



“Our collective actions must match our words. Our fight against terrorism has to be fought collectively. The international community cannot afford selective approaches or double standards on this issue”

S JAISHANKAR, External affairs minister



“Facebook will not be a part of launching the Libra payments system anywhere in the world unless all US regulators approve it”

MARK ZUCKERBERG, Facebook CEO during his testimony in US Congress



“@narendramodi govt's proposal to sign free trade agreement of dairy products under RCEP is against the interests of our farmers and this shall be vehemently opposed”

SIDDARAMAIAH, former Karnataka chief minister

IN BRIEF

Indian Bank sees 3-fold rise in profit before tax

Indian Bank reported a threefold increase in profit before tax to ₹592.6 crore for the quarter ended September 30, compared to ₹185.7 crore during the same period last year. Total income for the central government-owned lender grew 18 per cent to ₹6,047 crore. Net profit rose to ₹358.8 crore, compared to ₹149.2 crore a year ago. Padmaja Chunduru, managing director and chief executive officer, said a focus on asset quality, business growth, increasing of other income and controlling of loan slippages had helped. And, that 61 per cent of its loan book was to accounts in the segments of retail (individuals and small lenders), agriculture and that of micro, small and medium enterprises. Slippage, she said, was ₹741 crore, down from ₹1,624 crore in the June quarter and ₹1,769 crore in the December one.

BS REPORTER

I-T raids Delhi bizman, detects ₹1,000-cr tax evasion, Agusta link



The income-tax department has unearthed alleged tax evasion to the tune of ₹1,000 crore after it raided a Delhi-based business house that is under its scanner for hawala dealings with links to the multi-crore WIP chopper scam case, the CBDT said on Wednesday. The Central Board of Direct Taxes (CBDT), which frames policy for the department, issued a statement saying the business house that was searched is engaged in various e-governance projects and financial services.

PTI

HDFC Life PBT up 10% in Q2 at ₹326.77 crore

Private life insurer HDFC Life has reported a profit before tax (PBT) of ₹326.77 crore in Q2FY19, on a standalone basis, compared to ₹296.32 crore in the same quarter last fiscal. The net profit of the insurer rose 7.6 per cent to ₹308.7 crore compared to ₹287 crore in year ago period. The net premium earned by the insurer in Q2FY19 was to the tune of ₹7453.6 crore compared to ₹6777.55 crore, up almost 10 per cent.

PTI

Railway employees' unions hold protest against privatisation

Railway employee unions held protests in various parts of the country on Wednesday against the Centre's move to "privatise" 50 railway stations and 150 passenger trains. Earlier, Railways had formed a task force to draw a blueprint for developing 50 railway stations with world class standards and allowing private passenger train operators to run 150 trains on its network. According to All India Railwaymen's Federation, the employees participated in large numbers and burnt the copies of the Indian Railways' notification on formation of secretary-level committee.

PTI

Trai seeks views on how to regulate Cloud service providers

The Telecom Regulatory Authority of India (Trai) on Wednesday invited suggestions for a framework to set up an industry body for cloud service providers like Amazon Web Services, Microsoft Azure, VMware and CtrlS. Trai in August 2017 had recommended that all cloud computing service providers in the country above a certain business threshold should become members of a cloud industry body that has to be registered with the Department of Telecom.

PTI

HR integration of UBI, OBC, PNB to be fully automated

NAMRATA ACHARYA
Kolkata, 23 October

The human resource (HR) integration for the merger of United Bank of India (UBI), Oriental Bank of Commerce (OBC), and Punjab National Bank (PNB) will be on a fully automated software. This will be done to avoid discrimination among employees of one bank by another.

Moreover, for the next financial year, all transfers and promotions will be decided by respective banks, and not by the merged entity.

According to Ashok Kumar Pradhan, managing director (MD) and chief executive officer (CEO) of United Bank of India, a functional committee on HR integration is likely to finalise the modalities of the merger by the end of this financial year.

