FINANCIAL EXPRESS, Delhi, 25.7.2024
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FM's green energy proposals fall short, plan for key reforms put in abeyance

ARUNIMA BHARADWAJ
New Delhi, July 24

THE PROPOSALS IN Budget 2024-25 for the renewable energy (RE) sector may help in promoting energy storage capacity and expediting capacity creation but falls short of outlining a few crucial reforms required for the country's power sector, industry players say.

Analysts had expected incremental focus on corporate RE procurement, more effective implementation of green open access regime, and virtual PPAs (power purchase agreements) to be incentivised through some mechanism.

"The industry was expecting budgetary provisions including classifying RE as a part of 'Priority Sector lending' and helping make available project finance at very competitive rates for RE projects," said S K Gupta, CFO at AMPIN Energy Transition.

Gupta said that rationalisation of indirect tax-GST rates on turbines and modules should be revised to 5% each against existing 12% and there should be exemption of ALMM for Corporate & Industrial projects.

Manoj Sinha, CEO and Co-founder, Husk Power Systems noted that the Budget missed out on spelling out the use of Artificial intelligence enabled Virtual Power Plant to systematically integrate decentralised energy resources and with the centralised grid.

Industry players are now of the view that even though the thrust has been provided, successful implementation of the outlined objectives will remain crucial.

"Climate adaptation funding is the right way to look at financing renewable energy programmes," Sinha said. "I am hoping to see more clarity on this action and subsequently policies supporting climate adaptation projects."

The government has announced encouraging private partnerships in setting up Bharat Small Nuclear Reactors (including R&D funding), promoting use of nuclear energy which accounts for approx 3% of electricity generation.

"While this move is indeed welcome and aligns with the strategies of several other global economies, it remains to be seen how quickly this will result in tangible outcomes," said Ashwin Jacob, Partner & Industry Leader, Energy, Deloitte India.

Girishkumar Kadam, senior vice president & Group Head - Corporate Ratings, Icra also highlighted that measures on green energy continue to reinforce the commitment towards achieving energy transition in the long run but timely implementation of policy measures remains key.

"Renewable being a continuously growing industry, providing clean energy at competitive rates, we request the government to reconsider extending concessional tax rates for new projects for a further period of 2 years," Gupta said. All said and done, the government, this Budget, has made sure of an increased capital outlay to the renewable energy ministry in its attempt to expedite scaling up of RE capacity and realising energy transition goals.

The government has allocated ₹19,100 crore to the Ministry of New and Renewable Energy in FY25, registering an increase from ₹10,222 crore in the Budget estimates of FY24 which was later revised to ₹7,848 crore. The allocation to the Ministry of Power, however, has decreased this fiscal to ₹20,502 crore for FY25, down from ₹20,671 crore for FY24.

ECONOMIC TIMES, Delhi, 25.7.2024
Page No. 5, Size:(20.99)cms X (8.84)cms.

In Final Stage of Identifying IDBI Bidders: Pandey

CALIBRATED STRATEGY DIPAM secretary says govt won't work with a 'big-bang target' for disinvestment

Banikinkar Pattanayak

New Delhi: Authorities are at an "advanced stage" of wrapping up the process to identify "fit and proper" buyers for a majority stake in IDBI Bank and the strategic sale of the state-run lender is expected to be concluded this fiscal, Tuhin Kanta Pandey, secretary, Department of Investment and Public Asset Management (DIPAM), said on Tuesday.

In a post-budget interview to **ET**, Pandey said the government will follow a "calibrated disinvestment strategy" without any specific "big-bang target" and ensure state-run firms, whether they are disinvestment candidates or not, continue to create value for themselves.

The government, which owns a 45.48% stake in IDBI Bank, is looking to divest 30.48%. State-run Life Insurance Corporation of India, another shareholder of the bank with 49.24%, plans to sell 30.24%.

At Wednesday's share price on the BSE, the sale of 30.48% stake in IDBI Bank could fetch the government over ₹31,700 crore.

DIPAM had last year declared that the IDBI Bank strategic sale has drawn interests from multiple players but didn't name them.

Once the potential bidders are declared fit and proper by the Reserve Bank of India, they will be allowed to enter the virtual data room for exclusive details about the state-run lender to start their due diligence. The share purchase agreement and related issues will also have to be sorted out before the government invites the financial bids from the bidders.

AMRENDRA JHA

"All these things take a considerable amount of time but we hope to conclude the transaction this fiscal," said Pandey.

VALUE CREATION APPROACH

He said the government has, in recent years, sought greater accountability from state-run firms—the way a majority shareholder would demand from a company. This has contributed to the spike in their profitability and stock market performance, he said.

