Adani Krishnapatnam Port gets nod to import petroleum products

Our Bureau
New Delhi


The extension is valid for 19 months from August 24 to March 1, 2026

The Ministry of Ports, Shipping and Waterways has extended approval for petroleum imports at the Adani-owned Krishnapatnam Port. The extension will allow the Port to continue importing petroleum by sea in accordance with operations permitted under the Navigational Safety at Ports Committee certificate.

The extension, which comes in view of the associated public interest in importing petroleum, is valid for 19 months from August 24 to March 1, 2026. "In exercise with the powers conferred under Rule16(1) of the Petroleum Rules, 2002, and in continuation of the notification of the Ministry of Ports, Shipping and Waterways SO 3515(E) dated August 25, 2021, the Central government, in consideration of the necessity to import petroleum in public interest, hereby extends the notification for Krishnapatnam Port in Andhra Pradesh (Adani Krishnapatnam Port Ltd) for importing petroleum in India by sea in accordance with operations permitted in Navigational Safety at Ports Committee certificate number NSPC /041/2021 dated November 1, 2021 for the period from 25.08.2024 to 01.03.2026," the notification by the Ministry said.

This port will help India refine more crude oil on its east coast and improve energy cost efficiency. India depends on imports for over 80 per cent of its crude oil requirement.

Adani Ports and Special Economic Zone Ltd (APSEZL) in a notification to the bourses had said, in November, that it handled 36 million tonnes of cargo, driven by containers, which was up 21 per cent y-o-y. On a year-to-date basis (till November 2024), APSEZ handled 293.7 mt of total cargo, up 7 per cent y-o-y.

This growth was supported by containers, which was up 19 per cent y-o-y, followed by liquids & gas, up 7 per cent y-o-y.

MINT, Delhi, 10.12.2024
Page No. 2, Size:(18.80)cms X (18.10)cms.

'Centre, state, CPSE capex growth may slow in FY25'

The likelihood has prompted policymakers to address the slowdown in the Union budget.

Rhik Kundu
rhik.kundu@livemint.com
NEW DELHI

Capital expenditure by central infrastructure ministries, central public sector enterprises (CPSEs) and state governments is expected to slow in FY25 after rising to a five-year high of 5.87% of GDP in FY24 due to reduced spending in the first two quarters, two people familiar with the matter said.

The likelihood has prompted policymakers to address the slowdown in the upcoming Union budget.

In FY24, capital expenditure by the Centre, CPSEs, and state governments reached ₹17.35 trillion, or 5.87% of GDP, marking an increase from ₹13.57 trillion, or 5.03% of GDP, in FY23, according to data from the Ministry of Finance.

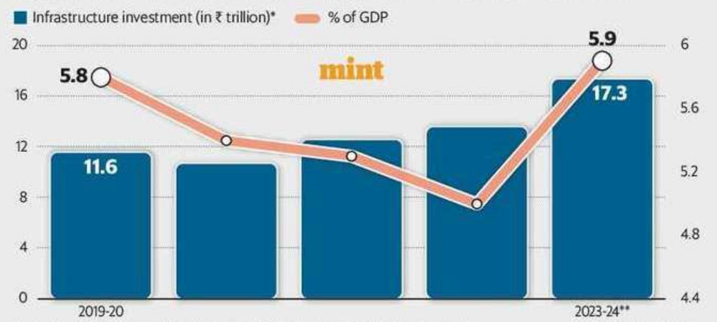
Capital expenditure had fluctuated in the preceding years. In FY20, it stood at ₹11.57 trillion, or 5.76% of GDP, which decreased to ₹10.70 trillion, or 5.39% of GDP, in FY21. The figure then rose again to ₹12.57 trillion, or 5.33% of GDP, in FY22.

To be sure, the Indian economy was recovering from the pandemic during FY21 and FY22.

Capital expenditure by the Centre, which saw a significant decline in the first half of FY25, is anticipated to improve in the second half, to meet the targeted levels mentioned in the last annual budget, the first person mentioned above said.

