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# Gail Ends IL&FS Contracts in Pipeline Scheme

Awards pipe-laying deals to new contractors to ensure the Pradhan Mantri Urja Ganga project is not hit

## Our Bureau

**New Delhi:** Gail (India) has terminated pipe-laying contracts to financially-troubled IL&FS and awarded them to other contractors to speed up construction of the Prime Minister's pet pipeline project that would take natural gas to much of eastern India via his constituency, Varanasi.

ET first reported on January 18 that GAIL was planning to cancel some contracts awar-

ded to IL&FS last year as the contractor was not making much progress due to its financial problems.

"In a swift move to safeguard project schedule of the Pradhan Mantri Urja Ganga natural gas pipeline to eastern India states, GAIL (India) Ltd as the owner and operator of the prestigious project under execution has offloaded the pipe laying contract from M/s IL&FS due to poor project progress driven on account of acute financial crisis," GAIL said

in a statement.

The 124 km-long Bokaro-Durgapur section of the Urja Ganga pipeline has now been re-tendered and awarded to three different contractors to expedite construction efforts for hooking up supply network to the fertiliser, city gas distribution and other industrial consumers, the company said.

GAIL has also appointed MECON as the new project consultant for this stretch of the pipeline, replacing Engineers India Ltd.

The first phase of the 2,660 km pipeline project is nearing completion and natural gas supply to Patna will start this month, GAIL said.

The second phase of the project beyond Dobhi (Gaya) towards Durgapur-Haldia and Bokaro-Ranchi-Angul-Dhamra (1,900 km) is slated for progressive completion by December 2020, the company said. The proposed 750 km pipeline from Barauni to Guwahati is expected to be operational by December 2021.





**GAIL (India) ₹339.15: BUY**

**GURUMURTHYK**

BL Research Bureau

The outlook for the stock of GAIL (India) is bullish. The stock surged over 2 per cent on Wednesday. Though the stock dipped initially in the day, it reversed higher from the 21-DMA support level of ₹331.

The strong surge on Wednesday has also taken the stock decisively above the key resistance level of ₹336. This level will now act as a good support. Dips to this level will likely find fresh buyers coming into the market and limit the downside. An up-move to ₹350 is likely in the coming days. A break above

₹350 will pave the way for the next targets of ₹360 and ₹365.

Traders can go long at current levels and also accumulate on dips at ₹337. Stop-loss can be placed at ₹332 for the target of ₹355. Revise the stop-loss higher to ₹342 as soon as the stock moves up to ₹346.

The bullish outlook will get negated only if the stock declines below the 21-DMA. But such a strong fall breaking below ₹331 – the 21-DMA, looks unlikely at the moment.

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*(Note: The recommendations are based on technical analysis. There is a risk of loss in trading.)*

## GAIL dumps IL&FS from pipe laying contract



GAIL India said it has terminated a Rs 270-crore pipe laying contract it had awarded to IL&FS and replaced it with another contractor. The contract was terminated "due to poor project progress, GAIL said. GAIL had awarded a portion of the 2,655-km of the Pradhan Mantri Urja Ganga project to IL&FS."(TNS)



## GAIL cancels ₹166-cr contract with IL&FS

### OUR BUREAU

New Delhi, February 6

GAIL (India) Limited has cancelled a 124-km pipe-laying contract earlier awarded to IL&FS. The cancellation comes in the wake of poor project progress on account of acute financial crisis.

This has been done to safeguard the project schedule of the Pradhan Mantri Urja Ganga natural gas pipeline to the eastern States, a GAIL statement said.

"The Bokaro-Durgapur section (124 km) is now re-tendered and awarded to three different contractors to expedite construction efforts for hooking up supply net-

work to the fertiliser, city gas distribution and other industrial consumers," the statement said.

"This section in West Bengal was to be built by IL&FS for ₹166 crore. The three companies have been awarded the tender for a similar amount," a GAIL official said.

**Consultant, too, replaced**  
Meanwhile, in a separate move taken earlier, project consultant Engineers India Limited was replaced by MECON for overseeing the project activities under this crucial stretch, GAIL said.

The final leg of Phase-I (the 585-km Phulpur-Patna sec-

tion) of the 2,660-km pipeline project is now closer to readiness and natural gas supply to the Bihar capital Patna is expected to commence during the second fortnight of this month, GAIL added.