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# Apollo Global Enters Race for BPCL Stake

## Stepping On Gas

### APOLLO GLOBAL

Global AUM

**\$433b**

Dedicated natural resources fund:

**\$5b** AUM

INDIA INVESTMENTS: Monnet Ispat, Clix Capital, Future Group cos

**\$2 b** deployed in India till date\*

\*Including co-investments

RESOURCES PORTFOLIO: Chisholm Oil & Gas, Jupiter Resources, EP Energy, Talos Energy

Submits EoI, likely to tie up with global energy major for final offer

**Arijit Barman & Gulveen Aulakh**

Mumbai | New Delhi: Apollo Global Management has submitted an expression of interest (EoI) for the government's 53% stake in Bharat Petroleum Corp Ltd (BPCL), said people with knowledge of the matter.

The move underscores the growing appetite of the Wall Street buyout group founded by Leon Black for big-ticket deals in India after having recently dissolved its joint venture platform Aion Capital with ICICI Venture. Apollo will compete with Anil Agarwal's Vedanta that has also confirmed its participation at this stage.

It's likely to partner with a global energy major ahead of its final offer, said the people cited above. Potential bidders have 45 days after submitting the EoI to put together a consortium. Bid dates are not yet clarified but are expected in March 2021.

Apollo has a dedicated natural resources investment franchise with \$5 billion of assets under management, owning oil and gas assets predominantly in the Americas. Its flagship PE fund had pipped Reliance Industries Ltd for Lloyndell Bassel in 2010, eventually making a \$10 billion profit out of the deal, the biggest in the Wall Street history by a buyout group.

At Monday's closing price of ₹394.55 on the BSE, the government's stake in BPCL is worth ₹45,276 crore.

**Open Offer A Must ▶▶ 8**

## Open Offer Must

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Apart from a control premium, any acquirer will have to make an open offer for 26% from the public — worth ₹22,252 crore at current prices.

Apollo and the Department of Investment and Public Asset Management (Dipam) didn't respond to queries.

In September, Apollo forged a \$5.5 billion real estate investment partnership with Abu Dhabi National Oil Company (ADNOC), one of the big Gulf oil companies that was originally expected to join the race for BPCL.

Government officials handling the sale have not revealed the identities of investors that submitted

EoIs by the November 16 deadline, only saying they had got three to four from global funds and a major foreign company.

### PAN-INDIA FOOTPRINT

For funds like Apollo, BPCL's pan-India footprint of 17,138 petrol pumps, 6,151 LPG distribution agencies and 61 out of 256 aviation fuel stations, along with the associated infrastructure of pipelines, depots and storage, is a bigger attraction than its 35.3 million tonnes of refining capacity, especially when investors are unwinding fossil fuel exposure globally, analysts said.

BPCL is India's second-largest oil marketing company with stand-alone domestic sales volume of over 43.10 million tonnes and a market share of 22% in FY20. It's also the country's sixth-largest company by sales.

Even if oil demand in India peaks, oil marketing companies such as BPCL will remain value accretive, said Elara Capital analyst Gagan Dixit, in a market with high entry barriers. Demand for crude is expected to rise slowly until it peaks by 2030, according to BP Energy Outlook. But, at least for the next decade, it's going to continue upward in the third-largest oil consuming market.

"With private investors, more focus could be on high demand market and differential pricing, which could improve BPCL's gasoline and diesel margin by ₹3,000 crore annualised Ebitda," Dixit said. "Similarly, BPCL could minimise output of low-margin products like LPG and increase output of high-margin gasoline and diesel. As a private refiner, it could also improve its gross refining margins

(GRM) by at least \$1/barrel or ₹2,000 crore annualised Ebitda through lower crude cost."

### BIGGER BETS

Over the years, Apollo has been taking bigger bets in India, bidding for distressed assets such as Monnet Ispat, which it acquired through the bankruptcy process with JSW Group.

Apollo has had a rollercoaster 2020 — a \$2.3 billion loss this summer followed by \$1 billion profit in the next quarter ended June, which also saw nearly \$100 billion getting added to its investment war chest following a headline deal with insurer Prudential and the launch of a \$12 billion credit fund with Mubadala. But the recent third quarter has been disappointing with an 8% drop in distributable earnings.

