

● PLANS TO SET 5-YEAR PERFORMANCE TARGETS FOR PSUs

Centre delays privatisation, may overhaul state-run firms

NIKUNJ OHRI & MANOJ KUMAR
New Delhi, July 12

THE GOVERNMENT PLANS to overhaul more than 200 state-run firms to make them more profitable, signalling a departure from Prime Minister Narendra Modi's aggressive privatisation programme that has struggled to take off, government sources said.

The programme to privatise a major portion of India's \$600 billion state sector announced in 2021, had slowed ahead of the general election and now faces more resistance after Modi lost his majority in Parliament.

Expected to be unveiled as part of the Budget on July 23, the new plans include selling large parcels of under-utilised land owned by these companies and monetisation of other assets, said two officials who are aware of the policy. Some aspects are yet to be fine-tuned, they added.

The aim is to raise \$24 billion in the current fiscal year and reinvest the funds in the companies, while setting five-year performance and production targets for each company, instead of short-term targets.

The officials declined to be identified as they were not authorised to speak on confidential deliberations.

The finance ministry did not respond to requests for comment.

In the interim Budget, the government did not provide any figures on stake sales for the first time in over a decade. "The government is shifting focus from indiscriminate asset sales to enhancing intrinsic value of state-owned companies," said one official.

Among other plans, the govern-

REVAMP ROAD MAP

■ Budget likely to unveil plans to sell large parcels of underutilised land owned by PSUs, monetisation of other assets

■ Succession planning in majority-owned companies, proposal to **train 230,000 managers across firms for senior roles**

\$24 bn target for funds to be raised this fiscal and reinvested in the companies



■ Training of managers, professional recruitment to boards, incentives for high performance from FY26

ment intends to introduce succession planning in majority-owned companies alongside a proposal to train 230,000 managers across firms to prepare them for senior roles, the officials said. At present, the government appoints the top executives in these companies.

The government is likely to implement a plan that includes training of managers, professional recruitment to company boards and incentives for high performance from FY26, with the expectation that increased autonomy would make companies more competitive.

The 2021 announcement to sell most state-run companies included two banks, one insurance company and firms in steel, energy and phar-

maceutical sectors besides closure of loss-making companies.

But India has been able to only complete the sale of Air India to the Tata Group, while rolling back plans to sell some others. Only a 3.5% stake in LIC has been sold besides shares in few other companies. Oil minister Hardeep Puri said last week a plan to sell Bharat Petroleum was no longer on the table as the com-

pany was making almost as much profit in a year as the price it was to be sold for.

Sunil Sinha, chief economist at India Ratings, said the sale of government companies, marred by allegations of "selling family silver" at a cheaper price, would be difficult to push after Modi's reduced majority in

Parliament. "This (privatisation) can actually snowball into a political slugfest...recouping it may become very difficult and they may have to pay a political price for it."

Despite hurdles in privatisation and stake sales, the overall market valuation of state-run firms has more than doubled in the past one year on hopes of reforms in the sector. The BSE PSU index has surged over 100% in the last one year, outperforming the benchmark BSE Index's 2.2% rise.

"We find the valuations of many PSU stocks to be quite bizarre, when compared with their fundamentals," Sanjeev Prasad of Kotak Institutional Equities said in a note. "Some of these companies will require extraordinary assumptions and a massive turnaround in operations (and financials) to justify their current m-caps."

But the government views the market's response as a mark of investor confidence, said a senior official at NMDC. Looking ahead, the government expects its reforms would translate into higher profits and, subsequently, increased returns for the state, the official said.

State firms were expected to pay substantially higher dividends to the government, compared to earlier estimates of ₹48,000 crore in FY25, said the second government source.

Analysts however said India risked missing the opportunity to cash in on these booming valuations. The government could raise about ₹11.5 trillion at current m-cap by selling minority stakes in state-owned companies, while maintaining 51% stake, CareEdge Ratings said in a note last week. — REUTERS

RUN-UP TO THE
BUDGET
2024-25



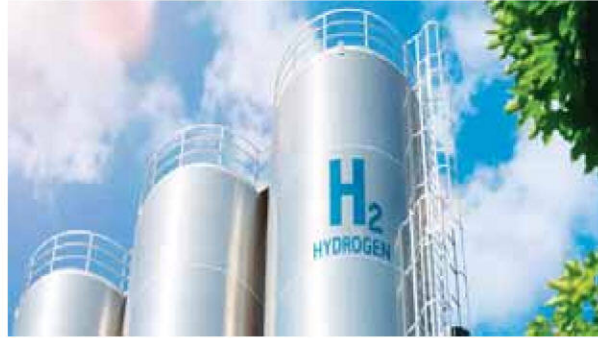
Essar Energy Transition setting up Europe's 1st hydrogen-ready power plant

PTI ■ NEW DELHI

Essar Energy Transition (EET) on Friday announced setting up of Europe's first hydrogen-ready combined heat and power plant (CHP) at its Stanlow refinery in Ellesmere Port in the UK. The building of the power plant is a key part of EET's overall USD 3 billion of energy transition initiatives in the North West of England.

