

## ROUND-UP

# Adani Total Gas profit up 18%

Adani Total Gas (ATGL) reported an 18 per cent rise in its consolidated profit for the December 2023 ended quarter (Q3FY24) at ₹176.64 crore on the back of increased volumes. However, revenue witnessed modest growth owing to lower gas prices, the company said.

Revenue from operations stood at ₹1,244 crore, up 5 per cent on a year-on-year (Y-o-Y) basis. Sequentially, profit rose 2 per cent and revenue from operations grew 6 per cent on a year-on-year basis.

Gas sale volume for Q3 FY24, the firm said, was up 21

per cent Y-o-Y to 224 million metric standard cubic meters, while the cost of natural gas dipped 4 per cent Y-o-Y.

Ebitda, the firm noted, was at ₹301 crore, up 26 per cent Y-o-Y. In an update on its ongoing projects, the company said the first phase (225 tonnes per day) of its planned 600 TPD biomass plant in Barsana is expected to be commissioned by March this year. In the LNG for Transport & Mining segment, the company plans to commission its first LNG Retail Outlet in Dahej,

Gujarat, by July this year.

In its press statement for the nine-month period ending December 2023, the

company said, although

the overall volume has

increased by 13 per

cent Y-o-Y, revenue

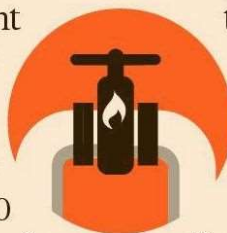
from operations has

increased by 2 per

cent due to a reduc-

tion in gas cost, especially Administered Pricing Mechanism (APM) gas, as ATGL passed on the benefit of APM gas price reduction to consumers, resulting in a lower sales price.

**AMRITHA PILLAY**





## Adani Total Gas Q3 PAT rises 16% on higher CNG sales

PTI / New Delhi

Adani Total Gas Ltd, the city gas retailing joint venture of Adani group and TotalEnergies of France, on Tuesday reported a 16 per cent rise in third quarter net profit on the back of strong CNG sales.

It posted a standalone net profit of Rs 172 crore in the October-December period compared to Rs 148 crore a year back, the company said in a statement.

Sale of compressed natural gas (CNG) soared 24 per cent to 144 million standard cubic metres in the December quarter, while piped natural gas sales grew 15 per cent to 80 mmscm.

The CNG sales rose as the firm added 98 new stations, taking the total network to 835 stations across the country. Adding over 85,580 new piped natural gas consumers took the total households buying piped cooking gas from the company to 9.3 lakh.

Revenue from operations was 5 per cent higher at Rs 1,243 crore.

"Adani Total Gas Ltd (ATGL) is embarking on the opportunities in the LNG segment as a transport fuel with building its 1st LNG retail outlet in Dahej, Gujarat, which is expected to be commissioned by July 2024," the statement said.



# BPCL plans ₹1.5-1.7-lakh crore capex over the next five years

## Our Bureau

Mumbai

Bharat Petroleum Corporation (BPCL) is planning a capital expenditure of ₹1.5-1.7-lakh crore over the next five years and is working on an offer document for a rights issue of shares.

In an analyst call to discuss the State-owned oil refiner's third quarter results, the management said that it would try to complete the rights issue within the current fiscal that ends in March.

The company has scaled up its investment plans. Last year at its annual general meeting, the Chairman and Managing Director G Krishnakumar had pegged its capex at ₹1.5-lakh crore.

One of the big investments that the company is making is the ethylene cracker project



## The State-owned oil refiner is working on an offer document for a rights issue and hopes to complete it within the current fiscal

in Bina where it has a planned outlay of ₹49,000 crore, the single largest investment in its history. The company also

expects to restart the stuck Mozambique gas project soon.

The \$20-billion project has been under *force majeure* since 2021 following security concerns in the region. The company has invested \$1.6 billion so far in the project and expects cash to flow in from FY28.

## RED SEA CRISIS

The ongoing crisis in the Red Sea were not having any effect on its crude imports, the management said.

Oil prices are expected to rule in the range \$80-90/bbl over the next six months. India's demand for gasoline is seen rising 4-5 per cent over the next five years and that of diesel by 1.5-2 per cent.

Shares of BPCL rose over 5 per cent intra-day and ended 2.3 per cent higher at ₹504.10 on the NSE.

## BPCL sets FY25 capex target at ₹15,000 cr

ARUNIMA BHARADWAJ  
New Delhi, January 30

**STATE-OWNED BHARAT PETROLEUM** has set its capital expenditure target for 2024-25 at ₹15,000 crore, the company said on Tuesday. It also aims to expand its market networks with new pipelines underway.

"Augmenting strong marketing networks, we have approved two pipeline projects from Mumbai refineries," the company said on an analyst call. In FY24, the company's capex outlay was at ₹10,000 crore, of which ₹8,000 crore has been utilised till December 31.

BPCL also said two pipelines passing through Tamil Nadu & Karnataka and another one through Andhra Pradesh & Telangana are under construction. "This pipeline will optimise our product placement cost in the southern part of the country," top management said.



G Krishnakumar,  
chairman & MD,  
Bharat Petroleum

Further detailing the expansion plans, the state-owned oil marketing company said it is putting up three new depots in the northeastern part of the country and has acquired land for the same.

BPCL's market share in the petrol and diesel segment in the domestic retail market has also witnessed a rise. During Oct-Dec period, BPCL's market share stood at 29.62 for petrol segment and 29.71 for diesel.

Addressing the rising tensions in the Red Sea, which pose a threat to oil shipments to the country's refineries, the company said that so far there has been no impact and its supplies till April are secured.

"Right now we are not impacted by the Red Sea issue. We are waiting and watching," chairman and managing director G Krishnakumar said. "Till about April we are covered and we do not have any worry."

The board of BPCL had last year approved rights issues to raise up to ₹18,000 crore which is expected to be issued by the end of FY24.

