

OIL MINISTRY'S DRAFT RULES ALLOW LICENCEES TO 'JOINTLY EXPLORE, DEVELOP OR PRODUCE MINERAL OILS'

Connected Oil Reservoir? Share or Surrender

Move to help avoid ONGC-RIL like disputes; joint development means economic efficiency for developers

Sanjeev Choudhary

New Delhi: An oil company can seek joint development of oil fields with other explorers if the underlying reservoir is connected, the oil ministry has proposed. It however added that if any party involved does not agree, the company must surrender the licence and allow others to develop the fields.

The oil ministry's draft petroleum and natural gas rules for the upstream sector allows licensees to "jointly explore, develop or produce mineral oils through mutual cooperation".

The licencees will have to enter into an agreement with the go-

vernment "for development of the reservoir as a unit."

This provision could help avoid disputes like the one between ONGC and Reliance Industries (RIL), where the two companies hold licenses for adjacent fields in the KG Basin with a connected reservoir. A decade ago, ONGC accused RIL of producing gas that belonged to the state firm's licensed area, triggering a legal battle that is still underway.

The draft rules allow any licensee to issue a notice to other licensees, and the government to initiate a consultation process for joint development. Following this, all licensees and the government will work toward a mutual agreement. If any licensee refuses to

Work Permit

Licensees to enter agreement with government for development of reservoir as unit

Joint develop-
ment avoids
duplication of
infra

Refusal to follow
process may lead
to relinquishment
of area granted

**Joint development
is standard interna-
tional practice**

**Move to ensure
process not left to di-
cretion of one party**



follow the process prescribed by the government to arrive at a joint development agreement, it will have to relinquish the area

granted under its license. Any joint development plan will require government approval.

Joint development can also me-

an greater economic efficiency for developers, as it avoids duplication of infrastructure. Unitisation, or joint development of connected reservoirs, is standard international practice.

When exploration blocks are initially carved out, it is not always clear whether the reservoirs beneath them are connected. It is only after companies gather seismic data and drill exploratory wells that they begin to better understand the reservoir—and sometimes discover that it may be connected. It is for such situations that the government has introduced the joint development clause, which ensures the process is not left to the discretion of any one party.

Govt mulls new fuel duty hike as crude prices fall

There has been a 16.7% fall in the country's average crude oil import price

Rajeev Jayaswal

letters@hindustantimes.com

NEW DELHI: The government is considering another increase in special excise duty on petrol and diesel to get a share of the wind-fall profits of oil marketing companies arising from low crude prices, people familiar with the matter said.

There has been a 16.7% fall in the country's average crude oil import price (Indian basket) to \$61.9 a barrel on Wednesday as compared to \$74.31 a barrel on April 7, the day the government announced excise duty hikes on petrol and diesel by ₹2 a litre. That increase was expected to fetch the government ₹32,000 crore in 2025-26; if the government goes ahead with a ₹4 increase (per litre) in the second round, it would fetch an additional ₹64,000 crore this fiscal.

"In a war like situation this is the right thing to do," one of the people cited above added, asking not to be named, and referring to India's measured, but strong response to Pakistan-sponsored terrorists killing 26 civilians in Pahalgam on April 22, through targeted strikes against nine ter-



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ror hubs in Pakistan occupied Kashmir and Pakistan itself on May 7. Pakistan responded to that attack by intensifying firing across the Line of Control and also launched missile and drones at military targets in 15 Indian cities in the intervening night of May 7 and May 8, an attack that was successfully thwarted by Indian military. In response, India targeted Pakistan's air defence network across several locations, destroying the one in Lahore.

International oil prices have plunged because of geo-political reasons and producers' decision to raise crude output; benchmark Brent crude fell below \$60 a barrel on Monday trade with Goldman Sachs expecting it to

remain at \$60 for the rest of 2025 and \$56 in 2026. This is a boon for India which imports more than 87% of crude oil it processes. Brent fell by 1.65% on Wednesday to close at \$61.12 a barrel. Due to sustained low input cost, oil marketing companies (OMCs) are enjoying high margins on sales of petrol and diesel, ranging between Rs 10-15 a litre depending on the type of crude they process.

