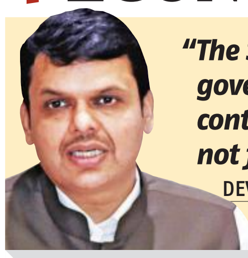

"The Shiv Sena-led coalition government in Maharashtra will be controlled by 'Matoshree of Delhi' and not from 'Matoshree' in Mumbai"

DEVENDRA FADNAVIS
Senior BJP leader and ex-CM, Maharashtra

"Modi govt starts the year. After railway passenger fare hikes, another attack on peoples' livelihoods. All this in the wake of sharp job losses, food price inflation and record fall in rural wages"

SITARAM YECHURY
CPI(M) general secretary, in a tweet

"People should have no doubt or confusion regarding this law. We have plans regarding protection of their interests and on this first day of the New Year, I want to assure all 'khilonjiya bhumiputras' that they are secure and there is no power that can endanger their existence?"

SARBANANDA SONOWAL
Assam chief minister

IN BRIEF

Aviation turbine fuel cost up 2.6%; non-subsidised LPG dearer by ₹19

Jet fuel or Aviation Turbine Fuel (ATF) price was on Wednesday hiked by 2.6 per cent and that of non-subsidised cooking gas LPG by ₹19 per cylinder on the back of a rise in international rates. Price of ATF, used to power aeroplanes, was raised by ₹1,637.25 per kilolitre, or 2.6 per cent, to ₹64,323.76 per kl in Delhi, according to a price notification of state-owned fuel retailers. This is the second straight monthly increase in rates warranted due to firming up of prices in the international market. In India, which is dependent on imports to meet 84 per cent of its oil needs, prices of domestic fuels are at par with benchmark international prices. ATF price was on December 1 increased by a marginal ₹13.88 per kl. The two back-to-back increases have push jet fuel prices to their highest since June 2019. PTI

Rupee settles 14 paise higher at 71.22 against dollar

The rupee kick-started 2020 on a positive note with gains of 14 paise against the US currency on the first trading day of the New Year on Wednesday. The domestic currency settled at 71.22 against the previous close of 71.36 as positive macro data and optimism over the US-China trade deal boosted the investor sentiment. PTI

Production of Coal India jumped 7% in December

Coal India (CIL), which registerted negative growth in production of the dry fuel for past few months, has posted over 7 per cent growth in December with 58 million tonne output, sources said on Wednesday. The coal behemoth had produced 54.13 million tonne in corresponding month of 2018. PTI

IIMs seek exemption from quota in teaching positions

All 20 Indian Institutes of Management (IIMs) have requested the HRD ministry to exempt them from reserving positions in the teaching staff for Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC) and Economically Weaker Sections (EWS). The B-schools, which do not offer reservation in teaching positions, have been asked by the ministry to provide quota in faculty positions for SC, ST, OBC and EWS candidates. The B-schools have said they adopt a fair recruitment process . PTI

V K Yadav likely to be first-ever CEO of Rly Board

Vinod Kumar Yadav, who assumed office as the Chairman Railway Board on Wednesday in his extended term, is likely to be its first-ever CEO, a post created recently as part of a major administrative restructuring of the national transporter. Yadav's one-year extension as the Chairman gains significance in view of the restructuring exercise which includes trimming of the Board and the merger of its cadres. The restructuring was approved by the Union Cabinet recently. PTI

J&K HC rolls back ad on vacancies in district court

Jammu & Kashmir High Court has withdrawn its ad notification to fill up 33 non-gazetted posts in district courts of the Union Territories of J&K and Ladakh, a move which triggered an Opposition outcry against the opening of employment to all Indians. PTI

NITI for PPP model to link pvt medical colleges, hospitals

To address shortage of qualifies doctors and bridge gap in medical education, the NITI Aayog has come out with the public-private partnership model to link new or existing private medical colleges with functional district hospital to augment medical seats. PTI

CBI arrests DRI ADG in ₹3-crore bribery case

PRESS TRUST OF INDIA
New Delhi, 1 January

The CBI on Wednesday arrested a senior official of the Directorate of Revenue Intelligence (DRI) and two middlemen in connection with a ₹3-crore bribery case, officials said.

The official arrested is Additional Director General, DRI, Ludhiana, Chander Shekhar, they said.

It was alleged that in June, 2019, the DRI had conducted a search at a private clearing agency which provides services to various exporters, a CBI Spokesperson said here, adding some documents pertaining to an exporter were also seized.

