

# India signs IPEF's clean, fair economy agreements

Govt: Agreements to catalyse investments in green tech

RAVI DUTTA MISHRA

NEW DELHI, SEPTEMBER 22

INDIA ON Sunday signed the US-led 14-member Indo-Pacific Economic Framework for Prosperity (IPEF) bloc's agreements on a clean and fair economy. The agreements signed during Prime Minister Narendra Modi's visit to the US are aimed at facilitating development, access, and deployment of clean energy and climate-friendly technologies. They also aim to strengthen anti-corruption measures and promote tax transparency within member countries.

The Commerce and Industry Ministry said that the agreement on clean economy intends to accelerate efforts of IPEF partners towards energy security, GHG (greenhouse gas) emissions mitigation, developing innovative ways of reducing dependence on fossil fuel energy and promoting technical cooperation. "India signed and exchanged the first-of-its-kind agreements focused on Clean Economy, Fair Economy, and the IPEF overarching arrangement under Indo-Pacific Economic Framework (IPEF) for prosperity, on September 21, 2024 at Delaware USA, in the presence of Prime Minister Narendra Modi who is on 3-day visit to the US for the Quad

**“India signed and exchanged the first-of-its-kind agreements focused on Clean Economy, Fair Economy, and the IPEF overarching arrangement under Indo-Pacific Economic Framework (IPEF) for prosperity ... “**

**— COMMERCE AND INDUSTRY MINISTRY**

Summit,” the ministry said.

The agreement on a fair economy intends to create a more transparent and predictable business environment, which can spur greater trade and investment in the markets of member countries, the ministry said, adding that the agreements focus on enhancing information sharing among partners, facilitating asset recovery, and strengthening cross-border investigations and prosecutions.

“IPEF also provides platforms for technical assistance, concessional funding, and viability gap funding. The IPEF Catalytic Capital Fund, with an initial grant of \$33 million from Australia, Japan, Korea, and the United States, aims to catalyse private investments totaling \$3.3 billion. Additionally, the PGI Investment Accelerator under IPEF has received initial funding of

\$300 million from the United States International Development Finance Corporation,” the ministry said.

Ajay Srivastava, former Indian Trade Service officer and head of economic think tank Global Trade Research Initiative (GTRI), however, expressed concern over the deal as IPEF negotiations have mostly been conducted in secrecy with limited public input. “In the Clean Economy Pillar, the hope is that India has not agreed to a non-derogation clause, which would prevent the government from easing domestic regulations for projects of national importance. Such flexibility is essential for India to pursue key infrastructure projects without being hindered by rigid international commitments,” Srivastava said.

He added that most standards and regulations being discussed in IPEF are already in place in the US and Organisation for Economic Co-operation and Development (OECD) countries. “If India adopts these standards without adequate preparation, it risks being pushed into compliance not only in IPEF but also in future trade deals with the EU, UK, and others. India must ensure that it can develop domestic standards quickly to avoid being at a disadvantage in international negotiations,” he added.

**FULL REPORT ON**

**[www.indianexpress.com](http://www.indianexpress.com)**



---

# Govt flags flouting of norms for filling top posts at PSUs

**Sanjay.Dutta@timesofindia.com**

**New Delhi:** The ACC (cabinet's appointments committee) secretariat has raised a red flag over ministries digressing or modifying on their own the criteria prescribed in the standard guidelines for appointment of directors and heads of Central public sector undertakings.

"The authority to relax a norm related to age, education qualifications, eligibility criteria etc rests with ACC," says an office memo the secretariat sent to all ministries last week, pointing out the guidelines on

the composition of search-cum-selection committees were "not being adhered to".

The memo has listed 12 criteria laid down in the standard guidelines that are witnessing deviation or modification by ministries or departments without ACC approval. These range from exclusion of the prescribed eligible categories — such as HR function — to cut-off dates for a candidate to be eligible, length of service criterion, and date of vacancy that is usually the date of the incumbent's retirement.

Interestingly, the memo comes amid rumblings over

the ongoing process for selecting a full-time chairman of IOC, the country's largest refiner and fuel retailer, where a number of senior executives from the company and outside had become ineligible due to guideline deviations.

The search-cum-selection committee route is taken if govt headhunter PESB does not find anyone among the shortlisted candidates from qualified applicants "suitable" for a post. This has, however, become the norm in recent times as seen in the selection of ONGC, IndianOil and HPCL chiefs.



As much as 64% of 9,669 independent directors on boards of 2,442 companies listed on NSE have been appointed for the first time, compared to 61% a decade ago, shows data

# Most Independent Directors of Listed Cos are First-timers

**Kiran Kabtta Somvanshi**

**Mumbai:** On average, two out of every three independent directors had no prior experience to be on the board of a listed company. As per data sourced from Prime Database, 64% of the 9,669 independent directors on boards of the 2,442 companies listed on NSE were first-time such directors. This proportion was marginally lower at 61% a decade ago.


To be sure, a bulk of the first-time independent directors have been appointed in the past five years by mid- and small-sized companies. When leading companies appoint first-timers on the board, they are generally former bureaucrats or expats that haven't been directors on boards of listed companies in India.

For instance, ITC appointed two former bureaucrats with no prior experience on boards of listed companies as independent directors this year. Similarly, IT companies such as Infosys, Wipro and LTI Mindtree have roped in expats as independent directors.

