

# Fiscal deficit touches 128.5% of Budget Estimate at Jan-end

ENS ECONOMIC BUREAU  
NEW DELHI, FEBRUARY 28

THE FISCAL deficit touched 128.5 per cent of the whole-year Budget target during the April-January period. The deficit in the year-ago period was 121.5 per cent of the corresponding target. The government had targeted to restrict the fiscal deficit (RE) at Rs 7,66,846 crore for the year ending March 31, 2020.

Finance Minister Nirmala Sitharaman had raised the fiscal deficit target to 3.8 per cent of the GDP, from 3.3 per cent pegged earlier for 2019-20 due to revenue shortage.

Total expenditure in the April-January period stood at Rs 22,68 lakh crore, or 84.1 per cent of the Revised Estimate (RE), the data showed. Capital expenditure in the first 10 months of the fiscal stood at Rs 2,68 lakh crore, 75.5 per cent of the full-year estimate (RE) of Rs 3,48 lakh crore.

The Centre's decision to cap Q4 spending at 25 per cent of the Budget Estimate for the full finan-

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cial year, compared with the norm of 33 per cent, itself could result in an annual spending compression of nearly Rs 2.2 lakh crore, versus Revised Estimate of Rs 26,98 crore. So there could be curbs on spending in February-March.

If the trend in tax receipts in recent years are any indication, the shortfall in net tax receipts (post transfers to states) could still be about Rs 36,000 crore from the revised estimate (RE), which itself was lower than the Budget estimate (BE) by over Rs 1.4 lakh crore. Of course, if the direct tax dispute resolution scheme, 'Vivad Se Vishwas', yields a tidy sum and a good part of it is accounted for in FY20, then the shortfall would reduce. **FE**

## Core sector grows 2.2% in Jan as power generation picks up

**New Delhi:** Eight core industries recorded 2.2 per cent growth in January helped by expansion in the production of coal, refinery products and electricity, official data released on Friday showed.

The infrastructure sectors had expanded by 1.5 per cent in January 2019. The production of coal, refinery products and electricity grew by 8 per cent, 1.9 per cent and 2.8 per cent, respectively.

Sectors which recorded negative growth during the month under review are crude oil, natural gas, and fertiliser.

During the April-January period, core industries growth slowed down to 0.6 per cent against 4.4 per cent in the year-ago period. **PTI**

## MEETING TO BE HELD ON A LATER DATE

# DCC meet on AGR fails to arrive at a decision on relief to telcos

ENS ECONOMIC BUREAU  
NEW DELHI, FEBRUARY 28

A MEETING of the Digital Communications Commission (DCC), the top executive decision-making body of the Department of Telecommunications (DoT), ended inconclusively on Friday as the members could not arrive at a decision on what or whether any relief should be given to telcos facing adjusted gross revenue (AGR) payouts, sources in the know of the development said.

The meeting, which was headed by Telecom Secretary Anshu Prakash, will be held again at a later date when the final reconciled details of how much each AGR each telco has to pay come to the ministry. Earlier this week, the DoT asked all the telcos to submit documents supporting their calculation of AGR, which is much lower than the numbers arrived at by the ministry.

## MARCH 17 DEADLINE APPROACHING

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■ As of last Thursday, Airtel had paid Rs 10,000 crore of the over Rs 36,000 crore it owed to the DoT, while

Vodafone Idea paid Rs 3,500 crore of the Rs 53,000-crore AGR dues it owed. Vodafone Idea paid another Rs 1,000 crore on Thursday.

■ Both Bharti Airtel and Vodafone Idea are under pressure to complete the remainder of their AGR payments before March 17

"This exercise will help us run a time-bound check and test for the AGR dues that are being deposited so far. We have asked them to send the supporting documents as soon as possible," a senior DoT official had then said.

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paid Rs 3,500 crore of the Rs 53,000-crore AGR dues it owed. Vodafone Idea paid another Rs 1,000 crore on Thursday. The Rs 3,500 crore paid by Vodafone Idea is half of its self-assessed AGR principal.

Tata Teleservices, which has so far paid Rs 2,197 crore, will be sent another notice in a couple of days, which will seek for payment

of the rest of the AGR dues, a DoT official had said on the condition of anonymity.

The talks of a possible bailout package being offered to the telecom companies started doing rounds after Bharti Airtel founder and chairman Sunil Bharti Mittal and Vodafone Idea chairman Kumar Mangalam Birla met Telecom Minister Ravi Shankar Prasad and Finance Minister Nirmala Sitharaman in successive days. Mittal had met Prasad at least two times in the past two weeks, in addition to meeting Sitharaman.

Both Bharti Airtel and Vodafone Idea are under pressure to complete the remainder of their AGR payments before March 17. The deadline is the next date of hearing in the Supreme Court, which had, on February 14, slammed the DoT as well as the companies for failing to make any payments before the stipulated deadline of January 23.

