MINT, Delhi, 29.6.2023
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Centre likely to offer green hydrogen sops

Staff writer
feedback@livemint.com
NEW DELHI

The government is planning to incentivize consumption of green hydrogen through demand aggregation, said the secretary for the ministry of new and renewable energy Bhupinder Singh Bhalla.

Clarifying that the government would not directly incentivize consumption for end-users of green hydrogen, he said the ministry is working out the modalities for the demand aggregation model and it would be rolled out in the second tranche of the ₹17,490 crore Strategic Interventions for Green Hydrogen Transition Programme (SIGHT).

"The ministry is also working on provision of incentives for electrolyzer manufacturing and for production of green hydrogen. As regards production of green hydrogen, incentives will be awarded based on setting up of green hydrogen plants; in a second model, incentives will be provided for consumption, based on a demand aggregation model," a ministry release quoted him as saying.

AP

Russian instability need not inspire an oil rethink

India needn't reduce its crude imports from Russia even if a weaker regime in Moscow has raised risks. We need the best deal on offer and the global market for oil to remain stable

The global crude oil scene has seen a significant shift in trade after Russia's invasion of Ukraine. While the invader was Europe's big supplier of hydrocarbons before hostilities cleaved it apart from the West, its export map has pivoted eastwards, with India and China its big customers now. Since the onset of the war in February 2022, Russian crude has grown to dominate the pie of Indian imports sliced up by source countries. Last week's aborted Wagner uprising against Moscow, however, led risk analysts to ask what a Kremlin weakened and exposed to further internal strife could imply for the reliability of its oil exports. That the world oil market gave up early price gains after the weekend turmoil in Russia suggests traders do not foresee any major disruption. Yet, India's risks are more direct. Given that we import 85% of our crude oil and a discount deal with Moscow underpins a significant bulk of these shipments, is it time to re-evaluate this strategy?

Under current circumstances, no urgency is called for. As oil is a fungible commodity, like other importers, we could buy the stuff from anywhere. It's just that Russia has been selling it cheaply, in rupees, and this suits New Delhi. The benefits have been broad. If India's trade gap that had widened last year is no longer a worry, access to cheap oil in a softening market must get its share of credit. It also resulted in some relief on other counts such as inflation. As for what the US-led West makes of our oil equation with Russia, it need not figure at all in our calculation. While the West has not just turned away from Russia but also sought to squeeze its oil revenues by placing a G7 cap of $60 per barrel on the price of its oil exports, what matters most is oil's global availability in terms of volume. The fact that India has been welcoming tanker-loads of Russian output has played a role in keeping the overall market somewhat stable after last year's war shock. Without Indian purchases, tighter supply conditions might have prevailed, which would have empowered OPEC+, a cartel of suppliers led by Saudi Arabia that has struggled lately to harden prices by reducing production. The current scenario, with a barrel of crude trading under $75 globally, could be viewed as a sweet spot by India as well as other countries whose economies are oil-sensitive. All this adds up to weigh in favour of the *status quo*.

Since Russia appears to have piled up more Indian currency than it needs for its imports from India, as reports indicate, we must admit that a regime change in Moscow could yet disrupt our bilateral trade ties if this aspect of it comes under review there. But then, in most such matters, hard interests usually come into play and it's difficult to picture New Delhi being let down by a partner of long standing. It is reasonable to expect that so long as the basic logic of the relationship works for both, it will survive. What Indian diplomacy could do is try nudging the US to rethink its sanctions-led approach to foreign policy. It has widened its arsenal of economic warfare in response to Moscow's aggression. It froze Russia's overseas assets, for example, and tried to isolate its banks as part of a financial onslaught, but could not choke off the Kremlin's war funding. It wasn't a realistic goal. Although the Wagner rebellion could yet set into motion events that let US sanction-wielders claim success, we must ask whether the setback suffered by globalization was a price worth paying.

BUSINESS STANDARD, Delhi, 29.6.2023
Page No. 17, Size:(52.60)cms X (27.12)cms.

Indo-US ties in a regulatory bind

Aligning regulations between the two countries in a slew of sectors could be a challenge in deepening the economic relationship

SUBHOMOY BHATTACHARJEE
New Delhi, 28 June

ILLUSTRATION: BINAY SINHA

HEAD TO HEAD

India regulators	USA regulators
■ Reserve Bank of India	■ Federal Reserve
■ Securities and Exchange Board of India ■ Insurance Regulatory & Development Authority of India	■ Security and Exchange Commission
■ Telecom Regulatory Authority of India ■ Ministry of IT	■ Federal Communication Commission
■ Competition Commission of India	■ Department of Justice
■ Central Electricity Regulatory Commission ■ Petroleum and Natural Gas Regulatory Board	■ Federal Energy Regulatory Commission

As US and Indian companies, private and government, come together to explore sectors ranging from high-tech defence to space, energy and a range of information technology (IT) services, they will likely force several regulatory changes, too.

