

ONGC PAT jumps 19 times in Q4; record standalone profit in FY24

PTI / New Delhi

State-owned Oil and Natural Gas Corporation's (ONGC) March quarter net profit soared 19 times as the year-ago period had a one-time exceptional provision, while it posted a record earning for the full fiscal.

The company's standalone net profit of Rs 9,869 crore in January-March - the fourth quarter of fiscal year 2023-24 - compared with a profit of Rs 528 crore in the same period of the previous financial year, according to a company statement.

India's top oil and gas producer had made a provision of Rs 9,235 crore in the January-March 2023 quarter towards disputed taxes for the period from April 1, 2016, to March 31, 2022.

ONGC reported a 4.3 per cent rise in crude oil production in the fourth quarter this year to 4.71 million tonnes. The price realised for the same also was higher at USD 80.81 per barrel compared to USD 77.12 a barrel in January-March 2023.

Gas price was, however, lower at USD 6.50 per million British thermal units as opposed



to USD 8.57 in the previous year. Also, gas production fell 2.4 per cent to 4.95 billion cubic metres.

Its revenue from operation was 4.6 per cent lower at Rs 34,637 crore.

For the full 2023-24 fiscal (April 2023 to March 2024), ONGC reported the highest-ever standalone net profit of Rs 40,526 crore on a revenue of Rs 1.38 lakh crore. This compared with Rs 40,097 crore net profit on a revenue of Rs 1.55 lakh crore.

On a consolidated basis after taking into account the earnings of subsidiaries, including listed companies Hindustan Petroleum Cor-

poration Ltd (HPCL) and MRPL, ONGC had a record consolidated net profit of Rs 57,101 crore for FY24.

Oil production for the full year was 0.7 per cent lower at 18.4 million tonnes while gas output fell 3.2 per cent to 19.97 bcm.

The company declared a total dividend of 245 per cent (Rs 12.25 per share of face value Rs 5 each) with a total payout of Rs 15,411 crore. This includes an interim dividend of 195 per cent (Rs 9.75 per share) already paid during the year and a final dividend of 50 per cent (Rs 2.50 per share) recommended by the Board.

ONGC said it has invested around Rs 37,000 crore of capex in FY24 (2023-24 fiscal) compared to Rs 30,208 crore in the previous fiscal.

Its overseas arm, ONGC Videsh Ltd ended the year with 7.178 million tonnes of crude oil production and 3.34 bcm of gas output. This compared with 6.349 million tonnes of crude oil production in FY23 (2022-23) and 3.822 bcm of gas output. OVL posted a net profit of Rs 639 crore against Rs 1,660 crore in FY23, mainly due to higher impairment, the company statement said.

Bank Curbs Hit ONGC's Plans to Gain 20% Stake in Russia Oilfield

Our Bureau

New Delhi: Oil and Natural Gas Corp (ONGC) hasn't yet been able to pay its share to the abandonment fund of Russia's Sakhalin-1 field due to banking restrictions, which has obstructed the company's path to regain a 20% share in the oilfield.

It can't repatriate its dividend from another Russian field (Vankor). ONGC has received dividends for the first half of 2023 from Vankor and an amount of rouble 16.08 billion (about ₹1,451 crore) is currently lying in Commercial Indo Bank in Moscow, the company said in its earnings statement. "As such, the amount is available for use by the group only in the country and currency of receipt," it said.

ONGC Videsh, the state firm's subsidiary, had acquired a 20% participating interest in Sakhalin-1 project in 2001. Exxon Mobil's subsidiary ENL, the operator of the field, declared force majeure in April 2022 and output from the field nearly halted in September. In October 2022, the Russian government transferred all rights and obligations related to the field to a new entity called Sakhalin-1 LLC. It also granted a 20% share in the new entity to ONGC subject to the Indian firm transferring its contribution to the existing abandonment fund related to the project.