> OF LATE, THE GOVT HAS SOUGHT GREATER ACCOUNTABILITY FROM PSUs, LEADING TO SPIKE IN THEIR PROFITABILITY

There will be greater focus on the growth strategy of central public sector enterprises (CPSEs). "Their performance is being watched more carefully, in terms of profitability, return on capital, completion of projects, capex planning, regular dividend, etc.," he said.

Another decision is that wherever buybacks are possible, the CPSEs can explore it, he said.

Buyback is essentially the repurchase by a company of its shares from the existing shareholders that reduces the number of its shares in the open market.

For CPSEs, buyback is a tool for the government to disinvest its stake and to make proper utilisation of idle cash left with them.

In a rare move, the interim budget for FY25 clubbed the disinvestment and asset monetisation targets, instead of declaring them separately.

HINDUSTAN TIMES, Delhi, 25.7.2024
Page No. 19, Size:(8.70)cms X (14.54)cms.

Indian Oil expands initiative for a better society

Uplifting the lives of prison inmates and juveniles, Shrikant Madhav Vaidya, Chairman, of Indian Oil launched Phase VIII of Indian Oil's 'Parivartan - Prison to Pride' and Phase V of 'Nayi Disha - Smile for Juvenile.' In this phase, Indian Oil will touch the lives of over 1000 individuals across 22 prisons and juvenile homes. With this roll-out, Indian Oil is set to transform the lives of over 7300 inmates and juveniles across 150 institutions, including 15 female juvenile centres, offering sports coaching and equipment across 23 States and 6 Union Territories.

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'Not for high dividends ... If we suck profits out, PSUs will not be able to invest'

AFTER CONSISTENTLY missing divestment targets, the government is now doubling down on a shift in its disinvestment policy. According to **TUHIN KANTA PANDEY,** Secretary, Department of Investment and Public Asset Management (DIPAM), the shift is reflective of the realisation that public asset management need not be overly dependent on strategic disinvestment, and requires a broader and more holistic approach that is decoupled from fiscal management. In an interaction with AGGAM WALIA and SUKALP SHARMA, Pandey talks about the change in strategy, the government's push to make public sector undertakings (PSUs) more competitive, efficient, and market oriented, and more. Edited Excerpts:

File

THE EXPRESS INTERVIEW WITH TUHIN KANTA PANDEY

SECRETARY, DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT

There seems to be a clear move away from strategic disinvestment towards a broader public asset management strategy. Is it going to be the way forward in the medium to long term? And could you give us an insight into what went behind this shift?

It is important to look at public asset management differently from fiscal management... For 10-15 years, I would say there was a broad understanding between the pink press, economists and maybe even the government that you are bringing the fiscal deficit down, and for that you must disinvest ... you let the capital (in PSUs) go. But the markets do not look at it that way ... and most of these (PSUs) are market players ... investors expect the promoter to also manage these companies in a similar way as any commercial business enterprise. This means that boards have to be really bothered about shareholders' interests ... If minority shareholders start feeling that the companies care for their interest, they will care for the company's stocks also... So I think there was a bit of disconnect when we had a focussed disinvestment strategy.

There was also a time horizon issue. If you are selling a certain number of shares, you are letting go of future dividends. It is like if you are disposing of your property, you are making one-time capital gains, but you are also foregoing future rental income ... So, you are not really counting the opportunity costs—future rentals, or in our case, future dividends ... We have also realised that there has to be an alignment of interests of the minority shareholders with those of the majority shareholders (government).

Talking of PSU dividends, there is a feeling in some quarters that perhaps PSUs are being forced to pay high dividends, because of which they are not able to invest in raising their capacities as much as they should.

It (high dividends) is no longer the case. We are not asking them to maximise dividends. If we suck the profit out, the PSUs will not be able to put some of their earnings into their projects, which means that growth will not come ... then as an investor, your share price will not grow because gains come only from profitable growth.

They (PSUs) can take exemptions also, and many times they have said that they will not be able to give it ... A consistent dividend policy is much better than a maximum dividend policy ... There is a certain amount of deliberation they must do. Investors also need some certainty. There are certain investors ... pension funds and others, who are interested in stable returns and high dividend yield companies. In between our dividend yield used to be very high because the share prices were very low. That is not the case anymore.

So, is the era of the government pushing for large strategic disinvestment transactions over, or will privatisation go hand in hand with a more calibrated approach to stake dilution in PSUs and asset monetisation?

In the overall approach we are presently following, we want to be a lot more calibrated. I don't think there is a lot of focus currently on big deals and big-ticket privatisations.

We are now following a holistic public management strategy where disinvestment is based on opportunities and calibration, and I would also say a gradual process, not very sharp (offloading of shares)... Because stocks is a sensitive game, where you have complex supply and demand dynamics ...We don't want to create overhangs ... It could affect share prices for many months.

DIPAM is making efforts to help PSUs with image building and perception management. What is the specific problem that you see on that front?