# Buying the jewel in the crown

Unlike Air India, the winning bidder for BPCL can easily bank on this revenue churner to recover the cost of acquisition

JIYOTI MUKUL  
New Delhi, 23 November

The crunch in tax revenues as a result of the pandemic has made privatisation an imperative rather than just a strategy for the Narendra Modi government. At the forefront of this move is Bharat Petroleum Corporation Ltd (BPCL) and Air India. Unlike the latter, the oil refining and marketing major is a revenue churner for the government rather than a drain on its finances. Nonetheless, the Union finance ministry's silence around the submission of expressions of interest (EOIs) for BPCL casts doubts on whether the interested parties are good enough for handing over a public jewel.

Even a week after the EOI deadline ended on November 16, all that North Block has to say is that it has received "multiple" offers for BPCL. Bid sensitivity notwithstanding, shrouding the mere submission of EOI in secrecy defies logic. To add to it, the only company or investor that officially acknowledged showing interest is Anil Agarwal's Vedanta. In a statement on November 18, Vedanta said the EOI was only exploratory in nature. There is also unconfirmed information that some financial investors, such as private equity and pension funds, have shown interest in buying a 52.98 per cent government stake in the company.

The big question is why Reliance Industries Ltd (RIL) and its partner Saudi Aramco and British Petroleum (BP) or Rosneft's Nayara Energy (formerly Essar Oil after it was bought in 2017), have decided to stay away from buying the country's second-largest automobile fuel retailer. Apart from the more obvious reason of the Covid-19-induced downturn that has left little cash in the hands of global oil companies, there is an underlying lack of interest among existing players in adding more million tonnes to refining capacity, especially in non-home countries.

In RIL's case, it has already



made it clear that it will expand only in its non oil-to-chemicals businesses housed in Reliance O2C Ltd, which was spun off as a subsidiary this year. Though petrochemicals continues to give the largest domestic private sector company good returns, it already has 60 million tonne of refining capacity under its wings. Its retail partner BP has no refining plans for India and Saudi Aramco is in no financial position to accomplish investments already committed in either RIL O2C or the Ratnagiri refinery of public sector oil marketing companies. In August 2019, RIL had said Saudi Aramco will acquire 20 per cent stake in Reliance O2C Ltd which will comprise its refining and petrochemical business, bulk and wholesale fuel marketing, and 51 per cent interest in the fuel retail venture with BP.

The Adani group, which showed interest in fuel retailing by partnering with French major Total, is anticipated to make an entry in the liquid fuel business, too. It already has a presence in the natural gas market and city gas distribution business. It is surprising, though, that Adani has not acknowledged putting in an EOI (its spokesperson says "no comments" to queries on whether the group has interest in BPCL). Adani, however, already needs a war chest for its airport busi-

## OIL'S WELL

(BPCL's profile)

### Refineries

13 million tonnes  
MUMBAI REFINERY

7.8 million tonnes  
BINA REFINERY  
(A JV with Oman Oil Company)

### Marketing

16,492 retail outlets and 72 million LPG customers

### Financials

Consolidated figures (₹ crore)

Year End	Net Sales	PAT
FY18	235,895	9,009
FY19	298,226	7,802
FY20	284,572	3,055
H1FY21	87,408	4,298

Source: Capitaline/Bloomberg; compiled by BS Research Bureau

15.5 million tonne  
KOCHI REFINERY

3 million tonnes  
NUMALIGARH REFINERY  
(A JV with Oil India and Assam govt)

### BPCL (₹)



ness. With plans to branch out into private rail business while incurring heavy debt on power portfolio, it has little appetite for an over ₹44,000 crore investment in BPCL unless it partners with a financier who is ready to take an oil bet.

Even for Vedanta, the going will not be easy. The group has a precedent of withdrawing from the race for Essar Steel when the bidding for it under the Insolvency and Bankruptcy Code became too expensive

for it.

Nonetheless, Morgan Stanley in a November 18 report said Vedanta has a track record of successfully creating value out of state-owned assets, and it could bring in other partners to reduce the risk. At the same time, it acknowledges that an EOI does not automatically translate into an actual bid and Vedanta could very well drop off in the financial round. While expressing surprise at Vedanta's move, the report

said it sees logic behind the transactions "given that BPCL dividends could easily cover the cost of debt of any acquisition". It said while it would be difficult for Vedanta to secure funding because of debt leverage both at the company and group level, Vedanta could create a ring-fenced special purpose structure where the debt is secured by the BPCL stake and serviced by dividends from it.

