BUSINESS LINE, Delhi, 7.1.2025
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To source CBG for vehicles, Suzuki Motor to acquire 26% in NDDB's bio-gas venture

Avinash Nair
Ahmedabad

Suzuki Motor Corporation has decided to acquire 26 per cent in NDDB Mirda Ltd — a bio-gas venture of the National Dairy Development Board (NDDB) — as part of its plans to use compressed bio-gas (CBG) for its vehicles.

The deal also allows Suzuki to gradually raise equity in NDDB Mirda to 49 per cent.

BEST SOLUTIONS

"Suzuki got interested in our bio-gas plants because they want to focus on sustainability of vehicles through CBG and compressed natural gas (CNG). They believe that both CBG and CNG are the best solution for environment-friendly vehicles. They conducted some tests and found that the compressed bio-gas produced from (cow or cattle) dung is much better than bio-gas from other sources for the longevity of vehicles and engine performance. This was an in-house study," Meenesh Shah, Chairman, NDDB, told *businessline* at the Board's headquarters at Anand.

"As of now, Suzuki will invest to acquire 26 per cent equity in NDDB Mirda Ltd and the rest will remain with NDDB. This equity transaction will be at par. We have thought of ₹300 crore equity capital. However, we will begin with an initial investment of ₹34 crore, wherein Suzuki will invest ₹8.84 crore, while the remaining ₹25.16 crore will be invested by NDDB. This will be increased gradually as per requirements," he said.

Suzuki had earlier sought 49 per cent equity in NDDB Mirda Ltd but the Centre allowed the company to take 26 per cent.

"Initially, Suzuki approached NDDB and we involved Banas Dairy and an MoU was signed so that work could be done by us together in this domain quickly.

"Suzuki wanted to tap NDDB's rural network for setting up multiple CBG production centres in the villages of Gujarat where Maruti Suzuki Eeco vehicles ply in large numbers."

"Initially, to support the CBG plant developed by Banas Dairy, four units were proposed to be built by Suzuki through its CSR initiative. The model was that NDDB will set up the CBG plants, Banas Dairy will operate the plants and Suzuki will provide all the funding. Going forward, both Banas and Suzuki will share the profits," Shah said.

DUNG-BASED PLANTS

Per the MoU inked between Banas Dairy, Suzuki and NDDB in September 2023, four dung-based CBG plants were to be set up at Dhanera, Vadgam, Diyodhar, Deesa and Tharad in Gujarat's Banaskantha district. Currently, work is on at the four CBG plants.

"After Banas Dairy, among milk producers unions in Gujarat, Sabar Dairy, Dudhsagar Dairy and Panchmahal Dairy want to set up CBG plants. We have convinced Suzuki to provide CSR funds for them," the NDDB Chairman said.

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Page No. 5, Size:(7.25)cms X (21.77)cms.

CPSEs' CSR surge

CSR funds are going towards social development

P Saravanan
A Paul Williams

Corporate Social Responsibility (CSR) has become a cornerstone of responsible business practices, and central public sector enterprises (CPSEs) are increasingly stepping up to the plate. Recent data reveal a surge in CSR spending by CPSEs, marking a four-year high in FY24. According to the latest Public Enterprises Survey, CPSEs collectively spent a remarkable ₹4,911 crore on CSR activities in FY24, a significant 19 per cent increase from the previous year. Notably, the top 10 CPSEs accounted for a substantial 56.72 per cent of the total CSR expenditure.

CPSEs allocate their CSR funds to a diverse range of initiatives that encompass poverty alleviation to fostering skill development, promoting rural development, and enhancing financial inclusion. Healthcare and sanitation are also key areas of focus, particularly in underserved communities.

Education and skill development hold paramount importance, with programmes designed to promote quality education and provide vocational training to enhance employability and empower individuals. Environmental sustainability is a core concern, with projects aimed at protecting the environment, promoting renewable energy sources, and mitigating the impact of climate change. Furthermore, initiatives focused on empowering women and supporting economically disadvantaged sections of society play a crucial role in achieving social equity.