The people cited above said that the government may also pass on some symbolic benefit to the consumers by reducing pump prices of petrol and diesel by at least ₹1 a litre each. This would also leave enough profit margins for both public and private sector OMCs, the first per-

son said, adding that state-run oil companies also require support in recovering their revenue losses for selling cooking gas below market rates.

The ministries of petroleum and finance did not respond to an email query. Addressing a press conference on 7 April after the government announced raising excise duty on petrol and diesel, petroleum minister Hardeep Puri said oil companies held inventories of 45 days costing them about \$75 per barrel. He said companies would have some "headroom" to reduce pump prices of petrol and diesel when their inventory cost declines to \$60 to \$65 a barrel.

Announcing the excise duty hike on April 7, the government justified allowing reasonable profit margins for state-run OMCs to offset some of their past losses (around Rs 41,338 crore) incurred by subsidising cooking gas supplied to over 330 million households.

State-run OMCs – Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) – enjoy monopoly in fuel retail business with about 90% market share.

India's average crude oil import price fell to a 50-month low of \$61.9 a barrel in the first week of May. The average price was last lower than this in February 2021, \$61.22 a barrel.

SEARCH PANEL MEETS THRICE SINCE MARCH

CPSE Boardrooms Set for 200-strong ‘Independent’ Influx

Govt rushing
appointments as
over 85% cos lack
non-official directors

Banikinkar Pattanayak

New Delhi: The government is looking to appoint as many as 208 independent directors

urgently to the boards of central public sector enterprises (CPSEs) in one of the biggest drives to fill up vacancies, people aware of the details told ET. The tenure of eligible existing independent directors could also be extended, they added.

CPSEs have been grappling with an acute shortage of independent directors for months now. About 86% of non-official (independent) director positions at various

CPSEs were vacant as of December 2024, having risen from about 59%

two months earlier.

The shortage undermines independent scrutiny of corporate governance at CPSEs, experts said.

The Department of Public Enterprises has been in talks with the Department of Personnel and Training (DoPT), key CPSEs, and their administrative ministries or departments.

**MINES BID
RULES TO BE
UPDATED
➡ PAGE 15**

Empty Seats

Independent director
vacancies at CPSEs, in 2024
(As of month-end)



750 Total independent
director positions at CPSEs

389 No of
CPSEs, including
arms; 70 of
them listed



Listed CPSEs First ➡ 16

Listed CPSEs First

►► From Page 1

At least three meetings of a search committee, headed by the DoPT secretary, have been held since March to identify candidates quickly, the people said. "The idea is to fill vacancies at listed CPSEs first, and then move on to the unlisted ones," one of the people said.

India has 389 CPSEs, including subsidiaries, 70 of which are listed. The listed CPSEs account for almost a 10th of the total market capitalisation of BSE companies.

Under the Securities and Exchange Board of India (Sebi) Listing Obligations and Disclosure Requirements, at least one-third of a listed company's board members must be independent directors. They act as custodians of corporate governance standards and protectors of shareholder interest. The audit committees of companies, which oversee statutory compliances, comprise mostly independent directors.

TENURE & PROCESS

Independent directors are usually appointed for three years, after which they can be granted an extension of three years. Beyond that, they can't serve on the board of the same CPSE.

Typically, proposals for the appointment of non-official direc-

tors at CPSEs are initiated by the relevant administrative ministries or departments. They are supposed to recommend at least three eligible persons for each position and the selection is made by the search committee under the DoPT secretary.

This committee also includes the secretaries of public enterprises and the administrative departments concerned. Based on its recommendations, the administrative departments concerned appoint the non-official directors.

