



ONGC News as on 01 July 2024 (Print)

Small-scale, cost-effective LNG holds big promise

Richa Mishra
Hyderabad

Slowly but steadily, gas is emerging as the favoured fuel in India – with public sector entities setting up small-scale liquefied natural gas (SSLNG) units, the transition is expected to be easier.

Earlier this year, GAIL (India) announced one such project; more recently, public sector giants ONGC and IndianOil have joined forces to set up a unit. This technology essentially aims to connect isolated sources and consumers who are yet to be connected to the natural gas pipeline network. Besides, it is cost effective.

In March, GAIL said it was setting up India's first SSLNG unit at its Vijapur LPG plant in Madhya Pradesh. In June, ONGC and IndianOil entered into a strategic partnership to establish an LNG plant near ONGC's Hatta gas field. The



'non-binding MoU' for a technology demonstration of a SSLNG plant at Hatta, Madhya Pradesh, if successful, may see a repeat in other areas by the two entities.

An official statement issued by ONGC said, "ONGC and IndianOil have signed a memorandum of understanding (MoU) to establish a small-scale liquefied natural gas plant near the Hatta gas field in the Vindhyan Basin. The establishment of this plant will significantly enhance the Vindhyan Basin's status, upgrading it

from a Category II to a Category I Basin." The Hatta gas field is situated in Batiyagarh tehsil of Damoh district in Madhya Pradesh, about 45 km from Damoh town.

Official sources told *businessline* that the production of gas would determine the LNG quantity; however, the initial LNG plant capacity is planned for 32-35 tonnes, with 45,000 SCMD gas, according to the MoU. "The plant capacity may be increased later after peak production. The LNG plant will cater only to Hatta field," the official said.

LIQUEFACTION

IndianOil is making a DFR study of the block, according to another official, who added: "The cost of the small-scale LNG plant will be borne by IndianOil. ONGC will sell gas to IndianOil. The LNG plant will be operated and managed by IndianOil and further sale of LNG

to consumers." It will take around 15 to 18 months after approval of the field development plan or signing of sale agreements for the unit to be commissioned.

Asked why the unit is being set up when gas could be ferried directly, the official said, "There are no major industries in the vicinity. Secondly, gas pipelines are about 300 km away. Long distance transportation through pipelines will adversely impact economics and requires PNGRB compliance. Being an unconventional and tight reservoir, cascading is not recommended. Additionally, modular LNG is a novel concept."

Clarifying that there will not be any re-gasification facility at Hatta, but use technology – Liquefaction to cater to off-grid customers – the official said: "The LNG plant shall be maintained and operated by IndianOil. ONGC will just sell gas

on an "as is where is basis." According to another source, "The MoU aims to monetise stranded gas fields by establishing SSLNG plants, convert the natural gas into LNG and supply to customers by LNG road tankers. Under the MoU, the Vindhyan basin field in Madhya Pradesh has been identified for undertaking the pilot project. ONGC has submitted the development plan for this field to the Directorate-General of Hydrocarbons for final approval, while IndianOil has also completed the feasibility study of the project."

According to the source, "ONGC has shared a list of many small fields. ONGC possesses more than 100 stranded small gas fields, where laying long pipelines is not viable and the gas has been flared or untapped for many years. To monetise the field, IndianOil brings in expertise through small-scale LNG."

सवाल-जवाब

इंडियन ऑयल, एसबीआई, हुडको होल्ड कर सकते हैं

स्नेहा पोद्दार, एसीपी रिसर्च, मोतीलाल ओसवाल फार्म, सर्वि.

► हिंदुस्तान कॉपर, ओएनजीसी, कोल इंडिया लंबी अवधि के लिए बेहतर शेयर हैं? -मोहम्मद कासिम आप ओएनजीसी और कोल इंडिया होल्ड कर सकते हैं। अगले तीन साल ओएनजीसी का उत्पादन सालाना 6% बढ़ने वाला है। मजबूत बिक्री, बेहतर ई-ऑक्शन प्रीमियम और कम लागत के साथ कोल इंडिया का आउटलुक भी पोजिटिव है। लेकिन हिंदुस्तान कॉपर का प्रदर्शन अस्थिर रह सकता है। इससे दूर रहें।