ONGC Videsh is holding over ₹5,000cr in a special purpose bank account on behalf of Sakhalin-1 LLC: Oil co

The abandonment fund is used to wind down the project and safely shut in wells to ensure no future environmental damage.

"Due to restrictions on Russian banks, ONGC Videsh is in discussion with government of Russian Federation and Sakhalin1 LLC for identifying likely alternatives to transfer the abandonment fund for fulfilling the condition precedent," ONGC said.

"As on 31st March 2024, an amount of \$630.64 million (₹5,257 crore), which is the amount after deduction of TDS on interest earned, is held by the ONGC Videsh on behalf of Sakhalin-1 LLC, in a special purpose bank account opened with permission from the Reserve Bank of India."

ONGC Videsh has not received the financial statements for Sakhalin-1 for 2023-24, the company said. "Limited information regarding field operations, production summary, wells summary, drilling, and crude transportation operations has been received from the project till 31 March 2024," it said.

CPSE Dividend Target for FY25 may be Raised

New Delhi: The finance ministry is likely to raise the CPSE dividend estimates by 5,000 crore to around 53,000 crore for the current fiscal in the full budget to be presented in July. In the interim budget 2024-25, the government had pegged divi-



dend estimates from non-financial central public sector enterprises (CPSEs) at 48,000 crore for the current fiscal. “The estimates may go up by about 5,000 crore in the final budget to be presented in July,” an official said. The dividend receipts of the government in a particular fiscal include interim dividends announced by state-owned companies during the fiscal, as well as final dividends for the previous fiscal. So far in the current financial year, the government has obtained 4,837.25 crore as dividends from the CPSEs. —PTI

Govt asks RIL, OMCs to jointly negotiate oil deal with Russia

RAKESH SHARMA & SUDHI RANJAN SEN
21 May

The government has made a rare request to state-run oil refiners and private processor Reliance Industries to jointly negotiate a long-term supply deal with Russia, according to people familiar with the matter.

The government wants its refiners to lock in at least a third of their contracted supply from Russia at a fixed discount to help shield the nation's economy from volatile prices, the people said.

The appeal to join forces was informal, they added.

State refiners have been seeking oil at a discount of more than \$5 a barrel to Dated Brent, but Moscow is offering crude at a discount of \$3 and is showing an unwillingness to budge, according to the people. The discount for one Russian grade blew out to more than \$30 after the war before narrowing. Indian Oil is the only state refiner to previously have a long-term sup-

ply deal with Russia, but that expired at the end of March and hasn't been renewed due to a lack of consensus on volumes and price.

There is precedent for collaboration. State refiners have held joint talks with suppliers in West Asia and West Africa previously to secure more favourable terms, but it's unusual for India to request help from a private refiner. Reliance is unlikely to share sensitive information

with the state oil refiners given they're competitors in the domestic fuel market, stifling the government's efforts at collaboration, they said.

An oil ministry spokesman didn't immediately reply to a text message seeking comment. Reliance, Indian Oil, Bharat Petroleum, and Hindustan Petroleum also didn't reply to emails seeking comment. India has been a major buyer of Russian crude since the invasion of Ukraine, but tighter enforcement of US sanctions crimped the trade.

BLOOMBERG



ONGC net profit jumps 19x to ₹9,869 cr in Q4

State-owned Oil and Natural Gas Corporation's (ONGC) March quarter net profit soared 19 times to ₹9,869 crore as compared to ₹528 crore in the year-ago period. The country's top oil and gas producer had made a provision of ₹9,235 crore in the March 2023 quarter towards disputed taxes for the period from April 1, 2016, to March 31, 2022. ONGC reported a 4.3 per cent rise in crude oil production in the fourth quarter this year to 4.71 million tonnes.

PTI

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PTI ■ NEW DELHI

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compared to Rs 30,208 crore in the previous fiscal.

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OVL posted a net profit of Rs 639 crore against Rs 1,660 crore in FY23, mainly due to higher impairment, the company statement said.

