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Covid-19 will fuel **spurt in migration** from low-income nations

EDITORIAL

Centre must oversee states lagging in Covid efforts; local spread has national import

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CORONA CRISIS

Sweeping lockdown not going to be long-term answer: Rajiv Bajaj

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COVID DISRUPTION

Swiggy to downsize pvt brand kitchens; move may hit 900 jobs

KOLKATA, WEDNESDAY, APRIL 22, 2020

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# FINANCIAL EXPRESS

VOL.29 NO. 147, 16 PAGES, ₹6.00 (NORTH EAST STATES & ANDAMAN ₹10.00) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

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FIGHTING PANDEMIC

# Government may roll out fiscal package 2.0 today

**Total fiscal response could be worth 3-4% of GDP (roughly ₹6-8 lakh crore)**

FE BUREAU
New Delhi, April 21

**THE CABINET WILL** likely clear the next round of relief measures on Wednesday to prop up an economy battered by the Covid-19 pandemic, with a focus on saving both lives and livelihood.

Critical sectors, including MSMEs, exports, aviation, construction and some other labour-intensive segments, will likely be among the many to get the succour.

The government's total fiscal response over an extended period could be worth 3-4% of GDP (roughly ₹6-8 lakh crore), on top of the monetary measures initiated by the central bank to ease liquidity to critical sectors.

However, the Centre will calibrate its responses and announce several rounds of measures over the next few weeks, while refraining from declaring just a one-time, big-bang stimulus package.

The idea is to save some fiscal fire-power to deal with the 'unknown unknowns' later. Last week, Prime Minister Narendra Modi held a marathon meeting with finance minister Nirmala Sitharaman and top officials to give a shape to the package.

Given the collapse in economic activity, the government will, for the moment, focus on addressing medical emergency and preventing job losses in both formal and informal sectors. To that extent, its immediate interventions will be aimed at helping businesses prepare for a gradual return to normalcy, by easing flow of liquidity, as and when the lockdown is lifted completely.

Official sources have indicated that the Centre will front-load expenditure and could borrow more from the market than the budgeted levels to finance productive spending, given the revenue shortfall (tax collections are expected to be down by 1% of GDP in FY21).

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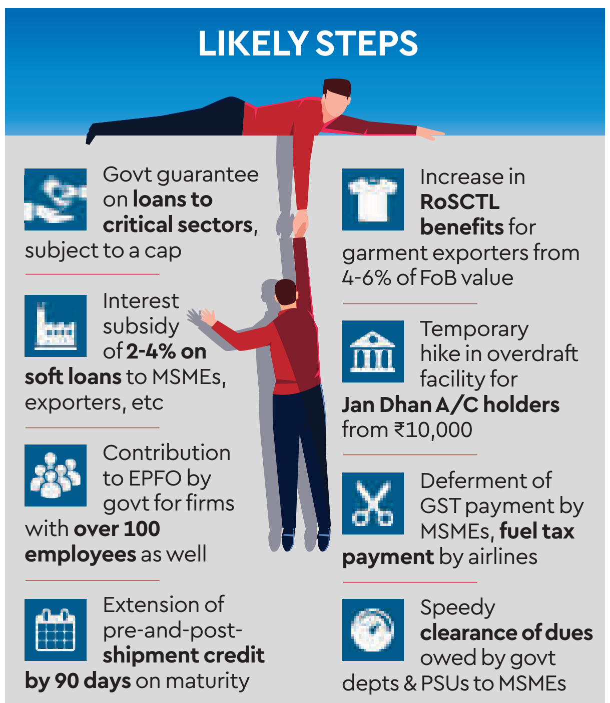


## Equity support to MSMEs: ₹10,000-crore fund soon

BANIKINKAR PATTANAYAK
New Delhi, April 21

**THE GOVERNMENT IS** considering a proposal to create a ₹10,000-crore fund to buy up to 15% equity in crisis-hit, but otherwise well-rated, MSMEs that will list on bourses, an official source told *FE*. The MSME ministry has submitted this plan with the finance ministry.

Separately, the Centre is also weighing another proposal to create a ₹10,000-crore fund of funds for small businesses, like the one meant for start-ups. This fund of funds may make downstream investments in venture capital and alternative investment funds that will, in turn, invest in MSMEs with AAA or AA-rated ratings. "Various ideas are being debated to help MSMEs tide over the pandemic impact. A decision will soon be announced," said the source.

The National Small Industries Corporation under the MSME ministry or SIDBI may be tasked to control the funds. Already, the MSME ministry is contemplating a scheme for credit rating to these businesses, based on their annual turnover, exports and GST payments.

TRACKING COVID-19 CASES

# Bengal visit off to rocky start: Central teams say state govt not cooperating

**Everyone busy, can't leave everything and move around with them: Chief secy**

RAVIK BHATTACHARYA & ATRI MITRA
Kolkata, April 21

**FROSTY TIES BETWEEN** the Centre and West Bengal government were on full display on Tuesday as the two Inter-Ministerial Central Teams that landed in the state to assess its handling of the Covid-19 situation alleged non-cooperation by the state authorities, after which Union home secretary Ajay Bhalla shot off a letter to the state government, asking it to comply with the MHA order.

Citing frequent lockdown violations in certain states, the Union home ministry had on Sunday said teams would be sent to West Bengal, Maharashtra, Rajasthan and Madhya Pradesh. The two teams assigned to West Bengal arrived in the state on Monday. While the north Bengal team could not move out the entire day on Tuesday, the team in Kolkata stepped out in the morning only to be told by police to make a U-turn.

Sources said the team was scheduled to hold a meeting with chief secretary Rajiva Sinha at 11 am, which was cancelled.

Finally, it was only around 4.30 pm, after Sinha held a 30-minute meeting with the central team at the BSF guest-house at Gurusaday Road, where they have been put up, that the team members were able to make the rounds of the city, with police and BSF escorting them.

Continued on Page 2

A traffic jam at the Delhi-Ghaziabad border after local authorities stopped vehicular movement, except for essential services, during the extended lockdown, in New Delhi on Tuesday

## 'June, July will test India's resolve'

ABANTIKA GHOSH
New Delhi, April 21

**IN THE FIRST** clear indication from a senior government functionary of how long the road ahead is, VK Paul, member (health), NITI Aayog, has said India's resolve in the battle against coronavirus will be tested in the months of June and July, after lockdown curbs have been eased.

VK Paul, member (health), NITI Aayog

"De-escalation of lockdown is potentially an opportunity for the virus to resurface and spread, and this is bound to happen to an extent," Paul told *The Indian Express* in an interview. "There could be new clusters when life and activities become more normal."

The spread of the virus, he said, would be "inversely proportional to our collective compliance with the best practices. We cannot afford to fritter away the lockdown gains made at a phenomenal economic cost and hardship".

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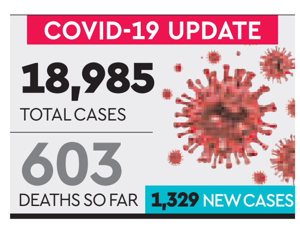


## Faulty results: ICMR tells states not to use rapid tests for 2 days

ABANTIKA GHOSH
New Delhi, April 21

**FOLLOWING COMPLAINTS** that the rapid antibody test kits are showing varying levels of accuracy, the Indian Council of Medical Research (ICMR) has asked all states not to use the serological Covid-19 tests for the next two days, pending field validation by its teams.

"We have been getting complaints that when the serological tests are being done on the blood samples of those who have already tested positive in the RT-PCR test, the accuracy ranges from 6% to 71%. This is not a good thing and it needs to be probed," Dr RR Gangakhedkar, head of epidemiology and infectious diseases, ICMR, said.

"This is a first generation test developed in just three-and-a-half months and needs refinement, yet the variations cannot be ignored. We will send personnel from eight institutes to the field to validate the kits. Meanwhile, we have advised the states not to use the tests for the next two days till we come out with an advisory."

Continued on Page 2

■ **75,000 INTER-STATE TRUCKS ADDED TO RUNNING FLEET IN A DAY** PAGE 2



APRIL 23 AUCTION

## PSL breather for TLTRO 2.0

FE BUREAU
Mumbai, April 21

**WITH BANKS GETTING** a breather on priority sector lending against the funds invested via TLTRO 2.0, the response to the auction on April 23 could be better.

Typically, for every rupee lent by banks, 40 paise must be lent to the priority sector on which the yields are lower by about 60-80 basis points. However, RBI has spared banks from considering the HTM (held-to-maturity) bonds as part of the adjusted net bank credit.

Continued on Page 2

BENIGN CRUDE

## India expects macro gains but ONGC-OIL to take massive hit

ANUPAM CHATTERJEE
New Delhi, April 21

**AS THE US** oil futures continued to trade in a historic sub-zero level for the second consecutive day on Tuesday amid a looming storage crisis and a demand slump causing the global benchmark Brent crude to hover around $20/barrel, analysts see aggregate gains for the Indian economy and the country's stressed government finances.

India's crude import bill may decline by a massive $57 billion or 57% year-on-year in FY21 if the Indian basket price remains subdued at around $25/barrel through the current fiscal, in what could give a big relief to the country's current account. The price of the Indian crude oil basket, which stood at an average of $64/barrel in January, is now around $20.

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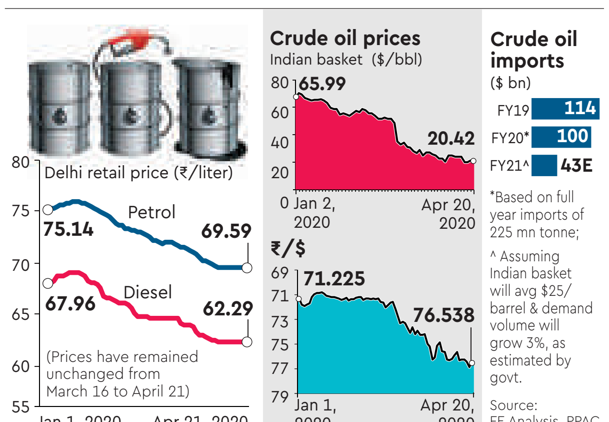
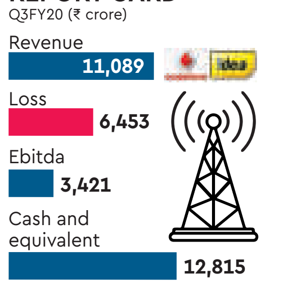



NO RESPITE

## Voda Idea pays fee of ₹1,367 cr




KIRAN RATHEE
New Delhi, April 21

**VODAFONE IDEA ON** Tuesday paid around ₹1,367 crore to DoT towards its licence fee and spectrum usage charge for the January-March quarter. Operators generally pay their licence fee and SUC on a quarterly basis and this payment was supposed to be paid between March 20-25. While others like Bharti Airtel and Reliance Jio had paid on time, Vodafone Idea had sought more time citing the disruption due to coronavirus but the government did not agree to make an exception for a any operator.

Continued on Page 2

## Another set of IIT job offers are withdrawn

RITIKA CHOPRA
New Delhi, April 21

**HAMMERED BY THE** global drop in oil demand due to Covid shutdowns and an oil price war, a premium recruiter working in oilfield services has withdrawn its job offers to graduating students across the Indian Institutes of Technology (IITs).

Schlumberger, the world's largest oil-field-services company, wrote to the IITs on April 6 that it had decided to "reduce and withdraw some internship and graduate job opportunities" in a bid to adjust to the "sudden reduction" in "customers spend".

"We will personally communicate our decision to each student who is affected by this decision," said the letter by Gautam Reddy, managing director, India and Bangladesh, Schlumberger.

Schlumberger is the second multinational company to revoke its IIT job offers. As first reported by *The Indian Express* on April 4, Gartner Inc, US-based research and advisory firm, was the first to rescind its offer to 11 students across IIT-Delhi, IIT-Kanpur and IIT-Madras.

Gartner's withdrawal, communicated on March 30, was seen as an early warning sign across campuses, with IITs fearing many more firms would rethink their placement offers.

Continued on Page 2

LOGISTIC CONSTRAINTS

## Few takers among retail biggies for direct purchase from farmers

PRABHUDATTA MISHRA
New Delhi, April 21

**THE CENTRE'S APRIL** 4 directive to states, asking them to facilitate direct purchase of farm produce, including grains, pulses and fruits and vegetables, by big retailers, aggregators and food processors hasn't produced any immediate results.

Except Madhya Pradesh, no other state has so far acted upon the Centre's advisory, leaving farmers, the intended beneficiaries of the move, high and dry.

■ ITC will start buying wheat from farmers in Uttar Pradesh soon

■ Adani, some bulk traders have been buying directly from a section of farmers in the state since April 15

Also, big FMCG companies like ITC which *FE* spoke to discounted the feasibility of the move to address the current plight of farmers.

Transport facilities from fields to their warehouses are hard to set up by new players at this point of time and quickly enough to make a meaningful difference to farmers' market access, they say.

Continued on Page 2

IL&FS CASE

## HC quashes govt move to ban BSR, Deloitte

FE BUREAU
Mumbai, April 21

**THE BOMBAY HIGH** Court (HC) on Tuesday quashed prosecution against Deloitte Haskin & Sells and BSR & Associates, the former auditors of IL&FS Financial Services (IFIN).

The ruling comes as a huge relief for the two audit firms which moved court last year against the government's moves to ban them from auditing activities for five years and initiate criminal proceedings against them.

Trouble for Deloitte and BSR began last year after the Serious Fraud Investigation Office's (SFIO) investigation into IFIN's financial affairs found that the auditors did not fulfil their role in highlighting material facts and information which was concealed from investors and creditors.

Continued on Page 2

AMERICA FIRST

# Trump to temporarily suspend immigration

LALIT K JHA
Washington, April 21

**PRESIDENT DONALD TRUMP** has said that he will sign an executive order to temporarily suspend all immigration to the US to "protect" the jobs of Americans and to fight the "invisible attack" on the country by the coronavirus, a move that was widely criticised by the Democrats, including Indian-origin senator Kamala Harris.

Coronavirus has killed more than 42,094 people in the US, the country with the most fatalities in the pandemic, according to Johns Hopkins University, and more than 750,000 cases have been confirmed. "In light of the attack from the Invisible Enemy, as well as the need to protect the jobs of our GREAT American Citizens, I will be signing an Executive Order to temporarily suspend immigration into the United States!"


■ US President wants to **'protect' jobs** of Americans

■ Immigration has long been an **issue for Trump**

■ He has been calling for a **merit-based system**

■ He didn't indicate when he would **sign such an order**

Trump, a Republican, seeking reelection in the November presidential poll, said in a tweet late on Monday.

Details of Trump's executive order were not immediately known. He also did not indicate when he would sign such an order.

The president's announcement comes as his administration seeks to reopen parts of the US from the crippling Covid-19 shutdown. However, the NBC News reported that the move "had been under consideration for a while", a senior administration official was quoted as saying by the report.

The official said the details about how the plan would be implemented and how many countries would be affected "will be forthcoming", the report added. Immigration has long been an issue of Trump. He has been calling for a merit-based immigration system. — PTI

OIL FUTURES PLUNGE INTO NEGATIVE

## Sebi looking into MCX ₹1-a-barrel move

PRESS TRUST OF INDIA
New Delhi/Mumbai, April 21

**CRUDE OIL FUTURES** contract price may have plunged into negative territory in the international market, but India's leading commodity exchange MCX has fixed an interim settlement price of ₹1 per barrel — a move some traders said would help big brokers avert losses amounting to hundreds of crores of rupees at the cost of others having taken a short position.

Officials said Sebi is aware of the situation and is actively looking into the issue, while the matter has reached the government's officials as well, and they want an immediate action if the exchange has acted against regulations or was trying to benefit any particular trader at the cost of others.

Last night, the NYMEX WTI Crude futures May 2020 contract settled at an unprecedented $(-)37.63 a barrel, after slipping into the negative zone.

Continued on Page 2

# Economy

WEDNESDAY, APRIL 22, 2020

**COVID RUMOUR**

Raghuram Rajan, former RBI governor

"We see in India some allegation that this was a Muslim plot (Covid-19 outbreak). I mean, that kind of behaviour can explode and make much harder for her communities to get together within the country

## Quick View

### G-20 nations to ensure food security

THE G-20 NATIONS on Tuesday agreed for international co-operation to ensure food and nutritional security as well as maintaining the food supply chain across borders amid the coronavirus outbreak. They also agreed to develop science-based international guidelines on stricter safety and hygienic measures for zoonosis control. Agriculture minister Narendra Singh Tomar participated in the virtual meeting on India's behalf.

**SUPPLY CHAIN BOOST**

## 75k inter-state trucks added to running fleet in a day

FE BUREAU
New Delhi, April 21

AS MANY AS 2.25 lakh national-permit trucks plied on Indian roads on Tuesday, up from 1.5 lakh on the previous day and 1.2 lakh a week ago, in what indicates a steady improvement in inter-state commerce. However, only 15% of the national-permit vehicles are on the roads even now and it would be a long road ahead before the plying rate returns to over 10 lakh vehicles or 70% of the NP-registered that prevailed before the outbreak of Covid-19 pandemic, All India Transporters Welfare Association (AITWA) joint secretary Abhishek Gupta told *FE*.

"Vehicles which are being unloaded thanks to relaxations in lockdown guidelines in some areas are being made available in an efficient manner," Gupta said. Maximum effort is being made by the transporters to give priority to transport of pharmaceuticals, essentials and important raw materials, he added.

"We are hopeful that the e-pass facility, started by AITWA in association with IRIS, will prove to be a good tool for drivers to return to the stranded vehicles," Gupta said.

The truckers' body had developed an app to help drivers return to trucks stranded at different locations in the country. About 275 transporters across the country are already using the app. Hyderabad Goods Transport Association (HGTA) and Karnataka Goods Transport Association (KGTA) have also joined this e-platform to help drivers. About 1,500 e-passes have so far been issued to truck drivers after the app was launched.

Truck drivers are permitted to move with license but giving them an e-pass adds to their confidence while dealing with authorities, including police. E-pass can be generated by a registered transporter and can be sent to drivers through WhatsApp. Transporters have to register on epass.irisgst.com, which is developed and maintained by Iris Business Services.

AITWA has also sought a ₹50 lakh health insurance cover for each truck driver risking his life in the pandemic to help keep supply chains running. The government can also use the details of the passes issued to drivers as proof of being at the job for giving insurance.

The April 15 MHA order has stressed on the movement of trucks from April 20 to clear the logistics logjam to ease supply of daily staples and other essential supplies across the country. Before the lockdown was enforced on March 24, trucks running with load had to be stopped as drivers were not getting food.

## HC asks Kerala to file statement on deal with US IT firm for Covid data

FE BUREAU
Kochi, April 21

KERALA HIGH COURT on Tuesday raised concerns at the state government's IT contract with a US firm for processing data related to Covid-19 patients. The court directed the Kerala government to file a statement by April 24 on the details of the deal.

Kerala had entered into a contract with a US-based IT firm Sprinklr, wherein the data of suspected and actual patients of Covid-19 will be collected using government machinery and uploaded to the foreign firm's web server on a daily basis. The IT company, in turn, will provide actual data to the state machinery after analysis, for better understanding and treatment of the pandemic. The company is owned by a non-resident Indian from Kerala.

Considering a plea seeking quashing of the state government's contract with the firm, the high court sought to know as to why foreign jurisdiction was included as a clause in the deal for adjudication of possible disputes. Expressing concern over the confidentiality of the citizen's data processed by a third party, a division bench comprising Justices Devan Ramachandran and T R Ravi also sought to know why the sanction of the law department was not taken before finalising the agreement.

The court hailed the state government's fight against the pandemic but said it was concerned about the data confidentiality. It also directed the government to explain the reason for engaging a foreign firm for such works when there are government IT wings to do such jobs. Noting that a citizen is not privy to the deal signed between the state government and the foreign company, the court observed that the state government will be held as responsible, if the firm misused the data.

The state government counsel said the agreement with Sprinklr has safeguards for data protection in accordance with the standard practices of software as a service model.

**From the Front Page**

### Fighting Covid-19: Government may roll out fiscal package 2.0 today

IT HAS BUDGETED gross market borrowing at ₹7.8 lakh crore for FY21 and aims to borrow 62.5% of it in the first half itself. The full-year net borrowing is budgeted at ₹5.36 lakh crore.

The government may even ask the RBI to monetise the deficit by printing more money, after gauging inflationary pressure and broader impact on the economy. However, any such decision will be taken only around October-November when it starts to review its finances for the revised estimate for this fiscal, according to the sources.

Since a massive credit push is required to get the economy back on its feet, the government will likely consider extending guarantee on loans extended by both banks and NBFCs that had already turned risk-averse even before the pandemic spread its tentacles in India.

To help MSMEs and exporters, the government will likely announce interest subsidy of 2-4% and expedite the release of any tax refunds or other dues to them. With key markets — the US and the EU — bruised by the Covid-19 and over a half of their orders cancelled, Indian exporters are facing an unprecedented crisis.

Already, it has extended a ₹1.7 lakh crore package to help the poor and the vulnerable. Of course, over a half of it is to come from funds meant for states and existing schemes. It has also announced another ₹15,000 crore to bolster the health networks over the next four years.

Nevertheless, as many as 69% of respondents in a Ficci-commissioned survey have indicated that measures initiated so far by the government are inadequate and called for more steps. About 72% of them believe the Covid-19 impact on business will be either high or very high.

The finance ministry has already held a meeting with top executives of state-run banks to review liquidity in the system and the lenders' preparedness to support the credit appetite of the economy with the lifting of lockdown for certain segments on April 20. A drop in public-sector banks' capital position due to an expected spike in bad loans following the lifting of a three-month repayment moratorium is also going to be a critical issue for the government.

Having risen at a double-digit pace in FY19, non-food credit growth faltered this fiscal. Even before the Covid-19 started to spread, non-food credit growth crashed to just 6.3% year-on-year in the fortnight through February 14, the lowest since May 2017, mirroring a broader economic slowdown and risk aversion among bankers. The credit growth plunged further to 6.07% for the fortnight ended March 13, as the pandemic impact started to bite.

### IL&FS case: HC quashes govt move to ban BSR, Deloitte

A DIVISION BENCH of Chief Justice Bhushan Dharmadhikari and justice Nitin Borkar on Tuesday ruled that the provisions under which the government sought to ban the two firms can only be applied to existing auditors of a company.

