MARKET WATCH

	30-12-2019	% CHANGE
Sensex	41,558	-0.04
US Dollar	71.31	0.05
Gold	39,882	-0.18
Brent oil	68 69	1 31

NIFTY 50		
		CHANG
Adani Ports		
Asian Paints		
Axis Bank		
Bajaj Auto		
Bajaj Finserv		
Bajaj Finance		
Bharti Airtel	460.50	5.4
BPCL	493.05	2.1
Britannia Ind	3047.35	5.2
Cipla	479.95	1.1
Coal India	205.80	2.3
Dr Reddys Lab	2888.85	-8.7
Eicher Motors	22784.50	562.1
GAIL (India)	118.90	0.3
Grasim Ind	736.75	3.0
HCL Tech	569.30	1.7
HDFC		
HDFC Bank	1282.15	7.1
Hero MotoCorp		
Hindalco		
Hind Unilever	1937.25	-12.6
ICICI Bank		
IndusInd Bank		
Bharti Infratel		
Infosys		
Indian OilCorp		
ITC		
JSW Steel	271.10	2.2
Kotak Bank		
L&T	1302.30	2.7
M&M		
Maruti Suzuki		
Nestle India Ltd.		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS		
Tech Mahindra		
Titan		
UltraTech Cement		
UPL		
Vedanta		
Wipro		
YES Bank		
Zee Entertainment		
zee ciitertaiiiment	502.80.	5.8

Indicative direct rate except yen at 4 p.m.		
CURRENCY	TT BUY	TT SELL
US Dollar	71.11	71.43
Euro	79.61	79.96
British Pound	93.32	93.75
Japanese Yen (100).	65.14	65.46
Chinese Yuan	10.18	10.23
Swiss Franc	73.17	73.51
Singapore Dollar	52.73	52.97
Canadian Dollar	54.39	54.66
Malaysian Ringitt	17.31	17.40

+ 'BSNL clears

PRESS TRUST OF INDIA

Bharat Sanchar Nigam Ltd. crore of vendors' dues.

to creditors is ₹10,000 crore, he added. "Employee salaries for November too have been released," he said, adding that monthly wage cost stood at about ₹800 crore.

profitable in two years.

With no buyer in sight, AI fast losing altitude

Notching up a daily loss of ₹20 crore and reeling under a ₹30,000-crore debt burden, airline may soon be grounded

LALATENDU MISHRA

Making a daily loss of ₹20 crore, Air India (AI), the country's struggling national carrier, is staring at closure unless it quickly finds a buyer, a senior official said.

'The situation is getting stretched day after day. How long can this last? We are somehow managing to keep operations on," said the official, asking not be identified.

Recently, Union Minister for Civil Aviation Hardeep Singh Puri had made it clear that the government would shut down AI if it did not find a buyer.

Al currently has a debt of more than ₹30,000 crore after the government moved an equal sum to Air India Assets Holding Ltd., an entity that owns the airline's assets.

Currently, AI's main problem is to augment funds to pay a monthly interest of ₹225 crore towards the huge

loan it has on its balance sheet. A default may spell disaster like that experienced by Jet Airways. Nine months ago, the Centre had stopped giving any financial support to the bleeding carrier and asked AI to fend for itself till the disinvestment process was completed.

Though the government had made its intention to sell its 100% stake in AI that had been bleeding badly since 2007, hardly anyone has evinced interest.

Prospects back out

The Tatas, who had earlier shown interest, are believed to have backed out as they are focussed on stabilising Vistara and AirAsia India, both loss-making joint ven-

A businessman who was informally approached by the government is believed to have developed cold feet after considering the enor-



A request for sovereign guarantee for loans to help meet debt obligations was rejected, forcing AI to fend for itself. • REUTERS

mity of AI's problems. Indi-Go had already said 'no' to buying into AI. So, though the government is expected to invite Expressions of Interest (EoI) for AI shortly, it is likely to witness a lukewarm response. The only hope is that some Gulf-based carriers, backed by huge sovereign capital, might evince

interest in the proposal.

