FINANCIAL EXPRESS, Delhi, 11.7.2024
Page No. 8, Size:(14.31)cms X (15.44)cms.

BUILDING GREEN CAPACITY

WITH CLEAN ENERGY JOURNEY GAINING MOMENTUM, INDIA CAN ACHIEVE 1 TW CAPACITY BY 2035

A blueprint for RE ambitions

VINEET MITTAL
Chairman, Avaada Group

IT IS BECOMING evident that with increased carbon emissions, humankind is moving towards an existential crisis. Extreme weather events have become common, and indiscriminate use of fossil fuel for power generation, mobility, and industrial purposes is contributing to rising emissions. Thus, the call for a faster transition to clean energy is getting stronger. Renewable energy (RE) has crossed a big milestone with global capacity addition exceeding fossil fuel. Around 3,400 gigawatt (Gw) capacities have been installed, comprising of 30% of total power generation.

India's economy requires massive energy to sustain its growth. India is projected to have the fastest-growing energy demand globally by 2035, contributing 30% to the total increase. The recent surge, exceeding 4.2% per year, will most likely result in India surpassing China as the largest energy market by 2030.

Despite having one of the biggest coal reserves, India is consciously powering its growth using green and clean energy sources. At the Conference of the Parties (COP) 26, Prime Minister Narendra Modi committed that the nation's installed RE capacity will reach 500 Gw by 2030. The target is ambitious but achievable. But, considering the energy growth in India's incremental demand in the electrification of mobility, we might have to double the installed RE capacity to 1 terawatt (Tw) by 2035.

India's journey towards clean energy has gained momentum in the past 10 years and positioned it as a global leader. As of May, it has an impressive installed capacity of arruond 191 Gw, led by 85 Gw of solar power. The remarkable growth is largely driven by government initiatives promoting clean energy. The National Solar Mission, launched in 2010, has been a cornerstone that has helped set targets and incentivise large-scale projects.

The journey towards 1 Tw will be challenging. There are prerequisites to achieving this.

Availability of land: Land acquisition is a complex time-consuming process. The key challenges are outdated ownership records, price discovery mechanisms, mutation, and end-use changes. Making sure land is available to add almost 800 Gw over the next 10 years will require massive collaboration between the central and state governments. Large tracts available with states can be considered for RE projects at fair market prices or on lease. According to the Wasteland Atlas of India, 17% of India's landmass has been identified as wasteland. After properly assessing these, such land parcels can be considered for RE projects.

Power evacuation infrastructure: Augmentation of transmission infrastructure has not kept pace with RE capacity addition. It's quite concerning that Rajasthan, which has one of the highest radiation intensities in India, does not have enough existing and upcoming connectivity for new projects till 2028.

The Central Transmission Utility has decided to use high-voltage direct current (HVDC) technology for new transmission due to inherent advantages such as lower line losses and cost advantage over larger distances. But there is a delay in line commissioning due to non-availability of substation equipment. This stems from the fact that there are only three-four manufacturers outside China for HVDC equipment, and most of them are overbooked due to orders in Europe and the US.

While the Indian government's concerns are valid, practical realities demand alternatives which could include opening the window for short- to medium-sized imports to meet shortages with additional safeguards for network security. Deeper engagement with non-Chinese suppliers will also be required to meet medium- to long-term demand.

Lastly, public sector undertakings like Bharat Heavy Electricals Limited can be encouraged to invest in manufacturing HVDC equipment on their own by forming joint ventures.

> **To have an installed RE capacity of 1 Tw, India needs an investment of $350-400 billion over the next 10 years. It implies a large base of lenders and equity investors**

Policy consistency: In the last few years, there has been abrupt policy decisions such as imposing safeguard duty and basic customs duty, and increasing goods and services tax rates. Also, some governments have been more punitive, as they unilaterally cancelled contracts that were only restored after courts intervened. We need a consistent policy at the central and state levels, and a legal and regulatory framework should remain unchanged for at least 5-10 years.

Grid integration and storage solutions: Grid integration is increasingly becoming a massive problem. While manageable at lower levels, it's becoming difficult with the increase in absorption of more renewables. System operators and regulators are urging RE generators to forecast their generation to minimise demand-supply imbalances, leading to an increase in penalties. But it's not fully solving the issue. Solar energy is only available during the day. Thus, increasing RE consumption requires developing storage facilities such as pumped hydro and battery energy storage solutions (BESS). The Central Electricity Authority has forecast a need for 48 Gw/236 Gwh of BESS and 62 Gw of pumped hydro by 2030.

Financing: To have an installed RE capacity of 1 Tw, India needs an investment of $350-400 billion over the next 10 years. It implies a large base of lenders and equity investors. However, there is an urgent need for diversifying sources of capital providers and focusing on relatively cheaper sources. In this regard, relaxing investment norms for insurance firms can be transformational. Similarly, strengthening the market for green bonds will play a significant role.

Focus on distributed generation: According to the Council on Energy, Environment and Water, India has a rooftop potential of 600+ Gw, of which less than 15 Gw has been exploited. There is also a large potential for smaller decentralised projects in rural areas to feed directly into 33/11 kilovolt (kV) substations and be located near load centres.

The Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan is seeing traction, especially after Maharashtra designed and implemented a massive capacity addition for solar plants under the scheme. The aggregate capacity planned to be added in over 1,000 rural locations in Maharashtra is around 20 Gw, which will directly feed into 33/11 kV substations.

Impetus on domestic manufacturing: India largely depends on imports for capital equipment and RE. Due to geopolitical developments, India must aggressively pursue manufacturing. While the Centre has done its bit by introducing production-linked incentive schemes, tariff and non-tariff barriers, more effort is needed to create basic infrastructure such as access roads and power.

The government has committed to lowering India's projected carbon emissions by 1 billion tonnes by 2030 and reaching net zero by 2070. This can turn into reality with the alliance of the government, the private sector, and the citizens. "The future depends on what we do in the present," said Mahatma Gandhi. This holds true for India's RE ambitions.