Tight leash

Capex by central infrastructure ministries, CPSEs and state governments is expected to fall below the five-year high of 5.87% of GDP achieved in FY24



*Includes capital expenditure by central infrastructure ministries, central public sector enterprises (CPSEs) and state governments

** Revised estimate

Source: Ministry of finance

SARVESH KUMAR SHARMA/MINT

"While the overall capital expenditure (by the Centre, states and CPSEs) in FY25 is expected to meet the target or reach close, the growth could be lower than the previous fiscal," the first person mentioned above said on the condition of anonymity.

₹17.35 tn
Capex by Centre, CPSEs and states in FY24

"The Centre will continue its capital expenditure push in the upcoming budget to bolster economic growth, while also encouraging states to follow suit through initiatives such as the 'Special Assistance for Capital Investment' scheme and interest-free loans," the first person mentioned above added.

During FY25, a realistic target for the capital expenditure by central infrastructure ministries, CPSEs and state governments is expected in the ₹18-₹19 trillion range in FY25, both the people mentioned above added.

According to the latest budget documents, the Centre's capital expenditure plans stand at about ₹11.11 trillion during FY25, up from ₹10 trillion in the previous year.

₹13.57 tn
Capex by Centre, CPSEs and states in FY23

The capital expenditure plan for 20 major states during FY25 stands at about ₹8.5 trillion.

A ministry of finance spokesperson didn't respond to emailed queries.

The GDP for Budget FY2024-25 is estimated at ₹326.37 trillion which is 10.5% over the provisional estimates of FY 2023-24 at ₹295.36 trillion.

India's gross domestic product (GDP) growth slowed to 5.4% in the September quarter, down from 6.7% in the previous quarter, marking the slowest pace in nearly two years due to a downturn in manufacturing, urban consumption and corporate earnings.

In FY24, India recorded a GDP growth of 8.2%, with quarterly growth rates of 8.2% in Q1, 8.1% in Q2, 8.6% in Q3, and 7.8% in Q4.

According to a November report by CareEdge, India's public capital expenditure (capex) saw a notable decline in the first half of FY25, with central Capex shrinking by 15.4% and aggregate state capex falling by 10.5% year-on-year.

During the April-September period, the Centre achieved only 37% of its budgeted capex target, while 20 major states collectively met just 28%.

The report noted a marginal recovery in public capex in the September quarter, driven by a 10.3% year-on-year growth in central capex.

Meanwhile, state capex continued to contract, falling by 3.8% year-on-year, during the same period.

However, the central government's capex is expected to surge by 25% on-year during October-March, according to a recent report by Jefferies.

For an extended version of this story, go to livemint.com.

MINT, Delhi, 10.12.2024
Page No. 2, Size:(11.22)cms X (13.97)cms.

Govt okays rules for exploring oil and gas deposits in forests

Jayashree Nandi
letters@hindustantimes.com

NEW DELHI

The Union environment ministry has streamlined the approval process for surveys and exploratory drilling in forest areas to search for oil and gas, according to a letter sent last month to the principal secretaries and additional chief secretaries (forests) of all states and Union territories (UTs).

Hindustan Times reported on 5 August that the ministry's FAC (forest advisory committee) had exempted surveys involving drilling and felling of up to 100 trees for prospecting hydropower and other development projects in forest areas from obtaining prior clearance.

The FAC noted that such preliminary drilling is crucial for project design, preparation of a detailed project report and estimating the financial provisions of the proposed development project.

Now, the ministry has issued detailed guidelines and timelines to state governments or Union territories to permit such projects.

The environment ministry has exempted surveys involving felling of up to 100 trees. MINT

It has asked states to authorize the nodal officer dealing with land diversion under *the Van (Sanrakshan Evam Samvardhan) Adhiniyam* "to grant permissions" to proposals of survey and exploratory drilling in a forest area involving drilling of a 25-bore hole of 4-inch diameter per 10sq. km, 80 shot hole of 6.5-inch diameter per sq. km and/or felling of 100 trees in the entire prospecting/survey area.

The divisional forest officer, within a period of one month after receiving of the proposal, shall record his observations and recommendations and directly forward the online application to the nodal officer along with a demand for making the payment of net present value (NPV) and other compensatory levies (to be paid against diversion of forest land), as applicable, it said.