Nearly 34 committees under different verticals have been formed for the merger. "HR integration is one of the key issues in the merger process. The aim is to cover all employees of the merged entity, about 100,000 in number, under the fully automated process. We want to ensure that all transfers and promotions are ensured purely on the basis of merit," said Pradhan.

Although most banks use an automated software for processes like raising bills and travels, not all use the mechanism for total employee assessment.

The automated system will



Apart from human resources, IT is another challenge in the merger process, say bankers

entail assessing merit-based on data fed into the system. For example, performance would be measured in terms of meeting lending targets, recovery and expense management among other things. The system will also have a process of referral and review by peers, juniors, and seniors for objective assessment.

Under the mega merger plan by Union Finance Minister Nirmala Sitharaman, 10 public sector banks would be consolidated into four. Punjab National Bank, 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 merge; Union Bank of India will amalgamate with Andhra Bank and Corporation Bank; and Indian Bank will merge with Allahabad Bank.

The consolidation exercise will bring down the number of nationalised public sector banks to 12 from 27 in 2017.

Oriental Bank of Commerce and United Bank of India will merge into Punjab National Bank to create a bank with ₹17.95 trillion business and 11,437 branches.

CABINET DECISIONS

Wheat MSP raised by 4.6%, but it's lower than this year's hike

Minimum support price for wheat would now stand at ₹1,925 per quintal

SANJEEB MUKHERJEE
New Delhi, 23 October

Saddled with bulging stocks and rising economic cost, the Cabinet on Wednesday increased the minimum support price (MSP) of wheat for the 2020-21 rabi marketing season by 4.61 per cent to ₹1,925 a quintal, lowest in the last five years.

In the current wheat marketing season that will end in March 2020, MSP was increased by 6.1 per cent as compared to the 2018-19 season.

The average weighted cost of production of wheat for the 2020-21 season has been estimated at ₹923 a quintal. This is up ₹57 from the current season's average weighted cost of production.

The government claimed that the new MSP was 109 per cent more than the average weighted cost of production, thus keeping its promise of providing MSP which is 50 per cent more than A2+FL cost of production.

The support price of mustard, the main oilseed grown during the rabi season, was fixed at ₹4,425 a quintal, an increase of 5.35 per cent from the current (2019-20) marketing season.

Chana (the biggest pulses grown during the rabi season) was fixed at ₹4,875 a quintal, up 5.51 per cent, compared to the 2019-20 MSP.

"The hike in wheat MSP is very little and it should have been a minimum 10 per cent more than last year as production cost of several items have risen sharply. According to our calculations, the MSP of wheat for 2020-21 should be at least ₹2,000 a quintal," said farmers' leader Pushpendra Singh, head of the Kisan Shakti Sangh.

Wheat stocks in the central pool as on October 1 was estimated to be 39.31 million

tonnes, almost 92 per cent more than the buffer stock norms for the same period. Meanwhile, the data showed that MSP of barley has also been increased by ₹85 to ₹1,525 per quintal from ₹1,440 per quintal last year, a rise of 5.9 per cent.

Also, to encourage the cultivation of pulses, the support price of masur has been increased by ₹325 to ₹4,800 per quintal from ₹4,475 per quintal last year. The minimum support price for safflower has been hiked by ₹270 to ₹5,215 per quintal from ₹4,945 last year.

The MSP for rabi crops announced this year is in line with the recommendations of the government's farm price advisory body — Commission for Agricultural Costs and Prices or CACP.

Wheat is the main rabi crop, sowing, of which will begin next month. The crop will be marketed from next April.

"I think more than a significant increase in MSP, what is more needed is that MSP should be available to more farmers," said Tajmul Haque, former chairman of CACP and a noted agriculture economist.

He said as of now wheat is procured largely from Punjab, Haryana, western UP, and MP only while farmers in western and eastern parts of the country are completely untouched by the MSP regime, be it paddy or wheat.

"Instead of hiking MSPs, the government should increase the payouts under PM-Kisan as that would benefit more farmers," Haque added.