A model for this can be seen in what has begun to happen between the US and the European Union (EU) with the establishment of their Joint Regulatory Forum. Every six months all the financial sector regulators on the two sides of the Atlantic come together to fine-tune their regulatory arrangements including two areas that will be most salient for India. These are rules for digital finance and "regulatory and supervisory cooperation in capital markets", where each has given the other side equal national treatment to operate.

In the India-US relationship one of the first examples of these changes could happen in the minerals sector. India plans to bring in amendments to the Offshore Areas Mineral (Development and Regulation) Act, 2002, as early as the upcoming monsoon session of Parliament to allow the private sector to mine the seas. The operative provisions may now need to be aligned with the Mineral Security Partnership that India has just signed to join, which includes the US among 14 countries. The regulatory regime for the sector will have to allow the same space to foreign companies to invest in these mines as those on offer for Indian companies. This will have a consequential impact on the foreign direct investment (FDI) limits for the sector, which is currently nil.

More significantly, India's equation with the International Seabed Authority (ISA) may also have to change. The Jamaica-headquartered organisation is the one through which all signatory countries organise and control all mineral-resources-related activities in their respective areas including India. The US has had a difficult relationship with it. Deep sea mining is being seen as a critical but contested solution to the energy transition. As a member of the Mineral Security Partnership and also of ISA, India will find the need to find a difficult balance between the alternatives.

Such hesitancy is a common trait across most Indian regulators. While almost all of them have signed on to international clubs of regulators (stock market regulator Sebi, for instance, is a member of International Organization of Securities Commissions), aligning of the operative standards has taken time.

This will likely have to change as a result of the far-reaching agreements signed between India and the US. A major part of these changes will be in two areas.

The first is the rules for foreign investment in the respective sectors. It helps that in most sectors caps for foreign investment are mostly 100 per cent so most of the changes envisaged will not have to travel through the long-drawn process of Parliament for approval.

The second is the set of rules that the regulators have surrounded themselves with that makes them operate like courts. This is particularly true of the Indian energy sector regulators such as the Central Electricity Regulatory Commission (CERC) and the Petroleum and Natural Gas Regulatory Board. As one former regulator put it, "They are not regulators as one understands in a market economy."

Yet this is one sector where the largest number of collaborations is envisaged in the India-US dynamics. These include bringing together the Indian National Green Hydrogen Mission and the US' Hydrogen Earth Shot. "The United States welcomes India's decision to co-lead the multilateral Hydrogen Breakthrough Agenda to make affordable renewable and low carbon hydrogen globally available by 2030," reads the White House fact sheet issued after the meetings between Prime Minister Narendra Modi and President Joe Biden.

There are others, such as the private finance at scale for renewable energy, battery storage, and emerging green technology projects in India.

As yet, India does not have a regulator for the hydrogen mission, now being run across the ministries of new and renewable energy, petroleum and natural gas, and NITI Aayog. In the US, energy issues, including emerging technologies such as green hydrogen, are all bundled under the Federal Energy Regulatory Commission, which defines its role as consumer-focused. As its mandate says, the Commission is supposed to "assist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts".

As a comparison the CERC describes its primary role as intending to promote "competition, efficiency and economy in bulk power markets, improving the quality of supply, promote investments and *advise government* (italics added) on the removal of institutional barriers to bridge the demand supply gap". Consumers come at the tail.

The dissonance will be the most glaring in the role of the Competition Commission of India, or CCI. Even though CCI is modelled on its counterparts in the EU or the US, key differences have surfaced. One of those relates to the role of market power. Just a day after the Modi-Biden summit, Amazon has announced plans to invest an additional $15 billion in India over the next seven years. As the company's journey vis-à-vis CCI has so far shown, all of these have pivoted on what determines market concentration and leadership.

This is the key reason Google has decided to open its global fintech operations centre in GIFT City, Gujarat, to be away from the intrusive regulatory purview of CCI. Although senior officials in CCI aver that their position is not in dissonance with that of the European Commission, the fact is that the competition regulator's approach is quite distinct from the position adopted by the US FCC. "CCI and the Act for only antitrust issues. For online markets and platforms a new law is already being framed under the Digital Markets Act. So I suspect there will be a separate regulatory commission for the new markets," said former CCI member Geeta Gouri. One of the reasons Amazon is getting enthusiastic again could be this development in India.

These challenges have arisen because although Indian regulators in the financial sector have built up their positions largely in consonance with that of the US, nudging them to adopt best practices, the non-financial ones have travelled away towards protectionism over the years.

