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Centre steps in to speed up Barmer refinery work

SUBHAYAN CHAKRABORTY
New Delhi, 19 February

The government has asked state-owned Hindustan Petroleum Corporation (HPCL) to expedite the construction of India's largest upcoming integrated refinery and petrochemical complex, the Rajasthan Refinery Project (RRP).

Union Minister for Petroleum and Natural Gas Hardeep Singh Puri would visit the refinery on Tuesday to take stock of the progress, sources told Business Standard.

The initial estimate of the project -- coming up near Pachpadra town in the Barmer district -- was ₹43,129 crore, which has now increased to ₹72,000 crore.

Sources said the Centre's latest push to complete the project quickly was expected as a fast-changing geopolitical climate continues to make existing purchase agreements for crude tenuous and prices volatile.

With an eye on India's fast-growing appetite for oil, the Centre is working to raise the total crude refining capacity in the country to 450 million metric tonnes per annum (mmtpa) from 250 mmtpa now.

The HPCL Rajasthan Refinery (HRRL), a joint venture between HPCL and Rajasthan government incorporated back in 2013, is overseeing the construction of the project. While HPCL has 74 per cent of the equity in HRRL, the Rajasthan government owns the remaining 26 per cent stake.

HRRL had initially targeted setting up the greenfield project comprising a 9 mmtpa refinery and a 2 million tonnes per year petrochemicals unit by 2017.

While the foundation stone of the refinery was initially placed in 2013 by erstwhile UPA Chairperson Sonia Gandhi, work on the project began only in 2018, with Prime Minister Narendra Modi again inaugurating the commencement of work.

Touted back then as the single biggest investment at one location in the country so far, the project had set a new deadline of 2022. HRRL had then also stated that the project will be mechanically completed within four years from the last date of receipt of all statutory approvals.

"One of the main components of the project — the nine main refinery units and four main petrochemical units — has taken more time to construct than earlier estimated. That has had a knock on effect on the overall timeline," a senior official working in the project said.

March 2024 remains the tentative deadline for setting up all the refinery units but four of the units may reach operational levels in the next three months, he added. About 8,000 workers are working at the project site.

The last major construction goal to be completed was the erection of the bottom section of the Regenerator for Petrochemical Fluidized Catalytic Cracker (PFCC) Unit last month, another official said.

PFCC is a piece of refining equipment used to convert the heavy portion of crude oil feedstock into lighter petroleum products, including liquefied petroleum gas and gasoline.

Union Minister for Petroleum and Natural Gas Hardeep Singh Puri will visit the site tomorrow to take stock of the delayed project

STILL A WORK IN PROGRESS

2013: Foundation stone laid by erstwhile UPA Chairperson Sonia Gandhi

2018: Work began with PM Narendra Modi again inaugurating the commencement of work

2022: Initial deadline set

March 2024: Tentative deadline

COST OVERRUN

₹43,129 cr INITIAL ESTIMATE

₹72,000 cr NOW

JOB OPPORTUNITIES

40,000 DIRECT JOBS

60,000 INDIRECT JOBS

Blame game

Over the past few years, the state government has repeatedly pointed out spiraling cost overruns and delays, and sought the Centre's help to quickly finish the project.

The Ashok Gehlot-led government is betting big on RRP owing to its large potential for generating stable employment in the dry, largely rural Marwar region that straddles the western side of the state.

HPCL has said the project, once it goes live, is expected to create 40,000 direct and 60,000 indirect jobs. A township, schools, hospitals, a dedicated green zone, and other amenities are expected to come up as the state hopes to recreate neighbouring Gujarat's success at Jamnagar.

The RRP itself is set to act as an anchor unit for developing downstream and other service-sector industries in and around the region. The state government is also building roads to connect the area with the

Gehlot has blamed his predecessor Vasundhara Singh Raje and the BJP government, which ruled the state till 2018 for going slow on the project.

ESG investors in Adani cos fear funding coal

KLP dumped Adani Green shares fearing it may have funded coal mining

Bloomberg
feedback@livemint.com

Financing arrangements across the Adani group conglomerate have sent a fresh chill through ESG markets as investors wake up to a new risk.

Norway's largest pension fund, KLP, recently dumped its entire holding of shares in Adani Green Energy Ltd, the renewables part of the empire, amid concerns that it might inadvertently have helped finance some of the world's most polluting activities via the stake. A 10 February public filing has since made clear that Adani is using stock from its green companies as collateral in a credit facility that's helping to finance the Carmichael coal mine in Australia, via Adani Enterprises Ltd. KLP has blacklisted coal from its portfolio, so any indirect financing of the Carmichael project would represent a "breach of our commitments," Kiran Aziz, KLP's head of responsible investing, said in an interview.

Since short-seller Hindenburg Research published its critical report on 24 January, investors have responded to its allegations of fraud and market manipulation by selling Adani shares. But for investors with environmental, social and governance mandates, there's an added layer of pain as they realize their green dollars were indirectly supporting the dirtiest of fossil fuels.

