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Haldia Petrochemicals plans \$10 bn O2C project in TN

S DINAKAR

New Delhi, 31 March

Kolkata-based Haldia Petrochemicals (HPL), a producer of polymers and chemicals, is making a \$10 billion bet on an oil-to-chemicals (O2C) project in Tamil Nadu. The project will convert crude oil directly into chemicals to meet the growing demand for polymers in the country, chief executive officer (CEO) Navanit Narayan said. On completion, the project will have a capacity to make 3.5 million tonnes of ethylene and propylene, used in shopping bags, car parts and water pipes, among others.

HPL's huge investment comes amid a strong demand for chemicals in India. It is also due to oversupply in the global petrochemicals business after China added record capacity last year.

The proposed investment in an O2C project in Cuddalore by the US-based The Chatterjee Group, parent of HPL, and HPL, comes amid spending of ₹4,000 crore in a downstream chemical project in Haldia to produce phenols and acetone, said Narayan, a Bachelor of Science in Mechanical Engineering from Birla Institute of Technology, Mesra. The 300 kilo tonnes per annum (KTPA) phenol and 185 KTPA acetone venture will be the largest in India and be ready by the first quarter of 2026. A final investment decision on Cuddalore will be taken by the end of the year after funding is secured, with 4-5 years needed for construction and commissioning.

"We are seeking investors for the Cuddalore project, a venture with a global scale, and are in talks with the central government for incentives," Narayan, who also has a Master of Science in Industrial Engineering & Management Sciences from Northwestern University, Illinois, said.

He expects participation from global and Indian majors in the project. Around 80 per cent of the crude will be directly converted into value-added

chemicals, and the rest will be turned into fuels like diesel. Narayan said HPL has not scrapped plans to invest ₹28,700 crore in Odisha for an integrated refinery-cum-petchem project, announced in 2019. The company is in talks with the state's government to acquire land.

The company operates a naphtha-based cracker in Haldia with a capacity equivalent to 700,000 tonnes per annum (TPA) of ethylene output. It also produces polyethylene, polypropylene, benzene and butane, among others, used to make plastics, glass and rubber. O2C projects are costly, said Swarnendu Bhushan, co-head of research at brokerage Prabhudas Lilladher, who did a report recently on O2Cs. China has the most advanced crude-to-chemicals project with 42 per cent of the oil turning into chemicals, he said.

HPL will use process technology from Lummus Technology for the proposed oil-to-chemicals plant. Lummus is a company it acquired with US private equity firm Rhone Capital in 2020 for \$2.72 billion from McDermott. It also acquired Nagarjuna Refineries' facility in Cuddalore as part of a bankruptcy sale, and is using the same land for its proposed chemical plant.

India's market for petrochemicals is growing at 8-9 per cent, said Narayan, with per capita consumption at 13-15 kg. This is still a fraction of the 75 kg in developed countries.

But competition has intensified with companies like GAIL and Petronet LNG planning chemical projects using natural gas and ethane as feedstocks.

This is because of lower costs and ample availability in the US. HPL uses naphtha as a feedstock. Energy Aspects analyst Amrita Sen said at a conference in Goa last month that there was an oversupply of petrochemicals globally because of the excess capacity created in China. Narayan said that huge capacity additions took place last year, flooding world markets, whereas demand remained subdued due to slower recovery in China. Sen was sceptical of the kind

of margins that oil companies plan to realise from new downstream chemical projects. Narayan emphasised on the role of the government, both state and Centre, to incentivise and protect large chemical projects in India.

Import taxes are important, Narayan said, to prevent dumping and cheap imports, and build a domestic chemicals manufacturing base.

India has a 7.5 per cent duty on polymer imports but the free-trade agreement with UAE enables duty-free shipments. India imports over half of the phenol it needs to cater to a 500 KTA market, he added. "We should have duty protection on polymers because if we allow free import without duty, then the local industry becomes stressed," Narayan said. He added, "We don't have local naphtha available to meet the industry demand."

The Middle East may turn out to be India's biggest competitor because it has big oil and gas resources, cheap and easily available, and transport costs to India's West Coast are low.

Middle East and North American suppliers have a big cost advantage, Narayan said.

Feedstocks like ethane, naphtha and propane are easily available in the US and Middle East region while Indian petrochemical manufacturers need to import them. Narayan emphasised the need to create chemical hubs in India to improve the economics of chemical projects and offer tax breaks for 5-7 years to make large chemical plants competitive. There are no expansion plans at Haldia as the East Coast location and the draught levels have limitations bringing in large vessels, said Narayan.



