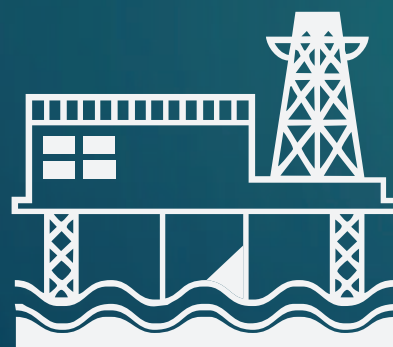




**ONGC VIDESH**  
The Quarterly e-Magazine

*Times*

special edition



# 3<sup>rd</sup> **THOUGHT PLATFORM**

**ONGC Videsh @2022:  
Strategizing for the  
Upcoming Era of Renewables**

# THE 3RD THOUGHT PLATFORM- DECODING THE FUTURE

New kids on the block stole the limelight. It did not come as a surprise to anyone. For the Board members of ONGC Videsh who had pioneered the idea, or their mentors who, for 48 straight hours, held their hand steadfastly and pushed them to give their best, or to the ONGC Videsh executives who had assembled for the 3rd Thought Platform on a sizzling hot Friday in Agra.



## THOUGHT PLATFORM

ONGC Videsh @2022:  
Strategizing for the Upcoming Era of Renewal

March 31, 2017 | Agra





Thought Platform is a yearly ritual now. The young and the old can express their opinion – unfettered, unglossed and the management listens. And this then helps in recalibrating the moves for the future. MD & CEO Mr. N.K. Verma always sets the tenor in his inaugural words. “In day to day struggle to manage the business, we sometimes lose the long-term perspective. This is an opportunity to take stock of the things, in and around the company and globally. Forge a new team spirit, share your thoughts without any restriction, without fear of ridicule. You may not appreciate the import of your idea now but it may turn out to be a bonanza for the company. This edition is to celebrate what we achieved in the past, to prepare ourselves for the future. We should not expect any magical solutions, but even if you can generate a couple of leads, that will fulfil our objective,” said Mr Verma and explained the format of presentation which included teams representing different range of experience.



**We are here to listen to you-  
ONGC Videsh board members**

Globally the oil industry is passing through a flux. There is excitement, but also anxiety and uncertainty. We are proud of our legacy. We have grown significantly in the last 15 years and we are poised to grow further. The growth is not automatic; we have to exercise our options. We may not be successful all the time but that should not preclude us from taking decisions.

Today we are producing 14 MMT of Oil and Gas which is almost one-third of our parent ONGC. Our target is to reach 20 MMT in two years. E&P industry is facing the challenge of renewables and serious environmental concerns. We need to ponder upon the direction we should take. There is a threat of peaking oil demand too. Where do we see our company in next few years? Whether we should grow in production, should we diversify in unconventional or go for a stronger diversification into renewables. Do we want to place ourselves as an energy technology company or an energy production company or oil and gas production company? Our current portfolio is a good mix of exploration and production. How do we add more producing assets to our kitty? We may need to adopt a disruptive approach. Status quo has to be broken on many fronts. How we operate, how we deploy ourselves?

We are also constrained by insufficient human resource but with the joining of a significant number of youngsters, it is the right time for them to prepare to shoulder higher responsibility in the times to come. All senior management is retiring in the next two years, so there is a huge opportunity for you in mid and junior level to start thinking big and put yourself on a higher pedestal. Behave like seniors in your thought process, in your interaction, in your decision making.

The theme of this Thought Platform is ONGC Videsh@ 2022- that's five years down the line. I desire and dream that in 2022, ONGC Videsh produces half a million

barrels of oil and gas per day. That is achievable, provided we are cohesive, determined, focussed and we deploy our resources judiciously but aggressively. We have to be awake, we have to be nimble, we have to be proactive and we have to be smart. This is what this Thought Platform is all about. How can we be smarter to achieve these goals?

We should behave like an international operator. The notion of an NOC has to go away from our hearts and minds. Although we have the lineage and roots of NOC, but we should be adopting the footprints of an IOC. The kind of approach they have, learning and imbibing, executing and implementing like they do, wherever you are in hierarchy. It is not a hierarchy driven house today. All individuals have got equal weightage in their suggestions and observations and contributions. Today, we are all equal. In this hall today, you can speak in the strongest voice and you will be heard, Mr Verma assured the congregation.