On sale are loss-making AI, its wholly owned, profitable, low-cost subsidiary Air India Charters Ltd. which operates under the Air India Express brand and Air India's 100% stake in Air India SATS Airports Pvt. Ltd.

The government had asked the AI management to run the airline on its own till the disinvestment was complete. A request to provide a sovereign guarantee for bank loans to meet debt servicing obligations was rejected forcing AI to fend for itself.

Out of the sovereign guarantee agreed upon last year, government vouched for ₹2,600 crore and is now unwilling to stand guarantee for the balance ₹2,400 crore. Since April 2019, the government has advanced ₹500 crore to AI but this was from the previous year's funds.

Daily income helping

AI is running its operations through daily income from ticket sales and bank loans. Oil companies are supplying jet fuel against immediate cash payment at airports (cash and carry), and its vendors are patient enough to continue the supplies. AI is paying salaries to employees but with delays. The pilots have moved court claiming

₹50 crore in outstanding payment. In the past few months, with difficulty, the airline brought into service eight wide-body planes, grounded due to maintenance and spare parts issues.

Though the airline managed to induct more capacity on international routes following the grounding of Jet Airways, its domestic market share has now dropped to 12%. At a time when all other private airlines from India are increasing their international operations, capacityconstrained AI, with an 18% market share in that segment, may be soon be marginalised like in the domestic market as it will not be able to expand, unlike others.

"If the financial crisis is not dealt with on a war-footing, then AI will crash-land soon," said Vaibhav Bhure, a lawyer from Bombay High Court who also practices in

SBI cuts EBR by 25 basis points to 7.8%

SPECIAL CORRESPONDENT

State Bank of India (SBI), country's largest lender, has reduced its external benchmark-based (EBR) by 25 basis points (bps) to 7.8% per annum from 8.05% p.a. with effect from January 1, 2020.

"With this reduction, interest rate for existing home loan customers as well as MSME (micro, small and medium enterprises) borrowers, who have availed loans linked to the external benchmark-based rate would come down by 25 bps," the lender said in a statement.

The bank also said that new home buyers would get loans at an interest rate starting from 7.9% p.a. as compared to 8.15% p.a. earlier. SBI shares on the BSE closed down 0.89% to ₹334.25 in a flat Mumbai market on Monday.

Telcos get nod for 5G trials

Chinese telecom equipment firm Huawei can also take part

SPECIAL CORRESPONDENT NEW DELHI

In a relief for Chinese telecom equipment firm Huawei, the government has decided to allow all telecom operators and vendors to participate in the upcoming

"We have taken a decision to give 5G spectrum for trial to all players," Telecom Minister Ravi Shankar Prasad said at the sidelines of an

However, the approval for conducting trials does not automatically translate into a nod for participating in the commercial roll-out of 5G

While the Minister did not



specify Huawei, an official source confirmed that the Chinese vendor will be allowed to participate in the trials. The source added that the spectrum would be given to telecom service providers who can then choose to partner with any vendor such as Huawei, Nokia, Ericsson and Samsung, for the

Meet with stakeholders The source added that officials from Department of Telecom would hold a meeting with industry stakeholders on Tuesday to discuss details regarding the trials.

The long-pending decision comes amid ongoing trade tensions between the U.S. and China.

The U.S., which has banned Huawei citing 'considerable' security risk, has been urging allies to not allow the use of Huawei's network equipment.

Prince Pipes makes tepid debut

SPECIAL CORRESPONDENT

The last listing of 2019 proved to be a tepid one with the shares of Prince Pipes and Fittings falling below its issue price on the day of debut.

On the BSE, the shares opened at ₹160, lower than the issue price of ₹178. The shares traded below the issue price throughout the trading session.