In Morgan Stanley's analysis, an all-in 75 per cent acquisition of BPCL, including the open offer, will cost Vedanta ₹64,200-97,600 crore based on a price of ₹395-600. After assuming Vedanta sells BPCL equity in Indraprastha Gas Ltd, Petronet LNG and some other companies, the net cost of the acquisition would still be ₹52,200-85,500 crore. "At 8 per cent interest, the interest cost would range from ₹4,100-6,800 crore. On our conservative FY23 standalone earnings estimates, even at a 75 per cent dividend payout, this would service the debt cost even assuming the dividend income is taxed at 25 per cent," the report said. This does not take into account any additional divestment such as selling the Mozambique LNG stake or additional profits if BPCL acquires management control of the Bina Oil and Refineries Ltd or any further asset sales. What the report, however, does not acknowledge is the fact that Vedanta seldom likes to ring-fence its businesses.

Given that foreign oil companies have not shown interest in BPCL and if Adani is in the fray, it will bring Vedanta face to face with a group whose chips are not as down as that of Anil Agarwal's. Assuming that any of these two groups, with either backing of Total or a financial investor successfully bid for BPCL, it is bound to change the dynamics of the market for Indian Oil Corporation, Hindustan Petroleum Corporation and Mangalore Refinery & Petrochemicals (MRPL) and even for private players RIL and Nayara Energy. This is so because BPCL, on its own has 36 million tonne refining capacity — excluding the Numaligarh Refinery which is expected to go through a separate sale to a public sector undertaking. BPCL's refineries in Kochi and Bina give access to hinterland which is not catered to by any other player. Besides, BPCL has 16,492 retail outlets and 72 million LPG customers making it a prized asset for any new player.

## China set to eclipse US as world's biggest oil refiner

The covid-19 crisis has hastened a seismic shift in the global refining industry as demand for plastics and fuels grows in China and the rest of Asia, where economies are quickly rebounding from the pandemic. In contrast, refineries in the US and Europe are grappling with a deeper economic crisis while the transition away from fossil fuels dims the long-term outlook for oil demand. The US has been top of the refining pack since the mid-19th century, but China will dethrone the US as early as next year, according to the International Energy Agency. Chinese oil refining capacity has nearly tripled since 2000.

**BLOOMBERG**

## Focus on cost, quality: Gadkari tells parts makers

Shreya Nandi

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NEW DELHI

**R**oad transport and highways minister Nitin Gadkari on Monday urged automobile component manufacturers to adhere to international standards in producing accessories, devices, spare parts and safety features, besides improving quality of products while reducing costs.

“This is very important, I requested Indian manufacturers not to be cost-centric, but be quality-centric. Quality is important... They must understand approach of the consumer now, they need good quality,” Gadkari said at industry meeting Auto Serve 2020. “The physical quality is very important and, at the same time, (they must) reduce the cost.”

Gadkari said indigenous, pollution-free and cost-effective fuel is equally important.

It is “disturbing” to see the quality and standard of buses and trucks plying on Indian roads, which is a matter of concern, considering the number of road accidents every year, he said. The minister also urged the industry to increase use of alternative fuels such as ethanol and bio-diesel, and adopt electric vehicles, which will not only help cut India’s massive fuel import bill but also reduce pollution.

“We have been dependent on the import of crude oil, which is not good. Somewhere, we need to make indigenous alternatives,” he said. Over the last few years, the government has incentivised electric buses, three-wheelers and four-wheelers for commercial purposes by reducing goods and services tax on EVs, among other measures.