"The mandate of first appointing a woman director and then a woman independent director as well

As on Date	No. of Cos Listed on NSE	No. of Independent Directors on Board in These Cos	First-time Appointees in a NSE-Listed Co	Proportion of First-time Independent Director (%)
31-Mar-2014	1,489	6,051	3,714	61
31-Mar-2019	1,672	6,668	4,163	62
16-Sep-2024	2,453	9,683	6,154	64

Source: primeinfobase.com



as the ongoing 'board refresh' under which independent directors who have completed at least ten years on a board have to move out has contributed to the high number of first-time independent directors", said Pranav Haldea, MD, Prime Database Group.

Incidentally, if a company rolling out an IPO has several of its directors as first-time directors on the board of a listed company, it is spelt out as a risk factor in the red herring prospectus of the company.

"Barring the few high profile, most other independent directors are underpaid, especially first-timers and manage to hold single directorships" said former Sebi executive JN Gupta, who is founder

of proxy advisory firm SES.

Among the Nifty-50 companies, TCS, Tata Motors, Bajaj Finserv, Britannia Industries, SBI Life Insurance, Asian Paints, Adani Enterprises, Shriram Finance and Bharti Airtel do not have any first-timers as independent directors. Against that, PSUs such as Coal India, ONGC and BPCL as well as Divi's Labs and ITC have the highest number of first-time independent directors among the Nifty-50 companies.

"The proportion of experienced directors continues to be low," said Milind Sarwate, founder of Increate, and an independent director on several boards. "From the macro angle, increasing proportion of

'new' directors is good in a way that it democratizes the profession of independent directorship – ensuring it does not remain the preserve of a few. It prevents the formation of a close clique among independent directors".

As per Sarwate, smaller firms are going for inexperienced first-time directors — for lack of availability of experienced ones or because such new directors may be more 'manageable', and in any case, less costly.

Industry experts consider it to be good for companies to have a mix of experienced and new directors. "Both scenarios of companies with only experienced directors; well as companies with only first-timers are extreme and bad," said Gupta. "In the former scenario, experienced directors can only give limited time to the boards they serve on while in the latter case, first-timers come with little experience and are more likely to be onboarded to be yes men".

"Boards do need to have a judicious mix of the inexperienced and the experienced ones - there must be a combination of the exuberance of the new and the wisdom of the old," Sarwate said.

# Top CSR Spenders Likely to Lead PM's Internship Scheme

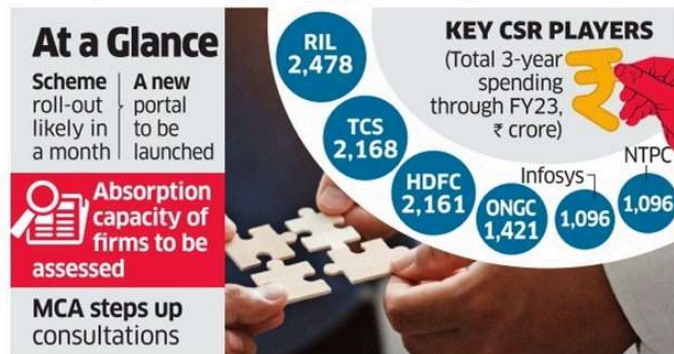
Ministry of corporate affairs in talks with stakeholders to roll out the scheme within a month; state-run banks may also be asked to join

**Banikinkar Pattanayak**

**New Delhi:** Top corporate social responsibility spenders such as Reliance Industries, Tata Consultancy Services, HDFC Bank, ONGC, Infosys and NTPC will get priority as the government prepares to launch the PM's Internship scheme within a month, people aware of the development told ET.

The top 500 companies to offer internships to 10 million youths under the scheme could be chosen based on their average annual spending on CSR obligations over three years through 2022-23, they said.

"Industry players had given the suggestion to choose the top 500 companies on the basis of their CSR spending, and the govern-



Source: MCA

ment has accepted it," one of the sources said. "Additional criteria are also being finalised."

The Ministry of Corporate Affairs (MCA), which is spearheading this initiative, is in talks with

stakeholders to roll out this scheme within a month, the sources said.

The higher the CSR spending, the larger could be the intake of interns for companies, they said.

On an average, each company would be expected to accommodate 4,000 interns a year for five years under the scheme where the government will bear most of the cost. The current employee strength of large companies would be evaluated for their absorption capacity, ET has learnt.

The government could ask state-run banks, which are not formally categorised as companies as they are not governed by the Companies Act, to join this scheme as well, people cited above said.

Given that the adoption of the scheme will be voluntary, the MCA is engaged in talks with various stakeholders to persuade large companies to do their bit for this programme, they said.

"PSUs (public-sector units) will have to play a greater role if some

private companies back out or don't show much interest," one of the sources said. "Of course, a large number of private companies seem to be interested as of now," the person added.

**A new portal will be launched to implement the scheme where Internship aspirants can apply directly to companies**

Each selected intern will get a monthly allowance of ₹5,000 for one year, on top of a one-time aid of ₹6,000. The government would bear ₹54,000 towards monthly allowance and the one-time aid – spend-

ing ₹60,000 for each intern. Participating companies would pay for the training cost and 10% of the monthly allowance (amounting to ₹6,000 for each candidate) from their CSR funds.

Finance minister Nirmala Sitharaman, in the full budget for 2024-25 presented in July, had announced the scheme. "They (interns) will gain exposure for 12 months to real-life business environments, varied professions and employment opportunities," she had said.

Unemployed youth aged 21 to 24 with no income-tax payee in the family and without education in elite institutions like the IITs and IIMs would be among those eligible for the scheme. The scheme is focused on youth from mainly poor and lower middle-class households.