## BPCL ties up 1 mt of LNG from upcoming Mozambique project

**Rishi Ranjan Kala**  
New Delhi

State-run Bharat Petroleum Corporation (BPCL) has tied up a supply of 1 million tonnes (mt) of liquefied natural gas (LNG) from the upcoming \$20-billion project in Mozambique, which is expected to commence operations by FY28.

BPCL subsidiary Bharat PetroResources (BRPL) through its Netherlands-based step-down subsidiary BPRL Ventures Mozambique holds a 10 per cent participating interest (PI) in the LNG project. BRPL along with ONGC Videsh (OVL) and Oil India (OIL) hold a total of 30 per cent stake in the project, which is led by Total Energies.

The project was halted in March 2021 after Total Energies declared force majeure following Islamic State-linked insurgents attacking civilians in Mozambique's northern Cabo Delgado province where the natural gas project is coming up.

The work on the project is expected to start by July this year, BPCL management said in a results call on Tuesday. The project has a reserve of 64 trillion cubic feet (TCF) and has a capacity of 13 million tonnes per annum (mtpa).

### MOZAMBIQUE LNG

The BPCL management said the project suffered a setback due to security issues resulting in force majeure. However, the security situation has substantially improved and it is well positioned for restart in the near term. One important point to be noted is that despite the three-year force majeure period, all major contracts of Mozambique including LNG sales and project finance are going forward.

So far, the oil marketing company has invested roughly \$900 million on the development side and another \$729 million on exploration.

BPCL expects the force majeure to be lifted around July 2024. It is expected that the gas will begin to flow by FY28. The refiner has tied up 1 million tonnes of gas from the project. Overall, the consortium has tied up a total of 11 mt of gas with various entities.

India imports around 20 mtpa of natural gas from different suppliers. Of this, around 8.5 mtpa is from Qatar through a long-term contract valid till April 2028.

### MARKET VOLATILITY

BPCL CMD G Krishnakumar told analysts that crude oil prices have remained well below \$90 per barrel in last three months, notwithstanding announcements of crude oil supply cuts by major suppliers. This resilience is attributed to



The work on the project is expected to start by July

lacklustre growth in many major world economies influencing downward revision in global oil demand projections.

However, the ongoing Russia-Ukraine war, conflict in the Middle East and tensions in the Red Sea all point to negative impact on the global supply chain. These continued uncertainties are anticipated to contribute to the volatility of crude oil prices throughout the year, he added.

The refiner expects crude oil prices to be range bound between \$80-90 per barrel in the near term.



# Clear Dues or be Ready to Lose Guarantees: Petronet to Customers

## Our Bureau

**New Delhi:** Petronet LNG has warned customers to settle their 'use-or-pay' dues within three years of default by offering additional business to India's largest gas import terminal operator, or risk getting their bank guarantees encashed, its chief executive said on Tuesday.

Petronet LNG reported a profit of ₹1,191 crore for the October-December quarter, marginally higher compared with ₹1,181 crore in the year-earlier period, aided by increased utilisation at its liquefied natural gas (LNG) terminals. Its shares closed 1.8% higher at ₹267.60 on the BSE Tuesday, when the benchmark Sensex ended 1.1% lower.

Petronet's terminals processed 40% more LNG in the quarter from a year earlier as falling international gas prices boosted domestic demand, CEO Akshay Kumar Singh said. "People are rushing to book the slots," Singh said, referring to customer demand.

Petronet's import terminal at Dahej, India's largest, operated at 96.5% capacity in the last quarter, which is unprecedented in the winter season, Singh said, adding that capacity utilisation will further expand in summer.

Auditors have flagged the non-receipt of use-or-pay charges of ₹431 crore for the calendar year 2021 and ₹849 crore for 2022, although the company had recognised this as operating income in the previous financial ye-



ars. Customers have to pay for the capacity they book at gas import terminals even if they don't use it.

To resolve the matter, the company has now told defaulting customers that their use-or-pay charges will be waived proportionate to the new business they bring to Petronet, Singh said.

Customers will have to bring extra LNG volume over and above their committed cargoes to the terminals and the additional revenue generated by this to the terminal operator will effectively count as the use-or-pay charge. Those who defaulted in 2021 have until December 2024 to use this mechanism to settle their dues. The defaulters in 2022 can do so by December 2025.

Singh said he was confident of recovering the dues. "Given the improvement in the prices of LNG, all these off-takers are intending to bring more and more cargoes and our utilisation is going to substantially improve as we have seen in the last quarter," he said.

Petronet's long-term LNG purchase deal with Qatar, which is due for renewal, is still being negotiated, Singh said. "There is nothing like a deadline (for the conclusion of the deal)," he said.



# IGL faces twin troubles of weak sales volume and high costs

Dipti Sharma  
dipti.sharma@livemint.com

Investors of Indraprastha Gas Ltd (IGL) were left disappointed, as the city gas distributor reported a lacklustre volume growth, yet again.

In the December quarter (Q3FY24), sales volume grew by a mere 4% year-on-year to 8.5 million metric standard cubic meters per day (mmscmd), lower than analysts' estimates. Muted volumes were a drag on its Q3 earnings, with the compressed natural gas (CNG) segment playing a spoilsport. IGL's volumes have been range-bound lately, and the outlook on this front

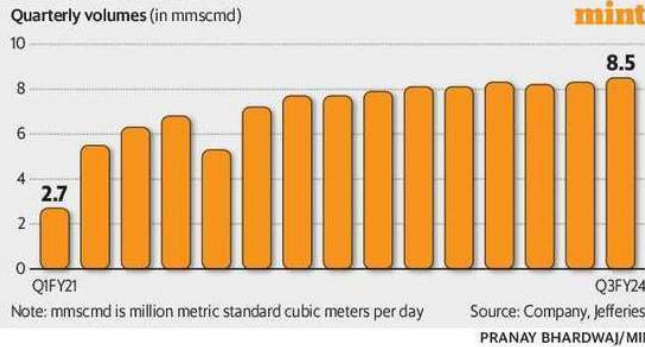
remains bleak.