Remuneration of independent directors at CPSEs, experts said, can vary according to the company's size and stature, just as in the case of non-state companies. According to rules, an independent director of a company—private or state run—is entitled to a sitting fee of up to Rs 1 lakh per meeting, reimbursement for participation and profit-related commission as approved by the board.

In the private sector, remuneration has gone up sharply in recent years. The median compensation for independent directors at Nifty 50 companies—excluding the state-run ones, banks and insurers—jumped to Rs 87 lakh in FY24, from Rs 42 lakh five years ago, according to an analysis by executive compensation advisory firm Exec-Rem Advisors.

Government may hike spl excise duty on fuels

Rajeev Jayaswal

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BP-Shell megadeal will create European rival to Exxon Mobil

BLOOMBERG

May 8

IF SHELL WERE to acquire BP, it would be among the largest deals in European history, creating for the first time a European oil major that could challenge industry leaders Exxon Mobil and Chevron.

The circumstances for such a takeover might not be auspicious for BP — its shares have lost almost a third of their value in the last year and investors are unconvinced by the company's turnaround plan — but the deal would be transformative for Shell.

Since Bloomberg reported that Shell has been studying the merits of an acquisition — something both companies have so far declined to comment on — analysts have been gaming out both the upsides and downsides. Here are some of their conclusions:

Oil behemoth

Combining the two London-based oil majors would create an energy giant with upstream oil and gas production of nearly 5 million barrels of oil equivalent a day, according to UBS Group. This would be an 85% increase from Shell's current output of about 2.7 million barrels a day, making the combined company the largest investor-owned oil and gas producer. Exxon produced an average of 4.6 million barrels of oil equivalent a day in the first quarter, while Chevron pumped 3.4 million a day.

Adding BPX, the Denver-based US shale unit, to Shell's portfolio would go some way to correct the company's decision to sell its busi-



STEAL DEAL

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ness in the Permian basin to ConocoPhillips in 2021, just before the industry experienced a major boom. Shell's then-upstream director, Wael Sawan, is now chief executive officer.

LNG dominance

Shell is already the world's largest seller of liquefied natural gas, and acquiring BP would propel the business "to new heights," said RBC. The combined companies' LNG sales would jump to more than 90 million tonnes a year, representing more than 20% of the global market today. Such a large globe-spanning position would unlock further opportunities for trading and optimization, a key driver of LNG profit given recent volatility in natural gas prices.



Saudi Arabia goes whistling past Kazakh oil graveyard

THE FOUR MOST dangerous words in finance are “this time is different”. History suggests when Saudi Arabia launches a price war against one of its OPEC+ allies, it ultimately succeeds — but this time really will be different.

Saudi efforts to bludgeon Kazakhstan into compliance with its OPEC+ oil production quota are doomed to fail. Ostensibly, Riyadh is trying to reestablish discipline among rogue producers; Kazakhstan and several others are cheating on their output targets. To force them to relent, the kingdom is voting at OPEC+ meetings to raise group production faster than previously expected, hoping that the ensuing price decline forces the troublemakers into line.

To be sure, the kingdom’s oil policy is multidimensional: It appears to be trying to recoup market share, probably from US shale producers, and is simultaneously using cheap crude as a tool in diplomatic talks with President Donald Trump. The strategy of pumping more oil — two consecutive monthly increases of 411,000 barrels a day for the eight main OPEC+ nations — is working as one would expect. Brent crude earlier this week touched a four-year low of just above \$60 a barrel. Brent is down 15% this year, and many observers anticipate further declines as Saudi production, at just above 9 million barrels a day, heads higher.

Kazakhstan, though, isn’t cutting production to meet its OPEC+ quota. It has two strong motivations to keep pumping; it needs the revenue, and it’s in negotiations with international oil firms about investment plans that will determine the country’s economic development.