During the session, the shares touched an intraday high and low of ₹177.95 and ₹152.60, respectively. It finally ended the day at ₹166.60, nearly 6.5% lower than the issue price.

Carbon tax waiver for coal mooted

Proposal by PMO meant to help finance anti-pollution gear

REUTERS NEW DELHI

Prime Minister Narendra Modi's office has proposed waiving a tax on coal to help finance pollution-curbing equipment, according to documents, but the move would also make coal more competitive in price with solar and wind energy.

Mr. Modi's office has proposed waiving the carbon tax of ₹400 per tonne that was levied on the production and import of coal, according to the documents reviewed by Reuters.

The documents say the savings would improve the financial health of utilities and distribution companies,

and help power producers to install pollution-curbing equipment. The PMO and the Power Ministry did not respond to requests seeking comment on the proposal. Despite struggling with

some of the world's worst air pollution levels, India has already pushed back a deadline to cut emission levels to up to 2022.

Over half of India's coalfired plants are already set to miss a phased deadline starting December 2019 to cut emissions of sulphur oxides, which have been proven to contribute to lung disease.

The proposal is a big win for India's coal industry, which has lobbied for government help, citing high debt levels and burgeoning payment dues from government-owned power distribution companies. Distribution companies owed power producers more than \$11 billion in dues as of October, according to government data.

Hardik Shah, Deputy Secretary at Mr. Modi's office, advocated waiving the carbon tax on coal in an October note to the top bureaucrat at India's Power Ministry, seen by Reuters. "A possible solution is to waive the Goods and Services Tax compensation cess on coal," he said in the note on installation of equipment to cut emissions of sulphur oxides.

₹1,700 cr. dues to vendors'

(BSNL) has cleared ₹1,700 CMD P.K. Purwar said on Monday. "Payments worth ₹1,700 crore have been released to vendors and contractors of BSNL." Overall, the outstanding

In October, the government approved a ₹69,000crore revival package for BSNL and MTNL, which includes merging the two loss-making firms, monetising their assets and giving VRS to staff so that the combined entity turns

Pitti Engineering to invest ₹90 cr. in Aurangabad plant expansion

Firm's move follows orders worth ₹500 crore from GE India

SPECIAL CORRESPONDENT HYDERABAD

Pitti Engineering plans to invest ₹90 crore over the next two years in the second phase expansion of its Aurangabad plant.

The plant, set up with ₹160 crore and inaugurated last fiscal, will have its capacity increased from 26,000 tonnes of electric laminations and 36,000 hours of machining with the proposed investment. Besides the Aurangabad facility, the company has two plants in Hyderabad.

On Monday, announcing the proposed ₹90 crore investment, the company said it had also invested ₹40 crore on modernising the facility in Hyderabad. While the Hyderabad plants, with a capacity of 10,000 tonnes of

electric laminations and crease domestic content in kets, the Aurangabad plant is focussed on the domestic market and was set up to be close to customers such as Cummins, GE and Siemens and their affiliates.

The investments made and proposed come in the backdrop of Pitti Engineering bagging orders worth ₹500 crore from GE India.

The order is for supply of traction motor related products, along with some other products to be used in locomotives, for catering to the requirements of Indian Railways and to be supplied over 10 years, a release said.

Railways' plans

The company is upbeat on Indian Railways' plans to in-

2,11,000 hours of machin-procurement as part of the

It expects more business precision-engineered products that find use in locomotives as well as urban mass transit systems in the coming years as modernisation and localisation of sourcing of such parts rises.

Indian Railways' capital expenditure had been growing steadily and touched an all-time high of ₹1.58 lakh crore this fiscal from ₹1.33 lakh crore last fiscal, Pitti Engineering said, citing government data.

Vice-chairman and MD Akshay Pitti said there were early signs of firms moving engineering tools sourcing to India from China and the shift was expected to catch pace in the next three years.