A growing adoption of electric vehicles (EV) is expected to hurt IGL's CNG volumes, as the number of CNG-powered vehicles in the heavily-used public transport dwindles. "Tepid volume growth reflects that CNG volumes have not picked up much after the APM (administered price mechanism) price revision in April 2023," said a Kotak Institutional Equities report. Volumes have not been growing for nearly two years now in the Delhi National Capital Region (NCR) region, which accounts for nearly 70% of IGL's CNG volumes, it added.

IGL has guided for an exit vol-

## Stagnating

Indraprastha Gas' volumes rose year-on-year in Q3FY24, but have been range-bound lately



ume of 9 mmscmd for FY24 and 10 mmscmd for FY25.

This weakness in volume persists even though the Delhi-

based company has passed on most of the benefits of lower gas costs to customers in select areas. IGL's inability to increase

prices in the face of weak demand is likely to pressure its margins. IGL has guided for an Ebitda margin of ₹7.5-8 per scm for FY25. Ebitda margin was lower at ₹7.2 per scm in Q3, compared with ₹8.6 per scm in Q2, because of higher gas cost. An unfavourable combination of subdued demand and rising cost has prompted an earnings downgrade. For instance, Kotak has slashed its near-term earnings estimate for IGL by 4-6%, factoring in lower margins and volumes. Amidst all this, a respite for investors could come from the company's efforts to expand into newer geographical areas, like Meerut and Muzaffar-

nagar, to reduce its dependence on the National Capital Region. But unless that meaningfully plays out, it might be challenging to compensate for a slowdown in the NCR.

For now, the stock's dismal returns reflect these concerns. In the past one year, shares of the company have risen by a mere 2%. "IGL's stock has already been facing de-rating," said Swarnendu Bhushan, an analyst at Prabhudas Lilladher. Its valuation multiple has taken a hit. The stock is trading at 17x estimated consolidated FY25 earnings, compared to around 30x a few years back, Bhushan pointed out.

## India's crude import from Russia falls to lowest in past one year

RAKESH KUMAR @New Delhi

INDIA imported the lowest quantity of crude from Russia in the past one year, with the country importing 1.209 million barrels per day (mbd) in January 2024.

Meanwhile, India has increased its imports from its traditional suppliers during the same period. However, Russia still constitutes the largest portion of India's crude imports, though its share has been de-

creasing. As per data from energy cargo tracker Vortexa, India imported 1.328 mbd from Russia and 0.985 mbd from Iraq in December 2023.

Serena Huang, an analyst at Vortexa, attributed the fall in imports from Russia to several factors. These include narrowing of Russian crude discounts and recent US sanctions on shipowners carrying Russian crude above the price cap. Additionally, rising tanker premiums as a result of the Red Sea



attacks have made Russian crude less attractive for Indian refiners in recent months.

"I would not be surprised if

Indian refiners step up their imports of Middle East crude in the coming months," she added.

India, which imports 85% of its total oil, has significantly increased crude imports from Russia. From less than 2% before the Ukraine and Russia war, Russia has become the top oil supplier for India in the past several months, primarily due to huge discounts on its crude to India. However, January 2024 saw the lowest import at 1.209

mbd, while the highest import from Russia occurred in July 2023, with 1.955 mbd since January 2023.

Lately, the country has been increasing its imports from the Middle East. For instance, crude imports from Iraq rose from 0.737 mbd in June 2023 to the highest of 1.112 mbd in January 2024. Similarly, the lowest import from Saudi Arabia occurred in September 2023, at 0.501 mbd, and now in January 2024, it stands at 0.659 mbd.



# Indian refiners turn to Iraq for crude oil imports

**CLOSER OPTION.** Red Sea attacks and US shipping sanctions lift Iraq's crude imports to India in January

**Rishi Ranjan Kala**  
New Delhi

Domestic refiners turned towards Iraq in January 2024, lifting its crude oil exports to India to a record high. Limited vessels supply following US sanctions on firms shipping Russian crude and panic buying given the continuing stand-off between Western nations and Houthi rebels in the Red Sea have made Iraq the supplier of choice.

While Kpler pegged Iraqi cargoes to India at around 1.30 million barrels per day (mb/d) in January 2024 terming it as the "highest ever", Vortexa puts the volume at 1.11 mb/d, the "highest since April 2022".

Both the leading energy intelligence firms and trade sources indicated that Indian refiners turned towards traditional suppliers in the Middle East such as Iraq as freight charges are inching up due to limited supply of ships ferrying Russian crude and attacks in the Red Sea, making transporters opt for the Cape of Good Hope, which increases the cost and also voyage time by 10-14 days.

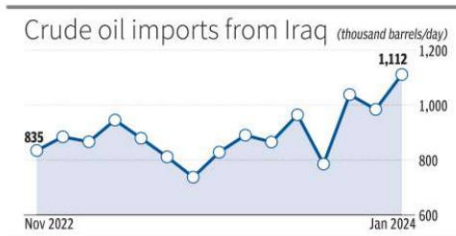
Another factor making Middle Eastern cargoes more attractive is the narrowing of

discounts on Russian crude oil compared to similar Middle Eastern grades. For instance, Basrah prices in December 2023 averaged at \$76.96 a barrel on a provisional basis compared to \$82.82 per barrel in November and \$87.58 in October. Oil marketing company sources said that discounts have been stable but have moderated compared to July-September 2023.

### ADVANTAGE MIDDLE EAST

"Indian buyers have been having a mixed January when robust domestic demand and a lack of refinery turnarounds have been sapped by panic buying as the Red Sea disruptions complicated the country's import options. With freight from the Atlantic Basin being prohibitively expensive again, Indian refiners needed to turn towards options closer to home, leading to the highest ever Iraqi crude imports," Viktor Katona, Kpler's Lead Crude Analyst, told *businessline*.

Vortexa's Head of APAC Analysis, Serena Huang, also pointed out that importing Russian crude has become increasingly challenging for Indian refiners with the US sanctions on two shipping companies that were heavily



Source: Vortexa

involved in shipping Russian crude, thereby reducing vessel supply in the near-term and pushing up freight premiums for shipping of Russian crude to India.