### Oil futures plunges into -ve: Sebi to act as MCX fixes ₹1 a barrel

IT SLIPPED INTO the negative zone on fears of fast-filling storage facilities globally and an unprecedented plunge in demand due to the novel coronavirus pandemic.

Multi-Commodity Exchange (MCX) of India, which uses the NYMEX price for determining its own settlement price and the available RBI's reference rate for USD-INR for conversion, however, said in a circular that due to the unprecedented price fluctuation in the international markets in crude oil, the due date rate for Crude Oil futures contract expiring on April 20, 2020, is under finalisation.

### Logistic constraints: Few takers among retail biggies for direct purchase from farmers

THE IDEA BEHIND the Centre's move was to unshackle the farmer community hit hard by the current lockdown from the fetters of the APMCs that control mandis.

While most states have already de-listed fruits and vegetables from the purview of APMCs, these bodies are still in exclusive control of trade in most other crops.

Of course, a fair amount of direct buying from farmers had been happening even before the Centre's order in some localities in Uttar Pradesh and Gujarat. The two states had even many months before the Centre's latest directive, issued 'unified licences' to retail companies and bulk traders for 'direct marketing' of farm produce.

"The main challenge (for big retailers who now plan to get unified licences to purchase crops directly from farmers) is to set up the transport logistics between villages to the warehouses. Before the lockdown, farmers were bringing their crops to mandis using their own transport – either in tractors or carts. Traders used to collect the goods from the mandis and deliver at the doorsteps of the companies like us. Now, when there is a problem of availability of trucks and labour, setting up alternative logistics overnight may prove to be difficult," said Rajnikant Rai, chief operating officer of ITC's agri-business division.

"Since hiring people for setting up own network to purchase round the year at village levels costs higher, many companies prefer to buy from the (APMC) traders," Rai said. Since this (creating own network for purchase) has just started, it will take time to be streamlined and for more companies to set up their own networks, he said. The labour shortage in this segment is around 60% at present.

Uttar Pradesh, where chief minister Yogi Adityanath himself is in charge of the agriculture department, had issued about 300 'unified licences' to companies, bulk traders prior to the lockdown under an existing policy. This licence was meant to allow bulk buyers to directly purchase crops from farmers by setting up their own collection centres as well as from any mandi within the state, said Devesh Chaturvedi, state's principal secretary, agriculture. "We have asked atta and dal mills to get the unified licences and start buying directly from farmers but this would commence in a large scale only after the lockdown is lifted," he added.

Since wheat is the main rabi crop, private companies have been told by the UP government to ensure there are no distress sales by farmers of this crop. After the imposition of lockdown, the state has waived the mandi fee (about 2%) for farmers' producers organisations (FPOs).

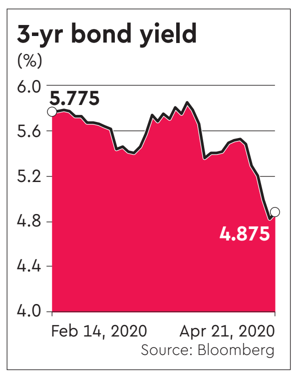
While ITC will start buying wheat from UP farmers in a few days, Adani Group and some bulk traders have already started buying the cereal directly from farmers from April 15 in Uttar Pradesh. Harvesting of wheat is 75% complete in the state's western region, 35-40% in central and about 15% in eastern parts, traders said. Diversified FMCG major ITC has been one major purchaser of farm produce in Uttar Pradesh and Gujarat, but its purchases are yet to start for the standing rabi wheat crop as the lockdown has hit harvesting.

### PSL breather for TLTRO 2.0

THE TLTRO 2.0 bonds — for a total amount of ₹50,000 crore — are to be invested in NBFCs and institutions like MFIs, RBI said last Friday.

As Kamal Mahajan, head of treasury and global markets, Bank of Baroda, pointed out, if the HTM bonds under the TLTRO 2.0 are spared from the mandatory loans to priority sector it would be more attractive for banks."The yields on priority sector loans are lower so it would be less attractive if we needed to lend to that sector," Mahajan explained.

Nonetheless, market participants believe the response to the TLTRO might be relatively less enthusiastic than the response to TLTRO 1.0 because of the lack of good quality assets in the NBFC space. Ananth Narayan, professor-finance at SPJIMR, pointed out that while the RBI is making it easier for banks, the core issue is still not getting addressed. "The credit-risk fear is still not being taken care of. Those NBFCs who are not getting funds because banks are not comfortable with their balance-sheets will continue to face funding issues. That core issue of credit risk aversion has to be addressed,' Narayan said.




RBI has also increased the time available for deploying the funds under TLTRO 2.0 from 30 to 45 working days saying the penalty for not doing so would be interest at the prevailing policy repo rate plus 200 bps for the number of days such funds remain undeployed.

Vydianathan Ramaswamy, director, ratings at Brickwork Ratings, said that the extension of deployment period to 45 days gives banks a better lead time to extend to a wider set of non-banks. "It eases the pressure on banks to quickly lend. Removing the 10% investment cap without extending the deployment period could have resulted in banks investing a larger quantum in a limited few entities," Ramaswamy said.

### Benign crude: India expects macro gains but ONGC-OIL to take big hit

THOUGH NOT IMMEDIATELY and necessarily to the same degree, benign crude prices will over time reflect on the retail prices of decontrolled auto fuels diesel and petrol and exert a sobering effect on the country's fuel inflation and thereby overall inflation. For a country that depends on imports to meet 85% of its crude oil requirement, the benign prices of the commodity will also have another beneficial outcome as reduced subsidy bills.

While oil subsidy has been contained a bit — it is budgeted to be ₹40,915 crore in FY21 against ₹60,269 crore in FY15 — the subsidy on nitrogenous fertiliser urea (for which refinery output naptha and natural gas are feedstock) continues to be a heavy burden on the fisc (FY21 urea subsidy is budgeted at ₹47,805 crore).

Also, a big fall in crude prices may prompt a resource-hungry government to again resort to fuel excise duty hikes to somewhat salvage its weak tax revenues. Taking advantage of benign crude, on March 14, the Centre hiked the taxes (SED and road and infra cess) on diesel and petrol by ₹3/litre each and later, it used the Finance Bill 2020 to create room for increasing the tax on the auto fuels by up to ₹8/litre. Every one-rupee duty on petrol and diesel translates into revenue of about ₹14,000 crore annually for the Centre. States will also benefit from these tax hikes as they levy sales tax/VAT on the fuels on an ad valorem basis on the price inclusive of Central taxes.

While that is the big picture, individually, the fall in crude prices will hit a few companies in India, including state-run oil producers ONGC and Oil India. ONGC, which produces about 65% of domestic crude oil, is likely face under-recoveries to the tune of $1.8 billion in FY21, if the Indian basket of crude averages in the year at $25/barrel. This assumes that ONGC produces and sells 24 million tonnes (MT) of crude oil in the current fiscal, roughly the same as last year.

ONGC may ask for a subsidy to partly cover its rising costs; if the government accepts this request, then that will have a negative bearing on the Centre's finances. Given the extra fiscal stress that the economic slowdown (which hit tax collections) and the Covid-19 expenses have caused, the Centre may not pay heed to ONGC's demand.

ONGC's per-barrel production cost is in the range of $35-$40. The Brent crude has a direct bearing with the rate at which ONGC sells crude to Indian refiners. ONGC is also facing under recoveries from selling gas after the government recently slashed the price of domestic gas by 26% to $2.39 per million British thermal units (mmBtu), whereas the firm's output cost is around $3.8-$6.6/mmBtu.

In the light of the recent slide in global crude prices, ONGC is set to "adopt a balanced approach towards capital spending," and expects the government to take favourable policy measures to boost the company's performance. "The decline in crude prices has additionally created a need for us to carry out detailed review of activities to look for opportunities to optimise operating costs to preserve liquidity," the company said in a statement. ONGC is understood to have already started making a detailed strategy "to get over this situation if the crisis prolongs".

Of course, the retail prices of petroleum products are not linked directly to crude oil price but are determined on the basis of a formula of trade parity pricing (80% weight to landed cost of notional import of petroleum products and 20% to export price of petroleum products).

### No respite: Voda Idea pays fee of ₹1,367 cr

OPERATORS PAY 8% of their adjusted gross revenue as licence fee while SUC ranges between 3-5%.

The current payment and the dues which are before the Supreme Court are different. While for the latter the companies, including Vodafone Idea, have sought the facility to pay in installments spread over some 20 years which is currently before the SC, there's been no such demand for current payments.

Vodafone Idea posted a net loss of ₹6,453 crore during the October-December quarter on a revenue of ₹11,089 crore. Last month, of its ₹58,254 crore AGR dues, it paid ₹6,854 crore to the government. This money was drawn on the company's cash reserves of around ₹12,815 crore at the end of Q3 and some proceeds remaining of its rights issue. Its cash reserves is now estimated to have come down to below ₹3,000 crore.

Analysts at Credit Suisse have estimated narrowing of its net loss to ₹ 5,816 crore for the January-March quarter. They expect the company's consolidated revenue to grow by 3.3% q-o-q to ₹11,457 crore and the Ebitda by 11% q-o-q to ₹3,800 crore.

### Bengal visit off to rocky start, central teams say state govt is not cooperating

ON MONDAY, THE day the team landed, the members had visited the office of the National Institute of Cholera and Enteric Diseases in the city's Beleghata area and held a meeting with the Chief Secretary at Nabanna, the state secretariat.

Apurva Chandra, Additional Secretary, Department of Defence and leader of the five-member team in Kolkata, told ANI, "We met the Chief Secretary last evening at around 6 pm in Nabanna. We were assured that we will again have a meeting today and we will be taken around. But today we were informed that there are some issues and we will not be going out," said Chandra.

"The order of deployment says the state government shall provide logistic support to us. I have been in touch with the chief secretary since yesterday seeking support from the state government to visit areas. In fact, we made it very clear that we will go around only with state government liaison officers. We would like to add that teams have gone to other places like Madhya Pradesh, Maharashtra and Rajasthan and they are getting full support from the state governments and all the teams are working. They have also been given the same notice as the state government of West Bengal. But they are active and have not faced problems," he added.

Meanwhile, chief minister Mamata Banerjee hit the streets of Kolkata Tuesday afternoon, speaking into a loudspeaker and asking people not to venture out of their homes.

### 'June, July will test India's resolve'

HE ADDED: "WE have to keep the virus transmission under check and ensure that no new peaks appear. June and July will test our resolve."

The lifting of the lockdown after May 3 would be a "phased and nuanced affair", he said.

Dr Paul, a former professor of paediatrics at AIIMS, is one of the most important people in the planning and execution of the government's Covid management plan. Apart from his position in the Niti Aayog, he chairs the Empowered Group constituted by the ministry of home affairs on the medical emergency management plan, and is a member of the Empowered Group on strategic issues related to the lockdown, which is headed by Home Secretary Ajay Bhalla — the only person who is a part of the two Empowered Groups.

Dr Paul is also co-chair — along with Principal Scientific Adviser to the Prime Minister K Vijay Raghavan — of a task force that coordinating among science agencies, scientists, industries, and regulatory bodies to take speedy decisions on research and development related to the SARS-CoV-2 virus and the Covid-19 disease.

"An empowered task force is making sure that all efforts are made to develop an indigenous vaccine in the near future. India will not miss any opportunity to be the global hub for vaccine development and manufacturing," Dr Paul said.

"ICMR has created a clinical research network and a registry to serve as a platform for trials on various therapeutic modalities. These include studying the use of convalescent plasma, plasma exchange, and drugs such as redemsivir etc., when available. ICMR laboratories are also examining the potential of novel drug molecules for their effect on the virus," he added.

### Faulty results: ICMR tells states not to use rapid tests for 2 days

JOINT SECRETARY, HEALTH ministry, Lav Agarwal reiterated that the RT-PCR is the gold standard for Covid-19 diagnosis.

Ahead of the gradual lifting of the lockdown, the serological tests were to be used in hotspots, to test the population level exposure. On April 4, the ICMR had issued an advisory to start rapid tests in high density settings.

The rapid test, which uses blood samples instead of swabs, checks for the novel coronavirus (SARS-CoV2) by ascertaining whether the person has developed antibodies against it. It takes less than 30 minutes. The swab test, on the other hand, comprises two steps - a screening test and a confirmatory test - and takes 8-9 hours. However, there have been concerns about the accuracy of rapid tests.

While most of the rapid test kits are part of the batch received by the Centre from China last week, some states also procured these kits on their own.

Gangakhedkar said that if most of the kits were faulty, the ICMR would ask for replacements.

### Another set of IIT job offers are withdrawn

HRD MINISTER RAMESH Pokhriyal and IIT-Delhi Director Ramgopal Rao had even publicly appealed to companies in the first week of April not to withdraw offers.

Schlumberger's decision has affected at least one student at IIT-Delhi, who was offered a junior field engineer role, and one at IIT-Bombay. The IIT-Kanpur student, who had secured a job at Schlumberger Pune Technology Centre (PUTC), has been offered a similar profile at Schlumberger Pune Indian Technology Centre (PITC) at a lower pay package. A similar offer is learned to have been made to a student at IIT-Madras.

Parag Deshpande, vice-chairperson of the Career Development Centre at IIT-Kharagpur, said, "We were made some offers (by Schlumberger). As on date, none of the offers were revoked." When asked if IIT-Kharagpur had received the April 6 letter, he added, "That was a generic email. We haven't heard back from them."

Speaking to The Indian Express Tuesday, Reddy confirmed that offers made to students at IITs stand cancelled. "Last Friday, our global CEO (while announcing the first quarter 2020 results) had clearly said in North America we expect our customer spend to go down by 40% and globally by 15%. It's unprecedented."

"We have a longstanding relationship with the IITs. I am from IIT-Bombay. Recruiting from IITs is a continuous process for us. At this point in time, when we are doing business restructuring, it's just not fair for our current employees (to hire more people). We have to take care of them first. It's as simple as this. Everyone starting from the top management has taken a pay cut within the company," he added.

Asked what this means for job offers made to IIT students this year, he said, "As of now we have withdrawn them. If the business climate changes, we will be the first to reach out to (students) who have been filtered through the whole (recruitment) process."

Schlumberger cut its shareholder dividend 75%

# Govt to review FY21 disinvestment plan

**Officials admit that the target to raise ₹2.1 lakh cr is irrelevant post Covid-19 pandemic**

PRASANTA SAHU
New Delhi, April 21

THE DEPARTMENT OF investment and public asset management (DIPAM) will review the FY21 Budget plan to raise an ambitious ₹2.1 lakh crore via sale of government stakes in companies in light of the coronavirus pandemic. It feels the feasibility of many proposed transactions are now suspect.

Among the mega deals in the disinvestment pipeline, the government had planned to garner ₹70,000-80,000 crore by selling 53.3% stake in an oil retailer-cum-marketer in FY21. A plan was also announced to sell 30.8% in Con-Cor to a strategic buyer. Further, a substantial amount was planned to be raised by selling up to 10% stake in state-run insurer LIC through its listing.

Officials admit that the disinvestment target is irrelevant post Covid-19 as no one knows when economic activities will become normal. While listing of the insurance behemoth LIC is unlikely in FY21 due to volatile market conditions, big ticket strategic sales such as BPCL are also facing headwinds.

With lockdown imposed by many countries worldwide including India, DIPAM is expected to extend for the second time the deadline for submission of expression of interest (EoI) for strategic sale of the Centre's 100% stake in Air India (AI). In the wake of the coronavirus pandemic, the Centre had recently extended the last date of EoI for AI by 45 days to April 30. Despite a massive contraction in the aviation sector since March last week, there is some flicker of hope as potential bidders are still enquiring about the debt-ridden national carrier, sources said.

Similarly, if lockdown continues beyond May 3 in India, the deadline for EoI for the government's 53.3% stake in BPCL (excluding its stake in Numaligarh Refinery) may also need to be extended further.

The BPCL EoI deadline was earlier extended from May 2 to June 13. In line with stock market slump, the market value of the Centre's stake in BPCL was about ₹41,000 crore (BSE) on Tuesday.

The drastic fall in global crude prices also hurt disinvestment prospects of BPCL. The West Texas Intermediate (WTI), benchmark US crude, was pushed to below $0 a barrel for the first time in history on Monday due to a glut in energy market, paucity of storage capacity and a lack of demand in the aftermath of the pandemic.

"This will not be good news for the disinvestment plan of BPCL. This may have to wait till the prospects of the industry improve," Care Ratings said on Tuesday.

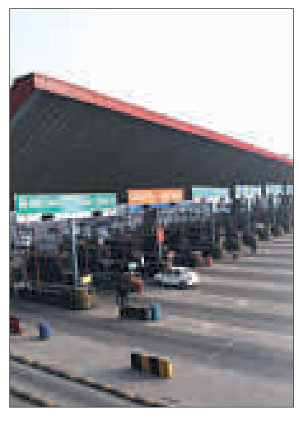
Among the possibilities, the government could garner some revenues from sale of the BPCL's 61% stake sale in Numaligarh Refinery, which will be sold to state-run firms. It would also garner, though difficult to quantify, some revenues from buyback by central public sector enterprises (CPSEs).

With valuation slump of 50% or thereabout in many CPSEs in the past six months means, offer for sales (OFS) of minority stakes in CPSEs such as Indian Oil or Coal India will be possible if stock prices recover in time.

Due to Covid-19 impact, the FY20 disinvestment receipts were ₹50,300 crore or 23% lower than the revised estimate (RE) of ₹65,000 crore. The government could not execute some of the planned transactions, including sales of minority stakes in half a dozen CPSEs, as a result of the market turmoil.

# Toll collections resume at most of 562 plazas: NHAI

SURYA SARATHI RAY
New Delhi, April 21



THE NATIONAL HIGHWAYS Authority of India (NHAI) on Tuesday said toll collections have resumed at almost all 562 operational plazas across the country. The authority's chairman, S S Sandhu, said construction has also started on more than 90% of stretches where work had to be halted in view of the Covid-19 pandemic.

"Toll collection has resumed at almost all toll plazas in the country, barring in hotspot areas; the number of such areas, however, is very small," Sandhu said.

Hotspots are areas with large Covid-19 outbreaks or clusters with a significant spread.

In 2018-19, a total of ₹24,396 crore was collected as tolls, at a monthly average of ₹2,033 crore or ₹67 crore a day. Of all the toll receipts, NHAI's share is roughly 29%. The private developers who collect toll include IRB Infra, Dilip Buildcon, Ashoka Buildcon and Welspun.

The ministry of road transport and highways (MoRTH) had on April 17 granted NHAI permission to collect toll from April 20 midnight. In view of the Covid-19 pandemic, toll collection on national highways was temporarily suspended with effect from March 25.

In a note on April 17, CARE Ratings said it expects toll collections to witness a decline of 2.5% in FY'20 on year-on-year basis and continue to be dismal in FY'21.

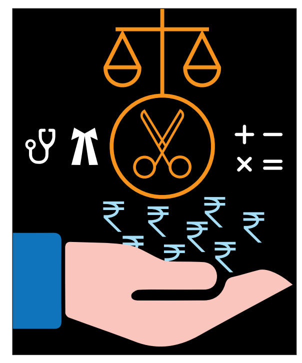
It expects decline in toll collection by around 10-12% in FY'21 even on declined toll base of FY'20 due to restricted vehicle movement, global economic slowdown and subdued pick up in in construction and mining activity post monsoon, considering prolonged lockdown duration and intensity of Covid-19.

NHAI constructed 3,979 km highways in 2019-20, its highest-ever. It has 11,426 km project length under implementation at various stages.

Maximum of the projects are being awarded in recent times through the engineering, procurement and construction (EPC) route, in which government bears all expenses.

# I-T dept sends e-mails to 1.72 lakh assessees over outstanding tax dues

PRESS TRUST OF INDIA
New Delhi, April 21



**The CBDT said that the assessees are required to furnish details of the pending demand, whether it has been paid or has been stayed by any appellate/competent authority so that the department could keep the same in abeyance and do not deduct this amount from refund**

THE INCOME TAX department has sent e-mails to 1.72 lakh assessees, including start-ups, companies and individuals, who have outstanding tax demands as well as tax refunds asking them to provide as update on the payment.

Since April 8, the Central Board of Direct Taxes (CBDT) has been fast-tracking refund payments to help taxpayers in the Covid-19 pandemic situation and has till date issued nearly 14 lakh refunds involving an amount of over ₹9,000 crore to various taxpayers including individuals, Hindu Undivided Families (HUFs), proprietors, firms, corporate, start-ups, and micro, small and medium enterprises (MSMEs).

The CBDT in a statement said its e-mail seeking clarification from all those who are entitled to get tax refund but also have outstanding tax to pay cannot be misconstrued as harassment.

"An opportunity is provided by the department to the assessee to either clear the demand or intimate the status of said demand to the I-T department.

"Invariably, such communication is made by the department by sending an e-mail to the assessee informing it of the quantum of outstanding demand and providing an opportunity to pay the demand or respond with evidence regarding payment of the same if already made, or update the action on it," it said.

The CBDT said that the assessees are required to furnish details of the pending demand, whether it has been paid or has been stayed by any appellate/competent authority so that the department could keep the same in abeyance and do not deduct this amount from refund.

"Thus, following the existing procedure of recuperation of outstanding demand, similar mails have also been sent to 1.72 lakh assessees including start-ups to intimate to the I-T department, the status of the demand outstanding and whether it has been stayed by the competent authority so that appropriate action can be taken for release of refunds without delay to the start-up," it added.

The CBDT said these e-mails are part of the faceless communication and are auto-generated under Section 245 of the I-T Act in refund cases where there is any outstanding demand payable by the assessee.

"In case the outstanding demand has already been paid by the taxpayer or it has been stayed by the higher tax authorities, the taxpayers are requested through these mails to provide the status update so that while issuing the refund, these amounts are not held back and their refunds are released forthwith," it said.

With reports in certain sections of social media, the CBDT said that such communications are just a request for seeking an update response from the assessee for the proposed adjustment of refund with the outstanding demand and cannot be misconstrued as a notice of recovery or be perceived as so-called arm-twisting by the I-T department because the department is duty bound to protect public money by adjusting the outstanding demand before releasing the refund.

