ECONOMIC TIMES, Delhi, 31.7.2024
Page No. 7, Size:(8.52)cms X (17.03)cms.

City Gas Cos Pin Hopes on CNG 2-Wheelers to Ride Over EV Threat

Kalpana Pathak & Shally Mohile

Mumbai: The introduction of CNG-powered bikes and scooters by two-wheeler makers will negate the threat city gas firms had from the electrification trend in the auto sector. These companies, including Indraprastha Gas, Mahanagar Gas, Gujarat Gas, and Torrent Gas, are now gearing up to cater to the new, emerging segment of compressed natural gas (CNG) two-wheeler customers.

Seeking to make the total cost of owning a motorcycle more affordable, Bajaj Auto launched the Freedom 125—the world's first CNG motorcycle on July 5. TVS Motor, India's third largest two-wheeler maker by volume, is also planning to launch its first CNG scooter in February 2025. Boosted by the fast-expanding network, CNG has already made deep inroads in other segments of the automobile market. Six out of every ten three-wheelers sold by Bajaj Auto—which commands 80% of the market, is powered by CNG. One-third of cars sold in the domestic are CNG-powered.

City gas company officials said they plan to install new dispensers at their CNG outlets and expect a handsome volume growth in the future. "We are seeing a promising development in the two-wheeler market...So with this, we expect that this trend is going to have a significant increase in the CNG sales in the future," said Mohit Bhatia, Director, Commercial, Indraprastha Gas, adding that IGL will be putting up the infrastructure for the two-wheeler segment.

"India's two-wheeler segment sees an addition of 17-18 million in the country. Of this, 95% is petrol variant. The cost-benefit analysis for CNG versus petrol is 50%. Two-wheeler for petrol is around Rs 2-2.25 per km and for CNG, it is around 0.80-95 paise per km. Also, Delhi has the lowest CNG rate pan India. So, we look forward to CNG two-wheelers as a good opportunity," Bhatia said.

Bajaj Auto recently launched the world's first CNG bike – Freedom 125

IGL sells CNG and piped natural gas (PNG) in Delhi, Gautam Budh Nagar, Ghaziabad, and Rewari among other geographical areas. The company generates 75% of its sales volume from CNG sales and operates 882 CNG stations across geographies. This fiscal it plans to commission around 90 CNG stations.

Mumbai-based Mahanagar Gas also expects the segment to add to its volume growth.

"It has opened up a new set of customers for CGD companies, and MGL sees it as another volume growth opportunity considering the large number of two-wheelers in the country. And we are gearing up to cater to this segment," said Ashu Singhal, MD, Mahanagar Gas, on an investor call last week.

Currently, MGL has around 350 fuel stations and its subsidiary Unison Enviro has around 50. The company plans to add another 80 to 90 stations this fiscal. The company Singhal added is trying to work out how to address this additional business segment. "As of now, we think wherever the space is available, we can allocate one dedicated dispenser for filling up these two-wheelers."

TRIBUNE, Haryana, 31.7.2024
Page No. 5, Size:(5.52)cms X (15.04)cms.

CNG stations to come up in Shimla, Solan

SHIMLA, JULY 30

To increase the distribution and sale of Compressed Natural Gas (CNG) and facilitate its easy availability, Indian Oil-Adani Gas Private Limited (IOAGPL) is planning to set up CNG stations in Shimla and Solan districts. At present, the company is looking for suitable land in these districts.

For this, the IOAGPL has invited expression of interest from interested applicants for setting up CNG station on "Dealer Owned Dealer Operated" (DODO) basis. As per the company's requirement, a person having a plot of approximately 1,000-1,200 sq m which is free from hindrance with clear title, having easy accessibility and good business potential may approach the company for consideration for appointment as a dealer. — TNS

HPCL scouts for natural gas deals, hopes to start LNG terminal by Dec

Reuters
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NEW DELHI: India's Hindustan Petroleum Corp Ltd is scouting for liquefied natural gas (LNG) import deals as it expects to start its 5 million ton per year (tpy) LNG terminal in western India by end of this year, its head of finance said on Tuesday.

"We will be undertaking commissioning activity in November or December depending on weather conditions ... We are in the market for tying up long-term gas from international players," Rajneesh Narang said at its June quarter earnings call.

The company's previous attempt to commission the Chhara LNG terminal in April failed due to the bad weather, he said.

