ECONOMIC TIMES, Delhi, 24.5.2023
Page No. 9, Size:(12.55)cms X (7.74)cms.

Adani Total Gas Challenges PNGRB's 'Impugned' Orders for Faridabad-1 GA

Our Bureau

Mumbai: Adani Total Gas Limited has filed an appeal with the Appellate Tribunal for Electricity (APTEL) against the 'impugned' orders issued by the Petroleum and Natural Gas Regulatory Board (PNGRB) on April 25 and April 26, the company said in a regulatory filing on Tuesday.

These orders pertain to the authorisation for the Noida, Faridabad, and Gurugram Geographical Areas (GAs), the company said in a regulatory filing on Tuesday. On April 26, PNGRB allowed IGL to supply gas to one part of the area, while for the remaining area, Adani Total was appointed as the supplier.

The company said it has challenged the PNGRB's decision to award or grant authorisation for the 'Faridabad-1' area within the Faridabad District GA. However, it has accepted the authorisation for the Faridabad 2 GA, without any prejudice.

"In this regard, we would like to inform that the Company has filed an Appeal against the Impugned Orders dated 25th April 2023 and 26th April 2023 of PNGRB before Hon'ble Appellate Tribunal for Electricity (APTEL), in so far as they relate to the PNGRB's decision(s) of awarding/granting authorisation for 'Faridabad-1' area of Faridabad District GA. The Company has accepted the authorisation of Faridabad 2, without prejudice," the company said.

Adani Total Gas scrip ended at ₹757.40, up 5% on the BSE Tuesday. Benchmark Sensex ended 0.03% higher.

G20 ENERGY TRANSITION WORKING GROUP MEETING

India Proposes Talks on Int'l Norms for 'Green, Clean & Low-Carbon' Hydrogen

'Clean & low carbon' consideration was included at the suggestion of some member nations

Shilpa.Samant@timesgroup.com

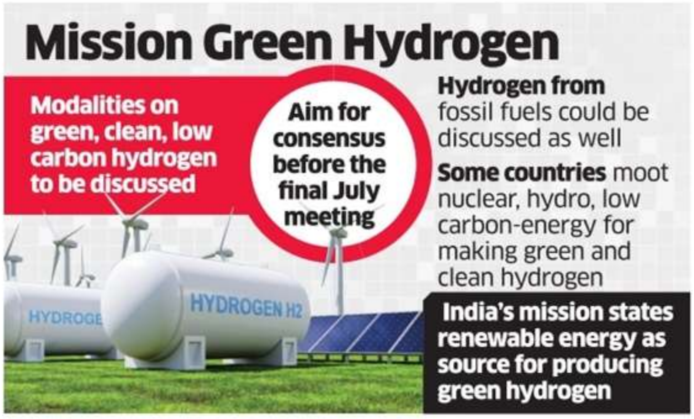
New Delhi: India has proposed a discussion on global standards for 'green, clean, and low carbon' hydrogen at the G20 Energy Transition Working Group meeting held last week, mooting an emission limit of up to 2 kg of carbon dioxide equivalent per kg of hydrogen produced.

Initially, the proposal was only for 'green hydrogen' but 'clean and low carbon' consideration was also included after the suggestions of some member countries, people in the know of the matter told **ET**.

The draft 'G20 High-Level Principles on Hydrogen', put out by India for discussion, lays down the carbon emissions standard 'at the sight of production'.

This means that emissions incidental to distribution to the end users and life-cycle greenhouse emissions are not included in the proposed standard.

The discussions on what would constitute 'green hydrogen' and if it could be further referenced to 'clean' or 'low carbon' was discussed in the third leg of the meeting, according to sources.



The details will be discussed in the upcoming online meetings with the target of reaching a consensus before the final gathering in July.

In the discussions last week, some countries also wanted to include nuclear, hydro, low carbon energy as a source for producing the fuel for the joint outcome of the deliberations.

India's own National Green Hydrogen Mission, launched in January, defines green hydrogen as that produced from renewable energy.