The market talks about something called public sector discounts. They look at whether the PSU managements are completely in alignment with the interests of the companies and shareholders or whether they have multiple objectives to serve, other than the commercial objectives. Even in private companies, there are multiple objectives ... but there is an element of constraint within the public sector managements due to certain rules just because they are government-owned ... Perception is always important in the market ... As we are trying to make the managements conscious about minority shareholders and markets, we are also trying to align their interests along these lines ... for instance, they should have communication skills for effectively handling and addressing analyst calls and talking to the market ... in that context, we had taken an initiative jointly with the Capacity Building Commission for senior PSU executives and we will continue (with such initiatives).

Would it be correct to say that the government wants PSUs to be as conscious of the markets and as competitive as their private sector peers?

Sure, that is the objective. I think this approach will lead to a lot of value creation.

Given DIPAM's thrust to make PSUs more market-oriented, is there any plan to have more direct intervention or coordination between DIPAM and the PSUs?

We don't want a very intrusive approach because they are listed companies that have independent boards and independent directors. From our side, it is basically a nudge and we believe in giving a soft nudge ... Also, we are doing a lot of capacity building of officers in the administrative ministries who are dealing with the companies, like nominee directors so that they can meaningfully contribute to the decision-making process at the board level ... I think with this kind of capacity building and the right alignment between (annual performance) MoUs and performance-based systems is leading to a lot of good work.

FULL INTERVIEW ON www.indianexpress.com

ECONOMIC TIMES, Delhi, 25.7.2024
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Oil Cos Profitable, ₹15kcr Equity Infusion Plan Dropped

Indian Oil, Bharat Petroleum and Hindustan Petroleum have reported combined net profit of ₹80,986 crore in FY24

Our Bureau

New Delhi: The government dropped its plan to infuse ₹15,000 crore equity in Indian Oil, Bharat Petroleum and Hindustan Petroleum, as the state-run oil marketing companies have turned profitable and do not require external support.

The government did not allocate capital for infusion in state oil companies in the budget on Tuesday, effectively scrapping the proposal in the February interim budget to invest ₹15,000 crore this fiscal year.

It had allocated ₹30,000 crore in last year's budget for capital infusion in oil companies, which could have helped them pursue green projects. The government, however, didn't make the investment last year and the proposed amount was cut by half and pushed to this fiscal year in the interim budget.

"Oil marketing companies are cash-rich and largely self-sufficient," said Gaurav Moda, India energy leader at EY. "They are expected to contribute significantly to the government's national capex spend plan, particularly towards an atmanirbhar and greener economy."

BUDGET 2024 DECODED

Indian Oil, Bharat Petroleum and Hindustan Petroleum have reported a combined net profit of Rs 80,986 crore in 2023-24 compared with Rs 1,138 crore in the previous fiscal year.

From the very beginning, oil companies were not excited about receiving equity from the government as they could easily borrow for green projects from the market at competitive rates, multiple industry executives had previously told ET. These companies, instead, wanted the government to compensate them for the losses incurred by selling petrol and diesel at below market rates in 2022 when the global prices had skyrocketed. The government, however, didn't want to compensate them for losses on fuels that are officially deregulated.

In the budget, the government allocated Rs 332 crore for 'Mission Anveshan' or research in the petroleum sector, and another Rs 388 crore for appraisal of areas in India's extended continental shelf. The allocation for appraisal of continental shelf would help the country's bid to acquire more data on exploration potential. An industry executive, however, said the amount was not too significant given the enormous expenses involved in such tasks.

Shares of Indian Oil, BPCL and HPCL ended 1.4%, 0.8% and 0.1% lower on the BSE Tuesday where the benchmark Sensex closed nearly flat.

Fund Facts

Proposal in the Feb interim budget on capital infusion in state oil cos scrapped	₹30,000 cr allocated in last year's budget for infusion

BUT GOVT DIDN'T MAKE INVESTMENT LAST YEAR, & PROPOSED AMOUNT WAS CUT BY HALF

BUSINESS STANDARD, Delhi, 25.7.2024
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Oiling wheels of change

Discounted sales from Russia are reported to have reduced India's annual oil import bill from $157 billion to $132 billion last year. Our trade deficit and inflationary pressures will, however, persist as global oil prices are expected to remain elevated. Being projected as the world's largest source of incremental oil imports in the years ahead thus seems a dubious distinction.

Data for financial year 2023-24 showed yet another decline in domestic crude oil production to 29 million tonnes (mt), or about 600,000 barrels per day (bpd), while imports at 232 mt stayed at 87 per cent of total requirements. This dismal scenario — a 4 per cent decline per year since 2018 — is set to continue, according to the International Energy Agency. In its February 2024 report (Indian Oil Market—Outlook to 2030), the IEA projected that India's oil production may fall to 540,000 bpd in 2030, while oil demand would rise to 6.6 million bpd "with major implications for India's security of supply". Dependence on foreign supplies would then be well over 90 per cent! It would be even higher, if not for India's praiseworthy schemes to promote electric vehicles, biofuels, and other alternatives.

