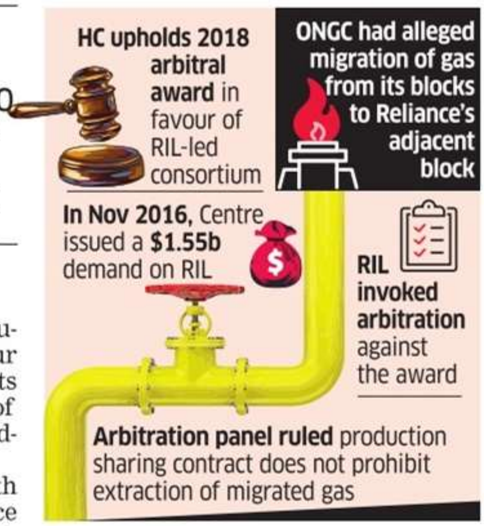
ECONOMIC TIMES, Delhi, 10.5.2023
Page No. 1, Size:(9.56)cms X (11.02)cms.

ALLEGED SALE OF MIGRATED GAS FROM ONGC BLOCKS

HC Upholds Arbitral Order Favouring RIL in Gas Case

Court sees no ground to interfere with award, says co complied with all aspects of production sharing contract

Indu.Bhan@timesgroup.com



New Delhi: The Delhi High Court on Tuesday upheld an arbitral ruling in favour of Reliance Industries Ltd (RIL) and its partners in a case alleging migration of gas to company-operated block from adjacent ones of state-run ONGC.

There was no ground to interfere with the majority arbitral award, justice Anup Jairam Bhambhani said, upholding the decision in favour of RIL and its partners UK-based BP Plc and Niko Resources of Canada.

The government in November 2016 had raised a demand of \$1.55 billion along with interest as well as \$175 million toward revised additional cumulative petroleum profit for disgorgement of unjust enrichment claimed to have been made by RIL, the contractor of KG-DWN-98/3 block in the Krishna-Godavari basin in the Bay of Bengal. It alleged "fraud" and "unjust enrichment" by draining and selling the gas that migrated from the ONGC blocks — Godavari PML and KG-DWN-98/2 — that adjoined RIL's block.

'Tribunal's Conclusions Rational' ▸▸ 10

ECONOMIC TIMES, Delhi, 10.5.2023
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Tribunal's Conclusions Rational: High Court

▸▸ From Page 1

A three-member tribunal headed by Singapore-based arbitrator Lawrence Boo had rejected the government's claim in a 2-1 award in July 2018. The tribunal ruled that the production sharing contract (PSC) didn't prohibit the contractor from producing and selling gas that migrated into the contract area from a source outside it.

The government appealed against the arbitral award in the Delhi High Court in 2018. The "award strikes at the heart of the public policy and has given a premium to a contractor (RIL) that has amassed vast wealth by committing an insidious fraud as well as criminal offence," the government had said in its appeal. "The unjust enrichment amassed by the contractor had already reached more than $1.729 billion today (at the time of filing petition) and is increasing as the production of migrated gas is still continuing."

The high court ruled that the tribunal's conclusions "are perfectly rational, coherent and logical, especially considering what was comprised in the PSC was a purely commercial transaction entered into by two contracting parties".

It further said that RIL had complied with all other aspects of the PSC. Most importantly, it divided all profits derived from the production of all-natural gas, including migrated gas, in the manner provided in the contract. It held that the consortium was not liable to pay anything to the government and had also directed the latter to pay $8.3 million as the cost of arbitration to the consortium.

CASE FILE

In 2014, state-run ONGC had filed a writ petition in the Delhi High Court, complaining that the Reliance block and ONGC blocks appeared to be connected, with possible migration of gas between them. The court dismissed the petition, directing US-based consulting agency DeGolyer and MacNaughton (D&M) to examine the issue.

D&M said the development of the RIL block will be "capable of depleting the OGIP (original gas in-place) on the KGOS-IG block" as it concluded that "the integrated analyses indicated connectivity and continuity of the reservoirs across the blocks operated by ONGC and RIL".

In November 2016, the government raised the demand cited above, prompting RIL to invoke international arbitration.

HINDU, Delhi, 10.5.2023
Page No. 16, Size:(5.38)cms X (8.29)cms.

INBRIEF

HC upholds tribunal ruling favouring RIL in gas sale case

The Delhi High Court has upheld the ruling of an arbitration panel favouring RIL and its foreign partners in a dispute over gas migration from fields operated by state-owned ONGC, a court order shows. The oil ministry had approached the Delhi HC after an international arbitration panel rejected its $1.55 billion fine on Reliance and its partners for selling gas that migrated from ONGC's fields in the east coast Krishna-Godavari basin to their block in the same area. REUTERS

HINDUSTAN TIMES, Delhi, 10.5.2023
Page No. 17, Size:(3.49)cms X (15.20)cms.

