

IN PIVOT TOWARDS ENERGY TRANSITION

ONGC planning to set up two oil-to-chemical plants in India

Oil-to-chemicals tech allows direct conversion of crude oil to high-value chemical products instead of traditional transportation fuels

OUR CORRESPONDENT

NEW DELHI: India's top oil and gas producer ONGC is planning to set up two oil-to-chemical plants in India to convert crude oil directly into high-value chemical products as it prepares for energy transition that is shaking up the industry worldwide, chairman Arun Kumar Singh said.

Crude oil, which companies like ONGC pump out from below seabed and from underground reservoirs, is a primary source of energy. It is processed in oil refineries to produce petrol, diesel and jet fuel. With the world looking to transition away from fossil fuel, companies around the globe are looking at new avenues to use crude oil.

Petrochemicals are chemical products derived from crude oil and are used in the manufacturing of detergents, fibres (polyester, nylon, acrylic etc.), polythene and other man-made plastics.

"The demand for petrochemicals is expected to remain strong and will continue to be a key driver of oil and gas demand in the future," Singh said in the firm's latest annual report.



"With this objective, ONGC is collaborating with other entities to explore opportunities in the oil to chemical (O2C), refining, and petrochemicals. We are also planning to set up two greenfield O2C plants in India."

He, however, did not give details.

The firm already has two subsidiaries, Mangalore Refinery and Petrochemicals Limited and ONGC Petro-Additions Limited that run petrochemical units at Mangalore in Karnataka and Dahej in Gujarat, respectively.

"MRPL and OPaL are strongly engaged in the diversification plan from oil to the petro-chemical sector," Oil and Natural Gas Corporation

(ONGC) said in the 2022-23 annual report. "ONGC is also partnering with players to explore opportunities in the Oil to Chemical (O2C) and Oil to Petrochemicals (O2P)."

The International Energy Agency (IEA) estimates and global oil demand will plateau by 2030 as penetration of electric vehicles and increased uptake of alternative drive technologies for commercial vehicles ebb demand for fossil fuels. And so energy firms around the world are looking at alternatives.

Crude oil-to-chemicals (COTC) technology allows the direct conversion of crude oil to high-value chemical products instead of traditional transpor-

tion fuels. It enables the production of chemicals exceeding 70 per cent to 80 per cent of the barrel producing chemical feedstock as opposed to about 10 per cent in a non-integrated refinery complex.

China and the Middle East account for a majority of COTC plants that have been planned or have started operations. Saudi Aramco and SABIC have announced plans for a COTC plant that will process 400,000 barrels per day of Arabian Light crude oil to produce about 9 million tonnes of chemicals per year.

According to IEA, petrochemicals are rapidly emerging as the primary driver of global oil consumption, with the industry projected to contribute over a third of the growth in oil demand by 2030.

"ONGC aims to capitalize on this trend, with plans to substantially expand its chemical and petrochemical portfolio from the current 4.2 million tonnes per annum to 8 million tonnes by 2030," the annual report said. "MRPL and OPaL are strongly engaged in the diversification plan from oil to the petro-chemical sector.

ONGC is also partnering with players to explore opportunities in the O2C and oil to petrochemicals (O2P)."

Singh said ONGC will invest Rs 1 lakh crore by 2030 on energy transition projects as it targets net zero carbon emissions by 2038.

The firm joins fellow state-owned oil and gas firms Indian Oil (IOC), Hindustan Petroleum (HPCL), GAIL and Bharat Petroleum (BPCL) in preparing roadmaps for net zero emissions as part of the nation's commitment to deal with the climate challenge. Net-zero for a company means achieving a balance between the quantum of greenhouse gases it places into the atmosphere and the amount it takes out.

While the firm remains focused on raising crude oil and natural gas production, ONGC is being built as resilient, agile and adaptable, Singh said in the firm's latest annual report.

Recognising the importance of environmental, social and governance (ESG) aspects, Oil and Natural Gas Corporation (ONGC) has achieved substantial progress in reducing emissions.



गेल ने पहली तिमाही में जुटाए 32,227 करोड़

नई दिल्ली। गेल (इंडिया) लिमिटेड ने वित्त वर्ष 2024 की पहली तिमाही में परिचालन से 32,227 करोड़ रुपये राजस्व अर्जित किया है, जबकि वित्त वर्ष 2023 की पहली तिमाही में परिचालन से 37,572 करोड़ रुपये राजस्व अर्जित किया था। वित्त वर्ष 2024 की पहली तिमाही कंपनी ने कर पूर्व लाभ (पीबीटी) 1,889 करोड़ रुपये अर्जित किए, यही वित्त वर्ष 2023 में 3,894 करोड़ था। 2024 में कर पश्चात लाभ (पीएटी) 1,412 करोड़ रुपये अर्जित किया है, जबकि वित्त वर्ष 2023 की पहली तिमाही में यह 2,915 करोड़ रुपये था। तिमाही दर तिमाही आधार पर परिचालन से राजस्व वित्त वर्ष 2024 की पहली तिमाही में 32,227 करोड़ रुपये रहा। जबकि पिछले साल चौथी तिमाही में यह 32,858 करोड़ रुपये था। पीबीटी ने 220 फीसदी की मजबूत वृद्धि दर्ज की। वित्त वर्ष 24 की पहली तिमाही में पीबीटी 1,889 करोड़ रुपये रही, जबकि पिछले साल चौथी तिमाही में यह 591 करोड़ रुपये थी। इसमें दोगुनी से ज्यादा वृद्धि दर्ज हुई। वहीं पीएटी में 134 फीसदी की वृद्धि हुई है। वित्त वर्ष 2024 की पहली तिमाही में यह 1,412 करोड़ रुपये रहा। वहीं पिछले साल की चौथी तिमाही में यह 604 करोड़ रहा था।



‘Oil Ministry, PSUs lack seriousness in setting up compressed biogas projects’

Rishi Ranjan Kala
New Delhi

The Parliamentary standing committee on petroleum and natural gas has come down heavily on the Oil Ministry and its PSUs for showing “lack of seriousness” in setting up compressed biogas (CBG) projects in the country.

