

EDITORIAL
SC's telecom ruling bad, but govt didn't do much to fix things If bankers and investors are to take assurances seriously, govt has to prove its bona fides

FMSPEAK
Govt willing to do more beyond Budget to boost growth, says Sitharaman

LATEST INDICTMENT
US charges Huawei with stealing trade secrets, assisting Iran

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IN THE NEWS

PAN invalid if not linked to Aadhaar

PAN WILL BECOME inoperative if it is not linked with Aadhaar by March 31, 2020, the I-T department has said, reports PTI. After several extensions, the current deadline for linking of PAN and Aadhaar ends on March 31. Till January 27, over 30.75 crore PANs have already been linked to Aadhaar.

Aircel-Maxis: ED, CBI file status report of probe

FILING STATUS REPORTS of investigation in the Aircel-Maxis cases involving former finance minister P Chidambaram and his son Karti before a Delhi court on Friday, the ED said active investigation into the matter was going on, while the CBI stated that letter rogatory has been sent to Malaysia and the response is awaited, reports PTI.

Air India sale likely in first half of FY21

THE CENTRE EXPECTS to complete sale of Air India in the first half of the next fiscal, Dipam secretary Tuhin Kanta Pandey said on Friday, reports PTI. He also said the divestment strategy has shifted from minority stake sale in PSUs to strategic sale, and a lot of privatisation would happen in FY21.

NO RELIEF IN AGR PAYMENT CASE

● AIRTEL TO PAY ₹10,000 CR ON FEB 20; REST BY MAR 16 ● VODA IDEA OWES GOVT ₹2.2 LAKH CR, BANKS ₹49,000 CR ● NON-TELCOS GET RELIEF, CAN APPROACH TDSAT

PAY ₹1,00,000 CR IN 7 HRS

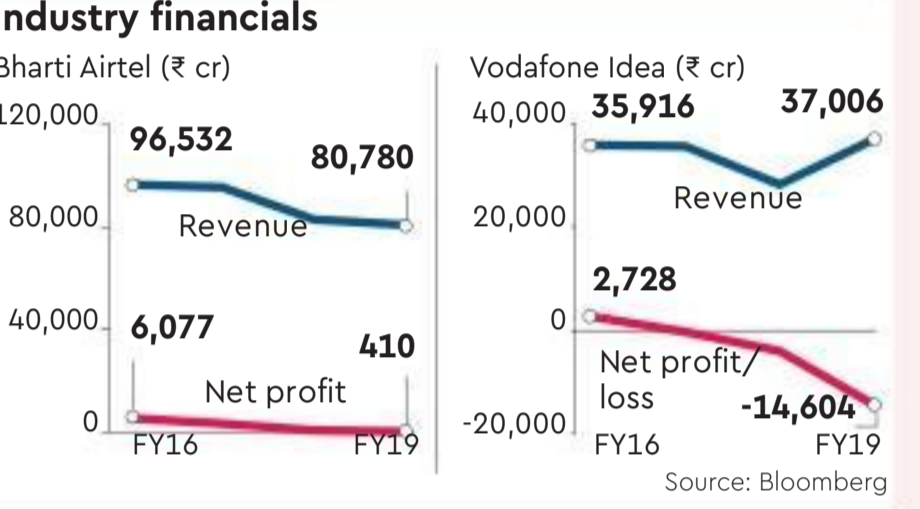
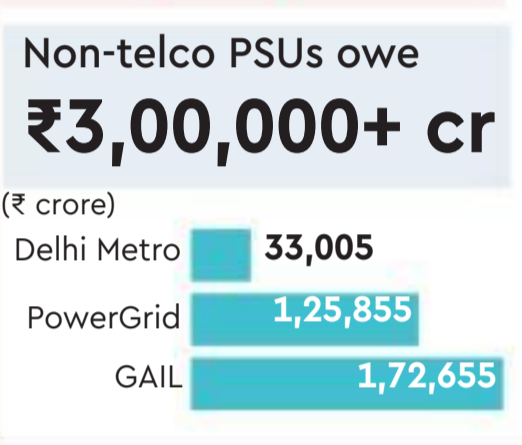
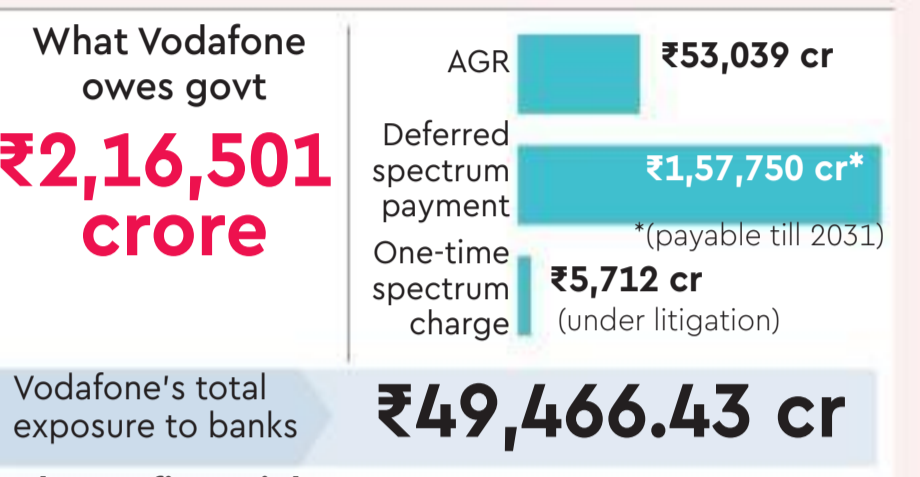
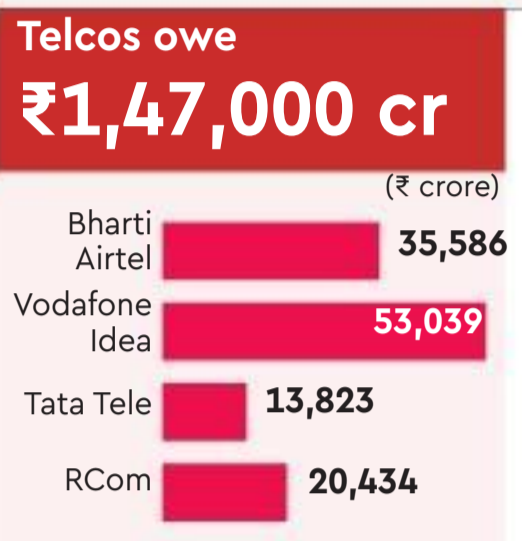
FE BUREAU
New Delhi, February 14