Director (Operations), Mr P.K. Rao congratulated the gathering for the Excellent rating that ONGC Videsh had got for 2015-16. He also informed that ONGC Videsh had received SCOPE's award for excellence & outstanding performance in Public Sector management under mini-ratna category.

Mr Rao reminded all that by preponing the date for Thought Platform, MD had accelerated the thought process and engaged all the employees to give their best. "I feel whatever thoughts that come to your mind initially are the most potent. The moment you get more time, negative thoughts come into play and you waver in your decision making. I am expecting good suggestions from you all. This large gathering of employees itself will generate lot of positive energy," he said.

As regards the energy sector Mr Rao reflected that there is going to be dent from



the renewables by 2030, particularly by solar and wind. We have to strategize ourselves. The Government has announced 10% import reduction which means 20 MMT of oil and gas. Whether we produce that domestically or have equity oil it gives us a great opportunity. We should also imbibe the culture of dedication and discipline of International Oil Companies.

Speaking on the occasion, Mr Sudhir Sharma, Director (Exploration) said, "The venue of this Thought Platform has been kept away from the hustle and bustle of Delhi so that you can relax and come up with ideas that can take the company ahead. The pace of the event has already been set by MD & Director (Operations), I will take you to the past. There have been two major energy transitions in the human history. One was in the late 19th century when wood was replaced by coal. The next one was in the middle of 20th century when coal itself was replaced by hydrocarbons. 70% of energy was replaced by hydrocarbons which was a more efficient fuel. Now, renewables are knocking at our door in the 21st century and it is a welcome change as they are clean and green. The change however is not easy. It

involves technology, services, and environmental effects."

"The major difference from wood to coal and coal to hydrocarbons to the possible transition today is that the energy demand was not so high earlier. The biggest question is can renewable energy cater to the energy demand and to what extent? Today we need to see if we should change our strategy in the face of renewables" he said.

Mr Sharma also enlightened the audience with statistics on Indian renewable energy scenario.

Mr. Vivekanand, Director (Finance) underlined the internal and external challenges that ONGC Videsh is facing currently. "The low oil prices have impacted our profitability. These cycles come, things change, new technologies come. The transport industry is changing from crude oil to LNG, so gas has replaced oil. In face of this, we have to change our strategy. The requirement of hydrocarbons will continue to remain in India and we will have a role to play. ONGC Videsh can bring the technology and alliances.

Human resource is also a big challenge. Many senior level executives are retiring and they are irreplaceable. But the mid-level and young executives are expected to take on the challenges. Each one of you should





mentor one person. If properly guided, the youngsters can do a better job. I encourage you to give your opinion frankly,” said Director (Finance).

Mr Ashok Maithani, GM-Head Corporate Planning & Strategy then took the conclave seamlessly from one presentation to the next. After the theme presentation given by Mr Dulal Halder, CE (P), MD asked for observations and suggestions. It was apparent that the mike handlers were going to have a tough day! An exhaustive scenario on all the overseas projects was showcased by Mr Y.C. Shukla, Head Technical Management & Operations. Food for thought and a template for evaluating the projects was given. Head Exploration & Development, Mr SGK Mohan presented a compelling case for reserve accretion, monetisation and organic growth opportunities. Tongue firmly in cheek he called the Thought Platform a ‘surgical strike’ by the executive committee. He suggested creation of an ONGC Videsh handbook to document the rich experience and processes that go into making of a successful business portfolio.





*Food for thought and a template for growth*

**A**n articulate presentation on financing ONGC Videsh growth was given by Mr Atul Chatruvedi, DGM (Finance). Asserting that 'past performance is no proof of the future' and outlining the concerns, he concluded on an optimistic spirit:

*Khudi ko kar buland itna ki har taqdeer ke pehle  
Khuda bande se khud poochhe bata teri raza kya hai*

Head Corporate Support Services, Mr R.K. Singh, made a presentation on the human

resource perspective of the company in light of 'the new world order of business which is ambiguous, volatile, complex and uncertain'.