By addressing critical issues such as poverty, healthcare, and education, CPSEs contribute to building a more equitable and inclusive society. CSR spending stimulated economic activity and generate employment opportunities.

For instance, projects focusing on rural development and infrastructure development create jobs and revitalise local economies. By investing in environmental protection and promoting renewable energy, CPSEs contribute to sustainable development and mitigate the impact of climate change. CSR activities enhance the reputation of CPSEs and build trust among stakeholders, attracting customers, investors, and employees. Finally, CSR initiatives demonstrate the commitment of CPSEs to ethical and responsible business practices, promoting transparency, accountability, and social responsiveness.

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LOOKING AHEAD

Moving forward, prioritisation and focus are paramount, requiring CPSEs to identify and prioritise areas where their CSR efforts have the greatest impact. This may involve conducting thorough need assessments and collaborating closely with local communities to understand their specific needs and priorities. Robust monitoring and evaluation systems are essential to track the progress and impact of CSR initiatives.

This data can be used to refine programmes, identify areas for improvement, and demonstrate accountability to stakeholders. Innovation and collaboration can significantly amplify the impact of CSR initiatives. CPSEs can leverage innovation and technology to enhance the effectiveness of their programmes and collaborate with NGOs, academic institutions, and other stakeholders to leverage diverse expertise and resources.

Investing in capacity building within CPSEs is crucial to ensure that they have the necessary skills and knowledge to effectively implement and manage CSR programmes. By embracing these considerations, CPSEs can transform CSR to a strategic imperative that drives sustainable development and contributes to a more equitable and inclusive society. The journey towards a more socially responsible future for CPSEs is ongoing, and by embracing these principles, they can continue to play a vital role in shaping a better tomorrow for India.

Saravanan is a professor of finance and accounting at IIM Tiruchirappalli, and Williams is the Head of India at Sernova Financial. Views are personal

BUSINESS LINE, Delhi, 7.1.2025
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CNG vehicle registrations up 14% in CY24

Aroosa Ahmed
Mumbai

Aided by government spending on natural gas infrastructure, compressed natural gas vehicles saw an uptick in sales in CY24. A 14.46 per cent year-on-year increase was witnessed in the registration of CNG vehicles.

According to Vahan, which registers vehicles across the country, 4,82,291 CNG vehicles were registered in 2024 compared to 4,21,334 in 2023. "CNG options have been launched across trims in popular vehicles thereby providing an impetus to sales. CNG, which was about 8 per cent of total sales in FY22, has more than doubled in the current fiscal," Hemal Thakkar, Senior Practice Leader & Director-Consulting, Crisil Market Intelligence and Analytics, told *businessline*.

MORE INFRA

The uptick in sales of CNG vehicles will drive additional infrastructure for natural gas availability across the country. Automaker Tata Motors CNG passenger vehicle composition stood at 21 per cent in H1FY25. Further, Bajaj Auto sold over 38,000 vehicle units of India's first CNG bike in CY24.

Auto car technology company *CarDekho* stated that CNG vehicles experienced a 17 per cent y-o-y traffic growth, with CNG's retail market share rising from 17 per cent to 21 per cent, overtaking diesel between April 23-October 23 and April 24-October 24.

BUSINESS STANDARD, Delhi, 7.1.2025
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Adani, Thailand firm form JV for new petrochem biz

Adani Enterprises on Monday said its wholly-owned subsidiary Adani Petrochemicals has completed the incorporation process of a joint venture company named Valor Petrochemicals Limited (VPL) on January 4. The newly incorporated company is a 50-50 joint venture with Indorama Resources Limited, Thailand. The new JV, Adani Enterprises said, is incorporated with the objective to set refinery, petrochemical, and chemicals business. **BS REPORTER**

FINANCIAL EXPRESS, Delhi, 7.1.2025
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Investments by central agencies & CPSEs decline 10% in Apr-Nov

PRASANTA SAHU
New Delhi, January 6

INVESTMENTS BY CENTRAL government agencies and central public sector enterprises (CPSEs) fell 10% on year to ₹4.41 lakh crore in April-November of the current financial year as the railways and the National Highways Authority of India (NHAI) were yet to regain the capex pace after election-induced slowdown.