Its turnover decreased 18.2 per cent to Rs 9,553 crore "mainly due to non-accounting of revenue from Sakhalin-1 (project in Russia) and lower crude price realisation", it added.

ONGC eyes 20% increase in production

ARUNIMA BHARADWAJ
New Delhi, May 21

STATE-OWNED OIL AND gas major Oil and Natural Gas Corp (ONGC) plans to increase its cumulative production of crude oil and natural gas by 20% to 47 million metric tonne of oil equivalent (MMtoe) over the next three years. This will include about 21.8 MMT of crude oil and about 25.5 BCM of gas, up from the current 39.45 MMtoe.

Additionally, the company expects its oil production from the KG-98/2 block to increase to 20,000 barrels per day in the third quarter of FY25, and then reach its peak production of 45,000 barrels per day in Q4FY25. "We will be ramping our (oil) production from KG 98/2 from the current 12,000 barrels per day (bpd) to 20,000 bpd in Q3FY25 and 45,000 barrels in Q4FY25," the company's management said on Tuesday in an investor call.

ONGC also expects the KG block to produce 10 million metric standard cubic metres per day (mmscmd) of gas, its peak capacity, by the end of FY25. This is expected to



increase ONGC's overall oil production by 11% and gas production by 15%.

"We are also working on the monetisation of stranded gas with the completion of the Urja Ganga pipeline and Indradhanush pipeline," the company said. "One billion cubic meters (bcm) of gas will come from KG 98/2 and 0.3 bcm of gas from stranded gas fields in different geographies of the country including Silchar and Bokaro among others."

The company's crude oil production in Q4FY24 increased by 2.4% to 5.359 million tonnes, while gas production decreased by 3%.

The company also intends to monetise eight to 10 discoveries in FY25.



Govt asks refiners to join Russia oil deal

RAKESH SHARMA &
SUDHI RANJAN SEN

May 21

THE CENTRE HAS made a rare request to state-run oil refiners and private processor Reliance Industries to jointly negotiate a long-term supply deal with Russia, according to people familiar with the matter.

The government wants its refiners to lock in at least a third of their contracted supply from Russia at a fixed discount to help shield the nation's economy from volatile prices, the people said, asking not to be named due to the sensitivity of talks.

The appeal to join forces was informal, they added.

However, Reliance is unlikely to share sensitive information with the state oil refiners given they're competitors in the domestic fuel market, stifling the government's efforts at collaboration, they said.

An oil ministry spokesman didn't immediately reply to a text message seeking comment. Reliance, Indian Oil, Bharat Petroleum and Hindustan Petroleum also didn't reply to emails seeking comment.

India has been a major buyer of Russian crude since the invasion of Ukraine, but tighter enforcement of US sanctions crimped the trade and led to refiners needing to buy more expensive oil.

It wants state processors to work together and boost their bargaining power during supply negotiations, rather than competing, the people said.

—BLOOMBERG



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FinMin to raise FY25 CPSE dividend view

The finance ministry is likely to raise the CPSE dividend estimates by ₹5,000 crore to around ₹53,000 crore for the current fiscal in the full budget to be presented in July.

In the interim budget 2024-25, the government had pegged dividend estimates from non-financial central public sector enterprises (CPSEs) at ₹48,000 crore for the current fiscal.

“The estimates may go up by about ₹5,000 crore in the final budget to be presented in July,” an official told *PTI*.

The interim budget estimates were based on the estimates in December 2023, and January 2024, and the estimates in the full budget will be higher as we have a better picture of the dividend now, the official added.

The dividend receipts of the government in a particular fiscal include interim dividends announced by state-owned companies during the fiscal, as well as final dividends for the previous fiscal. So far in the current financial year, the government has obtained ₹4,837.25 crore as dividends from the CPSEs. **PTI**



Oil marketing companies invite bids for ethanol supply

Oil marketing companies have invited bids for supply of almost 66 crore litres of ethanol for the supply year 2023-2024 which ends on October 31, 2024. The ethanol can be extracted from sugarcane juice or sugar/sugar syrup, B-heavy molasses, c-heavy molasses, or maize. “The bids indicate that suppliers [from sugar sector] can supply any quantity of ethanol they produce and there is no more restriction,” said Vijay Girase, proprietor, Al Sucrose Corporation.



