

BPCL, RBML join forces to boost India's gas economy

Mumbai: Bharat Petroleum (BPCL) and Reliance BP Mobility Limited (RBML) have partnered to enhance City Gas Distribution (CGD) and CNG sales, supporting India's shift towards a gas-based economy. The collaboration, part of BPCL's Project Aspire, aims to provide cleaner, affordable fuel and increase natural gas's share in India's energy mix from 6 per cent to 15 per cent by 2030. The initiative leverages RBML outlets' high footfall to expand CNG access and promote sustainable mobility nationwide.



ONGC's cost optimisation drive targets over ₹9,000 cr in 2 years

Our Bureau
New Delhi

State-run ONGC has initiated a cost optimisation drive to save more than ₹9,000 crore over the next two years as maturing oil and gas fields as well as continuously subdued oil prices threaten its bottom line.

The company has targeted to reduce its operating and capital expenditure, which amount to roughly ₹61,000 crore, by 15 per cent till FY27.

It expects to save around ₹9,300 crore.

ONGC has embarked on a

strategic journey to prepare itself for a future with \$60 per barrel crude price environment, it said.

The Maharatna company has set up a dedicated cost council to suggest alternatives to bring down costs, Pankaj Kumar, Director (Production) at ONGC, said.

KEY PLANS

ONGC is scaling up its supply base at the Pipavav port, which is being scaled-up with the end-goal of accounting for around two-thirds of its work load on the West coast.

The company expects to save over ₹1,000 crore from the exercise when com-



FOCUSED APPROACH.

ONGC has set up a dedicated cost council to suggest alternatives to reduce costs

pleted. It expects international crude oil price to re-

main in the range of \$60-65 per barrel for the next two-three years.

Currently, over 20 initiatives are under implementation with a potential of saving around ₹4,300 crore by FY26.

Besides, the potential of other initiatives that are in the planning stage is roughly ₹5,000 crore by FY27.

Offshore resource optimisation, increasing drilling, efficiency, logistics route optimisation, inventory reduction, increasing fuel efficiency are the key cost reduction initiatives of the government-owned company.

Under the revival plan for Mumbai High, ONGC and BP have split the Mumbai High into six hubs for faster, optimised redevelopment.

In the first phase, ONGC has already committed \$400 million capital expenditure.

Under phase 2, both companies have targeted 100 new wells in FY28 and FY29.

The company is also exploring technical service providers to boost production in other fields.

The ONGC board has approved a development scheme to produce 12 million metric tonne of oil and 13.5 billion cubic metre of gas in the next few years.

ONGC sees \$1 billion profit from new trading arm

Trading arm is part of ONGC's strategy to optimise operations amid low oil price environment

NEW DELHI: State-owned ONGC plans to generate around \$1 billion in profits through a new trading company for buying and selling crude oil and refined fuels of its group companies, a top official said on Monday.

Currently, ONGC's subsidiaries, including Hindustan Petroleum Corporation Ltd (HPCL) and Mangalore Refinery and Petrochemicals Ltd (MRPL), trade about 70 million tonnes of crude oil annually and export some fuel.

The new entity will consolidate these trading activities to achieve economies of scale and

Closer Look

- » The trading company will handle crude purchases for HPCL and MRPL, as well as ONGC Videsh Ltd (OVL)
- » HPCL currently imports 36 MT of crude for refining and will hike volumes once its Barmer refinery is commissioned
- » MRPL imports 15 MT annually, and OVL produces about 10 MT of oil and oil-equivalent gas from overseas

secure better pricing.

The trading company will handle crude purchases for HPCL and MRPL, as well as oil and gas from overseas subsidiary ONGC Videsh Ltd (OVL). A global oil company will be given equity to provide

international trading expertise.

Four international firms, not primarily oil traders but experienced in oil and gas trading, have expressed interest, according to ONGC Director (Production) Pankaj Kumar.

HPCL and MRPL will also

be offered stakes.