Terming it a "mere cosmetic" measure that only paid "lip service" to the needs of the farmers, Punjab Chief Minister Amarinder Singh said the hike is "insufficient" to provide even interim relief to the beleaguered farming community, leave alone addressing their long-term concerns.



HOW IT STACKS UP

Rabi MSP for 2020-21 marketing season that will start from April (In ₹/quintal)

Crops	2019-20	2020-21	% change
Lentil (masur)	4,475	4,800	7.26
Barley	1,440	1,525	5.90
Gram	4,620	4,875	5.51
Safflower	4,945	5,215	5.46
Rapeseed & mustard	4,200	4,425	5.35
Wheat	1,840	1,925	4.61

Source: Government of India

Boost to realty: 1,797 Delhi colonies to be regularised

ARCHIS MOHAN
New Delhi, 23 October

The Modi government on Wednesday approved regularising 1,797 unauthorised colonies in Delhi, a move taken with an eye on Assembly polls nearly 100 days away, but which also promises to boost the real estate sector in Delhi. These colonies are home to an estimated 4 million people.

Regularisation will allow building of civic infrastructure, including drainage and sewerage, in these colonies, and confer ownership rights on owners. In Delhi, the subject of land, along with law and order, comes under the Centre.

Housing and Urban Affairs Minister Hardeep Singh Puri said the decision will "pave the way for intensively planned urbanisation and transform the urban squalor into modern urban spaces with modern amenities" in these colonies.

Puri said ownership rights to people living in these colonies will enable them to build, sell and take bank loans on these properties. The Modi government will bring a Bill on this in the winter session of Parliament, which starts on November 18. Delhi Chief Minister Arvind Kejriwal welcomed the Cabinet decision.

The government said the decision was only applicable to colonies inhabited by lower-income groups, and not to the 69 affluent colonies that the Delhi Development Authority (DDA) has identified. Some of the better-known affluent colonies are Sainik Farms, Mahendru Enclave, and Anant Ram Dairy.

The rights will be conferred on payment of nominal charge based on carpet area/plot size. For colonies on government land, the charge will be 0.5 per cent of the circle rate for less than 100 sq. m plots, 1 per cent for 100-250 sq. m and 2.5 per cent for plots bigger than that. The circle rate applicable will be of the highest category of locality of the residential area surrounding the unauthorised colony. For colonies on private land, the charge will be half of the charge on government land.

The DDA will lay down a simplified procedure for issuing conveyance deed and registration of property. It will delineate the boundaries of these colonies, clusters of colonies and prepare local area plans. There will be no penalty and external development charges, a cabinet note stated.

The move is set to trigger competing claims between the ruling Aam Aadmi Party (AAP), Bharatiya Janata Party (BJP),



4 MILLION TO BENEFIT

- The unauthorised colonies are spread over 175 sq km
- Of Delhi's 12 million population, nearly 4 million live in unauthorised colonies
- Govt to introduce Bill in winter session of Parliament

- The Bill will fix details on registration charge, stamp duty
- Residents can pay charges in three equal instalments in a year
- Anyone paying full amount in one instalment will get ownership rights

- immediately
- Provisional rights on payment of 2 instalments
- Late payment to attract simple interest at 8% per annum
- Conveyance deed to be executed for residential purpose, irrespective of use

and the Congress. The AAP has for the past six months accusing the Centre for the delay in regularising these colonies. Most of the colonies are home to migrants from across the country, particularly from Uttar

Pradesh and Bihar.

However, in the Cabinet note released on Wednesday, the Centre said the Delhi government was to coordinate and supervise the regularisation, according to regulations framed

in 2008, but "could not delineate the boundaries of these colonies even after 11 years" and has sought more time up to 2021 to complete this exercise.

It said that in the absence of basic amenities, the residents of

Nod to pacts with other countries in various fields

PRESS TRUST OF INDIA
New Delhi, 23 October

The Cabinet on Wednesday gave approval to agreements signed with other countries in various fields like traditional medicine, and science and technology.