Reliance Industries is unlikely to accept the Centre's request for a joint effort. **BLOOMBERG**

India asks refiners to collaborate for Russian crude deal

[Bloomberg](#)
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India has made a rare request to its state-run oil refiners and private processor Reliance Industries Ltd to jointly negotiate a long-term supply deal with Russia, according to people familiar with the matter.

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India has been a major buyer of Russian crude since the invasion of Ukraine, but tighter enforcement of US sanctions crimped the trade and led to refiners needing to buy more expensive oil. The South Asian nation wants state processors to work together and boost their bargaining power during supply negotiations, the people said.

There is precedent for collaboration. State refiners have

held joint talks with suppliers in West Asia and West Africa previously to secure more favourable terms, but it is unusual for India to request help from a private refiner.

State refiners have been seeking oil at a discount of more than \$5 a barrel to Dated Brent, but Moscow is offering crude at a discount of \$3 and is showing an unwillingness to budge, according to the people.

Indian Oil is the only state refiner to previously have a long-term supply deal with Russia, but that expired at the end of March and hasn't been renewed due to a lack of consensus on volumes and price.

Govt invites proposals for coal gasification under VGF scheme

Rituraj Baruah

rituraj.baruah@livemint.com

NEW DELHI

The coal ministry on Tuesday sought proposals from public and private sector players among others for coal gasification projects under a ₹8,500-crore viability gap funding (VGF) scheme. The proposals have to be submitted by 12 September.

“To promote clean coal technologies, the ministry of coal has issued RFP (request for proposal) seeking proposals from public sector undertakings, private sector investors, R&D agencies, etc. under scheme for promotion of lignite and coal gasification,” said an official statement.

Coal and lignite production in FY24 stood at 1 billion tonnes and the target for this fiscal has been set at 1.08 billion tonnes. Noting that in future there would be surplus domestic coal after meeting the requirement of power and other sectors, the ministry said that coal-to-chemical and gasification processes are being promoted.

In January, the Union cabi-



The proposals need to be submitted by 12 September. COAL.GOV.IN

net approved a ₹8,500 crore VGF scheme for coal gasification.

According to current plans, for public sector units, a viability gap funding of ₹1,350 crore per project would be provided. Under category II, mainly private sector investors, a viability gap support of ₹1,000 crore would be provided. Under category III or demonstration projects, the support is for ₹100 crore per project.

Apart from VGF, the ministry has created a separate long-term linkage window. It has also notified a policy under which commercial or captive coal mine owners may utilize

their coal for gasification, for which a 50% incentive on revenue-share would be provided.

Gasification is the process by which coal is turned into fuel gas and is considered as a cleaner option than burning coal. This gas can be used to produce gaseous fuels such as hydrogen, methane, methanol and ethanol. However, the high ash content in Indian coal is a technical barrier to a wider adoption of coal gasification.

India has the fourth largest coal reserves in the world, with reserves of 361.41 billion tonnes, according to data from the coal ministry.

Crude oil falls on demand fears over Fed's rates path



Crude oil prices extended losses in Asia trade with investors anticipating lingering US inflation and higher interest rates to depress consumer and industrial demand. Brent crude futures fell 57 cents to \$83.14 a barrel, US WTI slipped 58 cents to \$79.22 a barrel. REUTERS



Jointly negotiate for Russian oil: Govt to PSU refiners, Reliance Ind

Bloomberg

The government has made a rare request to state-run oil refiners and private processor Reliance Industries Ltd. to jointly negotiate a long-term supply deal with Russia, said a source.

The government wants refiners to lock in at least a third of their contracted supply from Russia at a fixed discount to help shield the nation's economy from volatile prices, the source added. The appeal to join force was informal, they said.