HPCL currently imports 36 million tonnes (MT) of crude for refining and will increase volumes once its 9 million tonne Barmer refinery in Rajasthan is commissioned next year. MRPL imports 15 million tonnes annually, and OVL produces about 10 million tonnes of oil and oil-equivalent gas from overseas.

The trading arm is part of ONGC's broader strategy to optimise operations amid a low oil price environment.

With international crude prices dropping to around \$60 per barrel from \$81 in Decem-

ber 2022, earnings are under pressure.

ONGC is also focusing on boosting output from existing fields and cost optimisation. Partnering with BP as a technical service provider, the company aims to revive Mumbai High fields and optimise the KG-DWN-98/2 block. Annual opex and capex savings of 15 per cent, or roughly Rs 9,000 crore, are expected to begin this year, with full benefits in 18 months.

Overall, the new company is expected to unlock \$1 billion in value while streamlining operations across ONGC's domestic and overseas assets. AGENCIES



ONGC sees \$1 bn profit from new trading subsidiary

State-owned ONGC is eyeing about USD 1 billion of profit from a new trading company it plans to set up for buying and selling of crude oil and refined fuels of its group companies, a top official said Monday. The company plans to set up a new trading company which will buy crude oil for subsidiaries HPCL and MRPL.

PTI

Indian refiners cut Russian oil imports by 45% between June and Sept.: Kpler data

Saptaparno Ghosh

NEW DELHI

State-owned refiners trimmed down purchases of Russian oil by more than 45% between June and September this year, according to data from real-time maritime and analytics provider Kpler.

Speaking to *The Hindu*, Naveen Das, Senior Crude Oil Analyst at Kpler said state-owned refiners took 600 thousand barrels/day (kb/d) of oil from Russia in September, a “fairly substantial” cut from 1.1 million barrels/day they took in June this year.

The trimming down of Russian oil imports fall against a larger geopolitical setting centred around U.S.



Private refiners RIL and Nayara Energy, have increased their uptake. REUTERS

President Donald Trump imposing 50% tariff on imports from India this August. This included a 25% penalty for buying Russian oil. Washington has been adamant that New Delhi halt their crude purchases from Moscow as a precondition to negotiate a fa-

vourable trade deal.

India has been steadfast on its commitment to maintaining domestic energy security. New Delhi has been procuring Russian oil at a discount after the latter found itself mired in sanctions following their actions in Ukraine.

While Indian state-run refiners have cut purchases from Moscow, India's privately-owned refiners, Reliance Industries and Russia's Rosneft-backed Nayara Energy, have raised their uptake. According to Kpler data, RIL now imports 850 kb/d of Russian oil, more than double the 420 kb/d it was importing in January. Nayara imported nearly 400 kb/d in October - its highest this year.

ONGC to cut output cost by 15% in subdued mkt

ARUNIMA BHARADWAJ
New Delhi, October 13

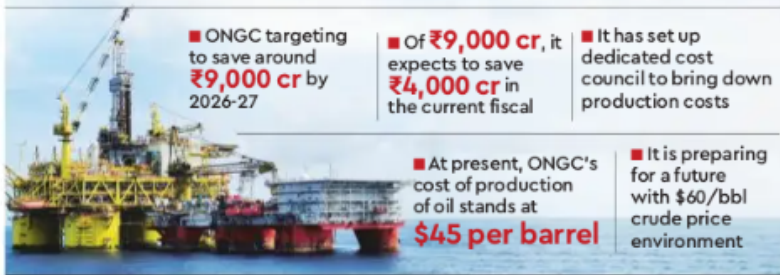
STATE-RUN OIL AND Natural Gas Corporation (ONGC) is planning to curtail its oil production costs by 15% in the next two years as it expects crude oil prices to be in the range of \$60-\$65 per barrel in the medium term.

The company is targeting to save around ₹9,000 crore by 2026-27, Pankaj Kumar, director production at ONGC said on Monday. Of this, the company expects to save ₹4,000 crore in the current fiscal.