The nodal officer, after receipt and examination of the proposal from the divisional forest officer, within a period of 15 days, shall give permission, through the Parivesh portal along with a demand for making the payment of NPV and other compensatory levies, the letter added.

"We had sought streamlining and relaxation of environmental permits for all minerals. This will help exploration of iron ore, bauxite, coal and all other critical minerals. For oil and gas, the streamlining is being done through an amendment which separates the oil and gas sector from the mining sector completely," said an industry body member who declined to be quoted.

MILLENNIUM POST, Delhi, 10.12.2024
Page No. 10, Size:(13.18)cms X (19.71)cms.

India's energy sector undergoing significant transformation: Govt

SIMONTINI BHATTACHARJEE

> The govt has set an ambitious target to raise natural gas share in energy mix to 15% by 2030

NEW DELHI: The government on Monday informed the parliament that India's energy sector is undergoing a significant transformation, with a growing emphasis on cleaner energy sources. The incumbent regime has set an ambitious target to increase the share of natural gas in the energy mix to 15 per cent by 2030. This vision is being realized through a series of strategic initiatives and policy reforms aimed at expanding natural gas infrastructure, increasing domestic gas production, and promoting sustainable energy alternatives.

In a written reply, the MoS petroleum and natural gas, Suresh Gopi informed the Rajya Sabha that to support the increased use of natural gas, the government has taken several steps to expand the National Gas Grid Pipeline and the City Gas Distribution (CGD) network. Additionally, the establishment of Liquefied Natural Gas (LNG) Terminals is underway to facilitate the import and distribution of natural gas. The allocation of domestic gas to Compressed Natural Gas (Transport) or Piped Natural Gas (Domestic) CNG(T) or PNG(D) has been prioritized, ensuring that essential sectors receive adequate supply.

The government has also introduced measures to liberalize the marketing and pricing of natural gas. Gas produced from high-pressure/high-temperature areas, deep water, ultra-deep water, and coal seams is now subject to market-determined prices, with a ceiling price to ensure affordability. The Sustainable Alternative towards Affordable Transportation (SATAT) initiative has been launched to promote Bio-CNG, further diversifying the energy mix and reducing reliance on conventional fuels.

The junior minister also informed that, in a bid to increase domestic gas production, the government has introduced the Hydrocarbon Exploration and Licensing Policy (HELP). This policy shifts the award of exploration acreages from the production-sharing mechanism to a revenue-sharing mechanism, incentivizing exploration and production activities. The policy reforms notified on February 28, 2019, further relaxed many processes and approvals to promote "Ease of Doing Business" in the sector.

Key reforms include the removal of Revenue Share from Category II & III type of basins, except for windfall gains. A 7-year Royalty Holiday has been granted for Deep & Ultra-deep blocks, and concessional Royalty Rates have been introduced for Deepwater and Ultra-deep water blocks. Fiscal incentives have been provided to encourage the early monetization of fields, along with marketing and pricing freedom for natural gas.

On April 7, last year, the government issued a notification allowing a premium of 20 per cent over the Administered Price Mechanism prices for gas produced from new wells and well interventions of Oil and Natural Gas Corporation Ltd (ONGC) and Oil India Ltd (OIL) from their nomination fields. This move is expected to boost production and incentivize investment in the sector.

He further highlighted the government's commitment to transforming India's energy sector by promoting cleaner energy sources and enhancing domestic gas production. The comprehensive reforms and initiatives undertaken by the government reflect a strategic approach to achieving energy security, reducing carbon emissions, and fostering sustainable economic growth. By expanding natural gas infrastructure, liberalizing markets, and providing fiscal incentives, India is well-positioned to meet its 2030 target and lead the way in the global energy transition.

The government's efforts are expected to have a profound impact on the energy landscape, promoting cleaner, more efficient, and sustainable energy solutions for the future. As India continues to advance its energy sector reforms, the focus remains on leveraging natural gas as a bridge fuel towards a greener and more resilient energy future.

ASIAN AGE, Delhi, 10.12.2024
Page No. 7, Size:(3.06)cms X (6.15)cms.