► अमारा राजा एनर्जी और रेल विकास निगम को कब तक होल्ड कर सकते हैं? -राजिंदर सिंह सांटा आप अमारा राजा और रेल विकास निगम होल्ड कर सकते हैं। लिथियम आयन बैटरी को लेकर हाल में हुई डील के चलते अमारा राजा को ग्लोबल सप्लाय चैन तक पहुंच मिलेगी। रेल विकास निगम को रेलवे इन्फ्रा पर सरकार का खर्च बढ़ने का फायदा मिलेगा। मजबूत ऑर्डर बुक के चलते अगले कुछ वर्षों में कंपनी के लिए कमाई की अच्छी संभावनाएं हैं।

► क्या वोडा-आइडिया, अदाणी पावर लंबी अवधि के लिए खरीदना सही फैसला होगा? -टीपू सुल्तान आप दोनों शेयर खरीद सकते हैं। वोडफोन-आइडिया ने प्रति यूजर ऑसत कमाई में लगातार वृद्धि देखी है। कंपनी को डेटा से कमाई और न्यूनतम रिचार्ज वाउचर की बिक्री बढ़ी है। इसके अलावा इसने 3,510.40 करोड़ रुपए का स्पेक्ट्रम भी खरीदा है। अदाणी पावर को बिजली की मांग बढ़ने से फायदा होगा।

► इंडियन ऑयल, एसबीआई, हुडको, एसवीजेएन, ओरिएंट ग्रीन एनर्जी कैसे शेयर हैं? -राजकुमार जैन इंडियन ऑयल, एसबीआई, एसजीवीएन और ओरिएंट ग्रीन एनर्जी खरीद सकते हैं। इंडियन ऑयल के अगले दो साल में कई प्रोजेक्ट चालू होने वाले हैं। एसबीआई ने आय में तेजी से सुधार किया है। एसजीवीएन और ओरिएंट ग्रीन को बिजली उत्पादन, ट्रांसमिशन और रिन्यूएबल एनर्जी सेक्टर में तेजी का लाभ होगा।

► सालासर टेक्नो, टाइगर लॉजिस्टिक्स और हजूर मल्टी प्रोजेक्ट्स होल्ड करूं? -प्रदीप त्रिवेदी माफ कीजिए, इन शेयरों पर हमारी कोई राय नहीं है।

शेयरों की खरीद-बिक्री से जुड़े सवाल wealth.bhaskar@dbcorp.in पर हिन्दी या अंग्रेजी में भेज सकते हैं।

● INVESTMENTS OF ₹96,000 CRORE IN APRIL-MAY

CPSEs' capex down by a third

Total investment target of ₹7.8 trn set for FY2025

PRASANTA SAHU
New Delhi, June 30

INVESTMENTS BY COMPANIES and departmental agencies of the central government (CPSEs) fell by a third on year to ₹96,000 crore in April-May of the current financial year, reflecting the impact of the slowdown in spending during the general elections.

In April, the CPSEs' investment showed an increase of 6.5% on year to ₹50,206 crore, before slowing down in May, the

SLOW LINE

■ CPSEs' capex in April-May was **₹0.96 trillion** compared with **₹1.43 trillion** in the year-ago period



■ The Railway Board and the National Highways Authority of India account for **55%**, or **₹4.29 trillion**, of the CPSEs' capex estimate for FY25

■ In April-May, petroleum sector companies invested **13%**, or **₹15,366 crore**, of their annual capex target of **₹1.18 trillion**

busiest period of the elections.

The CPSEs, having an annual capex target of ₹100 crore and above, have set a combined target of investing ₹7.8 trillion in FY25. The Railway Board and the National Highways Authority of India, whose capex are largely funded through the Budget, account for ₹4.29 trillion or

55% of the CPSEs' capex estimate for FY25.

The Railway Board, the largest public sector investor, spent around ₹46,000 crore in April-May, around 19% lower than ₹56,978 crore in the year-ago period. The Railway Board, which invested ₹2.5 trillion in FY24, plans to invest ₹2.6 trillion in FY25.