# Tyagi panel to suggest ways to end city gas monopoly

The Petroleum and Natural Gas Regulatory Board has formed a committee under former Sebi chairman Ajay Tyagi to recommend ways of ending monopolies enjoyed by firms engaged in both transportation and marketing of natural gas and city gas retailing. The panel has been asked to submit its report in three months. **PTI**

# Lateral entry on hold but PSU posts still within private reach

RUCHIKA CHITRAVANSHI

New Delhi, 22 September

Lateral entry into government has been held over, but the Public Enterprise Selection Board (PESB) continues to provide a platform for people in the private sector to get senior posts in central public-sector enterprises (CPSEs).

Its recent advertisement for the post of chairman and managing director of Fertilisers and Chemicals Travancore allows applicants from private-sector companies with an annual turnover of ₹1,500 crore or more. But they have to meet the other criteria to get the job.

Over the past one year, the PESB has taken steps to expand the talent pool from which it selects candidates. The board allows applicants from financial institutions, autonomous bodies, and government banks.

It has standardised the qualifica-

tions required for various posts. For instance, for the post of director (finance) a person must be a chartered or cost accountant, or have a full-time MBA or a post-graduate diploma with specialisation in finance.

The board, in collaboration with the Capacity Development Commission, had invited Larsen and Toubro, a private-sector company, along with Bharat Petroleum Corporation Ltd, to share their strategies in identifying leaders early with Maharatna firms. The idea was to push enterprises towards building a succession plan within their human resource systems.

"Both companies have good practices for managing their human resources and succession is built into their systems. Following this exercise all Maharatna companies have devised their own strategies for identifying and investing in potential leaders early on," a senior gov-



ILLUSTRATION: AJAYA MOHANTY

ernment official said. Mini-Ratna companies too are doing a similar exercise, according to official sources. This means companies have to promote their staff in a timely manner and create special-

isations and training opportunities, among other things.

The board interviews 12 candidates for each position, allowing for up to five internal candidates. The remaining candidates can come

from CPSEs in the same or different sectors. Additionally, two candidates are shortlisted from state governments or private sector organisations.

"It has been often found that

there were not enough internal candidates in terms of pay scale, exposure, etc. A chairman-cum-managing director should have an assignment as director, but that is not possible without timely promotion," the official added.

However, to deal with the issue the board has made the list of potential candidates more fungible and invited a higher number of external candidates if internal ones are not adequate in number, thereby widening the talent pool.

"There is more transparency in recruitment. There is clarity in government on getting the best for CPSEs. If any CPSE does not agree with our standardised processes it can approach the Appointments Committee of the Cabinet directly," the official said.

A few months ago, the board, for future appointments, started a database of candidates in whom it saw potential but could not recruit

them. With automation, the PESB has reduced the time it takes to submit and shortlist applications. From 60 days earlier it now takes about a month to receive applications.

Another 10-25 days are required for shortlisting the candidates, which is an automated as well as a manual process. This step is important because only in shortlisting is the seniority of candidates taken into account. In the final selection, the official said, only talent matters.

"Seniority and merit have to be balanced," another government official said.

The PESB has almost cleared the backlog due to the pandemic. There are "unforeseen vacancies", which arise when a post is left by the incumbent due to promotion or transfer.

Government officials say the only challenge now is getting adequate applications for CPSEs in line for disinvestment.

# Venezuelan crude flows to state refiners via 3rd parties

**SUBHAYAN CHAKRABORTY**  
New Delhi, 22 September

While public sector refiners await a sanction waiver from the United States to purchase crude from Venezuela, they have already begun engaging in “second-order transactions” to source it from companies that already hold the waiver, according to sources at the Ministry of Petroleum and Natural Gas.

India has refrained from directly purchasing crude oil from a sanctioned country, but it is permitted to acquire cargoes from a third party.

In July, media reports said Reliance Industries Limited (RIL) has secured an official clearance from the US authorities to import oil from the South American country.

However, sources said the company has begun to purchase Venezuelan crude only recently, hinting that Indian refiners were sourcing cargoes from other global sellers.

## STAGING A COMEBACK

Oil imports from Venezuela (In \$ mn)



2019-20	6,029.4
2020-21	643.78
2021-22	0
2022-23	0
2023-24	802.47
2024-25 (Apr-Jun)	626

Source: Department of Commerce

Trade department figures show Venezuela was the 9th largest source of crude oil for India in the first quarter (April-June) of FY25, accounting for \$626 million of shipments.

In FY24, it was the 16th largest source of imports, sending \$802 million worth of crude oil.

On a monthly basis, oil imports from the country began in December 2023, after a long pause. It hit a high of \$383 million in March 2024. [Turn to Page 5](#)



## Only few Indian refineries can process low-grade Venezuela oil

Public sector refiners are banking on ONGC Videsh, receiving a waiver from the US Department of State and Office of Foreign Assets Control to receive a licence exempting it from sanctions and allowing it to work in Venezuela using the US dollar. The overseas arm of domestic state-owned exploration and production company ONGC, currently has \$600 million dividends from local assets stuck in the country. OVL acquired a 40 per cent stake in the San Cristobal Field in Venezuela in 2008, with its state-owned PDVSA holding the remaining stake.

“Only a few refineries in India can process the different grades of Venezuelan crude, which are typically heavy, vis-

cose and have a high sulphur content. It is rarely used on a standalone basis, and mostly used blended,” a source said.

State-run IOCL’s Paradip refinery in Odisha is one such facility, and may have received a few cargoes of the oil, industry sources said.

