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The Hindu Business Line
**Charging up battery storage capacity**
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# Charging up battery storage capacity

## With the thrust on e-mobility, the government is on mission mode to boost the battery ecosystem

AMAN HANS

With growing concerns on environment protection and on achieving energy security, and with major technological advancements, especially in the field of battery storage during last decade, the world is today witnessing an unprecedented disruption in the way the energy sector and mobility once operated.

Much can be inferred from the recent market signals. First, the valuation of the global e-vehicle giant Tesla has reached $500 billion, that is, more than the next 10 automakers combined. More significantly, its valuation is now more than ExxonMobil, Shell and BP combined, the three oil giants of the past century. It may be argued by few that there exists some froth in this, but the situation gives a clear indication of financial markets' firm expectation that EVs and batteries are the future growth areas, while oil shall slowly decay and may probably die out in the next two decades, or even faster.

Second, increasing penetration of renewable energy, along with provision of energy storage solutions (ESS), the world is well-poised to leap to the next wave of energy transition. Even today, if the ESS component is considered in computing effective cost of renewable energy (RE) generation, the per unit is already closer to, or even lower, than the cost of electricity from conventional sources such as coal — typically a greenfield non-pithead plant.

This disruption is already evident in India with many recent successful tenders of MNRE with the provision of ESS, enabling the nation to achieve 40 per cent renewable energy penetration target by 2030.

Going forward, once there is a framework with more conducive policies and with emphasis on support infrastructure and cost-effective options of advance battery storage, both these (e-mobility and renewable energy) disruptions shall transform into an indispensable force. An event that is now well-factored into future business strategies of the global markets.

In alignment with government's vision for Atmanirbhar Bharat, or self-reliant India, the Centre had set up the National Mission on Transformative Mobility and Battery Storage. The core objective of the mission has been to obtain overarching cohesiveness in policy framework for promoting e-mobility and battery storage in the country.

**Cohesiveness in policy** The government is promoting e-mobility and battery storage

The mission, taking a cue from these global developments and early market signals regarding the advanced battery manufacturing and that it represents one of the largest economic opportunities of the 21st century, proposed an integrated programme to facilitate Advance Chemistry Cells (ACCs) and battery storage manufacturing in the country.

### Nodal body

NITI Aayog, which is the nodal steering body for the mission, has already drafted the programme framework and the model bid documents have now been published on its website to initiate stakeholder consultation.

India in the past has missed multiple opportunities to tap the potential of 'Make in India' in various sunrise industries like manufacturing of solar panels, semi-conductors and accessories. These opportunities have been lost to other globally competitive industrial countries that have extended suitable incentives and provided requisite infrastructure for such industries to thrive. Same is the case with advance battery manufacturing, where various nations are extending financial incentives for promoting the domestic industry.

The programme lays down a composite framework to ensure optimal risk allocation to ensure bankability of projects and ensure ease of doing business for the potential investors in advance battery manufacturing in India. It enables the beneficiary firms to obtain cash subsidy as additional financial incentive on the basis of a transparent mechanism. The subsidy shall compensate them for various infrastructural deficiencies that exists compared to the global markets. Further, no specific technology is being focussed upon or being incentivised under the programme and thus the sops would be given solely on the basis of performance specifications and output.

India's expected demand for advance batteries till 2030 is about 1100 GWh across different use cases. This would be ample to support the economies of scale and the target of 50 GWh capacity of advanced battery storage manufacturing in India, as proposed under the programme, through commissioning of 4-5 Giga-scale factories by 2025.

It is imperative to understand the opportunity cost incidental to our nation on account of foregoing robust domestic supply chain of advance cells and battery storage. Hence, taking this into consideration, the programme has laid emphasis on developing the overall domestic battery manufacturing ecosystem. Though this cannot be done overnight, it has to be achieved in a phased manner. For this reason, beneficiary firms would be given a grace period of five years from the appointment date to ensure adequate localisation and implementation of the committed capacity. While the first few years may see the high-scale import of cell components, higher value capture translating into lower imports is expected in the years to follow.