IF TELECOM OPERATORS like Bharti Airtel and Vodafone Idea had pinned hope on some relief in terms of being allowed to offer staggered payment of their adjusted gross revenue (AGR) dues, the Supreme Court on Friday shattered it.

The apex court expressed its displeasure in severely strong words that why should contempt proceedings not be initiated against the telecom companies for not making the payment by January 23.

The Supreme Court also came down heavily on the department of telecommunications officer who issued the order on January 23 to all its field offices for not initiating any coercive order against the telecom companies for non-payment as their modification pleas were pending before the apex court.

It also issued contempt notices against the official. The managing directors and directors of the telecom companies were directed to be present in the court at the next hearing on March 17 to explain why contempt proceedings should not be initiated against them and why they did not make the payments on time. If the payments are made before that



The Supreme Court's ire was over the fact that since it had rejected the review petition of the telecom companies, there was no reason for them not to make the payment by the designated date and for DoT to issue orders to that effect.

Continued on Page 2
Will speak to telcos on AGR dues: SBI chairman, Page 10

I am anguished. I feel I should not work in this court... Our conscience has been shaken by the way things are happening in the country... It is better not to live in this country and rather leave the country

I don't get angry like this, but I am totally lost how to work in this system and this country

How can a desk officer do this to the SC's order. Is this the law of the country. Is this the way you treat the courts?

You don't understand me, not even an inch. Your desk officer is staying the order. Is he sitting over the Supreme Court? How?

— JUSTICE ARUN MISHRA

SOME RELIEF

CCI probe against Amazon, Flipkart stayed by HC

Antitrust regulator had ordered a probe to look into charges of deep discounts, preferential listing of sellers and exclusive tie-ups

FE BUREAU
New Delhi, February 14

IN A RELIEF for Amazon, the Karnataka High Court on Friday stayed the Competition Commission of India's (CCI) investigation into the US e-commerce giant and its rival Flipkart's alleged business practice of deep-discounting, preferential listing of sellers and exclusive practices.

The court observed that the Enforcement Directorate (ED) has already initiated investigation into the two firms' operational activities alleged to be in contravention of the FDI (foreign direct investment) policy in e-commerce. The court also noted that while the CCI had asked for Amazon's comments in an earlier case filed by All India Online Vendors Association (AIOVA), the fair trade regulator should have held consultations with the parties in the present matter before passing the impugned order.