DELHI HC QUASHES CENTRE'S PLEA AGAINST RELIANCE

Priyanka Gawande
priyanka.sharma@livemint.com

MUMBAI: The Delhi high court on Tuesday dismissed a petition filed by the Union government against a consortium led by Reliance Industries Ltd regarding a gas dispute in the Krishna Godavari basin.

The ministry approached the court after an international arbitration panel rejected its fine of $1.55 billion on Reliance Industries and partners BP Plc and Niko Resources for allegedly selling gas that migrated from Oil and Natural Gas Corp Ltd's (ONGC) KG blocks to their block.

The court found no ground to interfere with the majority arbitration award. "The inferences are factual conclusions arrived at by the arbitral tribunal, which cannot be second-guessed by this court in the exercise of its powers under Section 34 of the Arbitration & Conciliation Act," the court observed. A bench led by Justice Anup Jairam Bhambhani, said, "This court is accordingly not persuaded to hold that the conclusions drawn by the arbitral tribunal are such that no reasonable person would reach. Suffice it to say that the view taken by the arbitral tribunal is most certainly a possible view, which calls for no interference."

In 2013, ONGC wrote to the director-general of hydrocarbons, alleging there was evidence of "lateral continuity" of gas pools between the Reliance block and the adjacent blocks allocated to ONGC.

TRIBUNE, Delhi, 10.5.2023
Page No. 8, Size:(19.78)cms X (10.44)cms.

Govt mulls making biofuel from pine needles

To prevent forest fires

SHIMLA, MAY 9

The state government is exploring the possibility of producing compressed bio gas (CBG) from pine needles, which in turn will help prevent forest fires.

CM Sukhvinder Sukhu today said, "The Oil India Limited has assured all support in developing renewable energy, promoting research and development and creating a sustainable and resilient energy system. The MoU signed between the two entities is a significant step towards making HP the first green energy state by March 2026."

The state government had recently signed an MoU with OIL to start a pilot project for the conversion of pine needles into biofuel. With pine needles being highly inflammable, their removal for conversion into the CBG will help reduce forest fires, which cause huge damage to flora and fauna every summer.

Sukhu said, "The CBG has the potential to replace CNG in automotive, industrial and commercial sectors. The abundance of pine needles makes it a promising source of energy for the state." — TNS

ECONOMIC TIMES, Delhi, 10.5.2023
Page No. 10, Size:(7.96)cms X (14.02)cms.

OILMIN ON ENERGY TRANSITION PANEL REPORT

'No Decision on Banning Diesel Vehicles in Cities'

Our Bureau

New Delhi: The government hasn't taken a decision on accepting the Energy Transition Advisory Committee (ETAC) report's recommendation that called for a ban on diesel-powered vehicles in big cities by 2027, the petroleum ministry said on Tuesday.

"Report of the Energy Transition Advisory Committee #ETAC has been received by the ministry of petroleum and natural gas (MOPNG). The government of India is yet to accept ETAC Report," the ministry said on Twitter.

"The suggestions of ETAC relate to multiple ministries & a range of stakeholders including States. Consultations with various stakeholders on the #report are yet to be initiated," it said. "ETAC has made wide-ranging and forward-looking recommendations for shift to Low Carbon Energy. ETAC has a futuristic outlook."

The petroleum ministry's advisory committee has recommended a big shift to electrification in mobility and policy initiatives to reduce the use of fossil fuels.

"Diesel-driven four-wheelers may be eliminated as soon as possible. Therefore, a ban on diesel-powered four-wheelers in all million-plus cities and all towns with high pollution has to be enforced in five years, i.e. by 2027," the committee said in its report, adding that no diesel-powered city buses should be added in urban areas.

Only electric city delivery vehicles should be registered from 2024 so that in the next 10 years, 75% of the city delivery vehicles can be electric in all the million-plus cities, the committee said.

The panel also recommended the share of railways rise to 50% in national freight in 15 years from 23% now.

Panel's Stance

A big shift to electrification in mobility to reduce the use of fossil fuels

Ban on diesel-powered four-wheelers in all million-plus cities & towns

Only electric city delivery vehicles should be registered from 2024

Share of railways should rise to 50% in national freight in 15 yrs

Ministry's advisory panel has recommended a big shift to electrification in mobility and policy initiatives to reduce use of fossil fuels

INDIAN EXPRESS, Delhi, 10.5.2023
Page No. 17, Size:(2.67)cms X (5.90)cms.

HC upholds NCLT ruling on Reliance

New Delhi:Delhi High Court (HC) has upheld the ruling of an arbitration panel favouring Reliance Industries and its foreign partners in a dispute over gas migration from fields operated by state-owned Oil and Natural Gas Corp Ltd ,a court order shows.

The oil ministry had approached the Delhi HC after an international arbitration panel rejected its $1.55 billion fine on Reliance and its partners for selling gas that migrated from ONGC's fields in the east coast Krishna-Godavari basin to their block in the same area.**REUTERS**

The Indian E
JOURNALISM OF COURAGE

INDIAN EXPRESS, Delhi, 10.5.2023
Page No. 15, Size:(14.46)cms X (17.17)cms.