"Many refunds are pending for the want of response from the taxpayers and will be issued at the earliest possible once the information is updated," the CBDT added.

# Over 11.37 lakh trucks, 2.3 lakh transporters linked on e-NAM

PRESS TRUST OF INDIA
New Delhi, April 21

MORE THAN 11.37 lakh trucks and 2.3 lakh transporters have registered on the electronic National Agriculture Market (e-NAM) platform to ensure faster movement of farm produce from mandis to other locations during the Covid-19 induced lockdown, the Union agriculture ministry said on Tuesday.

They have registered under the module of uberisation of logistics aggregators, recently launched on e-NAM platform to help traders find out transporters in their vicinity for quick movement of the supplies from the mandis, it said.

"More than 11.37 lakh trucks and 2.3 lakh transporters are already linked to this module," the ministry said in a statement.

At present, 585 mandis (agri-markets) across 16 states and two union territories have been integrated on e-NAM platform, with a user base of 16.6 million farmers, 1,28,000 traders and 70,934 commission agents.

The ministry also said that it has launched a mobile app called 'Kisan Rath' to help farmers provide transportation facility for movement of produce from farm to mandis during the lockdown period.

The mobile app has been designed for users of both e-NAM and non-e-NAM platforms.

To reduce crowd in mandis during the lockdown period, the ministry is encouraging farmers to use e-NAM platform, for which two additional features were added recently.

One of the feature is a warehouse-based trading module that enables farmers to sell their produce from the Warehousing Development and Regulatory Authority (WDRA)-registered warehouses notified as deemed markets.

The other trading module enables farmer producer organisations (FPOs) to upload their produce from collection centres with picture/quality parameters for online bidding without physically reaching the mandis.

"So far, FPOs from 12 states (Punjab, Odisha, Gujarat, Rajasthan, West Bengal, Maharashtra, Haryana, Andhra Pradesh, Tamil Nadu, Uttarakhand, Uttar Pradesh & Jharkhand) have participated in the trade," the ministry said.

Stating that e-NAM has become a tool for social distancing during lockdown, the ministry said that states are promoting virtual trading platforms like e-NAM thereby reducing human intervention in handling of the produce.

States like Jharkhand have initiated farm-gate trading through e-NAM platform whereby farmers are uploading the details of their produce along with picture for online bidding without reaching the APMC.

Similarly, FPOs are also uploading their produce from their collection centers for trading under e-NAM, it said.

Besides, an advisory has been issued to the state governments to encourage farmers, FPOs and cooperatives for direct marketing of their produce by limiting regulation under APMC Act.

As a result, FPOs are also supplying vegetables in nearby cities and towns. States have already taken decision to issue passes/e-passes to FPOs.

On movement of fruits and vegetable produce to mandis, the ministry said it has operationalised inter-state transportation of fruits and vegetables round the clock after coordination with the state mandi boards.

# Delhi govt to use pvt discom subsidies to clear genco bills

FE BUREAU
New Delhi, April 21

DELHI POWER DEPARTMENT has decided to use 50% of the subsidy that it owes to the national capital's private power distribution companies (discoms) to clear the latters' due to the state-run power stations.

In a recent order issued by the Delhi government, the power department said that it "shall release 50% of the first quarter of subsidy directly to discoms and remaining 50% subsidy will be credited to the account of IPGL, PPCL and DTL (state-run utilities) to the extent of outstanding dues to discoms to these companies".

The discoms would receive lower subsidies from the government even after the power department acknowledged that cash flow of the discoms has been impacted by the lockdown imposed to control the coronavirus outbreak. The subsidies that these discoms receive from the government include the unpaid power bills of households consuming less than 200 units in Delhi. On top of that, residences using 200–400 units a month also get ₹800 discount, which are paid for by the government through subsidies.

# CCI resumes cotton procurement; 25,000 quintal procured in 10 days

NANDA KASABE
Pune, April 21

THE COTTON CORPORATION of India (CCI) has resumed procurement of the commodity and it has bought around 25,000 quintal of cotton from farmers in the last 10 days, top officials of the corporation said.

CCI chairperson and managing director P Alli Rani said that the quantum of procurement has not been much due to the lockdown period and fear of coronavirus infection among farmers. She said that with 80% of arrivals already in the market, the corporation is buying cotton in a controlled way and maintaining social distancing. Procurement is taking place but at a very small scale, she said. The cotton season usually lasts till September 30.

She said that the corporation has asked district officials to issue passes on an hourly basis, wherein 5-6 farmers who want to sell and do not have transportation problem can come to the centre. CCI is the government's nodal agency for purchases under the minimum support price scheme.

Buying has slowed down after March as the peak harvest season is almost over, she said, adding that the third or fourth pickings normally do not yield much. Till date CCI has procured 85 lakh bales.

Most of the cotton in the 2019-20 season has been purchased from Telangana where CCI purchased 82% of the 92% of arrivals in the market, Alli Rani said. In Maharashtra, however, the agency has purchased just 30% of the 82% arrivals in the market, she added. Of the remaining arrivals that is expected to come to the market, around 50% may come to CCI, she said.

The minimum support price for the medium-staple variety of cotton is ₹5,255 per quintal and that for the long staple one is ₹5,550 per quintal this year.

# Companies

WEDNESDAY, APRIL 22, 2020

**DAIRY PRODUCTS DEMAND**

RS Sodhi, MD, Gujarat Cooperative Milk Marketing Federation

"Covid-19 will not have any impact on demand for food products. Our sales in value terms during this month are at par with the same month last year. The demand for some products has come down but at the same time sales of many products have risen... We expect our turnover to grow by 15% (this fiscal year)"

## Quick View

### Will continue with work from home: HCL Technologies

IT SERVICES major HCL Technologies on Tuesday said it will continue to operate with only critical staff being present on premises to ensure safety of employee amid the nationwide lockdown. While home ministry guidelines had allowed IT-ITeS companies to operate with up to 50% strength from April 20, many states including Karnataka and Uttar Pradesh have continued imposition of full lockdown. "HCL will continue its critical operations with a much lesser percentage of workforce to aid social distancing and ensuring a safe working environment for business critical employees who need to be onsite," a HCL Technologies spokesperson told PTI.

### PE, VC investments in India may dip 60%: EY

PRIVATE EQUITY and venture capital investments in India may decline up to 60% in 2020 due to the Covid-19 pandemic, according to a report by consulting firm EY. Fund-raising activity, which typically influences future investments, has also gone "cold", if one were to look at March's data of private equity (PE) and venture capital (VC) funds having raised only $85 million, EY said in a statement.

### Fitness firm FITTR crosses ₹100-cr gross revenue

ONLINE FITNESS company FITTR has crossed ₹100 crore in gross revenue on the back of impressive business growth in FY2019-2020. The start-up achieved an annualised revenue run rate of close to ₹40 crore during the latest financial year, marking a strong year-on-year growth of nearly 30%.

### SpiceJet flight carries supplies to Myanmar

AMID THE coronavirus outbreak, SpiceJet said it operated its maiden freighter flight carrying medical supplies between Delhi and Myanmar on Tuesday. While the aircraft carried "medical supplies" in its first leg, it will carry "medical equipment" on its return journey, the budget carrier said in its press release. The airline said it also conducted its maiden "cargo-on-seat international flight" from Mumbai to Abu Dhabi, carrying 15 tonne of fresh fruits and vegetables, on Tuesday.

### British Airways flying out UK nationals

BRITISH AIRWAYS on Tuesday said it is operating special flights from 11 Indian airports to bring back thousands of UK nationals stranded in India due to the coronavirus crisis. These special flights to the UK started on April 13 and would end on April 27.

### Huawei India appoints David Li as CEO

HUAWEI TELECOMMUNICATIONS India on Tuesday said it has appointed David Li as its CEO. He replaces Jay Chen, who has been promoted to handle Asia Pacific level business role. Li joined Huawei in 2002 and has experience of working in the India market, including in roles like vice-president sales and vice president HR during different phases of his career. He was serving as CEO of Huawei Cambodia before returning to India to take on his new role. "I am very excited to be given the opportunity to lead Huawei Telecommunications in India," Li said in a statement.

### Kia announces measures to support its dealers

KIA MOTORS India on Tuesday announced support measures for its dealers. These include support on inventory, reversal of inventory funding amount, warranty and NVI claims and extended warranty payments.

**COVID CRISIS**

## Sweeping lockdown won't be long-term answer: Rajiv Bajaj

**FE BUREAU**
Pune, April 21

**COMING OUT STRONGLY** against the lockdown, Bajaj Auto MD and CEO Rajiv Bajaj told a TV channel it did not make sense to resume production with arbitrary and draconian measures in place. "Don't know what the government is thinking. It has buried itself in a hole. The solution was unlocking the country and not imposing draconian measures," he said, adding the need of the hour was to act sensibly and logically and not out of fear.

While the new guidelines permit certain activities to restart from April 20, the auto sector is choosing not to restart operations as the finished vehicles will find it hard to reach markets as the dealerships are not open. Even in the green zones, the situation is so arbitrary and erratic that people are afraid to open up and there is complete chaos, Bajaj said. According to him, the conditions put by the central and state governments are preposterous.

If a company starts operations and if a single positive case is detected, then the unit will have to cease operations for three months. If such a sword is held on people's neck, no manufacturing unit will open up. Bajaj Auto had resumed production at its Rudrapur plant but it was difficult to get people and supplies to the plant. Things are opaque and until dealership and transport opens there is no point producing, Bajaj added. If a vaccine is two years away, immunity is the only option. Locking people at home is not necessarily the answer to this crisis. "This problem is being propagated by government inaction," said Bajaj.

Bajaj Auto MD and CEO Rajiv Bajaj

Attacking the government, Bajaj said, "We are just locking up people hoping the virus will disappear," Bajaj said. The sweeping lockdown is not going to be a long term answer to the medical crisis or the economic crisis, he said. Bajaj said he knew of companies that had started were forced to shut and things were arbitrary and the government's left hand did not know what the right hand is doing.

Bajaj said the lockdown was making things worse and he warned that job losses were already happening at the supplier end and at dealerships, which accounted for 90% of the headcount. "Job losses are already significant and already affected. The government is just not acting. It is pretending that there are no salary cuts or job losses," Bajaj said. He drew attention to actions by governments across the globe to help people and companies. In Austria, the government was paying 85% of KTM's employees wages, in the US every household was getting $3,000, Japan was giving citizens $1,000 per person every month, even Indonesia and Kenya were giving tax exemption to people, while India was not doing anything other than the lockdown.

Bajaj said the obvious exit strategy would be to allow practically all industries in the green and yellow zones to go to work and even the working population in the red zones should be allowed to return to work. "I think there are several reasons that demand would come rushing back and there would be some structural changes. In Europe, 40-50% higher demand is expected for motorcycles as a lot more people want to move away from public transport," Bajaj added.

Going forward, Bajaj said they will not be affecting job cuts at Bajaj Auto but they would be looking at salary and wage cuts and a spectrum of benefits associated with employees and wages, which would save ₹100 crore to ₹150 crore annually. Bajaj Auto employees and workers have already volunteered to have a 10% cut for the lockdown period from April 15 to May 3. Other cost reduction planned at Bajaj Auto includes cutting marketing budget, which was at around ₹200 crore a quarter is now has been cut to zero now. "We have frozen capex and that will remain so for the quarter and rest of the year," Bajaj said.

On demand prospects, Bajaj said demand was going to come rushing back after two months of suppressed demand and half their markets were exports, which could begin if the ports opened up. "We don't have a demand problem. We have a governance problem," he said.

The young and healthy need to go back to work and only the old and vulnerable need to be secure, he said. Bajaj said the only solution was to develop herd immunity as the vaccine was two years away.

## S&P downgrades Hero FinCorp over parent's ability to support rating

**FE BUREAU**
Mumbai, April 21

**S&P GLOBAL RATINGS** on Monday lowered its long-term and short-term issuer credit ratings on Hero FinCorp to 'BB+/B' from 'BBB-/A-3'.

The downgrade was because the rating agency believes that the financially stronger parent Hero MotoCorp's ability to support the rating on Hero FinCorp has diminished, though its willingness remains unchanged.

Data from Capitaline show standalone loan funds of Hero FinCorp stood at ₹16,322.87 crore as on FY19.

Hero FinCorp is an India-based non-banking financial companies (NBFC) and outlook on the long-term rating is stable, S&P said.

"Hero MotoCorp's automotive sales and revenues have declined because of negative macroeconomic factors over the past 12 months. We expect the decline and the tough operating conditions to continue over the next few quarters given the impact of the Covid-19 outbreak. We expect Hero FinCorp's business to remain reliant on the brand, reputation, and customer base of the wider Hero MotoCorp group," the rating agency said in a press release.

On a standalone basis, S&P Global expects Hero FinCorp to face increasing risks from challenging operating conditions stemming from the novel coronavirus outbreak. "If economic risks sufficiently increase across India's banking and financial system, we may lower the starting point for finance company ratings. This would weigh on Hero FinCorp's stand-alone creditworthiness, although group support would offset the deterioration," it said.



On a standalone basis, S&P Global expects Hero FinCorp to face increasing risks from challenging operating conditions stemming from the novel coronavirus outbreak

Last week, Moody's Investors Service had taken rating actions on three Indian NBFCs — Hero FinCorp, India Infoline Finance and Muthoot Finance. According to the rating agency, the Indian NBFC industry has been affected, given disruptions to India's economic activity from the Covid-19 pandemic, which will weaken these companies' credit profiles. Moody's had placed Hero FinCorp's local and foreign currency Baa3 issuer rating under review for downgrade.

According to S&P, the stable outlook reflects its view that Hero FinCorp is likely to remain strategically important and supported by the stronger group. "We note that Hero FinCorp is not immune to heightened economic risks affecting India's financial system over the next 12-18 months, but the effects of a deterioration in these conditions would be offset by group support," the agency said.

## Swiggy to downsize pvt brand kitchens; move could hit 900 employees

**PRESS TRUST OF INDIA**
New Delhi, April 21

**FOOD ORDERING AND** delivery platform Swiggy is planning to downsize operations of its private brand kitchens due to the Covid-19 pandemic, which could impact around 900 employees, according to sources. As per the sources in know of the matter, around 900 employees would be affected by the decision of the company.

The company, however, refrained from sharing any details about the number of employees likely to be impacted.

**Other steps being evaluated include renegotiating contracts with landlords and relocation of certain kitchens**

"As COVID-19 disrupts daily life across the country, the hospitality industry has come under severe pressure. As the lockdown gets further extended, we are evaluating various means to stay nimble and focused on growth and profitability across our private brand kitchens," a Swiggy spokesperson said in a statement.

These include renegotiating contracts with landlords, relocation of certain kitchens to more optimal locations and discontinuing operations at a few kitchens that have been severely impacted since the lockdown came into effect, it added.

"This will unfortunately have an impact on a certain number of kitchen staff who will be fully supported during this transition," the statement said.

## ACC's consolidated net profit for March quarter declines 6.6%

**FE BUREAU**
Mumbai, April 21

**THE IMPACT OF** the coronavirus pandemic was visible in ACC's financial performance in the March quarter. The company's consolidated net profit for the quarter ended March 31, 2020 declined 6.6% on a year-on-year basis to ₹323 crore, while the net sales for the period fell nearly 11% y-o-y to ₹3,433 crore on the back of a steep fall in volumes.

The company's cement volumes during the three months of January to March came in at 6.56 million tonne, a sharp decline of 12% on a y-o-y basis, while the ready mix concrete volumes remained flat at 0.93 million tonne, as the pandemic impacted the sales volume for March.

However, until February, cement and ready mix concrete volume benefited from healthy growth. Growth supported by significant focus on premium products, increase in value-added solutions in ready mix business, and cost-reduction exercise in manufacturing and logistics aided operating income in the quarter. Input cost of raw materials were lower on account of better material source mix optimisation and supply chain efficiencies.

Consequently, company's Ebitda (earnings before interest, tax, depreciation and amortisation) for the first quarter increased 10% y-o-y to ₹586 crore.

The company's cement volumes during January-March came in at 6.56 million tonne, a decline of 12% y-o-y

The company said that value-added solutions (VAS) grew significantly during the quarter in ready mix concrete. Two new plants were commissioned during the quarter bringing the total number of ready mix concrete plants to 92.

In terms of outlook, Sridhar Balakrishnan, managing director & CEO, ACC, said, "We believe that with higher probability of normal monsoon, growth in rural economy will revive and stay strong. We expect cement demand to increase in the medium term once the pandemic subsides and business operations commence".

## Lockdown: Video-streaming platforms may bail out small-budget films

**ASMITA DEY**
New Delhi, April 21

**AS BOLLYWOOD STARES** at big losses, small-budget films whose release in theatres has been delayed by the lockdown could soon be released on video streaming platforms.

Over-the-top (OTT) companies are expected to only welcome the move by the producers, as shooting for their own series have stopped and so they are unable to offer new content. MX Playe CEO Karan Bedi told *FE* that discussions with production houses on acquiring unreleased movies are on. Ferzad Palia, head-Voot Select, Viacom18, said a considerable number of small films have the potential for a digital premiere, though it would be a challenge for big-ticket movies as they depend mainly on box-office collections.

Shemaroo Entertainment CEO Hiren Gada said the company is looking to stream films that could not make it to the theatres due to the lockdown. Makers of small-budget movies are quite keen on a direct-to-digital premiere in the current environment, Gada said.

- OTT companies in discussion with production houses to get unreleased movies on the platforms
- Makers of small-ticket movies keen on direct-to-digital premiere as uncertainty looms over opening of theatres
- Bollywood estimated to have lost nearly ₹1,500 crore in revenue in last one month: Experts
- Of the ₹1,500 crore, revenue lost from box-office collections would total ₹600-700 crore
- On an average, 2-3 small-sized movies released in theatres every week; OTT launch to fetch them more pay

Neeraj Roy, founder and CEO at Hungama Digital Media, said the company is looking at all content formats including bringing unreleased films on its platform. To retain viewers' interest, Hungama Play is continuing to release new movies, short films and short-format content.

OTT is a good alternative for small movies as it will fetch more, say experts, although the revenue structure varies. Netflix typically acquires a movie for three years and makes the payment in 12 monthly instalments. Others pay 25% of the agreed amount when the deal is signed, 50% once the content is delivered and the rest before the content is streamed, says Atul Mohan, editor at Complete Cinema.

Mohan says on an average, two to three small-sized movies (made on a budget of ₹3-5 crore, are released in theatres every week while about three mid-budget films costing anywhere ₹15-20 crore are released every month.

Film expert Komal Nahta estimates the film industry (Hindi) to have lost close to ₹1,500 crore in revenues in the last one month; of this, revenue loss from box office collections would be anywhere between ₹600 crore and ₹700 crore. The holding cost of a movie can run into crores, says Nahta.

For instance, Akshay Kumar-starrer *Sooryavanshi* has been made on a budget of nearly ₹200 crore. "A month's interest on ₹200 crore would be phenomenal," Nahta adds. Bollywood's revenues from box-office collections stood over ₹4,000 crore in 2019 with just 170 releases. That's way more than the pickings of some ₹3,300 crore in 2018 from 180 releases.

## Covid-hit Tirupur garments cluster sees opportunity in PPEs, masks

**R RAVICHANDRAN**
Chennai, April 21

**AMID LACK OF** export orders due to the Covid-19 lockdown globally, cancellation of some of the existing orders by major buyers in the US and Europe coupled with liquidity crisis, Tirupur's knitwear/readymade garments cluster, the largest in India, sees huge opportunity in making PPEs (personal protective equipment) and face masks of different types, as its member units started getting huge orders from a number of state governments that are going through Coronavirus challenges.

Having decades-old experience and expertise in making garments for both domestic and export markets, the units have seized this emerging opportunity in not only capitalising on the domestic demand but also sees orders pouring in from the US and Europe once they are back to normal post the Covid-19 imbroglio.

"Though it is too early for us to quantify the size of orders and the revenue we generate over the a period of time, given the nature of the current calamity and the emergence of a 'new normal' across the globe, there seems to be billions of dollars opportunity emerging for us to tap in a big way," said Tirupur Exporters' Association (TEA) president Raja M Shanmugham.

"We are much competitive vis-a-vis China as we have the capacity and capability to make PPE kits at one third of the cost. These PPE kits can be produced at a cost between ₹200 and ₹600 or little more (from ordinary to advanced kits) as compared to China's ₹1,500 a kit," he said.

"Started with a small order from a local district in Tamil Nadu, the cluster is now getting increasing orders for both PPEs and masks from not only Tamil Nadu government but also from neighbouring states such as Andhra Pradesh, Telangana, Kerala, and even now from Assam and Meghalaya governments to supply in lakhs of such units," he said, adding the orders they are getting are through agents who won the biddings of respective state governments.

Speaking to *FE*, he said: "Currently 100 units are engaged in making PPEs, masks of different nature to meet state governments' requirements. So far they have supplied over 2 million pieces of masks and 500,000 units of PPEs, which are given to healthcare workers, hospitals staff, surgeons/senior doctors, frontline workers apart from other people who are involved in fighting Covid-19 in their respective states. With more and more orders pouring in, we see more units getting into making these medical needs." All these units are making ordinary face masks to N95 respirators to N95 user manual and complete disposable full-cover PPE kits, which are completely sterilised and with antimicrobial treatment. Fabrics used in making these kits ensure that the virus cannot penetrate.

The cluster's units see orders pouring in from the US and Europe once they are back to normal after the Covid-19 crisis

"This is the finest moment for us as the Covid-19 pandemic gave an opportunity to enter into technical textiles in a big way as has been advised by the Union government, but also enabling us to earn additional income as we see demand for PPE kits, masks will be on the lines of garments as we have exported to global majors over the years. Our member units are getting enquiries from our buyers (including brands such as Marks & Spencer) from the US, Europe on supplying these medical kits. Since the government has banned export of these kits and masks, we are unable to tap at this point of time. We hope once exports been allowed, Tirupur units will see orders coming from across the globe," Shanmugham pointed out. Since these kits can be used only for a few hours (as these are disposable in nature), orders for such kits will be in millions going forward, particularly from the overseas markets, he added.

