

STOCK CHECK	
Sensex intra-day movement	
High	37005.25
Open	36714.54
Close	36975.23
Low	36680.88
Previous	36616.81

CURRENCIES	
US \$	Rs 71.56
UK Pound	Rs 92.71
Euro	Rs 81.49

INDICES		
BSE		
Sensex	36975.23	+358.42
Midcap	14425.08	-17.21
Smallcap	13668.01	+6.30
NSE		
Nifty	11062.45	+128.10
Next 50	26639.80	+242.05
Nifty 500	9118.70	+85.10

Most active on NSE		
Scrip	Price*	Traded value#
RelInfra	155.00	1462.75
Reliance	1310.55	1232.27
TechM	812.00	1185.47
Jubilant	1291.40	1180.61
ZEEEL	388.95	971.19

COMMODITIES		
Gold (10 gram in Rs)		
Pure	33800	—
Hallmark	32550	—
Silver (kg in Rs)		
Bar	40400	-50
Portion	40500	-50
Crude*	3814	-31.00
Copper#	447.30	+1.45

MONEY MARKET		
		Yield (%)
Call rate		5.00
91-day T-Bill		6.54
1-year Gilt		6.78
5-year Gilt		7.38
10-year Gilt		7.56

## IN BRIEF

### Cognizant gets a new CEO

**MUMBAI:** Cognizant has appointed Brian Humphries as its CEO and a member of the board of directors, effective April 1, 2019. Humphries, currently the CEO of Vodafone Business, will succeed co-founder Francisco D' Souza who had served as the CEO since 2007. The IT company has reported a net income of \$648 million for the fourth quarter ended December 31, 2018, against a net loss of \$18 million a year ago.

### JSW Steel net

**MUMBAI:** Sajjan Jindal-led JSW Steel has reported a 10 per cent decline in consolidated net profit at Rs 1,603 crore for the quarter to December, because of a big decline in exports and depreciation cost for acquired assets. Total income increased to Rs 20,355 crore from Rs 18,306 crore a year ago.

### Zee promoters

**NEW DELHI:** Promoters of Zee Entertainment Enterprises Ltd, the flagship firm of troubled Essel group, are open to selling over 50 per cent of their holdings in the firm as part of their asset monetisation to repay debt, Zee MD and CEO Punit Goenka.

### Glenmark pact

**NEW DELHI:** Glenmark Pharmaceuticals on Wednesday said its Swiss arm has entered into an exclusive licensing pact with Grandpharma Co to commercialise its novel nasal spray, Ryaltris in China.

### Birla Corp

**CALCUTTA:** Birla Corporation on Tuesday reported a consolidated net profit of Rs 27.4 crore in the December quarter against a loss of Rs 21.8 crore a year ago.

### BOTTOM LINERS



"Sorry, I did get your emergency distress call, but I thought it was spam."

Essar has now invested \$1bn in building a profitable UK business

Essar Oil UK CEO S. Thangapandian on the acquisition of BP's stake in a pipeline and oil terminals in the UK



XXCE

CALCUTTA THURSDAY 7 FEBRUARY 2019

## Steel import curb on way

JAYANTA ROY  
CHOWDHURY

**New Delhi:** The government will consider a minimum import price for select steel items, including flat products and stainless steel, besides stricter quality control of all steel imports.

A cabal of top steel makers on Wednesday met steel ministry officials to press their demand for duty protection and quality check on cheap, sub-standard steel which they say is making its way into the country.

Officials said the government was inclined to give them the protection partly because "their case is strong" and partly because in an "election year, Indian industry

should not only be protected but seen as being protected".

They said a committee to fix a minimum import price is being set up. This follows several rounds of hectic lobbying by local majors, including Tata Steel, the Jindals and SAIL.

Local industry claimed the duty walls were not working as a global industry beset by over-capacity was dumping the produce at extremely low prices and were finding new ways to circumvent tariffs.

The minimum import prices, if allowed by the cabinet, will replace the temporary safeguard duties which were set last year, though the basic customs duty will remain, said the officials.

However, the move is like-

### TOUGH STAND

■ Minimum steel import price under consideration

■ Quality control to check poor quality import

■ Industry lobbying for action against imports

■ Safeguard duties to go. Basic customs duty stays



ly to raise the hackles of another powerful industrial lobby, that of auto makers who use cheaper imported steel. Car makers and component manufacturers have also been lobbying the finance and the industry ministries for relief

from the higher duties on imported metal sheets.

In a pre-budget memo to the government, the Automotive Component Manufacturers Association of India has said "steel and aluminium alloys attract basic customs duty of 15 per cent and 10 per cent respectively. The sector, largely dominated by MSMEs, is facing a huge challenge in the availability of raw materials at the right price.

