

● INVESTMENTS OF ₹96,000 CRORE IN APRIL-MAY

CPSEs' capex down by a third

Total investment target of ₹7.8 trn set for FY2025

PRASANTA SAHU
New Delhi, June 30

INVESTMENTS BY COMPANIES and departmental agencies of the central government (CPSEs) fell by a third on year to ₹96,000 crore in April-May of the current financial year, reflecting the impact of the slowdown in spending during the general elections.

In April, the CPSEs' investment showed an increase of 6.5% on year to ₹50,206 crore, before slowing down in May, the

SLOW LINE

■ CPSEs' capex in April-May was **₹0.96 trillion** compared with **₹1.43 trillion** in the year-ago period



■ The Railway Board and the National Highways Authority of India account for **55%**, or **₹ 4.29 trillion**, of the CPSEs' capex estimate for FY25

■ In April-May, petroleum sector companies invested **13%**, or **₹15,366 crore**, of their annual capex target of **₹1.18 trillion**

busiest period of the elections.

The CPSEs, having an annual capex target of ₹100 crore and above, have set a combined target of investing ₹7.8 trillion in FY25. The Railway Board and the National Highways Authority of India, whose capex are largely funded through the Budget, account for ₹4.29 trillion or

55% of the CPSEs' capex estimate for FY25.

The Railway Board, the largest public sector investor, spent around ₹46,000 crore in April-May, around 19% lower than ₹56,978 crore in the year-ago period. The Railway Board, which invested ₹2.5 trillion in FY24, plans to invest ₹2.6 trillion in FY25.

The petroleum sector invested ₹15,366 crore, or 13%, in April-May against their annual target of ₹1.18 trillion. The petroleum sector companies had invested ₹14,713 crore or 14% of their FY24 target of ₹1,06,401 crore in April-May last year.

ONGC, the top state-run player in oil and gas explo-

ration, achieved a capex of ₹5,375 crore in April-May, 11% more than the corresponding period a year ago.

Fuel retailer-cum-refiner Indian Oil Corporation achieved a capex of ₹4,698 crore in the first two months of FY25, a decline of 8% on-year.

Among others, Hindustan Petroleum Corporation invested ₹1,411 crore, Numaligarh Refinery ₹1,000 crore, and Bharat Petroleum Corporation ₹822 crore in April-May 2024. Thanks to a 9% growth in gross fixed capital formation led by public capex, India's GDP grew 8.2% in FY24, exceeding the expectations of both domestic and multilateral institutions.





ILLUSTRATION: SOUMYADIP SINHA

End of petrodollar? We wouldn't hold our breath

Chinese yuan is closely monitored, and those holding it cannot manoeuvre freely, a crucial hurdle preventing it from becoming the world's reserve currency even as U.S. dollar still exudes charm

DOLLAR POWER

Anand Srinivasan
Sashwath Swaminathan

Over the past decade, countries in the West and the East took a turn towards preferring autarkical economic and political policymaking, signifying a fundamental break from the previously global attitude they exhibited.

A growing group of observers and commentators has been forecasting the end of the U.S. dollar as the world's reserve currency. Also, many of the pundits claim the Chinese yuan would be the one to usurp the coveted position of the world's reserve currency.

The argument is built on two fundamental premises: 1) An apparent waning influence of the U.S. economy on a world stage in terms of favourable political and economic pacts as well as a decrease in the number of goods and services traded on a global scale using the U.S. dollar as its medium.

2) An increase in the ambit of Chinese economic and political influence among its neighbouring States and other developing countries predominantly through the Belt and Road initiative.

A closer examination of the veracity of the first claim regarding the waning influence of the U.S. on the world stage, both economically and politically, shows it is largely misguided. One need only look at how the



It is difficult to envision a world where China, with heavily restricted market and low-quality exports, is a better investment prospect and trade partner than the U.S.

Russo-Ukraine War prompted the U.S. to be Ukraine's key ally and supporter, representing the West along with its European allies. Meanwhile, China has largely stayed out of the conflict, choosing to maintain a neutral position, fearing rebuke from its Western counterparts. Moreover, as a significant portion of the world trades with other currencies, it is natural as economies expand, they trade among each other, leading to a decline in the total share of trade taking place with the U.S. dollar.