Through the mission, India sees an opportunity to become a leading producer and exporter of 'green hydrogen' using the country's abundant solar and other renewable energy.

A consensus on what constitutes green hydrogen is important as the world moves towards net zero. Much of the green, clean, or low-carbon hydrogen is likely to be traded internationally in the coming years.

"Shipping hydrogen between countries could emerge as a key element of a future secure, resilient, competitive and sustainable energy system," a report from the International Energy Agency said in 2019.

INTERNATIONAL STANDARDS

The European Commission has laid the permissible emission cap at 3.4 kg of carbon dioxide (CO2) equivalent/kg hydrogen produced and distributed.

The UK, on the other hand, has set a definition of 'low carbon' hydrogen equivalent of 2.4 kg of CO2 per kg of hydrogen produced, which does not cover the distribution of the fuel to the end user.

The US Department of Energy defined "clean hydrogen" as "hydrogen produced with a carbon intensity equal to or less than 2 kgs of carbon dioxide-equivalent 'at the site of production' per kilogram of hydrogen produced.

This was later extended to up to 4kg of CO2 equivalent/kgH2 when including lifecycle greenhouse gas emissions.

MILLENNIUM POST, Delhi, 24.5.2023
Page No. 9, Size:(6.20)cms X (20.07)cms.

IndianOil contributes to new world record in road construction

NEW DELHI: IndianOil contributed to creating a new world record in road construction by maintaining uninterrupted supplies of Durapave Bitumen. The remarkable record was created by laying 100 km lane in 100 hours at Ghaziabad-Aligarh Expressway.

The achievement has been celebrated in a ceremony, which was virtually attended by Nitin J Gadkari, Hon'ble Minister of Road Transport & Highways, Government of India; Gen (Dr.) V K Singh, Minister of State for Road Transport & Highways and Civil Aviation, Government of India along with other dignitaries from NHAI, IndianOil, Cube Highways and Larsen & Toubro Construction.

Gadkari said that this expressway will facilitates the movement of goods and contributing to regional economic development by connecting industrial area, agriculture regions and educational institutions. MPOST

ECONOMIC TIMES, Delhi, 24.5.2023
Page No. 10, Size:(18.38)cms X (12.40)cms.

Moody's Sees Mfg & Infra Driving India Growth; Flags Reforms, Policy Barriers

Lauds government's efforts like National Infrastructure Pipeline and Atmanirbhar Bharat

Our Bureau

New Delhi: Burgeoning infrastructure and manufacturing sectors could push India to be the fastest growing economy over the next few years, said Moody's Investor Service in its latest report. But the global credit rating agency also raised concerns that reform and policy barriers could hamper investment.

"Despite the positive backdrop, bureaucracy could slow approval processes in obtaining licenses and setting up businesses, prolonging project gestation," Moody's said, indicating a possibility of losing out to Indonesia and Vietnam.

"Ongoing efforts by India's government to reduce corruption, formalize economic activity, and bolster tax collection and administration are encouraging, although there are increasing risks to the efficacy of these efforts," it said.

Moody's lauded the government's efforts like the National Infrastructure Pipeline and Atmanirbhar Bharat.

While rising per capita incomes along with growing working age population is expected to push consumption, Moody's said government spending is expected to drive infrastructure-related sectors like cement and steel. Moreover, net-zero commitments are expected to boost investment in the renewables industry.

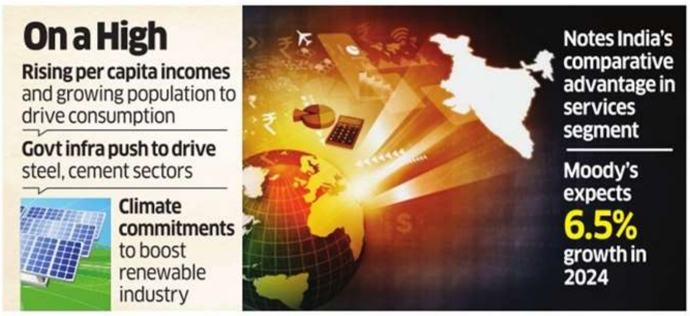
"Larger production capacity will raise rated companies' competitiveness in these sectors, a credit positive if they manage execution risks with financial discipline," the ratings agency noted in its report.