"A reduction in customs duty on all alloy steel and secondary aluminium alloy items, including scrap is strongly recommended."

Steel makers are facing a double whammy of cheap imports flooding the market at a time prices are falling.

The industry is expected to

post weak numbers for the third quarter — JSW consolidated net profit was lower by 10 per cent, while SAIL is expected to suffer a small loss.

Most steel majors blame China, Japan and South Korea for dumping alloys and flat steel products, while Jindal has accused Indonesia.

"Imports from Indonesia alone have increased nine-times in the past one year. There is an urgent need for government intervention," Jindal Stainless Steel MD Abhyuday Jindal said in a statement sent on WhatsApp.

Minimum import price and quality control came on the picture following a defeat last November in a dispute with Japan at the WTO on safeguard duties.

## RBI keeps all guessing

OUR SPECIAL CORRESPONDENT

**Mumbai:** Experts remain divided over the prospects of the Reserve Bank of India cutting the policy repo rate when it announces its sixth bi-monthly monetary policy on Thursday.

Though retail inflation remains well below the RBI's medium-term target, concerns over the inflationary impact of the budget have dimmed hopes of a rate cut.

However, markets are not totally ruling out a pleasant surprise in the form of a rate cut — in an anticipatory move the BSE Sensex vaulted 358.42 points to close at 36975.23 on Wednesday. The broader NSE Nifty, too, gained 128.10 points to close at 11062.45.

The RBI's monetary policy committee (MPC) began its three-day meet on Tuesday. While there are differences over the possibility of a rate cut, there's near unanimity that the guidance will be dovish with the six-member MPC changing the policy stance to neutral from calibrated tightening.

The policy announcement on Thursday will be the first under Shaktikanta Das, who took over as the RBI governor in December.

Retail inflation had hit an 18-month low of 2.19 per cent in December and has been below the RBI's medium-term target of four per cent for quite some time now, improving the chances of a rate cut. However, a few experts remain sceptical over the likelihood of a repo rate cut and are penciling in a reduction only in April and another one in the second half of this calendar year.

### RATE RIDDLE

■ Case in favour of rate cut: Retail inflation hit 18-month low of 2.19% in December, much below RBI's medium-term target of 4%

■ Against: Budget sops to farmers and taxpayers could increase consumption and have inflationary impact

While core inflation hovering around six per cent is a worrying point, the latest caution has come on account of the interim budget.

### Budget impact

"Before the interim budget, the markets were pricing in a rate cut, possibly in the February meeting itself along with a change in the stance to neutral. However, a 10-basis-point slippage (in the fiscal deficit) to 3.4 per cent from the 2018-19 target and higher-than-expected 2019-20 target of 3.4 per cent has raised some concerns on the room for the RBI to turn dovish. Around Rs 1 trillion of additional income to small and marginal farmers and selected taxpayers could lead to some increase in consumption, particularly in low-ticket items," said Suvodeep Rakshit, senior economist at Kotak Institutional Equities.

Deepak Jasani, head of retail research, HDFC Securities, said, "We think a rate cut at this stage may be a bit premature. An expansionary budget may be viewed as having inflationary lag impact, negating the need to cut rates at this point."

## Essar in UK logistics push

OUR SPECIAL CORRESPONDENT

**Mumbai:** Essar Oil UK is acquiring BP's stake in a pipeline and oil terminal venture in the UK to strengthen its logistics framework.

The company, which operates the Stanlow refinery near Liverpool, will acquire BP's 11.15 per cent stake in UK Oil Pipeline, which transports products from the Stanlow refinery.

Shell, US firm Valero and France's Total are the other partners in UKOP Pipeline, which transports 7.5 million tonnes of mixed products annually to major oil terminals at Buncefield and Kingsbury, which are near London.

The 650-km pipeline system also supplies fuel to Heathrow and Gatwick airports and stretches from the Stanlow oil refinery in the north west of England to the Coryton refinery on the Thames in Essex.

Additionally, Essar Oil UK will acquire BP's 45 per cent share in the joint venture that runs the Kingsbury terminal

### OIL'S WELL

■ Essar Oil will acquire BP's 11.15% stake in UK Oil Pipeline (UKOP)

■ Shell, US firm Valero and France's Total are other partners in UKOP

■ UKOP transports 7.5MT of mixed products annually to oil terminals at Buncefield and Kingsbury

■ Essar will also buy BP's 45% share in Kingsbury terminal and 100% interest in Northampton oil terminal

and 100 per cent interest in the Northampton oil storage terminal. All these BP assets will be acquired by two wholly owned subsidiaries of Essar Oil UK — Essar Midlands Ltd and InfraNorth Ltd.