Braving the 40 degrees centigrade outside (felt like 50!), the ONGC Videsh family then shuffled to fit in a picture frame. The photoshoot done, lunch time was another chance to break bread together and the hierarchical fences did seem to liquefy.



**One big joyful ONGC Videsh family**

While the post lunch session began with discussions on game plan and target setting for acquisitions and business development, presented by Mr Rajiv Nischal, DGM (Production), followed by an elaborate presentation by the consultants, the stage eagerly waited for Gen 'Y'. The fledglings stepped up to the podium one after another, a tad nervous, but resolute in their stride to prove to the rest, that they have an equal stake in the shared dream of making ONGC Videsh the pole star in the energy firmament.

Less than a year in ONGC Videsh and presenting your case to the Executive Committee- it's not just an opportunity but also a monumental responsibility. Beginning with a disclaimer that none of them had ever seen a drop of crude oil, they offered a compelling vision of the future. In a seemingly audacious leap of faith, they rewrote the mission statement of ONGC Videsh: To be Global Integrated energy Company in addition to bringing energy security to India.



*The confident mentees, the nervous mentors*

This was followed by a presentation by Mr K Murugan, Manager (HR) who represented the E2-E4 executives. Going for one big-ticket exploratory endeavour is the only way forward, he averred. Mr Balbir Singh, Regional President, Russia Business Unit presented trends in the energy industry and strategies to face the cyclic challenges.

When the house was thrown open, the range of issues discussed was diverse and

all-encompassing: mid-course correction of Perspective Plan 2030, exit policy for projects that are not yielding desired results, establishing ONGC Videsh as a credible operator, tweaking material management processes, investment in research in renewables, creating vendor management cell in overseas offices, succession planning amongst others.





*Engaged participation*



Summing up, Mr Vivekanand, Director (Finance) affirmed, “Changed scenarios require changed positions. If LNG and electricity are going to replace hydrocarbons as the transportation fuel, we will need to rethink our strategy.” He complimented the teams for their informative presentations. He specifically mentioned the clarity of thought of youngsters and the conviction of key executives to stay the course in E&P business. “We should develop actionable points and deliberate upon them. We should develop an online portal to collect

suggestions from the employees,” said Mr Vivekanand.

Mr Sudhir Sharma complimented all the presenters for burning midnight oil and coming up with thought provoking presentations. “A unanimous view has emerged. The renewables have arrived. They are not going to make a dent on the role of oil and gas in energy basket in the foreseeable future. We need to continue our efforts to bring equity oil and gas as per the mandate given to us.

Certain myths are prevailing in different fora. First is that renewables are going to replace hydrocarbons in ten years. Second is that exploration spending is going to be curtailed in line with many IOCs due to advent of renewables. The third prevailing myth is that when oil prices are low M&A opportunities are available in plenty.

The opinion is almost unanimous that the focus on exploration opportunities in global hotspots should continue. There is no dearth of talent in ONGC Videsh or our parent company to establish ourselves as credible operators, “ Mr Sharma said as he flagged many issues that are plaguing ONGC Videsh and its performance.

Appreciating the all-inclusive format of the third platform, Mr P.K. Rao, Director (Operations) suggested that a team be made to bring together all divergent views to converge so as to hit the target.

He expressed his concern over the inadequate manpower at ONGC Videsh. We have good technical knowledge, expertise and capabilities but you need some more qualities. Summating the qualities that are needed, he enumerated thus : Most important words that you should remember:

**Six – I admit I made a mistake.**

**Five - You did a good job.**

**Four- What is your opinion?**

**Three - If you please**

**Two - Thank you!**

**One - We**

**‘We’ can achieve anything we want, asserted Mr Rao.**

It was then time for actual wrap-up. Mr N.K. Verma, MD complimented all for engaged participation, “By far this edition of Thought Platform has significantly increased in bandwidth and coverage of thoughts.”

Congratulating the youngsters for their passionate participation, he mentioned the two quotes of the day that had made an

impact on him. ‘Global Integrated Energy Company’ summarizes 80% of the deliberations and the second one ‘there has to be only one ONGC Videsh’ as enunciated by Atul Chaturvedi in the finance presentation, that summarizes the cohesiveness, integration in thoughts, operations, in complementarity of roles. If you can emulate these two thoughts, 90% of the problems will be solved. The theme was threat of renewables in the next five years. This debate will continue.