THE CO'S PREVIOUS ATTEMPT TO COMMISSION THE CHHARA LNG TERMINAL IN APRIL FAILED DUE TO THE BAD WEATHER

The state-run refiner is building a breakwater to protect the harbor and would consider leasing capacity in the LNG terminal to other players after commissioning, he said.

HPCL will meet the gas needs of its two existing refineries and a new 180,000 barrels per day (bpd) refinery and petrochemical project in the desert state of Rajasthan through the Chhara terminal.

Chairman Pushp Kumar Joshi said HPCL will import crude in March for the commission of the Rajasthan refinery and would build the linked petrochemical project by September 2025.

HPCL expects to improve its gross refining margins by $3 per barrel after the full-scale operations at its 300,000 bpd Vizag refinery, Joshi said. HPCL hopes to start facilities to boost production of high-value refined products at the Vizag refinery in the December quarter.

The state-run refiner has raised the processing of Russian oil to about 35-40% of its overall crude intake in the June quarter from about a quarter a year ago, Narang said.

HPCL also operates a 190,000 bpd plant in western Maharashtra state.

HINDUSTAN TIMES, Delhi, 31.7.2024
Page No. 25, Size:(13.04)cms X (12.09)cms.

- Indian Oil Corporation Ltd organised the second edition of its 'Corporate Games' at the Shree Shiv Chhatrapati Sports Complex in Pune from July 26 to 28. Shrikant Madhav Vaidya, Chairman, IndianOil, led the inauguration of the event.

GAIL

FREE PRESS JOURNAL, Mumbai, 31.7.2024

Page No. 10, Size:(24.90)cms X (24.65)cms.

Indian Oil posts net profit of ₹2,643.18 crore in June quarter

PTI

NEW DELHI

Indian Oil Corporation (IOC), the nation's largest oil firm, on Tuesday reported a 81 per cent drop in June quarter net profit, as refinery and marketing margins fell and the firm booked under-recovery on the sale of domestic cooking gas LPG at government-controlled rates.

IOC reported standalone net profit of Rs 2,643.18 crore in the April-June period – the first quarter of the current 2024-25 fiscal year – compared to a profit of Rs 13,750.44 crore a year back, the company said in a stock exchange filing. Net profit also declined sequentially, when compared to an earning of Rs 11,570.82 crore in the January-March quarter.

Indian Oil Corporation Ltd. Q1 2024-25 (in ₹ Crores)

	JUNE 30 2023	JUNE 30 2024	YoY Growth %
Op Revenue	221145	215989	-2.33
Income	221834	216523	-2.39
Expenditure	203760	213070	4.57
PBT	18074	3453	-80.90
Net Profit	13750	2643	-80.78
EPS (₹)	9.98	1.92	

Unaudited, Standalone

PTI GRAPHICS

While the firm earned USD 6.39 on turning every barrel of crude oil into fuel in the quarter (USD 8.34 per barrel gross refining margin last year), its pre-tax earnings from downstream fuel retailing businesses slumped 77 per cent to Rs 4,299.96 crore. The company and other state-owned fuel retailers – Hindustan Petroleum Corporation Ltd (HPCL) and Bharat Petroleum Corporation Ltd (BPCL) –last year made extraordinary gains from holding petrol and diesel prices despite a drop in cost.

The price freeze was justified in the name of recovering losses the three retailers had suffered in the previous year when they did not raise retail prices despite a surge in cost.

Indian Oil profit drops 75% in Q1

ARUNIMA BHARADWAJ
New Delhi, July 30

INDIAN OIL CORPORATION (IOC) reported a 74.7% drop in its consolidated net profit for the first quarter of FY25 at ₹3,722.63 crore compared with ₹14,735.30 crore in the corresponding period a year ago. On a sequential basis, the net profit declined by 32% from ₹5,487.92 crore in Q4FY24. This decline is attributed to a reduction in the company's gross refining margins.

The company's revenue from operations fell marginally by 2.4% to ₹2.19 trillion in Q1FY25 compared to the same period the previous fiscal year. Total income also fell by 2.4% to ₹2.20 trillion from ₹2.26 trillon in Q1FY24.

The average gross refining margin (GRM) for Q1FY25 was $6.39 per barrel, down from $8.34 per barrel in Q1FY24. "The current price GRM for the year 2023-24, after offsetting inventory loss or gain, comes to $2.84 per barrel," the company stated.