## HANDING OVER OF THIRUVANANTHAPURAM AIRPORT TO ADANI SC sends back Kerala govt's plea to HC

EXPRESS NEWS SERVICE  
NEW DELHI, FEBRUARY 28

THE SUPREME COURT Friday sent to the High Court the Kerala government's plea challenging the Airports Authority of India's (AAI's) decision to grant development, management and operation rights of the Thiruvananthapuram International Airport to Adani Enterprises, which had emerged successful in a bid, for 50 years.

Hearing an appeal filed by the state, a Bench headed by Chief Justice of India S A Bobde and comprising Justices BR Gavai and Surya Kant said the contention re-

garding Article 131 of the Constitution — whether it involved a centre-state dispute — will be kept open for further hearing if necessary.

The state had earlier moved HC against the AAI move, saying Adani Enterprises had no prior experience in the field and that this was not in public interest and was violative of the provisions of the AAI Act of 1994.

The HC, however, dismissed the plea, saying it was not maintainable. The HC said state should have filed a petition under Article 131 of the Constitution before the Supreme Court, as this was a dispute between the state and Centre, which only the SC could decide.

Appealing against this before the Supreme Court, the state government said the HC had "failed to appreciate that Article 131 does not contemplate any private party being arrayed as a party on one side or other".

The state added "for determining as to whether a suit before the Supreme Court under Article 131...has to be taken recourse to, it is necessary to consider whether the state can, in the facts of the given case, independently maintain a suit against the Government of India."

The petition also contended that this also against the proprietary rights of the state which owns the land.

## Sebi chief Ajay Tyagi gets 6-mth extension

PRESS TRUST OF INDIA  
NEW DELHI, FEBRUARY 28

THE GOVERNMENT has given a six-month extension to incumbent Sebi Chairman Ajay Tyagi, amidst a continuing process of selecting a new chief for the capital market regulatory body.

A 1984 batch IAS officer of Himachal Pradesh cadre, Tyagi assumed charge as Sebi chief on March 1, 2017.

According to sources, the government has decided to give a six-month extension to Tyagi as Sebi Chairman, a post for which the top applicants include Economic Secretary Atanu Chakraborty, Corporate Affairs Secretary Injeti Srinivas, Additional Secretary in the Finance Ministry Pravin Garg and Sebi Whole Time Member Madhabi Puri Buch. An official notification in this regard is expected soon. Last week, sources said that two dozen people, including two Whole Time Members of Securities and Exchange Board of India (Sebi), have applied for the post of Chairman.

## Jaishankar on trade: Paradoxical that those who urge us to be more open are even more sensitive

EXPRESS NEWS SERVICE  
PUNE, FEBRUARY 28

EXTERNAL AFFAIRS Minister S Jaishankar said on Friday that trade-related decisions could not be taken without accounting for their impact on livelihood and social stability. He was speaking via a video link at the inaugural Asia Economic Dialogue at the Pune International Centre here.

The minister, without naming any country, said those who were urging India to open up its market were themselves taking protectionist measures.

"Competing against those with structural advantages cannot be a casual decision justified by political correctness... The past record shows lack of adequate homework and absence of effective standards end up hollowing out many sectors... Many trade-related decisions have direct livelihood and social stability consequences. This is obviously not unique to India, but it is paradoxical that those who urge us to be more open are even more sensitive themselves on this score," he said. India and the United States



Foreign Minister S Jaishankar at Asia Economic Dialogue, via video link. Ashish Kale

have been trying to finalise a trade deal for the last few years now.

"Today as conversations about trade between nations get more animated, there is less pretense that we are also talking about the parallel exercise of political influence... Trade has never been politically neutral. It is even less so now," he said. He hinted that linkages to non-trade issues could be one of the stumbling blocks in finalising the deal.

"Reaching an international understanding on issues of trade... is

naturally more challenging than in the past. As economic thinking has narrowed in many societies, and trade interests more sharply defined, there is a greater element of a zero-sum game. Linkages to non-trade issues, whether of a social nature or a security concern, have added further to the challenge," he said.

Emphasising that trade was key to ensuring a multipolar world, Jaishankar said it was in the interest of the world to have more countries powering the global economic growth. The minister said building up infrastructure might be the most crucial comparative advantage for India in the long run.

"Making it easier to do business or to ensure easier living can make some difference. But evolutionary change may not be enough in transformational terms. Each of us has to devise their course and India's prospects are heavily focused on improvement in infrastructure. At the end of the day, this may be one of the defining elements of its comparative advantage. Getting politics, economics and governance all right at the same time is therefore critically important," he said.

## Emergency rate cuts 'not the baseline': Fed's Bullard

AGENCE FRANCE-PRESSE  
WASHINGTON, FEBRUARY 28

A US central banker said Friday that emergency interest rate cuts in response to the coronavirus outbreak are possible but not likely unless the epidemic becomes much worse.

James Bullard, head of the St Louis Federal Reserve Bank, last year pushed for more aggressive rate cuts, but now says policy is in a good place. "In my view, further policy rate cuts are a possibility if a global pandemic actually develops... But that's not the baseline case at this time," he said during a speech in Arkansas.