MORNING STANDARD, Delhi, 11.7.2024
Page No. 5, Size:(24.90)cms X (23.02)cms.

BPCL keen to set up plant in Andhra

CM Chandrababu Naidu seeks a detailed plan and feasibility report within 90 days

EXPRESS NEWS SERVICE
@ Vijayawada

A delegation of BPCL (Bharat Petroleum Corporation Limited), led by its chairman and managing director Krishna Kumar, called on Chief Minister N Chandrababu Naidu at the Secretariat on Wednesday and discussed a proposal to set up a petrochemical complex and an oil refinery in the State.

Asserting that Andhra Pradesh is the best choice for investments, Naidu assured the BPCL delegation that land required for the project will be allocated. If the proposal materialises, the Petroleum Corporation will invest ₹60,000 crore in the State to establish an oil refinery and a petrochemical complex.

The company representatives informed the Chief Minister that at least 4,000 to 5,000 acres of land will be required to establish the petrochemical complex. Naidu assured them that necessary land will be allotted to the company within 90 days, once they submit a detailed proposal for the project. The delegation informed Naidu that they will be back with the feasibility report, latest by October, an official release said.

The development comes days after Naidu visited New Delhi and held discussions with Hardeep Singh Puri, Union Minister of Petroleum and Gas, on setting up a refinery in the State as per Section 93 (4) of the Andhra Pradesh Reorganisation (APRA) Act, 2014.

In an official statement, Industries Minister TG Bharath said BPCL is ready to invest ₹1 lakh crore in the State. Initially, the Corporation plans to invest ₹50,000 crore to ₹75,000 crore, he said and added that BPCL representatives will meet Naidu once again after 90 days. Following this, a decision will be taken on the location for setting up of the petrochemical complex.

According to officials, establishment of the refinery will augur well for the country as the fuel production capacity will improve, thereby helping India become a developed nation.

It has been learnt that BPCL is planning to set up a new refinery amid rising petrochemical demand in the country. However, the company has not decided on the location yet. The Corporation currently runs oil refineries in Mumbai, Kochi, and Bina in Madhya Pradesh. It has plans to invest ₹1.7 lakh crore in the coming five years in oil refining, fuel marketing, petrochemical, and clean energy businesses.

Naidu on X posted, "Strategically placed on the eastern coast of the country, our state has a significant petrochemical potential. Today, I met with the representatives of the Bharat Petroleum Corporation Limited led by Chairman and Managing Director, Mr Krishna Kumar. We explored the establishment of an oil refinery and petrochemical complex in Andhra Pradesh with an investment of 60-70,000 Cr. I have sought a detailed plan and feasibility report in 90 days. About 5,000 acres of land will be required for this project, which the government looks forward to facilitating in a hassle-free manner."

The CM also met Pham Nhat Vuong, CEO of Vietnam-based automobile conglomerate VinFast. He invited the company to set up their electric vehicle and battery manufacturing units in the state.

Chandrababu Naidu with the CEO of VinFast Pham Sanh Chau | EXPRESS

Vietnam-based EV firm invited to set up unit

The Chief Minister also met Pham Nhat Vuong, CEO of Vietnam-based automobile conglomerate VinFast. He invited the company to set up their electric vehicle and battery manufacturing units in the state. He asked the company representatives about resources needed for establishing a unit and assured them that land will be allocated for the same. The company held talks on investing ₹4,000 crore in the state.

Disinvestment, monetization receipts likely to be unchanged

Gulveen Aulakh
gulveen.aulakh@livemint.com
NEW DELHI

The government is likely to keep its revenue target from disinvestment and asset monetization in the upcoming Union Budget at around the same levels of ₹50,000 crore as in the interim Budget.

Two officials familiar with the government's thinking said a shift in strategy of not keeping a separate target for disinvestment and looking at receipts from dividends holistically, will continue. This comes when receipts from dividends have risen significantly in FY24, crossing budget estimates, on the back of a rally by listed public enterprises.

"Some of the transactions are ongoing, and not much has changed from the interim Budget; the approach to not have targets for divestment will continue," one of the officials said.

In the interim budget of February this year, the government moved away from the practice of setting revenue targets from disinvestment or stake sales in central public sector enterprises which the government would either partially or fully exit. A full exit, called strategic disinvestment, is where a CPSE is sold to a private company and government hands over management control.

INDIA RISING
BUDGET 2024

The shift led to a change in tabulation of capital receipts in the budget with asset monetization and disinvestment bring clubbed under the single head of 'miscellaneous', contributing ₹50,000 crore. Dividends from CPSEs were kept separate with an estimated receipt of ₹48,000 crore.

For FY24, the Centre netted ₹32,507 crore, one-half of which came from disinvestment and the other half from asset monetization. This was higher than the budget estimate of Rs 30,000 crore.

Receipts from dividends have been higher than budget estimates for three years running. In FY24, the government earned ₹63,749.29 crore as PSU dividends, 26% above the revised estimates of ₹50,000 crore and budget estimates of ₹43,000 crore. As of 10 July, no proceeds from disinvestment had come in, as per data issued by the department of investment and public asset management. Receipts from dividends, from stakes that government holds in various CPSEs, stood at ₹4,917.6 crore.

Disinvestment receipts are usually a slow trickle, with stake sales of minority shares via FPOs (follow on public offers) or a windfall when strategic sales go through giving the government a lump sum amount in one go.

Centre may keep its revenue target at around the same levels as of interim Budget. MINT

MINT, Delhi, 11.7.2024
Page No. 1, Size:(12.92)cms X (20.28)cms.

FAME-III may spark charging, cut outlay

Next edition may be for three years, with a smaller allocation

Alisha Sachdev
alisha.sachdev@livemint.com
NEW DELHI

The upcoming FAME-III scheme to encourage clean transport may give a lift to charging networks, even as the Centre looks to slowly reduce the hefty vehicle subsidies that fuelled an EV revolution in India. According to two officials with direct knowledge of the matter, the scheme may set aside up to ₹2,000 crore to encourage charging networks, critical for wider adoption of electric vehicles.