"Recent Red Sea attacks have also heightened risks of transiting through the Suez Canal and shipowners may consider taking the longer Cape of Good Hope, which

will further add to freight costs. As discounts of Russian crude narrow against Middle Eastern crude, I would not be surprised to see Indian refiners increasing imports of Middle Eastern crude in the months ahead," she added.

Huang explained that Basrah Medium's price competitiveness against other medium-sour grades has

supported its popularity. "India's crude import appetite, which is largely dictated by its domestic and export demand, coupled with the price competitiveness of Middle East crude relative to other suppliers will dictate the momentum of India's crude imports from the Middle East," she emphasised.

### SHIPPING DYNAMICS

Indian government and OMCs have said that so far shipments of crude oil passing through the Red Sea have not been a "cause to worry", but it is being "closely watched" as the situation is "complex and highly dynamic" post the Hamas-Israel conflict.

According to JM Financial, the risk of global oil supply disruptions due to the Middle East conflict remains elev-

ated, particularly for oil flows via the Red Sea. In CY 2023, roughly 10 per cent of the world's seaborne oil trade, or around 7.2 mb/d, of crude and oil products and 8 per cent of global LNG trade passed through the Red Sea, the shortest route from Asia to Europe via Suez Canal.

Main alternative shipping route around Africa's Cape of Good Hope extends voyages by up to 2 weeks putting pressure on global supply chains and increasing freight and insurance costs. For instance, a ship carrying crude oil from Rotterdam to Singapore, passing through the Suez Canal and Red Sea, roughly travels 8,500 nautical miles (NM) taking 26 days, while journey through the Cape of Good Hope takes 36 days to travel some 11,800 NM.

## IOC Arm to Raise \$100M from DBS Bank Singapore

**New Delhi:** An Indian Oil Corp's unit has signed its first deal in GIFT City, Gandhinagar to raise a \$100-million loan from DBS Bank Singapore, the country's top refiner said in a statement on Tuesday.

IOC Global Capital Management IFSC Limited (IGCMIL), the wholly-owned unit of Indian Oil, will use the funds to refinance the parent's existing external commercial borrowing.



Through IGCMIL, the group aims to bring greater coherence and control to overseas investments, Indian Oil chairman Shrikant Madhav Vaidya said. "One of the ventures that IGCMIL will undertake is in the realm of ship acquisition, financing and leasing," he said. IGCMIL will provide a platform for onshoring the offshore investments of Indian Oil, said Anuj Jain, director (finance) of Indian Oil. "Through IGCMIL, we intend to carry out cross-financing in the group companies in an effective manner, investing the funds of the group entities presently parked as deposits and extending credit facilities to group entities by raising short-term or long-term debt," he added. —Our Bureau



# Nebula Energy to Buy Majority Stake in AG&P LNG for \$300 M

**Power Point:** Acquisition will allow Nebula Energy to expand its network

**Kalpana Pathak**

**Mumbai:** Nebula Energy LLC is buying a majority stake in UAE-headquartered Atlantic, Gulf & Pacific (AG&P) LNG for \$300 million (about Rs2,300 crore), which will also give the Florida-based company a foothold in the Indian market.

AG&P LNG is a subsidiary of Singapore-headquartered AG&P Group, which has a presence in businesses spanning engineering, procurement and construction, city gas distribution, and LNG terminals.

The Group's LNG terminal business was under a standalone unit where Nebula Energy will now own an 80% stake with AG&P Group holding the remainder. AG&P Group is owned by Osaka Gas, JBIC (the Japan Bank of International Cooperation), and Asiya, a publicly traded Kuwait fund.

The acquisition will allow Nebula Energy to expand its network and help meet AG&P LNG's capital needs for expansion in South and Southeast Asia, according to the company.

Nebula Energy is an integrated investment, development, and asset management firm based in Florida. It is backed by Peter Gibson, founder, Mas Energy, and executive chairman and owner of Stellar Energy; Darren DeVore, managing part-

## Extending Gas Network

Acquisition will allow Nebula Energy to expand network

INDIA INTEREST



**AG&P LNG** owns and operates the Karaikal LNG import terminal, south of Chennai

**The terminal** has approved operation capacity of 3 MTPA

This can expand up to 10 MTPA



**AG&P Pratham**, the city gas arm of the AG&P, is bullish on India's city gas distribution business and is planning expansion

ner, Broad Pine Investments, and Sam Abdalla, the company's CEO.

"Nebula Energy is looking at ways to expand operations and thus we will be investing \$300 million in AG&P LNG. We have raised capital through our investors which include private investment and family offices," said Abdalla.

The company is also starting a ship-owning venture called Nebula Energy Shipping, which will own and operate all its marine assets. This company will provide transportation services to support the expanding LNG business.

Post the transaction, AG&P LNG will operate as an independent subsidiary of Nebula Energy with key offices in UAE, Singapore, India, Vietnam, and Indonesia.

AG&P is also developing a portfolio of LNG terminals and down-

stream projects to supply natural gas to both emerging and established markets.

"AG&P LNG was looking for the right capital source to support its project pipeline and someone with aligned interest to develop most of the opportunities jointly as a team," said Karthik Sathyamoorthy, CEO, AG&PLNG.

AG&P LNG is developing a total of six LNG terminals with a proposed capacity of 25 MTPA across several international growth projects. Of its LNG terminal project portfolio, AG&P LNG is the operator of the first LNG import and regasification terminal in the Philippines, called the Philippines LNG (PHLNG) Import Terminal, located in Batangas Bay.

*kalpana.pathak@timesgroup.com*



# News Reports on Retail Fuel Price Cuts Speculative, Says BPCL Chief

**ET Q&A**

State-run Bharat Petroleum Corporation Ltd

on Monday reported an 82% increase in consolidated net profit for the December quarter. Ahead of its proposed rights issue, **G Krishnakumar**, BPCL's chairman and managing director, tells **Kalpana Pathak** that media reports of a cut in the retail prices of fuel products are speculative. Edited excerpts:



**BPCL had announced its intention to raise up to ₹18,000 crore through a rights issue, subject to market conditions. The final issue size will be announced in due course**

**G KRISHNAKUMAR**  
CMD, BPCL

at Nangal, Punjab. Also have entered into various tie-ups. With BARC (Bhabha Atomic Research Centre) targeting to develop megawatt-scale cost-effective alkaline electrolyser for green hydrogen production, with Kirloskar Oil Engines to develop hydrogen IC-engine and suitable lubricant formulation for genset application, and with IIT-Mumbai to explore efficient methods of green hydrogen storage and transportation.