RANJAN MATHAI

Change may, however, be on the horizon with the Minister for Petroleum and Natural Gas (MoPNG), Hardeep Puri, recently announcing the formation of a Joint Working Group to promote ease of doing business in exploration & production (E&P). This group includes both private and public sector companies active in E&P operations, as well as the MoPNG and the Directorate-General of Hydrocarbons.

Mr Puri noted that eight rounds of open acreage licensing and production bids have led to 240,000 sq km of area being awarded for E&P. He wants this raised to 10,00,000 sq km. Regulatory reforms for this objective include simplifying 37 approvals to 18, with nine eligible for self-certification. With ₹7,500 crore committed to generating new seismic data, Mr Puri noted that geo-scientific data is available for the Kerala-Konkan, Mumbai and Mahanadi offshore basins and the Andamans. S&P Global, in its Commodity Insights report of July 12, said these and other Category II/III basins hold estimated potential for 22 billion barrels of oil. Exploration ventures have already been successful on the Indonesian side of the Andaman Sea, and the East African offshore, where Tanzania is set to join Mozambique as a significant gas producer.

If the welcome prioritisation of domestic oil production leads to change on-and below- the ground, it could initiate a shift in the perspective of international oil companies as well as India's private players, both of whom have responded anaemically to reforms so far. Getting a grip over unpredictable, and often predatory tax administration (or what US Ambassador Eric Michael Garcetti once diplomatically described as "opaque corporate tax practices") would also help. Bitter experience in the past led to oil majors with deepwater expertise fleeing India's shores, and now turning unlikely prospects like Namibia, Senegal, Cote d' Ivoire, Cyprus etc, into serious oil and gas producers.

Oil industry lead times — from exploratory success to additional production— will take us to 2030 at least in case of any new finds. A more rapid increase in production, crucial for security amid potential crises in our turbulent times, can only flow out of productive mature fields like-Mumbai High, Assam and Rajasthan. Industry veterans are confident much more oil can be extracted through intensive exploration and enhanced oil recovery techniques — all of which are capital-intensive. The finance ministry should therefore axe the windfall tax on domestic producers, which leaves them no margin for reinvestments.

What China is doing for energy security bears scrutiny. China is the world's largest importer of oil (11 million bpd), mostly shipped in through vulnerable maritime routes with multiple chokepoints. After years of building substantial strategic reserves, investing in oil fields abroad, and diversifying suppliers, state-owned oil companies now prioritise domestic production. China is the world's dominant producer and investor in solar and wind energy and leads in new build of nuclear power plants. However, it follows a realistic "all of the above" approach to extract energy from every possible source to fuel its giant economy. Maintaining domestic oil output at the 4 million bpd (mbpd) level has been deemed necessary by China's leaders to power not only manufacturing activities, but also for defence and security.

Chinese oil production peaked at 4.3 mbpd in 2014 when imports were at 6 mbpd. As its mature legacy fields began to decline, by 2018 its production fell below 3.8mbpd, even as imports surged to almost 10mbpd — accounting for over 70 per cent of total requirement. At that juncture tensions with the US and sanctions on Iranian oil compounded its serious concerns over energy security. China's leaders then launched a Seven-Year Exploration and Production Increase Action Plan. Massive, and productive, investments (estimated last year at $80 billion) have led to prolonging the life of mature fields, increasing offshore E&P, tapping shale oil and gas resources, and developing coal-to-liquids plants. Production has gone up by 2 per cent per year, and in 2023 China produced 4.2 mbpd and reduced external dependence by a few percentage points. In six years, China has increased production by almost half a million bpd — close to our total output.

New offshore fields are being developed from Hainan in the south to Bohai Bay in the north. Ultra-deep reserves are also being explored onshore using what President Xi Jinping describes as "new productive forces". It has been reported that in Xinjiang's Tarim Basin, a joint venture of PetroChina and Sinopec with seven other state-owned groups is building an industry chain for ultra-deep exploration and development. Drilling to 10,000 metres below the surface, they are unlocking new reserves and, in the process, kickstarting new industrial investment cycles in underdeveloped regions. Something to be studied out there.

The writer is a former diplomat

MILLENNIUM POST, Delhi, 25.7.2024
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Petronet Q1 net profit jumps 40% on higher gas volumes

NEW DELHI: Petronet LNG Ltd, India's largest liquefied natural gas importer, on Wednesday reported a 40 per cent jump in its first quarter net profit as peak summer season demand led to increased imports.

Consolidated net profit of Rs 1,100.76 crore in April-June - first quarter of current fiscal - compared with Rs 787.73 crore earning in the same period a year back, according to a stock exchange filing by the company.