Investments by the railways and NHAI are largely funded through the Budget. Both entities accounted for 55% of the CPSEs' capex target for FY25. The slowdown in their capex has also affected the Centre's capex, which fell 12% in April-November. In April-November 2024, the Railway Board's capex fell by over 12.5% to ₹1.49 lakh crore while NHAI investments dropped by 9.7% to ₹1.04 lakh crore.

Sources said the railways and NHAI are accelerating their pace of capex in the remainder of the year to make up for the shortfalls and meet their respective targets of ₹2.6 lakh crore and ₹1.68 lakh crore.

CAPEX SLOWDOWN

CPSEs and other agencies, with annual capex targets of ₹100 crore and above, have set a combined target of investing ₹7.8 lakh crore for FY25. The slowdown in public capex — Centre, states and CPSEs — so far in the current financial year has been largely due to the impact of the general elections and extended rains.

Fuel retailer-cum-refiner Indian Oil Corporation, which is investing heavily in expanding refining capacity and energy transition, achieved a capex of ₹27,274 crore in the first eight months of FY25, up 5% on-year. The country's top state-run explorer Oil and Natural Gas Corporation's investment rose 16% on year to ₹23,646 crore in April-November. NTPC's investments rose 53% on year to ₹20,206 crore.

States' capital expenditures likely fell by nearly 7% on year in April-November, while their borrowings dipped by 4%.

ECONOMIC TIMES, Delhi, 7.1.2025
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IOC's Green H2 Tender Expects Better Response

Norms tweaked after pushing deadline twice for 10k-tonne capacity at Panipat refinery

Kalpana Pathak

Mumbai: State-run Indian Oil Corporation (IOC) is expecting to receive more than half a dozen bids to build a green hydrogen plant at its Panipat refinery in Haryana, according to sources aware of the development.

IOC is seeking bids for a facility with a capacity of 10,000 tonnes per year of green hydrogen at the Panipat refinery on a build, own operate (BOO) basis. The refiner had to cancel two previous tenders as there was little interest from the industry.

The latest tender that was floated on September 11, 2024 had sought bids by November 11, but the deadline was pushed twice to January 6 on the request of the participating companies.

Linde, GH4India, AM Green, Jakson Green, ACME, NTPC Green and US-based Matheson Tri-Gas are expected to have put in bids, said the sources.

These companies and IOC did not respond to ET's queries.

In the first two attempts, industry players had accused IOC of skewing the tender in favour of GH4India, an equal joint venture among IOC, renewable energy company ReNew and engineering major Larsen & Toubro.

The latest bid saw IOC introduce a new technical qualification criteria wherein, to be eligible, bidders should have won the right to set up electrolyzer manufacturing and/or green hydrogen production capacity under Mode-1 of the Strategic Interventions for Green Hydrogen Transition Programme from the ministry of new and renewable energy.

The bidder should have also executed, on a BOO or BOOT (build, own, operate and transfer) basis, a refinery, petchem or fertiliser facility with a commercial hydrogen production facility in the last 15 years. This facility should have been in continuous commercial operation for at least one year. In the previous scrapped tender, this was 12 years.

This time IOC has also opened the green hydrogen project to players in the SIGHT scheme which could bring in some experienced entities, the sources said.

The lead bidder is also required to meet at least 48% of the financial qualification criteria, and up to three other consortium members should meet at least 15%. One of the consortia members should also be registered in India.

No minimum capacity has been prescribed in the tender for the refinery, petchem or fertiliser facility.

IOC has also tweaked the commercial criteria. "Bidder should have completed a minimum combined capital investment (capex of the plant exclusive of opex cost) or executed purchase orders in the form of EPC of ₹1,277 crore including GST/taxes or $151 million including taxes for new plant(s) in refinery or petrochemical or fertiliser or power sector during last 15 years." In the previous tender, this value was $129 million in 12 years.

