

"Unlike today, there was a time when our Election Commissioners were impartial, respected, brave & feared. Shri #TNSeshan was one of them. My condolences to his family on his passing"

RAHIII GANDHI



"120 lives were lost due to #Demonetisation. The people would certainly hold NDA responsible for this short-sighted decision even though the govt may try to shun the responsibility for the same"

ASHOK GEHLOT Raiasthan chief minister





THE MAKING OF RAM TEMPLE



Ayodhya. One of the lead counsels for Muslim parties has said the decision on seeking a review of the verdict would likely be taken in the meeting of the All India Muslim Personal Law Board on Sunday

IN BRIEF

Nearly 70,000 BSNL employees have opted for VRS: Chairman

As many as 70,000 employees of Bharat Sanchar Nigam (BSNL) have opted for the voluntary retirement scheme (VRS), which was launched last week, Chairman and MD of the state-owned telecom corporation P.K. Purwar said on Monday. In all, nearly 100,000 BSNL employees are eligible for the VRS out of its total strength of about 150,000. BSNL has pegged its internal target for VRS at 77,000 employees, and the effective date of voluntary retirement under the present scheme is January 31, 2020.



Govt gives 3 months

balance sugar quota

more for export of

The government on Monday

gave sugar mills three months

the last year's balance quota of

the sweetener. Mills were able

to export about 3.8 million

tonne of sugar during the

(October-September) due to

depressed market conditions,

against the target of 5 million

tonne under the Minimum

Indicative Export Quota

2018-19 marketing year

more till December to export

CVC says time over for sanction to prosecute 100 govt officials

It has been over four months since the Central Vigilance Commission (CVC) has been awaiting sanction to prosecute nearly 100 central government employees, including IAS officers, for alleged involvement in corruption. These include officials attached to probe agencies like the Central Bureau of Investigation and the Enforcement Directorate, according to CVC.

Wheat sowing slips 37%, acreage under oilseeds gains

Wheat planting remained lower by 37 per cent at 969,000 hectares till last week of the ongoing rabi season of the 2019-20 crop year, but the acreage under oilseeds was higher during the period, according to the agriculture ministry.

scheme. **Manmohan Singh** nominated to Parl

panel on finance

Rajya Sabha Chairman Venkaiah Naidu has nominated former prime minister and senior Congress leader Manmohan Singh to the parliamentary standing committee on finance in place of party colleague Digvijaya Singh.

SBI plans to raise up to ₹3.5K cr through additional tier-I bonds

State Bank of India plans to III-compliant tier-I bonds. raise up to ₹3,500 crore through additional tier-I bonds to strengthen capital adequacy and support-build-

ing loan portfolio. assigned a rating of AA+ (hyb) with stable outlook for the Basel

The letters 'hyb' indicate

this is rated a hybrid subordinated instrument with equitylike loss-absorption features. These tier-I bonds are expect-Rating agency ICRA has ed to absorb losses through write-down mechanism.

Private banks score on core operations, bad debt in Q2

While profit before tax grew 68.1%, net profit showed an increase of only 1.4%

ANUP ROY Mumbai, 11 November

Private sector banks showed greater resilience in their core operations and over the core operations. and exhibited better control over their bad debt. Profit before tax increased but the new tax regime upset the net profit numbers for the sector as lenders decided to move to the new regime.

While profit before tax grew 68.1 per cent, net profit for private banks grew only 1.4 per cent because of tax charges and

clearing the deferred taxes) would be bet-

In terms of net interest income (NII) and operating profit, the private banks were largely at par with public sector banks. While the net interest income for public sector banks rose 13.6 per cent (17.7 per cent in State Bank of India), operating profit in public sector banks rose 28.2 per cent, year on year.

and operating profits were 20.6 per cent and 25.2 per cent, respectively. Net interest margins for large banks were comfortably

Gross non-performing assets in private sector banks rose 2.8 per cent, while in public sector banks, gross NPAs declined 12.1 per cent. This indicates the banking system has largely bettered the asset quality pressure witnessed in the

It is perhaps also an acknowledgement that the recognition part of bad assets was done. Most of the bad debts of banks in this quarter came from assets rated BB and below, which were already in the watch of the banks, noted analysts.

