# L(()[[()] FRIDAY, JANUARY 24, 2020



### GAS-BASED FUTURE

Dharmendra Pradhan, oil minister

A gas-based future has multidimensional benefits for the society and economy. Natural gas will yield a positive impact on the environment, lower health spending and usher new opportunities of economic and social development

# Quick View

### Till Jan 22, over 12k screened for coronavirus

ATOTALOF 12,828 passengers from 60 flights have been screened for novel coronavirus infection till January 22 but no positive case has been detected in the country so far, the Union health ministry said on Thursday. Union health secretary Preeti Sudan is reviewing the evolving scenario and

### National data platform in works

the preparedness status.

GOVERNMENTTHINK-TANK NITI Aayog will develop a national data and analytics platform to make all government data accessible to stakeholders in a user-friendly manner. According to the vision document, data across sectors should be coherent to support analysis and dissemination.

### Waste-to-energy plant at railways

THE EAST COAST Railway has commissioned the government's first wasteto-energy plant which will turn ewaste and plastic into light diesel oil in 24 hours, officials said on Thursday. A patented technology called 'Polycrack' will be used in this waste-to-energy plant, which is first of its kind in Indian Railways and only the fourth in India.

# REVIVAL PLAN

# Govt likely to fund some \$28 bn of 2020-21 expenditure via off-Budget borrowings

The government is under pressure to increase spending on rural welfare schemes and infrastructure to boost economic growth

MANOJ KUMAR & **AFTAB AHMED** New Delhi, January 23

THE GOVERNMENT IS likely to fund roughly \$28 billion of its expenditure outlay in its upcoming Budget for the fiscal year 2020-21 via off-Budget borrowings, said three government sources directly aware of the matter, as it seeks to revive a sagging economy, while keeping its fiscal deficit in



Prime Minister Narendra Modi's government is under pressure to increase spending on rural welfare schemes and infrastructure to boost economic growth that has fallen for six straight quarters.

Off-Budget borrowings are a means by which the government keeps its fiscal deficit in check by making quasi-government entities borrow on its behalf, to partly fund its expenditure plan for the year.

This would mark a roughly 13.8% increase in so-called offbudget borrowings from an estimated ₹1.75 trillion (\$24.6 billion) in the ongoing fiscal year, said the three sources, who

asked not to be named as the discussions are private.

"We're facing a serious economic crisis," said one of the sources, adding there was no alternative but to raise spending on infrastructure and welfare schemes to boost consumer demand and create jobs.

"You should not be surprised if the real deficit touches 4.5% of GDP," he said, adding the 'official' deficit could be kept between 3.5% and 4% of GDP.

"After initial denial of the economic slowdown," he said the government has realised it needs to take all possible steps to support economic growth.

A spokesman for the finance ministry declined to comment, citing the silent period ahead of the budget speech on February 1.

— REUTERS

# Petroleum ministry issues draft policy for CGD

**FE BUREAU** New Delhi, January 23

TO SPEED UP gas infrastructure activities in the states, the ministry of petroleum and natural gas (MoPNG) has prepared a draft policy for city-gas distribution (CGD), which the government expects will be a template for every state to come up with their own CGD policies.

While speaking about the draft at the national conclave on emerging opportunities in the natural gas sector here on Thursday, Union minister Dharmendra requested all the states to incorporate their local and regional factors and frame their own policies on the subject.

"Courts will inevitably become more stringent on environmental norms going forward, so states should take proactive steps to expedite CGD related activities," Pradhan said. Betting on the rising demand of natural gas in the future, MoPNG has identified segments such as interThe present share of gas in the energy basket of the country is 6.2% and the target is to take it to 15% by 2030. While the average share of gas in energy is 24% globally, it is 26% in Gujarat

city buses, mobile refuelling units, gas generators in telecom service towers, which

The present share of gas in the energy basket of the country is 6.2% and the target is to take it to 15% by 2030. While the average

can be tapped to turn gas-

share of gas in energy is 24% globally, it is 26% in Gujarat "Central government gives out a lot of subsidies on LPG and a large portion of this can be used to incentivise PNG and would provide

a relief to companies building CGD infrastructure, Saurabh Bhai Patel, Gujarat's energy minister said.

that would generate 35,520

jobs. The CM said as part of

issuing faster clearances, a

committee headed by him

had so far issued single win-

dow clearances to 36 projects

# Assam ready to pay ₹2,000 crore for 13.6% stake in Numaligarh refinery

**FE BUREAU** 

New Delhi, January 23

THE GOVERNMENT OF Assam is willing to pay ₹2,000 crore for an additional 13.6% stake in Numaligarh Refinery (NRL) which has a three million tonne per annum (MTPA) petroleum refinery. Currently, the state government owns 12.4% stake in the refinery and 26% is held by Oil India (OIL). Bharat Petroleum (BPCL) owns 61.7% stake in NRL.

has clarified that NRL will remain in the public sector and the proposed BPCL disinvestment programme will exclude the firm's share in Numaligarh. While speaking about the state's willingness to pay ₹2,000 crore at an event here on Thursday, Assam's commerce and industry minister Chandra Mohan Patowary said that 'the central government's

stake in NRL should be given

The central government operations in the region'. "We will write to the cen-

tral government in detail about this." Patowary added.