ONGC has also set up a dedicated cost council to bring down the production costs. At present, the company's cost of production of oil stands at around \$45 per barrel.

To achieve the same, the company is undertaking a

SAVINGS PLAN



number of initiatives, it said, including offshore resource optimisation, increasing drilling efficiency, optimisation of logistics route and inventory reduction. The company also aims to increase fuel efficiency.

It has prepared a strategic roadmap for a future with \$60/bbl crude price environ-

ment. ONGC expects 44% increase in its oil production to 65.41 million tonne and 89% increase in gas production to 112.63 billion cubic meters from its Mumbai High field in the next ten years. The company has onboarded British oil major BP as technical service provider to improve production from the

Mumbai High field. This will unlock up to \$15 billion incremental revenue in ten years, the company said.

It has committed \$400 million in capex for ONGC-BP redevelopment Phase 1 of the Mumbai High field.

The company has further split the MH field into 6 hubs for faster and optimised rede-

velopment.

Further, in its planned MH Redevelopment Phase 2, the consortium is targeting 100 new wells for FY28 & FY29, Kumar said.

In addition, the company is also exploring technical service provider for other important fields to boost production.

In the KG 98/2 block, ONGC has engaged BP as Subject Matter Expert to diagnose root-cause and identify well interventions to boost production.

The company's board has already approved a joint development scheme promising incremental 12 MMT of oil and 13.5 BCM of gas from KG 98/2 in the next few years. It will also scale up operations at its Pipavav Supply Base, unlocking ₹1,000 crore in savings.

ONGC eyes \$1 bn/yr profit from trading venture, looks to reduce costs by 15%

SUKALP SHARMA

NEW DELHI, OCTOBER 13

INDIA'S LARGEST oil and gas producer Oil and Natural Gas Corporation (ONGC) expects a profit of \$1 billion a year from oil and petroleum product trading, which it plans to undertake in partnership with an international company.

The public sector giant has also worked out a roadmap to optimise costs, which it expects will help save over Rs 9,000 crore on an annualised basis over the coming years. The planned oil trading venture as well as the cost optimisation plan is part of the company's endeavour to reorient itself for a subdued oil price environment of \$60 per barrel.

Being an oil and gas producer, ONGC's revenue moves in line with the movement in international energy prices.

Given that the oil prices have been subdued over the past few

The planned oil trading venture as well as the cost optimisation plan is part of ONGC's endeavour to reorient itself for a subdued oil price environment of \$60 per barrel

months and are likely to fall further with ample supply expected to come to the market in the near to medium term, ONGC expects international prices to stay subdued at \$60-65 per barrel over the next two to three years. Such a price scenario is bound to impact ONGC's revenue as well as margins, and the company is gearing up to minimise the impact by reducing costs and developing new revenue sources.

The price of benchmark Brent crude is under \$65 per bar-

rel currently. At the start of this year, it was over \$75 per barrel, and had even breached \$80 mid-January. ONGC noted that on average, international oil prices have reduced by 5 per cent each year—compounded annually—over the past five years.

The PSU giant is in talks with four international players, and is expected to set up a joint venture for oil trading with one of them over the coming months, according to the company's Director (Production) Pankaj Kumar. He did not name any of the four potential partners, but said that none of those is a pure-play oil and gas trader. Another ONGC official said that the interested companies are large oil and gas players that also have experience in oil and gas trading, but declined to name the firms. ONGC wants the international partner to provide trading expertise.

Most of ONGC's own oil and gas production is sold domestically on nomination basis, its

subsidiaries buy and sell around 70 million tonnes of crude oil per annum. These companies include its refining arms Hindustan Petroleum Corporation (HPCL) and Mangalore Refinery and Petrochemicals (MRPL), and its overseas investment arm ONGC Videsh (OVL). The proposed trading joint venture will bring all trading activities done by different companies in the ONGC group under one roof, which would help in bringing in efficiency and scale. The trading company will primarily buy crude oil for HPCL and MRPL, and trade oil and gas produced by OVL.