EXPLAINED ENVIRONMENT

If diesel cars are banned

A govt panel has recommended that all diesel four-wheelers should go off roads by 2027 in many cities. The proposal, if accepted, will dramatically hasten the move towards cleaner fuels, but cause major disruption

ANIL SASI
NEW DELHI, MAY 9

A PANEL formed by the Ministry of Petroleum and Natural Gas has recommended a ban on the use of diesel-powered four-wheel vehicles by 2027 in cities with a population of more than 1 million, and instead transition to electric and gas-fuelled vehicles.

The Energy Transition Advisory Committee, headed by former petroleum secretary Tarun Kapoor, has also recommended that city transport should be a mix of Metro trains and electric buses by 2030. "Diesel-driven 4-wheelers may be eliminated as soon as possible. Therefore, a ban on diesel-powered four-wheelers in all Million Plus cities and all towns with high pollution has to be enforced in five years, i.e. by 2027," the report says. Also, "commercial vehicles may transition to LNG in the short term", and "no diesel city buses addition be allowed in urban areas, to drive towards transition towards clean fuel urban public transport in about 10 years".

Maruti Suzuki's factory in Manesar, Haryana. The country's largest carmaker stopped making diesel vehicles from April 1, 2020. *Amit Mehra/Express Archive*

What is the background of the proposal?

The panel's recommendations come in the wake of the government's stated aim to reduce greenhouse gas emissions, and to produce 40% of its electricity from renewables as part of its 2070 net zero goal. Diesel currently accounts for about 40% of India's petroleum products consumption, according to estimates by the Petroleum Planning & Analysis Cell.

The proposed ban will have a significant footprint — a large number of cities in India have more than 1 million people, and include not just the metropolitan centres, but also smaller towns and cities such as Kota, Raipur, Dhanbad, Vijayawada, Jodhpur, and Amritsar.

Who makes diesel cars in India?

Maruti Suzuki, the country's largest passenger vehicle manufacturer, stopped making diesel vehicles from April 1, 2020, and has signalled that it does not have plans to re-enter this segment. The diesel engine is, however, part of models sold by Hyundai and Kia, and Toyota Motor's Innova Crysta range. Tata Motors, Mahindra, and Honda have discontinued production of 1.2-litre diesel engines; diesel variants are available only for 1.5-litre or higher engine capacity.

Since 2020, most carmakers have taken significant steps towards deleveraging their diesel portfolios. As a result, the contribution of passenger vehicles to overall diesel vehicle demand has fallen to just 16.5%, compared to 28.5% in 2013.

So what is the issue with the proposal?

It is not yet clear how the proposal for a ban, if accepted, will unfold and how practical it would be to implement. This is especially true in the case of medium and heavy commercial vehicles that are used for the transport of goods on highways, and for buses plying in most Indian cities, where diesel is the mainstay. Even if the ban on diesel for commercial vehicles were to have a longer transition time, significant disruption could still happen.

Around 87% of diesel fuel sales are in the transport segment, with trucks and buses accounting for about 68%. Uttar Pradesh, Maharashtra, and Haryana make up almost 40% of the diesel sold in India. While it seems easier to convert diesel trucks to compressed natural gas (CNG), there are limitations, including CNG being used for shorter distances, and its lower tonnage carrying capacity.

Also, many auto industry players argue that carmakers having a presence in the diesel segment are already in compliance with current emission norms, and have invested heavily to transition their diesel fleet from BS-IV to BS-VI emission norms.

Why do people prefer diesel vehicles?

The higher fuel economy of diesel engines over petrol powertrains is a factor. This stems from the greater energy content per litre of diesel, and the inherent efficiency of the diesel engine.

Diesel engines do not use high-voltage spark ignition (spark plugs), and thus use less fuel per kilometre, as they have higher compression ratios, making it the fuel of choice for heavy vehicles. Also, diesel engines offer more torque (rotational or turning force), and are less likely to stall as they are controlled by a mechanical or electronic governor, thereby proving to be better for haulage.

Why are carmakers ditching diesel?

The higher compression ratio of diesel engines means there are increased emissions of oxides of nitrogen (NOx), which is one of the main drawbacks of diesel engines versus petrol. The biggest blow for diesel, though, has been an external trigger — the Volkswagen emissions scandal, which led to an increase in the negative perception against diesel across markets, including India.

Also, the reason why Maruti Suzuki and other carmakers announced an exit from the diesel segment was the rollout of the new BS-VI emission norms from April 1, 2020, and the prohibitively high cost of upgrading diesel engines to meet the new standard. The government's decision to leapfrog directly from BS-IV to BS-VI is the reason carmakers such as Maruti Suzuki cite for the unviability of retaining diesel in their portfolio.

Didn't petrol engines too need upgrades as a result of the shift to BS-VI?

While petrol vehicles needed upgrades for this transition, these were limited to catalysts and electronic control upgrades. But for diesel vehicles, the upgrades were more complicated and entailed higher costs.