**m MINT SHORTS**

**Indian Oil buys 20 million barrels crude for early 2021 delivery**



**Singapore/New Delhi:** Indian Oil Corp. Ltd, the country's largest state refiner, has bought nearly 20 million barrels of spot crude from West Africa and West Asia for delivery in early 2021, three people with knowledge of the matter said. The purchase is the largest by the refiner since the covid-19 pandemic broke out. **REUTERS**

**Study shows AI, ML, 5G, IoT will be the most crucial technology in 2021**

**Bengaluru:** Artificial intelligence (AI), machine learning, 5G and Internet of Things (IoT) will be the most important technologies in 2021, according to a new study by the Institute of Electrical and Electronics Engineers (IEEE). The technical professional organi-

sation on Monday released the results of a survey of chief information officers and chief technology officers in the US, the UK, China, India and Brazil. The survey was on the most important technologies for 2021 and the industries expected to be most impacted by technology. More than half of the respondents see their biggest challenge as dealing with aspects of covid-19 recovery in relation to business operations. **PTI**

**Pharma major Biocon to pick up 26% stake in Hinduja Renewables**

**New Delhi:** Biotechnology major Biocon Ltd on Monday said it has inked an agreement for the acquisition of 26% stake on a fully diluted basis in Hinduja Renewables Two Pvt. Ltd for ₹5.91 crore. The indicative time period for completion of the acquisition is 15 December, 2020, Biocon said in a BSE filing. The cost of the acquisition is ₹5.91 crore for the acquisition of 26% stake on a fully diluted basis in one or more tranches, it added. The object of the stake acquisition is to enhance the renewable-based power consumption, the filing said. Shares of Biocon closed at ₹419.35 per scrip on BSE, down 0.18% from its previous close. **PTI**



**Assam's longest-serving CM Tarun Gogoi dies of illness**



**New Delhi:** Tarun Gogoi, the longest-serving CM of Assam, passed away on Monday due to prolonged illness. With his demise, the Congress party has lost a statesman of national stature who had worked with at least four Prime Ministers of previous Congress-led governments with at least two being members of the Gandhi family. Gogoi first entered Parliament at the age of 35 in 1971 under the leadership of then PM Indira Gandhi. **ANUJA & GYAN VARMA**  
*Read more on [livemint.com](http://livemint.com)*

**'Leverage AI solutions to help UMANG app reach remote corners'**

**New Delhi:** Information technology minister Ravi Shankar Prasad on Monday said that artificial intelligence (AI) must be used to develop a voice-based solution, so that Unified Mobile Application for New-age Governance or the UMANG app is able to reach people living even in the remote corners of the country.



**SHREYA NANDI**

*Read more on [livemint.com](http://livemint.com)*

**Asset quality of Indiabulls Housing Fin, IIFL Fin 'vulnerable': Moody's**

**Mumbai:** Asset quality at non-bank lenders IIFL Finance Ltd and Indiabulls Housing Finance Ltd is "vulnerable" due to the economic contraction, global ratings agency Moody's Investors Service said on Monday. The agency said Muthoot Finance is better positioned because of its focus on the gold loans business. Loan collections have improved for all the three NBFCs despite the six-month loan repayments moratorium ending in August. **PTI**

# Oil advances as vaccine hopes improve outlook

Oil pushed higher after closing at the strongest level since early September as signs that covid-19 vaccinations in the US could be underway within three weeks improved the demand outlook. Futures in New York rose past \$43 a barrel after capping their third straight weekly gain. Vaccinations will “hopefully” start as soon as 11 December, Moncef Slaoui, head of the US government’s Operation Warp Speed vaccine acceleration programme, said on Sunday. Meanwhile, Houthi rebels in Yemen claimed to have struck a Saudi Aramco fuel distribution centre in Jeddah on the kingdom’s west coast with a missile. **BLOOMBERG**



## — TENDER CARE —

— Advertorial

### GAIL LAUNCHES SPREADING ENERGY OF HAPPINESS INITIATIVE

Spreading Energy Of Happiness initiative advocates use of uninterrupted, convenient supply of piped natural gas (PNG) at homes. It promotes affordable environment friendly fuel for transportation through compressed natural gas (CNG) and encourages convenient, soot-free and workers' health friendly energy for better work environment in manufacturing and industries. The initiative also advocates usage of cleaner natural gas for captive power generation for industries & SMEs. The usage of the cleanest fossil fuel will help in reducing emissions of GHG thereby facilitating in reduction of air pollution, climate change, global warming and rising sea levels. GAIL strives to transform the lives of the people it touches by providing improved and environment friendly products and services in a sustainable way. GAIL promotes use of sustainable, environment friendly and efficient energy sources including Natural Gas, Renewables and other clean alternative energy. GAIL has been developing clean energy infrastructure for the country & is consistently striving to improve quality of life for Indian masses by spreading cleaner energy to facilitate homes, industry & transport to run on convenient, clean and smart fuel. GAIL has been spreading the clean energy to various nooks & corners of the country by spreading the length of its pipeline network & connecting more and more number of cities & regions of India with its CGD Network.