NRL was set up in accordance with the provisions made in the Assam Accord signed on August 15, 1985. In January 2019, the Union government approved the expansions of NRL's capacity to 9 MTPA which was expected to cost ₹22,000 crore. At the end of FY19, NRL's net worth stood at to OIL as it has significant ₹5,551 crore.

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# TN says Kuwait firm to set up ₹49,000-cr oil refinery

FE BUREAU Chennai, January 23

**TAMIL NADU CHIEF** minister K Palaniswami on Thursday said Kuwait-based Al Kharafi will set up an oil refinery and a petrochemical manufacturing facility in the state with an investment of ₹49,000 crore. With the building of the refinery, the southern districts of the state would see development like Jamnagar in Gujarat and Jurong Island in Singapore, he said.

The state cabinet on Monday had cleared the proposal to establish the oil refinery complex in Tuticorin which will produce BS-6 petroleum products, among others. Delivering a speech at the

foundation stone laying ceremony of DLF DOWNTOWN, for housing IT and ITeS companies here, the chief minister said China-based BYD Group also plans to make investments in the state. Around 59 companies, which signed MoUs with the state



government in the second edition of the GIM here in January last year, have commenced production, he said. Another 213 projects are under various stages of implementation, he added.

Palaniswami said the state government has been

attracting several new investments from various companies, making the state a front runner in the industry sector. The CM's overseas trip last year to attract investments had resulted in MoUs being signed with various companies for ₹8,835 crore valued at ₹14,728 crore that would generate 22,763 jobs. Plans are on the anvil to set up defence and aerospace parks and an electric vehicle park in the state. The chief minister said foreign direct investments have increased to ₹1.80 lakh crore from ₹1.33 lakh crore in the past. Palaniswami said constant efforts were being

taken to improve infrastruc-

ture on the Old Mahabalipu

ram Road, popularly known

as IT corridor, in line with

growing needs. "Many new projects such as phase-II of Chennai Metro, widening of Old Mahabalipuram Road with byepasses at Kelambakkam and Thirupporur and flyovers at key junctions at an investment of ₹1,150 crore are

being taken up," he said.

# Excluding Rs.71 Crores pertaining to profit on sale of equity shares (part stake)

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Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2019

S. No.	Particulars	Quarter ended Dec 31, 2019 (Unaudited)	Quarter ended Dec 31, 2018 (Unaudited)	Nine months ended Dec 31, 2019 (Unaudited)
1	Total Income from Operations	127,283.28	89,429.81	362,537.92
2	Net Profit for the period (before Tax, Exceptional and Extraordinary items)	27,274.27	14,621.44	74,876.07
3	Net Profit for the period before tax (after Exceptional and Extraordinary items)	27,274.27	14,621.44	74,876.07
4	Net Profit for the period after tax (after Exceptional and Extraordinary items)	19,019.78	9,533.13	55,246.07
5	Total Comprehensive Income for the period {Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)}	Refer Note 2	Refer Note 2	Refer Note 2
6	Equity Share Capital	30,368.77	29,222.91	30,368.77
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	2,87,053.34*	1,99,547.91**	2,87,053.34*
8	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) - {(before and after exceptional item) (not annualised)}			
	1. Basic:	6.43	3.26	18.82
	2. Diluted:	6.35	3.21	18.53

 As at March 31, 2019 \*\* As at March 31, 2018

Date: 22rd January, 2020

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(i) The above is an extract of the detailed format of quarter and nine months ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the quarter and nine months ended Financial Results are available on the websites of the Stock Exchange, www.nseindia.com and www.bseindia.com and of the Bank www.aubank.in.

(ii) Information related to the total comprehensive income and other comprehensive income are not furnished as Ind AS is not yet made

For AU Small Finance Bank Limited

Sanjay Agarwal Managing Director & CEO

**Touchpoints** 









# From the Front Page

# Telcos to pay AGR dues only after SC hearing

BHARTI AIRTEL, VODAFONE Idea, and Tata Teleservices had on Monday moved the Supreme Court seeking permission to approach the DoT for scheduling the payment and other reliefs — more time and easier terms and conditions — and the court had agreed to hear their petition sometime next week.