Revenue from operations rose 15 per cent to Rs 13,415.13 crore.

On a media call, Petronet managing director & CEO Akshay Kumar Singh said the company processed the highest-ever quarterly volume of 262 trillion British thermal unit in April-June, 14 per cent higher than the year-ago period and 12 per cent more than 234 TBTUs processed in the preceding quarter.

"This year due to the very harsh summer, demand for gas from the power sector soared. The power sector consumed 20 million standard cubic meters per day as against 4-5 mmscmd in off-peak season," he said.

Petronet's mainstay Dahej import facility in Gujarat saw capacity utilisation soar to 109 per cent in the quarter, as against 97 per cent in the preceding quarter and 96 per cent in the year-ago period.

Singh said Dahej processed the highest-ever gas of 248 TBTU as against 217 TBTUS a year back and 219 TBTU in the January-March period.

The Dahej facility recorded the highest-ever single-day sendout of 3.15 TBTU, equivalent to one full shipload of 1,38,000 cubic meters capacity, he said. MPOST

MINT, Delhi, 25.7.2024
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Petronet LNG Q1 net profit rises 40%

State-run Petronet LNG on Wednesday reported a nearly 40% increase in its consolidated net profit for the first quarter (April-June) of FY25 at ₹1,100.76 crore, meeting analyst estimates. The company reported a net profit of ₹787.73 crore during the same period in the last fiscal. Petronet reported a total income of ₹13,592.84 crore for the quarter under review, with a 15.2% increase on a year-on-year basis.

"During the current quarter ended 30 June, 2024, Dahej terminal processed highest ever 248 TBTU (trillion British thermal unit) of LNG as against 219 TBTU during the previous quarter ended 31 March, 2024 and 217 TBTU during the corresponding quarter ended 30 June, 2023, witnessing growth of 13% and 14%, respectively," said a company statement.

Addressing the media, the company's MD and CEO Akshay Kumar Singh said that it expects to complete the extension of the Dahej terminal by the end of this fiscal.

RITURAJ BARUAH

FREE PRESS JOURNAL, Mumbai, 25.7.2024
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Petronet LNG Q1 PAT jumps 40% on higher gas volumes

PTI
MUMBAI

Petronet LNG Ltd, India's largest liquefied natural gas importer, on Wednesday reported a 40 per cent jump in its first quarter net profit as peak summer season demand led to increased imports.

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Revenue from operations rose 15 per cent to Rs 13,415.13 crore. On a media call, Petronet managing director & CEO Akshay Kumar Singh said the company processed the highest-ever

quarterly volume of 262 trillion British thermal unit in April-June, 14 per cent higher than the year-ago period and 12 per cent more than 234 TBTUs processed in the preceding quarter.

"This year due to the very harsh summer, demand for gas from the power sector soared. The power sector consumed 20 million standard cubic meters per day as against 4-5 mmscmd in off-peak season," he said.

Petronet's mainstay Dahej import facility in Gujarat saw capacity utilisation soar to 109 per cent in the quarter, as against 97 per cent in the preceding quarter and 96 per cent in the year-ago period.

Singh said Dahej processed the highest-ever gas of 248 TBTU as against 217 TBTUS a year back and 219 TBTU in the January-March period.

The Dahej facility recorded the highest-ever single-day sendout of 3.15 TBTU, equivalent to one full shipload of 1,38,000 cubic meters capacity, he said. The company was able to achieve higher throughput and robust financial results owing to stable LNG prices, better capacity utilisation of its terminals and efficiency in its operations, he said, adding that import LNG averaged USD 11.5-12 per million British thermal unit.

BUSINESS STANDARD, Delhi, 25.7.2024
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Petronet profit soars 40% on higher gas volumes

India's largest liquified natural gas (LNG) importer Petronet LNG on Wednesday registered a 39.7 per cent year-on-year rise in consolidated profit at ₹1,100 crore for the first quarter of this financial year (Q1FY25), up from ₹787.73 crore in Q1FY24. On a sequential basis, profit was 49.9 per cent higher than the ₹734.07 crore registered in the preceding quarter.

The latest growth was owing to efficiency in operations, higher capacity utilisation of Petronet's LNG terminal at Gujarat's Dahej, and stable LNG prices. Its revenue from operations for the quarter came in at ₹13,415.1 crore, 15 per cent lower than the ₹11,656 crore registered in Q1FY24, the company said in its filing to exchanges.

BS REPORTER

Privatization not on hold but not a priority: DIPAM secy

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NEW DELHI

DIPAM Secretary Tuhin Kanta Pandey. MINT

Privatization of central public sector enterprises has not been put on hold, but is not a priority under the government's calibrated approach to disinvestment, said Tuhin Kanta Pandey, secretary of the department of investment and public asset management (DIPAM).