- On Feb 10, Amazon filed plea seeking stay on CCI probe into its and Flipkart's business practices
- Amazon said order will cause irreparable loss and injury to the company and its reputation
- Amazon and Flipkart jointly hold nearly 80% of India's e-commerce sector
- On January 13, CCI had directed probe on a plea by Delhi Vyapar Mahasangh
- On Feb 14, CAIT and DVM decided to file an appeal against the HC order

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Special Features

Membership of an exclusive club doesn't come cheap



The new Audi A8 L is a rich-looking car, for super-rich buyers, and has an ultra-luxurious rear seat. However, it's also, by far, the most expensive in its segment

■ **Motobahn, P13**

Lower offtake hits Coal India's Q3 performance



FSA realisations were a positive; offtake is likely to improve as production has ramped up post monsoon; valuations are attractive; 'Buy' retained with target price of ₹258

■ **Investor, P13**

Quick Picks

SpiceJet beats Street, posts 33% rise in Q3 profit at ₹73.2 crore

SPICEJET BEAT street estimates and reported a 32.9% rise in net profit to ₹73.2 crore for the December quarter, boosted by a 46.7% growth in operating revenue, reports **fe Bureau** in Mumbai. The airline said it has received an interim offer for compensation from Boeing on account of the grounding of its 737 MAX aircraft worldwide. SpiceJet, which has 13 grounded MAX, did not disclose the amount offered but has factored in claims from Boeing of ₹537.8 crore so far this fiscal. **PAGE 6**

WPI inflation accelerates to 10-month high of 3.1% in Jan

WHOLESALE PRICE-BASED inflation accelerated to a 10-month high of 3.10% in January mainly due to costlier food articles, particularly onion and potato, a government data released on Friday showed, reports **PTI**. Inflation based on Wholesale Price Index was at 2.59% in December 2019, and 2.76% in January 2019, as per the data released by the ministry of commerce and industry. The earlier high was recorded in April 2019, when the WPI inflation stood at 3.18%. **PAGE 2**

Keki Mistry: Whistleblower policy critical for firms' internal control

WHISTLEBLOWER POLICY is a critical element of internal control in companies, and there is a need to place a mechanism to penalise dishonest complainants, HDFC vice-chairman and CEO Keki Mistry said on Friday, reports **PTI**. "I do think that genuine whistleblowers need to be encouraged by the regulators. However, there needs to be a mechanism put in place that penalises complaints by dishonest people," Mistry said in his address at the CII corporate governance summit. **PAGE 10**

TRUMP VISIT

India to offer US partial dairy, poultry market access

SANJEEV MIGLANI, NEHA DASGUPTA, DAVID LAWDER & ADITYA KALRA
New Delhi/Washington, February 14

INDIA HAS OFFERED to partially open up its poultry and dairy markets in a bid for a limited trade deal during US President Donald Trump's first official visit to the country this month, people familiar with the protracted talks say.

India, the world's largest milk-producing nation, has traditionally restricted dairy imports to protect the livelihoods of 80 million rural households involved in the industry.

But Prime Minister Narendra Modi is trying to pull all the stops for the US president's February 24-25 visit, aimed at rebuilding bonds between the world's largest democracies. In 2019, Trump suspended India's special trade designation that dated back to 1970s, after Modi put price caps on medical devices, such as cardiac stents and knee implants, and introduced new data localisation requirements and e-commerce restrictions.

Trump's trip to India has raised hopes that he would restore some of the country's US trade preferences, in exchange for tariff reductions and other concessions.

The US is India's second-largest trade partner after China, and bilateral goods and services trade climbed to a record \$142.6 billion in 2018. The US had a \$23.2 billion goods trade deficit in 2019 with India, its 9th largest trading partner in goods.