### LAUNCH OF "ANANDA" – ATMA NIRBHAR AGENTS NEW BUSINESS DIGITAL APPLICATION



Life Insurance Corporation of India launched its first Digital Application, "ANANDA", an acronym for Atma Nirbhar Agents New Business Digital Application, on Thursday, the 19th of November 2020. The launch was done by M R Kumar, Chairman, LIC of India through Video Conferencing, in the presence of the Managing Directors, T C Suseel Kumar, Mukesh Kumar Gupta, Raj Kumar and other Senior Officials of the Corporation. The Digital application is a tool for the on boarding process to get the Life Insurance policy through a Paperless module with the help of the Agent / Intermediary. It is built on paperless KYC process using Aadhaar based e-authentication of the Life Proposed. ANANDA is a first of its kind in the Indian Life Insurance industry with LIC of India pioneering the process through its in-house IT enabled systems. With social distancing being the new normal, prospective customers can avail the facility of taking a New Life Insurance Policy in the comfort of their homes/offices without having to meet the Agent / Intermediary in person, thereby throwing a new level of opportunity in the purchase of Life Insurance policy. Chairman of LIC of India said that ANANDA will mark a new chapter in realizing the Dreams of its Marketing Intermediaries to use Digital Applications as a Marketing instrument.

### SBI CELEBRATES YONO ANNIVERSARY

To commemorate the 3rd anniversary of YONO, State Bank of India organized cycle rallies and walkathons on Sunday, 22.11.2020 at various locations in Haryana under the leadership of Sh. Surender Rana (General Manager), Sh. Sanjay Kumar (DGM, PANCHKULA) and Sh. O.P. Choudhary (DGM, Rohtak) to spread the message of Corona Awareness and Digital Banking. The events were conducted at Hissar, Rohtak, Rewari, Ambala, Panipat, Kurukshetra, Panchkula and Kaithal by the Regional Offices. SBI donated masks and other protective gear to keep people safe in Corona times. Awareness about SBI YONO Digital Banking App was spread. YONO already has registered 31 million users on the App which is targeted to 50 million by the end of the current FY. People were made aware of the functions available on YONO and the need for using digital banking in fight against Covid-19.

Virendra Nath Datt, C&MD, NFL exchanging the MoU documents for the year 2020-21 with Chhabilendra Roul, Secretary (Fertilizers) after the signing of MoU on 09-11-2020 at Shastri Bhawan, New Delhi. Under the MoU, NFL has set a target to achieve higher market share in 2020-21. Dharam Pal, Addl. Secretary (Fertilizers) and Y. P. Bholra, Director (Finance), NFL are also present on the occasion.



Er.D.P.S.Grewal Director Distribution, PSPCL honouring Er.Dharminder Singh AE distribution West Sub Division Amritsar at Patiala today by Certificate of Award for his outstanding services and significant contribution to Punjab State POWER Corporation limited.



### SCIENTIST-PRESS MEET ORGANIZED AT SKUAST-KASHMIR

Sher-e-Kashmir University of Agricultural Sciences & Technology of Kashmir organized "Scientist-Media Meet" at Shalimar Campus. The main aim of the meet was to showcase the significant achievements of the University and to expose the researchers to communication abilities to make popular technical knowledge by effective mass media usage. A galaxy of media fraternity, besides Officers of the University/ Heads of Divisions/ Stations were present in the meeting. At the outset the sad demise of Mr. Mudasir Ali, an accomplished journalist, was condoled. Prof. M.H.Wani, Registrar presented an overview of SKUAST-Kashmir, followed by Faculty/College profile by Deans/Associate Deans. Prof. Mushtaq Ahmad, Vice-Chancellor SKUAST-Kashmir spoke on the occasion regarding strengthening of media policies for best outreach approach. Prof. Ahmad added that the public should share in the fascination of science and the amazing discoveries that continue to be made.