ONGC expects this proposed trading JV to handle trade of up to 90 million tonnes per year to begin with, with \$1 billion of annual profits within two-three years, it is learnt. The JV, whose equity split between the partners is yet to be decided, is likely to be formed before the end of the current financial year.

Indian team headed back to US for trade talks, resolution of Russia oil issue key

RAVIDUTTA MISHRA

NEW DELHI, OCTOBER 13

SIGNALLING a likely thaw in trade talks with the US, Indian negotiators are set to reach Washington this week to bridge differences with American negotiators and inch closer to a trade deal, a senior government official said Monday. This comes after newly appointed US Ambassador-designate Sergio Goro met Prime Minister Narendra Modi, External Affairs Minister S. Jaishankar, as well as Commerce Secretary Rajesh Agrawal over the weekend.

While it's unclear if the upcoming meeting with the United

States Trade Representative (USTR) will be a formal round of negotiations, India has expressed willingness to step up energy imports from the US to resolve Washington's concerns over New Delhi's imports of Russian oil.

Officials from both the US and India have indicated that resolution of the Russian oil issue is a precursor to the negotiations for a Bilateral Trade Agreement (BTA).

Tensions between India and the US began to ease after a phone call between US President Donald Trump and Modi last Thursday in which the PM congratulated Trump on the "success of the historic Gaza peace plan." Modi added that he had also reviewed

the "good progress achieved in trade negotiations."

That was their second conversation since September 16, when the Prime Minister received a call from the US President on the eve of his 75th birthday.

The Indian Express had reported that the two sides have been exploring the possibility of a meeting between the two leaders on the sidelines of the ASEAN and East Asia Leaders' Summit in Kuala Lumpur, Malaysia, from October 26-28. Both sides have yet to announce their travel plans.

The likely thaw between the two countries comes when US-China talks appear to be faltering. Reacting to fresh curbs announced by China on critical min-

erals, Trump threatened 100 per cent tariffs. However, Trump seemed to dial down Sunday, "Don't worry about China, it will all be fine! Highly respected President Xi just had a bad moment. He doesn't want depression for his country, and neither do I. The US wants to help China, not hurt it."

The Chinese embassy in the US said: "China's position on the trade war is consistent: we do not want it, but we are not afraid of it." In one of its most direct responses yet to American tariffs, China said: "If the US insists on going the wrong way, China will surely take resolute measures to protect its legitimate rights and interests."

ONGC Plans Launch of Oil Trading Biz in FY27

Our Bureau

New Delhi: Oil and Natural Gas Corporation (ONGC) plans to launch its oil trading business in the next financial year in partnership with an international firm, targeting an annual profit of \$1 billion, a company executive said on Monday.

India's largest oil and gas producer aims to consolidate on one platform the extensive crude oil purchases made by its group refiners—Hindustan Petroleum Corporation Ltd (HPCL) and Mangalore Refinery and Petrochemicals Ltd (MRPL)—along with the crude produced and marketed by its overseas subsidiary, ONGC Videsh Ltd (OVL).

The total crude oil volume available at the group level for the proposed trading desk is estimated at 70-90 mtpa, said Ajay Kumar Singh, chief of corporate planning at ONGC.

To execute this plan, ONGC will form a specialised trading company in joint venture with an international partner. ONGC is evaluating interest from four global firms and expect to finalise a part-

ner in the next few months, Singh said. HPCL and MRPL will also hold stakes in the trading venture, while the ONGC group will retain a majority share and the international partner will be a minority stakeholder, he said.

The company expects the trading business to achieve annual profits of around \$1 billion after it stabilises, Singh added.

Separately, ONGC has signed an agreement with BP to engage its subject matter experts for the KG-DWN-98/2 deepwater block, said Pankaj Kumar, director (production), ONGC. BP's experts will assess the field and recommend measures to address its underperformance.