To a question, he said: "All these PPEs and masks have been made of non-woven fabric of different nature — an ordinary non-woven fabric to three-layer fabric to laminated non-woven fabric to five-layer non-woven fabric material, which is approved by the government accredited national laboratory in Tirupur called - South India Textile Research Association (SITRA), one of the four labs in India — allowed to test the quality of fabrics used for making these kits by the government. These kits are certified by SITRA. Moreover, all these units have been given permission to make as PPEs, masks now come under essential commodities list."

One of the main challenge is to procure the fabrics, as currently the movement of transportation is restricted. Departments like DRDO, Ordinance Factory should ensure them getting fabrics as desired, he said.

According to AA Rajkumar, managing director, Best Corporation, one of the garment units now engaged in making these medical items, said: "We have received a major order of 50,000 PPE kits from a public sector company, which has been asked by the union government to procure such kits. It is for high-end multi-layer PPE kits and we have started supply to them. In addition, we have been making kits and masks of different nature to Tamil Nadu government. We see huge potential from the global markets as we have received enquiries from our US and Europe customers. We are waiting for the government to allow export of such kits. Its not only a big opportunity for us but also enable us to get into technical textile segment in a big way."

Says TD Bharani Daran, managing director, Shaaraa Clothing Company, "We have started off with 50 machines and has now increased to 100. We have supplied 25,000 PPE kits and 400,000 masks as of now since the demand for the same begun two weeks ago. We see demand for these kits will be that of garments as the world will undergo 'new normal' post Covid-19. Unlike earlier, every other department in the healthcare sector will start prescribing usage of these kits as a basic need going forward as fear psychosis caught the people globally. The demand for these kits could well become a permanent one, particularly from the buyers of the US and Europe."

FINANCIAL WOES

# IndiGo for deferring aircraft lease rentals by six months

PRESS TRUST OF INDIA
Mumbai, April 21

**THE COUNTRY'S LARGEST** airline IndiGo is working with aircraft lessors for deferring lease rental payments by at least six months, a source said on Tuesday as suspension of flight services is adversely impacting its financial position.

IndiGo has 259 planes in its fleet comprising A320s, A320Neos, A321s and ATRs.

Airlines are grappling with acute financial woes as commercial services remain suspended in the wake of the nationwide lockdown to curb spreading of coronavirus infections.

Against this backdrop, the source said IndiGo was looking to defer payment of aircraft lease rentals to lessors.

The Gurugram-based carrier largely finances its aircraft through sale-and-lease back mode. Under this arrangement, an aircraft is sold and then taken back on lease by an airline. Generally, the arrangement helps in reducing maintenance costs related to an aircraft.

"IndiGo has been seeking to defer payment of aircraft lease rentals by at least six months. It is working towards this with its lessors," the source told *PTI*.

When contacted, an airline spokesperson said, "we don't comment on speculation."

According to IndiGo's December quarter earnings presentation, the net outgo towards aircraft and engine rental payments during the three months stood at ₹134.30 crore.

Lease rentals and maintenance expenses, among others, are part of an airline's fixed costs. These costs accumulate irrespective of whether flights are operating or not.

At the end of December 2019, IndiGo had a total of 257 planes.

On March 26, aviation consultancy Centre for Asia Pacific Aviation (CAPA) estimated $3-3.6 billion losses for the Indian aviation industry in the first quarter of this fiscal. CAPA's report came a day after the nationwide lockdown was implemented. The lockdown, which was to initially end on April 14, has been extended till May 3.

Commercial flight services remain suspended since March 25 and only certain flight operations, including those for ferrying cargo, are allowed.

### SALE-AND-LEASEBACK MODE

- IndiGo has 259 planes in its fleet comprising A320s, A320Neos, A321s and ATRs
- The Gurugram-based carrier largely finances its aircraft through sale-and-lease back mode
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- According to IndiGo's December quarter earnings presentation, the net outgo towards aircraft and engine rental payments during the three months stood at ₹134.30 crore

# HUL, Nestle India say plants operating at reduced capacity

PRESS TRUST OF INDIA
New Delhi, April 21

**Nestle India says it has received permission to operate all units along with distribution centre, warehouse and suppliers, but all are on scaled-down operations**

**FMCG MAJORS HUL** and Nestle India on Tuesday said all of their manufacturing plants have resumed operations but are unable to utilise full capacities due to restrictions on the movement of workers by local authorities in various states and lesser staff deployment at factories.

Both the companies said they are working with local authorities and the state governments to ease the restrictions so that plants can operate in full capacity.

"Most of our factories, many of our distribution centres and majority of our suppliers are operating, but in general, not at their full capacity," a HUL spokesperson told *PTI* when asked about the status of operations at the company's plants.

Explaining why the plants are not fully functioning, the spokesperson said, "We continue to face local or state restrictions in the movement of our people who are working in the essential goods supply chain."

"We continue to work with local and state government authorities to get our operations towards the required capacity that the people in our country expect from us." Nestle India, which manufactures popular instant noodles Maggi, Nescafe coffee, Cereal infant cereal and KitKat chocolate, also said its plants have become operational but at a scaled down level due to restrictions imposed by local authorities and state governments.

The company said it had received permission to operate all units along with distribution centre, warehouse and suppliers, but all were on scaled down operations.

"The scaled down operations at various locations is essentially on account of applicable social distancing norms and the lesser deployment of people.

"The scaling up, scaling down or suspension of operations at various locations is dependent on the directions of the Central and State Governments and authorities," Nestle India said in a regulatory filing.

Nestle India said it is, "closely monitoring the situation and will take all necessary measures as directed by the Central and State Governments and authorities, from time to time." However, the company said it can not access the impact of coronavirus pandemic and the lockdown on the company at this time.

Nestle India, a subsidiary of NESTLE SA of Switzerland, operates eight factories in India.

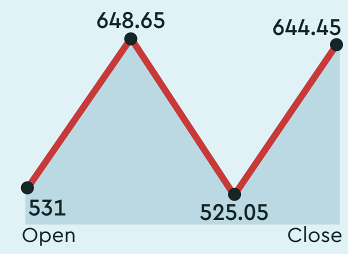
HUL said to optimise its available man power resources, it has shifted to larger order sizes and direct shipping from factories but that is not sufficient to meet demand.

## Street Signs

### Aurobindo Pharma

Stock rises to 10-month high after USFDA grants VAI classification for its Hyderabad unit

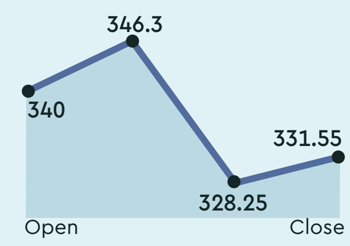
19.22%




### ICICI Bank

Shares decline on $100-m exposure to troubled Singaporean oil trader Hin Leong

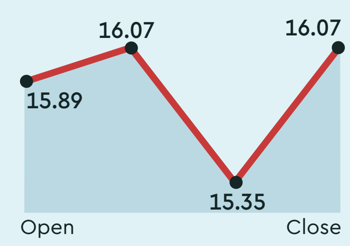
8.28%




### Morepen Labs

Scrip climbs on receipt of licence to produce Hydroxychloroquine

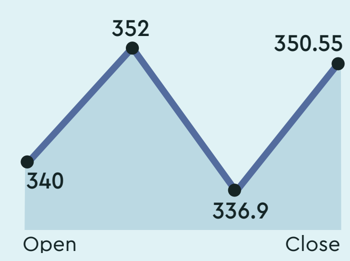
9.99%




### Jubilant Life Sciences

Stock hits upper circuit as billionaire investor Jhunjhunwala hikes stake in the company

4.56%




# Amul eyes 15% growth in turnover this fiscal despite Covid-19, from over ₹38k cr in FY20

PRESS TRUST OF INDIA
New Delhi, April 21

**GCMMF, WHICH MARKETS** dairy products under Amul brand, expects its turnover to grow 15% this fiscal year from ₹38,550 crore in FY2019-20 despite economic slowdown caused by the nationwide lockdown to control coronavirus outbreak.

The household consumption of milk and other dairy products is expected to rise and will compensate any temporary loss of sales caused by closure of hotels, restaurants and cafeterias (HoReCA segment) during the ongoing lockdown period, said R S Sodhi, MD of Gujarat Cooperative Milk Marketing Federation (GCMMF).

"Covid-19 will not have any impact on demand of the food products. Our sales in value terms during this month are at par with the same month last year. The demand of some products has come down but at the same time sales of many products have risen," Sodhi told *PTI* in an interview. Asked about the outlook for this fiscal year, he said: "We expect our turnover to grow by 15%." GCMMF clocked 17% growth in its turnover at ₹38,550 crore during the FY2019-20. On the current situation of its milk operation, Sodhi said, "Gradually things are settling down."


Amul sells 140 lakh litre milk per day mainly in Gujarat, Delhi-NCR, Uttar Pradesh

Regarding sales, he said the demand for fresh milk had declined by 8% as hotels and restaurants are closed. "HoReCa segment contributes 12-15% of the total demand. But, fall is less as household consumption of fresh milk and butter milk has increased."

Sodhi noted that sales of butter, ghee, paneer, cheese and milk powder have gone up in the range of 20-35% as people are consuming more. However, he pointed out the demand of ice-cream has fallen sharply by 85%, while sales of cream and mozzarella cheese are down by 70% and 50%, respectively.

Sodhi said the company has diverted the idle supply chain of ice-cream into distribution of other dairy products. "Our milk procurement from farmers has increased by 15% as unorganised players are not buying," he said.

The surplus milk is being processed to manufacture skimmed milk powder (SMP), whose price has crashed to ₹250 per kg from ₹320 before lockdown, he said.

"Our capital is getting blocked because of higher milk procurement. But we need to support farmers during this period," Sodhi said. The GCMMF has not increased or decreased the milk procurement rates, he said, but added that prices have fallen by ₹7-10 per litre across various states. Sodhi said the fall in procurement rate is more in states like Uttar Pradesh where there are no cooperatives in the dairy business. Amul sells 140 lakh litre milk per day mainly in Gujarat, Delhi-NCR, Uttar Pradesh.

Its dairy products are sold across the country. It has milk processing plants in many states.

# Carlyle ropes in head-hunting firm to find new MD for India

BAIJU KALESH & ANTO ANTONY
Mumbai, April 21

**CARLYLE GROUP HAS** kicked off its search for a new senior manager in India, where the private equity firm has invested about $2.5 billion, according to people familiar with the matter.

The buyout firm is working with head-hunting company Egon Zehnder to look for a new managing director who could lead or co-lead its business in India, the people said. Vikram Nirula, who joined in 2018 as managing director, will soon be leaving the company, said the people, who asked not to be identified as the information is private.

A representative for Carlyle declined to comment, while Nirula and a representative for Egon Zehnder didn't immediately respond to requests for comment.

Carlyle, which opened its Mumbai office in 2005, made its first investment in India a year later and has since backed 22 local companies, according to its website. Metropolis Healthcare, PNB Housing Finance and SBI Life Insurance are among companies that it is still invested in. Last month, the private equity firm sold a 10% stake in SBI Cards & Payment Services through an initial public offering. Carlyle still holds 16% in the country's second-largest card issuer.

Nirula and Neeraj Bharadwaj are Carlyle's two managing directors in India. Bharadwaj joined the firm in 2012 after working at Accel Partners and Apax Partners. Nirula spent 18 years at True North Managers, a local private equity firm that he helped found, before he took up the job at Carlyle in 2018. —BLOOMBERG

The private equity firm has invested about $2.5 billion in India

# Working capital crunch hits Gujarat ceramic cluster

FE BUREAU
Ahmedabad, Aril 21

**INDIA'S LARGEST CERAMIC** industry cluster, situated in and around Morbi town in the western part of Gujarat, wouldn't be able to start operations for at least a couple of months following severe working capital crunch and other issues, even after availing permission from the state government to start manufacturing activities.

"Nearly 900 units in and around Morbi town are closed even before the announcement of first phase of lockdown. Now the government is encouraging us to start production. But most of these units are facing scarcity of working capital as more than ₹1,200 crore have been stuck since mid-March. We don't see any possibility of payment from different stakeholders in near future even if lockdown would be lifted," says Nilesh Jetparia, president of Morbi Ceramic Association, adding that in such critical situation, the industry would require some sort of package from banks to address the issue.

Moreover, there has been no demand from domestic as well as international markets and hence it would take at least couple of months to start production, he says. The ceramic industry of Morbi and elsewhere will have to wait for the revival of real-estate sector and only after that some demand would be generated, he added.

Many export-oriented units in Morbi had produced tiles and other sanitary items after they received export orders, but due to Covid-19 outbreak they are not able to supply goods which have already been manufactured for shipments in different countries, says Dinesh Sadsania, a leading exporter in Morbi. Nobody knows when these expensive products specially manufactured for export markets would be shipped to different countries, he lamented.

Nearly 25% to 30% of the Morbi ceramic cluster's total production is being exported to over 170 countries across the world. Of the total export, nearly 35-40% is being exported to Middle-East countries. According to Sadsadia, due to holy month of Ramzan, markets in Muslim-dominated countries would remain close till May 25, 2020. Against the annual turnover of around ₹45,000 crore, the cluster's value wise exports stands at approximately ₹13,000 crores.

"In domestic market ceramic units give up to five months credit to dealers. Huge amount of Morbi based units stuck with dealers. Looking to years of business relations, we can't pressurise dealers to pay money instantly as they are also facing financial crunch in current situation," he added. Sources in the industry also foreseeing issues related to transportations as well as migrant labourers who have gone to their home-state following lockdown.

Owners of ceramic units are giving ration to those workers and their families who decided not to return to their natives and instead preferred to stay at Morbi.

## Quick View

### 'More than half of Indian cos expect moderate impact'

ABOUT 57% OF organisations in India expect a moderate to large negative impact on their businesses in the next six months while 46% expect the effects of Covid-19 pandemic to last over 12 months, according to a survey by global advisory firm Willis Towers Watson. The survey further said 83% organisations plan to review their work-from-home policy.

### REC reaches out to 76k in lockdown with food

STATE-RUN REC has reached out to over 76,000 people with food and ration during the lockdown to contain Covid-19, stated a power ministry statement. The REC has tied up with Delhi Police to provide 500 food packets on daily basis, it said. Concerned over their plight, the REC Foundation, the CSR arm of REC, is distributing cooked food, ration, utility packets, masks, sanitisers and even providing shelter during the lockdown, it noted.

### Panchshil, Force Motors to donate 15k PPE kits

PANCHSHIL REALTY ON Tuesday said its CSR arm has tied up with Force Motors to distribute 15,000 personal protective equipment (PPE) kits to hospitals engaged in treating coronavirus patients in Pune. Panchshil Foundation has partnered with Force Motors to provide vital PPE kits to hospitals handling Covid-19 patients in Pune.

### Daimler India extends warranty support

IN THE LIGHT of the nationwide lockdown, Daimler India Commercial Vehicles (DICV) has announced a two-month extension for warranties and extended warranty repairs. BharatBenz vehicles with warranty/-extended warranty contracts ending between March 15, 2020, and May 15, 2020, or having their next service schedule during this period, now have an extra two months leeway. This will also be of great benefit to customers with vehicles lying idle during the lockdown.

BUSTING CORONA MYTHS

# FB working with 8 third-party fact-checkers to flag misinformation

PRESS TRUST OF INDIA
New Delhi, April 21

**FACEBOOK IS WORKING** with eight independent third-party fact-checking entities, covering 11 Indian languages, to identify misinformation around Covid-19, its India managing director Ajit Mohan said.

Besides, the social media giant is also imparting training to local governments and emergency health organisations on designing impactful health campaigns and accurate messaging with special focus on coronavirus.

"We are deeply committed to being an ally for India as the country fights the Coronavirus outbreak and addresses extraordinary challenges on both the healthcare and economic fronts," Mohan said in a blogpost.

He added that the company is focussed on connecting people to accurate information from health experts, curb misinformation and support local communities and businesses.

"We have eight independent third-party fact-checking partners covering 11 Indian languages as well as English. On Facebook and Instagram, we reduce the distribution of content that these partners label as false," he said.

Mohan added that if users still see this content appear on their news feed, it attaches a label warning of misinformation along with a link to a fact-checked article.

Facebook is also enabling greater collaboration between its fact-checkers and official state and national governments in its efforts to notify the public of misinformation.

Internet companies like Facebook, Google and ShareChat have stepped up efforts to tackle the spread of rumours and fake news on their platforms amid the coronavirus pandemic that has seen cases rise to almost 19,000 and claimed over 600 lives in the country.

In India, the company is running a coronavirus information centre on Facebook and a WhatsApp Coronavirus Information Hub

Mohan said Facebook's teams are also imparting training to local governments and emergency health organisations, given the increasing need to get timely and accurate information to local communities.

"We have so far trained the Union Health Ministry, state units of the National Health Mission, State Governments of Kerala, Delhi, Karnataka, Telangana, Maharashtra, Andhra Pradesh, Rajasthan, Punjab and Odisha," he said.

Mohan added that the company was also making efforts to ensure some of these states used the power of the platform to amplify their efforts through ad credits, as well as strategic marketing support for a scaled coronavirus response.

It has also banned advertisements and commerce listings for masks, hand sanitiser, surface disinfecting wipes and coronavirus testing kits in order to help protect against inflated prices and predatory behaviour.

"And if we see people selling these products in organic posts on Facebook or Instagram, we remove them. We have also banned ads and commerce listings that imply a product guarantees a cure or prevents people from contracting the Coronavirus," Mohan said.

In India, the company is running a coronavirus information centre on Facebook and a WhatsApp Coronavirus Information Hub.

WhatsApp also has partnerships with the Centre and state governments, while Messenger has a partnership with MyGov India and the health ministry.

# Opinion

WEDNESDAY, APRIL 22, 2020

DOMESTIC HARMONY

Union minority affairs minister Mukhtar Abbas Naqvi

"India is heaven for Muslims; their social, economic and religious rights are secure...Those people trying to vitiate this atmosphere of prosperity, they cannot be friends of Indian Muslims"

## Let migrant workers go home

Clusters will allow easier pooled testing; with diligent testing and quarantining, chances of spread can be minimised

**THE EXTENDED LOCKDOWN,** while desirable from the point of view of India trying to flatten the curve of Covid 19-transmission so that its healthcare system is not overwhelmed, has underscored just how vulnerable millions of migrant, unorganised sector workers in the country continue to be. If it was the migrants' homeward march over hundreds of kilometres that marked the first phase of the lockdown, the visuals of thousands of migrants protesting in front of the railway station in Bandra, Mumbai, despite lathicharge by the police, mark its extension. The plight of the migrants, in the short run, must be treated as a humanitarian crisis needing urgent attention. To be sure, states did try early on to relieve them of the pain brought about by the lockdown decision—even this temporary cessation of wage flow impacts their and their families' survival. The Delhi government, and some NGOs started providing food daily at homeless shelters while Maharashtra, armed with a roster of nearly 30,000 migrant workers stranded in Mumbai, created temporary shelters that also provided food. While the Supreme Court has ordered adequate medical facilities apart from food, drinking water, and sanitation to be provided at relief camps for migrants, and the Centre has directed all states and union territories to take such welfare measures, there is many a slip twixt intent and implementation. There have been reports from Delhi-NCR, Surat, Mumbai, etc, of the necessary relief either being in short supply or not available at all. Add to this the fact that social distancing and advised hygiene measures would be practically impossible to follow in camps, significantly raising transmission risk, cities seeing high migrant labour inflow are ticking Covid-19 time-bombs.

Against such a backdrop, states like Rajasthan have urged the Centre to allow migrants to travel back to their villages—indeed, as *FE* has reported, Maharashtra has allowed 1.3 lakh sugarcane workers to return to their native villages within the state—with the hope that once the transmission curve is reasonably flattened, the migrants can return to work in the cities. That could be a solution worth exploring, but only if there is a strategy to ensure rigorous testing, quarantining, and social distancing during travel. While testing may not prove a panacea at the population level, or even at a very large scale—as argued by eminent public health expert Dr K Srinath Reddy in these pages (*bit.ly/2Vrqo9O*)—the fact is, pooled testing in a cluster could be used to identify infection or exposure. It would be easier to deal with the problem of false positives (associated with a high sensitivity test like RT PCR), or false negatives (associated with the rapid antibody tests) in clusters of migrant workers given the absolute numbers will be low. Those who test positive can then be quarantined in the city of their work, while the rest are allowed to travel back to their states; with most states now insisting on quarantining all who arrive from other states, any case missed earlier can also be identified. Alternatively, a mandatory quarantining near the arrival station could be ordered to check for any infection that was missed earlier. Given incidence in rural areas, as has been reported by states, has been absent to quite low, there is a need to ensure that urban to rural transmission doesn't take place. But, given the Centre, as per an April 19 notification, deems it fit to allow migrant workers to travel for work within the state they migrated to, it is hard to see why, with due testing and quarantining diligence, they can't be allowed to go back home.

## Central teams a good idea

Corona spreading in a state has an all-India implication

**THE CENTRAL GOVERNMENT** sending teams to monitor certain hotspot districts in four states—West Bengal, Rajasthan, Maharashtra, and Madhya Pradesh—has, unsurprisingly, raised the hackles of some who see this as opposition politics; the first three states are all non-BJP ones. West Bengal CM Mamata Banerjee was the first to say she wanted to know the criteria used to select the states, and that the move may not be in keeping with the spirit of federalism. The optics may look bad, but there has been no team sent to the CPM-ruled Kerala since it is obvious the state has done a great job in controlling the virus; this is not so in the other states. Infection levels in Maharashtra have grown faster than the all-India average in the last five days, and the state's death rate of 5%—versus the national average of 3.2%—suggests the state's infections are still understated. What makes things much worse is the large number of cases discovered in populous slums like Dharavi, where social distancing is next to impossible.

The fatality rate in Maharashtra was a high 7.5 on April 13, and fell to 5 on April 21 only because the number of those infected rose from 1,985 to 4,666; high fatality rates suggest high infection levels and, sooner or later, that shows up in the numbers.