# Unexciting privatization news flow keeps a check on BPCL's share price

Pallavi Pengonda & Ujval Jauhari

About a year ago, shares of state-run Bharat Petroleum Corp. Ltd (BPCL) rallied to more than ₹500 on the back of hopes around its proposed privatization. But the stock has since given up most of those gains, and now trades at less than ₹400, with the one-year return at -22%.

Last week, government officials said, "multiple" expressions of interest (EoI) were received for the BPCL stake. Vedanta Ltd, one of the interested entities, said its EoI for BPCL is merely exploratory in nature. Further, according to news reports, a foreign major player and two private funds are also in the race. The BPCL stock has declined around 5% since 16 November, which was the deadline to submit the EoI. "No big global names or even Reliance Industries Ltd are reported to have submitted the EoI so far. That's a disappointment for investors," said an analyst at a domestic brokerage, requesting anonymity.

It remains to be seen if the suitors

that have lined up pay top dollar for the asset. Analysts are surprised at Vedanta's interest in BPCL, especially considering the parent already has a high debt on books.

"While Vedanta on a consolidated basis is not very levered, the key question has been the leverage at the unlisted parent and the inter-company loans to the parent (currently at about \$1 billion). However, an SPV (special purpose vehicle) structure which is ring-fenced and services the debt from dividends from BPCL could be possible, in our view," Pinakin Parekh, an analyst at J.P. Morgan India Pvt. Ltd, wrote in an 18 November note to clients.

Nevertheless, given its debt constraints, it remains to be seen whether Vedanta would pay valuations of more than ₹500 a share for the BPCL acquisition, which is where market expectations are, according to analysts. BPCL's current share price is about ₹394.

The pandemic and the ensuing impact on demand have hit valuations of oil marketing companies—shares of Hindustan Petroleum Corp. Ltd (HPCL) and Indian Oil Corp. Ltd (IOC) have fallen 27% and 35%, respectively, compared to their highs in January.

In any case, the refining business has limited long-term growth opportunities, considering the rising importance of cleaner fuels such as CNG (compressed natural gas) or renewable energy. Furthermore, the regulated nature of the business and the history of government action on pricing appears to be a

worry as well and seems to be a factor keeping large corporations away from the bidding process.

Assuch, delays in the privatization are a risk for the BPCL stock. Meanwhile, the near-term outlook for marketing margins is better for Indian oil marketing companies (OMCs).

"All the three oil marketing companies stand to gain from better marketing margin for financial year 2021, even as refining margins remain weak. But it's a matter of time before refining margins also start to recover," said Varatharajan Sivasankaran, senior vice-president, Systematix Shares and Stocks (I) Ltd.

The silver lining for BPCL investors is that its shares trade at reasonable valuations, after the correction in the past year. "Even excluding the potential boost to valuations from the privatization, BPCL shares are not too pricey," said Sivasankaran.

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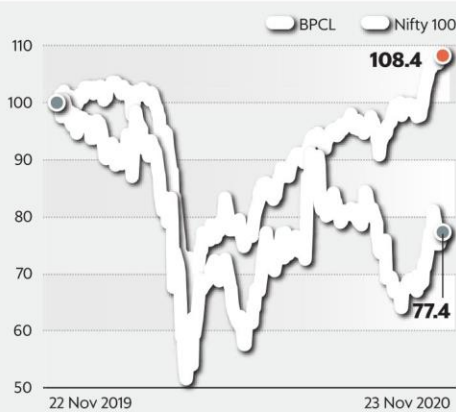
**Delays in privatization are a risk for the stock as the refining biz has limited long-term growth opportunities**

## Unrefined performance

BPCL shares have underperformed the Nifty 100 index substantially over the past year, rendering valuations inexpensive.

Base value taken as 100

Source: Capitaline and Bloomberg



SATISH KUMAR/MINT

# Charging kiosks in fuel pumps

*New Delhi:* The government is planning to set up at least one e-charging kiosk at around 69,000 petrol pumps across India, Union Transport Minister Nitin Gadkari said on Monday.

**BUSINESSES FACING A RESET IN EXISTING PRACTICES: NIRMALA SITHARAMAN**

# Reform momentum to continue, more active steps being taken up, says FM

**ENSECONOMICBUREAU**  
NEW DELHI, NOVEMBER 23

FINANCE MINISTER Nirmala Sitharaman said on Monday the government will continue the momentum on economic reforms that has gathered pace during the times of the Covid-19 pandemic. She said the financial sector is being professionalised and the government will continue with disinvestment agenda.