Alongside, the next edition of FAME will hack subsidies for all EV categories, as part of a plan to taper all federal subsidies on such vehicles. FAME is short for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India. The second edition of FAME ended in March this year.

"Subsidies have to come down now across the board. They will be lower than in FAME-II," one of the two people said, adding, "Not everyone in the government is in agreement on whether electric four-wheelers should be offered incentives under FAME-III."

Meanwhile, officials at the heavy industries ministry are discussing a national charging policy, though its scope and methodology are not clear, since power is a state subject. The ministry has also held talks with government and industry officials as well as the prime minister's office to chalk out a comprehensive action plan for building a charging infrastructure, seeking feedback on whether they need to be installed along highways or in cities, the standards they need to follow, and the type of output required.

"In our base case scenario, we have built in the continuation of current reduced incentives till the end of FY25 and progressively nil incentives in FY26. We have seen historically that once subsidy reduces, volumes get impacted for a couple of months and then come back," Jay Kale, senior vice-president at equity research firm Elara Capital said.

After FAME-II concluded, the government rolled out Electric Mobility Promotion Scheme (EMPS), a ₹500 crore scheme solely for electric two- and three-wheelers that will run till July 2024. According to the people cited above, FAME-III may offer subsidies at the same levels as EMPS, or lower.

Queries emailed to ministries of heavy industry and finance remained unanswered.

Industry bodies such as SIAM have pushed for battery swapping incentives under FAME-III, but there is no decision in this respect, the officials cited above said.

The Union cabinet is yet to clear FAME-III, and hence, it may not feature in this year's Union budget on 23 July, the people cited above said on the condition of anonymity. The final contours of the scheme are still being worked out.

A top executive with an electric two-wheeler maker said the "industry will not be disappointed" with the limited incentives under consideration. Under EMPS, the maximum incentive available for an electric two-wheeler is ₹10,000 per unit, down from ₹60,000 earlier. However, FAME-III may not just have a smaller outlay, but may also

TURN TO PAGE 6

POWERING UP

RENEWED FOCUS

- **THE** Centre may bring electric car subsidies to an end in FAME-III
- **IT** plans to focus on battery-powered buses, trucks
- **SUBSIDIES** for e-2W, 3W will continue but at a lower rate

MINT, Delhi, 11.7.2024
Page No. 1, Size:(12.92)cms X (20.28)cms.

FAME-III to sharpen charging networks

FROM PAGE 1

run for just two to three years, instead of five years as in the previous editions, the officials said.

The industry, however, is hoping that incentives will be maintained at ₹10,000 per vehicle, fearing lower incentives will hinder the local supplier and sourcing ecosystem.

While FAME-II provided subsidies for electric taxis, EMPS did not, and FAME-III may continue to skip them. While the heavy industries ministry has backed their inclusion, other departments are not in favour. Instead, the government plans to support more electric buses in FAME-III, especially inter-city vehicles which were previously not covered in its e-bus programme PM e-bus seva.

FAME-III may also incentivize electric trucks as a new segment, besides continuing to subsidize electric two-wheelers and three-wheelers, the people cited earlier said.

Tata Motors, the largest beneficiary of FAME-II, has made a renewed pitch for including e-four-wheelers under FAME-III. In a letter to the heavy industries secretary dated 9 March, managing director Shailesh Chandra had also sought the inclusion of personal e-four-wheelers in the scheme for a span of three years, *Mint* had reported earlier.

FAME-II, which had a total outlay of ₹11,500 crore and concluded this March, had broadly supported a range of electric vehicles including buses, two-wheelers, three-wheelers, as well as four-wheelers.

However, the distribution of subsidies had been uneven, with a large portion allocated to two-wheelers and buses, and only ₹750 crore directed towards electric cars and plug-in hybrids.

HINDUSTAN TIMES, Delhi, 11.7.2024
Page No. 19, Size:(18.53)cms X (6.67)cms.

Govt may not change disinvestment, monetisation target

Gulveen Aulakh
gulveen.aulakh@livemint.com

NEW DELHI: The government is likely to keep its revenue target from disinvestment and asset monetization in the upcoming Union Budget at around the same levels of ₹50,000 crore as in the interim Budget.

Two officials familiar with the government's thinking said a shift in strategy of not keeping a separate target for disinvestment and looking at receipts from dividends holistically, will continue.

This comes when receipts from dividends have risen significantly in FY24, crossing budget estimates, on the back of a rally by listed public enterprises.

"Some of the transactions are ongoing, and not much has changed from the interim Budget; the approach to not have targets for divestment will continue," one of the officials said.

In the interim budget of February this year, the government moved away from the practice of setting revenue targets from disinvestment or stake sales in central public sector enterprises which the government would either partially or fully exit. A full exit, called strategic disinvestment, is where a CPSE is sold to a private company and government hands over management control.

RECEIPTS FROM DIVIDENDS HAVE BEEN HIGHER THAN BUDGET ESTIMATES FOR THREE YEARS RUNNING

The shift led to a change in tabulation of capital receipts in the budget with asset monetization and disinvestment bring clubbed under the single head of 'miscellaneous', contributing ₹50,000 crore. Dividends from CPSEs were kept separate with an estimated receipt of ₹48,000 crore.

For FY24, the Centre netted ₹32,507 crore, one-half of which came from disinvestment and the other half from asset monetization. This was higher than the budget estimate of Rs 30,000 crore.

Receipts from dividends have been higher than budget estimates for three years running. In FY24, the government earned ₹63,749.29 crore as PSU dividends, 26% above the revised estimates of ₹50,000 crore and budget estimates of ₹43,000 crore. As of 10 July, no proceeds from disinvestment had come in, as per data issued by the department of investment and public asset management. Receipts from dividends, from stakes that government holds in various CPSEs, stood at ₹4,917.6 crore.