Still the favourite

However, it would be wrong to interpret this as an inherent weakness of the U.S. dollar as it continues to enjoy greater preference for investment than any other country. The year 2022-23 is an example of how investment funds rushed to U.S. shores after the Federal Reserve raised rates at short intervals, signalling high investor confidence in U.S. treasuries and the U.S. dollar. During the period, most central banks adjusted interest rates in line with the Federal Reserve, indicating



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the significance of U.S. monetary policymaking.

Over the latter half of the past decade, multiple headlines stated the end of the petrodollar was near and the time of the petroyuan had begun. China has indeed tried to augment its influence in geopolitics by striking economic and political deals with multiple allies and investment deals with developing countries starved of funds via the Belt and Road initiative.

However, this plan has been riddled with poor economic management and exploitative pacts with partner countries such as Sri Lanka, unable to pay back loans to China, and many others reporting feeling pressured under a phenomenon now come to be known as "Debt-trap diplomacy". This does not bode well for China as this mode of influence is highly volatile and unsustainable, souring diplomatic efforts in the long run. Additionally, domestic Chinese demand suffered since they implemented the zero COVID policy, which placed excessive strain on the Chinese economy along with real-estate collapse. The Chinese yuan is closely

monitored, and those holding it cannot manoeuvre freely, a key hurdle preventing it from becoming the world's reserve currency. Since the expansion of the American shale oil revolution and the push for American energy independence, traditional oil-producing allies such as Saudi Arabia tried to seek alliances with countries such as China to, in turn, reduce their exposure to U.S. demand for their oil. However, it must be noted the Saudi Arabian government and wealth funds prefer U.S. treasury bills and American high-skilled technology imports such as Artificial Intelligence.

It is difficult to envision a world where China, with its heavily restricted markets and low-quality exports, poses a better investment prospect and trade partner than the U.S.

Many critical roadblocks lie ahead in countries such as China, which seek to displace the U.S. dollar as the world's reserve currency. However, it is possible over time, these obstacles will be overcome and a new or group of currencies will assume greater global importance. Such a currency would have to be freely tradeable with a stable economy behind it, ensuring those who utilise it can do so without being concerned about its inherent value or stability or the country issuing it.

(Anand Srinivasan is a consultant. Sashwath Swaminathan is a research assistant at Aionion Investment Services)

Monetisation goal for FY25 to rise to ₹2 trn

PRASANTA SAHU
New Delhi, June 30

THE CENTRE WILL likely ramp up its target for monetisation of brownfield assets this fiscal to a record ₹2 trillion, up from the original goal of ₹1.67 trillion. The move is expected to help ease the pressure on the Budget funds for infrastructure and welfare measures over the medium term.

The government had set an ambitious ₹6 trillion asset recycling target under the National Monetisation Pipeline (NMP) over the four years through FY25, by monetisation (long-term leasing) of operational assets in sectors like roads, mining, power, petroleum and airports.

“After making considerable progress in the asset monetisation programme in the last three years and a robust pipeline, we aim to achieve close to ₹2 trillion in the current financial year,” a senior official said. After the general elections, the ministries have been sensitised about their goals as well and the revised plan will likely be firmed up shortly, the official said.

Despite railways lagging massively compared to its share in overall asset monetisation, the NMP achievement has been ₹3.85 trillion or 90% of the ₹4.3 trillion targeted in the first three years in upfront revenues, as well as revenue sharing from operations and capex from private parties.

The monetisation of coal and other mining

THE MONETISATION PIPELINE



assets is expected to fetch more than ₹61,000 crore in FY25 as against the original target of ₹10,600 crore. The mining sector had yielded upfront revenues and capital expenditure of ₹58,000 crore in FY22, ₹60,000 crore in FY23 and ₹60,884 crore in FY24. The target for this segment was enhanced to ₹37,500 crore from the initial goal of ₹6,060 crore for FY23. In FY22 the target was ₹3,394 crore.

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Monetisation goal for FY25 to increase to ₹2 trillion

“IN COAL AND other mining, we will do much more than what we achieved in FY24 which was to some extent affected by the model code of conduct for general elections,” another official said.

Another sector that will continue its robust monetisation drive is the National Highways Authority of India (NHAI). NHAI has identified 33 highway stretches with a total length of 2,741 km spread all over India for monetisation in 2024-25. It could raise ₹54,000-60,000 crore from monetisation of functional

road assets through InVIT and Toll Operate Transfer route, and project-based financing which will be its highest ever in a year. It raised ₹40,314 crore in FY24.

