

● WITH PORTFOLIOS FINALISED, MODI 3.0's
MINISTERS START ASSUMING OFFICE

Ministers get going

OMCs may look at fuel price cut: Oil minister Puri

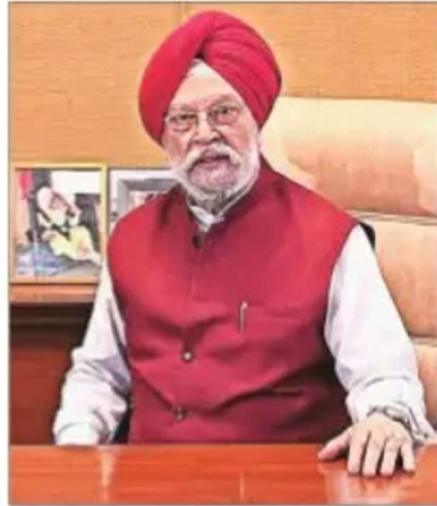
ARUNIMA BHARADWAJ
New Delhi, June 11

GREATER THRUST TO domestic production of crude oil, boosting the refining capacity and raising the consumption of natural gas would be the top objectives of the new National Democratic Alliance (NDA) government in the hydrocarbon sector, Hardeep Singh Puri said on Tuesday after assuming charge as the Union minister of petroleum and natural gas for the second straight term.

The minister also hinted that if the Indian basket of crude is sustained at around \$70-80/barrel, the state-run oil marketing companies (OMCs) may consider cutting retail prices of auto fuels.

The government would be firm on its target of 20% ethanol blending with gasoline and work to bring gas under the goods and services tax (GST), he added.

Talking about upcoming projects in the refining sector, the minister said BPCL is in advanced stage to set up greenfield refineries, while GAIL is also planning an ethane cracker unit for petrochemicals. He, however, did not divulge the site of the new unit or the capacity being planned. "BPCL's Bina refinery is coming up and



Hardeep Singh Puri assumes charge as the petroleum and natural gas minister, in New Delhi on Tuesday

Cauvery basin refinery is also coming up by Indian Oil at Chennai," he said.

While retail prices of diesel and petrol are deregulated, the state-run OMCs are perceived to pay heed to the inflation dynamics and other political-economy factors, while taking their pricing decisions. Puri's comments on the OMCs' next move assumes significance in this context. Deflation in 'fuel and light' is likely to deepen in May, to -5.2% against -4.2% in April, and the segment is seen to stay deflationary in the near-term owing to high base effects, and low energy prices.

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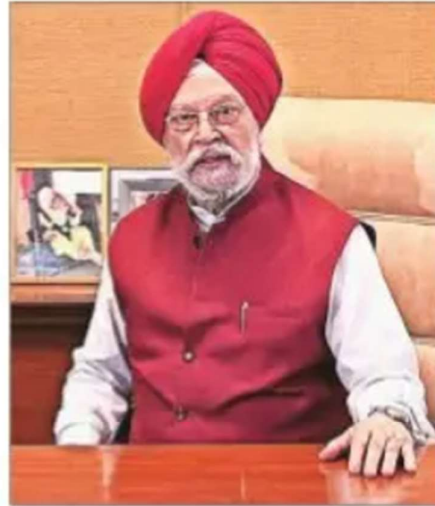
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Puri reaffirms 20% ethanol blending target by 2025

OUR CORRESPONDENT

NEW DELHI: Hardeep Singh Puri, who has been reappointed as the Union Minister of Petroleum and Natural Gas in the new government, took charge of his office on Tuesday and reiterated the Modi government's firm commitment to achieving the target of 20 per cent ethanol blending in fuel by 2025. The minister also highlighted the significant progress made in May, when the country crossed the 15 per cent ethanol blending milestone.

"The Prime Minister had originally set a target of 20 per cent blending by 2030," Minister Puri stated. "Based on our cur-

rent progress and ongoing work, I am confident that we will achieve the 20 per cent blending target by 2025, which was brought forward from 2030," he added. After assuming his new role, Puri emphasized India's successful management of the energy trilemma—ensuring energy availability, affordability, and sustainability—during a period when other nations, including developed countries, faced energy rationing, fuel shortages, and soaring prices. He noted that India is possibly the only country where fuel prices have decreased over the past two and a half years.