Interested bidders should also have operating and maintenance experience of at least six continuous months during the past 15 years in a processing unit with hydrogen handling facilities.

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ISPRL Plans Oil Reserve in MP

Bina proposed as potential site; Engineers India to conduct feasibility study

Sanjeev Choudhary

New Delhi: State-owned Indian Strategic Petroleum Reserves (ISPRL) is weighing building a new strategic reserve in Madhya Pradesh to serve refineries in the northern part of the country during supply emergencies.

ISPRL has mandated Engineers India (EIL) to conduct a "pre-feasibility study" for a strategic crude oil reserve at Bina in MP.

"The location is strategic. It can serve inland refineries in case of a supply emergency. All other strategic petroleum reserves (SPRs) are close to the coast," an official aware of the plans told ET. EIL's study is likely to be completed in 3-4 months, the official said.

India's operational SPRs are currently located at Visakhapatnam in Andhra Pradesh, and Mangaluru and Padur in Karnataka, with a combined capacity of 5.3 million tonnes. The second phase of SPRs totalling 6.5 mt is planned at Karnataka's Padur and Odisha's Chandikhol, which, when built, will again be best suited for refineries closer to the coast.

SPRs are crucial to India's strategy of managing smooth crude supplies to refineries during emergencies at a time when domestic consumption of petroleum products is rapidly rising. India's strategic reserves are currently limited, making capacity expansion vital for meeting emergency needs. SPRs in the US and China are manifold larger than those in India.

Nearly a fifth of India's refining capacity, including the soon-to-be ready refinery of Hindustan Petroleum Corporation (HPCL) at Barmer, Rajasthan, is in central, north or northeast India, away from the coast.

An emergency crude stockpile at Bina can supply to Bharat Petroleum Corporation's Bina refinery as well as Indian Oil's and HPCL's refineries in neighbouring states.

ISPRL has also started a "feasibility study" for building about 5 mt of SPR at Bikaner, which would make it the country's first salt cavern reserve, the official said. Currently, all the operational SPRs are rock caverns.

ISPRL is also evaluating the feasibility of setting up a natural gas reserve in the same area, the official said, adding the study is expected to be completed in 3-4 months.

ISPRL is planning to further expand SPRs in Mangaluru. It has prepared a "detailed feasibility report" and acquired land from Mangalore Special Economic Zone (MSEZL) for building another 1.5 mmt capacity storage facility near the operational SPR in the area, the official said.

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TOTAL SALES ACROSS 10 SECTORS TOUCH ₹15,569 CR

Oil & Gas, Financials Lead FPI Outflows in H2 of Dec

In and Out of Favour

(₹ crore)

Sector	Dec 16-31	Dec 1-15	Nov, 2024	Jan-Nov
Net Outflows				
Oil, Gas & Consumable Fuels	-5,489	-5,337	-13,346	-45,514
Financial Services	-4,338	7,424	2,505	-61,366
Automobiles & Components	-2,548	-1,823	-7,464	-12,325
Power	-1,310	-552	-797	-5,946
FMCG	-1,134	-1,655	-1,405	-17,402
Net Inflows				
Information Technology	2,296	6,754	5,516	5,864
Healthcare	1,850	1,917	480	24,589
Services	1,211	553	-3,722	8,847
Textiles	751	138	412	1,788
Consumer Services	505	2,715	-158	17,513

Source: **NSDL**

Ruchita Sonawane

Mumbai: Overseas investors sold Indian equities worth ₹15,569 crore across 10 sectors between December 16 and 30. The oil & gas sector witnessed the highest outflows worth ₹5,489 crore, after foreign investors sold ₹5,337 crore in the first half of the month.

Between January and November, foreign investors offloaded shares worth ₹45,514 crore.

"While the FPI selling has been across sectors, oil & gas is likely to have witnessed outflows as Reliance, which is a major stock in the sector, has been an underperformer in the last few months," said Siddharth Bhamre, head of institutional research at Asit C Mehta Intermediates.