### Oil and gas

Furthermore, in the current scenario, Indian vehicles run on imported oil and gas. As of FY19, the country's dependence on oil imports stood at 84 per cent, a sharp increase from the 77 per cent in FY14. As the nation progresses towards clean mobility, if there is inadequate supply of domestic advance batteries, India will simply go from being an oil-dependent country to a cell-dependent one in the absence of such a programme. In fact, according to government data, India imported ₹8,500 crore worth of lithium-ion batteries in 2018-19 and about similar levels in 2019-20. that is, six times higher than in 2014-15.

Hence, through a collaborative approach, along with support and participation of various State governments, the proposed programme on advance battery storage will ensure that India captures the economic opportunities at hand, while delivering societal and environmental benefits that will improve quality of life for our citizens.

These benefits shall outweigh any short-term disruptions. A transition of this nature will enable the nation to save ₹2-3 lakh crore by avoiding oil imports and, in addition, almost ₹3.5 lakh crore of advance battery imports by 2030, enhancing our energy security and curtailing our import dependency and therefore making our nation truly '*atmanirbhar*'.

*The writer is Consultant (PPP) & Lead (Energy Storage Mission) in NITI Aayog. Views are personal*

# Cooking gas price up ₹50, ATF rises by a steep 6.3%


Cooking gas LPG price on Wednesday was increased by ₹50 per cylinder, the second hike in rate this month following firming of international prices. Aviation turbine fuel (ATF) price was raised by a steep 6.3 per cent. Non-subsidised LPG price was increased to ₹694 per 14.2-kg cylinder from ₹644 earlier. This is the second increase in rate this month. On December 1, price was hiked by a similar ₹50 per cylinder. Prior to that, the price had remained unchanged at ₹594 a cylinder since July. This was the same rate at which subsidised LPG refills are also sold. Since May, most cooking gas customers have not received subsidies as the combination of oil price collapse and domestic refill rate increases brought parity between subsidised and market rates. **PTI**

The Financial Express
**Govt plans to lease MSME tech centres to IITs, engineering colleges Gadkari**
Dec 17, 2020 | Delhi | Pg No.: 14 | | Sq Cm:290 | AVE: 949286 | PR Value: 4746430

# Govt plans to lease MSME tech centres to IITs, engineering colleges: Gadkari

PRESS TRUST OF INDIA
New Delhi, December 16

**THE MSME MINISTRY** plans to lease technology centres to engineering colleges, IITs, polytechnic colleges and industry associations with a good track record to encourage research and innovation, Union minister Nitin Gadkari said on Wednesday.

Delivering the keynote address at the MSME Finance Week, the minister said micro, small and medium enterprises are the backbone of the economy and there is a need to create employment using surplus resources.

"Today, there is an import of ₹8 lakh crore crude oil in the country, instead, we can build ₹2 lakh crore ethanol economy by tapping into domestic resources. The gap between India and Bharat is still wide but with our motto of reform, perform and transform, we can definitely overcome the challenges," he added.

Observing that ₹6,000 crore have been invested in technology centres until now, the MSME minister said: "Now we are planning to give these technology centres on a lease basis to engineering colleges, IITs, polytechnic colleges and industry associations with a good track record".

The MSME Finance Week was a virtual event organised by the Global Alliance for Mass Entrepreneurship (GAME).

"A key reason for most MSMEs to turn into non-performing assets (NPAs) is delayed reconciliation of their receivables and bills that creates liquidity constraints hence affecting their sustainability.

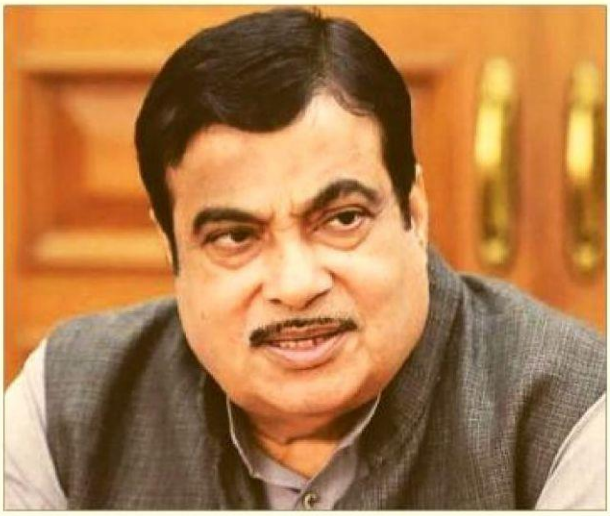
"This was one of our key recommendations to the government for MSMEs to survive - to ensure quick disbursement of payables from not only government departments, but also private players," said Ravi Venkatesan, founder, GAME.