As the US seeks to deepen its economic involvement with India, it is this regulatory bind that will need to be unwound. How far this happens will also determine how well the impact of the economic handshake spreads.

Government to roll out CGD network in North-East, J&K

Rishi Ranjan Kala
New Delhi

The government will soon roll out bids for setting up city gas distribution (CGD) networks in the north-eastern States and in Jammu and Kashmir.

Besides, the Centre also wants to develop the natural gas pipeline infrastructure in J&K from Jammu to Srinagar.

Last week, the Petroleum and Natural Gas Regulatory Board (PNGRB) said it is initiating the consultation process for eight geographical areas (GAs) spread across these two regions for establishing natural gas pipelines as part of the 12th CGD bidding round.

"In order to further expand the reach of natural gas in the country, the PNGRB has finalised eight GAs for which a public consultation process is being initiated to invite comments of public and stakeholders," the regulator said.

After completion of this process, the PNGRB will launch the 12th CGD bidding round for GAs, it added.

The GAs are Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and the union territories of Jammu & Kashmir and Ladakh.

GAS-BASED ECONOMY

On the rationale behind the exercise, the regulator said the government has accorded priority to shift towards a gas-based economy, with natural gas as the next-generation cheaper and less polluting fossil fuel alternative.

ECONOMIC TIMES, Delhi, 29.6.2023
Page No. 7, Size:(11.31)cms X (11.36)cms.

Incentives Worth ₹13K Cr on Offer in 1st Tranche of Green H2 Bidding

Our Bureau

New Delhi: India will offer incentives for a stated capacity of 450,000 tonnes per year in the first tranche of bidding for green hydrogen production.

The Ministry of New and Renewable Energy Wednesday announced guidelines for green hydrogen production and electrolyser manufacturing incentive schemes, under the National Green Hydrogen Mission, that lay down the capacity available and provide for capping incentives being offered.

The bidders will have to state their annual production target for availing the green hydrogen incentive

Incentives would be capped at ₹50/kg in the first year, ₹40/kg in the second and ₹30/kg in the last, in line with the upper limits proposed in the draft guidelines.

The first mode for green hydrogen production incentive by the government comprises bidding on the least incentive sought over three years.

The bidders will also have to state their annual production capacity target for availing the green hydrogen incentive.

The total outlay for the scheme, announced in January, for green hydrogen production is ₹13,050 crore.

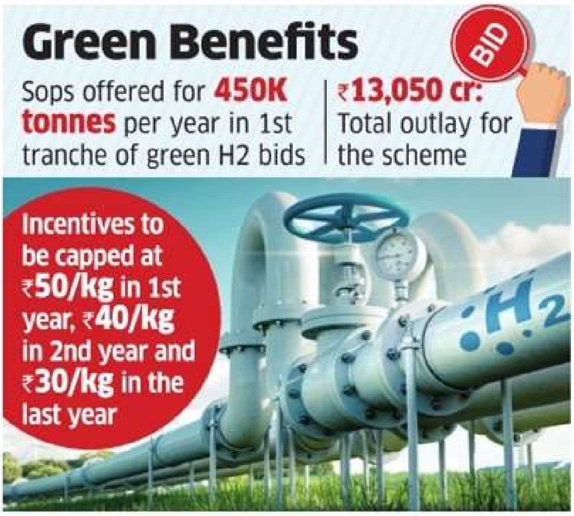
The bidder quoting the least average incentive will be first allocated its admissible capacity, a notification from the ministry said.

In hydrogen production capacity to be set up through "technology agnostic" ways the maximum capacity allotted to a single bidder would be 90,000 tonnes a year but not less than 10,000 tonnes a year.

For capacities that will be biomass based, the maximum allotment for a single bidder would be 4,000 tonnes a year and the minimum that can be bid for is 500 tonnes.

For electrolyser manufacturing, support will be provided per kW corresponding to the manufacturing capacity. As stated in the draft guidelines, the base incentive will start at ₹4,440/kW and taper down annually.

The total incentive for electrolyser manufacturing stated earlier in the mission is ₹4,440 crore.



FREE PRESS JOURNAL, Mumbai, 29.6.2023
Page No. 5, Size:(8.69)cms X (13.59)cms.

BPCL to raise ₹18,000 cr via rights issue

State-owned Bharat Petroleum Corporation Ltd (BPCL) on Wednesday said it will raise up to Rs 18,000 crore through an issue of equity shares on a rights basis to fund its net zero carbon emission projects. The government, which is the majority owner of the company, is likely to subscribe to the rights issue and infuse equity in the company. This as per the Budget announcement will provide Rs 35,000 crore of capital support to state-run fuel retailers -- BPCL, IOC, and HPCL -- to support their energy transition and net zero initiatives.