First, the math. Thanks to the \$48-billion expansion of its Tengiz mega-oilfield, Kazakhstan will pump on average 300,000 barrels a day more in 2025 than in 2024, with annual crude output averaging 1.8 million barrels a day this year. Those extra barrels can offset a large price decline. According to my back-of-the-envelope calculations, if Brent remains around its current level of \$62 a barrel for the remainder of the year, Kazakhstan’s gross oil revenue would decline just 2% compared with last year; a drop to \$60 would trim it by 4%. Even if Brent traded at \$50 until December, the accompanying 12% decline in annual revenue isn’t enough to persuade the government in Astana to change course.

Much lower crude prices of, say, \$40 through the end of this year may inflict enough of a hit to prompt Kazakhstan to reconsider its production policy — but that would put extraordinary pressure on the Saudi budget, too. So far, there’s little indication that the kingdom, which was taking on increased debt even before the recent decline in crude prices, is prepared to crash the market sufficiently to bring Kazakhstan to heel.

The second reason why Kazakhstan isn’t budging is its relationship with Big Oil. The nation has relied on Chevron, Exxon Mobil, Shell, TotalEnergies, and ENI to build the three mega oilfields that are the backbone of its petroleum industry. If Astana forced them to pump less, they would probably balk at further investments. But Kazakhstan needs that spending to further expand production.

The rest of the Kazakh industry is dominated by state-owned KazMunayGas, along with Chinese, Russian, and domestic privately owned groups. They mostly operate smaller fields that are significantly older. Cutting production there is complicated by vested local interests and the fact that output cuts may be impossible to reverse due to the age of the oilfields.

The pressure from Saudi Arabia comes at a delicate moment for Astana. The contracts that govern the three megaprojects will come up for renewal relatively soon and both sides have started to explore extensions. Oil majors typically prefer to try to prolong agreements long before expiry, often as many as five years before the deadline is reached.

Tengiz is at the centre of the current dispute between the Saudis and the Kazakhs. Forcing project leader Chevron and the other international oil companies involved to reduce production now would further complicate those extension talks.

So the most Kazakhstan is likely to do is to pay lip service to the OPEC+ targets. Expect more platitudes from Astana, reiterating in public its disposition to cooperate with the cartel while privately doing the opposite by pumping way more than its quota. For the Saudis, this time may truly turn out differently.



JAVIER BLAS

Bloomberg



THE COMPASS

Tailwinds for oil marketing companies

DEVANGSHU DATTA

Crude and gas prices have dipped and OPEC-plus is hiking supply, bringing cheers to India which is a massive energy importer. Downstream businesses like the oil marketing companies (OMCs) and gas players will gain the most from this cheap energy.

For OMCs, cheaper oil and gas equate to better margins.

OMCs such as Bharat Petroleum (BPCL), Hindustan Petroleum (HPCL) and Indian Oil (IOCL) reported strong gross refining margins (GRMs) and marketing margins in the fourth quarter of the financial year 2025 (Q4FY25). They are still experiencing under-recoveries on gas, but this may reduce in future and the government may compensate for under-recoveries. All three companies have steady dividend payouts.

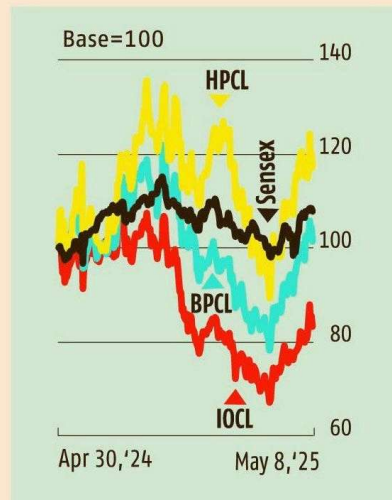
In BPCL's Q4FY25 results, the Ebitda and Adjusted PAT, stood at ₹7,760 crore and ₹4,550 crore, down 16 per cent and 18 per cent year-on-

year (YoY), respectively.