The facilities of the technology centres under the MSME Ministry allow designing and manufacture of sophisticated tools, parts, components and products in conformity with international standards.

The latest hardware and software available at these centres ensures professional design and 3D solid modelling. The production facilities at the technology centres offer an array of cutting edge production services to MSMEs.

In addition, these institutes provide technical services such as design of parts and components, materials testing, heat treatment, quality control, and technical consultancy related to the product & process improvement.

The technology centres, apart from extending design, development & manufacturing support to MSMEs for complex tools, parts and components (many that serve as import substitutes), have also supported the strategic sectors such as aerospace, defence, atomic energy etc. of the country for their R&D requirements.



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>
> — NITIN GADKARI, UNION MINISTER

The Financial Express
'India's Dec 1-15 diesel sales down 5.2% YoY'
Dec 17, 2020 | Delhi | Pg No.: 14 | | Sq Cm:76 | AVE: 249838 | PR Value: 1249188

# 'India's Dec 1-15 diesel sales down 5.2% YoY'

India's diesel sales fell 5.2% in the first half of December year on year, preliminary data from state-run fuel retailers showed on Wednesday, signalling that industrial growth in Asia's third-largest economy has not yet reached pre-Covid levels.Diesel consumption, a key parameter linked to economic growth and which accounts for about 40% of overall refined fuel sales in India, fell to 2.8 million tonnes in the first half of the month.Growth in India's services and manufacturing industries lost some momentum last month as coronavirus fears weighed on demand and output, prompting firms to cut jobs for the eighth month in a row, two separate private surveys showed.Gasoline sales rose by an annual 9.5% during the first half of the month to 1.05 million tonnes.Local diesel sales by state-run refiners have been falling since March, when coronavirus-related restrictions had hit industrial activity and mobility. However, annual demand for diesel saw a temporary rise in October ahead of the festival season. State fuel retailers — Indian Oil Corp, Hindustan Petroleum Corp and Bharat Petroleum — own about 90% of the country's retail fuel outlets. —**REUTERS**

# LPG price up by ₹50, ATF rises 6.3%

**PRESS TRUST OF INDIA**
New Delhi, December 16

**COOKING GAS LPG** price on Wednesday was increased by ₹50 per cylinder, the second hike in rate this month following firming of international prices. Also, aviation turbine fuel (ATF) price was raised by a steep 6.3%.

Non-subsidised LPG price was increased to ₹694 per 14.2-kg cylinder from ₹644 earlier, according to a price notification of state fuel marketing companies.

This is the second increase in rate this month. On December 1, price was hiked by a similar ₹50 per cylinder.

Prior to that, the price had remained unchanged at ₹594 a cylinder since July. This was the same rate at which subsidised LPG refills are also sold.

Since May, most cooking

gas customers have not received subsidies as the combination of international oil price collapse and domestic refill rate increases brought parity between subsidised and market rates.

A subsidised cooking gas cylinder was priced at ₹497 in Delhi in June 2019. Since then, prices have cumulatively gone up by ₹147.

However, the increase in rates this month would mean that the government will have to resume paying subsidies to consumers.

Rates of LPG are revised every fortnight.

Simultaneously, the price of jet fuel was hiked by ₹2,941.5 per kilolitre, or 6.3%, in Delhi to ₹49,161.16 per kl.

This is the second increase in ATF price this month. Rates had gone up by 7.6% (₹3288.38 per kl) on December 1. Like LPG, ATF prices too are revised on the 1st and 16th of every month based on the average rate of benchmark international fuel and foreign exchange rate in the preceding fortnight.