He reminded the audience of the technologies that were once indispensable like photographic films. “Manufactures were arrogant, then digital camera appeared. But some people were not interested in listening to the impending threats. In five years’ time, all photographic films became obsolete in one stroke. Another example is VCRs and VCPs, cathode Ray tube televisions or incandescent bulbs, more recently. Technology can be very disruptive. Everything depends on cost and ease of utility. If something is good and cheap, it will have immediate appeal and people will adopt it and the adoption will be cascading; it will be exponential like a leakage in a dam which is only a drip initially, then the cracks appear and water starts ingressing, once the critical mass is achieved, in one stroke the dam is gone. The same is with technology.

So there is an impending threat and we have to prepare ourselves. But our core business has to protected, strengthened and also a new window has to be opened.

Or, we may redefine energy security itself. Replace Oil and Gas with dollars. Any dollar earned by ONGC Videsh will provide security to India and de facto that is the situation even now because we are not bringing oil and gas to India. So, any foreign exchange saved in this business also contributes to energy security. And this point should be driven home to the stakeholders, whether it is our board, ONGC Board, the Government or other entities.

Similarly, we can conceptualize other complementary projects, whether its pipelines, petrochemicals, fertilizer, LNG etc. We have to look at these with liberal considerations rather than having a narrow view of energy security. We have to prepare ourselves, transform ourselves and graduate into a full-fledged international operator. There is no substitute to that. If at all we are aspiring to grow, we should have that graduation certificate. And this certificate has a cost where we need to make efforts collectively, deploy the resources, toil in the nights. I enjoin upon all of you to please contribute in getting that certificate. We are willing to walk with you, guide you and push you. We have made that initiation with OVAI, Houston, where we have the opportunity to engage talent, engage resources, and have collaborative

alliances in the global arena. We need to have deep-water teams, offshore teams, IOR-EOR teams which can extract value. You know there are companies which specialize in procuring assets. They buy assets at low cost, they have the expertise to extract value from the asset.

Also there is no substitute to exploration, but I am not sure if we are adding value to our company the way we are handling exploration. We will be burning dollars without significant jump in our production. If we are half-hearted we will not succeed. We need to formulate a proactive strategy; we have not participated in Mesozoic Exploration. Can we identify in next 2-3 months, areas where Mesozoic plays are available. We can participate in consortium or in isolation, take the plunge and commit our dollars in such big-tickets projects. We



can take equity funds with us, take collective risk, and drill those wells-that will add value to our company. Small half-hearted attempts will not add significantly to the bottomline or topline of our company. The small exploration projects may compensate for the decline in producing fields, but if you want to jump, multiply twice or thrice, this will not suffice.

Entreating the audience to watch Canadian Prime Minister Justin Trudeau's powerful speech in CERAWeek, Houston, he said, "Canada has world's third largest recoverable reserves and cost of production is much higher as compared to the US and Middle East. They are a very environmentally conscious society. They have to strike a balance. They cannot shut down the oil and gas industry as it is a major revenue source but at the same time they cannot ignore the developments in new technology. The PM gave a very good example and said when you go for camping and sunset is approaching, you start campfire. Starting the campfire does not

mean you are underestimating the power of sunlight. Similarly by making a new window for renewables, you are not underestimating the power of oil and gas. A balance has to be achieved between the two. How do we achieve that; maybe we redefine our mission as suggested by youngsters.

...The way forward, as I see it, is to gather the suggestions, let there be a task force which can work upon these suggestions in a proactive manner and collate the actionable points," he summed up.

A farewell ceremony to Mr Abhijit Basu, Regional President, MENA towards the end of the thought platform took everyone down memory lane. Musical evening followed where employees of various vintage shook a leg and broke the dance floor figuratively.

As midnight approached, more lamps lit up. Somewhere in Agra, a majestic Taj Mahal stood stolidly. As Canadian PM and presently MD had quoted, lighting a campfire doesn't mean that we underestimate the power of sun.

Hai andheri raat par  
deepak jalana kab manaa hai..