The core GRM was at \$7.5 per barrel. The refining capacity utilisation was at 121 per cent. Inventory gain per barrel was about \$1.7 (versus a loss of \$0.9 in the prior quarter and a gain of \$0.5 a year ago). The core marketing Ebitda was ₹1.4 per litre (₹4 in the prior quarter, negative ₹2 a year back). The LPG burden amounted to ₹10,446 crore in FY25, and ₹3,216 crore in Q4FY25. There is an impairment of investment in a subsidiary, BPRL with gross carrying value of investment of ₹13,180 crore. There was also a ₹45 crore forex loss.

Capex was ₹16,510 crore in FY25 and is targeted at ₹19,000 crore for FY26 and ₹22,000 crore in FY27. Debt at ₹23,280 crore was up by ₹4,510 crore year-on-year (Y-o-Y) and ₹3,660 crore quarter-on-quarter (QoQ). The debt-equity (D/E) ratio is low at 0.3x. IOCL's Q4FY25 Ebitda of ₹13,570 crore and PAT of ₹7,260 crore were up 30 per cent and 50 per cent Y-o-Y, well above consensus.

The Ebitda of ₹7,660 crore was driven by higher GRMs, and strong



marketing margins. LPG losses for the quarter were ₹5,600 crore.

There is a chance of LPG compensation in FY26, while sustaining higher GRMs and strong retail margins. The GRMs per barrel of \$7.9 (including inventory gain of \$2.43) rose \$4.9 Q-o-Q.

The blended marketing margin of ₹6,526 per tonne improved 37 per

cent Y-o-Y and slipped 13 per cent Q-o-Q with a blended retail margin of ₹6.4 per litre (down ₹2.8 Q-o-Q and down ₹2.6 Y-o-Y).

IOCL is expanding its refining capacity (adding 18 million tonnes (MT) by FY28 on base of 70 MT) and is also adding petrochemical capacity. IOCL hopes to receive compensation for LPG losses of ₹19,900 crore for FY25. LPG losses in Q1FY26 may decline given the ₹50 per cylinder hike and lower Asian LPG prices. LPG losses are expected to average ₹160-170 per cylinder in FY26, about 45 per cent lower Y-o-Y.

HPCL reported Q4FY25 earnings, with Ebitda of ₹5,730 crore and PAT of ₹3,350 crore, driven by strong GRMs and marketing margins. Core GRM was \$7.1 per barrel, while blended marketing margin at ₹5.5 per kg was a beat. The LPG loss was ₹3,300 crore in Q4, while net debt grew 6 per cent Y-o-Y (19 per cent Q-o-Q) to ₹57,900 crore. The company's CMD said the current capex cycle is coming to an end and the focus is on generating positive free cash flow with debt reduction.

HPCL's refining volume was up 4 per cent Q-o-Q at 6.7 million metric tonnes (MMT), with utilisation

at 118 per cent. Blended marketing margin was ₹5.5 per kg. Exports were up 7 per cent Q-o-Q at 0.59 MMT. Share of profits from associates and joint ventures was at ₹350 crore vs ₹460 crore loss Q-o-Q. Capex for FY25 was ₹14,510 crore. The FY26-27 capex target is ₹13,000-14,000 crore per annum. The standalone D/E ratio has reduced to 1.38x with a one-year target of 1-1.1x.

The Vizag upgrade project is scheduled to commission in Q2FY26. It would add \$2-3 per barrel in GRMs. Barmer Refinery is making steady progress, with commissioning expected in October 25. About 20 per cent of the crude mix would be local Barmer at some discount. The Petchem block should be commissioned by Jan-26.

The key risks for the OMCs include rising crude and gas prices, rupee weakness, government policy and any issues with ongoing expansions. Given US tariff uncertainties, global demand may remain muted, leading to crude trading in a range of \$65-70 per barrel. This could help OMCs maintain strong margins while LPG losses would also reduce.

