If there is no buyer for Air India, govt needs to shut it down

HYDERABAD, THURSDAY, JANUARY 30, 2020

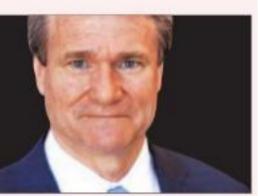
If Election Commission is to really punish the likes of Anurag Thakur, it

needs a lot more powers



ECONOMY, P2 **'ECONOMY IN A GREAT POSITION'**

Indian consumption story growing, says BofA CEO Moynihan



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DELHI POLLS

EC: Remove Thakur, Verma as BJP's star campaigners



EXPRESS NEWS SERVICE

New Delhi, January 29

THE ELECTION COMMISSION Wednesday ordered removal of BJP leaders Anurag Thakur and Parvesh Verma from the party's list of star campaigners. This comes after Thakur,

who is minister of state for finance, urged the crowd at a rally this week to chant "desh ke gaddaron ko goli maaro saalon ko". Verma, who is an MP from

West Delhi, said in an interview to ANI that Shaheen Bagh protesters could "enter homes and rape sisters and daughters" if left unchecked.

The Commission has already issued showcause notices to both leaders for their remarks, and both have time until Thursday noon to respond to the notice on the alleged violation of the Model Code of Conduct.

Continued on Page 2

TRUMP'S FEB VISIT

Limited India-US deal on trade in the offing

US to get greater access in medical devices and agriculture; GSP benefits to be restored for India

FE BUREAU New Delhi, January 29

AFTER MONTHS OF hard negotiations, India and the US have moved closer to a trade deal that will include New Delhi's commitment to extend greater market access in medical devices and agriculture. But an agreement on Washington's demand for a sharp cut in or abolition of import duties on seven ICT products, including mobile phones worth over ₹10,000, is still elusive, a source told FE. So a'limited deal' could be signed during US President Donald Trump's expected visit to India in February, just three months after New Delhi pulled out of the Beijing-dominated RCEP trade pact.

While the quantum of incentives involved in the deal is unclear, it could cover products with total annual bilat-



- Imminent deal could cover annual bilateral trade of \$10 bn; a broader pact later
- New Delhi will also ease certain certification procedures for dairy imports from the US
- on ICT items where the US will benefit more but not on mobile phones

■ It's willing to cut duties

- US could restore GSP **benefits for India** and offer it some relief from steel, aluminium levy ■ India may apply trade
- margin on stents at the first point of sale (price to stockist) and not on landed prices; move to help firms like Abbott

eral trade of around \$10 billion. A limited deal was supposed to be signed during Prime Minister Narendra Modi's visit to the US in Sep-

tember last year but a lack of

consensus stalled it. A broader

trade deal could be hammered out later, said the source. As for ICT products, New Delhi has already conveyed

that an across-the-board cut of import duties on the seven items would cost it a massive \$3.2 billion a year and help only third parties (like China and Korea) that supply more; instead, it is willing to lower duties on those ICT products where it would benefit the US. The US made up for only 2% of the Indian imports of the seven products in FY18.

For its part, India is pitching for an exemption from the extra duty imposed by the US on steel (25%) and aluminium (10%), the resumption of duty-free export benefits for some Indian goods under the so-called Generalised System of Preferences (GSP) and greater market access for its products in sectors ranging from agriculture and automobiles to engineering. The US, however, had been offering to restore the GSP benefits for India which stood at \$240 million in 2018 — only partially, a source had said earlier.

Continued on Page 2

EPIDEMIC FALLOUT

Virus wipes \$1.5 trillion off value of stock markets since January 20

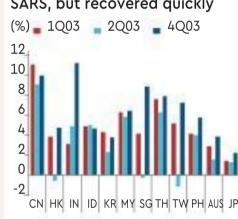
Raw materials hit hardest; havens have rallied as investors seek safety

BLOOMBERG Tokyo/London/New Delhi, January 29

CORONAVIRUS HAS WIPED \$1.5 trillion off the value of world stock markets since January 20, when a slide in Hong Kong shares kicked off concerns among traders. Yet with Chinese and Hong Kong exchanges shut for an extended holiday, that's a lowball figure. The virus that has claimed over 130 lives has sent global markets reeling with some MNCs shutting locations in China and others taking

Real GDP growth fell in most economies at 2Q03 peak of SARS, but recovered quickly

steps to protect their workers.