Disinvestment receipts are usually a slow trickle, with stake sales of minority shares via FPOs (follow on public offers) or a windfall when strategic sales go through giving the government a lump sum amount in one go.

MINT, Delhi, 11.7.2024
Page No. 2, Size:(18.80)cms X (18.10)cms.

India plans JV between SCI and OMC to make oil tankers

This move will help India lower its dependence on foreign ships and insurance entities

Subhash Narayan & Rituraj Baruah
NEW DELHI


China, South Korea & Japan dominate the global shipbuilding market. BLOOMBERG

The Union ministry of shipping has proposed a joint venture between state-run Shipping Corporation of India (SCI) and a public sector oil marketing company (OMC) for manufacturing large oil tankers, said three people aware of the development.

Indian Oil Corporation Ltd (IOCL), the largest OMC and refiner in the country, is being considered as the preferred entity for forging the joint-venture with SCI.

India, which has never made an oil tanker, currently has less than 1% share of the global shipbuilding market, which is dominated by China, South Korea and Japan.

The move is line with the government's 'Atmanirbhar Bharat' agenda that aims to develop India's manufacturing sector. It will also ensure energy security as indigenous very large crude containers (VLCCs) or oil tankers would allow India to lower its dependence on foreign ships and insurance entities while reducing the risk of sanctions in war-like situations from impacting operations.

1% India's share of global shipbuilding market.

"It is felt that all the key aspects like leasing, operations and insurance should be handled by Indian companies. The shipping ministry has put in a proposal for developing VLCCs in the country with joint venture between SCI and an oil company," said one of the three people mentioned above, adding that the proposal is being considered by stakeholders, including the ministry of petroleum and natural gas.

Another person said that although the proposal is on the table for consideration, it is at an early stage and would need time for taking a concrete shape.

"The infrastructure for building these large VLCCs would also be required to be set up in the country," said the second person.

India is the third largest importer of crude oil after the US and China, and the proposal for making oil tankers comes at a time when wars and conflicts have led to persistent supply concerns for oil, resulting in frequent volatility in the energy market.

Further, recent Western sanctions on ships carrying Russian oil have also intensified concerns. Russia has emerged as the top supplier of oil to India in the past couple of years catering about 35% of its oil imports.

Attacks on several global shipments at the Strait of Hormuz and the Red Sea area have also driven home the need for a home-grown fleet with operations and insurance being handled by Indian companies.

28 Current number of shipyards in the country.

Shipbuilding is a key feature of the Centre's Maritime Indian Vision 2030. The vision document noted that shipbuilding is an industry with a unique feature—it has nearly 65% value addition coming from other technology and ancillary industries such as steel, electronics, engineering, and port infrastructure.

"Being an order-driven industry where each vessel is custom built, building an orderbook is essential for growth and sustenance of the shipbuilding industry. India has demonstrated strong shipbuilding capability in past with several shipyards delivering good quality vessels globally," it said.

However, Indian shipyards are struggling against a global downturn and competition with protectionist measures, it noted, adding that during early 2000s, the Indian shipbuilding industry produced over 300,000 Gross Tonnage (GT) and ranked among the top 10 in the world.

The global downturn in the shipbuilding industry significantly impacted Indian shipyards with India's share in global market declining to less than 1%.

India currently has 28 shipyards, 6 under the Central public sector, 2 under state governments and 20 private sector. Although Indian companies have been in the shipbuilding business, large oil tankers have not yet been manufactured in the country.

China, Japan and South Korea are among the top suppliers of VLCCs.

subhash.narayan@livemint.com

INDIAN EXPRESS, Delhi, 11.7.2024
Page No. 15, Size:(13.33)cms X (13.26)cms.

OIL TRADE WITH RUSSIA HELPED IN PROVIDING FUEL TO INDIANS, STABILISE OIL MARKET: PM

Indian refiners likely saved $10.5 bn by buying discounted Russian oil

SUKALP SHARMA
NEW DELHI, JULY 10

OIL HAS traditionally not been a major pillar of the India-Russia relationship, with the commodity languishing somewhere in the depths of the trade list between the two countries. But the outbreak of the war in Ukraine and what followed changed that completely, bringing oil to the very top of the trade relationship between Moscow and New Delhi.

During his visit to Moscow earlier this week, Prime Minister Narendra Modi acknowledged that Russia's support helped India provide fuel to its vast population even as many countries faced an energy crisis. Modi also said that the world should accept that the India-Russia oil trade brought stability to global energy markets.

According to *The Indian Express*'s analysis of India's official trade data, Indian refiners likely saved at least $10.5 billion in foreign exchange between April 2022 and May 2024 by ramping up purchases of discounted Russian crude oil following the outbreak of the war in Ukraine. With Western buyers cutting oil imports from Russia in the wake of its February 2022 invasion of Ukraine, Moscow began offering discounts on its crude. Indian refiners have been lapping up these discounted barrels, so much so that Russia, which used to be a marginal player in India's oil trade, is now New Delhi's biggest oil supplier. The booming oil trade has also catapulted Russia into the club of India's top trade partners.

RUSSIAN OIL IN INDIA

Analysis based on data from DGCIS, Ministry of Commerce and Industry

India has had to walk the diplomatic tightrope on the surge in its oil imports from Russia, with some voices in the West initially criticising New Delhi, alleging that buying Russian oil was helping Moscow finance its war in Ukraine. India, on its part, has been emphasising that as the world's third-largest consumer of crude oil with an import dependency level of over 85 per cent, energy security and affordability are key priority for it. The government has time and again stated that Indian refiners helped rebalance the global oil market and keep prices in check by buying more Russian oil, which the West had completely shunned. Modi's recent comments in Moscow are being seen as a reiteration of India's long-held stance.