“Even at the time (of) COVID pandemic, the Prime Minister has not lost an opportunity to take deep reforms, to undertake those kinds of reforms which have not seen the light of the day over the decades... The momentum for reform shall continue. Several more active reform-related steps are being taken up,” she said while addressing the National MNCs conference organised by industry

chamber Confederation of Indian Industry (CII).

The National Infrastructure Pipeline, announced by the government, has attracted attention of large global sovereign wealth funds, who would also get tax concession on their investments. The incentive applies to income earned as dividend, interest or as long-term capital gains on long term investments in a company carrying on the business of infrastructure development.

Sitharaman said the government, as part of the Atmanirbhar Bharat initiative, encouraging the setting up of dedicated special manufacturing zones for the production of pharma, medical devices and APIs in several states. The government would continue its focus on disinvestment and privatisation. “Disinvestment agenda continues. We shall go with greater momentum in getting pri-

**EXPLAINED**  
**E** Assuring investors

LEADING GLOBAL investors have expressed interest in bringing long-term capital into India, especially in the infrastructure sector. The Finance Minister assured investors that continued reforms push along with tax incentives make India an attractive investment destination.

privatisation—that which has been cleared by the Cabinet—to go forward,” she said.

The government has set a target of Rs 2.1 lakh crore of receipts through disinvestments, includ-

ing the initial public offer of LIC and stake sale in IDBI Bank. As part of the privatisation plans, the government has cleared plans for complete sale of its equity in Air India, BPCL, Shipping Corporation of India Ltd, while approving majority stake sale in Container Corporation of India along with transfer of management control.

Most companies are facing a reset in existing practices as the pandemic has changed the ways of business. The government has also opened up many of the sectors including defence, nuclear energy and space for private sector as well as foreign investments. She said the thrust on policies will be to promote investment activity in the economy.

“We will have to make sure that policies are right to make India an attractive investment destination,” she said.

# Govt plans to set up charging infra across 69,000 petrol pumps

**NEW DELHI:** The government is planning to set up at least one e-charging kiosk at around 69,000 petrol pumps across the country with an aim to accelerate the uptake of electric vehicles, Union minister Nitin Gadkari said on Monday.

The Road Transport and Highways Minister while addressing a virtual conference said that the government has taken several steps to promote electric vehicles which include reduction in GST to 5 per cent, allowing delinking of battery cost of 2-3 wheelers from vehicle cost as it accounts for nearly 30 per cent of the cost etc.

“Battery charging ecosystem is very important...government is planning set up at least one electric vehicle charging kiosk at around 69 thousand petrol pumps across the country to induce people to go for electric mobility,” the minister was quoted as saying in a release.

Gadkari asked the automobile industry to push for manufacturing flex engines which have versatility to use petrol or ethanol/CNG as fuels. PTI

# Oil prices rise on back of Covid vaccine news

**LONDON:** Oil prices rose more than 1% on Monday, extending last week's gains as traders eyed a recovery in demand due to successful Coronavirus vaccine trials.

Sentiment was also bolstered by expectations that the Organization of the Petroleum Exporting Countries (OPEC), Russia and other producers, a group known as OPEC+, might extend a deal to restrain output.

Brent crude rose 94 cents to \$45.90 a barrel by 0913 GMT while U.S. West Texas Intermediate crude gained 76 cents to \$43.18 a barrel. Both benchmarks jumped 5% last week.

The contango structure in the market, where the prices of front-month delivery contracts are lower than those for delivery six months later, narrowed to 32 U.S. cents, its smallest since

mid June, indicating that concerns about a glut were receding.

Outlook for demand has improved with news indicating progress towards developing COVID-19 vaccines. A U.S. official said first inoculations in the United States could start a day or two after regulatory approval was secured.

British drugmaker AstraZeneca said on Monday its vaccine, developed along with the University of Oxford, could be around 90% effective under one dosing regimen.

PVM analyst Stephen Brennock said the news was detaching sentiment from "gloomy fundamentals." "Investors are ignoring near-term headwinds, chief among which are surging global COVID infections, and instead looking ahead to next summer," he said. AGENCIES