Carmakers had to put three pieces of equipment — a diesel particulate filter, a selective catalytic reduction system, and an LNT (Lean NOx trap) — to meet the BS-VI norms, all at the same time. This was vital to curb both PM (particulate matter) and NOx emissions as mandated under the BS-VI norms.

For most carmakers, the economics of the conversion simply did not make it worthwhile to continue with the diesel option after the transition to BS-VI.

What about diesel vehicles buyers?

There is the issue of the price of diesel, and consequently, of running the car. The Indian carbuyer's romance with diesel powertrains lasted nearly a decade, with diesel cars accounting for 48% of passenger vehicle sales in the country in 2013. The main reason was the sharply lower price of diesel as compared to petrol — a yawning Rs 25 per litre at its peak.

But this changed when the decontrol of fuel prices started in late 2014. The price difference has since come down to around Rs 7 per litre — the closest the two fuels have been in price since 1991. Consequently, diesel cars accounted for less than 20% of overall passenger vehicle sales in 2021-22, less than half the share they had five years ago.

So what is the upshot of this proposal?

A move towards a phasing out of diesel — and ultimately petrol as well — vehicles is in keeping with action by most federal governments across the world.

In the case of India, however, automotive experts foresee difficulties in implementing a total ban on diesel because, (a) carmakers — and oil companies — have invested heavily in transitioning to BS-VI and all that investment could go down the drain if a complete ban were to be implemented and; (b) in the commercial vehicles segment, where diesel penetration is very high and alternative fuels options such as electric vehicles, CNG, liquified natural gas (LNG), and hydrogen are still only being explored, and a total ban would cause serious disruption.

The Energy Transition Advisory Committee report has said that "LNG has the potential to replace both diesel and CNG in heavy-duty vehicles and thereby reduce GHG emissions. Its push in both medium and heavy-duty vehicles, despite cost constraints and higher payback periods, can be a gamechanger for the Indian logistics market", alongside a recommendation for an EV push and leveraging hydrogen as a motive fuel.

Automakers have maintained that the government's approach should be technology-agnostic, and interventions should be restricted to prescribing operational standards, including emission norms. If a particular technology or fuel type is not able to meet the standards, then it should be phased out, rather than proposing a complete ban on a technology platform, an executive with a car company said.

Oil marketing companies claim that emission standards under BS-VI have necessitated oil refineries to substantially reduce the level of sulphur in diesel, and that the Bureau of Indian Standards (BIS) has brought out the specification for "diesel with 7 per cent biodiesel", which further lowers the emission footprint of diesel.

The Indian EXPRESS Wed, 10 May 2023
https://epaper.indianexpress.com/c/72383544

Saudi Aramco's Q1 profit down 19%

YOUSEF SABA
May 9

SAUDI OIL GIANT Aramco's first quarter net profit dropped 19% from a year earlier to 119.54 billion riyals ($31.88 billion), it said on Tuesday, due to lower crude prices.

Profit still beat analysts' median forecast of $30.8 billion, according to Refinitiv data, and Aramco said the decline was partially offset by lower taxes including in the zakat Islamic tax and a rise in finance and other income. Net profit was 3.75% higher than in the fourth quarter.

Yousef Husseini, head of materials at EFG Hermes Research, said there was no material surprise in Aramco's results, "with the company performing in line with its ability at prevailing oil prices and taking into account production cuts."

"But, the real positive surprise, which we think will be well received by the market, is that Aramco finally decided to up its dividend policy and include a clear link to its performance."

Aramco's shares closed the day up 3.2% at 33.6 riyals a share after rising as much as 7.2% earlier in the session.

Aramco said it will pay $19.5 billion in dividends for the first quarter, in line with the previous quarter. CEO Amin Nasser said in a statement that Aramco was looking at introducing performance-linked dividends, in addition to its base distribution. The additional payouts would target 50%-70% of annual free cash flow, net of the base dividend and other amounts including external investments, the company said.

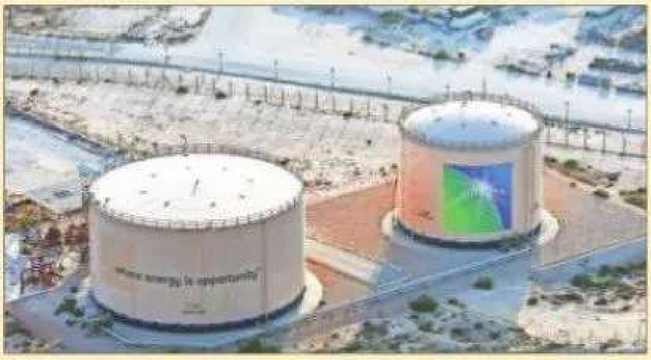
The world's top oil exporter made a record profit of over $161 billion for 2022 on higher energy prices and production.

Last month, Saudi Arabia and other OPEC+ producers announced surprise oil production cuts from May, initially driving up prices, but global economic uncertainty and an unclear demand outlook continue to weigh on prices.