For 2023-24 (FY24), the total value of India's oil imports was $139.86 billion, as per data from the Directorate General of Commercial Intelligence and Statistics (DGCIS). Had Indian refiners paid for Russian oil the average per-barrel price they paid for crude from all other suppliers put together, the oil import bill would have been $145.29 billion, or $5.43 billion higher, the analysis shows. Similarly, for FY23, while India's total oil import bill was $162.21 billion, it would have been higher by $4.87 billion had the average landed price of Russian oil been the same as the average price of oil from all other suppliers. In April-May—the first two months of FY25—the difference on account of Russian discounts is estimated at around $235 million. Although $10.5 billion may not appear to be a significantly high amount in the overall scheme of India's foreign trade, the savings are substantial considering these were accrued by five Indian refining majors—Indian Oil Corporation, Reliance Industries, Bharat Petroleum Corporation, Hindustan Petroleum Corporation, and Nayara Energy—and their arms.

It is also worth noting that the discounts offered by Russia to Indian refiners also forced a few other major oil suppliers like Iraq to offer discounts, which would have helped Indian refiners save more on cost of crude. The cushion from savings of crude purchases also partly enabled Indian fuel retailers to not hike petrol and diesel prices even as prices in the international market surged in periods of high volatility over the past couple of years.

The effective discounts, while significant from the point of view of Indian refiners, are not as high as what had been initially anticipated. Relatively higher cost of freight and insurance for Russian crude as compared to oil from other suppliers is seen as the most likely reason. With Moscow facing Western sanctions over the Ukraine war, freight and insurance costs for ferrying Russian oil shot up. This suggests that while the discounts might have been deeper on the actual price of oil, the discount on landed price—which includes freight and insurance costs—would work out to be much lower.

The average landed price of Russian crude imported by Indian refiners for FY24 was $76.39 per barrel, against $85.32—the average landed price of oil imported from all other suppliers, the analysis of DGCIS data shows. For FY23, the average landed price of Russian crude was $83.24 per barrel, while that of all other suppliers put together was $96.31.

The government releases commodity-wise and country-wise trade data with a lag, and currently, data up to May 2024 is available. While the price of crude oil depends on grades and their prices can vary substantially, the average landed price of crude and import volumes from the supplying countries were used for computations as the government does not release grade-wise data.

For FY24, Russian crude accounted for nearly 36 per cent of India's oil imports totalling 232.31 million tonnes, or 1.70 billion barrels. In the first two months of FY25, too, Russian oil maintained a similar market share. For FY23, Russian oil had a market share of 21.5 per cent, given that Indian refiners had started ramping up Russian oil imports only from the beginning of that year. In the process, Russia displaced traditional heavyweights like Iraq and Saudi Arabia to emerge as India's largest source market for crude.

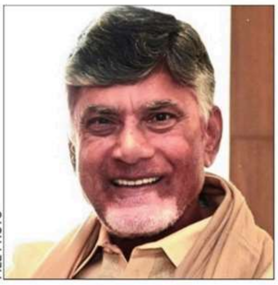
ECONOMIC TIMES, Delhi, 11.7.2024
Page No. 2, Size:(9.06)cms X (25.15)cms.

WITHIN 5 DAYS OF MEETING PM

Naidu's 1st Wish of Petrochem Hub, Oil Refinery Granted

Meets top BPCL officials to discuss feasibility; announcement likely to be made in Union budget

Nidhi Sharma


FILE PHOTO

New Delhi: Within five days of Andhra Pradesh chief minister N Chandrababu Naidu meeting Prime Minister Narendra Modi, the Centre has acceded to a major demand of setting up an oil refinery and petrochemical hub in the state with an investment of ₹60,000 crore.

Naidu, a key ally in the National Democratic Alliance (NDA) government at the Centre, met top officials of Bharat Petroleum Corporation Limited (BPCL) on Wednesday to discuss the feasibility of setting up a refinery in the state.

According to people in the know, three locations were discussed for the refinery. These include Srikakulam, Machilipatnam and Ramayapatnam. The people said formal announcement of the refinery is likely to be made in the budget to be presented on July 23. The locations will be assessed and then finalised. Sources said this process will take up at least two months and the location may not be announced in the budget.

A source, who did not wish to be identified, told **ET**, "The announcement is politically sensitive as all three locations are in different parts of the state — north, central and south." An email query sent to BPCL went unanswered till the press time.

This is a big win for Naidu as he had pushed for setting up of a refinery during his meetings with the PM and petroleum minister Hardeep Puri.

Naidu's 16 MPs provide the much-needed support to the BJP-led NDA government. However, Naidu has been categorically stating that he has interests of his state in mind and is unwilling to rock the boat over any demand.

The refinery is a commitment made at the time of bifurcation of the state and laid down in the Andhra Pradesh Reorganisation Act 2014. Section 93 of the Act lays down that the Centre "shall take all necessary measures as enumerated in the Thirteenth Schedule for the progress and sustainable development of the successor states within a period of 10 years from the appointed day". The fourth point under "infrastructure" head of Thirteenth Schedule says, "IOC or HPCL shall, within six months from the appointed day, examine the feasibility of establishing a greenfield crude oil refinery and petrochemical complex in the successor state of Andhra Pradesh and take an expeditious decision thereon."

While BPCL and petroleum ministry have been tight-lipped about the move, Naidu took to microblogging site X to post, "Strategically placed on the eastern coast of the country, our state has a significant petrochemical potential. Today, I met with the representatives of the Bharat Petroleum Corporation Limited led by chairman and managing director, Mr Krishna Kumar. We explored the establishment of an oil refinery and petrochemical complex in Andhra Pradesh with an investment of 60-70,000 cr. I have sought a detailed plan and feasibility report in 90 days. About 5,000 acres of land will be required for this project, which the government looks forward to facilitating in a hassle-free manner."