Report says rising per capita income along with growing working age population expected to boost consumption

Though Moody's indicated that demand across manufacturing and infrastructure will grow 3-12% for the rest of the decade, it noted that India's capacity will still rank behind China's.

"Rated companies in manufacturing (steel, cement, oil and gas and automotive) and infrastructure (aviation and power) sectors will increase capacity and global competitiveness, bringing economies of scale, a credit positive," it said.

The ratings agency also noted India's comparative advantage in the growing services segment.



"The availability of cheap mobile data will further prompt global multinational corporations, banks and IT services companies to stay invested in India for outsourcing of their back-office, IT and knowledge process outsourcing-related services as they aim to lower costs," it said.

Services export grew 42%, lowering India's current account deficit in 2022-23.

On the manufacturing side, Moody's noted that the steel sector will remain a bright spot, whereas growing disposable incomes and population will support the auto sector.

"While carbon intensive sectors such as cement, oil and gas, and steel may face decarbonisation challenges over a longer term, we still expect them to grow strongly until 2030," it said.

The private sector's key role in delivering new renewable and airport capacity in India underscores the role of low-cost funding, Moody's said, underlining the need for continued and consistent support from the government.

On the credit side, Moody's noted that as demand for capital expenditure grows, banks will diversify lending away from fast-growing retail to corporate lending.

TIMES OF INDIA, Delhi, 24.5.2023
Page No. 21, Size:(3.97)cms X (10.16)cms.

OIL joins ONGC arm in Kenya field stake talks

Times News Network

New Delhi: Oil India has joined ONGC Videsh, the overseas investment arm of explorer ONGC, to pursue talks for a stake in Tullow Oil's Lokichar oil field in Kenya after IndianOil pulled out, even as China's Sinopec is reported to have expressed interest in the $3.5 billion project.

IndianOil had in March 2022 shown interest in acquiring a stake in the project. But those initial contacts with Tullow withered as IndianOil grew a cold feet — perhaps because of the project and investment size.

The Indian side is looking at acquiring out 50% of the stakes that Tullow, Total of France and Africa Oil have in the project. Tullow holds 50% stake, while Total of France and Africa Oil have 25% each.

ECONOMIC TIMES, Delhi, 24.5.2023
Page No. 1, Size:(7.18)cms X (13.59)cms.

CABINET NOD LIKELY TO BE SOUGHT

Oil Min Working on Proposal to Merge MRPL with HPCL

HPCL may issue fresh shares to MRPL shareholders, cash outgo unlikely in deal

Sanjeev.Choudhary
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New Delhi: The oil ministry is drawing up a proposal to merge Mangalore Refinery and Petrochemicals Ltd (MRPL) into Hindustan Petroleum Corp Ltd (HPCL), the two listed subsidiaries of Oil and Natural Gas Corp (ONGC), according to people familiar with the matter.

The idea of the MRPL-HPCL merger had been floated soon after ONGC acquired HPCL from the government five years ago but made little progress. The ministry is now pushing for the merger, which is likely to be a share-swap deal, said the people cited above.

HPCL will likely issue fresh shares to MRPL shareholders as part of the merger and there will be no cash outgo, they said.

Tax Gains Seen Ahead ▸▸ 12

On the Cards

HPCL-MRPL merger plan was floated soon after ONGC acquired HPCL 5 years ago with little headway

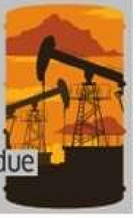
HPCL and ONGC are promoters of MRPL

ONGC holds 71.63% in MRPL, HPCL owns **16.96%** and **11.42%** is held by public

A **share-swap** deal will raise ONGC's share in HPCL

MRPL had merged its unit OMPL with itself last year

HPCL-MRPL merger may have to wait due to 2-year gap rule



ECONOMIC TIMES, Delhi, 24.5.2023
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Tax Gains Seen Ahead

▸▸ From Page 1

HPCL and ONGC are the promoters of MRPL. ONGC holds 71.63% in MRPL, followed by HPCL at 16.96%, with the public holding 11.42%. The transaction will significantly increase ONGC's stake in HPCL from the current 54.9%, reducing the free float.