The petroleum sector invested ₹15,366 crore, or 13%, in April-May against their annual target of ₹1.18 trillion. The petroleum sector companies had invested ₹14,713 crore or 14% of their FY24 target of ₹1,06,401 crore in April-May last year.

ONGC, the top state-run player in oil and gas explo-

ration, achieved a capex of ₹5,375 crore in April-May, 11% more than the corresponding period a year ago.

Fuel retailer-cum-refiner Indian Oil Corporation achieved a capex of ₹4,698 crore in the first two months of FY25, a decline of 8% on-year.

Among others, Hindustan Petroleum Corporation invested ₹1,411 crore, Numaligarh Refinery ₹1,000 crore, and Bharat Petroleum Corporation ₹822 crore in April-May 2024. Thanks to a 9% growth in gross fixed capital formation led by public capex, India's GDP grew 8.2% in FY24, exceeding the expectations of both domestic and multilateral institutions.

खिलाड़ियों को बढ़ावा देना हमारी संस्कृति का हिस्सा

नई दिल्ली (एसएनबी)। पेरिस 2024 ओलंपिक खेलों के लिए भारतीय दल को बढ़ाई देते हुए पेट्रोलियम एवं प्राकृतिक गैस मंत्री हरदीप सिंह पुरी ने कहा कि ओलंपिक मानवीय उपलब्धियों का शिखर है। उन्होंने कहा कि 2024 संस्करण के लिए क्वालीफाई करने वाले सभी चैंपियन एथलीटों को मैं 1.4 अरब भारतीयों की ओर से बधाई और शुभकामनाएं देता हूँ! हमें इससे ज्यादा गर्व नहीं हो सकता।

पुरी रविवार को यहां भारतीय ओलंपिक संघ (आईओए) के तत्वावधान में आयोजित विदाई समारोह में संबोधित कर रहे थे। इस अवसर पर केंद्रीय

युवा मामले एवं खेल तथा श्रम एवं रोजगार मंत्री डा. मनसुख मंडाविया और भारतीय ओलंपिक संघ की अध्यक्ष एवं सांसद डा. पीटी उषा भी मौजूद थीं।

उन्होंने कहा कि हमारे लिए यह गर्व की बात है कि इंडियन ऑयल द्वारा प्रायोजित 12 खिलाड़ी इस बार ओलंपिक में भाग ले

रहे हैं। अन्य 5 को ओएनजीसी द्वारा समर्थन दिया जा रहा है। 'उन्होंने कहा, 'अकेले बीपीसीएल ने 250 से अधिक खिलाड़ियों का समर्थन किया है। मुझे गर्व है कि भारतीय ओलंपिक संघ के साथ

बीपीसीएल की साझेदारी अब और भी गहरी होगी। 2028 लॉस एंजिल्स ओलंपिक तक के चार वर्षों में बीपीसीएल ओलंपिक, एशियाई खेलों, राष्ट्रमंडल खेलों और पैरा ओलंपिक खेलों में भारतीय दल का प्रमुख भागीदार होगा।



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डा. मनसुख मंडाविया ने कहा कि सभी भारतीय देश के एथलीटों की कड़ी मेहनत, समर्पण और अटूट भावना का जश्न मनाते हैं, जिन्होंने

सबसे बड़े मंच पर भारत का प्रतिनिधित्व करने का सम्मान अर्जित किया है। डा. उषा ने कहा कि उन्होंने एक एथलीट के रूप में अपने अनुभव का उपयोग यह सुनिश्चित करने में किया है कि पेरिस 2024 में भारत के एथलीटों को खेल विज्ञान सहायता की कमी न हो।

Indian athletes dazzle in Olympic attire during ceremonial send-off by the IOA



Shooter Anjum being felicitated by Hardeep Singh Puri, Minister of Petroleum and Natural Gas on Sunday. SPECIAL ARRANGEMENT

Sports Bureau NEW DELHI

The cream of Indian sports was in attendance as the Olympics bound athletes were given a hearty send-off by the Indian Olympic Association (IOA) here on Sunday.

The unveiling of the ceremonial and competition kit saw the athletes catch the eye in their sparkling attire. They were assured of the “blessings and good wishes” of the entire nation, especially in the address by the Sports Minister Mansukh Mandaviya and the Petroleum Minister Hardeep Singh Puri.