YES Bank attracted the attention of analysts with a 343 per cent rise in bad debts, making its gross NPA ratio 7.39 per cent in the September quarter, against 1.6 per cent in the year-ago quarter. IndusInd Bank also showed high stress on its books, with gross NPAs in absolute terms rising 145 per cent.



THE BANKING SECTOR IN Q2

	Private	Public
Key parameters	sector	sector
NII	20.6	13.6
Operating profit	25.2	28.2
Provisions and contingencies	1.0	-26.4
Profit before tax	68.1	*
Net profit	1.4	*
Gross NPA	2.8	-12.1
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*There were losses in the year–ago quarter Source: BS Research Bureau

Profit before taxes for the private sector banks were up 68.1 per cent, indicating they did well in their core operations. But, elevated provisioning were done by some to address bad assets.

Tax charges dented the profitability of ICICI. The bank saw its net profit dip 28 per cent to ₹655 crore in the quarter over previous year quarter due to deferred taxes.

"Excluding the impact of one-time additional charge due to re-measurement of accumulated deferred tax, profit after tax would have been ₹3,575 crore in Q2FY20, as against ₹909 crore in rose 48.4 per cent, 15.3 per cent, and Q2FY19," ICICI said in its results state- 17.2 per cent, respectively.

ment. Profit before taxes rose 248 per cent to ₹4,367 crore. Interestingly, ICICI Bank's provisions and contingencies fell 37 per cent.

Axis Bank reported a loss of ₹112 crore in the quarter, whereas profit before tax rose 108.6 per cent to ₹2,433 crore. Most analysts were happy with the results and gave a buy rating on the stock. RBL Bank's net profit fell 73 per cent due to a 282 per cent rise in provisioning. Profit before tax also fell 66.9 per cent because of provisioning.

IDBI Bank continued with its huge losses, and posting net loss of ₹3,459 crore, which was ₹4,632 crore before tax. Newcomer IDFC First Bank reported a loss of ₹680 crore, while before tax, the bank had a profit of ₹100 crore. The bank had reported losses in the year-ago quarter, too.

HDFC Bank maintained its net profit growth performance, rising 26.8 per cent (17.5 per cent before tax), and Kotak Mahindra Bank reported a 51.1 per cent rise in net profit (20.6 per cent before tax).

Bandhan Bank's net rose 99.3 per cent after tax and 55 per cent before tax, indicating that these banks had benefited from change in tax regime. The provisioning and contingencies of these three banks

NIIF Infra Fin, **CBDT face off** on exemption

DEV CHATTERJEE Mumbai, 11 November

NIIF Infrastructure Finance that is seeking a tax exemption since 2015 is set for a dispute with the income tax (I-T) department, which has notified it as a fund only since April 1 this year. The firm, however, was registered as an infrastructure debt fund with the Reserve Bank

of India since 2015.

The company was registered as an infrastructure debt fund with the Reserve Bank of India (RBI) in 2015 and had informed the I-T department that its income is exempt from tax under Section 10 (47) of the Income Tax Act as notified by the Central Board of Direct Taxes (CBDT) for infrastructure debt fund.

The Section 10(47) of the Act grants tax exemption to the notified infrastructure debt fund when the fund is set up as per the guidelines and the notifications issued by the government and the RBI. According to a source close

to the development, the company had filed an application with the CBDT for notification as an infrastructure debt fund since fiscal 2014-15, when it received the NBFC licence from the RBI to operate as an NBFC. An email sent to the com-

pany did not elicit any response. The tax exemption is significant as the company had reported a net profit of ₹103 crore in fiscal 2019, as against ₹83 crore in fiscal 2018 without making any provi-

The CBDT, however, notified the company as an infrastructure debt fund only March 31, 2018.



- NIIF Infra Finance is registered as Infra Fund with RBI since 2015
- CBDT notifies NBFC as infra fund from April 1, 2019
- Opens NIIF Infra Finance to tax dispute for preceding years
- NIIF Infra asks CBDT to notify it as a debt fund since 2015
- Company's profits may get impacted if CBDT refuses

from April 1 this year, which means the tax exemption will not be available for the preceding years between fiscal 2015 and fiscal 2019. The NBFC has asked the CBDT to notify it as an infrastructure debt fund since its inception so that it can receive the tax benefits for the previous years.