Crude petroleum and natural gas contributed 32.7% of Saudi Arabia's gross domestic product last year, with petroleum refining making up another 6%.

The kingdom's oil revenue slipped 3% in the first quarter to 178.6 billion riyals while non-oil revenue was up 9%.

The production cuts and lower oil prices are expected to weigh on Saudi growth, with the IMF projecting GDP growth to more than halve this year. **—REUTERS**



KEY TAKEAWAYS

- Aramco's shares closed the day up 3.2% at 33.6 riyals a share after rising as much as 7.2% earlier in the session
- The world's top oil exporter made a record profit of over $161 billion for 2022 on higher energy prices and production
- Crude petroleum and natural gas contributed 32.7% of Saudi Arabia's GDP last year, with petroleum refining making up another 6%

Delhi HC throws out govt's plea against RIL in gas migration dispute

RAKESH KUMAR @ New Delhi

IN a setback to the Centre, the Delhi High Court on Tuesday dismissed a government petition accusing the Mukesh Ambani-led Reliance Industries Ltd (RIL) and its partners of siphoning off gas from ONGC's deposits and enjoying 'unjust enrichment of over $1.729 billion'.

The government had approached the HC to challenge a 2018 arbitration panel ruling that rejected the oil ministry's $1.5-billion fine on Reliance and its partners for selling gas that migrated from ONGC's fields in the KG basin to their block in the same area. The international arbitration tribunal had also awarded $8.3 million in compensation to the RIL-led consortium.

Upholding the arbitration ruling, which said Reliance had produced gas from its contract area and that there was no question of 'unjust enrichment', Justice Anup Jairam Bhambhani said the high court cannot undertake a merit review of the decision taken by a tribunal.

"Suffice it to say that the view taken by the arbitral tribunal is most certainly a 'possible view', which calls for no interference," the HC said.

The dispute started in 2013, when ONGC shot off a letter to the Directorate General of Hydrocarbons, complaining of the gas pools of the Reliance Block and the ONGC blocks.

Under court directions, RIL and ONGC appointed US-based consultant DeGolyer and Mac-Naughton (D&M) to study if the gas fields in their blocks are interconnected. D&M in its final report submitted in December 2015 said 11.122 billion cubic metres of ONGC gas migrated to D1 & D3 fields located in RIL's KG-D6 Block. In 2016, the petroleum ministry slapped a demand of $1.47 billion on RIL-BP-Niko consortium.

Reliance Industries owns the KG-D6 Block, where it has 60% stake. BP and Niko Resources hold 30% and 10% stakes, respectively.

The government argued that Reliance Industries-led consortium did not disclose any of the D&M reports to the oil ministry and instead went ahead and extracted gas, including those that migrated from ONGC's deposits to the private conglomerate's contract area. It was also contended that the gas migrated from ONGC pool was valued at $1.5 billion (as of 2016).

Tribunal got it right

Delhi HC said "the factual conclusions arrived at by the arbitral tribunal can't be second-guessed by this court". It termed the tribunal's conclusions "perfectly rational, coherent and logical"

FREE PRESS JOURNAL, Mumbai, 10.5.2023
Page No. 8, Size:(8.81)cms X (4.07)cms.

LIC's shareholding in HPCL crosses 5%

Life Insurance Corporation (LIC) on Tuesday said its shareholding in state-owned Hindustan Petroleum Corporation has crossed 5 per cent. The shares were acquired in the ordinary course of transaction through open market purchases, LIC said in a regulatory filing to stock exchanges. The holding in the company crossed 5 per cent on May 8, 2023.

FREE PRESS JOURNAL, Mumbai, 10.5.2023
Page No. 7, Size:(9.14)cms X (3.96)cms.

Petroleum Ministry denies CREA report

The Ministry of Petroleum and Natural Gas on Wednesday rejected the report of CREA (Center for Research on Energy and Clean Air) regarding India's purchase of crude oil from Russia at a cheaper price. It has been alleged through this report that India is among the five countries that imported crude oil from Russia, refined it and exported it to the European Union and some G-7 countries.

Saudi Aramco reports $31.88 bn profit in 1st qtr

Oil giant Saudi Aramco reported a first-quarter profit on Tuesday of $31.88 billion, down from $39.47 billion the same quarter last year. The firm known formally as the Saudi Arabian Oil Co. blamed the drop on lower global oil prices. Aramco made a $30.73 billion profit in the fourth quarter of last year.

FREE PRESS JOURNAL, Mumbai, 10.5.2023
Page No. 6, Size:(6.06)cms X (8.68)cms.

3 held for illegal gas extraction

STAFF REPORTER / Pune

The Crime Branch of Pimpri Chinchwad police recently conducted a raid in response to reports of unauthorized gas extraction from cylinders in Wakad and Thergaon.

The suspects have been identified as Vishnu Jyotiram Sutar (24) and Atul Srihari Panchal (25) of Thergaon and Jairam Sarjerao Chaudhary (22) of Nere Dattawadi in Mulshi taluka. During the operation, police seized gas cylinders and other materials worth Rs 78,700 from Sutar and Panchal, while Chaudhary had Rs 71,525 worth of gas cylinders and materials.