The oil ministry is likely to seek cabinet's nod for the HPCL-MRPL merger proposal. The oil ministry, ONGC, HPCL and MRPL declined to comment.

The HPCL-MRPL merger may have to wait until next year, a person said, arguing that the regulation requires a gap of at least two years between two mergers that a company undertakes. MRPL concluded the merger of its subsidiary OMPL with itself last year.

The merger plan, aimed at consolidating most of the ONGC group's downstream assets under HPCL, will also likely bring some tax gains. HPCL, which has a vast retail network, sells much more fuel than it produces at its refineries. After the merger, it will have in-house access to MRPL's products. MRPL doesn't have much of a domestic sales network and sells a substantial proportion of its products to retailers outside Karnataka, attracting central sales tax (CST). A merger can help cut CST outgo for MRPL, people said.

A merger may be cause for concern among MRPL employees as they could be transferred to other refineries of HPCL, said a person familiar with the situation.

FINANCIAL EXPRESS, Delhi, 24.5.2023
Page No. 2, Size:(9.14)cms X (11.17)cms.

OMCs' high marketing margins may not stay for long: Analysts

MANISH GUPTA
New Delhi, May 23

WHILE ROBUST FOURTH quarter results helped the state-run petroleum refiners narrow the decline in their full year FY23 profits, analysts believe the marketing margins may not be sustainable for long, given the likely mounting pressure to cut retail fuel prices. However, the refining margins may improve going forward.

Investment bank Jefferies, in a note on Bharat Petroleum Corporation (BPCL), said that recent weakness in the refining margins seems transitory as Russian diesel exports were unexpectedly elevated despite the EU ban.

"However, with signs of Chinese demand recovering, diesel inventories in US and Asia at multi-year lows and US gasoline demand expected to rise into peak summer driving season, refining margins should strengthen from here," it said.

The three oil refiner-cum-fuel retailers made above-normal margins of about ₹10 per litre on both diesel and petrol in order to recoup losses incurred due to the retail price freeze in the first half of FY23.

However, with four key state elections in December 2023 (Madhya Pradesh, Rajasthan, Chhattisgarh and Telangana), the oil marketing companies (OMCs) could cut retail fuel prices and revert to mean cycle margins if oil prices stay at current levels, it said.

The proposed capital infusion of ₹30,000 crore by the government in the three OMCs may work as an upward trigger, but the lack of clarity related to its timing, quantum and modalities around this infusion is not helping as of now.

Brokerage firm Motilal Oswal Financial Services said that Singapore GRM of $8.2/bbl in Q4FY23 has now dropped to about $3.4/bbl in Q1FY24, which could hit refining margins of Indian Oil Corporation (IOCL) in the coming quarter.

"IOCL has the highest leverage to refining segment and is expected to be impacted the most due to decline in GRMs," Motilal Oswal said in its research report on India's largest fuel retailer.

IOCL is set to commission various projects over the next two years, driving further growth.

Refinery projects, currently underway, are expected to be completed as follows: Panipat refinery (25mmtpa) by September 2024, Gujarat refinery (18mmtpa) by August 2023, and Barauni refinery (9mmtpa) by April 2023.

Meanwhile, brokerage firm Anand Rathi said that IOCL has a well-diversified portfolio and expects petchem spreads to improve from FY23 lows. Private operators will regain, from the past few quarters, lost market share from OMCs in weak-margin scenarios, it said.

ICICI Securities, the broking arm of ICICI Bank, in its note on Hindustan Petroleum Corporation Ltd (HPCL) said that with record marketing margins for both petrol and diesel, near-term marketing earnings are set to be materially stronger.

"Overall, FY24E and FY25E are likely to see a stronger recovery with sharp increase in refining throughput, thanks to commissioning of about 7mtpa Vizag refinery and about 9mtpa Rajasthan refinery (50% share)," ICICI Securities said.