Crude oil rises on impending US-China talks



London: Crude oil prices rose over 1 per cent on Thursday, buoyed by hopes of a breakthrough in looming trade talks between the US and China, the world's two largest oil consumers. Brent crude futures were up 86 cents at \$61.98 a barrel, while US West Texas Intermediate crude rose 97 cents to \$59.03. REUTERS

India must integrate biogas initiatives: IBA

PRESS TRUST OF INDIA ■ New Delhi

India needs to integrate existing government initiatives related to the biogas sector, Indian Biogas Association said on Thursday.

In a white paper launched by Union Minister Nitin Gadkari, Indian Biogas Association (IBA) advocated for the unification of existing government initiatives — Sustainable Alternative Towards Affordable Transportation (SATAT), GOBARdhan, and CBG (compressed biogas) blending — under a single national mission, according to a statement.

The IBA released the white paper during the 4th BBB Summit organised in the national capital on Thursday, the association said in the statement.

Further, the white paper suggested the need for centralised tracking, standardised performance benchmarking, and integrated funding mechanisms to drive rapid and large-scale deployment of biogas solutions in India.

The key recommendations included mandating phase-wise CBG blending across sectors, formulating a green certificate ecosystem, and fast-tracking decentralised biogas infrastructure.

It also proposed the incorporation of incentivising waste segregation and feed-stock supply chains, strengthening rural energy access with clean cooking fuel, bridging the skill gap through dedicated workforce programmes and empowering women through biogas micro-enterprises.

In a white paper launched by Nitin Gadkari, Indian Biogas Association advocated for the unification of existing government initiatives — under a single national mission

The integration of biogas into public transport systems and smart building infrastructure will boost the sector, it said.

Additionally, it called for promoting biogas as a primary cooking fuel in rural India by introducing targeted subsidies, encouraging the use of LPG-biogas hybrid stoves, and aligning efforts with the Ujjwala Yojana and City Gas Distribution (CGD) networks.

“Approximately 62 million tonnes of municipal solid waste lack proper scien-

tific treatment and go under-utilised annually, while over 80 per cent of rural households still depend on biomass fuels,” IBA Chairman Gaurav Kedia said in the statement.

Meanwhile, he stated that India imports over 85 per cent of its crude oil, exposing the economy to global price volatility and straining foreign reserves.

IBA organised the summit in partnership with Reveille Energy and Indus Exposium.

“By harnessing the untapped power of decentralised biogas systems, India can redefine energy equity, empower rural and urban communities alike, and build a circular economy that is regenerative by design,” Rohit Dev, Advisor at Indian Biogas Association and MD at Reveille Energy, said.

“This white paper presents a pragmatic, multi-stakeholder roadmap to unlock this potential. But policies alone are not enough, and what India needs now is conviction, coordination, and collective action,” Dev added.

Founded in 2011 and revitalised in 2015, the Indian Biogas Association has been at the forefront of advancing bioenergy solutions across India.

Bhutan's green power firm signs MoU with Adani for 5,000 MW Hydropower Development

This MoU builds on ongoing partnership for the 570/900 MW Wangchhu Hydropower Project, in which DGPC will hold 51% stake & Adani will hold 49%

THIMPHU: The Adani Group and the Drak Green Power Corporation (DGPC) of Bhutan have signed a landmark Memorandum of Understanding to jointly develop 5,000 MW of hydropower projects in Bhutan. The MoU was signed in Thimphu by DGPC's MD Dasho Chhewang Rinzin and Adani Green Hydro Ltd's COO (PSP & Hydro) Naresh Telgu in the presence of the Prime Minister Dasho Tshering Tobgay, Minister for Energy and Natural Resources Lyonpo Gem Tshering and other senior dignitaries. This MoU builds on the ongoing partnership for the

570/900 MW Wangchhu Hydropower Project, in which DGPC will hold a majority 51 per cent stake and Adani will hold 49 per cent. The broader 5,000 MW initiative will encompass additional hydropower and pumped storage projects to be identified. Detailed Project Reports prepared, and taken forward for implementation in phases. "This partnership reflects our deep commitment to developing clean energy infrastructure that enhances regional energy security," said Naresh Telgu, COO (PSP & Hydro), Adani Green Hydro Ltd.