The police had received a tip-off on unauthorized gas extraction from cylinders in Wakad and Thergaon, leading to the raid and subsequent arrests. The authorities confiscated a total of 72 cylinders worth nearly one and a half lakh rupees, including 43 cylinders for domestic use, three commercial cylinders, and 26 small four-kilo cylinders.

An investigation has been initiated by cops into the matter. Illicitly transferring gas from one cylinder to another and illegal gas extraction can pose a serious threat to human habitation as it can cause gas leaks, leading to explosions or fires. The unauthorized gas extraction from cylinders not only causes loss to gas companies but also poses a threat to public safety.

FREE PRESS JOURNAL, Mumbai, 10.5.2023
Page No. 6, Size:(6.09)cms X (6.80)cms.

Petrol dealers face CNG shortage

STAFF REPORTER / Pune

In Pune, the Petrol Dealers Association has expressed their worry regarding the shortage of Compressed Natural Gas (CNG) supply from Torrent Gas to pumps in the district. This issue has been persisting for the past month without any resolution, according to Dhruv Ruparel, the association's president. As a result, customers have been inconvenienced and have had to leave without filling CNG due to dry pumps for 8-14 hours daily, impacting all offline pumps in the district.

Ruparel has reported that Torrent Gas executives have been informed of the issue but have taken no action. Dealers had no choice but to raise their concerns with the district supply officer and officials from the Oil Marketing Companies (OMC). The association has urged the administration to take action against Torrent Gas for the shortage of CNG in rural Pune.

The shortage of CNG not only affects customers but also causes dealers to suffer business losses. The association has emphasized that Torrent Gas must take responsibility for the issue and restore CNG supply to the pumps as

ASIAN AGE, Delhi, 10.5.2023
Page No. 7, Size:(7.34)cms X (5.68)cms.

EU, US subsidies to hit Indian hydrogen market

SANGEETHA G
CHENNAI, MAY 9

India has the potential to emerge as the most competitive source for green hydrogen and green hydrogen embedded products. However subsidies by Europe and the US could impact India's competitiveness.

The global hydrogen demand is expected to increase from 116 MT per annum in 2019 to 500 -800 MT per annum in 2050, out of which 85 per cent will be contributed by green hydrogen. Cost competitiveness for green hydrogen remains contingent upon several factors, including reduction in capital cost for the electrolyser, cost of renewable energy procurement, efficiency of electrolysers and viability of storage and availability of banking for round-the-clock supply from renewable energy sources.

- DUE TO one of the lowest costs of renewable power generation, India can emerge as one of the most competitive sources for green hydrogen

Due to one of the lowest costs of renewable power generation in the world, India can emerge as one of the most competitive sources for green hydrogen and green hydrogen-embedded products such as green steel and green ammonia globally.

The European Hydrogen Bank (EHB) and the Inflation Reduction Act of the US provide subsidies and could adversely impact the competitiveness of Indian GH2 industry, finds ICRA.

In order to cover and lower the cost gap with fossil fuels, EHB plans an auction system for renewable hydrogen production to support producers through a fixed price payment per kg of hydrogen produced for a maximum of 10 years of operation.

FREE PRESS JOURNAL, Mumbai, 10.5.2023
Page No. 8, Size:(6.72)cms X (8.36)cms.

Delhi HC upholds arbitration award on KG-D6 gas block in favour of Reliance

INFORMIST / New Delhi

The Delhi High Court on Tuesday upheld an arbitration award, pertaining to KG-D6 gas block, in favour of Reliance Industries Ltd, in a dispute between the Ministry of Petroleum and Natural Gas and the company. The dispute arose from a production sharing contract concerning exploration of natural gas in the Krishna-Godavari basin, wherein Oil and Natural Gas Corp Ltd and the Mukesh Ambani-promoted company had adjacent gas fields. It was RIL's contention that some gas from ONGC's block "migrated" to the former's block.

The ministry was challenging the finding of the arbitration tribunal, which held that RIL is "fully entitled to produce all hydrocarbons resulting from petroleum operations conducted within its contract area which may include hydrocarbons that could have migrated from an adjacent block." "This court is accordingly not persuaded to hold that the conclusions drawn by the arbitral tribunal are such that no reasonable person would reach. Suffice it to say that the view taken by the arbitral tribunal is most certainly a possible view, which calls for no interference," said Justice Anup Jairam Bhambhani.

"...this court finds no ground to interfere with the majority arbitral award; which is accordingly upheld," added Justice Bhambhani. In 2000, the Ministry of Petroleum and Natural Gas and RIL and Niko (NECO) Ltd signed a production sharing contract. Subsequently, RIL transferred a portion of its participating interest to British Petroleum Exploration (Alpha) Ltd.

ASIAN AGE, Delhi, 10.5.2023
Page No. 5, Size:(7.06)cms X (6.95)cms.