Another sector that will likely see some action in FY25 is leasing out nearly half a dozen airports for operation, management and development under PPP. These include Bhubaneswar, Varanasi, Amritsar, Raipur, Indore and Trichy.

Among others, asset recycling in power transmission, power generation, natural gas exploration and port infra-

structure is expected to do well in FY25, sources said.

The NMP's aim was to mobilise resources of 5.4% of the total infrastructure investment envisaged under the National Infrastructure Pipeline (NIP) which is ₹111 trillion lakh crore and ~14% of the proposed outlay for Centre (₹43 trillion) in five years through FY25.

This was a first-of-its-kind approach to streamline asset monetisation as a tool to generate resources for more infrastructure investment in a sustainable way.

Netherlands tops India's petroleum export spot

Rhik Kundu & Rituraj Baruah

NEWDELHI

The Netherlands, with its developed transit ports, continues to be the top destination for India's petroleum exports, with shipments to Europe accounting for \$4.4 billion during April-May 2024, up from \$2.8 billion in the same period of the previous year.

India, a key Asian refining hub with an installed capacity of nearly 250 million tonnes per annum across 23 refineries, has expanded the export market for refined petroleum products by continuing to buy cheap crude from sanctions-hit Russia since the beginning of the Ukraine war, processing it and exporting a large chunk of it.

According to data from the commerce ministry, petroleum exports to the Netherlands have picked up pace during the early months of FY25.

During April-May 2024, India exported petroleum products worth \$3.9 billion to the Netherlands. It sold petroleum products worth \$14.29 billion to the Netherlands during FY24.

In November 2022, *Mint* reported the Netherlands has emerged as the top destination for India's petroleum product exports, such as petrol and diesel, resulting in the country becoming one of the biggest markets for Indian exports.

rhik.kundu@livemint.com

REFLECTS IMPACT OF SLOWDOWN IN SPENDING DURING GENERAL ELECTIONS

Poll effect: CPSEs' capex down by a third to ₹96K cr in April-May

PRASANTA SAHU
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public sector investor spent around Rs 46,000 crore in April-May, around 19 per cent lower than Rs 56,978 crore in the year-ago period. Railway Board which invested Rs 2.5 trillion in FY24, plans to invest Rs 2.6 trillion in FY25.

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more than the corresponding month a year ago.

Fuel retailer-cum-refiner Indian Oil Corporation achieved a capex of Rs 4,698 crore in the first two months of FY25, a decline of 8 per cent on-year.

Among others, Hindustan Petroleum Corporation invested Rs 1,411 crore, Numaligarh Refinery Rs 1,000 crore and Bharat Petroleum Corporation Rs 822 crore in April-May 2024.

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इंडियन ऑयल, एसबीआई, हुडको होल्ड कर सकते हैं

स्नेहा पोद्दार, एवीपी रिसर्च, मोतीलाल ओस्वाल पब्लिशर्स, लखनऊ

▶ **हिंदुस्तान कॉपर, ओएनजीसी, कोल इंडिया लंबी अवधि के लिए बेहतर शेयर हैं?** -मोहम्मद कासिम आप ओएनजीसी और कोल इंडिया होल्ड कर सकते हैं। अगले तीन साल ओएनजीसी का उत्पादन सालाना 6% बढ़ने वाला है। मजबूत विक्री, बेहतर ई-ऑक्शन प्रीमियम और कम लागत के साथ कोल इंडिया का आउटलुक भी पॉजिटिव है। लेकिन हिंदुस्तान कॉपर का प्रदर्शन अस्थिर रह सकता है। इससे दूर रहें।

▶ **अमारा राजा एनर्जी और रेल विकास निगम को कब तक होल्ड कर सकते हैं?** -राजिंदर सिंह सोढा आप अमारा राजा और रेल विकास निगम होल्ड कर सकते हैं। लिथियम आयन बैटरी को लेकर हाल में हुई डील के चलते अमारा राजा को ग्लोबल सपनाई चैन तक पहुंच मिलेगी। रेल विकास निगम को रेलवे इन्फ्रा पर सरकार का खर्च बढ़ने का फायदा मिलेगा। मजबूत ऑर्डर बुक के चलते अगले कुछ वर्षों में कंपनी के लिए कमाई की अच्छी संभावनाएं हैं।