The president of IOA, P.T. Usha announced a full-fledged medical recovery system at the athletes village for India apart from a “home away from home” set up by the Reliance Foundation.

Acknowledging that the Indian athletes have all the resources and facilities at their disposal in pursuit of excellence in the Olympics, Usha said, “we have no doubt that you will make us proud in Paris. The entire nation stands behind you.”

Hockey players Jarmanpreet Singh and Nilakanta

Sharma, shooters Shreyasi Singh and Anjum Moudgil dazzled on stage in the Olympic ceremonial dress, designed by Tarun Tahiliani. The dress would be worn by the contingent during the opening ceremony.

Shooters Anish Bhanwala, Vijayveer Sidhu, Sandeep Singh, Rhythm Sangwan, swimmer Srihari Nataraj, wrestler Reetika Hooda, hockey players Jugraj Singh and Krishan Pathak gave a glimpse of the “playing kit”, designed by JSW Sports.

Minister Hardeep recalled the nation’s celebration of the T20 World Cup cricket triumph and expressed confidence that the Indian athletes would handle the “great expectations with great determination to win more Olympic medals” than ever before.

He recalled being in Geneva during the Rome Olympics in 1960 as an eight-year-old and how India had missed winning the gold, but had regained it in Tokyo in 1964.

Appreciating the ceremonial dress, the minister said that India would win a medal in “Fashion Olympics”. He was particularly pleased to state that 12 of

the Paris bound athletes were with Indian Oil and five were with ONGC.

Bharat Petroleum Corporation Limited (BPCL) took up the role of the principal sponsor for IOA for four years from the Paris Olympics to the next in Los Angeles in 2028, covering the Commonwealth Games, Asian Games and Paralympics along the way.

Sports minister Mandaviya goaded the athletes to “go with confidence, enthusiasm and the will to win. The 140 crore blessings are with you”.

Recalling his interaction with the athletes at the National Institute of Sports in Patiala, the sports minister said his confidence had gone up about India performing in Paris being “better than ever”.

Olympic medal winners – boxers M.C. Mary Kom and Vijayveer Singh, shooter Gagan Narang and weight-lifter bronze medalist of the Sydney Olympics in 2000, Karnam Malleswari – were also felicitated on the occasion.

“Indian cricket team’s win last night was celebrated by the whole nation. I want to see that celebration during Paris Olympics,” Mandaviya added.

REFLECTS IMPACT OF SLOWDOWN IN SPENDING DURING GENERAL ELECTIONS

Poll effect: CPSEs' capex down by a third to ₹96K cr in April-May

PRASANTA SAHU
NEW DELHI, JUNE 30

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INVESTMENT TARGET ₹7.8 TRILLION IN FY25

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account for Rs 4.29 trillion or 55% of the CPSEs' capex estimate for FY25

PETROLEUM SECTOR PSUs invested Rs 15,366 crore in April-May or 13 per cent against their annual target of Rs 1,18,499 crore. They invested Rs 14,713 crore or 14% of FY23 target of Rs 1,06,401 crore in April-May

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Thanks to a 9 per cent growth in gross fixed capital formation led by public capex, India's GDP grew by 8.2 per cent in FY24, exceeding the expectations of both domestic and multilateral institutions. **FE**

गेल ने जीएचजी उत्सर्जन के लिए अपना नेट जीरो लक्ष्य आगे बढ़ाया

नई दिल्ली | गेल (इंडिया) लिमिटेड के निदेशक मंडल ने आज स्कोप-1 और 2 उत्सर्जन के लिए अपने नेट जीरो लक्ष्य को पांच (05) साल आगे बढ़ाकर वर्ष 2040 से वर्ष 2035 करने की मंजूरी दे दी। यह निर्णय गेल द्वारा अपने स्थिरता लक्ष्यों को बढ़ाने और भारत की व्यापक नेट जीरो प्रतिबद्धताओं के साथ संरेखित करने के लिए किए गए एक व्यापक अध्ययन के बाद लिया गया है। गेल ने एनजी आधारित उपकरणों के विद्युतीकरण, नवीकरणीय ऊर्जा, बैटरी ऊर्जा भंडारण प्रणाली (बीईएसएस), संपीड़ित बायोगैस (सीबीजी), ग्रीन हाइड्रोजन, सीओ2 वैल्यूएडजेशन पहल और वनरोपण को शामिल करते हुए एक रणनीतिक दृष्टिकोण के माध्यम से इस महत्वाकांक्षी लक्ष्य को प्राप्त करने की योजना बनाई है।