The basic prayer of these telcos is that the apex court should allow them to approach the DoT where they can negotiate the terms and conditions of payment.

As is known, the SC in its order dated October 24, 2019, had upheld the government's definition of AGR which includes all revenues of a licence holder including those from non-core telecom operations such as rent, dividend and interest income.

Since the order to pay the amount came from the SC, the government has been unwilling to provide any relief to the operators unless directed by the court.

Of the overall ₹1.47 lakh crore which the telecom industry needs to pay, the licence fee dues stand at ₹92,642 crore while spectrum usage charge is at ₹55,054 crore.

FTAs: Talks with EU, UK soon, says Goyal "THINGS HAVE ONCE again

started showing an uptrend... The economy is well poised to take off from here," he said.

Goyal's comments assume importance as economic expansion is projected to crash to a 11-year low of 5% in FY20, tariat. hemmed in by a collapse in On Wednesday, Goyal had investment growth to just 1%.

than-usual cycle of slowdown. Also, world trade is witnessing heightened uncertainties. A trade war between the US and China and a collapse of the WTO's dispute appellate system have only multiplied challenges for India that has been a staunch advocate of the multilateral trading system.

Analysts are divided over green

shoots in the economy, with

many predicting a longer-

Commenting on India's pull-out of the RCEP talks in November last year, the minister said: "RCEP was effectively becoming an FTA between China and India. I don't think India is ready to engage unless we see better transparency and a greater market access for Indian goods and services on a reciprocal basis."

India had pulled out of the RCEP talks in Bangkok on November 4 last year on the ground that its key issues, including extra safeguard mechanism to curb irrational spike in imports and tougher rules on the origin of imported products, were not addressed adequately.

Of the 16-nation RCEP grouping, India already has FTAs with the 10-member Asean, Japan and South Korea. However, RCEP was supposed to be more ambitious than its existing FTAs. The presence of China in the grouping had reinforced fears of Indian industry about potential dumping.

Interestingly, India has got an invitation from RCEP members to address its concern in meetings on February 3 and 4 in Bali, the first credible effort by RCEP nations to get New Delhi back at the negotiating table. The invitation has been extended by the Asean secre-

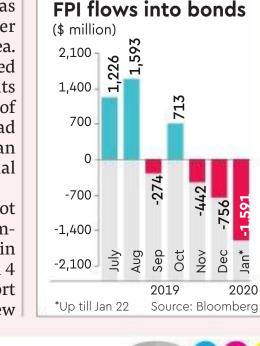
said India was working on ways to have fairer and more equitable terms in its trade relationships with various coun-Even without the RCEP,

India's merchandise trade deficit with China stood at \$53.6 billion in FY19, or nearly a third of its total deficit. Its deficit with potential RCEP members (including China) was as much as \$105 billion in FY19. Indian industry fears trade deficit would only increase further without adequate safeguard tools and meaningful concessions from others.

# RBI doubles investment limit for FPIs in debt

THE GOVERNMENT ALSO plans to launch the second tranche of its Bharat Bond ETF having mopped up ₹12,400 crore in December 2019 from the first tranche.

Apprehensive of a high budget deficit, that could push



up government borrowings and yields, FPIs have been selling rupee bonds – sales have crossed \$1.5 billion in January so far on the back of sales in November and December. However, the Bharat Bond ETF - with investment in bonds of

state-owned firms - could attract FPI money, market experts said. "FPIs that have been allotted investment limits under VRR may, at their discretion, transfer their investments made under the general investment limit to VRR," the RBI said. Investments in the VRR, as on December 31, 2019, were only around ₹54,300 crore; with the revised cap, the room for fresh allotments would rise to ₹90,630 crore, the RBI said.

The VRR route was opened in March last year. Investments through the route will be free of the macro-prudential and other regulatory norms applicable to FPI investments in debt markets, provided FPIs voluntarily commit to retain a required minimum percentage of their investments in India for a period. The minimum retention period shall be three years, or as decided by RBI for each allotment by tap or auc-

In early December, the Cabinet Committee on Economic Affairs had approved the creation and launch of Bharat Bond Exchange Traded Fund (ETF), the country's first corporate bond ETF through which retail investors can invest in corporate bonds with just ₹1,000. The ETF is a basket of bonds issued by Central Public Sector Undertakings (CPSUs), Central Public Sector Enterprises (CPSEs), Central Public Financial Institutions (CPFIs) or any other government organisation.