MDR waiver on RuPay, UPI will kill industry, says payments council

PRESS TRUST OF INDIA

Waiver on MDR charges for transactions through RuPay cards and UPI payments would kill the digital payments industry. the Payments Council of India stated on Monday, while criticising the Union government's move.

After a meeting with bankers on Saturday, Finance Minister Nirmala Sitharaman had asked them not to charge MDR on payments via RuPay and UPI from January 1 with a view to driving digital payments. The move will apply to all companies with a turnover of ₹50 crore or more.

The Merchant Discount Rate is the fee paid by a merchant to a bank for accepting digital payments. The move is part of the budget announcement made in July.

Describing the decision as detrimental to investment and innovation, Vishwas Patel, the Payments Council of India chairman, said: "Zero MDR on RuPay and UPI will... make the business model unviable. If the government wants digitisation, then it should bear the cost." PCI is the representative body of merchant acquirers and aggregators.

GOVERNMENT OF ODISHA DEPARTMENT OF WATER RESOURCES RENGALI IRRIGATION PROJECT, PHASE 2 Bid Documents for International Competitive Bidding

Invitation for Bids

Date: 24th December 2019

Loan Agreement No.:ID -P244 IFB No:CE-BLB-ICB-D(I)-02 of 2019-20

1. The Government of India has received a loan from Japan International Cooperation Agency (JICA) towards the cost of the Rengali Irrigation Project, Phase-2. It is intended that part of the proceeds of this loan will be applied to eligible payments under the contract for ICB Civil Works Package-D(I) "Construction of Left Bank Canal from RD 100.490 Km to 107.500 Km including all Structures".

2. The Chief Engineer, JICA Project, Brahmani Left Basin, Sukinda, At. -Jamuposhi, Post Office-Amploba, Via Sukinda, Dist.- Jajpur, Odisha, India now invites sealed Bids from prequalified eligible Bidders for the construction and completion of "Construction of Left Bank Canal from RD 100.490 Km to 107.500 Km including all Structures" ("the Works"), which comprises the following major facilities:

A. Canal Works

1. Canal Excavation of All Kinds of Soil (AKS)

2. Canal Excavation of Disintegrated (DI) Rock

3. Canal Excavation of Medium Hard Rock

4. Canal Excavation of Hard Rock **B. Structure Works**

1. Water Conveyance System by Rectangular Triple Vent Conduit (Width 5.0 m

x Height 6.5 m x 3 nos.): 900 m 2. Village Road Bridge (VRB): 6 Nos.

3. Cross Drainage / Super Passage Works: 7 nos.

4. Existing Canal Crossing cum Village Bridge: 1 Nos.

3. Bidding will be conducted through procedures in accordance with the applicable Guidelines for Procurement under Japanese ODA Loans, and is open to all Bidders from eligible source countries, as defined in the Loan Agreement,

4. Interested eligible Bidders may obtain further information from and inspect the Bidding Documents at the office of Chief Engineer, JICA Project, Brahmani Left Basin, Sukinda with the following address from 10:00 AM to 5:00 PM from 1st January 2020 to 22nd January 2020:

Address: At- Jamuposi,

Post Office - Amploba, via- Sukinda, Dist-Jajpur, Odisha, PIN-755018. Telephone number: +91 6726-244416 / 244417 E-mail: cejicablbeicwr.od@gov.in

5. A complete set of Bidding Documents may be purchased by the interested Bidders on the submission of a written application to the address above and upon payment of a non-refundable fee of INR20,000.00 in shape of cash transfer in favour of Financial Advisor & Chief Accounts Officer, Rengali Irrigation Project, Sukinda in State Bank of India (SBI), Sukinda Branch (Address of Bank: Sukinda, Dist. Jajpur, Account No. 11641030252, IFSC Code: SBIN0002128, Type of Bank Account: Current Account). The Bidder(s) who wish to obtain the soft copy of Bidding Documents (PDF Format) may request to the office of the Chief Engineer, JICA Project, Brahmani Left Basin, Sukinda by electronic mail. The Bidder(s) shall deposit the cost of Bidding Documents