"Investments in other parts of the Adani Group are leaking into the funding of Carmichael," said Ulf Erlandsson, chief executive of Anthropocene Fixed Income Institute, which has been tracking the Adani Group since mid-2020. "Investors who have restrictions on funding greenfield thermal coal mining should revisit potential exposures across the whole of Adani Group."

More than 500 funds registered in the European Union as "promoting" ESG goals hold Adani stocks, either directly or indirectly, according to data compiled by *Bloomberg*.

For investors in Adani group with ESG mandates, there's an added layer of pain as they realize their green dollars were indirectly supporting the dirtiest of fossil fuels.

An Adani spokesperson didn't respond to a request for comment. The conglomerate has repeatedly denied the allegations in the Hindenburg report and threatened legal action.

Erlandsson at AFII said an equity investor pledging stock as collateral doesn't necessarily contaminate other shareholders. But the "high concentration of stock ownership and other interrelationships" in the Adani conglomerate represent an extra layer of risk, he said. A higher price on Adani Green's stock increases the value of the collateral, lowering the credit risk for SBI's financing of the coal project, which then "hypothetically, materializes in the bank being able to offer a lower interest rate for Carmichael," he said.

Adani Green's stock price has fallen almost 70% this year, while its debt has also slumped. The company said on 7 February it had won the backing of investors after reporting third-quarter net income that more than doubled from a year earlier. Adani Green chief executive officer Vneet S. Jaain said the results proved the company has a "robust capital management program with leverage well aligned with the business model."

On 16 February, it emerged that the conglomerate is in talks with potential investors to raise as much as $1.5 billion through note sales by Adani Green, Adani Transmission Ltd. and Adani Ports & Special Economic Zone Ltd, according to the people familiar with the process.

DIRTY FUNDING

OVER 500 funds registered in the EU as "promoting" ESG goals hold Adani stocks

ADANI Green's stock price has fallen almost 70% this year, while its debt has also slumped

THE company reported a Q3 net income that more than doubled from a year earlier

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Maruti sees flex fuel as a way to curb emissions

Aroosa Ahmed
Mumbai

To introduce eco-friendly mobility solutions, Maruti Suzuki believes it has to be 'technology agnostic' and is betting on biogas, flex fuel, hybrid and Compressed Natural Gas (CNG).

While Maruti Suzuki will introduce its first electric vehicle offering in 2024-2025. "The infrastructure and cost might prevent the large-scale adoption of electric vehicles for a long time. Maruti Suzuki believes, for emission reduction, you have to be agnostic to technology. Till the time EVs are mainstream, you need to have interim technologies to manage emissions," said Shashank Srivastava, Executive Director, Maruti Suzuki India Ltd to *BusinessLine*.

Suzuki signed a Memorandum of Understanding (MOU) with the National Dairy Development Board and Banas Dairy for biogas production and verification. The company hopes to set up multiple biogas plants in diverse locations and has invested in Fujisan Asagiri Biomass LLC.

GROWING SHARE

Maruti showcased its flex-fuel product during the auto expo in January, while its CNG vehicle sales contributed nearly 20 per cent for the company in India.

"We are ready with E20 blend and can go up to E85 that will further be lower on emission and is also cheaper than importing expensive oils. This will also save a lot of foreign exchange," added Srivastava.

E20 vehicles are a blend of 20 per cent ethanol and petrol.

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ONGC to drill for oil & gas in Cauvery ultra deep waters in FY24

Rishi Ranjan Kala
New Delhi

State-run Oil and Natural Gas Corporation (ONGC) will start drilling in the ultra-deep waters of the Cauvery basin in the next financial year as it scouts for hydrocarbons.

"We also have a lot of foreign MNCs that are interested and are studying the data. They are looking into various financial and administrative regulatory policies and seeing whether they are conducive," ONGC Director (Exploration) Sushma Rawat told *businessline*.

The Cauvery basin is spread over 1.5 lakh sq km on the east coast, and includes 25,000 sq km onland, 30,000 sq km of shallow offshore areas and and about 95,000 sq km of deep water offshore areas.

For the exploration and extraction of oil & gas from the complex and ultra-deep waters along the east and west coasts, ONGC has inked memoranda of understanding (MoUs) with ExxonMobil and Chevron for joint and individual technical studies. "We expect Exxon's study to end by March and Chevron's by December. They will move ahead once these studies are over," Rawat added.

LOT TO PROBE. Situated along India's east coast, the Cauvery basin is spread over 1.5 lakh sq km

'NO-GO ZONES FREED'

Rawat explained that the government has freed a lot of "no-go" zones, particularly in the western and eastern offshore. "ONGC has been trying to acquire more acreage off-shore. We have a good idea of oil and gas availability in the eastern and western offshore. Our target is to acquire almost 1 lakh sq km of acreage every year so that we can have over 5 lakh sq km in the next three years," she added.

The PSU conducted basin-scale models of petroleum system modeling (PSM) and has also come up with common risk segment maps, which detail the hydrocarbon potential in terms of generation and accumulation.