IOC's refinery throughput for Q1FY25 was 18.168 million tonne (MT), compared with 18.752 MT in Q1FY24, marking a marginal sequential decline of 1%. The operating margin also fell to 2.65% in the quarter ended June, down from 8.97% in the same period last fiscal.

However, product sales improved in the quarter under review. Domestic sales increased by 3.2% year-on-year to 24.063 MT, while exports rose by 8% to 1.189 MT.

The Board of Indian Oil has granted stage-1 approval for the construction of a Greenfield Terminal at Bihta, Bihar, on the Barauni-Kanpur product Pipeline (BKPL) and Patna-Motihari-Baitalpur Pipeline (PMBPL) at an estimated cost of ₹1,698.67 crore.

REPORT CARD

IOC Q1FY25 results (₹ cr)

MILLENNIUM POST, Delhi, 31.7.2024
Page No. 12, Size:(16.75)cms X (12.54)cms.

IndianOil reports Q1 standalone net profit of ₹2,643 crore in FY25

OUR CORRESPONDENT

IndianOil sold 25.252 million metric tonnes of products, including exports in Q1 FY25

NEW DELHI: IndianOil reported Revenue from Operations of Rs 2,15,989 crore for the Q1 FY2024-25 as compared to Rs 2,21,145 crore in corresponding quarter of previous financial year.

The standalone Net Profit for Q1 FY2024-25 is Rs 2,643 crore as compared to Rs 13,750 crore during the corresponding quarter of previous financial year mainly on account of reduced refining margins affected by lower cracks in line with the international trends and suppressed marketing margins during the current quarter.

IndianOil sold 25.252 million metric tonnes of products, including exports, during the first quarter of financial year FY2024-25.

The refining throughput is 18.168 million metric tonnes and the throughput of the Corporation's countrywide pipelines network including gas pipelines is 25.811 million metric tonnes.

Average Gross Refining Margin (GRM) during the Q1 2024-25 is $6.39 per bbl as compared to $8.34 per bbl in corresponding quarter of previous financial year. The core GRM for current quarter after offsetting inventory loss/ gain comes to $2.84 per bbl.

THE COMPASS

Investors pin hopes on govt support amid under-recoveries in BPCL, HPCL

DEVANGSHU DATTA

The market responded positively to the Q1 results of oil marketing companies (OMCs), Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL) despite numbers being weaker than consensus. BPCL's reported gross refining margin (GRM) was in line at $7.9 per barrel (bbl) in Q1FY25, which implies marketing margin stood at ₹4.8 per litre.

Standalone profit after tax or PAT at ₹3,000 crore was down versus consensus due to under-recoveries in LPG business.

The refining throughput of 10.1 million tonnes (mmt) was marginally below consensus with Russian crude at 39 per cent of mix. Sales volume (excluding exports) was 13.2 mmt in Q1FY25 (flat Q-o-Q). The benchmark Singapore GRM is marginally up in Q2FY25, which may lead to muted refining performance. Management guidance was that BPCL took a hit of ₹2,000 crore due to LPG under-recoveries in Q1FY25. BPCL is losing ₹600 crore per month on LPG but remains hopeful of financial support.

Russian crude discounts were flat quarter-on-quarter (Q-o-Q) at $3.5-4 per bbl. BPCL is looking to add refining capacity and believes GRMs should recover to normalised levels by Q2FY25 end. Analysts would downgrade consolidated PAT for FY25 assuming LPG under-recoveries continue but there are rumours of government support in H2FY25. The Ebitda stood at ₹5,650 crore with a marketing inventory gain of ₹400 crore in Q2FY25. Adjusted Ebitda stood at ₹5,250 crore. As

of June this year, BPCL's debt stood at ₹15,200 crore versus ₹18,800 crore as of March 2024. The current marketing margins remain healthy which is a positive. But the upside may be limited unless LPG compensation occurs. It was similar for HPCL where the LPG under-recoveries also hurt financials despite good operational performance. HPCL's Ebitda stood at ₹2,100 crore in Q1FY25, well below consensus. The miss was due to LPG under-recovery of ₹2,350 crore, and again, there are hopes of support in H2FY25.

HPCL's refining throughput was 7 per cent above estimate at 5.8 mmt (up 7 per cent year-on-year or Y-o-Y). The reported GRM was below estimate at $5 per bbl (down 32 per cent Y-o-Y). The marketing volumes stood at 12.6 mmt, also up 7 per cent Y-o-Y. The marketing margin (computed including inventory gains) stood at ₹3 per litre, down 60 per cent Y-o-Y. The PAT was reported at ₹360 crore, way below the consensus, due to the LPG under-recovery and also due to a drop in Other Income.