ECONOMIC TIMES, Delhi, 29.6.2023
Page No. 9, Size:(8.37)cms X (9.93)cms.

BPCL to Raise ₹18k cr Through Rights Issue

Our Bureau

Mumbai: The board of Bharat Petroleum Corp Ltd (BPCL) on Wednesday approved a proposal to raise up to ₹18,000 crore through a rights issue of shares.

Existing shareholders can participate in a rights issue by purchasing new shares of their company, usually at a discount to the market price.

The capital infusion is for achieving energy transition, net zero, and energy security objectives, the state-run company said in a regulatory filing.

BPCL has committed to offset emissions from refining operations and from the energy it uses by 2040, referred to as Scope 1 and 2 emissions. It is scaling up its renewable energy portfolio from less than 50 MW today to 1 gigawatt by 2025 and 10 gigawatts by 2040.

BPCL plans to set up 240 MW of renewable power capacity at the

cost of ₹1,600 crore this fiscal year.

This January, the company signed a memorandum of understanding with the Rajasthan government for setting up the renewable energy power plant.

The capacities being built in the short term would be to meet the company's captive demand, primarily from refineries and a proposed petrochemicals unit. BPCL could also sign power purchase agreements with buyers.

BPCL's shares ended at ₹365.20, up 1.39%, on the BSE Wednesday. The benchmark Sensex ended at 0.79% higher.

BUSINESS LINE, Delhi, 29.6.2023
Page No. 2, Size:(12.71)cms X (9.84)cms.

BPCL okays ₹18,000-cr rights issue for clean energy plans

GREEN DRIVE. Targets 1 GW of renewables by 2025 and 10 GW by 2040

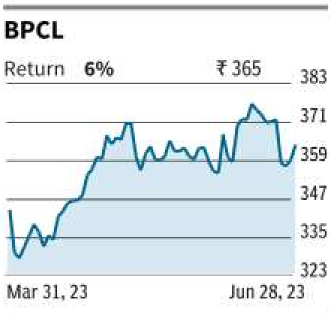
Our Bureau
New Delhi

State-run Bharat Petroleum Corporation (BPCL) on Wednesday said its board has approved a rights issue for raising up to ₹18,000 crore.

On June 22, the CPSU said the exercise was being undertaken to achieve energy transition, net zero and energy security objectives.

In a regulatory filing on BSE, BPCL said its board had approved the proposal for raising capital to an amount not exceeding ₹18,000 crore.

"This capital will be raised by way of issue of equity shares on rights issue basis to eligible equity shareholders of the Corporation as on the record date (to be notified



statutory approvals," it added. The detailed terms of not limited to the issue price, right entitlement, record date, timing, and payment terms, will be intimated separately after approval of the Board in due course, the oil marketing company (OMC) said.

With a focus on sustainable solutions, the company is developing a vibrant ecosystem and a road-map to become a Net Zero Energy and Scope 2 emissions. It has targeted to reach 1 gigawatt (GW) of renewables by 2025 and 10 GW by 2040. Earlier this year, the company said it signed a memorandum of understanding (MoU) with the Rajasthan Government to set up a 1 GW renewable energy (RE) power plant in the State.

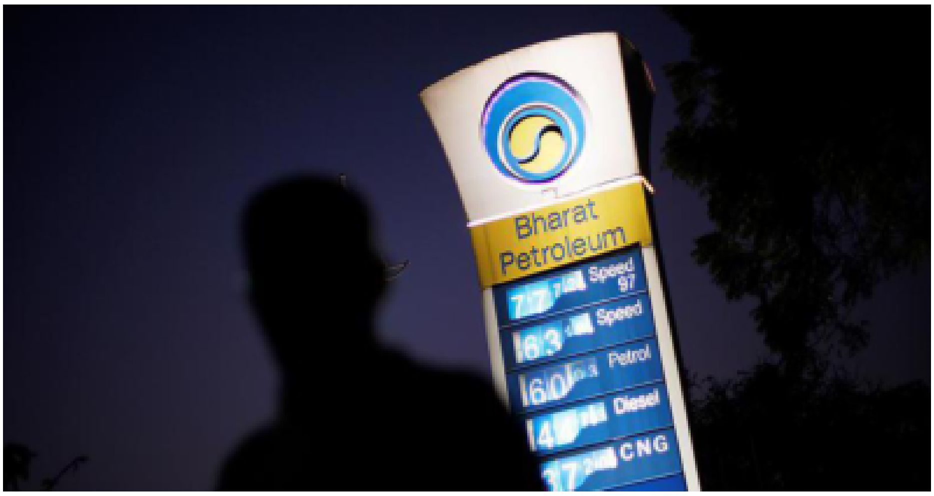
HIGHEST-EVER SALES

The company recorded its highest-ever market sales of 48.92 million tonnes (mt) for FY23 against 42.51 mt in FY22, with a growth of 15.08 per cent.