While the company did not disclose financial details of the transaction which was funded from internal accruals, it said the latest expansion will take the group's total investment in the UK to \$1 billion,

since acquiring Stanlow in 2011, which it had bought from Royal Dutch Shell.

"Essar continues to have great faith in the UK market, which represents an important part of the group's strategic business growth ambitions. The acquisition of these BP assets further demonstrates the company's ongoing commitment to investing in and growing their businesses within the UK," Essar Oil UK chief executive officer S. Thangapandian said.

"It currently supplies over 16 per cent of the UK's road transport fuel demand and this agreement will enable us to improve our competitiveness...The acquisition will allow Essar to maintain its presence in the very competitive UK Midlands region and grow that current footprint," he added.

The overseas arm of the Essar group has a downstream presence in the UK where it has 67 petrol pumps across England and Wales. It now plans to expand this number to 400 over the next five years.

## Voda Idea loss widens

OUR SPECIAL CORRESPONDENT

**Mumbai:** Vodafone Idea on Wednesday reported a higher consolidated net loss of Rs 5,004.6 crore in the December quarter compared with Rs 4,973.8 crore in the preceding quarter.

The results for the period were the first full quarter results of the company after the merger of Vodafone India and Idea Cellular on August 31, 2018. Revenues rose to nearly Rs 11,765 crore from Rs 7,664 crore in the second quarter of this year. Finance costs, however, rose to Rs 2,607 crore from Rs 1,951 crore.

Vodafone Idea said while its headline tariffs remained stable during the quarter, customers continued to migrate to lower ARPU plans. The company, however, added that it has implemented various initiatives to improve revenue, profitability and competitive standing in line with its strategy, which has begun to reflect positively in its performance towards the end of the quarter.

According to the telco, it was successful in bringing down the pace of sequential revenue decline to 2.2 per cent in the quarter compared with a 7.1 per cent reduction in the second quarter.

Further, it also experienced growth in daily revenue on a month-on-month basis during December 2018, which continued into January. During the period, ARPU came in at Rs 89 compared with Rs 88 in the preceding three months.

"We are progressing well on our stated strategy. The initiatives taken during the quarter started showing encouraging trends by the end of the quarter. We are moving faster than expected on integration, specifically on the network front, and we are well on track to deliver our synergy targets," said Balesh Sharma, CEO Vodafone Idea.

## City gas in east

OUR SPECIAL CORRESPONDENT

**New Delhi:** Eastern India is expected to get a substantial part of the investment of Rs 50,000 crore likely to be made by the winners of the 10th round of city gas distribution bids. The government is part-funding the pipeline construction to boost gas consumption in the region.

Of the 50 cities in this project, 14 are in eastern India, the Petroleum and Natural Gas Regulatory Board said. Adani Gas, IOC, Torrent and GAIL Gas have bid for the project, sources said. In Bengal, the districts of Howrah, Hoogly, Nadia, North and South 24 Parganas will be covered.

Meanwhile, GAIL has of-floated the Rs 369-crore pipeline contract from IL&FS because of poor project progress. The Bokaro-Durgapur section is now re-tendered and awarded to three contractors. Engineers India has been replaced by Mecon as the project consultant for this stretch.

## AllBank loss narrows in third quarter

ASTAFF REPORTER

**Calcutta:** Allahabad Bank has trimmed its losses to Rs 732.81 crore for the quarter ended December 31, 2018 from Rs 1,263.79 crore in the corresponding period of the previous year.

While a write-back of mark-to-market provisions had a favourable effect on the bottomline, the bank has seen a deterioration in its asset quality with fresh slippages going up during the quarter on account of the IL&FS default.

Gross NPA was 17.81 per cent during the October-December quarter, higher than 14.38 per cent a year ago. The bank has seen fresh slippages of Rs 2,540 crore.

Allahabad Bank MD and CEO CH. S. S. Mallikarjuna Rao said the slippages have increased on account of the NPAs in the IL&FS accounts as well as the farm loan waiver announced in some states.

### HEALTH UPDATE

Quarter ended December		
(In Rs crore)	2017	2018
Total income	4,755	4,757
Expenses	3833	3988
Gross NPAs	23,261	28,219
Provisions	2,413	1,495
Net profit	(1264)	(733)

There was also slippage in the MSME segment.

"The IL&FS exposure (of the bank) stands at around Rs 1,245 crore, comprising 12-13 accounts. Of these, around 3 accounts where the outstanding was Rs 300 crore have already been identified as NPA as there was no recovery. For the remaining accounts with around Rs 900 crore are SPVs where the cash flow is generated regularly, there is no overdue. We do not foresee any further immediate strain," said Rao.