In a strong response, the committee said the Ministry of Petroleum and Natural Gas (MoPNG) failed to prevail upon its PSUs to set up CBG projects, which is important for demonstrating the viability of such projects

and instilling confidence in investors, despite the same being recommended.

“The committee is not happy with this lack of seriousness being exhibited by the Ministry and Oil and Gas PSUs. Besides, the committee is concerned to note that the Ministry have not shown any interest to issue orders to Oil and Gas PSUs for investing in creating and maintaining infrastructure for promotion of CBG projects which create a doubt that the Ministry itself is sceptical about the viability and success of the CBG projects,” it said.

The panel emphasised that unless Oil and Gas PSUs



HIGH TIME.The panel suggested that unless oil and gas PSUs shed their reluctance and come forward to invest in CBGs, persuading private entrepreneurs to invest in the sector will be difficult

“shed their reluctance” and come forward in investing in a few CBG projects, it will be difficult to persuade private entrepreneurs and investors

to come forward and invest in the CBG sector.

The report is on the action taken by the government on recommendations made in

the 17th Report (17th Lok Sabha) of the standing committee on petroleum and natural gas on review of implementation of CBG (SATAT), which was placed in Parliament on December 21, 2022.

The government’s Action Taken Replies were received on April 20, 2023, and the panel considered and adopted the report on July 27, 2023, which was then placed in Parliament on August 1.

LACK OF INTEREST

The committee in its original report had suggested that Oil PSUs should “aggressively” enter into CBG sector through company-owned

company-operated model or joint ventures with other OMCs/entrepreneurs.

In its response, the MoPNG said “oil and gas marketing companies (OGMCs) have been investing in creating and maintaining infrastructure for promotion of CBG projects which include development of Retail Outlet, laying of pipeline, purchase of equipment, etc. Further, they are also investing in establishment of CBG plants.”

However, the panel was not happy with the response of the Ministry and countered that the Ministry is trying to “mislead” it.

“The committee is not satisfied with the reply of the Ministry as it does not mention any new measure taken by Oil PSUs in this regard and has rather resorted to mislead the committee by furnishing the details of the CBG projects that are already being undertaken by IOCL, HPCL and GAIL,” it added.

The panel reiterated its earlier recommendation and stressed that the Ministry should persuade the Oil and Gas PSUs to consider and make investments in new CBG projects with their own funds and “seriously pursue” their implementation.



Oil India Ltd Granted 'Maharatna' Status



Govt. of India has elevated Oil India Limited (OIL), India's National Exploration & Production Major to MAHARATNA category. OIL is now the 13th Maharatna CPSE in the country and joins the league of BHEL, BPCL, CIL, GAIL, HPCL, IOCL, NTPC, ONGC, PFC, POWERGRID, RECL and SAIL. The company posted a consolidated annual turnover of Rs. 41,039 Crore and net profit of Rs. 9854 Crore for the FY 2022-23. OIL earned the status of Navaratna in 2010. Having acquired a majority share of Numaligarh Refinery Ltd. (NRL) in 2021, OIL has now become an integrated energy company. With a rich legacy of the first discovery of Crude Oil at Digboi in Assam Shelf during 1889; followed by post-independence discoveries at Naharkatiya and Moran during 1953 & 1956 respectively, OIL has been relentlessly engaged in fueling India's energy needs over decades.

This recognition is a testament to OIL's dedication and commitment for the Upstream segment of Hydrocarbon Sector. With the accorded Maharatna status, OIL is further committed to play a more significant role in the country's energy landscape and contribute to the growth and development of the sector in the years to come.

On this seminal moment, Dr. Ranjit Rath, C&MD, OIL, said that OIL has achieved this feat owing to its strong legacy of technical proficiency in upstream hydrocarbon sector and a workforce with professional diligence, innovation and performance that has alleviated the growth of the company to new heights. "We are thankful to all our stakeholders for reposing their trust with OIL, and the entire workforce – past & present, who have offered their unwavering contribution for over six decades. We extend our heartfelt gratitude to the Ministry of Petroleum and Natural Gas, Govt. of India, under whose guidance and support, OIL have been able to achieve this milestone," Dr Rath added.

The other companies included in the Maharatna list are Bharat Heavy Electricals Limited (BHEL), Bharat Petroleum Corporation Limited (BPCL), Coal India Limited, GAIL India Limited, Hindustan Petroleum Corporation Limited (HPCL), Indian Oil Corporation Limited, NTPC Limited, Oil & Natural Gas Corporation Limited (ONGC), Power Finance Corporation, Power Grid Corporation of India Limited, Rural Electrification Corporation Limited and Steel Authority of India Limited (SAIL). To be eligible for the grant of the Maharatna status, the company should have an average turnover of over Rs 25,000 crore, an average annual net worth of more than Rs 15,000 crore, and an average annual net profit of over Rs 5,000 crore during the last three years.