It also achieved an average ethanol blending percentage of 10.59 per cent from April to December 2022, with the highest blending being achieved in Q4 FY23 at 11.86

HINDU, Mumbai, 29.6.2023
Page No. 11, Size:(5.38)cms X (8.29)cms.

INBRIEF



BPCL gets board nod for ₹18,000-crore rights issue

National oil marketing company Bharat Petroleum Corporation Ltd. (BPCL) has got board approval for its proposal to raise up to ₹18,000 crore through rights issue. Subject to statutory approvals, the capital will be raised by way of issue of equity shares on a rights issue basis to eligible equity shareholders, BPCL said following Wednesday's board meeting. Details of the rights issue, including but not limited to the issue price, will be intimated separately, the company said.

FINANCIAL EXPRESS, Delhi, 29.6.2023
Page No. 2, Size:(11.50)cms X (9.75)cms.

EXPLORING FUNDING AVENUES

₹17,500-crore incentive scheme for green H2 soon

India needs ₹5.5-trn debt funding for the sector, says MNRE secy

MANISH GUPTA
New Delhi, June 28

INDIA WILL REQUIRE ₹5.5 trillion debt-based funding by 2030 to achieve its target of producing 5 million metric tonne (MMT) of green hydrogen per annum, new-and-renewable energy secretary Bhupinder Singh Bhalla said on Wednesday.

Two drafts of the ₹17,490 crore incentive scheme for the sector have also been finalised, he added.

The ministry is in talks with the department of financial services (in the finance ministry) and the Insurance Regulatory and Development Authority of India (IRDAI) to engage private players and explore funding avenues, including money and bond markets, and the international agencies for low-cost funds," he said.

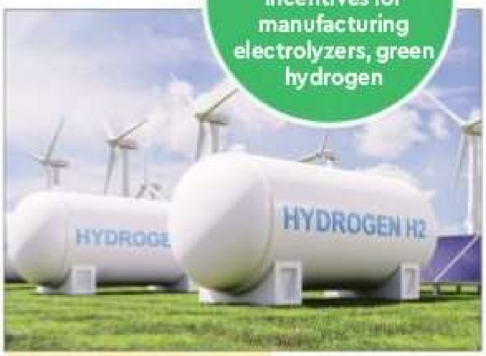
India needs an overall investment of ₹8 trillion under the National Green Hydrogen Mission (NGHM) and 70% of it is expected to be the debt component, he said. The government will offer ₹17,490 crore as incentives to promote manufacturing of electrolyzers and green hydrogen over the next seven years.

"The draft of the incentive scheme for electrolyzer manufacturing and part of the incentive scheme for production of green hydrogen have been finalised. The incentives will be implemented in a phased manner, so that the government learns from the first tranche and evolves the second one accordingly," he said.

CLEAN ENERGY

- India needs **₹8 trillion** investment for National Green Hydrogen Mission
- **₹5.5 trillion** debt-based funding needed for green hydrogen projects by 2030
- Target of producing **5 MMT** of green hydrogen per annum by 2030

₹17,000 cr incentives for manufacturing electrolyzers, green hydrogen



48 green hydrogen projects with 3.5 MMTPA production already announced

- Water need of **5 MMT** green hydrogen equal to 5,000-8,000 MW thermal plants

Norms for green hydrogen sops

THE GOVERNMENT ON Wednesday released the norms for the ₹17,490 crore incentive scheme to promote manufacturing of eletrcolyzers and green hydrogen. The scheme guidelines for implementation of 'Strategic Interventions for Green Hydrogen Transition (SIGHT) programme provides ₹4,440 crore as incentive for electrolyser manufacturing, and ₹13,050 crore for green hydrogen production. The incentives under both components will follow a tapered trajectory. For electrolysers, it will start from ₹4,440 per kW in first year to ₹1,480 per kW in fifth year. And, the incentive demanded for green hydrogen production for each of the first three years will have an upper cap of ₹50 per kg, ₹40 per kg and ₹30 per kg for first, second and third year. **FE BUREAU**

PIONEER, Delhi, 29.6.2023
Page No. 7, Size:(24.62)cms X (37.00)cms.

Fertiliser subsidies are not the solution

UTTAM GUPTA

Instead of pumping more subsidies the Government should push for nano fertilisers which are efficient and cost-effective

The Union Minister of Health and Family Welfare and Chemicals and Fertilizers Mansukh Mandaviya has stated that during 2023-24, around Rs 46,000 crore would be needed for fertilizer subsidy payments over and above Rs 175,000 crore being the budget estimate (BE) given by the Finance Minister Nirmala Sitharaman in the budget presented on February 1, 2023. On the other hand, the Ministry of Finance (MoF) feels, payments could be even less than BE.