There are many acreages, even within category-1 basins that need to be probed through drilling, which is why ONGC is exploring partnerships for deep and ultra-deep waters. Rawat emphasised that the company can go to water depths of more than 2,500 meters.

Category-1 basins are those that have reserves and have started production.

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बाड़मेर रिफाइनरी में तेजी लाने पर जोर

शुभायन चक्रवर्ती
नई दिल्ली, 19 फरवरी

पुरी करेंगे निरीक्षण

- इस परियोजना के प्रमुख घटक में 9 मुख्य रिफाइनरी इकाइयां और 4 मुख्य पेट्रोकेमिकल इकाइयां हैं
- इसके निर्माण में पहले की तुलना में ज्यादा वक्त लग रहा है, जिससे समयसीमा आगे बढ़ गई
- सभी रिफाइनरियों की स्थापना के लिए अनुमानित तिथि मार्च 2024 है, लेकिन 4 इकाइयां अगले 3 माह में चालू हो सकती हैं

सरकार ने हिंदुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड (एचपीसीएल) को राजस्थान रिफाइनरी प्रोजेक्ट (आरआरपी) के काम में तेजी लाने को कहा है। आरआरपी के तहत देश का सबसे बड़ा एकीकृत रिफाइनरी और पेट्रोकेमिकल कॉम्प्लेक्स बन रहा है।

सूत्रों ने बिजनेस स्टैंडर्ड को बताया कि मंगलवार को केंद्रीय पेट्रोलियम एवं प्राकृतिक गैस मंत्री हरदीप सिंह पुरी रिफाइनरी के निर्माण स्थल का दौरा करेंगे।

अधिकारियों ने कहा कि इस दौरे का मकसद अब तक हुई प्रगति की समीक्षा करना है। यह 72,000 करोड़ रुपये की परियोजना है, जो बाड़मेर जिले के पचप्रदेश कस्बे में बन रही है।

आरआरपी का निर्माण कार्य एचपीसीएल राजस्थान रिफाइनरी लिमिटेड (एचआरआरएल) देख रही है, जो 2013 में बना एचपीसीएल और राजस्थान सरकार का संयुक्त उपक्रम है।

एचआरआरएल में एचपीसीएल की हिस्सेदारी 74 प्रतिशत है, जबकि राजस्थान सरकार की हिस्सेदारी शेष26 प्रतिशत है। इस परियोजना में देरी के कारण लगातार लागत बढ़ रही है।

एचआरआरएल ने शुरुआत में 2017 तक 90 एमएमटीपीए (मिलियन मीट्रिक टन प्रति साल) की नई रिफाइनरी और 20 लाख टन सालाना क्षमता की पेट्रोकेमिकल इकाई स्थापित करने का लक्ष्य रखा था।

इस रिफाइनरी का शिलान्यास 2013 में संयुक्त प्रगतिशील गठबंधन (संप्रग) की चेयरपर्सन सोनिया गांधी ने किया था, लेकिन इस पर 2018 में काम शुरू हुआ, जब प्रधानमंत्री नरेंद्र मोदी ने इसका उद्घाटन किया।

देश में एक स्थान पर सबसे ज्यादा निवेश वाली परियोजना के रूप में प्रचारित इस परियोजना की नई समय सीमा 2022 तय की गई। एचआरआरएल ने उस समय भी कहा था कि सभी वैधानिक मंजूरियों के बाद मशीनी रूप से परियोजना 4 साल में पूरी कर ली जाएगी।

इस परियोजना पर काम कर रहे एक वरिष्ठ अधिकारी ने कहा, 'इस परियोजना के प्रमुख घटक में 9 मुख्य रिफाइनरी इकाइयां और 4 मुख्य पेट्रोकेमिकल इकाइयां शामिल हैं। इसके निर्माण में पहले की तुलना में ज्यादा वक्त लग रहा है। इसकी वजह से पूरी समयसीमा आगे बढ़ गई है।'

उन्होंने कहा कि सभी रिफाइनरियों की स्थापना के लिए अनुमानित तिथि मार्च 2024 है, लेकिन 4 इकाइयां अगले 3 माह में चालू हो सकती हैं। परियोजना स्थल पर करीब 8,000 कर्मचारी काम कर रहे हैं।

आरोप प्रत्यारोप

पिछले कुछ साल से राज्य सरकार ने कई बार केंद्र से इस परियोजना को तेजी से पूरा करने में मदद करने को कहा है। अशोक गहलोत के नेतृत्व वाली सरकार आरआरपी पर बड़ा दांव लगा रही है, जिससे शुष्क और व्यापक रूप से ग्रामीण मारवाड़ इलाके में स्थायी रोजगार का सृजन हो सकता है। यह राज्य के पश्चिमी इलाके में है। एचपीसीएल का कहना है कि इस परियोजना से 40,000 प्रत्यक्ष और 60,000 परोक्ष नौकरियों के सृजन की संभावना है। टाउनशिप, स्कूल, अस्पताल और समर्पित ग्रीन जोन व अन्य सुविधाएं इस स्थल पर बनेंगी, जैसा पड़ोसी राज्य गुजरात के जामनगर में हुआ है।