The net NPA ratio has come down to 7.70 per cent during the quarter against 8.97 per cent a year ago. Resolution of cases referred to the NCLT coupled and proactive recovery will help to further trim the net NPA ratio.

## Mukesh, Aramco boss meet

OUR BUREAU

**Mumbai:** Reliance Industries Ltd (RIL) chairman Mukesh Ambani on Tuesday met Saudi Aramco CEO Amin Nasser, triggering speculation of a tie-up.

The development comes days after Saudi oil minister Khalid al-Falih said the world's largest oil exporter and RIL were discussing joint investments in petrochemicals and refinery projects.

RIL operates two refineries at Jamnagar with a total capacity of 68.2 million tonnes (mt) per annum. One refinery is solely for exports, and the company plans to increase its capacity to 41mt from 35.2 mt.

In a tweet on Tuesday, Saudi Arabia's national oil company-Saudi Aramco said: "Chairman of Reliance Industries, Mukesh Ambani, meets our CEO to learn about our new frontiers including crude to chemicals & non-metallic". Sources from Reliance said it was premature to say if a tie-up between the two was in the offing.

### Check options

Last month, Saudi oil minister Khalid al-Falih had said that the nation and RIL were discussing joint investment in petrochemicals and refinery projects.

The minister who met Ambani had said that at the meeting they discussed opportunities for joint investments and co-operation in petrochemical, refining and communications projects.

Saudi Aramco and its partner Abu Dhabi National Oil Co have picked up a 50 per cent stake in a planned \$44-billion refinery in Maharashtra.

However, the project is facing problems in acquiring land because of protests by local politicians.

Aramco and Adnoc will together hold a 50 per cent stake in the 60 million tonnes per annum (mtpa) refinery and the adjacent 18mtpa petrochemical complex planned to be built at Ratnagiri district of Maharashtra by 2025.

## Bengal summit to help test industry pulse

OUR BUREAU

**Calcutta:** The annual edition of Bengal's showcase business summit, which begins on Thursday, will test chief minister Mamata Banerjee's pull among India's top industrialists as the two-day event unfolds within days of a high-decibel political standoff with the Centre and about three months before the general election.

Reliance Industries chairman Mukesh Ambani will be the top draw at the fifth edition of the Bengal Global Business Summit 2019 that will also see participation from JSW Group's Sajjan Jindal and Rajan Mittal of Bharti Enterprises, apart from a host of foreign delegates.

Ambani is expected to outline his plan for the 40-acre plot Reliance Jio took up in Silicon Valley at Rajarhat where a tele-

com equipment unit may come up. He will also have a one-on-one with Banerjee.

Around 12 nations will be "partner countries" at the summit with the UK, Italy and Poland joining the event at the Biswa Bangla Convention Centre in Rajarhat along with Luxembourg, which will be participating in a business summit in India for the first time.

"There is a palpable expectation that Banerjee's Trinamul Congress may play a pivotal role in the formation of the next government in Delhi. Businessmen, who always hedge their bet among various political combinations, would not let such an opportunity go abegging to meet and greet her," a city-based industrialist said.

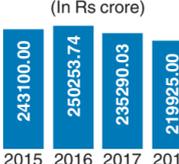
The West Bengal Industrial Development Corporation, the nodal agency in charge of



Calcutta streets decked out for summit on Wednesday. Picture by Pradipt Sanyal

### LOOKING BACK

BGBS investments (In Rs crore)



holding the summit in association with Ficci, along with other entities of the state government, however, is not banking on the optics of investment jamborees alone.

Under the leadership of Amit Mitra, who wears several hats in Banerjee's ministry, including finance, industries and information technology, the government will present a "shelf of 150 investable proj-

ects" in 17 sectors before potential investors to pick and choose from.

All put together, they represent an investment opportunity of \$17.8 billion, or Rs 125,000 crore, according to a booklet that will be made available on Thursday.

The areas of highest investment potential are MSME and textiles, multi-product industrial parks, power and mining,

chemicals, iron and steel and logistics and port, contributing to almost 90 per cent of the total opportunity in the state.

The Tajpur port, which was slated to be developed jointly with the Centre, will account for nearly one-sixth of the total opportunities. Last month, the Bengal cabinet decided to walk out of the project and develop it alone with a private partner. Investors will keenly watch for an announcement on this project.

There is also a possibility that an announcement regarding the container port at Kulpri could be made at the event.

However, Banerjee's high-pitched opposition to Prime Minister Modi will spell one casualty. Union ministers are unlikely to attend the summit. None of the ministers have confirmed their participation even as invitations were sent to all, sources in Nabanna said.