The company aims to complete the project, EET Hydrogen Power in 2027, it said in a statement.

The investment will support EET Fuels' ambition to become the lowest carbon process refinery, globally and EET Hydrogen's ambition to



become the leading low carbon hydrogen producer in the UK. It will also provide low carbon power to other industrial users in the region to support their decarbonisation targets. EET Hydrogen Power will become an independent vertical under EET.

The project will be developed over two phases to reach a capacity of 125 MW and reducing 740,000 tonne of carbon dioxide per annum. The new plant will replace Stanlow's existing boiler units, which generate approximately 50MW of power for the refinery operations. The plant

is integral to the decarbonisation of operations at EET Fuels' Stanlow refinery, which plans to cut total emissions by 95 per cent by 2030, to become the world's lowest carbon refinery.

Tony Fountain, Managing Partner of Essar Energy Transition, commented: "Launching EET Hydrogen Power shows the progress that EET is making in delivering against its commitment to put the UK at the forefront of low carbon energy. EET Hydrogen Power helps bring this commitment to life and demonstrates our intention to globally showcase the pathway to decarbonising vital high emitting industries."

Essar to build Europe's first hydrogen-fuelled unit in UK

RAGHAVENDRA KAMATH
Mumbai, July 12

ESSAR ENERGY TRANSITION (EET) on Friday said it will build EET Hydrogen Power, Europe's first hydrogen-ready combined heat and power plant (CHP) at its Stanlow refinery in the UK in 2027.

EET Hydrogen Power will be developed over two phases to reach a capacity of 125 MW of power with 6,000 tonnes per day of steam, with the hydrogen replacing hydrocarbons delivering a reduction of 740,000 tonnes of carbon dioxide per annum, EET said.

The new plant will replace Stanlow's existing boiler units,



which currently generate nearly 50MW of power for the refinery operations. The plant is integral to the decarbonisation of operations at EET Fuels' Stanlow refinery, which plans to cut total emissions by 95% by 2030, to become the world's

lowest carbon refinery, it said.

The investment will support EET Fuels' ambition to become the lowest carbon process refinery, globally and EET Hydrogen's ambition to become the leading low carbon hydrogen producer in the UK. It will also provide low carbon power to other industrial users in the region to support their decarbonisation targets.

EET Hydrogen Power will become an independent vertical under EET, it said. The investment into building Europe's first hydrogen ready power plant is a key part of EET's overall \$3 billion of energy transition initiatives in the North West of England, it said.





'India's green hydrogen policy inspires confidence'

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MUMBAI

The Indian government's policy interventions to foster a domestic ecosystem for green hydrogen and low-carbon energy have inspired confidence, a World Bank official said, prompting the financial institution to extend a second \$1.5 billion development loan within a year, in a significant endorsement of India's green energy initiatives.

Last month, the World Bank provided a \$1.5 billion loan to

India to support the development of a green hydrogen market and other related goals. This follows an identical loan granted in June 2023.

The loan was sanctioned following government measures like subsidies for manufacturing electrolyzers and green hydrogen, which have been pivotal in shaping the country's energy landscape, said Surbhi Goyal, senior energy specialist, World Bank.

"We saw a lot of actions were taken by the government, especially on-demand generation for green hydrogen, which gave us a lot of con-

fidence," Goyal told *Mint*. "Even other policy actions were quite aggressive"

These loans are part of the World Bank's development policy financing scheme, focusing on three pillars: Promoting green hydrogen, scaling up renewable energy for green hydrogen production, and enhancing financial access for these projects.

The government's strategic policy interventions include

tenders by the Solar Energy Corp of India (SECI) to establish electrolyzer and green hydrogen manufacturing in

The World Bank has extended a second \$1.5 billion loan in an endorsement of India's green energy initiatives

India. Another significant move is the introduction of the Carbon Credit Trading Scheme (CCTS), expected to ignite a domestic carbon credit market and

enhance financial access for low-carbon energy projects.

Defining green hydrogen for policy purposes in August

2023 was another crucial step. "That also gave a lot of clarity on what India would accept as green hydrogen," Goyal noted.

Government policies aimed at generating demand for green ammonia and green hydrogen have also boosted investor confidence.

Last month, SECI invited bids for supplying 539,000 million tonnes of green ammonia per annum for the fertilizer industry. Similarly, state-owned oil marketing companies are working on tenders to establish green hydrogen units at their refineries.

आरआईएल पर बढ़ा दबाव!