These included administrative arrangement on cooperation in the field of Railways between the Ministry of Railways and the Directorate General for Mobility and Transport of the European Commission. According to an official statement, a proposal for agreement on Science and Technology Cooperation between India and the US was also approved, it said.

The agreement would provide an opportunity to promote 'high quality' and 'high impact' research and innovation partnerships as well as broadening and expanding relationships between the extensive scientific and technological communities, it said.

It will "open a new chapter" in bilateral relations with the US as both sides will leverage complementary strengths spurred by a significant convergence of mutual interests, the statement said.

Merger unlikely to revive BSNL, MTNL, say analysts

Proposed measure might create some competition for private players and contain state-owned telcos' operational costs

PUNEET WADHWIA
New Delhi, 23 October

The government's proposed decision to merge state-owned telecom companies, Mahanagar Telephone Nigam (MTNL) and Bharat Sanchar Nigam (BSNL), announced after market hours on Wednesday, has come too late and may not revive the companies, say analysts. They, however, believe that the proposed measure will create some competition for private players and contain operational costs.

"The announcement has come too late. This should have been done years ago. Both these telcos are bleeding on the operational front. The merger, along with the proposed voluntary retirement scheme (VRS) package, can help contain operational costs, but it may not be sufficient to revive the sagging fortunes," says A K Prabhakar, head of research, IDBI Capital.

The government on Wednesday decided to merge these two as part of a revival package, which includes raising ₹15,000 crore via sovereign

bonds, monetising assets amounting to ₹38,000 crore, and a VRS for employees over the next four years.

"BSNL, which was once a Navratna company, became a sick one, with accumulated losses of more than ₹90,000 crore. This is the consequence of BSNL's inability to compete with nimble and more efficient private players like Reliance Jio and Bharti Airtel. With a bloated workforce of 176,000, BSNL is simply uncompetitive. Only a drastic restructuring with an effective VRS package can give these companies (MTNL and BSNL) a chance of revival," says V K Vijayakumar, chief investment strategist, Geojit Financial Services. Independent market expert Ambareesh Baliga sees the bailout package as a lavish funeral Budget for a terminally ill patient. The government, he says, is trying to provide an honourable exit to the employees and will finally shut down a majority of its operations.

The biggest issue with BSNL and MTNL, according to him, is the employees belonging to the 'monopoly' era. It's difficult to change the



MTNL was set up on April 1, 1986 to expand the telecom network and raise revenue for telecom development needs of key metros — Delhi and Mumbai — while BSNL was incorporated on October 1, 2000

mindset to suit today's ultra-competitive environment; that has been one of the major reasons for their decline, he says.

MTNL was set up on April 1, 1986, by the government to expand the telecom network, introduce new services, and raise revenue for telecom development needs of India's key metros — Delhi and Mumbai. The company is also present in Nepal through its joint venture, United Telecom, and in Mauritius

through its 100 per cent subsidiary, Mahanagar Telephone Mauritius.

BSNL, on the other hand, was incorporated on October 1, 2000, and took over the business of providing telecom services and network management from the erstwhile central government Departments of Telecom Services and Telecom Operations. According to reports, BSNL is India's oldest communication service provider and its history can be traced back to the British era.

"A \$100-billion opportunity in 2007-08 to a bailout scenario, it's been a steep path downhill for BSNL. The allocation of 4G spectrum would only be an eyewash to show income from the sale of spectrum, as the funds would be allocated from another government pocket. The sale of real estate in both BSNL and MTNL would be long-drawn. Firstly, we need to understand how much real estate is owned by BSNL directly and not by the Department of Telecommunications. Secondly, the real estate market is not conducive to absorbing such properties. The only thing that has value is rural operations, which could be carved out and sold to larger players to generate real cash," says Baliga.

On the bourses, MTNL has hugely underperformed benchmark indices, with the stock plummeting over 55 per cent, against a rise of over 10 per cent in the S&P BSE Sensex. This includes the 4.5 per cent rise in the counter on Wednesday, ahead of the proposed merger announcement, to ₹5.9 level on the BSE.