Bhamre said that oil marketing companies such as HPCL and BPCL are witnessing profit booking after gains, and stocks such as Indraprastha Gas and Mahanagar Gas are under pressure as they are not expected to get subsidised gas anymore.

Slowing economic activity mainly in China has put a lid on oil prices with Brent crude futures at $76.78 a barrel, down 5.4% in the past three months.

Overseas investors have traditionally had relatively large exposure to oil & gas stocks because of their prospects and liquidity, said UR Bhat, cofounder at Alphaniti. "But, the uncertainty over oil prices is heightened due to the escalation of the conflict in the Middle East, which could have led them to reduce exposure to the sector," Bhat said.

Financial services saw a shift in sentiment as overseas investors pulled out ₹4,338 crore in the second half of the month after they purchased over ₹7,000 crore in the first half.

"Since overseas investors have major holdings in the financial services sector, their flows move in tandem with how the market moves," said Bhamre. "If the market does well or is stable as it was in the first half of December, then they deploy funds in this sector and vice versa."

In the last 15 days of 2024, global investors dumped shares worth ₹2,548 crore in the automobile sector and sold over ₹1,000 crore in power and fast-moving consumer goods (FMCG) sectors each.

Continued on ▸▸ Smart Investing

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FPI Outflows

▸▸ From ETMarkets Page 1

"The sentiment towards auto companies may shift as they have been resilient, but FMCG companies' commentary so far has been subdued," said Bhat. Bhamre said that while December auto sales were strong, it might be a one-off occurrence given the huge discounts and inventory clearing that may not sustain in subsequent sales. "FMCG is expected not to correct a lot going forward even if markets correct as rural demand is likely to be supportive," said Bhamre. "Additionally, it could also be a defensive play for foreign investors."

FPIs infused funds worth ₹8,249 crore across 13 sectors in the last 15 days of December.

Foreign buying was the highest in the IT sector, where foreign investors bought shares worth ₹2,296 crore. They had bought shares worth ₹6,754 crore in the first half of the month and from the period between January to November, they purchased shares worth ₹5,864 crore. "In a scenario where the dollar is strengthening and US economy is robust, the IT sector becomes a hedge for investors, which could explain the foreign inflows in December," said Bhamre. Healthcare and services sectors witnessed foreign buying worth ₹1,850 crore and ₹1,211 crore, respectively.

Adani Group Partners with Indorama for Petchem Foray

Our Bureau

Mumbai: Adani Group has partnered with Thailand's Indorama Resources to foray into refinery, petrochemical and chemical business. Adani Enterprises Limited's subsidiary Adani Petrochemicals Ltd and Indorama have formed a joint venture with equal shareholding, the company said in a regulatory filing on Monday.

Adani Enterprises Ltd, "has completed the incorporation process of a joint venture company namely Valor Petrochemicals Ltd (VPL)... with Indorama Resources Ltd, Thailand," AEL said in the filing. The company further added, "VPL is incorporated with the object to set Refinery, Petrochemical and Chemical business."

To start with the JV is looking to set up a 3.2 million ton Purified Terephthalic Acid (PTA) project in Maharashtra, according to sources close to the development. It will then look at both upstream and downstream integration. The current planned investment plan would be in the range of around $3 billion.

The JV may in the future also look at a project in Mundra, sources added.

Indorama Ventures Public Company Limited, based in Thailand, one of the largest petrochemical producers globally operating through three segments: Combined PET, Indovinya, and Fibers.

AEL the flagship company of the group has been an incubator for different business. It currently houses businesses including airports, data center, defense and aerospace, solar manufacturing under it.

It had last week announced its decisions to exit its 25-year-old joint venture with Wilmar International in a deal worth around $2 billion. It had then said that the The funds will be used by AEL for its core infrastructure platforms such as energy, utilities, transport and logistics.

Adani Petrochemical was incorporated in 2021 as a fully owned subsidiary of Adani Enterprises. It had also started work on setting up a 2 MMT PVC capacity in a phased manner of which 1 MMT will be ready by around next year, sources added.