

How markets performed last week				
	Index on Oct 18, '19	*One-week	% chg over Dec 31, '18 Local currency	in US \$
Sensex	39,298	3.1	9.0	6.8
Nifty	11,662	3.2	7.4	5.3
Dow Jones	26,770	-0.2	14.8	14.8
Nasdaq	8,090	0.4	21.9	21.9
Hang Seng	26,720	1.6	3.4	3.2
Nikkei	22,493	3.2	12.4	13.7
FTSE	7,151	-1.3	6.3	8.1
DAX	12,634	1.0	19.6	16.6
*Change (%) over previous week Source: Bloomberg				

**INDIAN ARMY DESTROYS 3 TERROR CAMPS IN PoK**  
Six to 10 soldiers of the Pakistan Army were killed and three terror camps destroyed in a retaliatory action by the Indian Army in the Tangdhar sector in Pakistan-occupied Kashmir across the Line of Control, Army chief General Bipin Rawat said on Sunday. **24▶**

**BANKER'S TRUST**  
**How to defuse the co-operative bomb**  
The minimum capital requirement for a co-operative bank is ₹1 lakh – an amount that has remained unchanged since 1949. **TAMAL BANDYOPADHYAY** writes **8▶**

**POLL VAULT**  
**STATES: TAKING STOCK** **21▶**  
▶Maharashtra losing charm as investment destination  
▶Non-farm sector growth slows down in Haryana  
**POLITICS & PUBLIC AFFAIRS** **20▶**  
**Muslims unfazed by NRC push**  
Fear is palpable among Rohingyas, but their concerns find little resonance with locals in Nuh. **SAI MANISH** writes

# Business Standard



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**FRDI BILL: REINVENTING THE NARRATIVE**

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**'SPOILT BRAT' BORIS SENDS UNSIGNED BREXIT EXTENSION LETTER TO EU**



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# Competition Act to have clause on settlement

Likely to be amended in the upcoming winter session of Parliament

**RUCHIKA CHITRAVANSHI**  
New Delhi, 20 October


The Centre will introduce a 'commitment and settlement' clause in the Competition Act. This is likely to be amended in the upcoming winter session of Parliament. The enabling clause will allow those found in contravention of the competition law to 'commit' to correct its ways to avoid further action even before the investigation is completed, Competition Commission of India (CCI) Chairperson Ashok Kumar Gupta told *Business Standard*.

Even in cases where the investigation is over, evidence has been found, and the adjudicating process has started, the companies will still be able to enter into a settlement. The companies will have to pay a fine and avoid legal proceedings after ensuring any anti-competitive practice will be corrected.

"This will reduce the burden of litigation on us and allow us to better utilise our resources. We don't want to get into a long-drawn process, which then delays market correction as well," said Gupta.

However, companies will not be able to simply get away by giving the

PERFORMANCE OF CCI		
	2016-17	2017-18
Alleged anti-competitive conduct noticed	161	72
Prima facie order passed	167	74
Investigations completed by DG	23	36
No. of orders passed in anti-competitive conduct	78	72
Amount of penalty levied (in ₹ crore)	288.28	436.65
Source: Competition Commission of India		



**Turn to Page 6 ▶**

# Adani plans ₹18,000-crore investment in airports

**AIRPORT BLUEPRINT**

- Adani offers ₹10,000 cr to buy Mumbai airport stake
- Mumbai, Thiruvananthapuram investment depends on outcome of litigation
- Work on five airports won in auction takes off
- To give priority to airports, defence, and datacentre business



**DEV CHATTERJEE & ANEESH PHADNIS**  
Mumbai, 20 October

Adani Group is readying to invest ₹18,000 crore in its airport business, including ₹10,000 crore in acquiring a large stake in Mumbai International Airport (MIAL). The remainder ₹8,000 crore is to be spent on developing Ahmedabad, Jaipur, Lucknow, Thiruvananthapuram, and Mangaluru airports.

The Ahmedabad-based group won five airports in an auction in February. Investment in Thiruvananthapuram airport has

been delayed owing to litigation initiated by the Kerala government, which moved the high court (HC), saying it will not let a private firm take over the airport. The matter is pending.

While Adani Group has signed an agreement to acquire 13.5 per cent in MIAL, it wants to increase its stake and has set aside ₹10,000 crore for the purpose.

Adani Group's planned large investment in MIAL is, however, dependent on the litigation and MIAL's majority shareholder GVK's stance on the stake sale. **Turn to Page 6 ▶**

# FY20 gross tax revenue could fall short by ₹2 trillion

**FinMin is said to have shared assessment with 15th Finance Commission**

**SANJEEB MUKHERJEE & ARUP ROYCHOUDHURY**  
New Delhi, 20 October

An internal assessment by the central government suggests that gross tax revenue for 2019-20 (FY20) may fall short by around ₹2 trillion from the budgeted estimate of ₹24.6 trillion, an official in the know told *Business Standard*.