Indian refiners are keen to purchase Venezuelan crude owing to the discounts, which have been ‘significant’ given the country’s need to gain access to foreign currency.

In August 2024, the price of Merey blend averaged \$62.15 per barrel, down \$67.61 per barrel in the previous month. The US had imposed sanctions on Venezuela’s oil sector in 2018, after the Nicolás Maduro Moros regime returned to power.



# Natural gas imports up 13% to \$6 bn in Apr-Aug

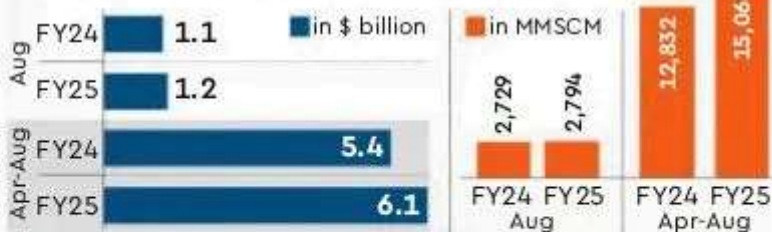
**ARUNIMA BHARADWAJ**  
New Delhi, September 22

**INDIA'S IMPORT BILL** for natural gas surged by 12.9% to \$6.1 billion during the first five months of the current fiscal compared with \$5.4 billion in the same period a year ago due to rise in consumption particularly by the CGD companies and the power sector, data from the Petroleum Planning and Analysis Cell showed.

The import bill for the month of August stood at \$1.2 billion against \$1.1 billion in the corresponding period of last fiscal. The country imported 15,064 million standard cubic meters of LNG (liquified natural gas) during April to August, up by 17.4% from the corresponding period of FY24, the data showed.

The growth was also supported by stabilised prices of natural gas from the earlier highs recorded in FY23, enabling consumers to buy more imported gas, as per

## IMPORTS OF NATURAL GAS



Source: PPAC



analysts.

During the period, the country's consumption of natural gas increased by almost 18% to 30,003 mmscm with major demand coming in from the CGD, fertiliser, and the power sector.

In 2022, the sudden outbreak of war between Russia and Ukraine had led to a sharp increase in prices of natural gas in FY23 as a result of which gas

lost its cost competitiveness to the alternate fuels. Accordingly, natural gas consumption declined in FY23.

However, with range-bound prices, analysts expect the consumption to grow in the medium term.

As the imports continue to grow, the country's production of natural gas also registered a marginal increase of 2% in the Apr-Aug period.



# CPSE dividends may surpass ₹60K-cr in FY25

For 2nd year in a row, BE likely to be exceeded

**PRASANTA SAHU**  
New Delhi, September 22

**THE CENTRE'S DIVIDEND** receipts from Central Public Sector Enterprises (CPSEs) and other investments have amounted to approximately ₹21,000 crore so far in the current financial year, representing 37% of the annual target. Based on the strong performance of CPSEs, dividend receipts are expected to surpass ₹60,000 crore for the second consecutive year in FY25, against a budget estimate of ₹56,260 crore.

As against the revised budget estimate of ₹50,000 crore, the dividends from CPSEs and residual stakes in other firms had fetched the Centre ₹63,749 crore in FY24, the highest in any financial year.

In FY25 so far, oil and gas companies have led in dividend contributions, with ₹7,504 crore, followed by sectors such as mining, communications, and power. Indian Oil has been the top contributor with ₹5,091 crore, followed by Hindustan Zinc, in which the government holds a 29.54% stake, with ₹3,619 crore. Telecommunications Consultants India paid ₹3,443 crore, and Bharat Petroleum contributed ₹2,413 crore. Additional contribu-



## ON RISE

Centre's dividends from CPSEs and investments (₹ crore)



tions include ₹1,610 crore from NTPC and ₹1,264 crore from Power Grid Corporation.

The dividends from CPSEs—excluding those from the RBI and state-run financial institutions—are a result of strong performances across sectors such as petroleum, energy, mining, and commodities. With the oil marketing companies (OMCs) benefiting from improved profitability due to softer global crude prices, CPSE dividend receipts are likely to exceed ₹60,000 crore in FY25, sources said.

The robust dividends have not only benefited the government but also minority shareholders.





# PSUs line up to list their green ventures on exchanges

**Suresh P Iyengar**

Mumbai

Buoyed by the primary market buoyancy, public sector companies are gearing up to spin off their green energy business and list them on the exchanges. The move will help the green energy ventures access cheaper funds from global markets.

Some of the large PSUs such as Coal India, ONGC, SJVN, NHPC, Indian Oil and NLC India have already formed new companies for their green energy ventures and enjoy the tax reliefs announced by the government.

NTPC Green recently filed papers with SEBI for a ₹10,000-crore initial public offering as it already has a huge solar energy asset. Other PSU green energy ventures would target to raise similar amounts through IPO, said sources.

SJVN plans to invest ₹12,000 crore capex in this fiscal, mostly in renewable projects through its subsidiary SJVN Green Energy that targets capacity of 25,000 MW by 2030 and 50,000 MW by 2040.

State-owned Coal India has incorporated two new companies — CIL Navi Karniya Urja and CIL Solar PV — for the development of solar photovoltaic modules.

It aims to add 5 gigawatt (GW) of renewable energy capacity by 2028, a year earlier than the company had



**CLEAN ENERGY.** The Centre has set an ambitious target of installed renewable energy capacity of 500 GW by 2030

envisaged. The Centre has set an ambitious target of having an installed renewable energy capacity of 500 GW by 2030. As of May 26, 2023, coal/lignite CPSEs have installed solar capacity of about 1,656 MW and windmills 51 MW.