अमृता पिल्लै
मुंबई, 12 जुलाई

तेल से लेकर दूरसंचार क्षेत्र में सक्रिय रहने वाली दिग्गज कंपनी रिलायंस इंडस्ट्रीज (आरआईएल) की कुल कमाई वित्त वर्ष 2025 की पहली तिमाई

में क्रमिक रूप से कमजोर हो सकती है। विश्लेषकों का कहना है कि कंपनी सालाना आधार पर मामूली वृद्धि दर्ज कर सकती है। इसके अलावा रिफाइनिंग मार्जिन में कमी से अन्य कारोबारों से होने वाले मुनाफे में भी कमी आने की उम्मीद है। आरआईएल 19 जुलाई को वित्त वर्ष 2025 की पहली तिमाही में अपने वित्तीय प्रदर्शन की रिपोर्ट पेश करने वाली है। ब्लूमबर्ग पोल में 11 विश्लेषकों ने 2.30 लाख करोड़ रुपये के राजस्व का अनुमान लगाया है और 9 विश्लेषकों ने 16,634 करोड़ रुपये के समायोजित शुद्ध आय का अनुमान लगाया है। नुवामा के विश्लेषकों ने कंपनी से जुड़े अपने नोट में कहा है, 'हम ओ2सी को छोड़कर सभी क्षेत्रों में मजबूत प्रदर्शन के आधार पर आरआईएल के कुल एबिटा में सालाना आधार पर 4 प्रतिशत की वृद्धि का अनुमान लगाते हैं।' एबिटा ब्याज, कर, मूल्यहास से पहले होने वाली कमाई है।

कोटक सिक्वोरिटीज के एक विश्लेषक ने भी इसी तरह



के विचार रखे। उन्होंने कहा, 'हम यह उम्मीद करते हैं कि आरआईएल के कुल एबिटा में क्रमिक आधार पर 8 प्रतिशत की गिरावट होगी और यह कमजोर ओ2सी प्रदर्शन और डिजिटल सेवाओं तथा संगठित खुदरा क्षेत्र में सुस्त वृद्धि के चलते होगा।'

ओ2सी आरआईएल के तेल एवं रसायन कारोबार को दर्शाता है। उन्होंने कहा, 'हम उम्मीद करते हैं कि कमजोर रिफाइनिंग और पेट्रोकेम के कारण ओ2सी एबिटा में सालाना आधार पर 11 प्रतिशत की गिरावट की उम्मीद कर रहे हैं।' सेंट्रम के विश्लेषकों ने भी कहा, 'बेहतर क्षमता उपयोग, बेहतर पेट्रोकेम कीमतों और मार्जिन के बावजूद कच्चे तेल को रिफाइन करने के कुल मार्जिन (जीआरएम) में क्रमिक रूप से सुधार के चलते रिलायंस के ओ2सी सेगमेंट के प्रदर्शन पर असर पड़ने की संभावना है।'

येस सिक्वोरिटीज के विश्लेषकों ने प्रमुख प्रदर्शन के मापदंडों के संदर्भ में कहा कि वे 10.5 डॉलर प्रति बैरल की जीआरएम, 183 रुपये पर प्रति यूनिट दूरसंचार औसत राजस्व (एआरपीयू) और खुदरा राजस्व में सालाना 14 प्रतिशत की वृद्धि की उम्मीद करते हैं।

आरआईएल के दूरसंचार विभाग, रिलायंस जियो ने इस महीने से लागू होने वाली टैरिफ बढ़ोतरी की है।



स्वच्छता पखवाड़ा में छात्रों को दिलाई गई स्वच्छता की शपथ

नई दिल्ली (एसएनबी)। पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय भारत सरकार के संयुक्त तत्वावधान में हिंदुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड द्वारा शुक्रवार को कादीपुर स्थित राजकीय उच्चतर माध्यमिक बाल विद्यालय में स्वच्छता पखवाड़े का आयोजन किया गया। इस अवसर पर अखिलेश कुमार उप महाप्रबंधक (दिल्ली एलपीजी क्षेत्रीय कार्यालय) ने बच्चों को स्वच्छता और अपने आसपास के एरिया को साफ रखने की शपथ दिलवाई। साथ ही उनको यह बताया गया कि इस स्वच्छता पखवाड़े का उद्देश्य यह है कि हम अपने आपको, अपने मोहल्ले, समाज, शहर व कार्यस्थल के साथ-साथ देश को स्वच्छ भारत, स्वस्थ भारत के साथ समृद्ध भारत बनाने में अपना ज्यादा से ज्यादा योगदान दे। अपने आसपास, समाज और शहर के लोगों को इसके प्रति जागरूक कर हर वर्ष 100 घंटे यानी सप्ताह में 2 घंटे श्रमदान कर 100 व्यक्तियों को स्वच्छता के प्रति जागरूक करें। इस अवसर पर हिंदुस्तान कॉर्पोरेशन की ओर से स्कूल के बच्चों के लिए वाटर कूलर भेंट किया, साथ ही बच्चों को स्वच्छता किट का वितरण किया।