The National Investment and Infrastructure Fund (NIIF) holds majority 60 per cent stake in NIIF IFL. While IDFC Financial Holding Company holds around 30 per cent in the NBFC, HDFC holds the rest 11.11 per cent in the fund. The NIIF is in talks to acquire the balance 30 per cent equity from IDFC.

The company's loan book grew to ₹4,669 crore as of March 31 this year, as against ₹4,220 crore as of

ONGC may revise terms of production-boosting plan

New Delhi. 11 November

State-run Oil and Natural Gas Corporation (ONGC) is likely to revise the terms of the much-hyped production raised by prospective bidders over the operating cost and other bidding criteria.

According to multiple sources, at least 14 of the 23 companies that participated in the pre-bid meeting on September be borne by the contractor relat-

ed to the baseline production". Following this, the Directorate IN NUMBERS General of Hydrocarbons (DGH) and ONGC have decided to revise the contract terms.

It was in February this year that the Union Cabinet had cleared the handing over of 66 and gas fields, after concerns discovered marginal oil and gas fields by ONGC and Oil India (OIL) to private players.

Industry sources said the revised terms might have to be again cleared by the Cabinet. A government official, however, said. "The process does not need 17 had asked for "compensation" any Cabinet clearance, as the covering the operating cost to modality of bidding was supposed to be finalised by ONGC



17 Contract areas on offer **64** Number of marginal

June 28 Notice for offer issued

participated in pre-bid

and OIL only." Major companies that participated in the pre-bid meeting included Schlumberger, Baker

nomination oil and gas fields, excluding 2 fields by 0il India **300 MMToE** In-place volume

23 Number of companies

meeting held on September 17

Weatherford Hughes. International, and Halliburton. ONGC Chairman Shashi Shankar said the board of directors had already raised its concerns regarding the bidding process and a final call on revising the contract should be taken by the government.

had written to DGH on the issues raised by investors in the pre-bid meeting. Their concerns, he'd said, were on noninclusion of a compensation fee for baseline production and wanted to be recompensed on operating expenses for maintaining this level. The existing provisions include only payment of share of incremental revenue to the contractor.

On June 28, ONGC had come out with a Notice Inviting Offer, for 17 contract areas involving 64 marginal fields notified by the government. The areas had On October 4, ONGC's an estimated oil and oil-equivadirector (onshore), S K Moitra, lent gas of 300 million tonnes oil equivalent (MToF)

"Another major issue the prospective bidders raised was related to estimates, which was decided based on third-party evaluation. There were also issues related to revenue and penalty, as these were producing fields and our mandate was to enhance production," said an official from one firm that evaluated the bids in the early stage.

'My family is suffering. But tell me, what can I do?'

The first of a two-part series takes a look at how smoke from farm fires is choking lives and whether there's an alternative to stubble burning

FROM THE

SANIFER MUKHERIEF

Nabha (Punjab), 11 November

Mahendra Kaur, 75, has a recurring respiratory problem for the past few years. Her trouble becomes acute in winter, especially in days after Diwali. Also the time when her husband Joginder Singh, 80, burns the crop stubble on his 15 acres of farm land in Mohal Gwara village in Nabha Tehsil of Punjab's Patiala district. In other words, Kaur lives slap-bang in the middle of the lethal smoke from farm fires that severely pollutes the National Capital Region at this time of the year.

"My wife's dependence on medicines has increased in the past few years and so have her trips to the doctor," rues Singh, who grows wheat and paddy on his farm, alternating between the two every year. "But do I have any option? I know it is wrong to burn stubble and my own family is suffering, but tell me, what can I do?"

Singh cannot afford to buy or hire the machines that would cut out the need to burn farm waste. "In 15 acres, I need to run a tractor thrice — for cutting the stubble, overhauling it, and then for levelling the land. Assuming a tractor consumes 65-70 litres of diesel, look at the cost that I already incur. On top of this, how can I purchase another machine that costs not less than ₹1,50,000?" he exclaims. Singh feels the best option for farmers like him is using a combine harvester and burning the stubble left behind. "We have to rely on combine harvesters for