▶ **क्या वोडा-आइडिया, अदाणी पावर लंबी अवधि के लिए खरीदना सही फैसला होगा?** -टीपू सुल्तान आप दोनों शेयर खरीद सकते हैं। वोडाफोन-आइडिया ने प्रति यूजर ऑसत कमाई में लगातार वृद्धि देखी है। कंपनी को डेटा से कमाई और न्यूनतम रिचार्ज वाउचर की बिक्री बढ़ी है। इसके अलावा इसने 3,510.40 करोड़ रुपए का स्पेक्ट्रम भी खरीदा है। अदाणी पावर को बिजली की मांग बढ़ने से फायदा होगा।

▶ **इंडियन ऑयल, एसबीआई, हुडको, एसवीजेएन, ओरिएंट ग्रिन एनर्जी कैसे शेयर हैं?** -राजकुमार जैन इंडियन ऑयल, एसबीआई, एसजीवीएन और ओरिएंट ग्रिन एनर्जी खरीद सकते हैं। इंडियन ऑयल के अगले दो साल में कई प्रोजेक्ट चालू होने वाले हैं। एसबीआई ने आय में तेजी से सुधार किया है। एसजीवीएन और ओरिएंट ग्रिन को बिजली उत्पादन, ट्रांसमिशन और रिन्यूएबल एनर्जी सेक्टर में तेजी का लाभ होगा।

▶ **सालासर टेक्नो, टाइगर लॉजिस्टिक्स और हजूर मल्टी प्रोजेक्ट्स होल्ड करूं?** -प्रदीप त्रिवेदी माफ कीजिए. इन शेयरों पर हमारे कोई राय नहीं है।

पेट्रोल पंपों पर बने पल्यूशन जांच सेंटर बंद करने की चेतावनी

नई दिल्ली, (पंजाब केसरी) : सरकार ने रविवार तक पल्यूशन जांच की दरों में बढ़ोतरी नहीं की तो एक जुलाई से दिल्ली में गाड़ियों की पल्यूशन जांच नहीं हो सकेगी। दिल्ली पेट्रोल डीलर्स एसोसिएशन ने ऐलान किया है कि एक जुलाई से वह



अपने पीयूसी जांच केंद्रों को बंद करने जा रहा है। एसोसिएशन ने कहा है कि पिछले दिनों ट्रांसपोर्ट मिनिस्टर कैलाश गहलोत के साथ उनकी बैठक हुई थी

और उसमें आश्वासन भी दिया गया था, लेकिन अब तक जांच दरों में वृद्धि न होने की वजह से वे एक जुलाई से जांच केंद्रों को बंद करने जा रहे हैं। एसोसिएशन के महासचिव बिबेक बनर्जी के मुताबिक दिल्ली के पेट्रोल पंप डीलर पिछले कुछ सालों से लगातार नुकसान झेल रहे हैं। पिछली बार 2011 में पीयूसी जांच की दरों में संशोधन किया गया था। तब से अब तक न्यूनतम वेतनमान भी तीन गुना हो चुके हैं। इसके अलावा बाकी सामान की दरों में भी बढ़ोतरी हो चुकी है। ऐसे में अब डीलर्स के लिए पीयूसी सेंटर चलाना संभव नहीं है। एसोसिएशन के महासचिव का कहना है कि 20 जून को ट्रांसपोर्ट मिनिस्टर के साथ बैठक हुई थी। उस बैठक में उन्होंने पीयूसी जांच की दरों में बढ़ोतरी की मांग को वाजिब बताते हुए आश्वासन दिया था कि जल्द ही वे इस बारे में खबर देंगे। लेकिन अब तक सरकार की ओर से कोई ऐलान नहीं हुआ है। अब रविवार का दिन ही है। अगर सरकार रविवार को पीयूसी जांच दरें बढ़ाने का ऐलान करती है तो वे सेंटर बंद करने का फैसला वापस ले लेंगे। अगर कोई ऐलान नहीं हुआ तो एक जुलाई से दिल्ली के सभी 400 पेट्रोल पंपों पर बने पीयूसी सेंटर बंद कर दिए