**With the Red Sea disruption, is there a challenge in importing crude oil or any other impact on your business?**

The attacks on shipping vessels by the Houthi militants in the Red Sea have not impacted the flow of crude oil to India, but freight has gone up due to rerouting via the Cape of Good Hope. In the event the situation escalates, leading to a closure of the Red Sea route... this will lead to an incremental shipping cost due to an extended voyage duration of 13-15 days.

**There is an expectation of retail fuel price cuts due to upcoming elections. Do you see that happening anytime soon?**

The news reports on reduction of the retail selling prices of our fuel products are speculative. The global situation remains volatile. Therefore, it would be difficult to comment on when and whether the prices will be changed at this stage due to the

sensitivity of the matter.

**Will the government's decision to cut the allocation to OMCs (oil marketing companies) impact your rights issue plan?**

BPCL had announced its intention to raise up to Rs 18,000 crore through a rights issue, subject to market conditions. The final issue size, including the terms of the issue, will be intimated to the stock exchanges, in due course.

**Other OMCs have created subsidiaries for their green energy businesses. Would BPCL too hive off its green energy businesses into a subsidiary?**

BPCL has already created a separate BU (business unit) for renewable energy and hydrogen in 2021 and has created a separate entity for biofuels in 2023. We have plans to build our green energy business that would comprise renewables, hydrogen, alternative fuels, etc., as part of the five-year 'Project Aspire'. The

green energy business landscape is evolving in terms of technological advancements, frequent mergers and acquisitions, and a heightened sensitivity to commercial dynamics. These factors will be considered while finalising the structure, but notwithstanding this, we will progress with the execution of our plans in this space. We are concurrently evaluating various options for structuring this business viz. subsidiary or JV or continuing as a business unit.

**Can you give an update on BPCL's green hydrogen plans?**

We are implementing projects like a 2.15 TPD (tonnes per day) (5 MW) green hydrogen modular pilot plant at Bina Refinery in MP, setting up a hydrogen refuelling station at CIAL (Cochin International Airport) using indigenous water electrolyser projects, and proposing to blend hydrogen into natural gas pipelines (max. 5 vol%)

**What is BPCL doing on the sustainable aviation fuel front?**

BPCL has explored various technological options for sustainable aviation fuel production, taking into account feedstock availability and the geographic locations of our refineries. Subsequently, we have entered into non-disclosure agreements with technology licensors. Our current emphasis is on co-processing technology using oil-based feedstock. Leveraging our extensive expertise in catalyst development technology, we are collaborating with a provider of OTJ (used cooking oil to jet fuel) technology.

Moreover, considering the surplus availability of ethanol and its well-established supply chain, we have conducted a technology scan on alcohol-to-jet technologies. The goal is not only to reduce energy imports but also to contribute to sustainable and environmentally friendly solutions in alignment with the net-zero target.

# *No 'immediate' impact of US pause on LNG export permits*

**SUBHAYAN CHAKRABORTY**

New Delhi, 30 January

India will not be immediately affected by the United States' decision to freeze permits for the export of liquefied natural gas (LNG) to countries with which it doesn't have a free-trade agreement (FTA), officials said.

While India imports the largest chunk of LNG from Qatar, the US is the third-largest source of the fuel.

Officials at the Petroleum and Natural Gas Ministry said the move is not expected to affect spot volumes, which have already been bought. "There will be no direct impact in the short-to-medium term for India, in terms of supply,"

an official said. However, the move may raise LNG spot prices globally. "This may push up the overall cost of buying LNG. Shipping charges are already rising due to tensions in West Asia," he added.

On Friday, the Joe Biden administration announced a temporary pause on the pending decisions on export of LNG to non-FTA nations. This is until the US Department of Energy updates the underlying analyses for authorisations. India does not have an FTA with the US.

Officials, however, said major LNG routes into India do not cross the main maritime area affected by Houthi strikes in and around the Red Sea and Gulf of Aden. They

cautioned the latest decision is still being studied and further guidance to companies will soon follow.

In the first eight months of the current financial year, more than 45 per cent of India's LNG imports originated from Qatar, followed by the United Arab Emirates (14.1 per cent), commerce department data shows. Meanwhile, shipments from the US made up 11.6 per cent of the total import volumes.

Data from the US Energy Information Administration shows LNG shipments to India began rising fast from early 2020 as Covid struck.

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*More on Business-Standard.com*



# OMCs' profits in Q4 may rise sequentially

## Exports till April secured from Red Sea crisis

ARUNIMA BHARADWAJ  
New Delhi, January 30

**STATE-OWNED OIL** marketing companies — Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation — reported a healthy year-on-year growth in consolidated net profits for the quarter ended December owing to healthy marketing margins.

The profit after tax (PAT), however, declined sequentially for all the three companies due to inventory losses which impacted gross refining margins.

OMCs are likely to report a healthy YoY growth in their net profits for Q4FY24, say analysts. On a QoQ basis as well, the numbers are likely to rise.

They are unlikely to face further inventory loss in Q4FY24.

The three OMCs reported a combined consolidated net profit of ₹13,119.11 crore for the October-December quarter, compared with a cumulative profit of

## GROWTH PATH



■ OMCs are likely to report a healthy y-o-y growth in their net profits for Q4FY24, say analysts. On a quarter-on-quarter basis as well, the numbers are likely to rise

■ In Q3, the OMCs also reported a growth in sales volume, both in the domestic market as well as exports

■ OMCs have said there has been no threat to their oil shipments from the escalating tensions over the Red Sea, and shipments till April are secured

■ The three OMCs — **IOC, BPCL and HPCL** — reported a combined consolidated net profit of **₹13,119.11 crore** for the October-December quarter, compared with a cumulative profit of **₹3,081.55 crore** in the year-ago period

₹3,081.55 crore in the year ago period.