"Together with DGPC, we are enabling Bhutan to harness its hydropower potential and export reliable green energy to India. This is a powerful example of cross-border collaboration in pursuit of shared sustainable development goals." "This strategic partnership with Adani will further

Key Points

- » This partnership will further strengthen our engagement with Government of India'
- » Adani will ensure reliable power offtake and integration with India's commercial power markets

strengthen our very strong engagement with the Government of India in harnessing Bhutan's abundant hydropower resources, which is considered

as the cornerstone of the exemplary and friendly relations between our two countries," said Dasho Chhewang Rinzin, MD DGPC. DGPC, Bhutan's premier hydropower developer, has decades of experience in managing the nation's renewable energy resources. It plays a pivotal role in Bhutan's clean energy journey, contributing to both domestic energy security and sustainable development. Through such partnerships, DGPC is also helping to strengthen Bhutan's position in regional energy cooperation. The Adani Group, India's

leading infrastructure and renewable energy player, brings extensive expertise in project development, financing, and market access. It will support Bhutan in scaling up its hydropower capacity and facilitating access to Indian energy markets. As part of this collaboration, Adani will ensure reliable power offtake and integration with India's commercial power markets, further reinforcing Bhutan's role in the regional energy trade. The partnership is strongly backed by the Royal Government of Bhutan and the Government of India, underscoring a shared vision for clean

energy growth and economic integration. This initiative also aligns with Bhutan's Renewable Energy Roadmap, which aims to achieve an additional 20,000 MW of generation capacity by 2040. The roadmap prioritises diversification into solar and geothermal energy, and also encourages strategic partnerships to attract investment and innovation. Moreover, DGPC and Adani also initiated the Shareholders' Agreement for the Wangchhu Project, marking significant progress in their collaborative efforts to advance Bhutan's hydropower sector. #937

GreenLine rolls out fresh LNG truck fleet

The Hindu Bureau
MUMBAI

GreenLine Mobility Solutions Ltd., an Essar venture and India's only green logistics operator of LNG and electric-powered heavy commercial trucks, said it had flagged off a new fleet of LNG-powered trucks at Chakan, Pune.

The deployment is supported by Shriram Finance Limited, one of India's largest NBFCs and the flagship company of the Shriram Group.

"This fleet expansion, supported by Shriram Finance, is a key step towards transforming India's logistics with sustainable,



The deployment is supported by Shriram Finance Limited.

SPECIAL ARRANGEMENT

high-performance solutions. The trucks, manufactured by Blue Energy Motors (BEM), play a critical role in decarbonising the logistics sector and align with our vision for a greener future," said Anand Mimani, CEO, GreenLine Mobility.

Crude at \$60-70 can save ₹1.8 L-cr in oil import bill

SANGEETHA G.
CHENNAI, MAY 8

If crude oil prices remain between \$60 to \$70 per barrel, around ₹1.8 lakh crore can be saved on oil and another ₹6,000 crore on gas imports in FY26.

Uncertainty related to global tariffs and their impact on growth, coupled with an announcement by OPEC+ to steadily withdraw their production

cuts have resulted in oil prices declining from about \$77/bbl as on March 31, 2025, to about \$60 bbl.

According to the World Bank, annual average oil prices are expected to decline for four consecutive years through to 2026, from their 2022 high and it will settle slightly above their 2021 level.

India's crude oil imports rose by 4.2

per cent to 242.4 million tonne (MT) in FY25 and the crude oil import bill rose 2.7 per cent to \$137 billion.

As India meets around 89 per cent of its domestic crude oil requirements through imports, the price drop will bring down the import bill. India could save around ₹1.8 lakh cr on crude oil imports due to lower prices, Icria said.