Bloomberg Barclays Global As Treasuries drift and US

stock-futures gain in early Tuesday trading, the epidemic's toll looms large across assets. Raw materials have been hit hardest, with the Bloomberg Commodity Spot Index slumping 4.5%. Meanwhile havens have rallied as investors seek safety. The

Visitors from China as

percent of population

Aggregate Treasuries Total Return Index is up 1.3%, while the Bloomberg Dollar Spot Index has strengthened 0.5%.

Continued on Page 2 Starbucks shuts over half of its outlets in China: P14

Tourism receipts as percent of GDP

AI, IndiGo suspend China flights

PRESS TRUST OF INDIA New Delhi, January 29

INDIGOAIRLINES SAID on Wednesday that due to the novel coronavirus outbreak in China, it has decided to suspend its flights on the Bengaluru-Hong Kong route from February 1 and on the Delhi-Chengdu route from February 1 to 20.

Similarly, an Air India spokesperson said the national carrier is suspending its flights on Delhi-Shanghai route from January 31 to February 14.

Meanwhile, IndiGo also clarified that for now, it will continue to operate the Kolkata-Guangzhou flight that it is "monitoring on a daily basis". "And for our operating crew, we are ensuring that they return to India on the inbound flights without anylayoverin China,"it said in a statement.

Continued on Page 2

On a new court

Badminton player Saina Nehwal and her sister Abu Chandranshu Nehwal meet BJP president JP Nadda after joining the party, in New Delhi on Wednesday

QuickPicks

IPO bidding: HDFC Bank fined ₹1 cr for faulty KYC of accounts THE RESERVE Bank of India (RBI) has fined HDFC



Bank for violating know-your-customer (KYC) norms in 39 accounts, which were used for bidding in an IPO, reports fe Bureau in Mumbai. Transactions

carried out via these accounts were found to be disproportionate to the declared income of the customers. The bank has been fined ₹1 crore for these violations. The RBI said it had issued a notice to HDFC Bank to show cause as to why penalty shouldn't be imposed for non-compliance with directions. **P10**

IndiGrid to acquire power firm ENICL for ₹1,020 crore



INDIGRID, THE country's first infrastructure investment trust in the power sector, on Wednesday announced acquisition of power transmission firm East North Interconnection

Company (ENICL) for ₹1,020 crore, reports PTI. ENICL is part of an inter-state transmission scheme network and consists of two 400 KV transmission lines with a total 900 circuit kilometres across Assam, Bihar and West Bengal, which were set up to evacuate power from the north-east. **PAGE 6**

RIL approaches NHAI to offer waste plastic-to-road tech

of India (NHAI) for offering its 'waste plastic-toroad' technology that uses end-of-life plastic for road construction, reports **PTI**. The company has already piloted a few projects and has constructed a nearly 40-km road by mixing 50 tonne of end-of-life plastic waste with bitumen at its Nagothane manufacturing site in Raigad district. End-of-life plastic

MUKESH AMBANI-LED Reliance Industries has

approached the National Highways Authority

CABINET MOVE

Nod to raise upper limit for abortion permission

PRESS TRUST OF INDIA New Delhi, January 29

THE UNION CABINET on Wednesday approved extending the upper limit for permitting abortions from the present 20 weeks to 24 weeks for "special categories of women" which would include rape survivors, victims of incest, differently-abled and minors, an official statement

The Cabinet gave its nod to the Medical Termination of Pregnancy (Amendment) Bill, 2020 to amend the Medical Termination of Pregnancy Act, 1971 and it would be introduced in the Budget session of Parliament beginning January 31.