“ WE SHOULD HAVE DUTY PROTECTION ON POLYMERS BECAUSE IF WE ALLOW DUTY-FREE IMPORT, THEN LOCAL INDUSTRIES WILL BE STRESSED. WE DON'T HAVE LOCAL NAPHTHA AVAILABLE TO MEET INDUSTRY DEMAND ”

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केंद्र को 63 हजार करोड़ रुपये का लाभांश मिला

नई दिल्ली। केंद्र को सार्वजनिक उपक्रमों से चालू वित्त वर्ष 2023-24 में लगभग 63,000 करोड़ रुपये का लाभांश मिला है। यह संशोधित बजट अनुमान से 26 प्रतिशत अधिक है। कोल इंडिया, ओएनजीसी, पावरग्रिड, गेल के अच्छे लाभांश से कुल प्राप्ति बढ़ी है। एक फरवरी को पेश बजट में 2023-24 के लिए केंद्रीय उपक्रमों से 50,000 करोड़ की लाभांश प्राप्ति का संशोधित अनुमान रखा गया था।

सरकार को 26 प्रतिशत ज्यादा लाभांश मिला

नई दिल्ली, प्रेटर: केंद्र सरकार को अपनी कंपनियों से मिलने वाला लाभांश चालू वित्त वर्ष में 63 हजार करोड़ रुपये के आंकड़े को पार कर गया है। यह बजट अनुमान से 26 प्रतिशत अधिक है। कोल इंडिया, ओएनजीसी, पावरग्रिड और गेल जैसी कंपनियों ने चालू वित्त वर्ष में अच्छा लाभांश दिया है।

एक फरवरी को संसद में पेश किए बजट के संशोधित अनुमान में चालू वित्त वर्ष के लिए केंद्र सरकार की कंपनियों से मिलने वाली लाभांश प्राप्ति 50 हजार करोड़ रुपये आंकी गई थी। निवेश और सार्वजनिक संपत्ति प्रबंधन विभाग की वेबसाइट के अनुसार, 31 मार्च, 2024 को समाप्त होने वाले वित्त वर्ष 2023-24 में वास्तविक लाभांश संग्रह लगभग 26 प्रतिशत अधिक 62,929.27 करोड़ रुपये रहा है। वित्त वर्ष 2022-23 में सरकार को 59,952.84 करोड़ रुपये लाभांश के तौर पर मिले थे।



केंद्रीय उपक्रमों से लाभांश प्राप्ति अनुमान से ज्यादा

नई दिल्ली (भाषा)। केंद्र को सार्वजनिक उपक्रमों से चालू वित्त वर्ष 2023-24 में लगभग 63,000 करोड़ रुपये का लाभांश मिला है। यह संशोधित बजट अनुमान से 26 प्रतिशत अधिक है। कोल इंडिया, ओएनजीसी, पावरग्रिड और गेल जैसे केंद्रीय उपक्रमों के अच्छे लाभांश से कुल प्राप्ति बढ़ी है।

एक फरवरी को पेश बजट में 2023-24 के लिए केंद्रीय उपक्रमों से 50,000 करोड़ रुपये की लाभांश प्राप्ति का संशोधित अनुमान रखा गया था। दीपम की वेबसाइट पर उपलब्ध आंकड़ों के अनुसार 31 मार्च, 2024 को समाप्त हो रहे वित्त वर्ष में वास्तविक लाभांश प्राप्ति करीब 26 प्रतिशत बढ़कर 62,929.27 करोड़ रुपये रही।

Centre's dividend from CPSEs increases 26% to ₹63,000 cr

New Delhi, March 31: The Centre's dividend receipts from CPSEs have exceeded the revised budget estimate by 26 per cent to about ₹63,000 cr, with PSU behemoths like Coal India, ONGC, Powergrid and GAIL making handsome payouts in the current fiscal.

The revised estimates of the Budget pegged dividend receipts from CPSEs at ₹50,000 cr for the current fiscal.

The actual dividend collections were about 26 per cent higher at ₹62,929.27 crore in the 2023-24 fiscal, as per the department of investment and public



asset management (DIPAM) website.

In March, the government received hefty dividend tranches from ONGC (₹2,964 crore), Coal India (₹2,043 crore), Power Grid Corporation of India (₹2,149 cr), NMDC (₹1,024 crore), HAL (₹1,054 cr) and GAIL (₹1,863 crore).

In the last fiscal (2022-

23), dividend receipts stood at ₹59,952.84 crore.

Higher dividend is a reflection of the robust financial performance of CPSEs during 2023-24 fiscal. The payouts by CPSEs also benefit retail and institutional shareholders and will help generate interest in PSU shares.

The combined market capitalisation of CPSEs, banks and insurance companies has grown 500 per cent in the past three years from ₹15 lakh crore to ₹58 lakh crore.

Government's equity holding has risen 4 times to ₹38L-cr from ₹9.5L-cr in Jan. 2021. — PTI



Budget revised estimates had pegged dividend receipts from CPSEs at ₹50,000 crore for the current fiscal. MINT

Dividend receipts from CPSEs beat revised estimates

PTI
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NEW DELHI

The central government's dividend receipts from Central Public Sector Enterprises (CPSEs) have exceeded the revised budget estimate by 26% to about ₹63,000 crore, with public sector undertaking (PSU) behemoths such as Coal India Ltd, Oil and Natural Gas Corp. Ltd (ONGC), Power Grid Corporation of India Ltd and GAIL (India) Ltd making handsome payouts in FY24. The revised estimates of the budget presented in Parliament on 1 February pegged dividend receipts from CPSEs at ₹50,000 crore for the current fiscal.

