



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

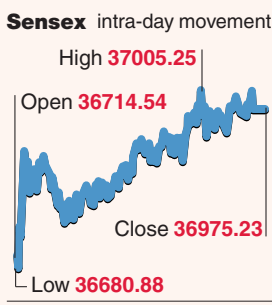
CALCUTTA THURSDAY 7 FEBRUARY 2019

XXCE

Steel import curb on way

RBI keeps all guessing

STOCK CHECK



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 volume#
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."

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

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.

Tweak in Ponzi bill gets nod

OUR SPECIAL CORRESPONDENT

New Delhi: The Union cabinet on Wednesday cleared amendments to the Banning of Unregulated Deposit Schemes Bill introduced last year in the Lok Sabha, which will not only make such schemes illegal but also make issuing advertisements or promoting or operating such schemes an offence.

Law minister Ravi Shankar Prasad said the bill was designed to tackle the menace of illicit deposit-taking activities and prevent such schemes from duping the poor.

Officials said it makes three types of offence clear — running of unregulated deposit schemes, fraudulent default in paying back money and wrongful inducements to promote such schemes. Offences are punishable by both hefty fines of up to Rs 5 crore and prison terms of up to 10 years.

The bill aims to stamp out Ponzi schemes, but will be prospective in nature. Cases such as Sharada and Rose Valley, which are already being probed, will continue to be handled within the ambit of the penal code and other laws. This law will be applicable only to future crimes.

Prasad said the CBI till now has lodged about 166 cases in the last four years in chit funds and multi-core scams, with the maximum in Bengal and Odisha.

The bill has provisions for repayment of deposits in cases where such schemes somehow manage to raise deposits. It also sets up competent authorities in all states which can take over assets and properties of such illegal schemes to pay back depositors.

Though the law is a Union law, it entrusts the primary responsibility of implementing it to states.

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.

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

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.

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

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.

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.

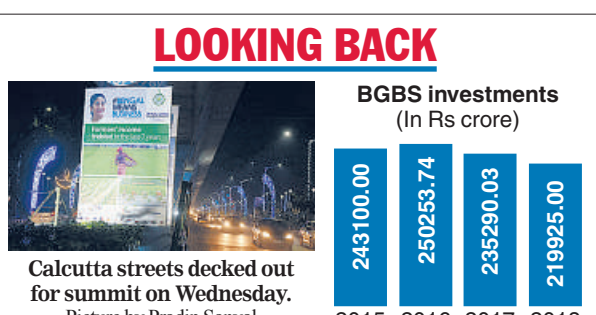
Ambani is expected to outline his plan for the 40-acre plot Reliance Jio took up in Silicon Valley at Rajarhat where a tele-

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



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-

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.

"This year we invited them. Suresh Prabhu has sent a video message. I have no issues. Because government is government and it is a constitutional obligation. I wish to keep in touch with the Centre always," Banerjee said.

Investors will also look out for the success stories other than mere optics before committing their money. For instance, Luxembourg decided to join the event primarily because of the two companies already operating out of here.

"In Bengal, we have, among others, two companies — Ceratizit and Amer-Sil Ketex — who have an impressive track record in their domain in the country." Jean Claude Kugener, ambassador of Luxembourg, said while explaining why it chose Bengal first. Luxembourg is heading a delegation of six companies.