India has offered to allow imports of US chicken legs, turkey and others

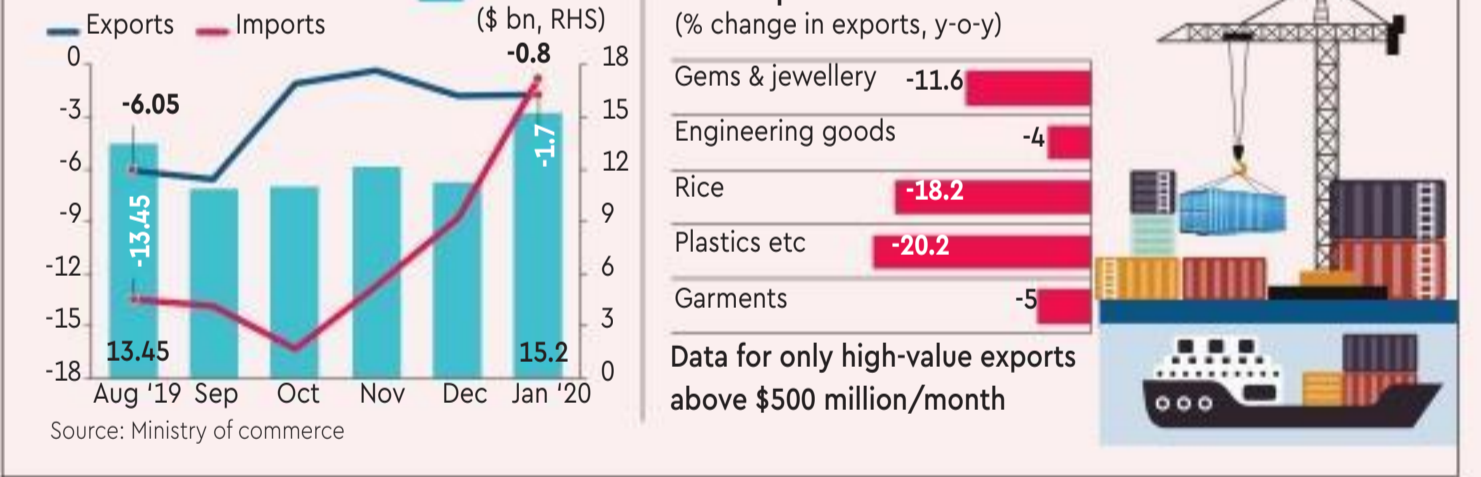
India also offers to cut tariffs on chicken legs from 100% to 25%. US wants 10%

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Exports sink

Trade deficit hits seven-month high in Jan

Merchandise exports dropped 1.7% y-o-y in January to \$26 billion, the sixth straight month of contraction, pushing up trade deficit to a seven-month high of \$15.2 billion, as imports dropped at a slower pace of 0.8%. Core (non-oil and non-gold) imports dropped by 4.7%, reflecting demand compression. External headwinds and subdued domestic manufacturing continue to hurt exports.



Worst performers (% change in exports, y-o-y)

Gems & jewellery	-11.6
Engineering goods	-4
Rice	-18.2
Plastics etc	-20.2
Garments	-5

Data for only high-value exports above \$500 million/month

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GLOBAL TAX REFORMS

Zuckerberg ready for Facebook to pay more, welcomes rules review

PAUL CARREL
Munich, February 14

FACEBOOK CEO MARK Zuckerberg accepts that global tax reforms mean it may have to pay more taxes in different countries, excerpts of a speech he is due to deliver on Saturday show. Cross-border tax rules are set to be rewritten to avoid a new trade war over the global multiplication of taxes on digital services, prompted by some countries preparing to go it alone.



I understand that there's frustration about how tech companies are taxed in Europe. We also want tax reform and I'm glad the OECD is looking at this.

— **MARK ZUCKERBERG**, FACEBOOK CEO

We also want tax reform and I'm glad the OECD is looking at this," Zuckerberg is expected to tell the Munich Security Conference. "We want the OECD process to succeed so that we have a stable and reliable system going forward. And we accept that may mean we have to pay more tax and pay it in different places under a new framework," he added.

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PERFORM OR PERISH

Get more under amnesty for plum postings: CBDT to field officers

FE BUREAU
New Delhi, February 14

TO MAXIMISE REVENUE mobilisation via the direct tax 'Vivad Se Vishwas' scheme, the Central Board of Direct Taxes (CBDT) has made tax officers' performance under the scheme a vital criterion for their annual appraisals for 2019-20 and future postings. "Details of the number of disputed cases, amount involved in disputed cases as well as the number of cases resolved and

the amount collected under the scheme may be reported in the self-appraisal," CBDT said. The performance of officers in respect of the scheme "will be specifically commented upon by the reporting and the reviewing officers and shall be an important factor in determining their future postings", the tax board said in an office memorandum.

Assessing officers, range heads and other zonal heads would come under the revised appraisal norms.



■ 'Vivad Se Vishwas' seeks to dispose of nearly 4.8 lakh cases

■ These tax cases involve disputed tax amounts of ₹9.32 lakh crore

The scheme, announced in the recent Budget, seeks to dispose of nearly 4.8 lakh cases, involving disputed tax amounts of ₹9.32 lakh crore (as on November 30, 2019). All direct tax-related cases pending before the commissioner-appeals, Income Tax Appellate Tribunal, high courts or Supreme Court as on January 31, 2020, are eligible for the scheme. Last week, the Cabinet widened the scope of the scheme by allowing cases under debt recovery tribunals too eligible for resolution.

The scheme provides that if a taxpayer avails it by March 31, 2020, he would get complete waiver of interest and penalty. However, a taxpayer who chooses the scheme post this cut-off date will have to pay the disputed tax and 10% of it extra. Further, if the tax arrears relate to disputed interest or penalty only, then only 25% of disputed penalty/interest is payable if the scheme availed by March 31.

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