## ADVANTAGES

Vishnu Kant Upadhyay, AVP of Research & Advisory, Master Capital Services, said investors gain a variety of advantages from the spin-offs and listing on exchanges as usually in IPOs, there is reservation for investors who own stock in their parent company up to a specific amount. These subsidiaries are often seen as lower-risk investments because they are supported by a reputable parent company and benefit from the financial strength, resources, and market expertise of their parent companies, he added.

Santosh Meena, Head of Research, Swastika Invest-

mart, said the listing of subsidiaries often unlocks value as the subsidiary can focus solely on its specialised operations while the parent company hones in on its core business.

As a standalone company, the newly spun-off subsidiary can raise capital through avenues such as IPOs, debt financing or other funding mechanisms and free itself from the oversight and constraints of a larger parent company, he said.

Jathin Kaithavalappil, AVP Institutional Research, Choice Broking, said that green energy sectors spin-offs help these businesses grow independently by raising capital directly from the market through listings, equity offerings and partnerships. With access to potentially lower-cost financing, the spun-off business can scale more efficiently, benefiting investors with enhanced long-term returns, he added.



---

## PSU energy firms to seek producing assets abroad

Rituraj Baruah

[rituraj.baruah@livemint.com](mailto:rituraj.baruah@livemint.com)

NEW DELHI

**S**tate-run energy companies on the prowl for foreign assets will focus on projects that are already pumping oil and gas, or are about to do so, two people aware of the plans said, after the endless wait for supplies from countries where India has made energy investments in the past prompts a rethink.

Though it is far cheaper to invest in foreign exploration and production (E&P) projects in their early stages, the timeline to production is lengthy, something India cannot afford given its galloping energy needs, the people said on the condition of anonymity.

“The need for oil and gas for

**TURN TO PAGE 9**



# State-run energy firms eye producing asset stakes in foreign deals

FROM PAGE 1

India is now. So, E&P projects with long gestation periods, although needed, are lesser in the radar for the national oil companies. They are now looking for more of near-producing and producing assets," one of the two people said, adding that of late, the focus has been on taking stakes in assets abroad and more such efforts are expected.

Queries sent to the petroleum ministry as well as public sector units (PSUs) ONGC Videsh Ltd and Oil India Ltd remained unanswered.

In July, ONGC Videsh Ltd, the overseas investment arm of state-owned Oil and Natural Gas Corp. (ONGC), said it has

acquired Norwegian firm Equinor's stake in an Azerbaizhan oilfield and an associated pipeline for \$60 million.

India's demand for oil and refined products is expected to start declining in a decade or two, even though it may remain higher than the fall in global demand.

S&P Global Commodity Insights projects India's total petroleum product demand at 7.1 million barrels per day (bpd) by 2035, up almost 2 million bpd from 2023. The International Energy Agency says

India, currently the world's third largest oil importer, will become the largest source of global oil demand growth by 2030, while growth in developed economies and China

initially slows and then subsequently goes into reverse. India is already working on a plan to estimate the timeline for its peak oil consumption, as reported by *Mint* on 26 March.

"It is always a good strategy to go for stakes in producing upstream assets. The Indian oil and gas companies have not had great results in terms of acquiring E&P assets abroad

because of geopolitical issues in several countries and competition from other global companies as well including Chinese energy companies to expand their global footprint," said Prashant Vasisht, senior vice-president and co-group head, corporate ratings, Iera.

The focus on acquiring assets and importing oil and

capacity till 2030, by starting new projects as well as expanding existing ones.

Several E&P bets by state-run firms in Mozambique, Gabon, and Myanmar have taken much longer than expected. In August, *Mint* reported that India's wait for liquefied natural gas (LNG) supplies from a \$20-billion Mozambique project has

lengthened, with any progress likely only after its presidential elections on 9 October. The long-delayed Rovuma Offshore Area I project in which an ONGC Videsh-led Indian

gas gains momentum as the government aims to make India a refining hub and also needs to tap the global market before the demand slows.

India has an installed capacity of about 25.4 million tonnes per annum. With the fourth-largest cumulative refining capacity in the world, the government plans to add around 56.6 mtpa of crude-oil refining



S&P Global Commodity Insights projects India's total petroleum product demand at 7.1 million barrels per day by 2035. **BLOOMBERG**

consortium has a 30% stake has been beset with difficulties, with the suspension of operations following attacks by Islamic State terrorists in April 2021, after which force majeure was declared.

In Gabon, Oil India Ltd now expects to start oil production in the next financial year, following covid-related and regulatory delays.

Oil India and Indian Oil Corp. own project with 50% stake each, while the former is the operator.

After Russia's invasion of Ukraine in 2022 and the resultant surge in oil and gas

prices, India has deployed a multipronged approach to ensure energy security including looking at more long-term contracts, and now the focus is on acquiring stakes abroad.

Energy security is key to India's national security, as the country imports over about 87% of its oil requirements and 53% of its gas. India is particularly vulnerable, as any increase in global prices can affect its import bill, stoke inflation and widen trade deficit.

India's demand for petroleum products including petrol, diesel, liquefied petroleum gas (LPG), aviation turbine fuel (ATF) and naphtha among others, is expected to touch a new high of 238.95 million tonnes.

India's demand for petroleum products including petrol, diesel, liquefied petroleum gas (LPG), aviation turbine fuel (ATF) and naphtha among others, is expected to touch a new high of 238.95 million tonnes.