OPTIONS DISCUSSED

Three locations discussed for the refinery. These include Srikakulam, Machilipatnam & Ramayapatnam

I have sought a detailed plan and feasibility report in 90 days. About 5,000 acres of land will be required for this project, which the government looks forward to facilitating in a hassle-free manner

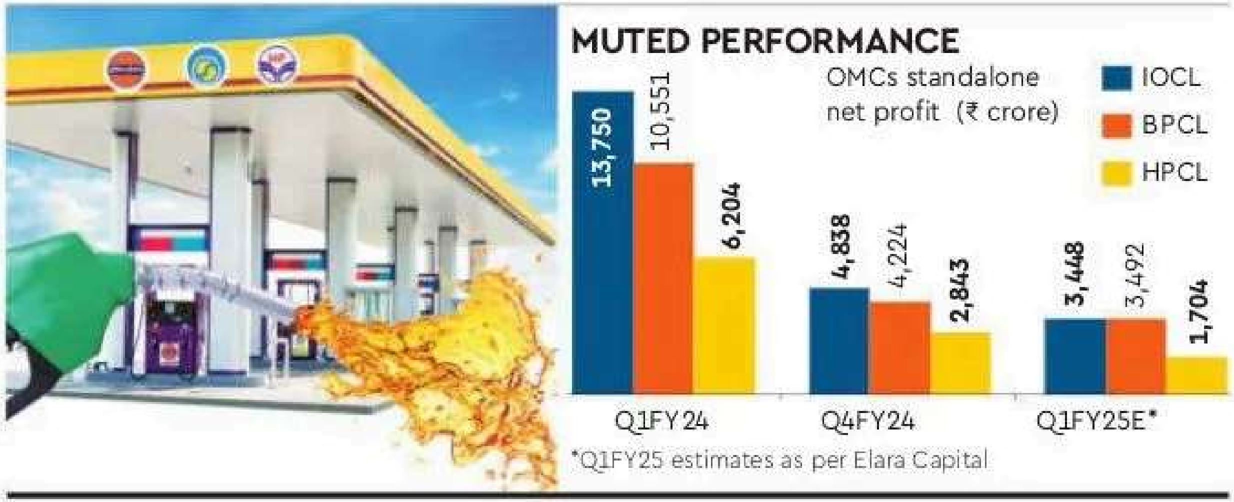
N CHANDRABABU NAIDU
Andhra Pradesh Chief Minister

COMMITMENT

Refinery is a commitment made at the time of bifurcation of the state & laid down in Andhra Reorganisation Act

OMCs may see a weak Q1 on lower margins

ARUNIMA BHARADWAJ
New Delhi, July 10



THE WEAK REFINING margins that weighed on the state-owned oil marketing companies' (OMCs') profitability in Q4FY24 is likely to persist and result in subdued earnings for the country's downstream petroleum sector in the first quarter of FY25.

"We expect average gross refining margins of PSU refiners – (IOCL, BPCL, HPCL, CPCL and MRPL) – to dip to \$6.8 per barrel (\$4.0-\$8.7/bbl) in Q1FY25 from \$9.4/bbl in Q4FY24 and \$9.3/bbl in Q1FY24," said Elara Capital in its quarterly preview.

The peak witnessed in the global oil prices in the beginning of FY25 is likely to lead to muted refining performance of OMCs in Q1FY25.

The brokerage expects companies in the oil and gas sector to post a decline of 24% in Ebitda (earnings before interest, taxes, depreciation, and amortisation) on year and 9% q-o-q in the first quarter of the current fiscal. Kotak Institutional Equities noted that with a sharp on quarter decline in key product cracks and lower discounts on Russian crude oil, the reported gross refining margins for state-owned OMCs is likely to moderate further in the quarter under review. Additionally, due to the announced cut of ₹2 per litre in the prices of retail auto fuel in March, the OMCs have registered weak marketing margins that would have led to poor Ebitda in Q1FY25.

RESULTS PREVIEW

"Further, with the full impact of ₹2/litre price cut in March and higher brent prices, marketing margins on auto fuels were also weaker q-o-q. We expect ~35-43% q-o-q decline in Ebitda for the three OMCs," Kotak Institutional Equities said.

Analysts at Elara Capital expect OMC's retail gross margin on diesel to see a decline of ₹5.3 per litre from last year and ₹0.1 per litre sequentially to ₹4.4 per litre while gasoline margin may drop ₹5.5/litre on year and ₹2.9/litre on quarter to ₹5.1/litre. "We expect an average crude inventory gain of \$0.3/bbl vs a gain of \$0.1/bbl in Q4FY24 in Q1FY25E," the firm said.

While the first quarter of the current fiscal may see a blip, FY25-FY26 may see sustained earnings improvement due to targeted investments in improving scale and complexity of downstream business by the OMCs, their diversification and a likely improvement in margins, according to analysts.

The country's upstream sector companies too are expected to register a fall in their Ebitda as the benefits accrued from a marginal increase in the crude oil prices is expected to be offset by an increase in the windfall tax by the government.

"With both oil and gas prices capped, we expect the benefits of ~2% q-o-q higher brent prices to be offset by an increase in windfall tax," said Kotak Institutional Equities. "ONGC's Ebitda would likely decline ~6% on quarter on lower net oil realisation and also lower oil production."

Analysts at Elara Capital also expect ONGC's Ebitda to fall 20% on year in Q1FY25 due to lower oil and gas production and higher windfall taxes.

The firm estimates upstream public sector companies' crude oil realisation (net of windfall taxes) at \$71 per barrel, down 5% from last year and 4% from the previous quarter. "Oil India's crude oil and natural gas production is likely to witness growth of 6% and 9% on year, respectively."

FREE PRESS JOURNAL, Mumbai, 11.7.2024
Page No. 11, Size:(24.90)cms X (17.85)cms.

OPEC keeps 2024 global oil demand growth view unchanged at 2.2 mn bpd

Informist
NEW DELHI

The Organization of the Petroleum Exporting Countries has once again kept its forecast for growth in global demand for crude oil in 2024 and 2025 unchanged at 2.2 mln barrel per day and 1.8 mln bpd, respectively. OPEC sees demand for crude oil in 2024 at 104.46 mln bpd and in 2025 at 106.31 mln bpd, according to the Monthly Oil Market report released on Wednesday.