Alongside an increase in the price of 14.2-kg LPG cylinders, rates of the 5-kg bottles were increased by ₹18 and those of the 19-kg cylinders by ₹36.50.

Households in India are allowed a maximum of 12 LPG cylinder purchases per year at subsidised rates.

The Financial Express
**Mkts extend record run as financials, IT pack lead charge**
Dec 17, 2020 | Delhi | Pg No.: 12 | | Sq Cm:242 | AVE: 792724 | PR Value: 3963622

# Mkts extend record run as financials, IT pack lead charge

**PRESS TRUST OF INDIA**
Mumbai, December 16

**THE EQUITY BENCHMARKS** raced to new peaks for the fourth straight session on Wednesday as market participants took note of improving macroeconomic indicators and positive trends in global markets. The Sensex settled 403.29 points, or 0.87%, higher at 46,666.46, while the Nifty climbed 114.85 points, or 0.85%, to 13,682.70 – record closing for both the benchmarks.

Both the indices also marked their all-time intra-day highs of 46,704.97 and 13,692.35, respectively.

In the Sensex pack, HDFC, ONGC, Bharti Airtel, Asian Paints, Titan, TCS and Mahindra and Mahindra were the prominent gainers, advancing up to 3.11%.

On the other hand, ICICI Bank, IndusInd Bank, NTPC, UltraTech Cement, Tech Mahindra and HCL Tech were among the major laggards, skidding up to 1.09%.

Asian bourses closed broadly higher amid hopes that Covid-19 vaccines and economic stimulus by governments around the world will revive economic growth. European equities surged to 10-month highs on prospects of a Brexit trade deal and expectations of swift rollout of coronavirus vaccination.

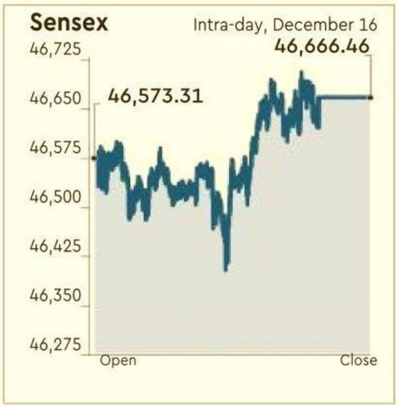
"Domestic equities remained in the grip of bulls, recording fresh highs fairly supported by firm global markets. Emerging prospects of additional fiscal stimulus in the US and satisfactory progress on coronavirus vaccination bolstered investors' sentiments. Barring PSU banks, all key sectoral indices recorded gains.

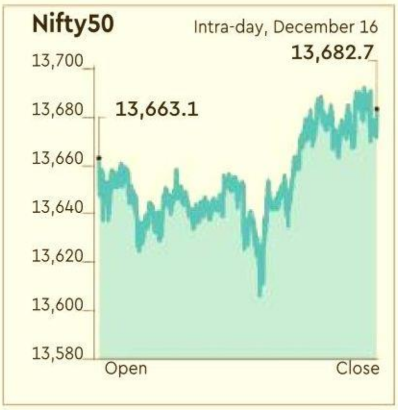
"Encouraging data for key economic indicators and positive news flows continued to attract investors' interest in domestic equities. Further, improving prospects of corporate earnings recovery, weak dollar index, consistent improvement in coronavirus recovery rates, government's strong commitment to revive the economy and dismal real interest rate scenario globally continued to act as key tailwinds to attract FPIs flows into Indian equities," said Binod Modi, head – strategy at Reliance Securities.

SBI in a research report said India's GDP growth is expected at (-) 7.4% in FY21 on better-than-projected recovery, upgrading its earlier forecast of (-) 10.9%.

Sectorally, the BSE realty index soared 5.03%, followed by consumer durables (2.39%), telecom (1.75%), metal (1.75%) and capital goods (1.39%).

Broader BSE smallcap, midcap and largecap indices jumped as much as 0.88%. On the forex market front, the rupee settled 5 paise higher at 73.58 against the US dollar.