Make India EV-ready quickly

The buzz around is unmistakable — electric vehicles (EVs) are coming and taking over. In the next two years, there are over 40 new models of automobiles set to be launched that will be powered by electricity. A few others are moving to hybrid mode. The two-wheeler segment is afire with excitement and several logistics and delivery companies are placing en masse orders, building their fleets in green mode. Some reports say a total of over one crore vehicles powered by electricity are expected to be sold by the end of the decade.

At the same time, a Central government oil ministry panel has a unique proposal for cities with over a million populations — impose a ban on all diesel-powered four-wheelers in four years, by 2027, and allow sale and registration of only EVs in the urban centres. The panel wants to enforce a regulatory and policy drive to catalyse faster adoption of EVs by commercial entities in logistics, supply, courier and cargo.

"By 2030, all city buses should be electric. Diesel buses for city transport should not be added from next year," the panel recommended.

Almost on divine cue, the country reported that after lithium reserves were first found in Kashmir earlier this year, new and higher reserves were found in Rajasthan's Degana subdivision. As the world moves to electricity-powered devices across the spectrum of industry and life, the newly discovered reserves can, as per reported estimates, power a large chunk of the country's needs.

But even as rising fuel prices and environment awareness drives up the demand for electric vehicles, at least in the direct passenger category, India must focus on readiness beyond manufacturing of vehicles to ensure that the "charging ecosystem" is ready. India needs a public charging station network that can act as the equivalent of our CNG and petrol pump chains in order to mobilise growth in EV usage.

The fusion of EV technology and innovation, policy and fiscal incentives, private investments and a larger infrastructural overhaul will decide to what level India would achieve its goals of reducing carbon emissions, decreasing petroleum imports and usage and also correspondingly augmenting its green energy producing capability.

Let India become EV-ready.

TIMES OF INDIA, Delhi, 10.5.2023
Page No. 21, Size:(11.06)cms X (19.46)cms.

HC rejects govt's petition against RIL

Dismisses Demand Of $1.7Bn Over Unfair Gains, Upholds Ruling Of Arbitration Panel

Times News Network

New Delhi: The Delhi high court on Tuesday dismissed the government's petition against an international arbitration ruling, rejecting demand for about $1.7 billion from a Reliance Industries-led consortium for making 'unfair' gains by pumping gas that migrated from state-run ONGC's blocks adjacent to its KG-D6 field in the Bay of Bengal.

"This court is not persuaded to hold that the conclusions drawn by the arbitral tribunal are such that no reasonable person would reach. Suffice it to say that the view taken by the arbitral tribunal is most certainly a 'possible view', which calls for no interference... this court finds no ground to interfere with the majority arbitral award, which is accordingly upheld," Justice Anup Jairam Bhambani said in his judgment.

The oil ministry had approached the Delhi HC after an international arbitration panel struck down its demand for $1.6 billion in cost, including interest, and $175 million as additional cumulative profit petroleum payable till March 31, 2016 towards "disgorgement of unjust enrichment" made by RIL.

The case began in 2013 when ONGC stirred the hornet's nest by claiming its IG and KG-DWN-98/2 blocks adjacent to RIL's KG-D6 field shared a common gas pool. ONGC further said RIL, which had already put KG-D6 into operation, was extracting gas that migrated from its blocks that were under development and moved the court.

Once US consultant DeGolyer & MacNaughton, appointed under court order for an independent study, upheld the continuity of gas pool, the ministry appointed a one-man committee of retired Delhi HC Chief Justice A P Shah to suggest course of action. The committee said RIL had made "unfair" enrichment and liable to pay. The ministry slapped cost on RIL, which challenged it through international arbitration.

The arbitration panel rejected the government's charges and asked the Centre to pay legal costs to RIL. The government challenged this in the court.

On Monday, the court upheld the arbitration tribunal's rejection of the government's allegation of unfair enrichment by RIL consortium. "First, the aforesaid inferences are factual conclusions arrived at by the arbitral tribunal, which cannot be second-guessed by this court... Second, the factual conclusions are perfectly rational, coherent and logical, especially considering what was comprised in the PSC was a purely commercial transaction entered into by two contracting parties," the court said.

WHAT'S THE DISPUTE ABOUT

2013
- ONGC raises alarm over losing gas to RIL's KG-D6 block neighbouring its blocks in Bay of Bengal

2014
- ONGC chief D K Sarraf informs board, independent directors seek legal action
- ONGC moves Delhi high court against RIL, making oil ministry and upstream regulator as respondents
- Court asks for independent study of ONGC's claim
- US consultant DeGolyer & MacNaughton (D&M) appointed to examine whether gas pools of blocks interconnected

2015
- Final report of D&M says 11 billion cubic meters of gas migrated from ONGC's blocks to RIL's field
- Oil ministry appoints former Delhi HC chief justice A P Shah as one-man panel to recommend course of action on the report

2016
- Reliance withdraws half-way through the Shah committee proceedings
- Shah panel submits report, RIL liable to pay ONGC as it unfairly retained gains from migrated gas and not disclosing the fact
- Oil ministry demands $1.55 billion as cost of gas and $175 million towards revised profit petroleum from RIL
- RIL initiates arbitration proceedings in London

2018
- Arbitration tribunal rules in favour of RIL, rejects government claims based on unfair enrichment
- Oil ministry challenges the arbitration award in Delhi HC

NAVBHARAT TIMES, Delhi, 10.5.2023
Page No. 9, Size:(35.33)cms X (41.45)cms.