The complainant alleged that Anup Joshi, Clearing House Agent, and Rajesh Dhanda, a close friend of Chander Shekhar, demanded ₹3 crore on behalf of the public servant for ensuring that he is not implicated by the DRI over the documents recovered, officials said.

The agency arrested Joshi and Dhanda while allegedly receiving ₹25 lakh as first installment of the bribe demanded by them on behalf of the officer, they said.

During the questioning, the middleman told the sleuths that the bribe was allegedly for the officer, they said. They said searches are being conducted in New Delhi, Noida and Ludhiana.

Crude oil import from Iran slows to a trickle

In the previous year, Tehran was India's third largest exporter of crude

SHINE JACOB
New Delhi, 1 January

Imports of crude oil from Iran dipped to 1.7 million tonne (mt) in the current financial year (2019-20, or FY20), down from 23.9 mt in 2018-19, after India stopped imports from the West Asian country in May. In FY19, Iran was the third largest crude exporter to India.

Assuming the United States' (US') sanctions are not lifted, crude imports from Iran will be the lowest in at least 12 years, shows the available data compiled by Business Standard. On the other hand, industry players claim this to be one of the all-time low from Iran.

This comes at a time of increasing imports from the US, which rose from 1.9 mt in 2017-18 to 6.2 mt in 2018-19. In H1FY20, India imported 5.4 mt from the US.

"This is a historic low, but unlike earlier times not a cause of concern for India. We have a diversified basket now, making us less dependent on West Asia. Imports from countries like Iraq and Nigeria, too, have increased," said R S Sharma, former chairman of Oil and Natural Gas Corporation (ONGC).

A senior official from a state-run oil company said Indian firms stopped imports from Iran on May 4, and are looking at a more diversified basket now. "These figures are only applicable to the first two months of the fiscal," he added.

Till September, Iraq was the largest crude oil supplier to India with 26 mt, followed by Saudi Arabia at 20.7 mt. Other major countries that contributed to India's crude oil basket in FY20 were Nigeria (9.9 mt), UAE (8.9 mt), Kuwait (5.7 mt) and Mexico (4.1 mt). According to the latest figures, India imported 64.9 mt of crude from West Asia. However, the total import from the region is expected to be lower than the 143 mt and 142 mt imported in the past two years.

India imported 226.5 mt of crude during FY19, up 2.7 per cent from 220.4 mt in FY18. The country's crude import bill during the period increased from $87.8 billion in FY18 to $111.9 billion in FY19. In H1FY20, overall crude imports dipped 0.7 per cent to 149.9 mt as against 151 mt during the same period last year. The import bill decreased 11.7 per cent to $69.5 billion in H1FY20, compared to $78.6 billion a year ago.

Despite this, the dependency on crude imports increased to 84.7 per cent in first eight months as against 83.3 per cent during the same period in 2018-19.

The major importers of Iranian crude to India till FY19 were Indian Oil Corporation, Bharat Petroleum Corporation, Hindustan Petroleum Corporation, Mangalore Refinery and Petrochemicals, and Essar Oil. Though India's external affairs minister Subrahmanyam Jaishankar met his Iranian counterpart Javad Zarif on December 23, the major topic of discussion was reportedly the development of Chabahar Port.

IRAN OIL IMPORTS TO INDIA (mn tonne)

2008-09	21.30
2009-10	21.20
2010-11	18.50
2011-12	18.11
2012-13	13.40
2013-14	11.0
2014-15	10.95
2015-16	12.70
2016-17	27.20
2017-18	22.60
2018-19	23.90
2019-20*	1.70

*April to September
Source: MoPNG and industry

Import duty on crude, refined palm oil cut

PRESS TRUST OF INDIA
New Delhi, 1 January

The government on Wednesday slashed import duty on refined palmolein from 50 per cent to 45 per cent, while that on crude palm oil (CPO) from 40 per cent to 37.5 per cent with immediate effect, a move that the industry opposed saying it will hurt domestic refiners.

A notification in this regard has been issued by the finance ministry. The duty cut has been made under the ASEAN agreement and the India-Malaysia Comprehensive Economic Cooperation Agreement, it said. Opposing the move, the Solvent Extractors' Association of India (SEA) said that after the reduction in import duty, the tax difference between CPO and refined palmolein has reduced from 10 per cent to 7.5 per cent. "This will have serious impact on domestic palm oil refining industry and oilseeds farmers. We fear import of refined palmolien would increase and capacity utilisation of our industry would be affected," SEA Executive Director B V Mehta said. PTI

Nominal yearly growth seen at 12.2% till FY25

ARUP ROYCHOUDHURY
New Delhi, 1 January

The Centre is expecting nominal gross domestic product for 2020-21 to grow 10.5 per cent compared with its revised estimates for 2019-20, the data given in the National Infrastructure Pipeline report shows.