Analysts at ICICI Securities see strong margins, targeted investments in improving scale and complexity of downstream business, diversification that is aligned to margin improvement, and improving leverage enabling sus-

tained earnings improvement for HPCL over FY24 to FY26E.

In Q3, the OMCs also reported a growth in sales volume, both in the domestic market as well as exports.

BPCL reported the strongest sales and export volume which were higher by 4% and 80%,

respectively, over the same period last year.

Even as the OMCs recorded profits in Q3, their refining margins declined.

IOCL and BPCL also reported a fall in revenue from operations. The decline can be attributed to lower gross refining margins.

The average gross refining margin of IOCL for the April-December period fell to \$13.26 per barrel, from \$21.08 per barrel a year ago.

BPCL and HPCL reported GRMs at \$14.72 and \$9.84/bbl, compared with \$20.08/bbl and \$11.40/bbl last year.

Refining margins are the difference in value of products produced by a refinery and the value of crude oil used to produce them.

OMCs have said there has been no threat to their oil shipments from the escalating tensions over the Red Sea, and shipments till April are secured.

However, the Red Sea issue has impacted freight rates and it needs to be seen how this unfolds over the next couple of weeks for FY25E impact, HPCL's top management said.







# Petronet LNG posts highest ever PAT in Oct-Dec quarter

FPJ BUREAU / Mumbai

Petronet LNG Ltd reported its highest ever PBT and PAT in the October-December quarter, FY 2023-24 of Rs 1,597 crore and Rs 1,191 crore respectively. The better-than-expected revenue and net profit in Oct-Dec on the back of higher volume throughput during the quarter and income booked under "use or pay charges".

The Company has reported PBT of Rs 1,597 crore in the current quarter, as against Rs 1,586 crore in the corresponding quarter and Rs 1,102 crore in the previous quarter. The PAT of the current quarter was reported at Rs 1,191 crore as against the PAT of the corresponding and previous quarters of Rs 1,181 crore and Rs 818 crore re-

**During the current nine months, the company has reported highest ever PBT of ₹3,761 crore**

spectively.

During the quarter ended 31st December, 2023, Dahej terminal processed 218 TBTU of LNG as against 154 TBTU during the corresponding quarter ended 31st December, 2022 and 210 TBTU during the previous quarter ended 30th September, 2023. The overall LNG volume processed by the Company in the current quarter was 232 TBTU, as against the LNG volume processed in the corresponding and previous quarters, which stood at 167 TBTU and 223 TBTU respectively.

● RUSSIAN OIL FLOWS SMOOTH

# Red Sea woes hurting Asian fuel exports to Europe

SUKALP SHARMA  
New Delhi, January 30

**EVEN AS WEST-TO-EAST** crude oil flows—mainly Russian oil headed to India and China—via the Suez Canal have not been majorly impacted by the Red Sea troubles, refined petroleum product exports to Europe through the crucial trade route have seen disruptions, according to commodity market analytics firm Kpler. The trend is significant for India as the country is a top destination for Russian crude and also an important source market for fuels, particularly aviation turbine fuel (ATF) or jet fuel, for Europe.

Over the past couple of months, a number of cargo ships have come under attack from the Iran-backed Houthi rebels of Yemen around the Bab el-Mandeb strait, which leads to the Red Sea and Suez Canal, forming the shortest, albeit narrow, route to the Mediterranean Sea and beyond from the Arab Peninsula, North-East Africa, and the Arabian Sea.

The route is seen as an important artery of global goods and energy supplies. The Houthis have so far claimed that they are targeting vessels with links to Israel and its allies in view of its military offensive in Gaza.

“West-to-east flows via the Suez Canal, mainly made of Russian crude, have been less impacted, remaining steady at around 1.4 Mbd (million barrels per day). So far this month all cargoes shipped to Asia from Western Russian ports have travelled via the Suez Canal,” Kpler said in a report. It also noted that Russian refined fuel cargoes headed to Asia via the Suez Canal, too, appear to be “undeterred by the escalating hostilities in the Red Sea”.

While Kpler did caution that the recent attack on a tanker carrying Russian naphtha could see tanker transits through the Red Sea fall relatively more steeply in the coming weeks, it also noted that there has been no immediate change in tanker approaches since the attack and four tankers carrying Russia’s flagship Urals crude passed through the Bab el-Mandeb strait with another three heading south through

**TRADE TROUBLES**

■ Tankers carrying Russian crude have largely been immuned to the Red Sea troubles



■ The Red Sea situation has forced major shipping lines and Western oil companies to shun the route

■ They are taking longer route around Africa via the Cape of Good Hope

■ Higher risk premiums and longer voyages have hit movement of goods between Asia and Europe

the Red Sea.

As reported earlier by *The Indian Express*, tankers carrying Russian crude have largely been immune to the security situation in the Red Sea region, which has forced a number of major shipping lines and Western oil companies to shun the route and instead take the much longer route around Africa via the Cape of Good Hope. Higher risk premiums and longer voyages have hit movement of goods between Asia and Europe in terms of higher freight rates.

Russian oil cargoes departing from the North Sea and Black Sea ports take the Suez Canal-Red Sea route to reach Asia, specifically India and China, which are currently the biggest buyers of Russian crude. Oil and shipping analysts do not foresee tankers carrying Russian oil coming under attack in the region as Russia is perceived as Iran’s ally.

The Houthi rebels are widely believed to be backed by Tehran. In contrast, crude oil flows from West Asia to Europe via the Suez Canal have seen a “substantial decline since October 2023”, Kpler said.

But unlike India’s inbound cargoes of Russian crude, tankers hauling refined fuels from India and other parts of Asia to Europe, do not appear to be comfortable transiting the Suez Canal.



# Saudi asks Aramco to lower maximum capacity target

MAHA EL DAHAN & YOUSEF SABA  
Dubai, January 30

**SAUDI ARABIA'S GOVERNMENT** on Tuesday ordered state oil company Saudi Aramco to halt its oil expansion plan and to target a maximum sustained production capacity of 12 million barrels per day (bpd), one million bpd below a target announced in 2020.