Something similar was observed in Gujarat, where the fatality rate was 9.5% on April 4, and fell to 3.7% on April 21 as the number of those infected rose from 105 to 1,939; indeed, given Gujarat has had the fastest growth over the last five days, it should be included in the states where teams are being sent. While West Bengal's infection growth is higher than the all-India average, an additional problem is that, at 55 per million, it has very low testing rates as compared to 557 for Kerala, and 1,400 for Delhi. Uttar Pradesh is another state that is testing too little (147 tests per million people) and, like West Bengal (3.9 persons infected per million population), it also has an unbelievably low infection rate (5.5); Bihar is worse, with 99 tests and 0.9 infected persons per million.

Once the teams come back, both the Centre and the states need to discuss how best to tackle the problem. This could be more pooled community tests, more drone surveillance to ensure social distancing, more deployment of police and volunteers (as in Andhra Pradesh) for intense tracking of those the infected people have met, more protection equipment for medical teams, etc. Under no circumstances should anyone connected with the government, or the ruling party point fingers at how opposition states are faring when dealing with the virus; this has happened in the past, and it is important to keep in mind that the battle is a joint one, with no place for either the central or state politicians' egos. Normally, health issues are to be dealt with by the states, but in this case, a runaway infection can spread across borders just as quickly since, while ICMR has not yet declared that community transmission is occurring, this is bound to happen.

## MoonRAKER

The US should not have rushed toward declaring private interest in space exploration. It sets a dangerous precedent

**THE US CAN** easily claim that its exclusion from the Moon Treaty in 1979 gives it an advantage to start commercial mining on the moon and asteroids. And that only 18 of the 95 nations that today form a part of the Committee on the Peaceful Uses of Outer Space under the United Nations Office of Outer Space affairs were signatories to the treaty. Still, the unilateral American move to allow space mining smacks of a disregard for global consensus, and a exceptionalistic approach, especially against the backdrop of a raging pandemic taking up nearly all the policy mindspace across the globe. Ideally, US president Donald Trump should have discussed the issue of space mining in a multilateral or global forum where laws applicable to all nations would have been framed before passing an executive order declaring space open for American private interests.

The US Congress, in 2015, had passed the US Commercial Space Launch Competitiveness Act, allowing private entities to sell goods mined in space—putting the consultative process that the UN was trying to establish in danger. It is likely that the 1967 Outer Space Treaty, then signed between the US and the former USSR, and later ratified by 109 countries, has been violated. As the world inches closer to private interests launching ventures that can exploit abundant resources available in space, the need for collaboration for sustainable and equitable development is given the short shrift. Other nations deciding to follow the American example will also lead to weaponisation of space programmes. Populist world leaders flirting with deglobalisation could well blow up in the world's face.

CRISIS MANAGEMENT

THE CORONA-CRISIS COULD FUEL MORE MIGRATION FROM LOW-INCOME DEVELOPING COUNTRIES THAN CURRENT FORECASTS PREDICT, AND EXACERBATE FINANCIAL-MARKET INSTABILITY

# Saving the developing world from Covid-19

MOHAMED A EL-ERIAN

Chief Economic Advisor, Allianz
*Views are personal*

**DECLINING CORONAVIRUS INFECTION** rates, and plans to begin easing lockdown measures in some parts of the developed world have provided a ray of hope after weeks of unrelenting gloom. But, for many developing countries, the crisis may barely have begun, and the human toll of a major Covid-19 outbreak would be orders of magnitude larger than in any advanced economy. With the United States having recently recorded more than 2,000 deaths in a single day, this is no trivial number. If the international community doesn't act now, the results could be catastrophic.

Sub-Saharan Africa is a case in point. Several countries there would face significant challenges in enforcing social-distancing rules, and other measures to flatten the contagion curve. The region's already-weak healthcare systems could thus quickly become overwhelmed by an outbreak, especially in a high-density area.

Africa has long suffered from a severe shortage of healthcare workers, with only 2.2 workers per 1,000 people (compared to 14 per 1,000 in Europe) in 2013. And, few African countries have a meaningful supply of ventilators, a crucial tool for treating serious cases of Covid-19. Nigeria is reported to have fewer than 500 in total, while the Central African Republic may have no more than three.

Moreover, Sub-Saharan African governments have little fiscal and monetary space (or operational capacity) to follow the advanced countries in countering the massive impact of containment measures on employment and livelihoods. Spillovers from Asia, Europe, and the US—including depressed commodity revenues (due to declining demand and prices), rising import costs, a collapse in tourism, reduced availability of basic goods, lack of foreign direct investment, and a sharp reversal in portfolio financial flows—have already exacerbated these constraints. For those who had access to international capital markets, terms have become notably more onerous.

While Sub-Saharan Africa is not without some defences—including strong family networks and cultural resilience, as well as lessons learned from the Ebola crisis—there is a real risk that this Covid-19 shock would lock it in a race between deadly hunger and deadly infections. Some states, already rendered fragile by decades of weak political leadership or corrupt authoritarianism, may even fail, which could fuel violent unrest, and create fertile ground for extremist groups.

The risks are not limited to the short term. Countries are also vulnerable to major future productivity losses, via both labour and capital. Prolonged school closures and joblessness could contribute to increases in domestic violence, teenage pregnancies, and child marriage, especially in countries that lack basic infrastructure for remote schooling.

Simply put, Sub-Saharan Africa may be about to confront a human tragedy so profound that it could leave a generation adrift in some countries, with consequences that extend far beyond the region's borders. Two examples perfectly illustrate the multifaceted spillover risks.

First, by drastically reducing Africans' current and future economic prospects, the Covid-19 crisis could eventually fuel even more migration than current forecasts anticipate. Second, by triggering a series of corporate- and sovereign-debt defaults, an uncontrolled Covid-19 outbreak could exacerbate the financial-market instability that the US Federal Reserve and the European Central Bank have taken such strong action to repress. This increases the chances of reverse-contamination from the financial sector to the real economy.

The scale of the threat is not lost on the International Monetary Fund, which, through an enormous ongoing effort, has moved quickly and boldly to increase emergency funding. More than 90 developing countries have already approached the IMF for financial assistance. Together with the World Bank, the Fund has also called for official bilateral creditors, including China, which has become a major creditor in recent years, to suspend debt payments by the poorest developing countries. Leading the way here too, the IMF is providing immediate debt relief for 25 of its low-income member countries, using grant resources to cover their multilateral debt-servicing obligations for six months.

> **Developed countries should not only share best practices for containment and mitigation of the pandemic but also universally deploy effective medical treatments, or even a vaccine**

Meanwhile, some countries, such as China, have offered large in-kind medical donations (what less charitable observers have described as "face-mask diplomacy").

But, to stave off disaster in vulnerable regions, the international community must do a lot more. Advanced economies, in particular, should supplement the home bias that has (understandably) characterised their responses so far with a broader assessment of the global effects, including spillovers to, and spillbacks from Africa.

They should expand official funding assistance, facilitate broader debt relief, and urgently establish an international solidarity fund that other countries and the private sector could join.

Furthermore, developed countries should do more to share best practices for containment and mitigation of the pandemic. To facilitate this process, the World Health Organization needs to do a better job of centralising, and disseminating relevant information. Advanced economies' leadership, one hopes, will soon extend to the universal deployment of more effective medical treatments, or even a vaccine.

Finally, the international community must do a lot more to crowd in private-sector resources. Much as it did in the developed countries, the private sector can play an important role in the crisis response in vulnerable regions, both directly, and through proliferating public-private partnerships. While pharmaceutical and tech companies will do a lot of the heavy lifting, private creditors can help by working on orderly ways to reduce the immediate debt burden on more challenged developing countries.

But, again, this will require greater emphasis on enabling mechanisms. A bigger shift in mindset on the part of multilateral lenders and other international bodies (including the World Bank) will be needed.

The Covid-19 pandemic threatens to devastate large parts of the developing world. Only with a concerted, cooperative, and holistic approach can the international community avoid a large-scale humanitarian tragedy—and protect the rest of the world from destabilising blowback.



# The migrant knock

States must build an immediate framework for reaching out to distressed migrants, apart from extending PDS benefits to stranded wage labourers

YOGESH SURI & SATWIK MISHRA

Suri is Senior Advisor, & Mishra is Young Professional, NITI Aayog. *Views are personal*

**THE UNION GOVERNMENT** has adapted quickly, building a new welfare module to deal with the Covid-19 pandemic. A substantive relief package announced under Pradhan Mantri Garib Kalyan Yojana (PMGKY) was the start of this module. However, there are unintended consequences of the much-required lockdown that have to be concurrently addressed. One of these is the food security challenge facing migrant workers.

The current Public Distribution System (PDS) structure comes from the National Food Security Act, 2013. The Act covers 81 crore citizens, identified by states and union territories to obtain rice, wheat, and coarse cereals at highly subsidised prices of ₹3/2/1 per kg, respectively. PDS benefits are availed of locally, at over five lakh fair price shops all over the country. These are linked to the beneficiary's ration cards. The benefit under the act were augmented in the PMGKY relief package by allocating an additional 5 kg of foodgrains per person, and 1 kg of pulses per family free of cost for the next three months.

According to the Economic Survey of FY17, there are approximately 100 million migrant workers in India. Migrants don't have geographical access to their local fair price shops, or to their ration cards, the latter presumably left behind with their families. The government had taken cognisance of this anomaly even before the pandemic hit. Over 12 states were already in the pilot phase of the "One Nation One Card" scheme, which would allow migrants to avail of this benefit wherever they ordinarily reside for their work. This pilot is scheduled to be scaled across the country by June 2020. However, present circumstances call for immediate roll-out of access to benefits under this scheme with proactive support from states/UTs.

As opposed to the market price for wheat and rice, which ranges between ₹32 and ₹45, respectively, the Centre has allowed NGOs and state governments to buy extra stocks from FCI at ₹20 and ₹22 for the same. Earlier, any sale outside the PDS network was available only to bulk purchasers and states through online bidding. Allowing for this additional procurement will ensure that states and NGOs are able to distribute it to beneficiaries (including migrants) for free, or at highly subsidised rates.

Along with the Centre's efforts, there have been substantive efforts by many states/UTs to cover a larger net of citizens for PDS benefits. At the states' level, delinking the need for ration cards to avail of PDS benefits, and reaching out to specific marginalised beneficiaries, has been a key component of this strategy. Delhi has bolstered PDS benefits by 50%, and has decided to extend these benefits to non-ration card holders along with the usual beneficiaries, benefitting over 7 million people. Uttar Pradesh is providing 20 kg of wheat and 10 kg of rice per household to a list of beneficiaries, which includes 16.5 million construction workers and daily wage labourers. The state has also announced universalisation of PDS. This universalisation strategy for the interim period has been announced by Chhattisgarh, Jharkhand, Rajasthan and Telengana as well. Kerala, which is being lauded for its control of the pandemic, has undertaken a substantive effort to reach out to migrants, with the chief minister having spoken of extending full assistance in the form of food, proper shelter, and healthcare to all migrant workers. Given that identification of beneficiaries under PDS is the state government's prerogative, these models may be emulated across states to reach out to migrants.

Beyond these measures, there is a need to build an immediate framework at the state level for reaching out to distressed migrants. Firstly, state governments must aggressively build capacity for self-identification of migrants for augmenting the beneficiary list under PDS. They must set up an immediate institutional mechanism that migrants can apply to for accessing PDS benefits. Given the extraordinary circumstances, in the immediate term, states may even err on the side of over-inclusion. Secondly, PDS benefits can be temporarily de-linked from ration cards, while relying on other ID documents such as Aadhaar cards to give out benefits. Thirdly, there should be continuation of calibrated cash transfers. This will ensure that migrants can access the market where PDS fair price shops aren't available. For instance, the Bihar government has enabled downloading of a weblink for registration only by workers outside the state. This was followed by transferring money to 10.11 lakh workers. Fourthly, public spaces like government schools, anganwadis, and volunteered private spaces may be allocated to NGOs to set up ration distribution centres to maximise scale. Fifthly, large-scale community kitchens should be set up with the help of philanthropic organisations. Here, care needs to be taken while distributing food to the distressed, by maintaining adequate safeguards like wearing masks, and following norms of hygiene, social distancing, etc. Finally, a mass awareness campaign must be imminently envisaged to reach out to migrants regarding any measures that the state and central governments have envisioned for their relief.

The Iranian-American novelist Dina Nayeri once wrote, "It is the obligation of every person born in a safer room to open the door when someone in danger knocks." For the marginalised migrants, that "safer room" today is the welfare net of the state. New doors need to be built, and kept open to ensure migrants' accessibility and availability to food in these difficult times.

## LETTERS TO THE EDITOR

### Working from home

The lockdowns in many parts of the world have already forced millions to work from their homes. The extent to which the pandemic will accelerate teleworking and the emergence of a digital world remains to be seen. It must, however, be asked whether all kinds of work are really amenable to being done remotely. A lot of core economic activities are beyond "apps" and "video conferencing", AI, robots, and the like. The range of work humans have evolved to do cannot be contracted to the internet, mostly relied on for WFH. The expenditure of human labour in the 'wider world', as against home working, is what sustains human populations. We are biologically so constructed that we cannot rely on laptops and smartphones for sustenance. The nature of work decides leverage and limitation, and where and how we work. Home cannot be converted into a work area to do all kinds of work, for instance, that done in factories and agricultural fields. It is just not feasible to manufacture or mass-produce goods or grow crops from homes. Home is too small a place for manufacturing involving processes. Agriculture needs on-the-field work. Similarly, streets and sanitary facilities cannot be cleaned online. No technology exists to build buildings, roads, bridges, ports and dams from home. Perhaps, home is a 'suitable' workplace for creative people like poets, artists and musicians as solitude is said to heighten creativity. But then for 'raw material' and inspiration they too may have to come outdoors as often as they could. We are in the middle of a relentless pandemic (and months away from a vaccine, thankfully Covid-19 is a vaccinable virus) to predict its impact on work and workplaces, and by extension, on our lives and lifestyles.

— G David Milton

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Regd. No: MM&PO/ WB/ RNP-75/ 2003 RNI No. 53038/91 Printed and Published by V Srinivasan on behalf ofThe Indian Express Private Limited and Printed at Saraswati Print Factory Pvt.Ltd, 789, Chowbhaga (West), Kolkata -700105 and Published at The Indian Express (P) Ltd . JL No.29 & 30, N.H.-6, Mouza - Prasastha & Ankurhati, P.O. - Salap, P.S.-Domjur, Howrah - 711 409..Ph : 033 66043800 Fax : (033) 66043825 & 66043847 (Cover price: North East States & Andaman: Mon-Fri ₹10, Sat ₹13, Sun ₹13). Chairman of the Board: Viveck Goenka, Managing Editor: Sunil Jain, Deputy Managing Editor: Shobhana Subramanian * (*Responsible for selection of news under the PRB Act ) . 

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SPREAD & SPREADSHEETS

# What the Covid-19 numbers tell us

The next seven days for India will be crucial. Need to test more and more people who show symptoms—for only then can we know whether it has spread or is under control

| World | Total cases | Cases/tests carried out | Death/cases | Recovery/cases |
|---|---|---|---|---|
| US | 7,65,128 | 19.8 | 5.3 | 9.3 |
| Spain | 2,00,210 | 21.5 | 10.4 | 40.3 |
| Italy | 1,78,972 | 13.2 | 13.2 | 26.3 |
| France | 1,52,894 | 33.0 | 12.9 | 23.9 |
| Germany | 1,45,743 | 8.4 | 3.2 | 62.8 |
| UK | 1,20,067 | 24.9 | 13.4 | n.a. |
| Turkey | 86,306 | 13.6 | 2.3 | 13.9 |
| Iran | 83,505 | 23.7 | 6.2 | 71.0 |
| China | 82,747 | n.a. | 5.6 | 93.2 |
| Russia | 47,121 | 2.3 | 0.9 | 7.3 |
| Belgium | 39,983 | 24.7 | 14.6 | 22.2 |
| Brazil | 39,144 | 62.1 | 6.3 | 56.5 |
| Canada | 35,056 | 6.4 | 4.5 | 33.8 |
| Netherlands | 33,405 | 19.5 | 11.2 | 0.7 |
| Switzerland | 27,944 | 12.5 | 5.0 | 63.7 |
| Portugal | 20,863 | 8.8 | 3.5 | 2.9 |
| **India** | **17,615** | **4.4** | **3.2** | **16.2** |
| Peru | 15,628 | 10.9 | 2.6 | 43.6 |
| Ireland | 15,251 | 16.8 | 4.0 | 0.5 |
| Austria | 14,795 | 8.1 | 3.2 | 71.9 |
| Sweden | 14,777 | 19.8 | 10.7 | 3.7 |
| Israel | 13,654 | 5.7 | 1.3 | 28.4 |
| Japan | 10,797 | 9.6 | 2.2 | 10.7 |
| S. Korea | 10,674 | 1.9 | 2.2 | 76.0 |

Source: Worldometer; data updated till April 20

| Country | What can we say about the last 7 days? |
|---|---|
| India | There have been 1,200-2,000 cases a day, which cannot still be ascertained to be the peak. Need to wait and watch |
| US | Peak not yet achieved with last week having 30,000 additions a day, which is higher than in the past. But last two days slightly lower. |
| UK | Detecting around 5,000 a day, which may be the peak plateau. |
| Germany | 2,000-4,000 a day, and much lower than the peaks reached earlier. |
| Italy | 2,600-3,800 a day. May have come off the peak. |
| Iran | 7 days of continuous decline from peak of around 1,600. Could be on decline now; 1,200-1,300 a day. |
| Switzerland | Less than 400 now, off peak. Looks to be tapering off. |
| Spain | Off peaks of 7,500 and between 3,500-6,500 a day. |
| France | Daily volatile between 1,000 and 12,000. |

THE COVID-19 PANDEMIC has given rise to a lot of speculation on how it spreads and can be cured, with various theories being espoused, which has led to a virtual lockdown of the entire world. While the implementation will vary across regions, in general, it can be said that most people are at home and that countries are progressively testing more people for the virus. The carriers could be primary or secondary and so on, and it is logical that the primary set consisted of people who had a travel history and came in touch with those who carried the virus. There would be many who got away and then spread it to others, which is something no one is sure of.

What is attempted here is to look at data as on April 20, and see if there are any trends that emerge on how this virus has affected countries. India is past the 'we are monitoring closely' phase. The accompanying graphic shows the total number of cases that exist as on April 20, and looks at three ratios. The first is the number of cases as a proportion of the number of tests carried out. This tells us how many patients were detected by the tests. The second is the mortality rate as the number of deaths as per cases detected. The last is the recovery rate of patients who have been deemed to be out of this disease. These numbers can throw some light on how one can interpret India's position statistically, which is not backed by any medical thought, but purely as a result of data interpretation.

Data should be interpreted with caution as different countries are at different stages of being affected by the pandemic, and testing operations have begun in a staggered manner. The US, Germany and Russia have tested as many as 3.9 million, 1.7 million and 2.1 million people, respectively, while India has tested around 400,000, which is the highest amongst developing countries. India's efforts need to be lauded.

Now, based on the cases detected to the numbers tested, India does well at 4.4%, compared with all the countries that have higher number of cases. India ranks 14th in the top-24 list in terms of number of cases, but this ratio signifies that out of those tested, the infected rate is very low, which is heartening. As mentioned earlier, this can be because we have tested more of the primary carriers and not the secondary ones, which can happen only as local authorities intensify testing. As our numbers have been increasing quite sharply by the day with tests being carried out, this proportion can increase, especially so, as these cases are being detected in areas of high population density. But, the pace of testing has increased in the last 10 days and has more than doubled.

The mortality rate is low in India as of now, at 3.2%, which is again heartening and compares well with Germany, Portugal and Austria. It is lower for Turkey and Russia. This ratio is again low compared with double-digit rates in the UK, Italy, France, Spain, Belgium and the Netherlands. As on date, the number is not alarming, and can also be partly attributed to better immunity in our country. In fact, all the countries with higher infected people tend to be from the developed world, with only Turkey and Iran being developing nations. But, climatic conditions are closer to the west than the east.

South Korea, Germany, Austria, Iran, Peru, Spain, Brazil and Switzerland have impressive recovery rates of above 40%, with South Korea, Austria and Iran going past the 70% mark. Again, as our numbers have been increasing of late, the result will be known only in the future, and is currently low at 16%.

Hence, even globally, the progress of patients is quite unsteady, and it is grim in the sense that recoveries are still low, even though some of them have been through a full month's cycle of the pandemic affliction. China has the most impressive results, with recoveries of over 90% and death rate of just 4%.

The above data gives an idea of how countries have fared as they keep testing more people and taking action of quarantine or hospitalisation. But, the question on everyone's minds is: When will all this stop? Is there anything that data can tell us about the course of the virus affliction? There is really no way in which data on afflictions, which is based on progressive testing, can be extrapolated for future scenarios, like done with economic data. Yet, there are some interesting trends that can be seen in the movement of new cases being detected in different countries.

The accompanying graphic looks at the last seven days' data on new cases being reported, and then checks if this trend (if at all) is above what was the peak earlier. If there was no peak earlier, then it means one must wait and watch as the current trend may or may not be the peak level. Some countries do show that the worst could be over as the incremental cases are much lower than the peak established over a period of seven days earlier.

Therefore, the next seven days for India will be crucial, and it is absolutely necessary to keep testing more people who show symptoms—for only then can we know whether it has spread or is under control. The current range of 1,200-2,000 has been due to more testing being done, and as it is still in the initial phases, the mortality and recovery rates are not as firm as those of European countries that have been through a whole month of spread. The US looks convincing, given the large numbers that have been tested.

The clue is to identify and isolate the cases so as to treat the patients and ensure that the virus does not spread. The proactive steps of the government have helped a lot in controlling the spread in India, but the next seven days will be crucial as it will set a new trend.

ICON OF THE GLOBAL SOUTH

# Remembering Martin Khor

ABHIJIT DAS

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*Views are personal*

People across continents, whom Martin motivated, will resolutely take forward the mission of his life

MARTIN KHOR, AN icon of the Global South, passed away in Malaysia on April 1. Talk to trade negotiators at the WTO, or those engaged in climate change negotiations, and the reverence in which he was held becomes evident. Although he was a true friend of India, his name might not be familiar.

Martin, as he was popularly called, combined multiple roles as an economist, journalist, strategic thinker and activist. He was also an evangelist, but for the cause of promoting the interests of developing countries at many multilateral forums. "Reform the system, so that it responds positively to the aspirations of developing countries", was his simple mantra.