By June 24, HPCL had a cumulative negative net buffer of ₹2,440 crore, due to the under-recovery on LPG cylinders (₹100 crore under-recovery in FY24 as well as Q1FY25 under-recoveries of ₹2,350 crore). HPCL clocked its highest-ever quarterly sales volume of 12.63 mmt (including exports), implying small market share gains. Lubricant sales stood at 152,000 metric tonnes (MT) (up 3 per cent Y-o-Y).

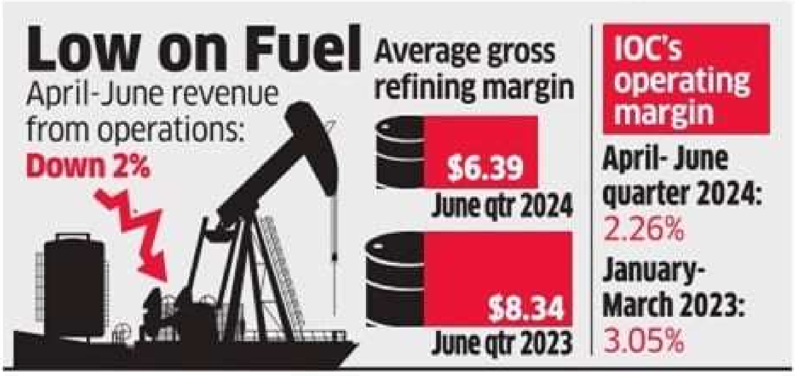
It also posted highest-ever petrochemical sales of 30,300 metric tonnes in Q1FY25 and pipeline though 6.83 mmt was recorded in Q1FY25. The lubricants division introduced three new brands.

HPCL has commissioned 126 new retail outlets, bringing the total outlets to 22,148. It has finalised three master sales purchase agreements (MSPAs) with suppliers for sourcing spot LNG cargoes, for a total number of eight MSPAs.

It achieved the highest-ever Ethanol blending ratio of 14.3 per cent in Q1FY25 and capex of ₹2,020 crore was incurred in Q1FY25. Key process units such as diesel hydro-treating (DHDT) and hydrogen generation unit (HGU), are currently in the pre-commissioning phase. As of June'24, the total capex commitments stood at ₹69,850 crore and capex incurred was ₹48,000 crore. The Visakhapatnam refinery's 3.55 million metric tonnes per annum residue upgradation facility is anticipated to be mechanically completed in Q2FY25, with commissioning in Q3FY25. In both cases, investors are pinning their hopes on the government eventually compensating companies for the LPG under-recoveries since this is a controlled price substance.

ECONOMIC TIMES, Delhi, 31.7.2024
Page No. 15, Size:(6.59)cms X (14.78)cms.

IOC Net Falls 81% to ₹2,643 cr on Margin Squeeze



Our Bureau

New Delhi: Indian Oil Corporation's profit plunged 81% year-on-year to ₹2,643 crore in the quarter to June on reduced refining and marketing margins. Revenue from operations declined 2% to ₹2,15,989 crore in the April-June quarter.

Profit fell "mainly on account of reduced refining margins affected by lower cracks in line with the international trends and suppressed marketing margins," Indian Oil Corporation said in a statement. The average gross refining margin contracted to $6.39 per barrel from $8.34 in the year-ago period.

International benchmarks for refining margin have been under pressure from higher refinery runs and supplies in Asia and weaker fuel demand in Europe and China. A pump price cut ahead of the general election during the quarter also weighed on marketing margins of refiners.

IOC is incurring a loss on the sale of cooking gas to households as retail prices are below the international market rates, the company said, adding that a loss of ₹5,156 crore has accumulated on account of this. The company's operating margin for the June quarter declined to 2.26% from 3.05% in the January-March period and 8.6% a year ago.

The operating profit for the petroleum products segment fell to ₹4,300 crore during Q1 from ₹18,720 crore in the year-ago period. The petrochemicals business earned a profit of ₹12 crore in the June quarter, compared to a loss of ₹400 crore in the March quarter and a profit of ₹88 crore in the year-ago period. Shares in IOC closed 1.55% up at Rs 183 apiece on Tuesday, when the BSE benchmark Sensex ended nearly flat.