The actual dividend collections have been about 26% higher at ₹62,929.27 crore in 2023-24, as per the Department of Investment and Public Asset Management (Dipam) website.

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will help generate interest in PSU shares.

As per Dipam's capital restructuring guidelines, CPSEs that do not have plans to deploy their capital optimally for business purposes

should have a professional look at the surplus funds available to them. The CPSEs sitting on cash piles are required to pay dividends, which will, in turn, help keep investors interested in the stock. The combined market capitalisation of CPSEs, banks and insurance companies has grown 500% in the past three years from ₹15 trillion to ₹58 trillion.

Also, the government's equity holding has risen 4 times to ₹38 trillion from ₹9.5 trillion in January 2021.

The combined m-cap of CPSEs, banks and insurance firms has grown 500% in the past three years

BIGGEST CHEQUE IN OIL & GAS SECTOR FOR FY24

ONGC Energises Govt Kitty with ₹7,224 cr Dividend

Increased fuel consumption, strong profits boost PSU's payout to Centre

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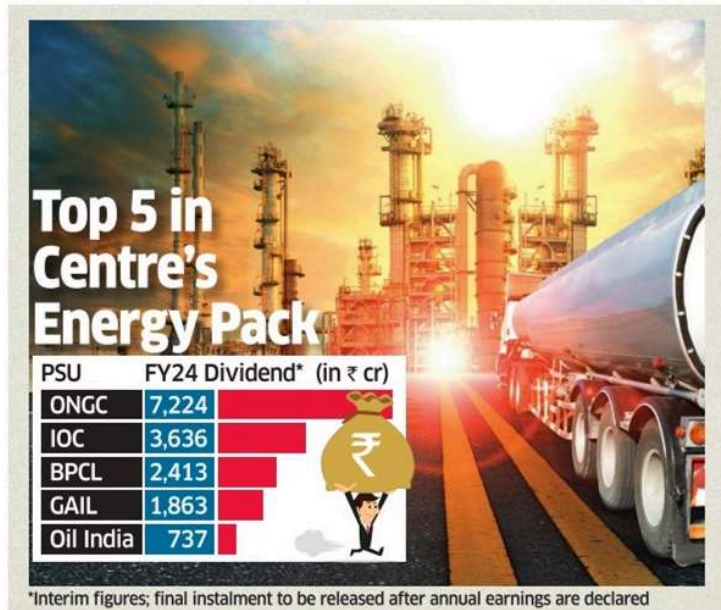
New Delhi: Oil and Natural Gas Corporation (ONGC) has paid a dividend of ₹7,224 crore to the Centre for the fiscal 2023-24, leading the pack of oil and gas companies, which form the biggest block of dividend payers to the Central government.

ONGC's dividend contribution to the state was almost double the ₹3,636 crore dividend by Indian Oil Corporation (IOC), nearly three times Bharat Petroleum Corporation's ₹2,413 crore, close to four times GAIL's ₹1,863 crore and about ten times Oil India's ₹737 crore.

These are interim dividends and a final instalment usually comes after the companies declare annual earnings.

Heavy payouts have been driven by strong profits during the financial year. High oil and gas prices aided producers' profits, while a domestic pump price freeze lifted refiners' earnings. Natural gas marketers also gained from increased consumption of fuel.

"ONGC maintains a healthy mix of dividend release and internal resource generation to get a good balance of present and future," ONGC chairman Arun Singh told ET, referring to the company's ability to meet current shareholder expectations



and fund future capital expenditure, which will rise on account of the transition.

ONGC spent ₹30,000 crore in the first 11 months of FY24, marginally exceeding its annual capex target. The oil and gas producer expects its capex to almost double towards the end of the decade.

INVESTOR SENTIMENT SHIFTS

Global oil and gas firms have used their extraordinarily high profits in the past two years to reward shareholders by paying heavy dividends or buying back shares. This has contributed to a shift in investor sentiment towards these companies which, before Covid-19, struggled in the stock market.

For the nine months till December 2023, ONGC posted a consolidated profit of ₹43,466 crore and

paid a dividend of ₹12,266 crore. The Centre holds 59% in ONGC.

IOC has paid a total dividend of ₹7,061 crore to shareholders after clocking a profit of ₹36,364 crore for the nine months. Coal India's dividend of ₹12,634 crore, including ₹7,976 crore to the government, exceeds ONGC's this year.

PAYOUTS FROM OTHER SECTORS

India's top power producer, NTPC, declared a dividend of ₹4,363 crore, including ₹2,230 crore to the government.

Power Grid Corporation has paid a dividend of ₹7,906 crore, including ₹4,059 crore to the government, while Hindustan Aeronautics Ltd has paid a dividend of ₹1,471 crore, with ₹1,054 crore going to the state. NMDC paid ₹1,685 crore in dividends, with ₹1,024 crore to the government.