श्री संदीप कुमार गुप्ता, अध्यक्ष एवं प्रबंध निदेशक ने बताया कि

गेल प्राकृतिक गैस के विपणन और संचरण के व्यवसाय में है, जो एक स्वच्छ ईंधन है जो विभिन्न उद्योगों और अंतिम उपभोक्ताओं के उत्सर्जन को कम करने में सहायता करता है। इसके अतिरिक्त, गेल अपने स्वयं के परिचालनों में उत्सर्जन को कम करने के लिए विभिन्न उपाय कर रहा है, जिससे स्वच्छ पर्यावरण में योगदान मिल रहा है। अपने उत्सर्जन में कमी के लक्ष्यों को 2035 तक आगे बढ़ाकर, गेल भारत के ऊर्जा परिदृश्य में अग्रणी के रूप में अपनी भूमिका को पुष्टि करता है, सतत विकास को आगे बढ़ाता है और भारत के शुद्ध शून्य उत्सर्जन लक्ष्य में महत्वपूर्ण योगदान देता है। इस अवसर पर बोलते हुए निदेशक (बीडी) श्री आर के सिंघल ने इन लक्ष्यों को प्राप्त करने की दिशा में गेल के निरंतर और केंद्रित प्रयासों पर जोर दिया, ऊर्जा क्षेत्र के स्थिरता की ओर संक्रमण में गेल की महत्वपूर्ण भूमिका पर प्रकाश डाला।



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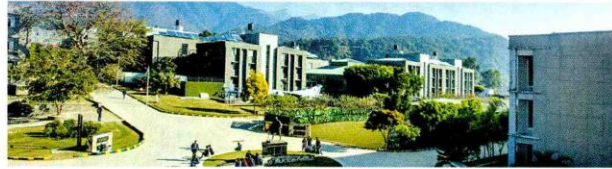
**URJA GANGA
COMPLETION
DELAYED: GAIL**

THE CONSTRUCTION OF the ₹12,940-crore 'Urja Ganga' gas pipeline, India's ambitious project taking environment-friendly fuel to eastern parts of the country, has been delayed by nine months and will now be completed by March 2025, state-owned GAIL said.

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EMPOWERING TOMORROW'S LEADERS UPES EXCELS IN ACADEMIC REPUTATION AND REAL-WORLD IMPACT

UPES stands as the no.1 private university in academic reputation in India by the QS World University Rankings 2024. A UGC-entitled university, it features among the top 3% of universities in the world. Additionally, 42 UPES faculty members have been featured among the world's top 2% of researchers in their respective fields, according to a research study published by a Stanford University-based research group. The university is ranked 52 in India in the 'University' category, as per NIRF 2023, and ranked 39 in the 'Management' category. UPES is dedicated to nurturing the leaders of tomorrow through a variety of unique initiatives. UPES emphasises practical, hands-on learning experiences that allow students to apply theoretical knowledge in real-world scenarios. This approach is embodied in programs which enable innovation and problem-solving skills among students by engaging them in projects that address real-world challenges. Additionally, UPES supports entrepreneurial ambitions through its "Runway" startup



incubator program. This initiative provides students with essential resources, including funding, mentorship, and accelerator workshops, to transform their innovative ideas into successful businesses. The university also emphasises holistic development by incorporating co-curricular and extracurricular activities, which help students build leadership and team-building skills essential for their future careers. Through strong industry partnerships and collaborations, UPES ensures that the curriculum remains relevant and industry-aligned. Notable partnerships include NASSCOM, IBM, KPMG, Microsoft, Cisco, Infosys, Bosch, Hindustan

Petroleum and many others, which offer co-designed and co-delivered programs, providing students with cutting-edge knowledge and practical skills. These programs deliver significant face-to-face interactions and project-based learning. Such alliances enhance employability and ensure that UPES graduates are well-prepared for the demands of the modern workforce. UPES's comprehensive educational strategy aims to produce graduates who are not only academically proficient but also equipped with the agility and resilience required to tackle the dynamic challenges of today's world.