Fertilizer subsidy is payments made to manufacturers or importers to cover the excess of the cost of production/import and distribution (or cost of supply) over a low maximum retail price (MRP) they are directed by the Union government to charge from the farmers. The subsidy on each ton of fertilizer produced (or imported) and sold is the difference between the cost of supply and MRP. Multiplied by the total quantity of fertilizer sold, it gives aggregate subsidy payments.

In the case of urea, MRP is under 'statutory' control. The excess cost of supply over MRP is reimbursed to the manufacturer as a subsidy which varies from unit to unit depending on the cost. These reimbursements are made under the so-called New Pricing Scheme (NPS). For non-urea fertilizers which are de jure decontrolled, the MRP is 'indirectly' controlled. The government gives a 'uniform' subsidy on a per-nutrient basis to all manufacturers and importers under the Nutrient Based Scheme (NBS). The latter must deduct this from the cost to arrive at the MRP. All these exercises/determinations are made by the fertilizer ministry and arrive at the tentative estimates of subsidy requirements under each category viz. urea and non-urea fertilizers. The precise number is finalized in consultation with the MoF.

What makes the fertilizer minister feel that the actual requirement will be more than the BE for 2023-24?

For a better understanding, we need to look at both the financial years 2022-23 and 2023-24. For 2022-23, against BE of Rs 105, 000 crore, Sitharaman put the revised estimate (RE) at Rs 225,000 crore. This was based on actual payments during the first 10 months of the FY and likely outgo during the remaining two months i.e. February and March 2023. The actual was even higher at Rs 253,000 crore.

Under a business-as-usual scenario, if the allocation for 2022-23 had remained frozen at the level of RE i.e. Rs 225,000 crore, the shortfall of Rs 28,000 crore would have to be carried forward to 2023-24 and paid for from the current year's budget. Now, that full amount has been provided in 2022-23 itself, hence no spillover, Rs 28,000 crore need not be paid from the 2023-24 budget.

Subsidy payments during 2022-23 leapfrogged to a peak of over Rs 250,000 crore because global fertilizer prices increased sharply. For instance, in April 2022, the price of urea touched US$980 per ton while that of di-ammonium phosphate (DAP) - a widely used fertilizer in the non-urea category - was US$925 per ton. The price of phosphoric acid and ammonia – raw materials (RMs) used in the production of non-urea fertilizers – were US$1,530 per ton and US$1,050 per ton respectively. The price of muriate of potash (MOP) was US$590 per ton.

SIGNIFICANT SAVINGS IN SUBSIDY SHOULD BE POSSIBLE BY PROMOTING THE USE OF NANO FERTILISERS. THESE ARE FERTILISERS IN THE FORM OF NANOPARTICLES AND ARE APPLIED IN LIQUID FORM

The price of imported LNG - it meets over one-third of natural gas requirements for domestic production of urea – was at a high of around US$24 per million Btu (British thermal unit) in April 2022. The price of domestic gas (it supplies the remaining two-thirds) for old and regulated fields was US$ 6.1 per mmBtu whereas for supplies from difficult deep water and ultra-deepwater (D/UD) fields, it was US$ 9.92 per mmBtu. From October 2022, these prices increased to US$8.57 per mmBtu and US$12.6 per mmBtu respectively.

Since last year, there has been a substantial drop in the prices of all fertilizers and RMs. Currently, the prices are urea US$333 per ton; DAP: US$540/ton; phosphoric acid: US$ 990 per ton; ammonia: US$ 248 per ton and MOP: US$ 422 per ton. The price of imported LNG is down to around US$12-13 per mmBtu. As for the price of domestic gas, on supplies from old and regulated fields, currently, it is US$6.50 per mmBtu. For supplies from D/UD, it remains high at US$12.1 per mmBtu; but their share in domestic gas is only 30 per cent.

In short, during the current year, prices of all fertilizers and RMs are substantially lower than during 2022-23 and these are maintaining their downward trajectory. For instance, the cost of DAP is expected to fall further to around US$ 300-350 per ton. With no change in the price paid by farmers (read: MRP), the lower cost should lead to a corresponding reduction in subsidy outgo.