Bullard is not a voting member of the Fed's rate-setting committee this year, but in September he dissented from their decision, arguing the central bank should have lowered interest rates by a half point rather than a quarter point.

He said the Fed is watching the development of the virus closely.

## Amazon bars 1 million products over false coronavirus claims

REUTERS  
SAN FRANCISCO, FEBRUARY 28

AMAZON.COM INC has barred more than 1 million products from sale in recent weeks that had inaccurately claimed to cure or defend against the coronavirus, the company told Reuters on Thursday.

Amazon also removed tens of thousands of deals from merchants that it said attempted to price-gouge customers. The world's largest online retailer has faced scrutiny over the health-related offers on its platform, and earlier this week Italy launched a probe into surging prices around the internet for sanitizing gels and hygiene masks while it battled the biggest outbreak in Europe.

The coronavirus has caused at least 2,797 deaths globally. New reported infections around the world now exceed those from

## Govt focussing more on political, social agenda than economy: Rajan

PRESS TRUST OF INDIA  
NEW DELHI, FEBRUARY 28

FORMER RBI Governor Raghuram Rajan has said slowdown in growth is due to the current government focussing more on meeting its political and social agenda rather than paying attention to the economy.

India can still reverse its slow economic growth by paying at-

tention to key issues, he said. "It's a sad story. I think most recently, it is politics," Rajan said in response to a question on what was stopping India's growth which remains below potential.

In an interview to Bloomberg TV, Rajan said unfortunately the current government after a massive election win has "focussed more on fulfilling its political and social agenda rather than paying attention to the economic growth".

"Unfortunately, this drift has continued a pace of slowing growth, which was precipitated initially by some actions the government took such as the demonetisation and a poorly rolled out Goods and Services Tax (GST) reform," Rajan said. He said India has not paid sufficient attention to cleaning up the financial sector and unfortunately, that is leading to the slowing growth.

## BRIEFLY

### Oil set for biggest weekly drop since 2008

**New York:** Oil prices slumped on Friday to their lowest in more than a year, set for their steepest weekly fall since 2008 as the global spread of the coronavirus stokes demand fears. The most active Brent future for May was down \$2.73, or 5.3 per cent, at \$49.00 a barrel by 11:14 a.m. EST (1614 GMT), its lowest since July 2017. **REUTERS**

### Sebi penalises Motilal Oswal Fin Services

**New Delhi:** Sebi on Friday slapped a fine of Rs 17 lakh on Motilal Oswal Financial Services Ltd for failing to comply with Sebi's circular that mandated stockbrokers to segregate the funds and securities of the clients. **PTI**

### SBI Cards IPO open from March 2-5

**New Delhi:** SBI Cards and Payment Services' initial public offer of around Rs 9,000 crore will open for subscription on March 2 amid volatile markets due to deepening concerns over coronavirus outbreak. **PTI**

### Total acquires ₹5K-cr shares in Adani Gas

**New Delhi:** French energy major Total on Friday picked up shares worth over Rs 5,000 crore in Adani Gas through an open market transaction. On Friday, five promoter entities of Adani Gas on Friday sold shares worth more than Rs 5,000 crore through open market transactions. **PTI**

### Codeshare pact of Vistara, Japan Airlines

**New Delhi:** Vistara and Japan Airlines will expand their codeshare partnership, a move that will provide additional options for travellers between India and Japan, according to a release. **PTI**



REUTERS  
NEW DELHI/NEW YORK/PARRAGA, FEB 28

RELIANCE INDUSTRIES and Nayara Energy are planning to wind down purchases of Venezuelan oil in April fearing future US sanctions could choke off all avenues to trade with state-run oil firm PDVSA, three sources with knowledge of the matter said.

Such a step by Reliance, which operates the world's biggest refining complex, and Nayara - part owned by Russian oil major Rosneft - would severely curtail purchases by one of Venezuela's last big export destinations. India accounted for about a third of

mainland China, where the flu-like disease arose two months ago out of an illegal wildlife market. Governments from Australia to Iran have closed schools, scrapped events and stockpiled medical supplies to contain the spread.

One offer comparison site showed recent examples of higher-than-usual prices for masks on Amazon made by U.S. industrial conglomerate 3M Co.

A merchant Thursday offered a 10-pack of N95 masks for \$128, a Reuters reporter saw when click-



Isla Oil Refinery PDVSA terminal in Curacao. Reuters file

Venezuela's oil shipments in January.

The move comes as US President Donald Trump warned in New Delhi this week of an increase in sanctions in a bid to oust

Venezuela's President Nicolas Maduro, whose 2018 re-election was considered a sham by most Western countries.

Washington last year imposed tough sanctions on PDVSA that cut off Venezuela from the US, and severely curbed trading with other major buyers of its oil, the nation's main export. The US set a May 20 deadline for companies to wind down purchases from Rosneft. Reliance, a long-time customer of PDVSA, has so far not placed requests for April cargoes, one of the sources said. Nayara is planning to stop processing Venezuelan oil at its refineries after receiving two cargoes that are scheduled for loading in March, two of the sources said.