Publication : Mint	Editions : New Delhi
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The construction of GAIL's ₹12,940-crore gas pipeline will now be completed by March 2025. **MINT**

Urja Ganga pipeline project delayed

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Traditionally, natural gas was available for use as fuel to generate electricity, make fertilizer or turn into CNG and cooking gas only in the western and northern parts of the country, as pipelines taking the fuel from source to users were limited to these parts. In October 2016, work on laying a pipeline from Jagdishpur in Uttar Pradesh to Haldia in West Bengal, Bokaro in Jharkhand and Dhamra in Odisha began. **PTI**



Publication : The Economic Times

Editions : New Delhi

Date : 1 July 2024

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Urja Ganga Pipeline Delayed, Completion Now in March: Gail

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'Status quo on capital gains tax will lift confidence'

Ram Sahgal

ram.sahgal@livemint.com
MUMBAI

Keeping capital gains tax (CGT) on equities intact, spelling out measures to sustain fiscal discipline and addressing lower-middle and middle class concerns on high taxation and inflation in the upcoming Budget are top of the wish list for Manish Sonthalia, director and chief investment officer, Emkay Investment Managers Ltd. He is bullish on public sector undertakings (PSUs) with monopolistic characteristics that are attractively valued relative to their earnings growth potential, and the Banking, Financial Services and Insurance (BFSI) sector and insurance sector, in particular. Sonthalia also expects the IT sector fortunes to revive in the second-half of the fiscal.

Edited excerpts:

Do you expect the ongoing Budget session to be smooth in terms of passing bills crucial to economic continuity?

Given that the government holds a majority, I anticipate that the Budget session will proceed smoothly in terms of passing crucial bills. Over the next six months, at least, it seems likely that most bills will be passed without significant issues. The Finance Bill is essential, and I expect it to pass without major obstacles. While there may be debates and discussions in Parliament, I don't foresee any significant political logjam that would hinder the legislative process.

Growth (GDP) has been

robust and has been upgraded by multiple agencies (for FY25). With inflation at around 5%, nominal growth will be around 12%. How do you view this from an earnings perspective for large, mids, and smalls?

Broadly speaking, I project that the Nifty 50 should see around 15% earnings growth for fiscal 2025. Key sectors leading this growth will likely include banks, IT, oil and gas, and metals. These sectors are expected to drive significant earnings. While mid- and small-cap companies are more diversified, with some experiencing losses and others performing well, I anticipate that the overall earnings growth in these segments will be faster due to controlled inflation and robust economic conditions. However, growth will not be uniform across all companies.

What sectors are you most bullish on and which would you avoid? Why?

I am bullish on sectors with strong earnings growth potential. PSUs are attractively valued relative to their growth prospects, especially those with monopolistic characteristics. The banking sector, including BFSI, particularly the insurance sector, is another area with promising earnings growth. IT is expected to make a comeback in the second half of the fiscal year, looking strong going into 2026. Oil and gas, along with metals, also appear to be in a good position. On the other hand, I would avoid sectors where valuations are very high



despite expected earnings growth. Capital goods and defence companies fall in this category, as their valuations are not favourable. Additionally, the power sector, despite its growth potential, has stocks that are often priced to perfection, making them less attractive for investment.

How do you feel about new-age sectors like semiconductors, renewable energy, etc.?

New-age sectors like semiconductors have great potential but are still in the early stages of development. India needs significant investment to build a robust semiconductor ecosystem that can reduce reliance on imports from countries like Taiwan and China. The focus is on creating value domestically rather than just importing and assembling. Traditional valuation methods may not be suitable for these sectors due to their high capital expenditure, modest initial revenues, and

potential losses. The success in these sectors will depend upon sustained investment and effective execution. Renewables are not particularly new age. The government has kept stiff targets to meet till 2030, 2050 and 2070 when we go carbon zero. Renewables, particularly, wind and solar look very bullish.

There are increasingly worrying incidents of suspected front-running by certain funds, excesses by some shadow banks, etc. Are these isolated, or do they point to a need for greater regulatory intervention?