Accordingly, on May 19, 2023, the Union Cabinet approved a significant cut in the per kilogram subsidy rate for nitrogen (N), phosphorus (P), and potash (K) for the Kharif 2023 season (April-September) under NBS for P&K fertilizers. The subsidy outgo during this period will be Rs 38,000 crore down from Rs 61,000 crore spent during the last Kharif 2022 season. Given the continuing reduction in prices, there may be a further sizeable reduction in subsidies under NBS during the second half of the current FY. Meanwhile, the government has also reduced the subsidy rates for January – March 2023 'retrospectively' to reflect the reduction in global prices for those three months. This will be adjusted against payments to manufacturers/importers during the current FY.

Significant savings in subsidy should be possible by promoting the use of nano–fertilizers. These are fertilizers in the form of nanoparticles and are applied in liquid form. Their efficiency is many times more than conventional fertilizers. For instance, a 500-ml bottle of nano-DAP is equivalent to a 50-kg bag of conventional DAP. The former is available to farmers for Rs 600 without any subsidy support, against the latter being available at more than double this price or Rs 1,350 and that too with substantial subsidy support.

During 2023-24, the Indian Farmers Fertilizer Cooperative (IFFCO) which has developed the technology, plans to produce 50 million bottles of nano-DAP. This will replace 2.5 million tons of conventional DAP resulting in significant savings. Following the commissioning of three plants in the public sector (April 2023), domestic production of urea is expected to increase by 2-3 million tons. This will result in an equivalent reduction in import and turn, subsidy payments. All the above factors point towards containing subsidy outgo within the BE of Rs 175,000 crore. Then, why does the fertilizer minister say 'more will be needed?

He argues that at the beginning of the current FY, manufacturers were holding inventories – stuff that was purchased during 2022-23 at high prices - which should be eligible for subsidy at higher rates. This is a flawed argument. This is because when prices rise and the government gives higher subsidies (for instance, in the second half of 2021-22), it didn't mop up the benefit accruing to manufacturers on the inventory that was earlier bought at a lower price. Likewise, there isn't merit in another argument for a 'less than required cut in subsidy rate' just because they suffered some loss during the second half of 2022-23. To conclude, MoF shouldn't agree to the fertilizer ministry's demand for more funds towards subsidy payments. The latter should make efforts to keep the actual lower than BE.

(The writer is a policy analyst)

FREE PRESS JOURNAL, Mumbai, 29.6.2023
Page No. 11, Size:(16.51)cms X (2.55)cms.

KOTAK INSTITUTIONAL REPORT

PSU oil firms made ₹240 bn over-recoveries Apr-Jun

INFORMIST / New Delhi

State-owned oil marketing companies are estimated to have made 240 bln rupees in over-recoveries in the three months ended June, said brokerage firm Kotak Institutional in a note, where it also hiked its forward view on these companies.

"With further correction in mid-distillate cracks and no pass-through of lower costs through retail price cuts, OMCs (oil marketing companies) have been recouping past losses on retail fuels through over-recoveries," the brokerage said.

To put it simply, the decline in crude oil prices from early last year, coupled with frozen retail prices, had pushed marketing margins of oil companies to record highs in Jan-Mar. Kotak Institutional now expects these over-recoveries to continue until mid-August. On the basis of these over-recoveries, the brokerage firm also hiked its auto-fuel retail margin estimate for this financial year to 5.4 rupees/ltr from 3.5 rupees/ltr earlier. "A Rs 2/liter higher marketing margins on retail fuels boosts the combined EBITDA for the three OMCs by nearly Rs 300-320 bn," it said.

However, the brokerage firm expects oil prices to tighten in the second half of this year, following an output cut of 1 mln barrel/day by Saudi Arabia in July and a resilient demand outlook.

ASIAN AGE, Delhi, 29.6.2023
Page No. 7, Size:(6.91)cms X (6.23)cms.

Govt's ₹17k-cr incentives to produce green hydrogen

New Delhi June 28: The government has planned over Rs 17,000 crore in incentives to promote the manufacturing of electrolyzers and green hydrogen in the country, MNRE Secretary Bhupinder Singh Bhalla said on Wednesday.

The draft of the incentive scheme for electrolyzer manufacturing and a part of the incentive scheme for the production of green hydrogen have been finalized and will be rolled out soon.

The incentives will be provided under a scheme and the draft of the same has been prepared, Bhalla said.

The move will result in demand creation for the clean energy source, the official said.

THE INCENTIVES will be provided under a scheme and the draft of the same has been prepared. The move will result in demand creation for the clean energy source.

The government is already working with respective ministries to promote green hydrogen. The Ministry is also working on provision of incentives for electrolyzer manufacturing and for production of green hydrogen, Bhalla said.

The MNRE Secretary said that "the draft of the incentive scheme for electrolyzer manufacturing and part of the incentive scheme for the production of green hydrogen have been finalized and will be rolled out soon. The total incentives being offered under the Hydrogen Mission are more than Rs 17,000 crore until the year 2030, which will be rolled out in tranches, so that the government will learn from the first tranche and evolve the second one."