Report cards

(₹ crore)	Q4FY23	Q4FY22	Chg (%)	FY23	FY22	Chg (%)
Net profit						
IOCL	10,059	6,022	**67**	8,242	24,184	**-65.9**
BPCL	6,478	2,501	**159**	1,870	11,363	**-83.5**
HPCL	3,223	1,795	**79.5**	-8,974	6,383	-
Revenue from operations						
IOCL	2,26,492	2,06,457	**9.7**	9,34,953	7,28,445	**28.3**
BPCL	1,33,414	1,23,382	**8.1**	5,33,468	4,32,422	**23.4**
HPCL	1,14,053	1,04,942	**8.7**	4,64,684	3,72,642	**24.7**

Installed capacity (MMTPA)

IOCL: **70.1**, BPCL: **35.3**, HPCL: **29.1**

BUSINESS STANDARD SEC-II, Delhi, 24.5.2023
Page No. 1, Size:(26.52)cms X (26.91)cms.

THE COMPASS

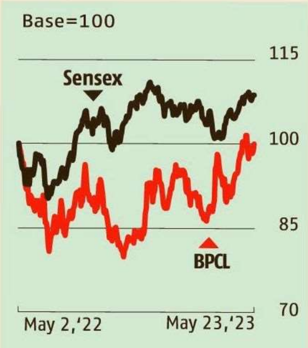
Strong Q4 showing, outlook to support BPCL stock

Attractive valuations and robust cash flows are other positives

DEVANGSHU DATTA

Public sector undertaking oil marketing major BPCL beat Street expectations and surprised analysts with excellent results. The company reported an operating profit of ₹11,100 crore in the fourth quarter of the 2022-23 financial year or Q4FY23 (vs ₹4,200 crore in the previous quarter and ₹5,900 crore in the same quarter last year).

The beat was driven by far better than expected gross refining margins (GRM). The adjusted net profit was at ₹7,800 crore (₹2,000 crore quarter-on-quarter or QoQ, ₹2,500 crore year-on-year or YoY) while the reported bottom line was ₹6,500 crore, as BPCL recorded an impairment of ₹1,400 crore on its investment in BPRL. The reported GRM for the quarter was at $20.7/bbl against expectations of ₹13/bbl. Adjusting for export taxes (at an estimated $ 9/bbl), the realised GRM is likely to be around $ 16.7/bbl. Although GRMs have moderated in Q1FY24, the marketing margins on petrol, diesel and LPG have more than compensated by strong recoveries.



Compiled by BS Research Bureau

The strong performance was driven by the Bina refinery's GRM being $26.1/bbl while Kochi increased to $22.5/bbl, and Mumbai was at $15.6/bbl. Kochi processed over 90 per cent heavy sulphur crude after maintenance shutdowns and overhauls in Q3FY23. The Russian crude blending during the quarter was closer to 30 per cent and assuming an average discount of $12/bbl, the blend contribution could be ₹2,200 crore. The crude throughput was 10.6 MMT (+13 per cent QoQ, and 5 per cent up YoY).

However, inventory losses would have amounted to ₹1,900 crore, due to falling crude prices during Q4. During the quarter, BPCL gained market share (while IOCL and HPCL lost share) in diesel by 32 basis points (bps), while on YoY basis the gain was 196 bps. In petrol, BPCL gained 7 bps market share QoQ, while it increased by 70 bps YoY. Despite the struggle in the first half of FY23, when crude and gas prices spiked sharply due to supply concerns after the Ukraine-Russia war, BPCL generated operating cash flow of ₹10,600 crore for FY23. The company had a capex of ₹8,100 crore for the year and closed with net debt of ₹38,300 crore compared to ₹36,300 crore in March 2022 and after hitting a peak of ₹52,200 crore net debt in September, 2022.