For almost two decades, he worked as a director at the Third World Network, an international research and advocacy organisation. His sphere of activity expanded substantially as the executive director of the South Centre, a Geneva-based inter-governmental organisation, during 2009-2018.

His writings took many of the contemporary issues head-on and sought to explore different options for making developing countries and their citizens less disadvantaged in a power-dominated global order.

Martin's deep insights, and the ability to explain the economic and legal implications of complex negotiating texts in concise and simple language to sleep-deprived negotiators, with extremely short attention span, was incredible. Empowering developing countries' negotiators with facts, analysis, arguments and strategies became a habit with Martin.

At a time when developing countries with seemingly divergent interests were pursuing their narrow domestic agenda in WTO negotiations, Martin had the unique ability to identify common ground. It is no wonder that Martin became pivotal in shaping the approach of many developing countries during the Doha Round.

**He was an evangelist promoting the interests of developing countries**

Martin would always be ready with new ideas on how developing countries could be more effective in protecting their interests in future negotiations.

While pursuing his life's mission, Martin would not hesitate in knocking at the doors of ministers and even heads of governments. Not only would he have their ear, but many times he even got them to loosen their purse strings for his projects. This highlights the trust that many reposed in his analysis and judgment.

Martin perceived India to be one of the very few countries that could take up cudgels on behalf of other developing countries and negotiate hard for their common good. He believed that, if India succeeded in negotiations, it would also benefit others. As a result, he supported India in WTO negotiations.

At the Bali Ministerial Conference of the WTO in 2013, India was waging a determined battle to insulate its scheme of procuring food grains for food security reasons from legal challenges. Despite many countries facing similar problems, they chose to remain silent. An impression went around that India's position had little support from other developing countries.

Sensing that this situation would be damaging for India and also for other developing countries, Martin quickly swung into action. He organised a luncheon meeting in which the main item on the menu was public stockholding for food security purposes. He encouraged the invited countries to frankly articulate the problems they faced in implementing food security schemes. At least a dozen countries came out strongly in support of India's position. Martin had helped bust the myth that India was fighting only for its own cause. This added considerable political heft to India's negotiating approach.

India's achievement was also beneficial for many other developing countries including Indonesia, Turkey, Pakistan, Jordan, Tunisia, Zambia and Zimbabwe.

Any reflection on Martin's life would be incomplete without a mention of how he inspired scores of negotiators, researchers and activists to strive for solidarity among developing countries for establishing a just and fair global order. His passion for various causes was incredibly infectious.

Martin motivated a large number of people across continents, in both developed and developing countries.

May your soul rest in peace, Martin.

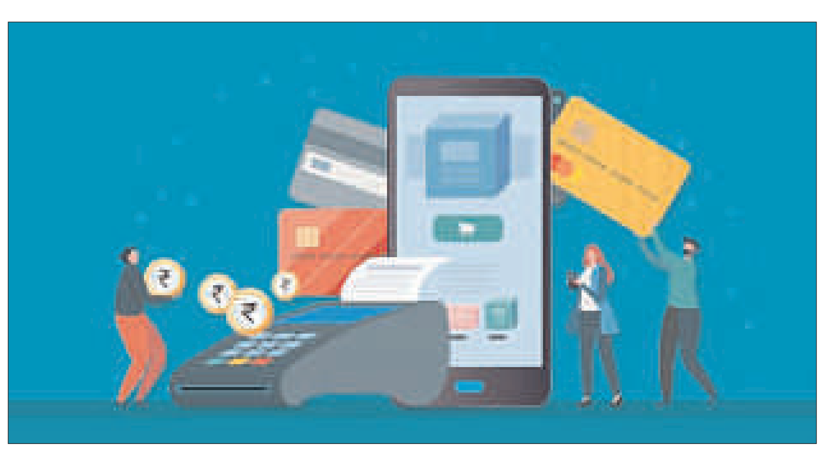
CONTACTLESS PAYMENTS

# Staying safe with digital payments

E-payments can help fight Covid-19. Here are a few FAQs answered for beginners

AP HOTA

Former CGM RBI, & former MD&CEO, NPCI. *Views are personal*



**I AM NOT a regular user of digital payments. I use my debit cards only for cash withdrawal from ATM. How can I migrate to mobile payment during lockdown?**

If you have a smart phone and your phone number is already linked with the bank account, you can easily migrate to mobile banking. Lockdown or no lockdown, adopting digital payments is the way to go. Steps involved are simple—download, activate and start using—in flat five minutes, if not two minutes as is claimed by many. For downloading the mobile banking package of your bank, go to Play Store/App Store in your phone. As you open the app, it would lead you to activate your mobile banking and ask a few questions to validate whether you are the right customer. It may also ask you to create a user ID and password. You will find various functionalities in the mobile banking app—including payments through IMPS and NEFT. Many banks have integrated UPI, bill payments and e-commerce links in the bank app itself. Thus, you would have all three digital payment options. They are available 24x7. Make small transfers of ₹5-10 to your family members or friends using all three options, and choose the one that suits you best. Personally, I would suggest using the UPI option because of its simplicity and variety of use cases and online grievance handling procedure. You can meet most of your payment transaction needs via UPI—like money transfers, payment of utility bills, school/college fees, ordering home delivery of food items or buying from e-commerce market places, and even tax payments.

■ **Can I not use third-party UPI/a digital payment app like BHIM ?**

Yes, you can. But, with mobile banking app of your bank, you can manage various types of banking transactions including payments. SBI has positioned its YONO application as "You Only Need One" app, and so is the case with many leading banks. My recommendation is that you use your own bank's mobile app, and supplement with one of the third party packages like BHIM, GPay, PhonePe or PayTM. BHIM is managed by NPCI—the operator for UPI system itself. If you are a frequent user of Amazon, it has Amazon Pay—their UPI offering. Almost all mobile banking packages and all UPI packages mandatorily have QR code features. At small *kirana* stores, you can open the UPI app and pay by the QR code.

■ **I have a credit card. But, I use the same only in physical stores at the POS device and to fund my wallet. Is it safe to use this credit card on the internet?**

Absolutely safe. Make sure that your mobile phone is linked with the credit card so that you get the mobile alert. When you make payments on the internet, at the checkout stage, opt for credit card option and provide the details required. You can save the details in the e-commerce app for future purchases. Most secure aspect of a credit card is CVV. It is not saved anywhere except the card-issuing bank/non-bank.

■ **My usage of digital payment is limited to use of a wallet, and I fund it from my credit card. Should I surrender my wallet and completely move to mobile banking app or third party UPI?**

You can continue to have a wallet and at the same time have the mobile banking app of your bank or a third party UPI app. If you bank with multiple banks, you can link all your accounts in a single UPI app and toggle between the banks with same UPI id.

■ **I used to pay all my bills and other institutional payments by cheques. I used to write the reason for issuing it in the record slip. With restricted movement, I am forced to adopt digital means. I am worried about how to keep a record.**

Not to worry. Digital equivalent is available in mobile banking apps. Full transaction history can be seen at any moment. Anyway, usage of cheque as a payment method is declining very fast with increased adoption of digital payments. Credit card payments can also be done digitally, if auto debit to your bank account has not been chosen.

■ **I am worried about cyber fraud. How can I be sure that my accounts are safe?**

Follow the tips regularly being sent by your bank through broadcast messages. Key recommendation is not to share your user Id, password, UPI/ATM PIN, OTP and account details with any one. Keep your mobile password protected so that no one misuses it. Look for SMS alerts for every transaction made. If you follow the bank prescribed precautions, you would not be liable even if there is a cyber-attack on your account. RBI has come out with zero liability circular to protect the customers, provided complaint is lodged with the bank within 72 hours of fraudulent transaction.

■ **Should I use debit card or credit card for my purchases? Can I link my credit card for UPI transactions?**

If you are a prudent user of credit card and make 100% payment in auto debit mode at the end of the billing cycle, I would recommend credit card. But, if liquidity is not an issue, you can opt for debit card. The payment gateways in India are reasonably secure, and there is no distinction between credit and debit card so far as data security of transactions are concerned. Backend fraud management practices at banks and credit card companies are equally good. But, for UPI linkage, currently RBI allows only bank accounts possibly for the reason that credit card data processing is not 100% in-house in banks. It is only a matter of time.

# International

WEDNESDAY, APRIL 22, 2020

**FUTURE TENSE**

Giuseppe Conte, Italian prime minister

"I would like to be able to say: we will open everything. Immediately. Tomorrow morning. But a decision like that would be irresponsible... jeopardise all the efforts we've made until now"

CORONA CRISIS

## Countries move to reopen amid UN health warnings

WHO says Africa has five beds per 1 million people, compared with 4,000 in Europe

ASSOCIATED PRESS
Copenhagen, April 21

**SPAIN WILL BEGIN** allowing children out of their homes for brief periods next Monday. Denmark announced plans to reopen Tivoli Gardens, the Copenhagen amusement park that inspired Walt Disney. And Australia said doctors can resume non-urgent surgery next week.

Countries across Europe and beyond — joined in the US by a cascade of states — moved to gradually reopen amid warnings that acting too quickly could enable the virus to come back with a vengeance.

In the US, some states, including Georgia, Tennessee, West Virginia and Colorado, announced plans to gradually reopen in the coming days, despite the concerns of health officials. Boeing and at least one other American heavy equipment manufacturer resumed production.

Meanwhile, UN leaders called for efforts to ensure that all people have access to testing, medical supplies, drugs and future vaccines, especially in developing countries. African officials have been outspoken about the need for medical supplies across the 54-nation continent, where health care systems are weak and could become overwhelmed.

Even under a best-case scenario, Africa will need $44 billion for testing, personal protective equipment and treatment of coronavirus, according to a report last week by the UN Economic Commission for Africa. The worst-case scenario estimates $446 billion would be needed.

The World Health Organization said the number of beds in intensive care units available to treat Covid-19 patients in 43 African countries is less than 5,000.

That is about five beds per 1 million people, compared with 4,000 beds per 1 million in Europe.

Africa has more than 23,000 infections across the continent, including more than 1,100 deaths.

Authorities are trying to expand testing rapidly, with the goal of testing 1 million people over the next four weeks.

Many countries have been grappling with the inequality the virus has often laid bare, and how to ensure everyone has access to protective equipment and other products.

In Spain, which is among the worst-hit countries, authorities are deciding on price caps for face masks, gloves, hand sanitisers and other protective equipment that has been in short supply. The government published an another Sunday saying prices cannot be "exploitative."

Meanwhile, Denmark, Austria, Spain and Germany began allowing some people back to work, including hairdressers, dentists and construction workers.

Copenhagen's Tivoli Gardens said it will reopen on May 11.

### MAPPING THE VIRUS

Global cases **2.5 million**

Deaths exceed **171,000**

- US treasury hands out $2.9 billion to airlines
- Europe tries to ease lockdowns with eye on new cases
- Virus wipes out more than 90% of international flights
- Pandemic sends England and Wales deaths to 20-year high
- Singapore pledges extra $2.7 billion

**Governments in the European Union must not be complacent even if the number of infections is stabilising, EU Health Commissioner Stella Kyriakides said, urging caution in easing lockdown measures**

European Union industrial-policy chief Thierry Breton painted a bleak outlook for the EU tourism sector, saying it was hit early by the coronavirus outbreak and will suffer longer.

**Philip Morris International Inc. abandoned its 2020 earnings guidance as the coronavirus outbreak weighs on duty-free tobacco sales, while Coca-Cola Co. said the impact of the Covid-19 pandemic on the second quarter will be "material"**

Serbia eased one of Europe's strictest coronavirus lockdown regimes, allowing small businesses to reopen and relaxing a daily curfew that had kept most citizens indoors since mid-March

**Confirmed coronavirus cases in Russia rose by 5,642 overnight to to 52,763 as the number of new daily cases stayed above 4,000 for the fifth consecutive day. The death toll reached 456, with 51 people dying overnight**

Italy will present a plan this week to ease its lockdown, said Prime Minister Giuseppe Conte in a post on Facebook. "A reasonable forecast" is that a detailed restart program will be applied from May 4, Conte said

## Google makes listing on its Shopping service free

BLOOMBERG
April 21

**GOOGLE WILL** make product listings on its Shopping service free, part of a broader push to expand in e-commerce and mount a bigger challenge to Amazon as the Covid-19 pandemic drives more consumers online.

The Alphabet unit will let merchants post their wares on Google Shopping for free regardless of whether they pay for Google ads. Before, these listings were all sponsored, meaning merchants paid Google every time someone clicked through to their website from a Google product listing.

The move may reduce advertising revenue initially, but it could also entice more merchants to use Google Shopping in the long term. The company turned the service into a paid product in 2012 and it grew into a huge business, generating billions of dollars in highly profitable revenue each quarter.

Google is returning to its original free approach for shopping, with some important caveats. The company will still sell Shopping ads, which will give merchants the option to appear in paid slots above the free listings. Product ads will also continue to appear on the main Google search results page, while the free listings will only show up in the less-popular Shopping search tab.

"For retailers, this change means free exposure to millions of people who come to Google every day for their shopping needs," Google said in a blog post on Tuesday. "For shoppers, it means more products from more stores, discoverable through the Google Shopping tab. For advertisers, this means paid campaigns can now be augmented with free listings."

Google has long wavered on its approach to commerce. The company is first and foremost an advertising platform, designed to make money whenever consumers search for things to buy online.

### FREEMIUM MODEL

- The tech giant is returning to its original free approach for shopping, with some caveats
- Google turned the service into a paid product in 2012 and it grew into a huge business
- The company will still sell Shopping adsfor paid slots above the free listings

## Coronavirus very likely of animal origin, says WHO

REUTERS
Geneva, April 21

**THE WORLD HEALTH** Organization (WHO) said on Tuesday that all available evidence suggests the novel coronavirus originated in animals in China late last year and was not manipulated or produced in a laboratory.

US President Donald Trump said last week that his government was trying to determine whether the virus emanated from a lab in the central Chinese city of Wuhan, where the coronavirus pandemic emerged in December.

"All available evidence suggests the virus has an animal origin and is not manipulated or constructed in a lab or somewhere else," WHO spokeswoman Fadela Chaib told a Geneva news briefing. "It is probable, likely, that the virus is of animal origin." It was not clear, Chaib added, how the virus had jumped the species barrier to humans but there had "certainly" been an intermediate animal host. "It most likely has its ecological reservoir in bats but how the virus came from bats to humans is still to be seen and discovered."

She did not respond to a request to elaborate on whether it was possible the virus may have inadvertently escaped from a lab.

## Global hunger could double: UN

REUTERS
Geneva, April 21

**THE NUMBER OF** people facing acute food insecurity could nearly double this year to 265 million due to the economic fallout of Covid-19, the United Nations' World Food Programme (WFP) said on Tuesday.

The impact of lost tourism revenues, falling remittances and travel and other restrictions linked to the coronavirus pandemic are expected to leave some 130 million people acutely hungry this year, adding to around 135 million already in that category.

"Covid-19 is potentially catastrophic for millions who are already hanging by a thread," said Arif Husain, chief economist and director of research, assessment and monitoring at the World Food Programme.

"We all need to come together to deal with this because if we don't the cost will be too high — the global cost will be too high: many lost lives and many, many more lost livelihoods," he told reporters at a virtual briefing in Geneva.

Husain said it was critical to act quickly in order to prevent people already living hand-to-mouth, such as food vendors in Kenya, from selling their assets as it could take them years to become self reliant again.

In some cases, such as when farmers sell their ploughs or oxen, it could have knock-on effects for food production for years to come, he added.

"These were the people we were concerned about – those who were OK before Covid and now they are not," he said, adding he was "really worried" about people living in countries with little or no government safety nets.

### Major exporters pledge to avoid disrupting key food supplies

**SOME OF THE** world's largest agricultural exporters are growing concerned that the coronavirus pandemic has caused a worrisome rash of government policies that threaten to disrupt the global supply of food.

In order to prevent a food crisis, a group of nearly 50 governments is preparing to sign a pledge aimed at ensuring supply chains remain orderly and that officials exercise restraint with any trade restrictions.

The initiative is critical because the threat of successive export bans aimed at protecting domestic food production could lead to soaring prices and shortages. **—BLOOMBERG**

## Quick View

### Amazon makes $10 m green commitment

AMAZON SAID IT will contribute $10 million to help conserve forests in the northeastern US in an effort capture planet-warming carbon dioxide. Amazon said its contribution will help conserve some 4 million acres of forest land adjacent to the Appalachian Mountains, which stretch from Alabama to the Canadian border.

### Smokers at higher risk of Covid-19, says USFDA

The US Food and Drug Administration made a second revision on its stance about the risks of Covid-19 and nicotine, saying that cigarettes also increase the chances of catching the disease. "People who smoke cigarettes may be at increased risk of infection with the virus that causes Covid-19, and may have worse outcomes from Covid-19," the agency said.

### Apple policy is blocking virus tracker: France

France is asking Apple to remove a technical obstacle that it says is delaying a government contact-tracing application designed to contain the coronavirus spread. Apple's OS prevents contact-tracing apps using its Bluetooth from running constantly in the background if that data is going to be moved off of the device.

## Mystery shrouds Kim's health after surgery

BLOOMBERG
April 21

**MYSTERY SURROUNDED KIM** Jong Un's health after US and South Korean officials gave differing accounts of the North Korean leader's condition following his unusual absence from recent holiday celebrations.

Kim was in critical condition after undergoing cardiovascular surgery last week and the Trump administration wasn't sure of his current health, said US officials, who asked not to be identified. One of the officials said the White House was told that Kim took a turn for the worse after the procedure, while *CNN* earlier cited a US official with direct knowledge saying the 36-year-old leader may be in "grave danger."

Meanwhile, South Korean President Moon Jae-in's office said that Kim was conducting "normal activities" in a rural part of the country assisted by close aides and no special movements were detected. Moon spokesman Kang Min-seok said earlier there was nothing to confirm on the speculation over Kim's health.

North Korea's state-run news broadcast at 6:30 pm local time made no mention of Kim, and the official *Korean Central News Agency* didn't provide an update on his condition. Kim Min-ki, head of the intelligence committee in South Korea's parliament, told Yonhap News Agency he believes there's no unusual signs regarding Kim's health after he was briefed by the country's spy agency.

The news around Kim's health spurred the benchmark Kospi gauge to extend losses to as much as 3% while the won slid as much as 1.7% against the dollar.

The health of Kim, overweight and a heavy smoker, is one of North Korea's most closely guarded secrets, typically only known by a handful of people in the inner circle of leadership. While North Korea had scaled down major events as it battles the coronavirus pandemic, speculation about Kim had been growing since his unprecedented absence from April 15 celebrations for the birthday of his grandfather and state founder Kim Il Sung, one of the biggest days on the country's calendar.

Even the most well-informed North Korea experts find it hard to tell what's happening in the secretive state. *The Daily NK*, a Seoul-based website that gathers information from informants inside the isolated nation, separately reported that Kim underwent a "cardiovascular surgical procedure" and was now mostly recovered.

**North Korean leader Kim Jong Un was in critical condition after undergoing cardiovascular surgery last week and US isn't sure of his current health**

## Coca Cola's volume plunges 25% in April

ASSOCIATED PRESS
April 21

**COCA-COLA'S GLOBAL** volume has tumbled 25% in April as the coronavirus pandemic gripped large swaths of the world population.

The year began strongly at Coke, with volumes up 3% through February excluding China, where the outbreak had locked down major cities, and the company was on track to reach its financial targets.

The deterioration, however, was rapid. Within a month the Tokyo Olympics, of which Coke is a major sponsor, were off. Theaters and restaurants closed from Europe to America and people sheltered in place.

Almost half of Coke's sales come from theaters, vending machines, shows, musical and other events. Almost all of the volume decline to-date in April came from sales at such events.

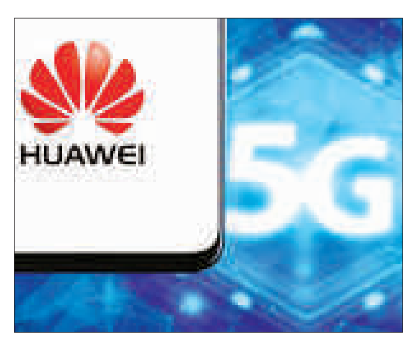
## Huawei's growth slows as virus compunds US woes

BLOOMBERG
London, April 21

**HUAWEI'S RAPID GROWTH** slowed to a crawl in the first quarter after Covid-19 depressed demand for smartphones and networking gear around the globe.

Huawei reported a mere 1.4% gain in revenue to 182.2 billion yuan ($25.7 billion) in the period, down from 19% over all of 2019. Its net profit margin shrank to 7.3% from 8% a year earlier, the company told reporters.

The novel coronavirus has hammered demand for the smartphones Huawei relies on to compete with Apple Inc. and drive growth, especially now the global rollout of 5G networks has decelerated. The pandemic came on top of a difficult 2019, when the Trump administration blacklisted China's largest technology company -- cutting off access to crucial American components -- and waged a campaign to get allies to exclude its telecom equipment.




Huawei has warned of a challenging year with the US bringing unprecedented scrutiny to bear on a company it considers a threat to national security, a claim the Chinese company has consistently denied.

SELECTIONS FROM

The Economist

LEADERS
THE OPEC OIL DEAL

## The future of the oil industry

The oil slump is a glimpse of what is to come

**OIL, IT HAS** been said, is the blood coursing through the veins of the world economy. In 2020 the economy is bleeding red. As Covid-19 keeps workers at home and planes on the ground, demand for oil has fallen faster and further than at any point in its history. Amplifying the shock, a furious row between Saudi Arabia and Russia set off a price war in early March. Last month oil prices fell by more than half, leaving a giant industry reeling.