MINT, Delhi, 31.7.2024
Page No. 5, Size:(3.68)cms X (21.27)cms.

IOC posts 81% decline in net profit in June qtr

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NEW DELHI

Indian Oil Corporation (IOC), the nation's largest oil firm, on Tuesday reported a 81% drop in June quarter net profit, as refinery and marketing margins fell and the firm booked under-recovery on the sale of domestic cooking gas LPG at government-controlled rates.

IOC reported standalone net profit of ₹2,643 crore in the April-June period—the first quarter of the current 2024-25 fiscal year—compared to a profit of ₹13,750 crore a year back, the company said.

Net profit also declined sequentially, when compared to an earning of ₹11,570.82 crore in the March quarter.

While the firm earned $6.39 on turning every barrel of crude oil into fuel in the quarter ($8.34 per barrel gross refining margin last year), its pre-tax earnings from downstream fuel retailing businesses slumped 77% to ₹4,300 crore.

The company and other state-owned fuel retailers—Hindustan Petroleum Corp. Ltd and Bharat Petroleum Corp. Ltd—last year made extraordinary gains from holding petrol and diesel prices despite a drop in cost.

The price freeze was justified in the name of recovering losses the three retailers had suffered in the previous year when they did not raise retail prices despite a cost surge. The gains arising from the price freeze were eroded with petrol and diesel prices being cut by ₹2 per litre each before general election were announced. This, together with a drop in product cracks or margins on relatively stable crude oil prices, led to fall in profits.

BUSINESS LINE, Delhi, 31.7.2024
Page No. 13, Size:(6.23)cms X (20.98)cms.

IOCL's dedicated jetty at Ennore Port to be operational by December

ENHANCING CAPACITY. The jetty will add 3 million tonnes of cargo per annum to the port's capacity BIJOY GHOSH

T E Raja Simhan
Chennai

The ₹921 crore exclusive oil jetty of the Indian Oil Corporation Ltd (IOCL) at the Kamarajar port in Ennore will be ready by December 2024. This will add 3 million tonnes of cargo per annum to the port's capacity, said Sunil Paliwal, Chairman, Kamarajar Port Ltd (KPL).

At present, all the oil companies, including IOCL, HPCL, BPCL, Reliance, Shell and Nayara, are using the common oil jetty. However, IOCL will move from this common facility to its own oil jetty, he told *businessline*.

The dedicated jetty, being constructed adjacent to the northern breakwater, will help IOCL meet the growing demand of petroleum, oils and lubricants (POL), LPG products and lube oil base stock in bulk in Tamil Nadu and neighbouring States.

Further, the National Green Tribunal had asked IOCL to close the existing depots at Korukkupet and Tondiarpet in north Chennai. This has necessitated IOCL to construct the ₹829-crore POL pipelines in the common corridor for the grassroot terminal at Vallur, which is about 20 km from the port.

Pipelines are being laid to connect the IOCL jetty with Vallur terminal, which, in turn, will be connected with the Chennai Petroleum Corporation Ltd in Manali refinery, he said.

THE BEGINNINGS

KPL signed a concession agreement with IOCL in 2016 for construction of a captive jetty at an investment of ₹465 crore. However, the project did not take off due to issues in locating the facility.

In 2019, KPL again signed the concession agreement with IOCL for construction of captive jetty to handle POL and LPG products at a cost of ₹921 crore to handle 3 million tonnes of cargo per annum.

IOCL selected ITD Cementation Ltd, Mumbai, as the EPC contractor for jetty construction on January 31, 2022. KPL allotted the land portion, waterfront and right of wfor pipeline corridor to IOCL and declared the date of award of the concession from March 2, 2022. Construction works commenced from July 2022, he said. The existing jetty (MLT-1) at Kamarajar Port is partly used by IOCL to an extent of throughput between 1.5 to 2.0 mtpa.

The proposed captive oil jetty shall accommodate gas carriers and oil tankers for loading/unloading of LPG and POL products for a maximum throughput of 3 to 3.5 mtpa and the jetty has been designed for 5 mtpa.

IOCL will import/export POL and LPG using POL tankers of GT 45,000 (Long Range 1), which corresponds to tankers of size 50,000 deadweight tonnage (DWT) to 80,000 (DWT); very large gas carriers of 45,000 GT (60,000 DWT).

The total design capacity of 5 mtpa at the proposed captive jetty can be divided into the two products - POL (3.30 mtpa) and LPG (1.70 mtpa), according to sources.