The report, commissioned by the Ministry of Finance's Economic Affairs Department, and released by Union Finance Minister Nirmala Sitharaman on Tuesday, projects nominal GDP for 2020-21 to be ₹227 trillion, while the estimate for 2019-20 is now seen at ₹205.37 trillion, from the earlier Budget estimate of ₹211 trillion.

For 2024-25, the report projects nominal GDP of ₹365.5 trillion. Reaching that mark would require an average nominal GDP growth rate of 12.2 per cent annually from 2020-21 to 2024-25.

Calculations show for 2022-23, 2023-24, and 2024-25, projected nominal GDP growth is 12.6 per cent, 12.8 per cent, and 13 per cent, respectively. Even if one assumes an average inflation rate of 4 per cent for these years, real GDP growth is supposed to be upwards of 8 per cent, which seems quite ambitious.

The pipeline has identified projects across 23 sectors and 18 states and union territories, and they will be funded over the next five years by the central and state governments and the private sector.

The planned investment so far is ₹102 trillion, which is expected to go up to ₹105 trillion over the next few weeks.

Thirty-nine per cent of the projects will be implemented by the Centre and states each while 22 per cent will be by the private sector. The government is expecting the private sector's share to go up to 30 per cent by 2024-25.

The pipeline includes brownfield and greenfield projects by the Centre, states, private companies, state-owned companies as well as those under the public-private partnership model. According to the data given in the report, some ₹42.7 trillion (43 per cent) worth of projects are under implementation, those worth ₹32.7 trillion (about 33 per cent) are at conceptualisation stages, and the ones estimated at ₹19.1 trillion (about 19 per cent) are under development.

The sectors identified include traditional power and renewable power, railways, roads, urban development, irrigation, aviation, education, and health. The lion's share of the funding is expected to go to the energy sector, including power, renewable, and oil and gas. Energy projects of nearly ₹24 trillion have been lined up, with nearly ₹20 trillion in roads and nearly ₹14 trillion in railway projects planned.

As the chart given shows, the Centre's budgetary support as a percentage of nominal GDP is expected to grow from 0.74 per cent in 2019-20 to 1.11 per cent in 2024-25.

The Centre's budgetary support as a percentage of nominal GDP is expected to grow from 0.74% in 2019-20 to 1.11% in 2024-25

IN NUMBERS

All figures (in ₹ trillion)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Total central capital outlay on infra	3.54	3.77	4.58	5.56	6.76	8.21	9.97
Budgetary support	1.39	1.53	1.86	2.25	2.74	3.33	4.04
Budgetary support/GDP (in%)	0.73	0.74	0.82	0.89	0.96	1.03	1.11
Nominal GDP	190.1	205.37	227.0	254.27	286.42	323.25	365.49
(% YoY increase in bracket)		(8.0)	(10.5)	(12.0)	(12.6)	(12.8)	(13.0)

FY19 figures are revised estimates, FY20 figures are latest estimates, other years are projected
Source: National Infrastructure Pipeline Report

Electrical equipment firms stare at ₹800-cr dues

SHREYA JAI
New Delhi, 1 January

The electrical equipment industry is staring at dues of more than ₹800 crore, payable for a period of over three years.

These are mostly from states and central government-owned companies, including BHEL and Power Grid.

Some of the biggest defaulters are the power departments of Uttar Pradesh, Rajasthan, Tamil Nadu and Andhra Pradesh. The industry, in its latest exercise of collating dues, said around 25 per cent of the companies did not disclose figures. So, on an average estimate, the dues could go up to more than ₹1,500 crore, said the Indian Electrical and Electronics Manufacturers Association (IEEMA).

The units that could be awaiting dues include meter makers, transformers, cable, and other electric equipment manufacturers.

IEEMA's data on dues had been collected in the period when the Central government was running several electrification schemes in states.

This includes village electrification under DDUGJY, household electrification under SAUBHAGYA and urban power reforms under the IPDS scheme. Most of these schemes had a component of grant from the Centre and balance was supposed to be funded by states, which ranged from 30-60 per cent.

While most states were aggressive in infrastructure creation, they lagged behind in paying equipment suppliers.

Industry executives said most hit could be meter makers, which, apart from the dues, are also looking at a fresh accumulation of close to ₹5,000 crore. These meters were supplied under Saubhagya and IPDS.