Saudi Arabia has for decades been the holder of the world's only significant spare capacity, providing a safety cushion in case of major supply disruptions caused by conflict or natural disasters. In recent years, fellow OPEC member the United Arab Emirates (UAE) has also built up its capacity.

Aramco's lowered target in no way reflects a change of view on future oil demand scenarios nor stems from any technical issue, but was simply a directive from the government, a source with direct knowledge of the matter told Reuters.

"If the government decides to go the other way, the company is ready," the source said.

Aramco was asked by the Energy Ministry in March 2020 to boost its maximum output capacity to 13 million bpd the same year it had a stand-off with Russia over market share. Saudi Arabia, the world's largest oil exporter, is currently pumping around 9 million bpd, well below its capacity after it cut production as part of an agreement with OPEC and its allies last year.

The kingdom, the de facto leader of OPEC, cut output to balance markets in the face of rising supply from non-OPEC producers.



## EXPANSION HALT

■ Aramco's lowered target in no way reflects a change of view on future oil demand scenarios nor stems from any technical issue

■ The kingdom, cut output to balance markets in the face of rising supply from non-OPEC producers

"Aramco currently has spare capacity of 3 million bpd and that will be supported in the near future by a very important liquids displacement programme which will avail another 1 million bpd of oil and refined products for production," the source said, adding that this volume allows Aramco the flexibility to respond to market conditions.

Benchmark Brent crude futures were down 1.14% to \$81.46 per barrel as of 1338 GMT. —REUTERS





# एलएनजी पर अमेरिकी फैसले का नहीं पड़ेगा भारत पर असर

शुभायन चक्रवर्ती

नई दिल्ली, 30 जनवरी

अमेरिका के एलएनजी को लेकर ताजा फैसले का भारत पर तत्काल कोई असर पड़ने की संभावना नहीं है। अमेरिका ने उन देशों को तरलीकृत प्राकृतिक गैस (एलएनजी) के निर्यात का परमिट रोकने का फैसला किया है, जिनके साथ मुक्त व्यापार समझौता नहीं है।

भारत इस समय सबसे ज्यादा एलएनजी कतर से आयात करता है। वहीं अमेरिका इस ईंधन का तीसरा बड़ा स्रोत है। पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय के अधिकारियों का कहना है कि इस कदम से उस हाजिर मात्रा पर असर पड़ने की संभावना नहीं है, जिसे पहले ही खरीदा जा चुका है।

एक अधिकारी ने कहा, 'आपूर्ति के हिसाब से देखें तो भारत पर कम से मध्यम अवधि में कोई प्रत्यक्ष असर नहीं होगा।'

बहरहाल इस कदम से एलएनजी के हाजिर भाव वैश्विक रूप से बढ़ सकते हैं। उन्होंने कहा, 'इससे कुल मिलाकर एलएनजी की खरीद की



■ वित्त वर्ष 24 में भारत के लिए एलएनजी का तीसरा बड़ा स्रोत है अमेरिका

लागत बढ़ सकती है। पश्चिम एशिया में तनाव के कारण शिपिंग का शुल्क पहले ही बढ़ रहा है।'

जो बाइडन प्रशासन ने शुक्रवार को गैर एफटीए वाले देशों को एलएनजी के निर्यात के लंबित फैसलों पर अस्थायी रूप से रोक लगा दी थी। यह अमेरिका के ऊर्जा मंत्रालय द्वारा अथॉरिजेशन के अंतर्निहित विश्लेषणों को अद्यतन नहीं किए जाने तक के लिए है।

भारत का अमेरिका के साथ एफटीए नहीं है। बहरहाल अधिकारियों का कहना है कि भारत का प्रमुख एलएनजी मार्ग उस समुद्री क्षेत्र से नहीं गुजरता है, जो हूती हमलों से प्रभावित है।

अधिकारियों ने कहा कि हाल के फैसले का अभी अध्ययन किया जा रहा है और कंपनियों को इस सिलसिले में जल्द ही दिशानिर्देश दिए जाएंगे।

चालू वित्त वर्ष के पहले 8 महीनों में भारत ने 45 प्रतिशत से ज्यादा एलएनजी कतर से मंगाया है। उसके बाद संयुक्त अरब अमीरात (14.1 प्रतिशत) का स्थान है। वाणिज्य विभाग के आंकड़ों के मुताबिक अमेरिका तीसरे स्थान पर है, जिसकी भारत के कुल एलएनजी आयात में हिस्सेदारी 11.6 प्रतिशत है।

अमेरिका विश्व का सबसे बड़ा एलएनजी निर्यातक है। अमेरिकी ऊर्जा विभाग के आंकड़ों से पता चलता है कि कोविड-19 के असर के बाद 2020 की शुरुआत से अमेरिका से भारत को निर्यात में तेज वृद्धि शुरू हुई।

# ग्रीन एनर्जी से घटेगा पेट्रोल-डीजल का आयात

वित्त मंत्रालय का अनुमान, 2030 तक **50 लाख टन** ग्रीन हाइड्रोजन उत्पादन से बचेंगे एक लाख करोड़

जागरण ब्यूरो, नई दिल्ली : सरकार की तरफ से परंपरागत ऊर्जा की जगह हरित ऊर्जा (ग्रीन एनर्जी) को बढ़ावा देने के प्रयास का नतीजा अब दिखने लगे हैं। अब सबकुछ ठीक रहा तो वर्ष, 2030 तक पेट्रोल-डीजल जैसे जीवाश्म ईंधन के आयात में गिरावट से एक लाख करोड़ रुपये तक की बचत का अनुमान लगाया गया है। इसके अलावा इस अवधि तक कार्बन उत्सर्जन में सालाना पांच करोड़ टन की कमी भी आएगी। वित्त मंत्रालय की आर्थिक समीक्षा के अनुमान के मुताबिक वर्ष 2030 तक देश में ग्रीन हाइड्रोजन की उत्पादन क्षमता 50 लाख टन तक हो जाएगी। जीवाश्म ईंधन के उपयोग में कमी के साथ इसके आयात को घटाने के उद्देश्य से पिछले साल ग्रीन हाइड्रोजन मिशन लॉच किया गया था। भारत अपनी जरूरत का 80 प्रतिशत पेट्रोल-डीजल का आयात करता है।