The KG block currently produces about 30,000 barrels per day (bpd) of crude oil and 2.8 million standard cubic metres per day of gas, against a target of 45,000 bpd and 5 mmscmd, respectively.

ONGC is also contemplating partnerships with international oil companies as technical service providers for additional fields, similar to its engagement with BP at Mumbai High, Kumar said.



ओएनजीसी बाजार पूंजीकरण में हुआ जोमैटो से पीछे



नई दिल्ली। सार्वजनिक क्षेत्र की कंपनी ऑयल एंड नैचुरल गैस कॉर्पोरेशन (ओएनजीसी) का मूल्य लगभग 3.10 लाख करोड़ रुपये है। कंपनी जोमैटो से पीछे है। ऐसा इस तथ्य के बावजूद है कि ओएनजीसी की अनुषंगी कंपनियों और अन्य निवेश में हिस्सेदारी इसके बाजार पूंजीकरण के एक तिहाई से अधिक है।

प्रदेश में 28 उद्यमी करेंगे ₹1734.65 करोड़ का निवेश, सरकार ने दी मंजूरी

10 नए और 18 पुराने उद्योगों का होगा विस्तार, 5388 लोगों को मिलेगा रोजगार

शिमला | प्रदेश में 28 उद्यमी 1734.65 करोड़ रुपए का निवेश करेंगे। सरकार ने सिंगल विंडो की बैठक में इन उद्यमियों को प्रदेश में निवेश करने की मंजूरी प्रदान कर दी है। बैठक मुख्यमंत्री सुखविंदर सिंह सुक्खू की अध्यक्षता में हुई। इसमें 10 नए उद्योगों को स्थापित करने और 18 पुराने उद्योगों के विस्तार को मंजूरी दी गई है।



इसमें ज्यादातर फार्मा और ऑटो सेक्टर में निवेश के लिए उद्यमियों ने दिलचस्पी दिखाई है। इससे प्रदेश में 5388 लोगों को रोजगार के अवसर

नई औद्योगिक इकाइयों को मिली मंजूरी

एंगस डंडी इंडिया प्रा. लि. (कांगड़ा): माल्ट स्पिरिट, जिन, विदेशी मदिरा और कैटल फीड का उत्पादन, मेनवर्स फार्मा एलएलपी (पांवटा): फार्मास्यूटिकल निर्माण, समर्थ लाइफ साइंसेज प्रा. लि. (बदी): दवाओं का उत्पादन ज्यूपिटर सोलरटेक प्रा. लि. (सोलन): सोलर सेल निर्माण, ओपीजी मोबिलिटी एंड पावर प्रा. लि. (सोलन): इलेक्ट्रिक वाहन व कलपुर्जे एम्ब्रोस ऑटोकोम्प लि. (सोलन): ऑटो स्पेयर पार्ट्स, डेजर्ट ईगल आर्म्स प्रा. लि. (सोलन): स्टील कलपुर्जों का निर्माण सीबीजी प्लांट पांवटा (सिरमौर): बायोगैस व जैविक खाद, बहरी रिन्यूएबल एनर्जी (मंडी): बायोचार और टॉरिफाइड बालोमास, पारस स्पाइसेस (ऊना): आइसक्रीम और यूएचटी दूध सहित

मिलेंगे। मुख्यमंत्री ने निर्देश दिए कि हर प्रस्ताव में कौशल आधारित रोजगार का विवरण शामिल होना चाहिए। उन्होंने श्रम प्रधान और हरित उद्योगों विशेष रूप से आईटी, आईटीईएस और पर्यटन क्षेत्रों में निवेश आकर्षित

करने के प्रयासों पर बल दिया। इसके अलावा उन्होंने औद्योगिक क्षेत्रों में लीज ट्रांसफर दरों की फिर से समीक्षा, और आंतरिक औद्योगिक क्षेत्रों में प्लॉट रूपांतरण नीति तैयार करने के निर्देश भी दिए।