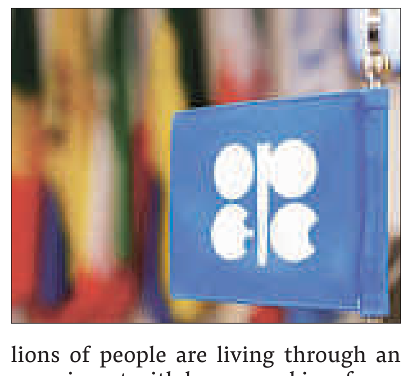
On April 12th the world's energy superpowers broke bread and reached a new deal to try to prop up prices. The Organisation of the Petroleum Exporting Countries (Opec) and its allies, including Russia, said they would slash production by 9.7m barrels a day from May to the end of June, a record, and restrain output for two years. In the 20th century Uncle Sam was keen to undermine Opec, but in 2018 America became the biggest oil producer, ahead of Saudi Arabia and Russia. President Donald Trump's re-election depends on the shale states of Texas, Pennsylvania and Ohio. He argued for the pact and said the industry would recover "far faster" than expected.

In fact private oil firms, state-controlled companies and countries that rely on energy exports should brace themselves for a long period of pain, and use the crisis to begin the restructuring that will have to take place if the planet is to deal with climate change.

This week's grand bargain is unlikely to work. For a start the sums don't add up. Global demand may fall by 29m barrels a day this month, three times the opec deal's promised cuts. Private firms outside the alliance may reduce output, too, but by how much is uncertain. And no one knows when demand will pick up. Oil stockpiles are rising and storage capacity could be exhausted within weeks.

The alliance is shaky. Russia, the world's second-biggest producer, has worked with opec since 2016 but routinely ignored the terms of deals. It is unlikely that America will permanently join opec in creating a new energy order. The new pact involves assurances that output will fall in America but Texan frackers respond to price signals and the profit motive, not government quotas. The deal almost fell apart when Mexico refused Saudi Arabia's terms, illustrating how one country can prompt an unravelling. And Saudi Arabia continues to offer deep discounts on crude bound for Asia, a sign of its eagerness to defend its powerful position in oil's most important market.

A last reason for scepticism is that the covid-19 crisis could further dampen long-term oil demand. Hundreds of millions of people are living through an experiment with home-working, fewer flights and less urban pollution. This could help change public opinion about the desirability of a faster shift from an economy built on fossil fuels.



Rather than stability, then, oil producers face volatile demand and production. Iran and Venezuela, already squeezed by American sanctions, will see more unrest. Countries with high costs and poor governance, such as Nigeria and Angola, face capital flight and balance-of-payments crises. Last year bankruptcies among American oil producers jumped by 50%. In 2020 that figure will soar. Beyond this year a deeper adjustment awaits. Volatility will dampen investors' appetite for new projects. Oil companies have already slashed capital spending by about 25% this year. Some pricey oil will be left underground for good. Shale's frenetic growth will abate. Big oil exporters, including Saudi Arabia, will have to cut public spending and diversify.

For years the oil industry has faced the possibility that demand might fall, as governments moved to limit climate change. That threatened to heap chaos on oil producers, as capital dried up and companies battled for their share of a dwindling market. A peak in demand may still be years away. But oil producers should see Covid-19's turmoil for what it is: not an aberration, but a sign of what is to come.

# Personal Finance

WEDNESDAY, APRIL 22, 2020

**ON GOLD DEMAND**

Ravindra Rao, VP, head of Commodity Research, Kotak Securities

"Akshaya Tritiya is usually a high demand period for gold. This year we are in a different situation as India is in a lockdown. So physical demand is likely to be low."

SOVEREIGN GOLD BOND

## Apply online to buy gold bonds this season

**The first tranche of Sovereign Gold Bond (SGB) this financial year is on till April 24, and investors who apply and pay digitally get a ₹50 per gram discount on the ₹4639 per gm price of each bond**

SAIKAT NEOGI

**AHEAD OF** Akshaya Tritiya, a day when people in India consider it auspicious to buy gold, the government has launched the first tranche of Sovereign Gold Bond Scheme (SGB) for the current financial year. The subscription is open till April 24, 2020. The value of the bond is ₹4,639 per gram of gold, and investors who apply online and pay via digital mode will get a discount of ₹50 per gram on the value.

While the stock markets have seen a sharp fall since the outbreak of Covid-19 pandemic—the 30-share BSE Sensex has fallen 26% since January this year, gold has generated 20% returns (in rupee terms) during the same period. Analysts say investors should buy small amounts of bonds in each tranches and hold on till maturity to get tax-efficient returns.

A research note by Validus Wealth says that gold provides diversification in a portfolio and is often correlated with the stock market during risk-on periods, while it decouples and becomes inversely correlated during periods of stress. "This is unique amongst most hedges in the marketplace, because it ensures investors get the best of both worlds," it underlines.

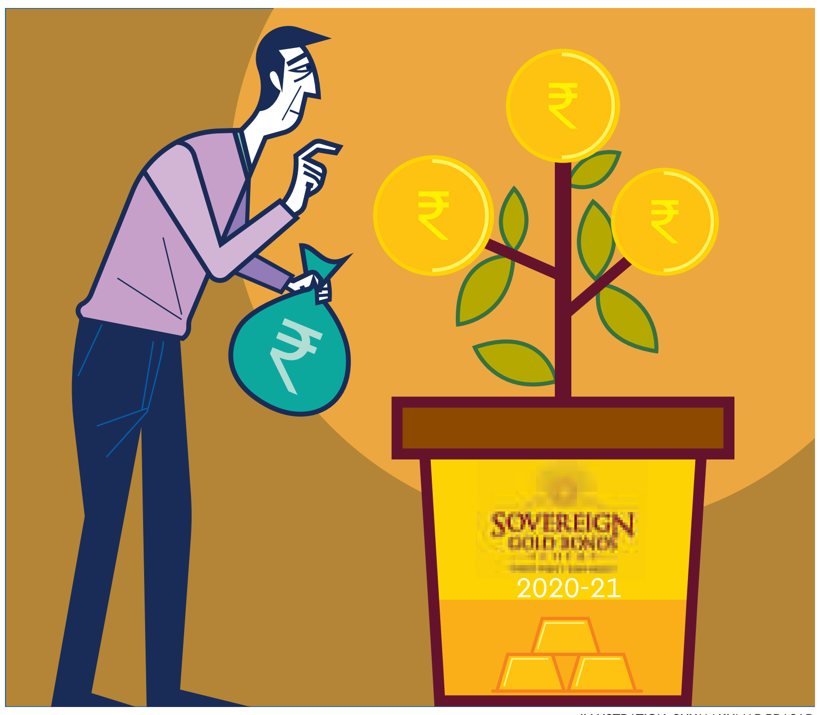



ILLUSTRATION: SHYAM KUMAR PRASAD

**Gold provides diversification in a portfolio and is often correlated with the stock market during risk-on periods, while it decouples and becomes inversely correlated during periods of stress**

### Invest in Sovereign Gold Bonds

The minimum investment in SGB will be one gram and the maximum limit of subscription per fiscal year will be four kilograms for individuals and Hindu Undivided Family, while for trusts it is 20 kg. For investors, SGBs are a better way to invest in the metal as the investment earns an interest of 2.5% per annum payable semi-annually apart from the appreciation in the value of the yellow metal. As SGBs pay interest, returns are higher than gold ETFs or physical gold. Golf ETFs deduct fund management charges (0.5-1%) and physical gold levy making charges.

The tenor of the bond is eight years and the buyer will have an exit option from the fifth year which can be exercised on the interest payment days. An investor does not have to pay any charge for buying SGBs in the primary market. However, if one buys these bonds from the secondary market, then one has to pay one-time brokerage.

Regarding taxation, if the SGBs are held till maturity, then the investor will not have to pay any capital gains tax. However, if they are traded before maturity, short-term and long-term capital gains tax will be applicable. The interest on SGBs is taxable. In both physical gold and Gold ETFs, short-term and long-term capital gains tax are applicable. The bonds can be used as collateral for loans.

The other tranches during the first half of this financial year will be from May 11-15, June 8-12, July 6-10, August 3-7 and August 31-September 4 and the nominal value of these tranches will be fixed accordingly.

### Why invest in gold?

Gold is a natural hedge against uncertainty and helps an investor's portfolio get through a recession. Chirag Mehta, senior fund manager, Alternative Investments, Quantum AMC, says that unlike equities, gold does not require a business to keep it afloat. "Gold's value is not dependent on revenues and profits. This makes holding gold imperative during an economic downturn when stocks are hit by losses due to a deteriorating economy," he says.

An individual can choose from different types of gold investment products such as physical gold (bar and coin), digital gold, Gold ETFs, Gold Funds and SGBs. While Gold ETFs score over SGBs in terms of liquidity, the former is trading at a premium to net asset values now because of supply disruption due to the lockdown.

While investment in gold is a useful diversification tool, analysts suggest an investor should not allocate more than 10 to 15% of his total portfolio to the metal. While most Indians prefer to invest in the precious metal in the physical form, SGB is a convenient option to purchase gold during the lockdown period from the comfort of your home for Akshaya Tritiya or Akha Teej, when buying gold is said to bring good fortune.

SMART PLANS

P SARAVANAN

## Four tips to ensure you are ready for these uncertain times

**THE MAGNITUDE AND** spread of COVID-19 across the globe is keeping us worried on two fronts. One is about our and our family's health and the second is the impact of any such potential illness on our finances. Any critical illness can have a great impact on your savings. Often people worry about the length of illness, healthcare cost and potential impact on their income.

Here goes some immediate financial and practical precautions that everyone should take note of in the current uncertain times.

### Health insurance

Often, many people think that health insurance is an unwarranted expenditure, which is not true. If you have adequate health insurance which covers major illnesses which are prevalent, then at least some part of cash outflow from your end is restricted because insurance covers the bulk of medical expenses as dictated in the insurance contract. For the uninsured, the financial consequences of illness are potentially far reaching.

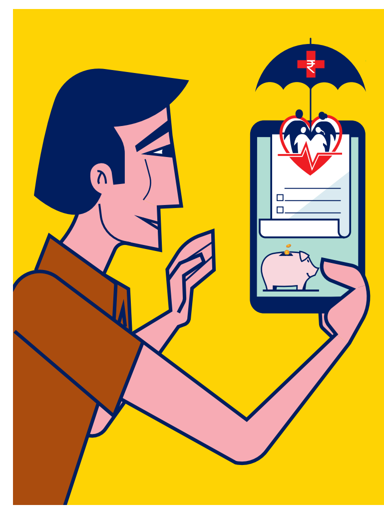


ILLUSTRATION: SHYAM KUMAR PRASAD

### Revise your financial plan

The essential elements of your financial plan should be the following. To have adequate life insurance coverage, well-established emergency fund, well diversified portfolio within your risk tolerance level, participating in company sponsored group linked insurance schemes, etc. During a prolonged leave of absence from work, one should get out of long-term assets like equities or real estate and invest into more liquid assets such as bank fixed deposits or liquid funds to pay for treatment or even for living expenses in case of no salary or job loss. One should not delay this process as illiquid assets like real estate can take a significant time to sell. If your money is stuck in real estate, it may not be available when you need it. In comparison, you can redeem from open-ended mutual funds on any working day and get cash easily.

**The current environment is a good opportunity to reflect and understand how to incorporate protective measures into your portfolio to avoid any health induced financial difficulties in the future**

### Assess from where you can access funds

Any extended leave owing to health condition is a strain on your financial situation and you need to conserve cash and there are multiple options available. For instance, you can think of surrendering your life insurance and get liquid cash. If you have already paid significant portion of your housing loan, consider availing additional leverage by using the same property. Use your credit card on need basis but amount spent should be within your repayment capacity and maintain as many liquid assets as you can in the short-term.

### Whom to call in distress

Make sure that you have the contact information of your reporting manger and HR department in a dairy or phone or a place where your spouse can access the same easily. It is important to keep your insurance cards handy. Now a days, many insurance companies offer smartphone-based apps, and it is always a good idea to download all relevant information and keep your documents in your phone's digital wallet.

To conclude, when illness strikes many of us tap into accumulated assets that are intended for other purposes such as retirement or children education, etc. Current environment is a good opportunity to reflect and understand how to incorporate protective measures into your portfolio to avoid any health induced financial difficulties in the future.

*The writer is a professor of finance & accounting, IIM Tiruchirappalli*

YOUR QUERIES

Chaitali Dutta

## Interest will be charged on loan moratorium period

**• I want to opt for two-month moratorium for my home loan. Can I pay the two month's EMIs together after two months without paying any interest on the period of moratorium?**

—VK Singhal

If you are facing cash flow issues, yes, it is possible to pay the two EMIs after the moratorium period, but interest will be charged for the unpaid period. If you do not clear the additional interest amount, it will go on accruing interest over it, till you pay it off. It is better to pay the additional interest amount as well, after the moratorium. Back of the envelope calculations show the additional interest quantum will be 2-2.5% of your EMI amount for these two months.

**• Do I have to tell the bank I want to pay EMI and don't want moratorium?**

—Agrim Saksena

LOANS

All the banks have announced their individual process for availing moratorium. Check your bank's website/ call their customer support, for updated information.

**• My housing loan application was rejected a year ago as I had shifted my home and did not have any address proof. Can I apply for the loan now?**

—Alok Kumar Ranjan

If you have a valid address proof now and satisfy the other criteria of home loan eligibility, you application will definitely be considered.

**• Since I can' go out to drop my cheque for my credit card bill, can I ask the bank to collect it from my house?**

—Pavan Dave

The bank will not be in a position to collect your cheque. Call the helpline number and ask for credit card payment account details. Make a payment online.

**• I have ₹7 lakh outstanding on my home loan which I have to pay in 24 months. I want to prepay. How can I do that without going to the branch?**

—Prashant Kumar

Closing a home loan account involves outstanding loan repayment, signing some forms, request for return of original documents, collecting no-dues certificate as well as the final interest payment certificate. Such paperwork will be possible only after the lockdown. However, you can pay off the bulk of the outstanding amount, ₹6 lakh or ₹6.5 lakh now, so that the interest component is reduced considerably. Do this payment online. After the lockdown, you may complete the paperwork and pay the remaining small amount.

*The writer is founder, AZUKE Personal Finance Advisory (www.azukefinance.com). Send your queries to fepersonalfinance@expressindia.com*

# eFE

ONLINE CLASSES

## Learning remotely with Microsoft Teams

**Teams enables teachers and students to connect over video-enabled remote classrooms, offering a host of interactive and collaborative tools on one platform**

RIYA SETHI

**THE UNION HOME** ministry has flagged video conferencing software Zoom as unsafe and vulnerable to cybercrimes. The ministry's notification comes at a time when the platform has gained prominence with most people working from home and children attending online classes in the wake of the lockdown triggered by the Covid-19 outbreak, globally. After the government advisory, many schools are said to have asked their teachers to stop using the app.

Reputation in the marketplace matters and Microsoft is making a concerted effort to help working professionals and students stay connected today. The saviour here is Microsoft Teams, a unified communication and collaboration platform that combines persistent workplace chat, video meetings, file storage, and application integration. In recent times, the Redmond, Washington-based firm has introduced a wide array of product innovations across Microsoft Teams.

During this pandemic outbreak, educators across the country are moving to virtual classes on Microsoft Teams to ensure learning never stops. Teams not only enables teachers and students to connect over video-enabled remote classrooms but also provides a host of interactive and collaborative tools on a single platform. Schools such as The British School in New Delhi, The DPS International, the chain of Amity International Schools as well as Amity University, among others, have moved to Microsoft Teams to enable their teachers and students interact in remote learning scenarios.

"Our mission has been to ensure that learning will never be interrupted, no matter what," says Rashima V Varma, head of The Ardee School in New Friends Colony. Last November, when the city grappled with unprecedented levels of air pollution, it had moved its classes to Microsoft Teams to ensure that its students do not fall behind. The early experience enabled the school to swiftly deploy Teams for its students in the current Covid-19 situation.

For the uninitiated, Microsoft Teams is your hub for teamwork in Office 365. It brings together virtual face-to-face connections, assignments, files, and conversations into one single platform accessible on a mobile device, tablet, PC, or browser. Put simply, Teams provides the students with an actual feel of a classroom. It allows educators to create their own class, add selected students, share lessons, create assignments, collaborate virtually in real-time, and provide personalised feedback all in one hub. Teams has also created a 'Remote Learning Guide' to help parents and guardians support their children.

"We are committed to enabling learning continuity and providing transformative learning experiences."

—SAMIK ROY, COUNTRY HEAD, MODERN WORKPLACE, MICROSOFT INDIA

Rima Singh, Head of School, DPS International, informs: "The teachers are using Microsoft Teams to deliver lessons and share instructional materials to communicate and collaborate with students, colleagues and also with parents."

Samik Roy, country head, Modern Workplace, Microsoft India, says, "Our solution of Microsoft Teams with Office 365 Academic SKU free, along with technical support is enabling educational institutions to conduct online classes, admissions, bring in experts and connect with parents in a secure environment."

HOME OFFICE

## 7 tips and tricks to work from home like a pro

Bhavin Turakhia

**WORKING REMOTELY CAN** be hugely satisfying and productive, but also challenging at times. For first-time telecommuters, **Bhavin Turakhia**, CEO & founder, Flock (a team communication app and online collaboration platform) recommends a few tricks and tips to make working from home productive.

### Prepare for multiple distractions

Family, kids, OTT platforms, neighbours etc – you can't avoid all distractions. So, be prepared for distractions and set common-sense boundaries. Set aside major chunks of your day for work, and tell your family why it's important that you stay focused. Keep your phone on silent and far away, unless it's your work device.

### Start your day early, comparatively

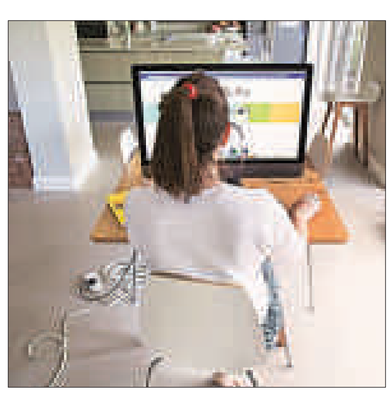
Beat the rush of distractions later in the day by starting work as early as you can. Simply getting started on a task in the morning keeps motivation levels high and helps you stay focused throughout the day.

### Pretend you're in your office

Pretending to be in the office helps you start or continue productive habits, like daily to-dos, and keeps you focused. Set dedicated hours for work, connect with teammates on collaborative platforms, schedule and conduct video calls, do everything you do in the office – as much as you can. Soon you will find a lot more time.

### Plan your day – create a to-do list

Simply think of the hours you want to set aside for work. Then you want a list of things to do in those chunks of time. Do it at the end of the day for the next one.



### Take multiple breaks

Set an alarm to eat on time, get a cup of coffee, or just stretch your legs, so you can stay active throughout the day. Set reminders to take a short break every hour. You will probably ignore it sometimes if you're in the middle of something that needs to be finished or on a call, but it helps ensure you don't just sit in a corner all day.

### Save meetings for mid-day

Early mornings should be saved for your best work. Setting up meetings towards the middle of the day means you can continue being productive for the rest of the day. Also, when you take meetings in the middle of the day, you can take a power nap immediately afterwards.

### Make time for video calls

Working from home means missing office banter and post-work parties, or water cooler conversations. Connecting over a quick video call with a teammate (or two) every day to talk about your respective days can be a big help. Maybe a morning call helps to understand how your teams are placed throughout the day.

# Markets

WEDNESDAY, APRIL 22, 2020

**EXPERT VIEW**

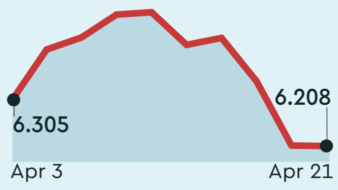
Our own survey shows that only 12 members (micro lenders), one with 'AA' and 11 with 'A', have investment grade ratings, and, therefore, they are most likely to get the money under TLTRO 2.0.

—Harsh Shrivastava, chief executive, Micro Finance Institutions Network

## Money Matters

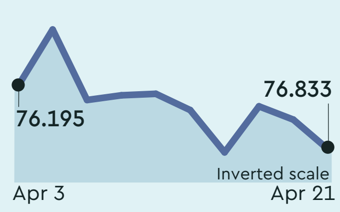
**G-SEC**

The benchmark yield fell due to buying support **0.001%**



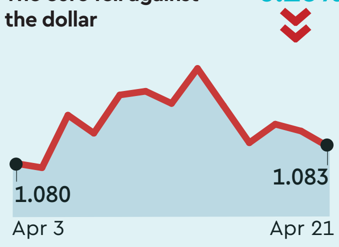

**₹/$**

The rupee depreciated on global cues **0.39%**




**€/$**

The euro fell against the dollar **0.26%**




MARCH QUARTER OUTFLOW

# FPIs cut stake in most Nifty firms

YOOSEEF KP
Mumbai, April 21

**FOREIGN PORTFOLIO INVESTORS** (FPIs), the second-largest owners of Indian equities after promoter groups, have pared stakes in several leading companies that are part of the Nifty50 during the March quarter.

Interestingly, the banking and financial stocks saw ownership coming down the most as majority of foreign investors expect the impending economic slowdown due to the Covid-19 pandemic to have a greater impact on the sector.

Of the 17 Nifty companies that have so far declared their shareholding data for Q4FY20, 16 saw overseas investors trimming their stakes in them, with Wipro being the only exception, data compiled from Capitaline show. While the overseas investors cut their stake in Axis Bank by 2.6% to 44.6% in March 2020, their holdings in HDFC and State Bank of India (SBI) came down by 1.9% and 1.4%, respectively. Foreign holdings in HDFC Bank — the largest lender by market capitalisation — has come off by 1% to 29.8% during the quarter.

**FPI holding**

| (%) | Dec 2019 | Mar 2020 | % change |
|---|---|---|---|
| Axis Bank | 47.24 | 44.6 | -2.64 |
| Tata Steel | 15.34 | 13.22 | -2.12 |
| HDFC | 72.75 | 70.88 | -1.87 |
| State Bank of India | 10.84 | 9.47 | -1.37 |
| Shree Cement | 13.2 | 11.9 | -1.30 |
| UltraTech Cem. | 17.6 | 16.48 | -1.12 |
| Britannia Inds. | 15.8 | 14.71 | -1.09 |
| Hero Motocorp | 35.29 | 34.27 | -1.02 |
| HDFC Bank | 30.8 | 29.8 | -1.00 |
| Infosys | 31.76 | 31.01 | -0.75 |
| Titan Company | 18.31 | 17.74 | -0.57 |
| ITC | 15.15 | 14.63 | -0.52 |
| JSW Steel | 17.64 | 17.13 | -0.51 |
| Power Grid Corpn | 27.28 | 26.95 | -0.33 |
| Nestle India | 12.07 | 11.81 | -0.26 |
| Hind. Unilever | 12.32 | 12.1 | -0.22 |
| Wipro | 8.42 | 8.45 | 0.03 |

The combined foreign holdings in these 16 stocks where FPIs reduced their stake during the quarter stood at 22.08% at the end of March 2020 against 23% in December 2019. That compares with the promoter holding of 28.5% as of March 2020.