BUSINESS LINE, Delhi, 31.7.2024
Page No. 11, Size:(12.71)cms X (15.41)cms.

US overtakes UAE as India's second largest LNG supplier

KEY ATTRACTION. India's proximity to US cargoes incentivises sellers

Rishi Ranjan Kala
New Delhi

LNG imports

(Million Tonnes - MT)

	2023	2022	2021	2020	2019
Qatar	10.92	10.3	10.2	10.72	9.7
USA	3.09	2.16	3.86	2.36	1.8
The UAE	2.85	2.59	3.17	3.32	2.6
Nigeria	0.73	0.96	1.39	2.94	2.7
Angola	0.73	0.69	1.11	2.35	2.9
Australia	0.36	0.38	0.28	1.04	1.0
Oman	0.88	0.92	1.16	1.24	1.0
Russia	0.49	0.29	0.41	0.68	0.2

Source: World LNG Report 2024

The US displaced the UAE to emerge as India's second largest supplier of liquefied natural gas (LNG) in 2023, accounting for 3.09 million tonnes (mt). LNG is emerging as a substitute fuel in the transition towards green energy.

Analysts attributed the development to weakening LNG prices in international markets as well as India's proximity, via the Cape of Good Hope, to US LNG cargoes compared to North Asia.

The US also emerged as the world's largest LNG exporter in 2023. According to the world LNG report 2024 by International Gas Union (IG), released earlier this month, the US supplied India 1.8 mt LNG in the pre-pandemic period (2019) and the quantity increased to 3.86 mt in 2021.

TRADE DYNAMICS

India, the fourth largest LNG importer, scaled back in 2022 owing to rising prices, and shipments from the US declined to 2.16 mt. On the other hand, the UAE's share rose from 2.6 mt in 2019 to 3.32 mt in 2020, slipped to 2.59 mt in 2022 and again rose to 2.85 mt last year.

Qatar remained India's largest LNG supplier for five years running (2019-2023); cargoes topped 10 mt, barring in 2019 when it stood at 9.7 mt. In 2023, shipments from Qatar rose to a high of 10.92 mt.

Another notable development during this period is the decline in the share of African nations in India's LNG imports.

According to IGU data, Nigeria and Angola, which supplied 2.7 mt and 2.9 mt LNG, respectively, to India pre-pandemic (2019), saw their cargoes shrink to 0.73 mt each in 2023. The share of both African nations has been declining since 2021.

RISING IMPORTS

Kenneth Foo, Associate Editorial Director at S&P Global Commodity Insights, said the US was the key exporter in the global LNG market in 2023, overtaking Qatar and Australia with strong growth in liquefaction capacity due to investments made several years ago. Total US LNG exports were about 15 per cent higher year-on-year at 89 mt. "With India at closer proximity via the Cape of Good Hope for US LNG cargoes, compared to North Asia, sellers were more incentivised to sell volumes to India to save freight costs. The ongoing US long-term contracts signed by Indian entities also continued to underpin LNG consumption," he told *businessline*.

On the decline in cargoes from Africa, Foo pointed out that Nigerian LNG exports faced significant challenges in the last two years.

The country's LNG export facility at Bonny remains under force majeure since October 2022 due to disruption in gas feedstock supply.

"Other LNG supply from African countries like Angola has flowed to destinations that are willing to pay price premiums such as Europe across 2022-23. Middle-east volumes remain the mainstay of supply to India due to geographical proximity and significant long-term volumes agreement," he added.

On LNG cargoes in 2023 staying below the levels recorded in 2019-21, he pointed out that from 2019-21, LNG prices were significantly lower, enabling Indian companies to buy spot volumes at market prices.

"Indian companies continue to be price-sensitive, and the various fuel-switching alternatives such as naphtha/ fuel oil for refiners, fuel oil and LPG for industrials and gasoline for transportation mean that LNG prices need to be low enough for imports to grow into 2024. Expectations are that, if prices remain below $12 per mBtu, there would be significant import growth potential for India," Foo added.

Foo, while sharing insights on the energy outlook for H2 2024 in June this year, had said that LNG companies were facing challenges in securing long-term LNG contracts due to lack of transparency in pricing for oil-linked or gas-hub linked LNG contracts.

To remove the price risk for LNG importers, it would be desirable to create an even stronger index link between LNG import prices and domestic gas prices, he stressed.