The minister also pointed out the significant increase in



Minister of Petroleum and Natural Gas Hardeep Singh Puri

LPG connections from 14 crores in 2014, with only 55 per cent of the population having access, to 32 crores now, attributing this success to the Ujjwala scheme. In terms of exploration and production, Puri announced that oil production from the 98/2 well will soon increase to 45,000 barrels per day, with gas pro-

duction also set to commence shortly.

He mentioned that ONGC has invited international oil and gas majors with annual revenues above \$75 billion to participate in a tender for a technology partnership in the western offshore region.

Integrating green hydrogen into the refining process is another area of focus, with the PNG minister announcing the upcoming installation of green hydrogen plants at refineries in Panipat, Mathura, and Paradeep. He also mentioned the commissioning of the first green hydrogen plant on 27th May 2024, and establishing a green hydrogen station

at Kochi for buses serving the Kochi Airport.

Looking ahead to upcoming projects in the refining sector, Puri informed that BPCL is in an advanced stage of setting up greenfield refineries. At the same time, GAIL plans to establish an ethane cracker unit for petrochemicals. He also mentioned the upcoming Bina refinery by BPCL and the Cauvery Basin Refinery by IOCL in Chennai.

Meanwhile, the minister's statements reflect the government's continued efforts to enhance India's energy security, promote sustainable practices, and maintain affordable fuel prices for its citizens.

BPCL sale completely off the table: Puri

SUBHAYAN CHAKRABORTY
New Delhi, 11 June

BPCL is a high revenue-earning public-sector undertaking (PSU) and plans to privatise it completely off the table, Petroleum and Natural Gas Minister Hardeep Singh Puri said on Tuesday after assuming charge of the ministry for the second time.

"Why would we divest ourselves of highly successful Maharatnas like BPCL," Puri said, arguing the Centre was not in favour of divesting its stake in oil PSUs.

The government owns 52.98 per cent in the oil major. Its plans to divest had been scuttled due to an insufficient number of bids from potential buyers.

BPCL is also in advanced stages of setting up greenfield refineries, Puri said, without giving further details. Meanwhile, IOCL is building an additional 9 million tonnes refinery unit alongside its existing CPCL-run refinery in Chennai's Nagapattinam at a cost of ₹33,023 crore. Puri said ONGC would soon commence gas production from its flagship deep-water project in the KG-DWN-98/2 block of the Krishna-Godavari (KG) basin, off the coast of Kakinada. Oil production from the block will rise to 45,000 barrels per day soon as well, he said.

"From the Western Offshore, ONGC has floated a tender to get an international technical partner. All international oil and gas majors having an annual revenue above \$75 billion have been invited to participate," he said. The minister said oil-marketing companies (OMCs) can consider reducing pump prices if international crude oil prices remain relatively low, at \$75 or \$80 per barrel. He stressed that petrol and diesel



PHOTO: PTI

PURI AFTER TAKING CHARGE

- ONGC to begin gas production from Krishna Godavari block, oil production to hit 45,000 bpd
- The state-run firm has released tender seeking international technical partner in western offshore
- Indian Oil Corporation to soon install green H2 plants in Panipat, Mathura and Panipat
- Petrol and diesel should be brought under the purview of the GST regime

need to be brought within the purview of the GST regime going forward. Last week, the petroleum secretary had said the ministry was cautiously optimistic of this happening in the current year.

Big projects in the pipeline

The minister said expanding India's footprint in the green hydrogen and biofuel sectors would remain key goals. "Many of our oil majors are in the process of issuance of tenders to supply green hydrogen. We are the first country in the world to employ green hydrogen buses, 15 of which have begun plying," he said.

IOCL will soon install a 10 kilo-

tonne per annum (KTA) green hydrogen refinery plant in Panipat, alongside Mathura (5 KTA), and Paradip refinery (10 KTA), the minister announced. The first 10 Mw green hydrogen plant was inaugurated by GAIL in Madhya Pradesh in May. The gas major is also planning a cracker unit for petrochemicals, Puri said. He argued that oil PSUs have done well and have made a collective 159,000 crore profit after tax.

Exploration and production for crude oil would remain another focus area, Puri said. "Rounds IX and X under the Open Acreage Licensing Policy will commence in the next few weeks," he said.