While addressing the media after the Cabinet meeting, Union minister Prakash Javadekar said the upper limit for permitting abortions has been extended from the present 20 weeks to 24 weeks.

Continued on Page 2

BLAST FROM THE PAST

Bad loan sales to ARCs in 2011-12 torment banks

SHRITAMA BOSE Mumbai, January 29

AT A TIME when banks are still dealing with elevated slippages, an older tranche of bad loans sitting in their investment books for the last eight years has returned to haunt them. Banks are preparing to set aside nearly ₹4,000 crore as provisions as they expect a majority of the security receipts (SRs) from bad loan sales in 2011 and 2012 to go unredeemed, according to people aware of the development. The provisioning amount could be spread over two to three years as and when the dates of redemption for each set of SRs come up,

bankers told *FE*. Historically, when asset reconstruction companies (ARCs) bought an asset from a bank or financial institution, they typically paid 15% in cash and the remaining payable would be converted into an SR. The SRs would be redeemable after eight years and would sit in the treasury books of the seller bank in the meantime. The poor turnaround rates in assets acquired by ARCs has led to banks opting for all-cash

■ Banks began to sell large tranches of NPAs to ARCs around 2011, accepting 15% cash payment

■ The remaining 85% was converted to SRs, which moved to the seller bank's investment book

typically eight years ■ Bankers do not expect any of the outstanding SRs

issued in 2011-12 to be

■ The tenure of the SRs is

redeemed successfully

deals in the last two years, even at the cost of large haircuts.

Not many of the assets which were sold to ARCs in their early days have been turned around.

Continued on Page 2

DECEMBER QUARTER

iPhone sales in India see double-digit growth

PRESS TRUST OF INDIA New Delhi, January 29

TECH GIANT APPLE registered a double-digit rise in iPhone sales in India, and witnessed strong demand for iPads in the December quarter. The Cupertino-based

company posted its

increase of 9% from the yearago quarter. Its net profit also hit an all-time high of \$22 billion. International sales accounted for 61% of the quarter's revenue.

Continued on Page 2

highest-ever quarterly rev-

enue at \$91.8 billion, an

We... also grew double digits in emerging markets led by strong performances in Brazil, Mainland China, India, Thailand and Turkey — TIM COOK, APPLE CEO

INDIGO EGM

Shareholders reject amending RoFR clause

FE BUREAU Mumbai, January 29

THE EXTRAORDINARY GEN-**ERAL** meeting (EGM) of Inter-Globe Aviation, which runs lowcost airline IndiGo, on Wednesday rejected the special

resolution to amend the Articles

of Association of the company, aimed at removing the clause relating to right of first refusal to the co-promoters in case either of them choose to exit.

Curiously, co-founder Rakesh Gangwal, whose RG Group had called for the meet-

IndiGo founders Gangwal and Rahul Bhatia have since last year been involved in a bitter spat over the control of the airline.

The meeting was headed by Meleveetil Damodaran, chairman, board of directors.

ing, was missing from the EGM. Continued on Page 2

AIR-COOLED STEAM CONDENSERS FROM THE WORLD LEADER

The ACC market in India has undergone a revolution since Paharpur acquired the dry cooling business of SPX Cooling Technologies Inc. USA. now renamed SPG Dry Cooling.

The combined Paharpur and SPG-DC entity is acknowledged as the world leader in the air-cooled steam condenser industry.

We have the world's largest installed base of air-cooled steam condensers (ACCs), serving over 200 power plants with a combined generation capacity nents, some of them in the most ex-

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treme environments. With an R&D centre in Brussels, we have several international patents and state-ofthe-art manufacturing operations in India (Savli and Kolkata) and China (Zhangjiakou).

The combined capability of Paharpur and SPG (formerly SPX) Dry Cooling make us an international technology force to reckon with and gives our customers access to world-class ACCs with design innovations which you can expect only from the leader.

So for dry cooling technology think no further, think Paharpur.



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cannot be recycled. **PAGE 6**