BPCL recognised an impairment of ₹1,360 crore on its upstream business under Bharat Petro Resources (BPRL). The carrying value of the investment was ₹9,600 crore. The subsidiary has recognised an impairment on its Mozambique asset during Q4, which led BPCL to recognise the impairment. The book value of the stake in BPRL is ₹6,200 crore. Assuming oil prices at $75/bbl, and blending of discounted Russian crude at elevated levels of nearly 40 per cent and record LPG margins, the blended margin for BPCL is at record high.

Although this may moderate, it should be a strong margin through the next two financial years. The company will incur capex of ₹10,000 crore for FY24 and over next two or three FYs, it will undertake ₹50,000 crore capex for an ethylene cracker at its Bina refinery.

But cash flow and debt levels appear comfortable enough to sustain the project without balance sheet stress. If the crude cycle has moderated, and there are no supply shocks going forward, the stock is attractively valued at single digit enterprise value to operating profit.

While most analysts are positive on the stock, target valuations for the stock range between ₹390 and ₹529, with a few analysts indicating the stock may be fully-valued at the current price of ₹366.

HARI BHOOMI, Delhi, 24.5.2023
Page No. 10, Size:(21.87)cms X (30.94)cms.

इंडियनऑयल ने सड़क निर्माण के नए विश्व रिकॉर्ड में दिया योगदान

नई दिल्ली। इंडियनऑयल ने इयूरापावे बिटुमेन की निर्बाध आपूर्ति बनाए रखते हुए सड़क निर्माण में एक नया विश्व रिकॉर्ड बनाने में योगदान दिया। गाजियाबाद-अलीगढ़ एक्सप्रेसवे पर100 घंटे में 100 लेन किलोमीटर सड़क बनाने का उल्लेखनीय रिकॉर्ड बनाया गया। इस उपलब्धि के लिए आयोजित समारोह मेंश्री नितिन जे गडकरी, माननीय सड़क परिवहन और राजमार्ग मंत्री, भारत सरकार; जनरल (डॉ.) वी के सिंह, माननीय सड़क परिवहन और राजमार्ग और नागरिक उड्डयन राज्य मंत्री, भारत सरकार ने ऑनलाइन भाग लिया। इस अवसर पर एनएचएआई, इंडियनऑयल, मेसर्स क्यूब हाईवे और मेसर्स लार्सन एंड टुब्रो कंस्ट्रक्शन के वरिष्ठ अधिकारी भी मौजूद थे। श्री नितिन गडकरी ने सभा को संबोधित करते हुए कहा है कि यह एक्सप्रेसवे औद्योगिक क्षेत्र, कृषि क्षेत्रों और शैक्षणिक संस्थानों को जोड़कर माल की आवाजाही की सुविधा प्रदान करेगा और क्षेत्रीय आर्थिक विकास में योगदान देगा। उन्होंने बताया कि इस एक्सप्रेसवे का निर्माण कोल्ड सेंट्रल प्लांट रिसाइक्लिंग (सीसीपीआर) तकनीक से किया जा रहा हैजिससे कार्बन उत्सर्जन को कम करने में मदद मिलती है। इस अवसर पर बोलते हुएश्री श्याम बोहरा, कार्यकारी निदेशक और राज्य प्रमुख, यूपीएसओ-II, इंडियनऑयल ने इस उल्लेखनीय उपलब्धि के साथ-साथ मैसर्स क्यूब हाइवेज और मैसर्स एल एंड टी के साथ जुड़ने पर प्रसन्नता व्यक्त की है।

पेट्रोल और डीजल की कीमतें अपरिवर्तित

नई दिल्ली, वार्ता। वैश्विक स्तर पर कच्चे तेल में तेजी लौटने के बावजूद आज घरेलू स्तर पर पेट्रोल और डीजल की कीमतें अपरिवर्तित रही, जिससे दिल्ली में पेट्रोल 96.72 रुपये प्रति लीटर तथा डीजल 89.62 रुपये प्रति लीटर पर स्थिर रहा। तेल विपणन करने वाली प्रमुख कंपनी हिन्दुस्तान पेट्रोलियम कार्पोरेशन की वेबसाइट पर आज जारी दरों के अनुसार, देश में आज पेट्रोल और डीजल की कीमतों में कोई बदलाव नहीं हुआ है।