# OMCs gain on better demand, but refining margin rise is awaited

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News flow related to the Bharat Petroleum Corp. Ltd (BPCL) divestment has kept oil marketing company (OMC) stocks in the spotlight. The key concern of OMC investors, however, has been on weak demand since the coronavirus outbreak, leading to stock prices remaining subdued. This is getting addressed now with the positive news flow on vaccines.

OMCs such as Indian Oil Corporation Ltd (IOCL) and Hindustan Petroleum Corporation Ltd (HPCL) have gained 30-41% from their September-October lows. BPCL shares, on the other hand, are taking cues from progress in the divestment process.

Among the three, IOCL derives a significant portion of earnings from the refining business and petrochemicals too, in addition to fuel marketing. Comparatively, HPCL has a higher proportion of retail fuel sales in its portfolio. With better prospects for the marketing segment, HPCL shares have seen a sharper rebound.

IOCL is expected to benefit from sharp volume recovery as refinery utilization rate is close to 100% in November (versus 80% in Q2FY21), while volume recovery has been robust with overall petroleum consumption at close to pre-covid-19 levels, says Abhijeet Bora at Sharekhan Research.

**Catching up**

Improving demand and firm marketing margins are helping OMCs, even as refining margins are yet to recover completely.


**Note:** E-Estimates; EPS- Earnings per share. Source: Motilal Oswal Financial Services

SATISH KUMAR/MINT

The recovery in sales volumes may, however, have been helped by higher festival season demand. Hence, for a clearer picture, one may have to wait till the end of the December quarter.

Meanwhile, crude prices have been rising with Brent trading at around $50 a barrel, close to pre-covid levels. OMCs have continued to raise and hold retail fuel prices, which provides comfort that marketing margins may maintain the firm trajectory seen in recent times and help earnings in a weak refining margin environment.

Reported marketing margins ranged between ₹5.9 and ₹6.6 a litre during Q2 vs the typical ₹2-3 per litre. The margin boost is also because of inventory gains reported by OMCs (low price inventory being carried forward in a rising crude price environment).

The outlook for Q3 performance has clearly improved for OMCs. However, higher crude prices also mean higher working capital requirements. Further, the refining segment still remains a weak link. Benchmark Singapore GRMs had averaged just at $1 a barrel during Q2FY21, much lower than the $6 level in the year-ago quarter. Though some recovery in global demand can help refining margins, the fact that capacity expansions are outpacing demand growth till 2025 may keep upside limited.

Overall, with improvement in the operating environment, earnings are expected to rise. Macquarie India expects HPCL earnings to double by FY23, helped by capacity expansions too. Meanwhile, IOCL and HPCL are trading at 5-6 times one-year forward earnings estimates, and BPCL trades at 10 times thanks to privatization prospects.

# Diesel sales fell 5.2% in first half of Dec.

REUTERS
NEW DELHI

India's diesel sales fell 5.2% in the first half of December compared with the same month last year, preliminary data from state-run fuel retailers showed on Wednesday, signalling that industrial growth in Asia's third-largest economy has not yet reached pre-COVID-19 levels.

Diesel consumption, a key parameter linked to economic growth and which accounts for about 40% of overall refined fuel sales in India, fell to 2.8 million tonnes in the first half of the month.

Petrol sales rose by an annual 9.5% during the first half of the month to 1.05 million tonnes.

The Hindu
**LPG price dearer by Rs.50, ATF up by 6.3%**
Dec 17, 2020 | Delhi | Pg No.: 14 | | Sq Cm:29 | AVE: 109491 | PR Value: 547457

# LPG price dearer by ₹50, ATF up by 6.3%

NEW DELHI

Cooking gas LPG price on Wednesday was increased by ₹50 per cylinder, the second increase this month following firming of international prices. Also, aviation turbine fuel (ATF) price was raised by a steep 6.3%. Non-subsidised LPG price was increased to ₹694 per 14.2-kg cylinder from ₹644 earlier, according to a price notification of state fuel marketing companies. This is the second increase in rate this month. PTI