He said that the focus will be on 'value creation' from disinvestment, dividends and returns for shareholders.

"I would not say that it is on hold but it is not, as such, a priority. The outright focus now is on value creation," Pandey told *Mint* in an exclusive post-budget interaction in response to a question on whether the government had put asset sales on hold while taking the approach of not setting disinvestment targets.

In order to ensure value creation, PSUs performance systems would have to be aligned with interests of shareholders, which in turn will help the government earn dividends, and instead of a time-bound asset monetization or disinvestment, a calibrated approach will be adopted.

"Our point is that we should align the interests of minority shareholders into our thinking which is key to value creation. This means looking at company fundamentals, their performances, growth including capex, and consistent dividend policy which optimises dividend extraction rather than maximising it, so that it can be invested back into the company's growth," he said, noting that the performance indicators for PSUs had been recalibrated two years ago which were now showing results.

The government has moved away from setting annual targets for disinvestment in the Union budget from this year. In the FY25 budget, the government has kept proceeds from disinvestment and asset monetization at ₹50,000 crore but under the 'miscellaneous capital receipts' category. This is shift from earlier budgets where disinvestment targets were clearly defined.

The government expects to identify the winning bidder in IDBI Bank stake sale process within this financial year, even though the final sale may take a little longer, he said.

"We're aiming that selection of the winning bidder should happen this financial year, but there can be some processes that happen even after that, which can take a little time," he said. He also added that the Reserve Bank of India (RBI) was yet to give a final report on the 'fit and proper' scrutiny of the interested bidders. The process of due diligence will begin only after the RBI report, and will include opening of the virtual data room. Financial bids will be invited after that.

Pandey said focus will be on 'value creation' from disinvestment, dividends and returns for shareholders

The government and Life Insurance Corporation of India are jointly selling nearly 61% stake in IDBI Bank, the process for which was started in 2022.

Despite being the single largest shareholder in private entity Vodafone Idea, the government is unlikely to sell its stake in the beleaguered telecom services provider anytime soon, and will consider it at an opportune time, he said.

"The government is not in the business of investing in private companies, it was a relief package (through which government bought shares in Vodafone Idea). But we're not going to wind up in a day, (selling) it is part of the calibrated approach and our value creation strategy is irrespective of the entity," he said, noting that the directions to PSUs to beef up performance would hold true for the telco as well, even though they have not been explicitly stated by the government.

The government holds a 23.15% stake in debt-laden Vodafone Idea. The stake was acquired when the telecom firm converted dues that it owed to the government into equity.

Pandey said that the carrier was performing better after it raised equity from promoters as well as ₹18,000 crore through an FPO and was now raising debt from banks.

Pandey cited Sebi rules while declining to respond to a question on whether the government intends to further pare stake in LIC of India, that was listed in 2021.

BUSINESS STANDARD, Delhi, 25.7.2024
Page No. 2, Size:(18.08)cms X (12.38)cms.

Reliance gets US nod to import oil from Venezuela

Reliance Industries has received approval from the United States to resume importing oil from Venezuela despite Washington's sanctions, a source said on Wednesday. The US in April re-imposed sanctions on Venezuela's oil sector in response to President Nicolas Maduro's failure to meet his election commitments, but said some firms would be authorised to trade and operate in Venezuela. Before US oil sanctions were first imposed on Venezuela in 2019, Reliance was the second-largest individual buyer of Venezuelan crude after China's CNPC. **REUTERS**

MINT, Delhi, 25.7.2024
Page No. 11, Size:(10.42)cms X (8.65)cms.

RIL gets US nod for Venezuelan oil

Reliance accounted for about 90% of crude imports from Venezuela last year. BLOOMBERG

Reliance Industries Ltd (RIL) has secured US approval to resume importing oil from Venezuela despite White House sanctions on the country, according to people familiar with the development.

India's largest privately owned refiner plans to start purchasing Venezuelan crude soon, said the people, who asked not to be named as the information is not public. Reliance accounted for around 90% of India's crude imports from Venezuela after the sanctions were lifted last year, according to data intelligence firm Kpler.

The US Treasury declined to comment, and Reliance did not reply to email seeking comment.

Washington temporarily removed restrictions on the South American nation's gold and oil sectors last year, when President Nicolas Maduro and the opposition signed a deal to guarantee free and fair elections.

The sanctions were then reinstated in April after Venezuela failed to honor the agreement, and oil companies have been applying for permits from the US Treasury Department to keep doing business there. BLOOMBERG

RIL gets US nod to resume oil imports from Venezuela

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FINANCIAL EXPRESS, Delhi, 25.7.2024
Page No. 1, Size:(18.59)cms X (22.05)cms.