Krishnapatnam Port allowed to import petroleum

The Centre has allowed Adani Krishnapatnam Port in Andhra Pradesh to import petroleum into India up to March 1, 2026, according to an official notification. The port has been allowed to import petroleum by sea from August 28, 2024, till March 1, 2026, in public interest, according to the notification by the ministry of ports, shipping and waterways. Adani Krishnapatnam Port is an all-weather deep water port on India's east coast.

BUSINESS LINE, Delhi, 10.12.2024
Page No. 8, Size:(6.23)cms X (9.31)cms.

Natural gas futures: Go long now and on dips

Gurumurthy K
bl. research bureau

Natural gas price has risen back sharply after a corrective fall. The natural gas futures contract on the Multi Commodity Exchange (MCX) fell to a low of ₹252.8 per mmBtu by mid-week last week. From there it has risen back.

COMMODITY CALL.

Indeed, the contract started this week on strong note by opening with a wide gap-up and surging to a high of ₹275. It is currently trading at ₹272 per mmBtu.

The support at ₹252 has held very well. That keeps the broader uptrend intact. The strong rise indicates that the corrective fall has ended. Immediate supports are at ₹268 and ₹261. Below that, ₹252-₹251 will be the next important support zone.

The MCX natural gas contract can rise to ₹292-₹293 in a week or two. An eventual break above ₹293 can then clear the way for a rally to ₹330-₹350 over the medium term.

From a big picture, the level of ₹238 is a crucial support for the natural gas contract. The price has to fall below this level to become bearish.

But that looks less likely. Traders can go long now at ₹272. Accumulate on dips at ₹269 and ₹264. Keep the stop-loss at ₹258 initially. Trail the stop-loss up to ₹275 as soon as the contract goes up to ₹281.

Move the stop-loss further up to ₹283 when the price touches ₹287. Exit the long positions at ₹292.

ONGC may Hold Auctions to Pick Green Energy Project Developers

Sanjeev Choudhary

New Delhi: Oil and Natural Gas Corp (ONGC) is looking to hold auctions to select developers for building its planned 1.2 GW greenfield renewable energy projects, a senior company executive said.

India's largest oil and gas producer aims to hold two rounds of auctions, offering 600 MW in each, with the first round planned in two months, the executive who didn't want to be named told **ET**.

ONGC intends to use both greenfield developments and acquisitions to build a green energy portfolio of 10 GW by 2030, the executive said. "We are evaluating various models for greenfield projects, including offering end-to-end project development responsibility to a third party," said the executive.

ONGC's first tender for 600 MW will require bidders to offer a price for developing the full plant. The minimum bid size will be 300 MW. A bidder will be expected to arrange land and grid connectivity and undertake engineering procurement and construction (EPC) for the project, the executive said.

The bid winner will have to hand over a ready-to-operate plant to ONGC in an agreed-upon timeframe. Finding customers for power purchase agreements (PPA) for the projects will be ONGC's responsibility. The second tender, for an equal capacity, will require bidders to arrange only land and grid connectivity for the projects.

ONGC will separately award an EPC contract besides finding customers for the PPA. If the tendering process proceeds as per plan, ONGC will replicate the model for another 1200 MW, the executive said. In the new set of projects, the company aims to step into procurement as well, leaving a smaller role for EPC contractors.

"We are trying to quickly learn the game," said the executive, referring to a range of green energy strategy ONGC aims to deploy—from evaluating producing and under-construction assets for acquisition to letting developers build ready-to-operate plant—and eventually reach a level where the explorer itself can execute most of the greenfield project development.

Gentari Arm to Supply 650 MW Green Power to AMG Ammonia

MUMBAI Malaysian clean energy company Gentari's local subsidiary will supply 650 MW continuous green power to AM Green Ammonia India under a power purchase agreement, the companies said on Monday.

Gentari Renewables India Castor One plans to set up about 2,400 MWp (Megawatt peak) of renewable energy capacity, comprising solar and wind projects, integrated with 350 MW/2,100 MWh of energy storage. The projects will be set up in Andhra Pradesh and Karnataka.