 $cutting\ paddy-there\ is\ no\ way\ out,"\ he\ says.$ That view is echoed by most farmers in the region this correspondent spoke to. Though they welcome the Supreme Court's order to give interim relief of ₹100 per quintal for stubble management, most feel they cannot stop the practice of burning unless there is a viable and long-term solution to the problem. According to the Union ministry of

agriculture, between October 1 and November 3, there were 31,402 cases of stubble burning in Punjab, Haryana, and western UP, of which, over 80 per cent was in Punjab alone. However, this is almost 12 per cent less than last year. Pritam Singh of Nabha's Kot Khurd village says going back to the old

method of manual harvesting of paddy,

which does not leave crop residue, is out

of the because labour is scarce. Joginder

PART-1 Singh agrees and adds that even the labour needed to run combines nowadays is hard to get

Incidentally, Nabha is known for its farm machine industry. As many as 200-300 units in the area deal in farm machines. Combine harvesters from this town are sold across India.

But the use of harvesters and resultant burning of stubble continues to take a toll on the health of people in the region. Dalbir Kaur, senior medical officer at the Civil Hospital in Nabha, says since the past few years she has seen a spurt in the number of people coming to the hospital with chest and eye-related complaints during the days farm fires rage. "We normally get 800-900





(Top) Dalbir Kaur, senior medical officer of Civil Hospital in Nabha, says there is a 10-15% rise in the number of OPD patients complaining of chest and lung infection; (left) farm fields where paddy stubble has just been

POWER PLANTS SET TO MISS EMISSIONS DEADLINE

Ten coal-fired power plants near Delhi are poised to miss a December deadline to install pollution control devices that would have curbed premature deaths linked to toxic emissions. Eight of the plants, whose operators include Vedanta, Larsen & Toubro, and Uttar Pradesh

patients daily in our OPD, but in the last few days, this number has increased by at least 15-20 per cent," Kaur says. Seated in the clean but crowded civil hospital premises, she says the ones who suffer most are the old and infirm, as they are the most vulnerable.

"We advise them to stay indoors and take medicines, but very little can be done as pollution is not under our control," says Kaur, who feels the $farmers\,are\,to\,blame\,for\,the\,sharp\,rise\,in\,pollution$ levels, both in their own areas and in the cities

Power Corp, have yet to order the required flue-gas desulfurisation units, according to the Central Electricity Authority. The units can take as long as three years to secure and install, and it's unclear if the operators will be penalised by authorities if they miss the deadline. BLOOMBERG

that are miles away.

On their part, the farmers say they can do little unless the authorities provide alternative solutions which can be implemented efficiently.

Chamkaur Singh of Ghanurki village tried an alternative route to dispose his stubble but now rues it. Two years ago, he sold his stubble for ₹11.5 lakh to the Punjab Biomass Power Plant in Patiala. So far, he has received about ₹2.45 lakh. Chamkaur Singh is running from pillar to post to recover his dues. "After sowing wheat, I and 40

other farmers from my village will go to Mumbai to meet the company's representatives to try and get our money back," he says. (Media reports claim Punjab Biomass Power Plant shut down as it was in the red for the last few years.)

"Even now, I don't burn paddy stubble and look for alternatives. But, for how long can I do

this?" Chankaur Singh asks. Punjab has been trying to encourage the setting up of biomass power plants, which can put crop stubble to good use. According to the website of the Punjab Energy Development Authority. 13 biomass-based power projects have been

allocated, of which five have been commissioned Some experts say crop stubble has high silica content and biomass power plants need to make additional investments to get it removed for processing. One reason why private players have been reluctant to set up biomass units that can process stubble. However, with the state government now trying to offer a more attractive power rate for investors, private players have again started showing interest in these.

There are cheaper options available to deal with paddy stubble. One way would be to encourage farmers to come out of the longstanding paddy-wheat cycle. For that to happen. farmers want income assurances akin to what they get for paddy and wheat. "We don't want to grow paddy any more but we need viable alternative arrangements for the crops that we will grow instead, and some sort of assured procurement either by agro-based industries or by the government," says Omkar Singh Khaira, general secretary of the Bhartiya Kisan Union (Rajewal).

He says farmers can grow basmati, which needs less water than other rice varieties and does not give rise to the problem of disposing stubble. But, if they are to do so, they would need the assurance of a minimum support price of ₹3,000 per quintal, he asserts.







Model of the proposed Ram temple at Karsewakpuram in

elevated provisioning. According to analysts, net profit (after

ter from the next quarter.

In case of private banks, the rise in NII above 3 per cent.

past couple of years.