ग्रीन एनर्जी को बढ़ावा देने के

**2600** मेगावाट सोलर उत्पादन क्षमता थी वर्ष 2014 में

- इस अवधि तक कार्बन उत्सर्जन में सालाना पांच करोड़ टन की आएगी कमी
- भारत अपनी जरूरत का 80 प्रतिशत पेट्रोल-डीजल का आयात करता है

**76** हजार मेगावाट हुई वर्ष 2023 में सोलर उत्पादन की क्षमता



**अब अधिक रकम भारत भेज रहे प्रवासी कामगार**

जाब्यू, नई दिल्ली : भारतीय युवाओं की शिक्षा का स्तर व उनकी कुशलता बढ़ने से विदेश में रह रहे भारतीय कामगार अब पहले के मुकाबले अधिक विदेशी मुद्रा भारत भेज रहे हैं। इसे रैमिटेस भी कहा जाता है। वित्त मंत्रालय का अनुमान है कि वित्त वर्ष 2023-24 में वित्त वर्ष 2022-23 के मुकाबले रैमिटेस में आठ प्रतिशत की बढ़ोतरी होगी। वित्त वर्ष 2022-23 में इन कामगारों की तरफ से 125 अरब डालर भारत भेजे गए थे, जो इस साल बढ़कर 135 अरब

डालर से अधिक होने का अनुमान है। वर्ल्ड माइग्रेशन रिपोर्ट के मुताबिक वित्त वर्ष 2021-22 में रैमिटेस में 36 प्रतिशत हिस्सेदारी उच्च कुशल भारतीय प्रवासियों की थी, जिनमें हार्डटेक कामगारों का अधिक योगदान था। रिपोर्ट के मुताबिक पहले की तुलना में अधिक कुशल व योग्य होने से भारतीय अब अमेरिका व ब्रिटेन जैसे विकसित देशों में कुशल काम के लिए जा रहे हैं, जिससे उनकी आय बढ़ रही है और रैमिटेस में भी बढ़ोतरी हो रही है।

लिए सरकार फास्टर एडॉप्शन एंड मैनुफैक्चरिंग आफ इलेक्ट्रिक व्हीकल्स (फेम) स्कीम लेकर आई थी, जिसकी मदद से दोपहिया वाहनों की कुल बिक्री में इलेक्ट्रिक वाहनों की हिस्सेदारी छह प्रतिशत से अधिक हो गई है। इलेक्ट्रिक वाहनों के प्रोत्साहन के लिए गत दिसंबर तक देशभर में 10,000 चार्जिंग स्टेशन

की स्थापना हो चुकी है। देशभर में मेट्रो का जाल 450 किलोमीटर तक पहुंच गया है। वर्ष 2014 में मेट्रो रेल की सेवा पांच शहरों में थी जो वर्ष 2023 तक बढ़कर 21 शहरों में हो गई।

सोलर और अन्य ग्रीन एनर्जी की उत्पादन क्षमता में हुई भारी वृद्धि : वित्त मंत्रालय की रिपोर्ट के मुताबिक

पिछले नौ सालों में सोलर व अन्य ग्रीन एनर्जी की उत्पादन क्षमता में भारी बढ़ोतरी हुई है। सोलर की उत्पादन क्षमता में वर्ष 2014 के मुकाबले 25 गुना बढ़ोतरी हुई है। वर्ष 2014 में सोलर की उत्पादन क्षमता सिर्फ 2600 मेगावाट थी जो नवंबर 2023 में 76,000 मेगावाट हो गई थी।

ग्रीन एनर्जी पर पूरी तरह शिफ्ट होना बड़ी चुनौती : गैर जीवाश्म बिजली उत्पादन की क्षमता पिछले नौ सालों में बढ़कर 1.87 लाख मेगावाट तक पहुंच गई। हालांकि सरकार यह भी मानती है कि ग्रीन एनर्जी पर पूरी तरह से शिफ्ट होना बहुत बड़ी चुनौती है और इससे हमारी मैनुफैक्चरिंग लागत भी बढ़ेगी।





### **पेट्रोनेट एलएनजी का लाभ 1.2 प्रतिशत बढ़ा**

तरल प्राकृतिक गैस (एलएनजी) की देश की सबसे बड़ी आयातक कंपनी पेट्रोनेट एलएनजी ने वित्त वर्ष 24 की तीसरी तिमाही (अक्टूबर-दिसंबर) के दौरान समेकित लाभ में पिछले साल के मुकाबले 1,190.3 करोड़ रुपये के साथ 1.2 प्रतिशत की मामूली वृद्धि दर्ज की है, जबकि वित्त वर्ष 23 की तीसरी तिमाही में समेकित लाभ 1,181 करोड़ रुपये था। पिछली तिमाही के मुकाबले लाभ 46 प्रतिशत अधिक रहा। पिछली तिमाही में 814.9 करोड़ का लाभ दर्ज किया गया था। गुजरात के दहेज में पेट्रोनेट के एलएनजी टर्मिनल के अधिक क्षमता उपयोग तथा परिचालन में सुधार की वजह से यह नवीनतम वृद्धि हुई। शेयर बाजार को दी गई सूचना में कंपनी ने कहा कि तिमाही के दौरान सरकार द्वारा संचालित इस कंपनी का परिचालन राजस्व 14,747.2 करोड़ रुपये रह गया, जो पिछले वित्त वर्ष की इसी तिमाही में दर्ज 15,775 करोड़ रुपये की तुलना में 6.5 प्रतिशत कम है। कंपनी ने वित्त वर्ष 24 की तीसरी तिमाही में 1,597 करोड़ रुपये का कर पूर्व लाभ दर्ज किया, जो वित्त वर्ष 23 की तीसरी तिमाही में दर्ज 1,586 करोड़ रुपये से अधिक है।