ADITI NAYAR

# A grand GST bargain

Extend compensation cess to get states to bring petroleum products under it

DURING THE FIRST five years of GST, there was a provision to compensate states for a loss of revenue, if any, measured against a 14 per cent growth over their "protected" revenues in 2015-16. The source of this compensation given to states was a cess that the Centre levied and collected on the sale of specific goods. This compensation cess was initially levied for a five year period. Subsequently, its levy was extended till March 2026, to service the loans raised during the Covid years for providing GST compensation to the states.

During July 2017 to March 2023, the government transferred Rs 8.8 trillion to 28 states as GST compensation grants (Rs 6.1 trillion) and loans (Rs 2.7 trillion). Nearly two-thirds of this total compensation was accounted for by 10 large states — Maharashtra, Karnataka, Gujarat, Punjab, Tamil Nadu, Uttar Pradesh, Kerala, West Bengal, Rajasthan and Madhya Pradesh. Notably, the percentage of GST compensation within each state's revenue receipts varied substantially, with a higher dependence seen in states such as Punjab.

In the 54th GST Council meeting held in September, the government announced its decision to repay the entire GST compen-

sation loan, amounting to Rs 2.7 trillion, by January 2026, two months prior to the cessation of the compensation period in March. As per our estimates, a surplus of around Rs 480 billion is likely to be left after repayment of the back-to-back compensation loans (Rs. 2.7 trillion) as well as the interest on these loans (Rs 0.5 trillion). This is slightly higher than the government's estimate of Rs 400 billion.

Cess, as defined in the Constitution of India, can be imposed only for a specific purpose and is outside the divisible pool of resources between the Centre and the states. Looking ahead, the original purpose of introduction of GST compensation cess is no longer relevant, and the cess period had been extended legally to ensure the payment of back-to-back loans to the states during 2020-21 and 2021-22, which is to be completed soon.

In its September meeting, the GST Council recommended the formation of a Group of Ministers to study the future of the compensation cess beyond March 31, 2026, and how the surplus balance under the GST compensation fund would be used. If the council decides to continue the levy the compensation cess (by whatever name it may deem fit) on specified items beyond March

2026, the purpose for that would need to be identified and a constitutional amendment may also be needed.

The discontinuation of the compensation cess (without replacement by another tax/cess) would imply that the effective tax rates on demerit, sin and luxury goods (such as cigarettes, SUVs, pan masala, and tobacco items) would decline significantly. This appears somewhat unlikely as the government would want to tax these goods at high rates to discourage their consumption, suggesting that the "compensation" cess to continue, albeit in another form and with another name.

One option is for the compensation cess to be revamped into a new cess, for example, a green cess. The proceeds of this can be used to finance green infra projects and the energy transition requirements given that the government's contribution and interventions will be critical for transition in key sectors in order to achieve India's climate goals by 2030.

The council would need to consider the proportion in which such a cess would be shared between the Centre and the state governments to help them meet their transition commitments. Additionally, the horizontal devolution amongst the states would need

to be considered. In our view, the finance commission devolution formula may not be appropriate for sharing such a cess.

So far, petroleum, oils, and lubricants (POL) products remain outside the GST net. One rationale for bringing them within the ambit of GST is to enable businesses to claim input tax credit on the same, which would help reduce costs and make them more competitive.

Further, given the varied tax rates across states, the retail selling prices of items such as petrol and diesel differ substantially in various parts of the country. This flexibility in taxation on POL products enjoyed by the states affords them a lingering modicum of fiscal autonomy, which the transition to GST had whittled away. Bringing POL products under the GST will certainly further compress the states' autonomy.

To convince the states to bring POL products under the GST regime, a grand bargain would be needed. Perhaps, the cess proceeds could be used for compensating the state governments for losses, if any, due to this transition.

*The writer is chief economist,  
head — Research & Outreach, ICRA*



# 9% सस्ता मिला क्रूड, लेकिन इंपोर्ट बिल बढ़ा

■ विशेष संवाददाता, नई दिल्ली

सालभर पहले के मुकाबले अगस्त में देश में क्रूड ऑयल प्रोडक्शन में 4% से अधिक की कमी आने के बीच आयात और इस पर खर्च 6% से ज्यादा बढ़ गया। इस साल अगस्त में भारत को सालभर पहले के मुकाबले सस्ता क्रूड मिला था। पेट्रोलियम मिनिस्ट्री के आंकड़ों के मुताबिक, अगस्त 2023 में 1.87 करोड़ टन क्रूड ऑयल का इंपोर्ट हुआ था। इस साल अगस्त में 1.99 करोड़ टन का आयात हुआ। सालभर पहले 10.9 बिलियन डॉलर के मुकाबले क्रूड इंपोर्ट बिल बढ़कर 11.6 बिलियन डॉलर रहा। सालभर पहले ब्रेंट क्रूड का एवरेज ग्लोबल प्राइस 86.2 डॉलर प्रति बैरल था, जो इस साल अगस्त में 80.9 डॉलर पर आ गया। भारत रूस और यूएई सहित कई देशों से क्रूड आयात करता है और भारत के लिए औसत भाव सालभर पहले के 86.4 डॉलर से घटकर इस साल