I believe these are isolated incidents and do not necessarily indicate a broader issue concerning capital markets. Regulatory oversight is required and welcome at all times. India's corporate governance

in the money management sector is progressing towards the standards seen in developed markets, benefiting investors immensely. Regulatory actions currently being taken are appropriate and part of the natural evolution towards better governance. Specific incidents of excesses by shadow banks should be seen as exceptions rather than the norm.

Is growing retail participation in F&O a worry?

Yes, the growing retail participation in Futures and Options (F&O) is a concern. Many retail investors view it as a quick way to get rich, often underestimating the risks involved. The reality is that making money in F&O is extremely challenging, especially against sophisticated institutional investors and algorithmic traders. Retail investors are often better off adopting a disciplined and patient approach to investing rather than seeking quick profits through high-risk avenues.

Any expectations from the Budget for capital markets?

My primary expectation from the Budget is that there should be no increase in CGT rates, as stability in this area is crucial for investor confidence. Sticking to FRBM (Fiscal Responsibility and Budget Management Act) targets, particularly maintaining a fiscal deficit around 5.8%, for FY25 is vital.

Read an extended version of this interview at livemint.com.



INTERVIEW

Banks, IT, oil and gas, metals... these sectors are expected to drive significant earnings

Manish Sonthalia
Director & CIO, Emkay Investment Managers

● **GREEN BACKLASH**

'Can't ditch oil clients'

Barclays chief unwilling to 'go cold turkey' on fossil fuel industry to mollify climate activists

Bloomberg

The chief executive of Barclays Plc says it would be unrealistic for the bank to heed growing calls from climate activists for the finance industry to abandon fossil-fuel clients.

Banks "cannot go cold turkey" on the oil and gas industry, Barclays CEO CS Venkatakrishnan says.

While Barclays is "very much moving away from" coal and oil, the "reality is that for quite some time, fossil fuels will be with us" and that's especially true of natural gas, he argues. The "glide path" toward cleaner energy is long.

He joins a growing chorus of Wall Street CEOs from Citigroup Inc's Jane Fraser to JPMorgan Chase & Co's Jamie Dimon, and Goldman Sachs Group Inc's David Solomon, who have all cautioned that a complete withdrawal from fossil fuels comes with unacceptable energy security risks. KKR & Co founder Henry Kravis recently accused climate protesters of underestimating the scale of the transition needed.

CLIMATE PROTESTS

Their warnings come as banks and asset managers find themselves at the receiving end of vocal — and sometimes violent — protests in response to their support of fossil fuels.

A case in point is Citigroup, whose Manhattan headquarters are currently the target of what activists say will be a months-long campaign against the bank.

At the same time, banks face bans in a number of Republican-led US states due to their alleged "boycott" of the fossil fuel industry. Barclays, which has also been targeted in such campaigns, finds itself caught between two extremes, according to Venkatakrishnan.

As examples, the Barclays CEO cited a Texas ban that hit the bank's municipal bond business. Not long after, Barclays found itself targeted by a number of UK universit-



CS Venkatakrishnan, CEO, Barclays PLC BLOOMBERG

ies, "saying they didn't want to do business with us because we were not green enough," he says.

MANAGING 'EXTREMES'

Barclays is facing some "extremes" but the business "will manage," Venkatakrishnan says. "It's part of being a large, diversified bank."

Barclays this year created a dedicated team of more than 100 bankers to focus on financial products and deals pegged to the energy transition. The unit, which brings together bankers from power markets, natural resources, and sustainable and impact investment banking, is one of many being built across global banks all keen to get a foothold in what could become a multitrillion-dollar market.

Earlier this year, Barclays pledged to halt the direct financing of new oil and gas projects, and to restrict financing for companies that focus exclusively on fossil-fuel exploration and extraction.

And like a number of its European peers, the UK bank is stepping up pressure on energy clients to adjust their business so they can be treated as transition assets.

"It's a complicated world, and, as a global bank, you've got to navigate that," says Ilan Jacobs, managing director and head of UK government affairs at Citigroup.

"You have to support our clients through" the energy transition, he says. "And ultimately, these competing interests that you have to manage is stuff that we have to work on with our clients very closely."