"The solar project will be constructed at a single location and the wind projects will be spread across multiple locations connected through the ISTS network," said Navjit Gill, country head for India, Gentari, adding that this will be a one-of-its-kind project, integrating with energy storage to supply firm and dispatchable green energy to AMG Ammonia's facilities. – **Our Bureau**

HINDUSTAN TIMES, Delhi, 10.12.2024
Page No. 19, Size:(14.08)cms X (12.42)cms.

SCOPE Academy of Public Sector Enterprises organised an Executive Development Program for Junior and Mid-Level Executives of CPSEs on the theme 'The Career Journey to Personal Effectiveness'. Atul Sobti, DG, SCOPE was present.

BUSINESS LINE, Delhi, 10.12.2024
Page No. 9, Size:(6.23)cms X (18.07)cms.

Upstream policy overhaul to draw global oil firms

Our Bureau
New Delhi

India's move to broaden the scope of its exploration policy beyond petroleum and natural gas while abolishing windfall tax on domestically produced crude oil will likely draw in private and foreign entities to the upstream sector.

The exploration and production (E&P) sector has witnessed an uneven growth trajectory over the past decade, according to S&P Global Commodity Insights.

Last week, the Rajya Sabha passed a Bill seeking to amend the Oil Fields (Regulation and Development) Act of 1948 by expanding its scope to include shale oil, shale gas and coal bed methane, in addition to oil and gas, while proposing a series of other changes to the decades-old act, it added.

These include the freedom to pursue international arbitration in the event of disputes, as well as offering a longer lease period. The amendment still needs to be passed by the Lok Sabha to become law.

"The objective of the changes to the Oilfields Act is to create a more investor-friendly environment and enhance the global competitiveness of future oilfield contracts by addressing longstanding concerns of exploration companies," said Rahul Chauhan, upstream technical research country lead at S&P Global Commodity Insights.

RECENT REFORMS
- Eliminating the need for government permission to sell crude, condensates domestically
- Open Acreage Licensing Policy
- Abolition of windfall tax on domestically produced crude oil

UPSTREAM REFORMS

India, in recent years, has undertaken a series of upstream reforms, such as greater marketing freedom to producers, S&P said.

Previously, the operator of a field needed government permission to sell crude and condensates within the country. Under the new policy, the government ceased its function of allocating domestic crude and condensate output.

Upstream companies can now carve out areas for oil and gas exploration under the Open Acreage Licensing Policy that allows explorers to place an expression of interest for any area throughout the year and the areas earmarked are then put on auction.

The government also decided to abolish a windfall tax on domestically produced crude that was in effect since July 2022.

"The windfall tax was extremely unhelpful for the oil producers that were just emerging from a difficult period of low or barely remunerable prices. In an ideal scenario, India should pursue the opposite of windfall taxes, that is aggressively expanding and incentivising production growth by all means necessary, because in an energy transition world, the risk of stranded assets is rising," said Rajeev Lala, director for upstream companies and transactions at S&P Global Commodity Insights.

गेल
GAIL

RASHTRIYA SAHARA, Delhi, 10.12.2024

Page No. 13, Size:(8.16)cms X (14.33)cms.

पेट्रोलियम आयात की मंजूरी

नई दिल्ली। केंद्र सरकार ने आंध्र प्रदेश में स्थित अडाणी कृष्णपट्टनम बंदरगाह को एक मार्च, 2026 तक भारत में पेट्रोलियम आयात करने की अनुमति दे दी है। एक आधिकारिक अधिसूचना में यह जानकारी दी गई है। बंदरगाह, पोत परिवहन और जलमार्ग मंत्रालय की अधिसूचना के मुताबिक, बंदरगाह को सार्वजनिक हित में 28 अगस्त, 2024 से एक मार्च, 2026 तक समुद्र के रास्ते पेट्रोलियम उत्पाद आयात करने की मंजूरी दी गई है। अडाणी पोर्ट्स एंड एसईजेड लिमिटेड के स्वामित्व वाली इकाई अदाणी कृष्णपट्टनम पोर्ट लिमिटेड आंध्र प्रदेश में स्थित इस बंदरगाह का संचालन करती है।