AI Image

अगस्त में 78.27 डॉलर प्रति बैरल पर आ गया, जो 9.4% कम रहा। अभी ब्रेंट क्रूड का इंटरनैशनल प्राइस लगभग 74.5 डॉलर है। वैक ऑफ वड़ौदा के चीफ इकनॉमिस्ट मदन सवनवीस ने कहा, 'वित्त वर्ष 2024 में भारत के कुल 675 बिलियन डॉलर के आयात में 180 अरब डॉलर का ऑयल बिल था। कीमतें घटने से इंपोर्ट बिल कंट्रोल करने में मदद मिलेगी। इससे रुपये को भी सपोर्ट मिलेगा।' इस दौरान देश में क्रूड ऑयल का प्रोडक्शन सालभर पहले के 23 लाख टन से घटकर 22 लाख टन पर आ गया।



# राज्यों में प्रोत्साहन मिलने से बायोगैस क्षेत्र को बढ़ावा

नई दिल्ली (भाषा)। बायोगैस क्षेत्र को बढ़ावा देने के लिए राज्य सरकारें अतिरिक्त वित्तीय सहायता, वित्त तक आसान पहुंच और स्थानीय समर्थन जैसे उपाय कर सकती हैं। भारतीय बायोगैस एसोसिएशन (आईबीए) ने यह सुझाव देते हुए कहा कि इससे राज्यों को विभिन्न तरीकों से 50,000 करोड़ रुपये बचाने में मदद मिल सकती है। आईबीए के चेयरमैन गौरव केडिया ने एक साक्षात्कार में कहा, 'राज्य अतिरिक्त वित्तीय प्रोत्साहन, ऋण तक आसान पहुंच और स्थानीय समर्थन देकर इस क्षेत्र के लिए केंद्रीय पहल को बढ़ावा दे सकते हैं।'

उन्होंने जोर देकर कहा कि ऊर्जा में आत्मनिर्भरता के बड़े लक्ष्य को हासिल करने के लिए राज्य सरकारों की भागीदारी महत्वपूर्ण है। उन्होंने कहा कि राज्य सरकारें बायोगैस क्षेत्र के जरिये 50,000 करोड़ रुपये तक की बचत कर सकती हैं। केडिया के मुताबिक, यह बचत अपशिष्ट प्रबंधन और प्रदूषण में कमी, बायोगैस उत्पादन और लोगों के स्वास्थ्य में सुधार के रूप में हो सकती है। उन्होंने उत्तर प्रदेश सरकार का उदाहरण दिया, जो बायोगैस परियोजनाओं के लिए केंद्र सरकार की सब्सिडी के अलावा प्रति टन उत्पादन क्षमता के लिए 75 लाख रुपये (20 करोड़ रुपये तक) की अतिरिक्त राशि देती है।



# वेनेजुएला से तेल का जुगाड़

शुभायन चक्रवर्ती  
नई दिल्ली, 22 सितंबर

**भारत** के सार्वजनिक क्षेत्र के तेलशोधक अमेरिका से प्रतिबंधों में ढील मिलने का इंतजार कर रहे हैं, जिससे वेनेजुएला से तेल खरीदा जा सके, वहीं उन्होंने 'सेकंड ऑर्डर ट्रांजैक्शन' से तेल खरीदना शुरू कर दिया है, जिन्हें पहले से ही छूट मिली हुई है। पेट्रोलियम और प्राकृतिक गैस मंत्रालय के सूत्रों ने यह जानकारी दी।

प्रतिबंध से प्रभावित देशों से सीधे कच्चा तेल खरीदने से भारत अभी बच रहा है, वहीं तीसरे पक्ष के माध्यम से खरीदने की अनुमति है। मीडिया में आई खबरों में जुलाई में कहा गया था कि रिलायंस इंडस्ट्रीज लिमिटेड (आरआईएल) ने दक्षिण अमेरिका के देशों से तेल आयात करने के लिए अमेरिकी प्राधिकारियों से मंजूरी ले ली है। बहरहाल सूत्रों ने कहा कि कंपनी ने सिर्फ हाल में ही वेनेजुएला से कच्चा तेल खरीदना शुरू किया है, और संकेत दिया है कि भारतीय रिफाइनर अन्य वैश्विक विक्रेताओं से कॉर्गो खरीद रहे हैं। बहरहाल वाणिज्य विभाग के आंकड़ों से पता चलता है कि वेनेजुएला वित्त वर्ष 2025 की पहली तिमाही (अप्रैल-जून) में भारत के लिए कच्चे तेल का 9वां बड़ा स्रोत बन गया है, जहां से 62.6 करोड़ डॉलर का कच्चा तेल आया है। वित्त वर्ष 2024 के 12 महीनों

## वेनेजुएला से फिर होगा कच्चे तेल का आयात

वित्त वर्ष	राशि*
2019-20	602.94
2020-21	64.378
2021-22	0
2022-23	0
2023-24	80.247
2024-25**	62.6

\*करोड़ डॉलर में  
\*\* अप्रैल से जून के दौरान  
स्रोत: वाणिज्य मंत्रालय

में वेनेजुएला 16वां बड़ा स्रोत था, जिसने 80.2 करोड़ डॉलर का कच्चा तेल भेजा। मासिक आधार पर देखें तो लंबे अंतराल के बाद वहां से आयात दिसंबर 2023 में शुरू हुआ। मार्च 2024 में यह 38.3 करोड़ डॉलर के उच्च स्तर पर पहुंच गया।