Publication : The Hindu Business Line	Editions : New Delhi
Date :1 July 2024	Page : 5

thehindu **businessline.**

TWENTY YEARS AGO **TODAY.**

July 1, 2004

GDP surges 8.2 pc on all-round growth

According to the 'revised estimates' of national income for 2003-04, released by the Central Statistical Organisation (CSO) here today, the country's Gross Domestic Product (GDP) grew by 8.2 per cent in real terms, compared to 4 per cent during 2002-03.

Centre clears IDBI's conversion to bank

The Ministry of Finance on Wednesday issued a notification allowing Industrial Development Bank of India (IDBI) to convert itself into a fullfledged bank with effect from July 1, a move that would send strong signals on the continuity of financial sector reforms under the UPA Government.

Dabhol lenders nearing accord

Indian lenders to the Dabhol Power Company are likely to buy out foreign loans of about \$310 million at a discount of about 35 per cent. DPC's lenders met here on Tuesday to negotiate a settlement that may ultimately help restart the 2184 MW, \$3-billion integrated power and LNG project. At the meeting, while Indian lenders had continued to ask for a 40 per cent discount, foreign lenders are understood to have stuck to their offer of a 30 per cent cut.

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Union Sports Minister Mansukh Mandaviya, Union Minister of Petroleum & Natural Gas Hardeep Singh Puri and IOA chief PT Usha with athletes | PTI

IOA launches India's kit for Paris Olympics

EXPRESS NEWS SERVICE @ New Delhi

IOA president PT Usha announced a few firsts in the presence of sports minister Mansukh Mandaviya and Union petroleum minister Hardeep Singh Puri during the kit launch and send off ceremony of the Indian contingent for the Paris Olympics.

Usha said: "Firstly, we are establishing a full-fledged medical recovery centre at the Games Village, ensuring our athletes have the best facilities for their physical, mental well-being and sleep... Another first is our approach of athletes for athletes where our contingent team will include former Olympians who bring invaluable experience and support."

She also spoke about a dedicated microsite, created by partners, Yes Bank, where well-wishers can send their messages of support to the athletes. The IOA with the help of KPMG has developed an app that will serve as a comprehensive guide and information resource for Team India members. "Finally, we are setting up a "home away from home"; in Paris with the support of our partners, Reliance, ensuring our athletes feel at home even while they are miles away," Usha said, before adding, "we have no doubt that you will make us proud in Paris. The entire nation stands behind you."



Gas pipeline for East delayed

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GAIL CALL

- Jagdishpur-Haldia-Bokaro-Dhamra pipeline delayed
- Originally scheduled for June 2024
- Deadline extended to March 2025
- Delay in 'right of use' permission

Traditionally, natural gas was available for use as fuel to generate electricity, make fertiliser or turn into CNG and cooking gas only in the western and northern parts of the country, as pipelines taking the fuel from source to users were limited to these parts.

In October 2016, work on laying a pipeline from Jagdishpur in Uttar Pradesh to Haldia in Bengal, Bokaro in Jharkhand and Dhamra in Odisha began.

The line was extended to Guwahati in Assam from Barauni in Bihar, a length of 726 km, to take the fuel to hitherto-unconnected states in the eastern region.

The Jagdishpur-Haldia-Bokaro-Dhamra Pipeline (JHBDPL), popularly called the Pradhan Mantri Urja Ganga pipeline, is to supply gas to the eastern states of Bihar, Jharkhand, Odisha and Bengal.

GAIL, the firm executing the pipeline, said its board of directors in a meeting on June 28 approved the revision of the completion schedule.

The completion schedule for the 240-km Dhamra-Haldia pipeline has also been revised from June 2024 to March 2025, it added.

The company on May 10, 2019, stated that it has completed awards of all major contracts worth ₹10,500 crore for pipeline supply and laying of the integrated 3400-km Jagdishpur-Haldia and Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) and Barauni-Guwahati Pipeline (BGPL) pipeline.

The government provided 40 per cent viability gap funding amounting to ₹5,176 crore for execution of JHBDPL.

For the Barauni-Guwahati pipeline, a 60 per cent viability gap funding, amounting to ₹5,559 crore, has been provided by the government.