

EDITORIAL
If banks & taxman can take big haircuts, do same for telecom

Power minister's plan for a tribunal to ensure all contracts honoured can help fix the sector

FUNDING ROUND
Gaurav Munjal-led Unacademy raises \$110 million



TRUMP TWEETS
US attorney-general William Barr considers resigning



FINANCIAL EXPRESS

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VOL. XLV NO. 303, 24 PAGES, ₹6.00 (PATNA ₹6.00, RAIPUR ₹7.00) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE
 SENSEX: 41,323.00 ▲ 428.62 NIFTY: 12,125.90 ▲ 133.40 NIKKEI 225: 23,400.70 ▲ 206.90 HANG SENG: 27,655.81 ▲ 125.61 ₹/\$: 71.56 ▼ 0.27 ₹/€: 77.53 ▼ 0.21 BRENT: \$58.57 ▲ \$0.82 GOLD: ₹41,491.00 ▲ ₹515.00

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IN THE NEWS
Swiggy raising \$112.7 m from existing backers

SWIGGY IS raising \$112.70 million from existing backers Naspers, Wellington Management Company and Meituan Dianping, according to the company's RoC filings sourced from business signals platform paper.vc, reports **fe Bureau** in New Delhi.

SC expresses desire to meet minister on EVs

THE SUPREME COURT on Wednesday expressed a desire to interact with Union transport minister Nitin Gadkari in open court on the Centre's plan for introduction of electric vehicles, reports **PTI**. The court, however, did not seek his presence after the law officer appearing for the Centre raised objections.

LOOKING FOR SOLUTION

Mittal, Birla meet FM as AGR crisis looms

The govt may offer some sops in terms of cut in licence fee and SUC in lieu of AGR payments

KIRAN RATHEE
 New Delhi, February 19

EVEN AS THE department of telecommunications (DoT) and telecom operators struggle to find a solution to the payment of adjusted gross revenue (AGR) dues, Sunil Bharti Mittal, chairman of Bharti Group, and Kumar Mangalam Birla, chairman of Vodafone Idea, met finance minister Nirmala Sitharaman on Wednesday.

Though neither spoke anything specific regarding what was discussed in the meeting, what is increasingly becoming clear is that various departments of the government are engaged in looking for a solution which is seen in compliance of the Supreme Court order as well as provides some relief to the telecom sector.

It can also be inferred from the meetings that the government may offer some sops to the operators in terms of cut in



Bharti Group chairman Sunil Mittal and Vodafone Idea chairman KM Birla at North Block on Wednesday

POSSIBLE PACKAGE

- May cut licence fee (LF) from 8% to 3%; no cut in spectrum charge (SC)
- May offer loans at commercial rates to pay AGR

Likely gain (₹ cr)

Bharti Airtel	Vodafone Idea
2,000	2,000

■ Not enough to prevent Vodafone Idea from shutting as it cannot service ₹53,039 crore AGR dues

SOLUTION

- Cut total LF+SC from 13% to 3%
- Allow payments in 10-15 annual instalments; if need be, via an ordinance

licence fee and spectrum usage charge (SUC) in lieu of the AGR payments they make. Some other financial relief measures could also be worked out.

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CORONAVIRUS

Govt mulls export curbs on 12 drug formulations

BANIKINKAR PATTANAYAK
 New Delhi, February 19

THE GOVERNMENT IS weighing a proposal to restrict exports of a dozen drug formulations to keep domestic supplies steady, until raw material imports from coronavirus-hit China resume without any obstruction, an official source told **FE**. The government may soon announce the names of these formulations.

"The situation is under control but the government doesn't want to take any risk when it comes to providing adequate supplies of medicines to people. There will be further deliberation on restricting exports before a decision is made," said the source.

Continued on Page 2
JLR ships parts in suitcases: P6

Relief to firms

IN A BREATHER for firms executing government contracts, the finance ministry has asked secretaries of various departments to not penalise these firms if their supplies are hit by the coronavirus epidemic.

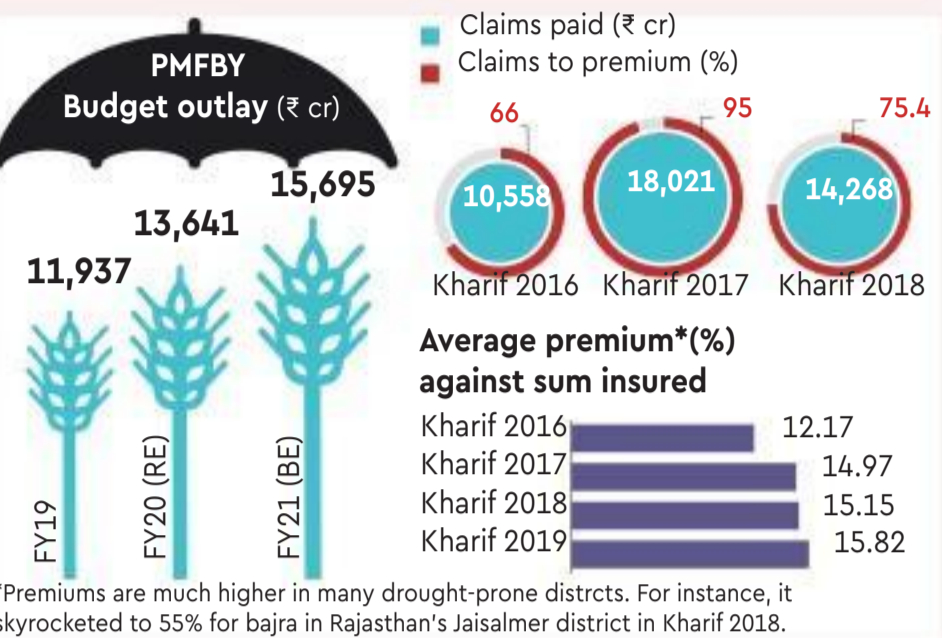
CABINET DECISIONS

Fasal Bima made pragmatic

₹1.41 lakh crore envisaged for Swachh Bharat Mission-2

FE BUREAU
 New Delhi, February 19

IN AN OVERHAUL of its flagship crop insurance scheme Pradhan Mantri Fasal Bima Yojana (PMFBY), the Centre on Wednesday put ceilings of 30% and 25% on premiums against sum insured for its subsidy to be available for non-irrigated and irrigated areas respectively, made enrolment of loanee farmers voluntary



and extended the contract period for insurers to three years from one year. The moves are aimed at addressing the challenges in implementation of the scheme, and making it more pragmatic.