'Stake sales pared, govt more an investor now'

With seemingly less appetite for privatisation in the current political environment, department of investment and public asset management (Dipam) secretary **Tuhin Kanta Pandey** *told* **Prasanta Sahu** *that the approach towards capital management is now holistic to create value for all shareholders and not rush through disinvestments. The strategic sale of IDBI Bank is expected to go through in the current financial year, Pandey added. Excerpts.*

TUHIN KANTA PANDEY, DIPAM SECY

Has the government lowered its ambitions on disinvestment?

I would say, yes. There is a change in strategy in a way, the time horizon is a little more flexible in the way you look at value creation and monetisation. We have to keep concentrating on value creation.

Dividend continues to be important to us. Dividend should be in sync with how an investor looks at it.

So, the government as an investor and minority shareholders as investors, we are trying to align. We want companies to be profitable, push capex which is fruitful and push management for the growth of the companies.

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Stake sales pared, govt more an investor now, says Dipam secy

If we are maximising only dividends or maximising disinvestment, I think we are going farther from the normal investors' behaviour.

So, the government is acting more in a way like a normal investor?

Instead of being driven by the fiscal, we have to change time horizon of monetisation. We don't have to it aggressively. We can do it gradually like an investor in a calibrated manner. We should create value and liquidity in stocks. Why should I race to bring down the government stake to the 51% level and why not 60% level, why not 65%? Companies are investing in projects, which will acruue value in months ahead. Why sell in a hurry? So, the timing has to be right.

Any change in strategy to improve the performance of PSUs?

That is where we have to concentrate a lot. Recently, a committee has also been formed by the department of public enterprises to relook the memorandum of understanding (MoU) parameters on the performance of PSUs. Some tweaking was done earlier by adding certain market-oriented parameters. So, it is not merely sales turnover, top line and bottom line. Sectoral comparison with their private sector peers is also important. We have to incentivise or encourage our people to look at these companies as managing public assets with a certain level of public responsibility. Because of this new approach in public asset management, the market is appreciating it.

Will IDBI Bank strategic sale happen in FY25?

We are expecting a communication from RBI (on fit and proper assessment of shortlisted bidders). I believe we will get it soon. Then, we move on to the due-diligence stage and the share purchase agreement has to be negotiated. There's a fair amount of stuff to be done. We hope to get the financial bids and complete the transaction this year.

Will shifting of buyback tax to the receivers of proceeds affect PSU buybacks?

No. Earlier, companies had to pay tax at the buyback stage. Now, the buyback receipts will be taxed as per the maximum marginal rate of the shareholders who tender shares except the government (in the case of PSUs). Buyback tax (20%) was lower than the maximum marginal rate of receivers (which could be as high as 39%). In a sense, it is more equitable. The companies will save on taxes in buyback transactions now, which they can use to increase the size of buybacks.

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'We need a graded approach to include petro products under GST'

CBIC chairman **Sanjay Kumar Agarwal** says protection of industry by raising duties is not permanent. He also discusses GST rate rationalisation. Excerpts from an interview with **Sidhartha & Surojit Gupta**

FM has spoken about fewer customs slabs, if you could use that word. Can you help us understand how it will be structured?

■ We routinely undertake an exercise of the conditional notification. And within two years, we have to take that exercise, and in case we find that exemption need not be continued, we allow that exemption to lapse. In certain cases, this condition is waived, depending on the type of exemption that has been given. The idea is that we want to reduce the number of customs duty rates. In this Budget also, we are seeking to give impetus to domestic manufacturing and, in certain cases, we want to strengthen the supply chains, and help its diversification. We wanted to give certain duty concessions to industries which are in exports. And in some cases where there is an onslaught of cheap imports, such cases have been considered... and likewise where there is duty inversion, those cases also have been addressed. So, if I give a specific example, that in the case of critical minerals 25 in numbers, there is no mining of such minerals in India and the entire demand is met from imports. So, there were varying rates of duty 2.5% or 7.5%, where the exemption has been provided so that these minerals are imported and processed in the country. And for further use in various sectors, maybe it can be electronics, telecommunication or in renewable energy devices or in defence of the space sector.

There has been criticism about India raising import duties in the last few years but what you said suggests that several of these increases are probably temporary to get manufacturing to India and, once the ecosystem is there, a review of the duty is possible. Is that a fair assessment?

■ Precisely that is the objective. If we retain the high level of protection, industry becomes uncompetitive, and in future industry has to remain competitive in international markets, because although we have a huge domestic demand, but we will have to be an export-led economy and that will be possible only if industry is very competitive. First, we will have to ensure that industry takes strong roots in the country and then slowly we have to reduce duty so they remain competitive, they don't become complacent, and then only they can compete with others in the world market.

> If we retain the high level of protection, industry becomes uncompetitive, and in future industry has to remain competitive in the international markets

So protection is not permanent?

■ Consumer interest is paramount, protection is not permanent. But initially some kind of protection is required so that industry can be established in the country.