ट्रिब्यूनल के फैसले के खिलाफ केंद्र की अपील खारिज

RIL पर 'गैस चोरी' के आरोप हाई कोर्ट में भी नहीं टिक पाए

■ विशेष संवाददाता, नई दिल्ली

दिल्ली हाई कोर्ट ने मंगलवार को मुकेश अंबानी के स्वामित्व वाली रिलायंस इंडस्ट्रीज के पक्ष में फैसला सुनाते हुए उस पर गैस चोरी के आरोपों को नकारने वाले मध्यस्थता प्राधिकरण के फैसले को बरकरार रखा। प्राधिकरण के फैसले के खिलाफ केंद्र सरकार ने याचिका दी थी, जिसे हाई कोर्ट ने मंगलवार को खारिज कर दिया। हाई कोर्ट ने माना कि मौजूदा विवाद को लेकर ट्रिब्यूनल का फैसला तथ्यों पर आधारित सबसे सटीक संभावित फैसला है, जिसमें दखल देने की उसे कोई जरूरत नहीं।

असल में प्राधिकरण (आर्बिट्रेशन ट्रिब्यूनल) ने फैसले में कहा था कि रिलायंस को कॉन्ट्रैक्ट वाले इलाके के अंतर्गत पेट्रोलियम ऑपरेशन चलाते हुए सभी हाइड्रोकार्बन उत्पन्न करने का अधिकार था, जिसमें बगल के ब्लॉक से माइग्रेट होकर आई हाइड्रोकार्बन भी शामिल हो सकता है।

जस्टिस अनूप जयराम भंभानी ने ट्रिब्यूनल के उक्त फैसले के खिलाफ मिनिस्ट्री ऑफ पेट्रोलियम ऐंड नेचुरल गैस की अपील को ठुकरा दिया। कोर्ट ने कहा कि मध्यस्थता प्राधिकरण का फैसला ही इसमें एक तथ्यात्मक नतीजा है, जिसके अलावा किसी दूसरे अनुमानित नतीजे के बारे में यह कोर्ट नहीं सोच सकता। कोर्ट ने कहा कि यह पूरी तरह से तर्कसंगत, सुसंगत और तार्किक फैसला है। खासतौर पर कॉन्ट्रैक्ट में शामिल दो पक्षों के बीच PAC में शामिल एक विशुद्ध रूप से कमर्शल लेनदेन पर विचार करते हुए। सार में अपनी राय रखते हुए हाई कोर्ट ने कहा कि यह कहना काफी है कि आर्बिट्रल ट्रिब्यूनल ने जो नजरिया अपनाया, वही निश्चित रूप से एक संभावित रुख है, जिसमें दखल की कोई जरूरत नहीं है। बता दें कि 24 जुलाई 2018 में घोषित मध्यस्थता प्राधिकरण का फैसला 2:1 के बहुमत से सुनाया गया था। इसमें दो सदस्यों ने रिलायंस के पक्ष में तो एक ने केंद्र के पक्ष में विवाद को निपटाया।

यह था विवाद

मिनिस्ट्री ऑफ पेट्रोलियम ऐंड नेचुरल गैस ने रिलायंस इंडस्ट्रीज, निको और ब्रिटिश पेट्रोलियम एक्सप्लोरेशन (एल्फा) को प्रोडक्शन शेयरिंग कॉन्ट्रैक्ट (PSR) के तहत आंध्र प्रदेश में कृष्णा-गोदावरी बेसिन के पास एक ब्लॉक से नेचुरल गैस का पता कर उसे जमा करने का ठेका दिया। इसमें रिलायंस ऑपरेटर था। विवाद तब उठा जब ऑयल एंड नेचुरल गैस कॉर्पोरेशन लिमिटेड(ONGC) ने 22 जुलाई 2013 को डायरेक्टर जनरल ऑफ हाइड्रोकार्बन्स को एक लेटर लिख आरोप लगाया कि रिलायंस ब्लॉक और ओएनजीसी ब्लॉक्स आपस में एक दूसरे से जुड़े नजर आ रहे हैं, जिससे दोनों ब्लॉकों के बीच गैस के एक जगह से दूसरी जगह पर जाने की संभावना है। केंद्र ने रिलायंस पर धोखाधड़ी का आरोप लगाते हुए दलील दी कि कंपनी ने अपने ब्लॉक से सटे ONGC के ब्लॉक की गैस बेची, जिसका उसे हक नहीं था। केंद्र ने RIL पर 1. 729 बिलियन डॉलर से अधिक की गैस चोरी का आरोप लगाया।