सार्वजनिक क्षेत्र के तेलशोधक इस उम्मीद में हैं कि ओएनजीसी विदेश लिमिटेड (ओवीएल) को अमेरिकी विदेश विभाग विदेशी संपत्ति नियंत्रण कार्यालय (ओएफएसी) से छूट मिल जाएगी और उसे प्रतिबंधों से मुक्ति मिलेगी। ऐसा होने पर ओवीएल, अमेरिकी इकाइयों व डॉलर का उपयोग कर वेनेजुएला में काम कर सकेगी। सरकारी अन्वेषण और उत्पादन



कंपनी ओएनजीसी की विदेश इकाई का इस समय 60 करोड़ डॉलर का लाभांश स्थानीय संपत्तियों में फंसा हुआ है।

ओवीएल ने वेनेजुएला में सैन क्रिटोबाल फील्ड में 2008 में 40 प्रतिशत हिस्सेदारी ली थी, जिसमें शेष हिस्सेदारी वेनेजुएला की सरकारी कंपनी पीडीवीएसए होल्डिंग की है। एक उच्च पदस्थ सूत्र ने कहा, 'एक बार अगर ओवीएल को छूट मिल जाती है तो उससे सरकारी रिफाइनरों को कच्चा तेल मिलने लगेगा।'

### गंदा, लेकिन छूट पर

उन्होंने जोर दिया कि वेनेजुएला के कच्चे तेल, जिसे 'गंदा' या निम्न श्रेणी का कच्चा तेल माना जाता है,

के प्रति भारत की रुचि सीमित बनी हुई है। उन्होंने कहा, 'भारत की कुछ रिफाइनरी ही वेनेजुएला के अलग ग्रेड के तेल का प्रसंस्करण कर सकती हैं। यह आमतौर पर भारी और विस्कस होता है, जिसमें सल्फर की मात्रा अधिक होती है। अकेले यह बहुत कम इस्तेमाल होता है और ज्यादातर इसे मिलाकर ही प्रयोग करते हैं।'

उद्योग के एक सूत्र ने कहा कि सरकारी कंपनी आईओसीएल की ओडिशा स्थित पारादीप रिफाइनरी में इस तरह की सुविधा है और संभवतः उसे तेल के कुछ कार्गो मिले होंगे।

हालांकि भारत के रिफाइनर छूट मिलने के कारण वेनेजुएला का कच्चा तेल आजमाने के इच्छुक हैं। पिछले कुछ वर्षों के दौरान विदेशी मुद्रा हासिल करने की जरूरत को देखते हुए यह पर्याप्त रहा है। अगस्त 2024 में वेनेजुएला के तेल की कीमत औसतन 62.15 डॉलर प्रति बैरल थी, जो इसके पहले महीने के 67.61 डॉलर प्रति बैरल से कम है।

निकोलस माजुरो की समाजवादी सरकार की सत्ता में वापसी के बाद अमेरिका ने 2018 में वेनेजुएला के तेल क्षेत्र पर प्रतिबंध लगा दिया था। इन छूटों में अक्टूबर 2023 में ढील दी गई, लेकिन इस साल अप्रैल में फिर प्रतिबंध लगा दिया गया। बहरहाल अमेरिकी विदेश विभाग ने अमेरिका की कंपनियों को अपवादस्वरूप वेनेजुएला में कामकाज जारी रखने का प्रावधान कर रखा है।

# राज्य स्तर पर प्रोत्साहन, स्थानीय समर्थन से बायोगैस क्षेत्र को बढ़ावा मिलने की उम्मीद

एजेंसी ■ नई दिल्ली

बायोगैस क्षेत्र को बढ़ावा देने के लिए राज्य सरकारें अतिरिक्त वित्तीय सहायता, वित्त तक आसान पहुंच और स्थानीय समर्थन जैसे उपाय कर सकती हैं। भारतीय बायोगैस एसोसिएशन (आईबीए) ने यह सुझाव देते हुए कहा कि इससे राज्यों को विभिन्न तरीकों से 50,000 करोड़ रुपए बचाने में मदद मिल सकती है। आईबीए के चेयरमैन गौरव केडिया ने कहा, राज्य अतिरिक्त वित्तीय प्रोत्साहन, ऋण तक आसान पहुंच और स्थानीय समर्थन देकर इस क्षेत्र के लिए केंद्रीय पहल को बढ़ावा



दे सकते हैं। उन्होंने जोर देकर कहा कि ऊर्जा में आत्मनिर्भरता के बड़े लक्ष्य को हासिल करने के लिए राज्य सरकारों की भागीदारी महत्वपूर्ण है। उन्होंने कहा कि राज्य सरकारें बायोगैस क्षेत्र के जरिए 50,000 करोड़ रुपए तक की बचत कर सकती हैं। केडिया के मुताबिक, यह बचत अपशिष्ट प्रबंधन और प्रदूषण में कमी, बायोगैस

उत्पादन और लोगों के स्वास्थ्य में सुधार के रूप में हो सकती है। उन्होंने उत्तर प्रदेश सरकार का उदाहरण दिया, जो बायोगैस परियोजनाओं के लिए केंद्र सरकार की सब्सिडी के अलावा प्रति टन उत्पादन क्षमता के लिए 75 लाख रुपए (20 करोड़ रुपए तक) की अतिरिक्त राशि देती है। उन्होंने बताया कि इस तरह के प्रयासों से इस क्षेत्र के विकास में तेजी आ सकती है और बायोगैस प्रौद्योगिकी को व्यापक रूप से अपनाने को बढ़ावा मिल सकता है। उन्होंने सुझाव दिया कि राज्य बायोगैस संयंत्रों के आसपास बुनियादी ढांचे में सुधार करके इस क्षेत्र को और आगे बढ़ा सकते हैं।