Apart from these units, close to 70 per cent of the electric equipment industry comprises small and medium enterprises (SMEs), which are feared to become stressed due to non-payment.

"SMEs are largely affected by the payment delay as their working capital gets restricted. These small players are finding it difficult to get loans from banks," said a senior sector executive.

The electrical equipment industry is planning to ask the Centre to ease financing regulations for the industry, especially the SMEs.

In February this year, IEEMA asked the finance ministry to club the segment with capital goods, instead of the power sector. Power generators are facing dues totalling ₹80,000 crore from state-owned power distribution companies (discoms).

At the same time, the generation sector is marred with ₹2 trillion worth of non-performing assets. The industry wants to disassociate itself from the power sector to improve its credit rating.

"Having a share of 65 per cent in the capital goods sector, the electrical industry does not only supply to power infrastructure of the country but also to railways, metros, smart cities, urban and rural household development, e-mobility, exports, and most importantly, the private sector," said the letter.

IEEMA further said its members should not be classified as NPAs if power utilities are not paying the approved bills on time.

Executives from the association said the finance minister then had assured the industry that the 90-day deadline for NPA classification would be relaxed.

However, any step by the RBI and banks is yet to be taken, said executives. RBI's norms mandate that a bill overdue for 90 days would be classified as an NPA.

As the credit outlook of most banks and financial institutions for the power sector is low, IEEMA said this impacts lending to the equipment industry as well.

"Delayed payments from the government and utilities have cascading effect on the banks and financial institutions of the company's account," IEEMA said.

WHO IS OWED HOW MUCH

Figures in ₹cr

Andhra Pradesh	28.0
Rajasthan	22.79
Uttar Pradesh	13.38
BHEL	8.52
Power Grid	4.8
Maharashtra	4.6
Tamil Nadu	0.96

₹1, 000 cr Total dues estimated | ₹ 800 cr Reported dues

SOURCE: IEEMA

Bank consolidation: Non-anchor PSBs urge govt for new name after merger

They don't want a BoB-like branding where the logos of all three merged entities were retained, with that of BoB being most prominent

ILLUSTRATION BY AJAY MOHANTY

NAMRATA ACHARYA
Kolkata, 1 January

While the official date of the merger of public sector banks is just a quarter away, some of the lenders getting merged are seeking a new name.

According to a source, United Bank of India has written to the Government seeking a new name for the entity formed out of its merger with Punjab National Bank and Oriental Bank of Commerce. Syndicate Bank, which is to be merged with Canara Bank, is also planning to write to the Government seeking a new name for the merged entity, according to a top official in the bank. In the merger of Vijaya Bank and Dena Bank with Bank of Baroda (BoB), the logos of all the three lenders are being retained, with that of BoB being prominent display with the tagline, 'Power of Three'.

However, this time, the non-anchor banks are not in favour of a Bank of Baroda like branding.

"The name should capture the identities of all the three banks. That is why we have made a request with the government to have a new name," according to a top official at United Bank of India.

Under the mega merger plan announced by Union Finance Minister Nirmala Sitharaman, 10 PSBs are being merged into four

Notably, the committee looking into branding exercise in case of PNB, OBC and United Bank of India merger is also looking to seek help from an external agency for an appropriate name of the merged entity.

"There was a demand from a section of employees to retain the identity of Syndicate Bank in one form or other in the merged entity. However, the management has so far taken no decision on the same," said Mrutunjay Mahapatra MD & CEO, Syndicate Bank.

However, in the case of the merger of Indian Bank and Allahabad Bank, the latter has suggested retaining the logo of the bank, instead of having a new name altogether.

"If we have a new name altogether, the brand recall value is impacted. This is more likely to impact global operations," according to a senior official at Allahabad Bank.

Under the mega merger plan announced by the Union Finance Minister Nirmala Sitharaman, 10 PSBs are being merged into four.

Punjab National Bank (PNB), Oriental Bank of Commerce, and United Bank of India will combine to form the nation's second-largest lender. Canara Bank and Syndicate Bank will amalgamate into a bank. Union Bank of India will amalgamate with Andhra Bank and Corporation Bank. Indian Bank will amalgamate with Allahabad Bank.

The anchor banks would be PNB, Canara Bank, Union Bank, and Indian Bank. The change in bank's name would be a long-drawn process as it would need parliamentary approval a gazette notification. April 1, 2020 has been set as deadline for completion of the merger process.

BARODA, UNION MFs BANK ON MERGERS TO INCREASE REACH 10