

17 ECONOMY

Market indicators: GOLD ₹42,492, RUPEE ₹71.64, OIL \$57.94, SILVER ₹48,599

SENSEX: 41,170.12 ▼ 152.88 NIFTY: 12,080.85 ▼ 45.05 NIKKEI: 23,386.74 ▼ 92.41 HANG SENG: 27,308.81 ▼ 300.35 FTSE: 7,420.65 ▼ 15.99 DAX: 13,646.82 ▼ 17.18

TELECOM LICENCES

Trai for reforms in transfer, merger guidelines, factoring in less players

ENS ECONOMIC BUREAU NEW DELHI, FEBRUARY 21

THE TELECOM Regulatory Authority of India (Trai) on Friday suggested that in case of merger of telcom companies and their licences, only the revenue of the company should be taken into account for other services like national and international long distance telephony.

'SHOULD NOT BE HARD CODE' The sector regulator also suggested that the one-year timeline currently allowed for transfer/merger of licences in different service areas after National Company Law Tribunal nod should exclude time spent by companies in pursuing any litigation on account of which the final approval of a merger is delayed

the telecom department in May 2019 sought its views on enabling simplification and fast-tracking of approvals. Trai's suggestions range from marketshare math to approval timelines, and other terms.

department), Trai recommended. It also suggested that both the number of subscribers as well as Adjusted Gross Revenue (AGR) should be considered for determining the marketshare in case of services like access, internet and VSAT. And that only AGR should be considered for determining the marketshare for rest of the services like national and international long distance, and resale of international private leased circuits.

GEORGE MATHEW MUMBAI, FEBRUARY 21

TOTAL IMPAIRED assets of the banking sector have remained at Rs 16,88,600 crore, or 15.7 per cent of the total advances of banks, as of December 2019, despite a decline in gross non-performing assets (NPAs) to Rs 910,800 crore, or 9.2 per cent of the advances, according to the latest report from global banking group Credit Suisse.

TOTAL WRITE-OFFS SINCE FY2014 AT 7.3% OF TOTAL BANK ADVANCES

Table with columns: SBI, PSU (ex-SBI), Pvt banks, Total. Rows: Gross NPAs, Net NPAs, Write-offs (Since FY14), Impaired assets (NPAs + write-offs), Total bank loans.

accounts, loans are written off from the books at the Head Office, without foregoing the right to recover. Further, write-offs are generally carried out against accumulated provisions made for such loans. Once recovered, the provisions made for those loans flow back into the profit and loss account of banks, the RBI had said in an explanatory note.

Test aviation personnel for psychoactive substances, suggests DGCA

PRESS TRUST OF INDIA NEW DELHI, FEBRUARY 21

THE DIRECTORATE General of Civil Aviation has for the first time proposed testing of aviation personnel for psychoactive substances such as cannabis, opioids and their variants, officials said on Friday.

Coronavirus outbreak: Bane for supply chains, boon for some domestic industries

The novel coronavirus (n-CoV) outbreak in China is bad news for Indian importers, with supply disruptions hitting key segments. Exports to China are taking a hit, too. However, it may benefit certain domestic industries, according to Crisil



Who benefits Sectors that are highly import dependent from China, such as ceramics and plastics, are expected to benefit Indian domestic manufacturers, with import volumes reducing. Moreover, India's steel, paper, leather and textile readymade garments (RMG) segments have a window of opportunity to expand exports, as China's own exports from these sectors account for a sizeable pie in global trade, which now stand impacted due to n-CoV.

How n-CoV is playing out on different sectors in India (base case)

Table with columns: ADVANTAGE, DISADVANTAGE. Rows: Market size (FY19), India's sector-wise share in market size (CY19), China's share in India's sector trade (CY19) Based on value terms, % China sectorwise exports to World (CY18) Based on value terms, Sector-wise share in China export basket (CY18) Based on value terms.

MAJOR SEGMENTS OF INDIA-CHINA TRADE IN CALENDAR 2019. Table with columns: Imports from China (~18% of India's imports), Exports to China (~9% of India's exports), % imports from China, % exports to China.

Credit profiles: The credit profiles of firms in sectors such as automotive components, renewables (solar) and diamonds could get impacted if the supply disruption continues beyond March. However, sectors such as aluminium in India will be unable to meet the void created by China's virus problem in global trade, as they either are running at peak utilisation or face capability issues.

Flipkart moves Karnataka HC against CCI investigation

ENS ECONOMIC BUREAU NEW DELHI, FEBRUARY 21

FLIPKART HAS filed a writ petition in the Karnataka High Court seeking a stay on the "operation, effect and implementation" of the Competition Commission of India's (CCI) order asking its director general to investigate Flipkart's alleged business practice of deep-discounting, preferential listing of sellers and exclusive pacts.

On February 10, Amazon filed a similar petition in the high court stating that the findings established by the impugned order are "perverse, arbitrary, untenable in law"

On February 10, Amazon filed a similar petition in the high court stating that the findings established by the impugned order are "perverse, arbitrary, untenable in law". On February 14, the High Court had stayed the CCI probe observing that the Enforcement Directorate (ED) has already initiated probe into Amazon and Flipkart's operational activities alleged to be in contravention of the FDI policy in e-commerce. FE

Global stocks slide as coronavirus fears spur safe-haven buying; oil falls 2%

REUTERS NEW YORK/LONDON, FEBRUARY 21

GLOBAL EQUITY markets slumped on Friday as the fast-spreading coronavirus drove investors into safe-havens, with gold hitting a fresh seven-year high and the yield on the 30-year US Treasury sliding to an all-time low.

Jack Ma teams up with Columbia University for cure New Delhi: Co-founder and former executive chairman of Alibaba group Jack Ma has pledged over \$2 million to support the development of antiviral drugs to combat the new coronavirus which has killed 2,236 people in the country and infected more than 75,000 others. REUTERS

Tax deductions for sales promotions, gifts of pharma companies on Madras HC radar

PRABHA RAGHAVAN NEW DELHI, FEBRUARY 21

PHARMACEUTICAL COMPANIES in India claiming tax deductions for "sales promotion" as well as "gifts" are on the radar of the Madras High Court for potential unethical medical practices.

companies are existing in India," stated a bench of Justices N Kirubakaran and P Velmurugan in their order on February 17. The court has now asked the central government to submit details of the number of pharmaceutical companies existing in India since 2015. It has also asked the Income Tax department to provide details of the number of companies that have claimed deduction towards promotional expenses from that year onwards.

EXPLAINED Code for ethical practices voluntary

WHILE THE code for ethical pharma marketing practices is currently voluntary in India, the judiciary's scrutiny might help tighten the noose around those getting tax exemptions despite flouting norms by providing bribes to doctors for pushing their products.

doctors to promote the company's medicine brands. In the course of the proceedings, the court had decided it was imperative to suo moto consider "the larger issues of bribing of doctors and overpricing of drugs by pharmaceutical companies, as they directly affect citizens", violating their rights under the Constitution of India.