OPEC has revised downward the growth in demand for crude oil in Jan-Mar from the Organization for Economic

Cooperation and Development countries in Europe, Asia Pacific and Latin America. However, this was offset by a better-than-expected performance in the same period in some non-OECD countries, the cartel said.

"Expected strong mobility and air travel in the Northern Hemisphere during the summer driving/holiday season is anticipated to bolster demand for transportation fuels and drive growth in the US," it said. "Oil demand in Europe and the Asia Pacific region is also expected to pick up somewhat between 2Q24 (Apr-Jun) and 4Q24 (Oct-Dec), amid stronger mobility and improving economic development," the cartel said in the report.

Overall crude oil demand is expected to be bolstered by strong consumption from air travel and healthy road mobility, including trucking in 2024. Support is also expected from industrial, construction and agricultural activities in non-OECD countries.

BUSINESS STANDARD SEC-II, Delhi, 11.7.2024
Page No. 1, Size:(16.21)cms X (45.38)cms.

THE COMPASS

Optimism in MGL stock appears fully priced in

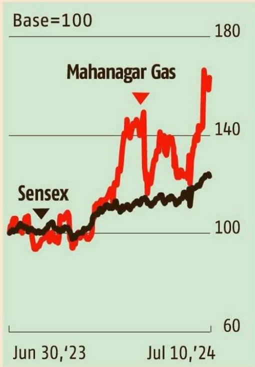
DEVANGSHU DATTA

Mahanagar Gas (MGL) has just hiked prices for compressed natural gas (CNG) and domestic piped natural gas (PNG) in the Mumbai Metro Area. The distributor raised prices by ₹1.50 per kilogramme (kg) for CNG, bringing the price up to ₹75 per kg, including taxes. Domestic PNG prices were hiked from ₹1 per standard cubic meter (SCM) to ₹48 per SCM, inclusive of taxes.

MGL also hosted its analyst meet in June, highlighting a strong FY24 performance, and gave guidance of a 5-year volume CAGR of 6-7 per cent (standalone) versus 5 per cent during FY19-24 and around 10 per cent CAGR for recently acquired subsidiary Unison Enviro Private Limited (UEPL). The management indicated a focus on infrastructure creation with a capex target of ₹1,000 crore for FY25, split between standalone and UEPL at ₹800 crore and ₹200 crore, respectively. APM (administered pricing mechanism) based gas allocation is around 70 per cent of priority volume now and the shortfall is met via HP-HT gas.

The company targets 5-6 new LNG stations per annum. It could see some margin reduction as it pushed volume growth. However, it has operating efficiencies, and high population density in its favour as one of the largest city gas distributors (CGDs) since it is the sole authorised distributor of CNG and PNG in Mumbai, Thane urban and adjoining municipalities and Raigad district (Maharashtra). CNG is used in vehicles and PNG is for domestic household, commercial and industrial use.

MGL distributes gas through an extensive CGD network of pipelines. It supplies CNG to 0.77 million vehicles and PNG to 1.53 million domestic households. The company has established connectivity for nearly 2.49 million households in the three gas-licensed areas that it covers. MGL laid 226.04 kilometres of steel and PE pipeline during Q4FY24, for an aggregated pipeline length of 6,968 km. It also added 28 CNG stations during Q4FY24, taking it to a total of 347 CNG stations. MGL also added 108 industrial and commercial customers during this quarter to reach a total of 4,769 industrial customers. There's a strong balance sheet and it incurred capex of ₹775 crore in FY24.



Average sales volume for FY24 was 3.609 million standard cubic meters per day (mmscmd), up from 3.423 mmscmd in FY23 for an increase of 5.45 per cent in overall sales volume Y-o-Y. Revenue for FY24 stood at ₹6,245 crore, while Ebitda was ₹1,843 crore versus Ebitda of ₹1,184 crore in FY23, up 56 per cent year-on-year. PAT for FY24 was ₹1,289 crore, up from ₹790 crore in FY23, an increase of 63 per cent.

Climate change concerns are a big driver for gas uptake amidst a policy push to curb CO_2 emissions. Per capita consumption is expected to increase from 185 (FY24) to 500 mmscmd by 2030. There are rumours that natural gas may be included in GST, which would reduce the overall impost of aggregated excise, sales tax and VAT and simplify the tax regime. This could be a trigger for faster gas adoption. Many analysts are positive about MGL. A Bloomberg poll of a dozen analysts in July shows five have a 'buy' rating and four are 'neutral'; the rest are bearish. Their average one-year target price is ₹1,617 versus current price of ₹1,715.

HINDUSTAN TIMES, Delhi, 11.7.2024
Page No. 8, Size:(18.53)cms X (6.15)cms.

'Russia remains largest contributor to India's energy'

Rezaul H Laskar
letters@hindustantimes.com

NEW DELHI: Russia is committed to being the "largest contributor" to India's energy security after accounting for more than a third of the country's oil purchases and is giving priority to long-term contracts for crude, coal and fertilisers, a senior Russian diplomat said on Wednesday.

India and Russia on Tuesday set a trade target of $100 billion by 2030 during Prime Minister Narendra Modi's talks with President Vladimir Putin in Moscow. The two sides have already raced past an earlier target of $30 billion by 2025, with two-way trade currently worth more than $65 billion mainly because of India's massive purchases of discounted Russian crude.

"Russia is committed to remain the largest contributor to India's energy and food security. We prioritise long-term contracts for crude oil, coal, energy and fertilisers," Roman Babushkin, chargé d'affaires at the Russian embassy, told a reporters.

The two sides are eyeing investments in energy infrastructure, including oil refining and manufacture of petrochemicals, and energy transition. The two sides also plan to diversify civilian nuclear cooperation as the "strongest pillar" of the bilateral strategic partnership, and there have been discussions on floating nuclear reactors and small and modular reactors, nuclear medicine and fast breeder reactors, Babushkin said.