How much did the menace of gold smuggling impact in reducing duty or was it due to the fact that the domestic gems and jewellery industry was getting affected due to high tariffs?

■ It is both because the gems and jewellery sector was persistently asking for reduction in duty on gold because that is the basic raw material. And yes, if the rate of duty is high on gold, the margin between the price differential, price arbitrage is again huge, huge between the international market and domestic market.

The Budget talks about rationalisation of GST rates and inclusion of more products, which we think is a reference to petroleum products. What is your view on this issue of rationalisation? Is it time to include petroleum?

■ Now seven years have passed, it has now stabilised and that is reflected in the growth of revenue from GST. Now, the time has come that we look into simplification of the rate structure. There may be a need for rationalisation of rates and bringing down the number of rates, number of slabs. You talked about petroleum items, there are five petroleum items which are outside GST. These are crude oil, natural gas, petrol, diesel and ATF. Petrol and diesel are fuels for automotive purposes but crude oil is a feedstock for further manufacturing. Natural gas is also used by industry, along with its use in CNG and as a cooking fuel. We can see that there can be two categories of these items: Crude is not used by end consumers and it goes into industrial use. It has to be gradual but not in one gap. There can be a graded approach which is possible.

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सीएनजी स्टेशनों और मेट्रो की पार्किंग में प्रदूषण जांच केंद्र खोलने की तैयारी

हि अच्छी खबर

- दिल्ली परिवहन विभाग ने आईजीएल और मेट्रो प्रबंधन को पत्र भेजा
- सुप्रीम कोर्ट के आदेशों का हवाला देते हुए कदम उठाने के लिए कहा

"पीयूसी केंद्रों की संख्या बढ़ाकर जांच आसान बनाना चाह रहे हैं। हमें डीएमआरसी और आईजीएल का पूरा सहयोग मिल रहा है।
–कैलाश गहलोत, परिवहन मंत्री

नई दिल्ली, वरिष्ठ संवाददाता। प्रदूषण जांच केंद्र संचालकों की हड़ताल से हो रही परेशानियों से वाहन चालकों को राहत मिल सकती है। दिल्ली सरकार अब सीएनजी फिलिंग स्टेशनों और मेट्रो के पार्किंग स्टैंड परिसर में प्रदूषण जांच केंद्र खोलने की तैयारी कर रही है।

इसके लिए परिवहन विभाग ने इंद्रप्रस्थ गैस लिमिटेड और दिल्ली मेट्रो रेल कॉरपोरेशन के प्रबंध निदेशकों को पत्र भेजा है। आईजीएल को भेजे गए पत्र में उन्होंने पूर्व में सुप्रीम कोर्ट की ओर से जारी किए गए आदेश का हवाला भी दिया है। परिवहन विभाग के वरिष्ठ अधिकारी की ओर से भेजे गए पत्र में कहा गया है कि दिल्ली में वाहनों की संख्या तेजी से बढ़ रही है। दिल्ली इकॉनोमिक सर्वे 2022-23 के अनुसार दिल्ली में वाहनों की संख्या 8 मिलियन को पार कर चुकी है। वाहनों की इन बढ़ती संख्या के साथ-साथ दिल्ली में प्रदूषण को मानकों पर सीमित रखने और वायु की गुणवत्ता बढ़ाने के लिए प्रदूषण जांच केंद्रों की संख्या भी बढ़ाए जाने की जरूरत है।

परिवहन विभाग की ओर से भेजे गए पत्र में वर्ष 2017 में सुप्रीम कोर्ट की ओर से राज्य सरकार को दी गई उस आदेश का भी हवाला दिया है जिसमें सभी राज्य में प्रत्येक फिलिंग स्टेशन पर प्रदूषण जांच केंद्र खोलने को कहा गया है। इस आदेश को आधार बनाकर अब दिल्ली का परिवहन विभाग राज्य के प्रत्येक फिलिंग स्टेशन पर प्रदूषण जांच केंद्र खोलने की तैयारी कर रहा है। उन्होंने आईजीएल के प्रबंध निदेशक को कहा है कि सीएनजी फिलिंग स्टेशन संचालकों को निर्देश दिए जाएं कि वह प्रदूषण जांच केंद्र खोलने की प्रक्रिया को पूरा करने के लिए आवेदन करें और जल्द ही इनकी स्थापना करें। दूसरी ओर, उन्होंने मेट्रो स्टेशनों के आसपास चलाई जा रही वाहन पार्किंग परिसर में प्रदूषण जांच केंद्र खोले जाने का प्रस्ताव डीएमआरसी को भेजा है। इन पार्किंग स्टैंड में रोजाना हजारों वाहन खड़े किए जाते हैं। इनकी प्रदूषण जांच इन्हीं पार्किंग स्थलों पर की जा सकती है।