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finers as they are competitors in the domestic market, stifling the government's efforts at collaboration, according to the source.

An Oil Ministry spokesman didn't reply to a text message seeking comment. Reliance, Indian Oil Corp, Bharat Petroleum Corp and Hindustan Petroleum Corp also didn't reply to emails seeking comment.

India has been a major buyer of Russian crude since the invasion of Ukraine, but tighter enforcement of US sanctions crimped the trade and led to refiners needing to buy more expensive oil. The Centre wants state processors to work together and boost their bargaining power during supply negotiations, rather than competing, the source added.

India's Russian oil imports rise to 9-month high in April

Reuters

New Delhi

India's Russian oil imports rose to a nine-month high in April after shipments on non-sanctioned tankers operated by Russia's largest shipping company Sovcomflot resumed, tanker data obtained from shipping and trade sources showed.

In April, Indian refiners shipped in nearly 1.8 million barrels per day (bpd) of Russian oil, up about 8.2 per cent over the previous month, expanding Russia's share in India to about 38 per cent from 32 per cent in the previous month, the data showed.

'UNUSUAL MOVE'

There is a precedent for collaboration. State refiners have held joint talks with suppliers in the Middle East and West Africa previously to secure more favourable terms, but it's unusual to request help from a private refiner.

State refiners have been seeking oil at a discount of more than \$5 a barrel to Dated Brent, but Moscow is offering crude at a discount of \$3 and appears unwilling to budge, the source noted.

The discount for one Russian grade blew out to more than \$30 after the war before narrowing. Indian Oil is the only state refiner to previously have a long-term supply deal with Russia, but that expired in March and hasn't been renewed.



ओएनजीसी का शुद्ध लाभ 19 गुना हुआ

नई दिल्ली (भाषा)। आयल एंड नेचुरल गैस कारपोरेशन (ओएनजीसी) का बीते वित्त वर्ष की चौथी (जनवरी-मार्च) तिमाही का एकल शुद्ध लाभ 19 गुना होकर 9,869 करोड़ रुपये पर पहुंच गया। इससे पिछले साल की समान अवधि में कंपनी को एक बड़ा एकमुश्त प्रावधान करना पड़ा था, जिससे उसका मुनाफा कम रहा था। कंपनी का पिछले वित्त वर्ष की इसी तिमाही में शुद्ध लाभ 528 करोड़ रुपये रहा था।

कंपनी की ओर से जारी बयान के अनुसार, भारत की शीर्ष तेल तथा गैस उत्पादक ने एक अप्रैल, 2016 से 31 मार्च, 2022 की अवधि के वास्ते विवादित करों के लिए जनवरी-मार्च 2023 तिमाही में 9,235 करोड़ रुपये का प्रावधान किया था। ओएनजीसी की जनवरी-मार्च तिमाही में परिचालन आय 4.6 प्रतिशत घटकर 34,637 करोड़ रुपये रही। ओएनजीसी का वित्त वर्ष 2023-24 की चौथी तिमाही में कच्चे तेल का उत्पादन 4.3 प्रतिशत बढ़कर 47.1 लाख टन रहा है।



भारत का रूसी तेल आयात अप्रैल में 9 महीने के शीर्ष पर

नई दिल्ली। भारत का रूस से तेल आयात अप्रैल में 9 माह के शीर्ष पर पहुंच गया। इस दौरान भारतीय रिफाइनर ने 18 लाख बैरल प्रतिदिन (बीपीडी) रूसी तेल खरीदा है, जो मार्च की तुलना में करीब 8.2 फीसदी अधिक है। इससे भारत के तेल आयात में रूस की हिस्सेदारी बढ़कर लगभग 38 फीसदी हो गई। मार्च में यह हिस्सेदारी 32 फीसदी थी। कुल मिलाकर भारत ने अप्रैल में 48 लाख बीपीडी तेल का आयात किया। मार्च की तुलना में यह 6.5 फीसदी कम है। एजेंसी