This assessment is learnt to have been informally shared with the Fifteenth Finance Commission (15th FC), which had asked the finance ministry to give it a revised memorandum in the light of the current economic slowdown, tax trends, and fiscal situation. For 2018-19 (FY19), the gross tax revenue estimate was ₹22.7 trillion, while provisional actuals, according to the FY19 Economic Survey, were ₹20.8 trillion. **Turn to Page 6 ▶**

**MAPPING GROSS TAX REVENUE** (in ₹ trillion)

Year	Budgeted	Actuals	Provisional Actuals
2016	14.5	-14.5	
2017	16.3	17.2 (0.9)	
2018	19.1	19.2 (0.1)	
2019	22.7	20.8 (-1.9)	
2020	24.6		

(Figures in brackets denote difference between budgeted and actuals)  
Sources: Budget, Economic Survey documents

**COMPANIES P2**

## JIO QUESTIONS LEGALITY OF TRAI PAPER ON IUC REVIEW



Reliance Jio has questioned the legality and credibility of Trai's consultation paper on deferring interconnect usage charges (IUC), saying it is not only bad in law and against consumer interest but also violates Article 14 and 19 (1) (g) of the Constitution. It has argued that the present consultation process violates the principles of regulatory predictability. **SURAJEET DASGUPTA** writes

**Jio may need more 4G spectrum to cater to user growth, say analysts**

## HUL, RELIANCE RETAIL ON OPPOSITE SIDES OF THE RURAL DEBATE



India's largest retailer, Reliance Retail, and the country's largest consumer goods company, Hindustan Unilever (HUL), have contrasting views on rural growth. While HUL has said the rural slowdown has been sharp in the second quarter (Q2), Reliance Retail has claimed it continues to grow across geographies and consumption baskets. Reliance Retail crossed the ₹40,000-crore top line mark in Q2. HUL reported that its top line for the period increased 6.7 per cent to ₹9,852 crore. **VIVEAT SUSAN PINTO** writes

# Huawei revenue jumps 56% amid uncertainty

Chinese telecom gear maker trebled its net profit in 2018-19

**ARNAB DUTTA**  
New Delhi, 20 October

A crisis that began with American investigating agencies warning against purchasing Huawei products two years ago has turned into a storm with full sanctions on the firm by the US government. But nothing has dented its business in the world's second-largest telecom market — India.

Amid a global trade war, which has the potential to severely threaten its future, Chinese telecom gear maker Huawei has, so far, managed to keep its business here on the upswing.

According to the data at the Registrar of Companies (RoC), revenue from its telecom gear business jumped by 56 per cent during the financial year ended March 31, 2019.

During 2018-19, the revenue of Huawei Telecommunications (India) — the group entity that manufactures and markets telecommunication equipment — grew to ₹12,884 crore, from ₹8,282 crore in the previous financial year.

Its net profit jumped by 213 per cent to ₹623 crore, from ₹199 crore in 2017-18.

The firm's business has grown significantly in the past five years. Since 2014-15, its revenue has grown six times — from ₹1,844 crore.

Its profit, however, dwindled during the intervening years. From ₹430 crore in 2014-15, it fell to ₹199 crore in 2017-18.

The RoC data shows another group firm, Huawei Technologies, which is involved in software services, posted



**DEFYING TRUMP MUSCLE FLEXING**  
Revenue up sixfold in 5 years for Huawei Telecommunications

Revenue	Net profit
₹ crore	₹ crore
8,282	12,884
198.7	623
2017-18	2018-19

**GETTING THE GAME RIGHT**  
Huawei Technologies' sales grew 10.5% in 2018-19

Sales	Net profit
₹ crore	₹ crore
892	986
54.6	49.5
2017-18	2018-19

Source: Registrar of Companies

10.5 per cent growth in net revenue during the year — from ₹892 crore in 2017-18 to ₹986 crore in 2018-19.

Its net profit, though, fell year-on-year by 10 per cent to ₹49.5 crore, from ₹54.6 crore. This performance may come as a breather for Huawei, which is betting heavily on the Indian market.

Last week, Jay Chen, its chief executive of the India unit, stressed the importance of the market here. After the

US government prohibited it from doing business in one of the largest markets globally, Chen said Huawei was ready to comply with the rules and regulations set by the Government of India.

"The Indian market has an ecosystem now," Chen said. "If this ecosystem is broken because of the absence of Huawei, the loss will not only be financial but also about losing technology development." **Turn to Page 6 ▶**