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FREEZING OF ASSETS

SC offers relief to ex-PNB MD

INDU BHAN
 New Delhi, February 19

THE SUPREME COURT has set aside the NCLAT order that directed freezing of assets of former Punjab National Bank (PNB) managing director and CEO Usha Ananthasubramanian in the ₹14,000-crore Nirav Modi and Mehul Choksi scam that hit the state-run lender in 2018.

The SC accepted the stand of senior counsel CS Vaidyanathan, appearing for Ananthasubramanian, that powers to freeze

■ SC says powers under Companies Act can't be used to freeze assets of head of organisations, other than scam-hit or 'mismanaged' ones

■ Rejects govt's stand that the jurisdiction under Section 339 is wide to include freezing assets of any person "who was knowingly a party to the carrying on of the fraudulent conduct of business"

assets can only be exercised against the company in which acts of mismanagement have been alleged — which, in the instant case, is Gitanjali Gems — and not other firms like PNB. A bench led by Justice RF Nariman rejected the government's stand that jurisdiction under Section 339 of the Companies Act is wide enough to include freezing assets of any person who was "knowingly a party to the carrying on of the fraudulent conduct of business".

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WE ARE NOT TREATED VERY WELL BY INDIA, BUT I HAPPEN TO LIKE PRIME MINISTER MODI A LOT!
 —DONALD TRUMP, US PRESIDENT

TICKET PRICES

CCI probe finds no evidence of collusion by airlines

ADITYA KALRA & ADITI SHAH
 New Delhi, February 19

INVESTIGATORS WITH THE Competition Commission of India (CCI) have found no evidence that the country's biggest airline, IndiGo, and four rival carriers colluded to fix ticket prices, three sources with direct knowledge of the matter told Reuters.

The CCI in 2015 ordered a probe into allegations of anti-competitive practices after similar fares were being offered on certain routes by IndiGo, SpiceJet, GoAir, state-run Air India and now-defunct Jet Airways.

The CCI inquiry, which included an analysis of the algorithms airlines to determine ticket fares, found that all five airlines were working independently, the three sources said.

"No direct evidence of cartelisa-

tion was found," said one of the sources, who added the investigation also did not reveal any communication amongst airline executives to fix prices.

Budget airline IndiGo, the country's biggest carrier, said in a statement "the case is without merit" and added that it has been cooperating with the investigation.

The second-biggest airline, SpiceJet, GoAir, Air India and Jet Airways did not respond to a request for comment. The CCI did not respond to questions from Reuters.

An adverse finding could have led to a fine of up to three times the profit made in each year prices were fixed, or 10% of annual revenue, whichever is higher. Indian airlines are already grappling with slow growth in air traffic.

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Quick Picks
PMO holds meeting on merger of public sector banks

THE PRIME MINISTER'S Office is learnt to have held a meeting on Wednesday on the proposed amalgamation of 10 public sector banks (PSBs) to create four larger lenders, reports **fe Bureau** in New Delhi. Some of the anchor banks in the consolidation process were earlier asked to give presentations on their plans for the merger. **PAGE 2**

Three banks approach RBI to exit PCA framework

THE MANAGERMENTS of IDBI Bank, UCO Bank and Central Bank of India have reached out to the RBI, seeking permission to exit the prompt corrective action (PCA) framework, a source close to the development told **FE**, reports **Ankur Mishra** in Mumbai. "It's possible that one bank may be brought out of PCA by the end of this month," the source added. **PAGE 10**

Sensex snaps four-session slide, soars 429 points

EQUITY INDICES clawed back lost ground on Wednesday after a four-session falling spree, reports **PTI**. Starting off on a strong footing, the BSE barometer gained strength during the session to touch a high of 41,357.16. The index finally settled at 41,323, clocking a gain of 428.62 points, or 1.05%. **PAGE 11**

NEW IMMIGRATION RULES

UK launches 'historic' points-based visa system

ADITI KHANNA
 London, February 19

UK HOME SECRETARY Priti Patel on Wednesday unveiled a new points-based visa system to attract the "brightest and the best" from the world, including from India, and to reduce the number of cheap and low-skilled workers coming to the country.

The new system will come into force from January 1, 2021 at the end of the transition period after the UK's exit from the European Union (EU) on January 31, which will formally end free movement

■ System to apply equally to EU and non-EU countries like India

■ In total, immigrants would have to reach 70 points to be able to work in the UK

■ Mandatory: Offer of job by approved sponsor (20 points); job at appropriate skill level (20 points); speaks English at required level (10 points)

■ Points would also be awarded for qualifications, the salary on offer and working in a sector with shortages

fications, salaries and professions, with visas only awarded to those who gain enough points.

"Today is a historic moment for the whole country. We're ending free movement, taking back control of our borders and delivering on the people's priorities by introducing a new UK points-based immigration system, which will bring overall migration numbers down," said Patel, the senior-most Indian-origin Cabinet minister.

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