INDIA AND RUSSIA SET A TRADE GOAL OF $100 BILLION BY 2030 DURING PM'S TALKS WITH PUTIN

Russia's crude oil supplies to India have jumped from 2.5 million tonnes in February 2021 to 45 million tonnes in 2022 and 90 million tonnes in 2023, Evgeny Griva, deputy trade commissioner at the Russian embassy, said. "We now have a stable share of Indian crude imports and Russia covers between 30% and 40%," he said.

Russian LNG majors such as Gazprom, Novatek, RusChemAlliance and Sakhalin Energy, too, are eyeing the Indian market, and Russia is prepared to meet the technology needs of India's petrochemical industries that are growing at more than 10% annually, Griva said. On India's demand for repatriation of Indian nationals recruited into Russian Army, Babushkin said, "It is a common problem which has strong domestic implications for India. Unfortunately, this topic can be politicised..." Russia has "never wanted" Indians to be part of the Russian Army, which has not made any announcements about wants to specifically recruit Indians, he said.

ECONOMIC TIMES, Delhi, 11.7.2024
Page No. 5, Size:(4.44)cms X (8.49)cms.

TruAlt Bioenergy Bags ₹390-cr 1G Bioethanol Order from OMCs

Our Bureau

Mumbai: TruAlt Bioenergy, one of the country's largest biofuel and bioenergy companies, has secured a ₹390-crore order to supply first-generation bioethanol (1G Bioethanol) to oil marketing companies (OMCs) including Hindustan Petroleum, Bharat Petroleum, Indian Oil, and Mangalore Refineries and Ports.

This order entails the supply of nearly 60 million litres of 1G Bioethanol over three months from August to October 2024, TruAlt said on Wednesday. The company has secured nearly 10% of the total allocated tender quantity of around 660 million litres. TruAlt has an installed capacity to produce 1.4 million litres of 1G Bioethanol and 10,200 kg of compressed biogas (CBG) every day.

VIRAT VAIBHAV, Delhi, 11.7.2024
Page No. 4, Size:(12.28)cms X (16.51)cms.

रसोई गैस के फर्जी ग्राहकों की पहचान के लिए ई-केवाईसी सत्यापनः पुरी

वैभव न्यूज ■ नई दिल्ली

पेट्रोलियम एवं प्राकृतिक गैस मंत्री हरदीप सिंह पुरी ने बुधवार को कहा कि सार्वजनिक क्षेत्र की पेट्रोलियम कंपनियां फर्जी उपभोक्ताओं को हटाने के लिए रसोई गैस ग्राहकों का आधार के जरिए ई-केवाईसी सत्यापन कर रही हैं। आधार की मदद से ई-केवाईसी (ऑनलाइन ग्राहक सत्यापन) की प्रक्रिया उन फर्जी ग्राहकों को अलग करने के लिए की जाती है जिनके नाम पर बुक कराई गई रसोई गैस का इस्तेमाल वाणिज्यिक प्रतिष्ठानों में किया जाता है परिवारों को 14.2 किलोग्राम वाला सिलेंडर 803 रुपए (लगभग 56.5 रुपए प्रति किलोग्राम) की दर से खरीदना पड़ता है जबकि होटल एवं रेस्तरां जैसे वाणिज्यिक प्रतिष्ठानों को 19 किलोग्राम का वाणिज्यिक सिलेंडर।,646 रुपए (86.3 रुपए प्रति किलोग्राम) में मिलता है। पेट्रोलियम एवं प्राकृतिक गैस मंत्री पुरी ने सोशल मीडिया मंच एक्स पर पोस्ट में कहा, पेट्रोलियम विपणन कंपनियां एलपीजी ग्राहकों के लिए आधार के माध्यम से ईकेवाईसी सत्यापन कर रही हैं, ताकि उन फर्जी ग्राहकों को हटाया जा सके, जिनके नाम पर कुछ गैस वितरक अक्सर वाणिज्यिक सिलेंडर बुक करते हैं। यह प्रक्रिया आठ महीने से अधिक समय से लागू है। उनका यह पोस्ट केरल विधानसभा में विपक्ष के नेता वी डी सतीशन के जवाब में आया है, जिन्होंने इस निर्णय के चलते आम आदमी को अप्रत्याशित मुश्किल पेश आने की बात कही थी। सतीशन ने पुरी को लिखे एक पत्र में यह मामला उठाया था। उन्होंने पत्र में लिखा था, पता चला है कि केंद्र सरकार ने एलपीजी सिलेंडर की वैधता सुनिश्चित करने के लिए गैस कनेक्शन का सत्यापन अनिवार्य कर दिया है। हालांकि, वैध ग्राहकों की पहचान के लिए सत्यापन अनिवार्य है, लेकिन संबंधित गैस एजेंसियों पर इस प्रक्रिया को पूरा करने के निर्णय से आम एलपीजी धारकों को असुविधा हुई है। इसके जवाब में पुरी ने कहा कि गैस सिलेंडर की आपूर्ति करने वाला कर्मचारी ग्राहक की पहचान से संबंधित विवरण को सत्यापित करते हैं। कर्मचारी अपने मोबाइल फोन पर ऐप के माध्यम से ग्राहक के आधार की पुष्टि करते हैं। हालांकि, ग्राहक अपनी सुविधानुसार वितरक शोरूम से भी संपर्क कर सकते हैं। इसके अलावा ग्राहक गैस वितरक कंपनी के ऐप के जरिए भी अपना ईकेवाईसी पूरा कर सकते हैं। मंत्रालय के पेट्रोलियम नियोजन और विश्लेषण प्रकोष्ठ के आंकड़ों के मुताबिक, भारत में 32.64 करोड़ सक्रिय घरेलू एलपीजी उपयोगकर्ता हैं।