by cash transfer in favour of Financial Advisor & Chief Accounts Officer, Rengali Irrigation Project, Sukinda and submit photocopy of the bank statement or bank receipt in support of payment for issue of Bidding Documents. **6.** The Provisions in the Instruction to Bidders and in the General Conditions of Contract

are the provisions of the Standard Bidding Documents under Japanese ODA Loans for 7. Bids must be delivered to the address above on or before 11:00 AM (IST) on 3rd

March 2020 and must be accompanied by a security (Bid security) i.e. not less than 2% of the bidding cost in INR. 8. The Technical Bids will be opened in the presence of Bidders or their authorized representatives who choose to attend at 12:00 Noon (IST) on 3rd March 2020 at the

office of Chief Engineer, JICA Project, Brahmani Left Basin, Sukinda with the following Address: At- Jamuposi, Post Office - Amploba, via- Sukinda, Dist-Jajpur, Odisha, India. PIN-755018

Telephone number: +91 6726-244416 / 244417

E-mail: ceiicablbeicwr.od@gov.in

Chief Engineer, JICA Project, Brahmani Left Basin, Sukinda

RBI buys ₹10,000 crore worth government securities via OMO

Stricter norms for urban co-operative banks also proposed

In its second special open market operation (OMO), the Reserve Bank of India on Monday bought ₹10,000 crore of long-term government securities and sold ₹8,501 crore of three shortterm bonds.

Last week, the RBI had said it would buy and sell government securities under OMO for ₹10,000 crore each, simultaneously.

Though the central bank offered to sell four securities in the auction, it accepted bids for only three. In the OMO purchase of 6.45% GS 2029, ie the 10-year benchmark security, the RBI received ₹25,698 crore worth of bids but accepted ₹10,000 crore worth. It also received 285 bids to purchase 6.45%-



2029 security but accepted only 151 bids

The cut-off yield at which bids were accepted was

The RBI offered to sell four government securities - 6.65% GS 2020; 7.8% GS 2020; 8.27% GS 2020 and 8.12% GS 2020 through the OMO sale. It accepted only ₹8,501 crore worth of bids for the three securities as against ₹38,551 crore bids it received for four securities. Separately, the RBI also

proposed a reduction in the loan amount an urban cooperative bank can lend to a single entity and a group of borrowers to 10% and 25%, respectively, with an aim to prevent occurrences as with PMC Bank, caused by large exposures to one group.

Currently, urban co-operative banks are permitted to have exposures up to 15% and 40% of their capital funds to a single borrower and a group of borrowers, respectively.

Punjab and Maharashtra Co-operative Bank collapsed because of its huge exposure totalling ₹6,226.01 crore to Housing Development and Infrastructure Ltd Group



There will be new opportunities, he tells staff

PRESS TRUST OF INDIA

Tata Sons chairman N. Chandrasekaran on Monday said uncertainties will persist in the new year but exuded confidence that the diversified conglomerate is better placed to take on challenges.

Mr. Chandrasekaran said the saltto-software \$110-billion group is 'stronger, more resilient and future ready' now and is moving 'decisively' on financial fitness and operational efficiencies.

Global uncertainty

as well.

chairman, whose appointment was recently termed 'illegal' by the NCLAT on a petition by his predecessor Cyrus Mistry, comes at a time when growth has slowed to a six-year low domestically and there are clouds of uncertainty globally

In an e-mail to employees, Mr. Chandrasekaran said there is a stea-



The comments from the group dy improvement at the group-level performance but also pointed out that there is more work to be done in case of some companies, which are facing headwinds due to the economic conditions.

"Macro uncertainties will persist in 2020, but they will also be accompanied by new opportunities across different businesses and markets," Mr. Chandrasekaran said.

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