The official also announced that the International Conference on Green Hydrogen will be held from July 5-7, 2023 in New Delhi.

The event will bring together the stakeholders to discuss emerging technologies in the entire green hydrogen value chain. Around 1,500 delegates from India and abroad will take part in the event. *—PTI*

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'Govt plans ₹17K cr incentive scheme for electrolyzers, green hydrogen production'

PTI / New Delhi

The government has planned over Rs 17,000 crore in incentives to promote the manufacturing of electrolyzers and green hydrogen in the country, MNRE Secretary Bhupinder Singh Bhalla said on Wednesday.

The draft of the incentive scheme for electrolyzer manufacturing and a part of the incentive scheme for the production of green hydrogen have been finalized and will be rolled out soon.

The incentives will be provided under a scheme and the draft of the same has been prepared, Bhalla said.

The move will result in demand creation for the clean energy source, the official said.

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Petroleum dealers slam govt proposal for 55,000 new pumps across nation

Apex body says doubling the number of pumps will essentially mean halving the business of existing ones; calls for more welfare measures

ABHIJIT MULYE / MUMBAI

Recent ads by oil marketing companies (OMCs) for more than 50,000 new petrol pumps has led to a sense of insecurity among existing pump owners, who say the government should ensure their welfare first before granting permissions for new pumps.

The number of new pumps proposed is almost the same as the existing number of pumps across the country, meaning the petrol distribution network will see an instantaneous growth of 100 per cent, Uday Lodh, president of the Consortium of Indian Petroleum Dealers, the apex body of petroleum dealers in India, said.

However, the customer numbers is only growing by 4% to 8%, which will essentially mean halving the business of the existing petrol pumps, he said.

The government needs to assure the existing petroleum dealers that their business will be protected, Lodh said. "Also, considering the prevailing issues affecting the business, the government should also come out with some handholding measures. Else it will be catastrophic," he said.

The government is acting on several fronts simultaneously. On one hand, efforts are being made to bring in more zero-emission vehicles – which a minister said would lead to closure of petrol pumps by 2025; the other arm of the government is planning to open 55,649 new pumps. "Their premise is that it will give a boost to employment generation. But it is ironical as well as misleading, Lodh said.

"It took 70 years for the authorities and the business community to establish 56,000 pumps, and now the Ministry of Petroleum and Natural Gas, through OMCs, has come out with 55,649 new pumps in a single go. I fear it is unviable," he said.

Lodh said that around 90,000 retail outlets across the country are not being able to sell requisite amount of petroleum products to remain profitable.

Lodh questioned why so much public money is being spent on the exercise.

"Oil marketing companies owned by the public will spend huge amounts of public money for setting up the new retail outlets, majority of which would go waste due to non-viability of business," he said.

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MP में पेट्रोल के दाम पर गरमाई सियासत

कांग्रेस ने शिवराज को घेरा

■ **भोपाल,** नवभारत न्यूज नेटवर्क. प्रधानमंत्री नरेंद्र मोदी ने पेट्रोल के दाम को लेकर मंगलवार को भोपाल में विपक्षी दलों की राज्य सरकारों को घेरा. उन्होंने कहा "केंद्र ने 2 साल में 2 बार एक्साइज ड्यूटी कम की, लेकिन ज्यादातर राज्यों में जहां भाजपा नहीं है, वहां राजनीतिक दलों ने इस कटौती का लाभ जनता में ट्रासंफर नहीं किया." इसके बाद मध्य प्रदेश में पेट्रोल के दाम को लेकर सियासत गरमा गई है. पीएम ने कहा "उत्तर प्रदेश, गुजरात, हरियाणा, उत्तराखंड जहां भाजपा सरकार हैं, वहां पेट्रोल की कीमत सौ रुपए से कम है, लेकिन बिहार में 107, राजस्थान में 108, तेलंगाना में 109, केरला 110 है, क्यों भई? इन राज्यों की सरकारें जनता के साथ विश्वासघात कर रही हैं." वहीं पीएम मोदी के इस बयान के बाद कांग्रेस ने कहा " पीएम मोदी ने सीएम शिवराज के खिलाफ फूंका बिगुल. कहा जहां अच्छी सरकार वहां पेट्रोल के रेट 100 से कम." कांग्रेस ने कहा कि बूथ कार्यकर्ता जनता को गुजरात और यूपी के पेट्रोल के रेट बताएं. कांग्रेस ने कहा पीएम मोदी एक नजर इधर भी डालिए. यूपी में पेट्रोल 96 रुपये, गुजरात में पेट्रोल 96 रुपये और मध्य प्रदेश में पेट्रोल 109 रुपये है.