Dalton Capital Advisors (India) director UR Bhat said "FPIs pulled out more from the financial sector as it is quite apparent that the economic fallout from the coronavirus pandemic will have a direct impact on the sector. Moreover, the extended lockdown has caused a significant slowdown in economic activity, that will reduce the repayment capacity of borrowers and thereby weakening the health of balance sheets"

The intensified selling in the financial space during the quarter had dragged the Nifty50 index down by 29.3%. In contrast, the Bank Nifty, which tracks both state-owned and private-sector lenders, had lost 40.5% during the same period. At about 37%, the financial services sector commands the highest weightage on the Nifty50 index.

Overseas investors had pulled out a record $6.6 billion from Indian equities in three months to March 2020. With FPIs offloading both equities and debt, the rupee plunged to record lows and depreciated 5.6% against the dollar during the quarter.

S&P Global Ratings, which slashed India growth forecast for FY21 to 1.8% from the earlier estimate of 3.5%, said: "We expect Indian banks' asset quality to deteriorate, credit costs to rise, and profitability to decline. We have revised the economic risk trend for the banking system to negative from stable."

# Rupee slips 30 p to 76.83 on oil price slump

PRESS TRUST OF INDIA
Mumbai, April 21

**THE RUPEE** on Tuesday slid by 30 paise to close at 76.83 against the US currency due to forex outflows and strengthening of the dollar in overseas markets.

Investors rushed to safe-haven bet, the dollar, due to market uncertainty after oil prices slumped into negative territory in the US markets hit by weak demand after coronavirus-related lockdowns, traders said.

The rupee opened weak at 76.79 at the interbank forex market and during the day, lost further ground and finally settled at 76.83, down 30 paise over its last close. The rupee had settled at 76.53 against the US dollar on Monday.

During the session, the rupee witnessed high volatility and touched a high of 76.62 and a low of 76.84 against the dollar.

WTI crude oil futures collapsed to negative; while Brent crude futures, the global oil benchmark, fell 14.47% to $21.87 per barrel.

# Sensex sheds 1,000 points, Nifty below 9k-mark on downgrades, crude crash

FE BUREAU
Mumbai, April 21

**THE CRASH IN** crude prices globally and a series of downgrades by sell-side brokerages dragged the equity markets down on Tuesday. Tracking the global equity markets, which reacted negatively towards the crash in crude oil prices in the US, the 50-share Nifty gave up the 9,000-point mark to decline by 280.4 points or 3.03% to end the day at 8,981.45. The benchmark Sensex fell 1,011.2 points or 3.2% to close at 30,636.71.

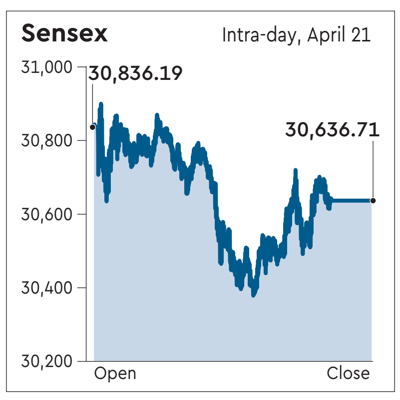
Foreign portfolio investors (FPIs) sold equities worth $272.6 million on Tuesday, while domestic institutions sold $8.9-million stocks. FPIs have pulled out $386.4 million so far in April. The cash market volumes stood at ₹46,977.52 crore against the six-month average of ₹39,134 crore.

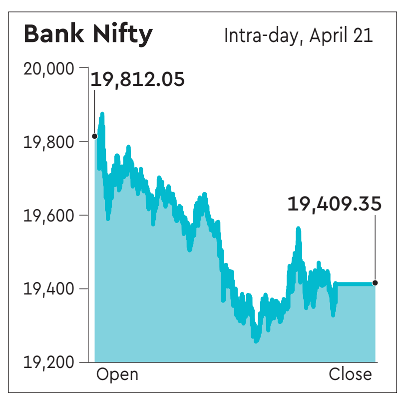
Following the crash in crude prices, Nymex WTI contracts were trading below $0 on expiry day in the US. WTI oil contract for June, however, was trading at $16 per barrel. Brent crude was trading at $21 per barrel.

KRChoksey Investment Managers MD Deven Choksey said: "As of now nothing is changing. The volumes will continue to remain low due to lower participation. The Indian market plays a lot on domestic money which has not been coming due to the uncertainty in the oil market. Domestic institutional money coming through MFs is strong but not enough to compete with the global money," he said.

The volumes in the F&O segment stood at ₹7.7 lakh crore against the six-month average of ₹14.42 lakh crore.

The Nifty Bank index recorded its single-biggest day fall in April, declining 5.4%. The




biggest losers on Nifty Bank were IndusInd Bank, Bandhan Bank, RBL Bank, ICICI Bank and Axis Bank — down by 12.2%, 9.6%, 8.8%, 8.7% and 7.9%, respectively. The banks remained under pressure due to the anticipation of more NPAs coming out of the sector after the sentiment turned sombre on ICICI Bank's exposure to a bankrupt Singapore-based oil trading company. Bajaj Finance also remained under pressure declining by 9% and closed at ₹2,099 a piece after being downgraded by UBS.

Stocks of most NBFCs remained under pressure after UBS cut the target prices of NBFCs between 18% and 65%. The foreign brokerage is of the view that the lockdown may extend beyond May 3 for urban areas, the economic recovery would be gradual and that there would be a loss of loan discipline, given the moratorium. "We cut our loan estimates 8-22% in FY21, EPS by 11-65% in FY21-22E and price targets 18-66%. Our price targets for NBFCs are based on the residual income model and reflect EPS cuts and risks on asset quality," it said.

Geojit Financial Services research head Vinod Nair said: "Post-earnings management guidance has also not given clear indication about the recovery path. Earnings results will be in focus for the future course of the company business."

# Quick View

### Insider trading: Sebi junks charges against Kotak Life Insurance

SEBI ON Tuesday disposed of insider trading charges against Kotak Mahindra Life Insurance Company in the matter of Manappuram Finance. It was alleged that Kotak Mahindra Life Insurance Company (earlier known as Kotak Mahindra Old Mutual Life Insurance) sold shares of Manappuram Finance (MFL) while in possession of unpublished price-sensitive information (UPSI) about the company and thereby violated insider trading norms. Sebi said Kotak was not in a position to know that the information that was distributed in a research report or discussed in the conference call or being covered by the media is UPSI.

### Federal Bank to raise stake in life insurance JV with IDBI

FEDERAL BANK on Tuesday said its board has in principle approved purchase of additional stake of up to 4% in the equity capital of IDBI Federal Life Insurance (IFLIC) from IDBI Bank. Federal Bank currently holds a 26% stake in IFLIC, making it an Associat, the bank said in a regulatory filing. After the purchase, the bank's total stake in IFLIC may rise up to 30%.

### City Union Bank MD & CEO gets three-year extension

RESERVE BANK of India (RBI) has approved the reappointment of City Union Bank MD & CEO N Kamakodi for a period of three years from May 1, 2020 to April 30, 2023, a disclosure by the bank to the stock exchanges said.

# ICICI Bank confirms exposure to troubled Singapore oil firm

SHRITAMA BOSE
Mumbai, April 21

**ICICI BANK ON** Tuesday confirmed it has an exposure to troubled Singapore oil firm Hin Leong Trading (HLT). The lender's outstanding loans to the company stand at $100 million, of which $75 million has been secured over inventory, according to a report by S&P Global Platts.

"We confirm the bank, in the normal course of its business, has exposure to the borrower group in question, is taking due steps to protect its interests, and will appropriately reflect the same in its financial statements, as it would do in respect of all its exposures," ICICI Bank told the exchanges.

The S&P report ,quoting corporate filings, said ICICI Bank has already issued writs against the vessels Wu Yi San and Chang Bai San with a cargo owner's claim, and the banks, Societe General and ABN AMRO, issued a charge on Hin Leong's assets and book debts as far back as March. HLT owes 23 secured creditors a total $3.64 billion.

ICICI Bank's stock took a beating on Monday and Tuesday after news of its exposure to HLT became public, ending 8.28% lower than their previous close.

Experts said whether ICICI Bank would be able to enforce any unilateral action for recovery will depend upon the nature of security supporting its loans as also on the laws governing financial insolvency in Singapore. "ICICI can always work together with


the other lenders and the regulations associated with the recovery of proceeds in that jurisdiction. Within the framework of that law, they will have to try and recover as much as possible," an expert said. If the bank has a pari-passu charge on assets, it is more sensible to work with the other lenders, he added.

The regulatory norms with respect to provisioning and asset recognition are uniform for Indian banks' domestic and foreign exposures. It is not possible to determine the amount of provisions ICICI Bank will have to hold against its HLT exposure as it is unclear if and when the latter has defaulted on its dues to the bank.

HLT had not reported its dire financial situation till April 17, when one of its directors Lim Chee Meng, also known as Evan Lim, filed for a six-month debt moratorium for another family company, Ocean Tankers. In the application, Lim clarified that HLT's financial position was not what it had been made out to be.

# Most applied for moratorium out of caution, not stress, says HDFC Bank

FE BUREAU
Mumbai, April 21

**MOST RETAIL BORROWERS** who applied for the loan moratorium did so out of caution and not any real financial stress, HDFC Bank told analysts on a post-results conference call. It also said a series of stress tests on its loan portfolios helped it arrive at the figure of ₹1,550 crore that it has set aside as contingency provisions for Covid-19.

Bank chief risk officer Jimmy Tata said: "When we did an analysis of the people who have applied for the moratorium, in retail, particularly, around 95-98% of the customers were not in default at the point of time of applying. We have surveyed around 1,000 customers and the feedback has been that the moratorium is being taken more out of caution than out of stress."

The percentage of applicants is in low single digit as a share of the loan book, the bank said, but this could go up as it has not put a deadline or a cut-off for people to apply. "When you see their (the applicants') account balances and salary credit, it was quite amazing because the salary credits are happening but they want to still avail the moratorium as a cautionary measure," the management said.

ANALYST CORNER

# Infosys can overcome Covid challenges; retain 'buy'

MOTILAL OSWAL

**DESPITE THE COVID-19** impact on utilisation, Infosys was able to defend its gross margins (q-o-q, 33.4%), which is comforting. Large deal signings in March 2020 (~$1.7 billion v/s $1.8 billion in December 2019) were impacted. But it is important to note that the run rate of new deal wins showed a meaningful increase (~50% q-o-q). We expect supply-side aspects to ease off even as work from home (WFH) may outlast lockdowns for a significant share of the workforce. In light of the heightened uncertainty in the near term, we were not taken aback by the cautious outlook. Beyond near-term challenges, Infosys should be a key beneficiary of digital IT spends by enterprises. We have marginally cut our FY21/FY22E EPS estimates as we build in heavier pricing pressure, the impact of which is partially offset by the change in our exchange rate assumption. Reiterate 'buy'.

In Q4FY20, revenue ($)/Ebit (₹)/PAT increased 4%/7%/6% y-o-y (v/s our estimates of 5%/8%/3% y-o-y). As client approvals for WFH were not received in certain cases, revenue witnessed ~$32 million (~1% revenue) drop. Infosys witnessed broadbased decline across geographies with its Indian business witnessing the most pronounced impact (-8.5% q-o-q, $). Adjusted for a couple of one-offs, Ebit margins were largely in line with expectations. Decline in utilisation (-90 bp impact), H-1B visa costs (-40 bp impact) and receivables hit (-50 bp impact) were the margin headwinds. ₹ depreciation (+50 bp impact), reduced travel and other cost optimisation measures (+50 bp impact) were the key margin tailwinds. Large deal bookings in Q4FY20 stood at ~$1.7 billion (~56% - new deals).

In line with our expectations, the company suspended its tradition of guiding for revenue growth/profitability because of the heightened uncertainty. Despite encouraging medium-term prospects, Infosys has hinted at a challenging near term with no clear view on recovery. Given the company's track record of adapting to multiple challenges and technology change cycles, we believe it'll be able to navigate through the Covid-19 headwinds. The stock is currently trading in line with its long-term cross cycle average. Our TP implies 18x FY22E EPS. Retain 'buy'.

INTERVIEW: **MAHABALESHWARA MS,** MD & CEO, Karnataka Bank

# 'We are in conserve-&-consolidate mode; crisis a great time to go digital'

*In the wake of the Covid-19 pandemic, Karnataka Bank is on a 'conserve and consolidate' mode, says Karnataka Bank MD & CEO **Mahabaleshwara MS**. In an interview with **Hariprasad Radhakrishnan,** Mahabaleshwara further says digital product utility should improve in the current scenario. He adds that the bank is going through a transformation ahead of its centenary year through a tie-up with BCG in human resources, credit and IT. Edited excerpts:*

**About 25 days into the lockdown, what do you think would be the impact of the pandemic on your bank and the sector?**
On account of the RBI's corona relief package, the stress got paused for three months across the sector. The future depends on how effective we are as a nation to contain the pandemic and how quickly we restart our economic activities once the crisis is over. As of now, we at Karnataka Bank are on a 'conserve and consolidate' mode.

**What would be your credit growth outlook given the current market conditions?**
For the entire banking sector, I believe credit growth will be in single digit for FY20. For our bank, it would be in the same level or slightly higher. For the first nine months, credit growth was not very significant. For the next financial year, it could be in the range of 12-15% for our bank. In our bank, the retail credit has grown at 11.5% for the first nine months. The mid-corporate segment has grown at a rate of 10.5%, whereas in the corporate segment, we made a conscious decision to degrow. There is a negative growth of 9.5% in the corporate segment. As a result of the fundamental realignment of the portfolio, credit growth would be impressive in the retail and mid-corporate, and the overall credit growth may get moderated. We have made a shift from consortium and big-ticket advances to mid-corporate and retail segments, where the risk is well-diversified and the yield is higher.

**With the gross NPAs having risen to 4.99% in Q3FY20, do you think the stress in your book has been already recognised?**
Yes. It was mainly on account of stress recognised in a few of the NBFC sector advances. Further, we have taken a cautious approach of reducing the exposure to the corporate sector gradually by concentrating on retail and mid-corporate.

**Do you expect any slippages in your agriculture and MSME books?**
Slippages in agri & MSME books may not rise, rather they may continue at the present rate. Loan waiver schemes for agricultural loans introduced by some of the state governments may also help reduce stress to some extent. Hence, the chances of further slippage appear to be less.

**As customer behaviour may change in the time of social distancing, how are you tailoring your products and services?**
It's an excellent opportunity for the banking industry and customers to go digital. Digital product utility, especially in mobile and internet banking, should improve, and cashless and less-cash transactions should gain momentum. We are further popularising all our digital products. There is increased traction in terms of mobile banking and utilisation of internet banking. We are also increasing the number of e-lobbies of the bank.

**Did you see any significant outflow of deposits after the Yes Bank crisis?**
For a short period, there was doubt in the minds of some of the customers regarding the safety of their deposits. It was fuelled by a private TV channel, which had given an adverse opinion by inventing their own ratio called 'M-cap to deposits' ratio. This had caused some anxiety among some depositors, but it has now been allayed. Moreover, we have been in this space for a long period of 96 years. We have been profitable and our Capital to Risk Weighted Assets Ratio at 13.17% is one of the best in the industry.

**For small- and medium-sized banks, do you see any challenges in capital augmentation?**
Capital augmentation is a continuous process. Once in 2-3 years, we may have to approach our shareholders. In the past, there was good response whenever we went for our rights issue. In fact, last time, it was oversubscribed by almost 1.85 times. Of course, there are other ways of capital augmentation, viz, through private placement or through qualified institutional placement.

**How's your tie-up with BCG helping you?**
This has been one of the best things to happen to our bank as we aimed for holistic transformation. We are a first-gen bank and would be celebrating our centenary year in 2023-24. To prepare the bank for its second century, we wanted to reposition ourselves to emerge as the 'bank of the future'. For this, we have treated our own staff as change agents so that the transformation is sustainable. We are going through HR, credit and IT transformation. All of these initiatives are driven by IT. Several initiatives have been taken in HR to fine-tune the attitude of our staff and reskill them. In the area of credit, the future belongs to digital sanction of loans. If you want a housing loan, our officers would approach the prospective clients at their preferred location. They would get all the required information and within 15-20 minutes, we will be in a position to give in-principle sanction for home loans based on a BRE (business rule engine) developed in-house at our digital CoE in Bengaluru. We have already rolled out the digital sanction solutions for home loans, salaried-class personal loans and car loans, and would be extending this to the MSME sector as well.

# Sebi extends regulatory approval validity for IPO, rights issue by 6 months

PRESS TRUST OF INDIA
New Delhi, April 21

SEBI ON TUESDAY extended validity of regulatory approval for launching initial public offering and rights issue by six months in the wake of coronavirus pandemic.

The step comes following representations from various industry bodies, the Securities and Exchange Board of India (Sebi) said in a circular.

The validity of Sebi's observations, where the same have expired or will expire between March 1, 2020 and September 30, 2020, has been extended by 6 months from the date of expiry of such observation.

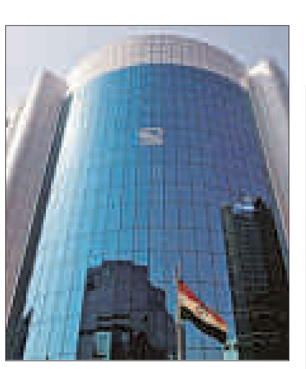
This is subject to an undertaking from lead manager of the issue confirming compliance with the ICDR (Issue of Capital and Disclosure Requirements) Regulations while submitting the updated offer document to Sebi, it said.

As per the norms, a public issue/rights issue needs to be opened within 12 months from the date of issuance of observations by Sebi.

Sebi's observation is necessary for any company to launch public issues.

The regulator said that an issuer, whose offer document for IPO, follow on public offer and rights issue is pending receipt of its observation, will be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Sebi.

The relaxation is subject to no change in the objects of the issue, and the lead manager will need to ensure that all appropriate changes are made to the relevant section of DRHP, and an addendum in this regard shall be made public.



**The markets regulator said that an issuer, whose offer document for IPO, follow on public offer and rights issue is pending receipt of its observation, will be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Sebi**

The relaxation on change in fresh issue size will be applicable for offer documents pending receipt of Sebi observations until December 31, 2020.

Under the norms, any increase or decrease in estimated fresh issue size by more than 20 per cent of the estimated fresh issue size require fresh filing of the draft offer document along with fees.

Sebi said it has decided to grant these one-time relaxations in view of the impact of COVID-19 pandemic.

The circular will come into force with immediate effect, it added.

# HDFC slashes home loan rate by 15 basis points

LEADING MORTGAGE LENDER HDFC on Tuesday slashed its lending rate by 15 basis points amid a gradual decline in cost of borrowing across the system.

The move comes after a few lenders, including the country's biggest lender State Bank of India, trimmed their lending rate.

"HDFC reduces its retail prime lending rate (RPLR) on housing loans, on which its adjustable rate home loans (ARHL) are benchmarked, by 15 basis points (bps), with effect from April 22, 2020," the company said. The change will benefit all existing HDFC retail home loan customers, it said.

Rates will range between 7.85% and 8.15% for salaried class.

Rates across the banking system have headed south in the last few months, as the RBI and the government work in tandem to propel the slowing economy. The RBI last month cut the policy rate by 75 basis points to spur growth amid the COVID-19 crisis. —PTI

# MCX and BSE revise trade timings for non-agriculture commodities

FE BUREAU
Mumbai, April 21

THE MULTI COMMODITY Exchange (MCX) and BSE on Tuesday announced revision of trade timings allowing all non-agriculture commodities with international reference to trade till 11:30 pm as opposed to the earlier practice of closing the exchanges at 5:15 pm. This will come into effect from Thursday.

The exchanges have reinstated the usual trading hours for non-agriculture commodities with international reference. This includes precious metals, metals and energy complex such as crude oil to be allowed to trade from between 9 am to 11:30 pm from April 23 onward.

The client code modification session would continue from 11:30 pm to 11:45 pm. However, all other commodities including internationally referenceable agri commodities which consist of Cotton, CPO, Kapas, and RBD Palmolein will trade from 9 am to 5 pm with the client code modification timing extending to 5:15 pm.

The MCX and BSE stated that the decision was arrived at after discussions with the market participants and the Securities and Exchange Board of India (SEBI).

"In view of the representation received from the market participants and pursuant to discussions with SEBI, it has been decided to revise trading timings," said MCX.

The commodities exchanges keeping in mind the earlier 21 day lockdown had decided to curtail the trade timings in March.

The commodities exchanges were trading for fewer hours from March 30 to April 14 in line with the decision that was taken by commodities exchanges on account of the novel coronavirus pandemic and because there were disruptions caused in spot markets across the country during the lockdown. On April 14 too, the exchanges decided to restrict the trade timings till further notice.

The move on part of the exchanges comes after the central government eased lockdown guidelines for select businesses from April 20.

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## HDFC MUTUAL FUND

BHAROSA APNO KA

MUTUAL FUNDS Sahi Hai

### HDFC Asset Management Company Limited

A Joint Venture with Standard Life Investments
CIN: L65991MH1999PLC123027

**Registered Office:** HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. Phone: 022 66316333 • Toll Free Nos: 1800-3010-6767 / 1800-419-7676 Fax: 022 22821144 • e-mail: cliser@hdfcfund.com • Visit us at: www.hdfcfund.com

**NOTICE**

**NOTICE** is hereby given that HDFC Trustee Company Limited, Trustee to HDFC Mutual Fund ("the Fund"), has approved the declaration of dividend in **HDFC Balanced Advantage Fund**, an Open-ended Balanced Advantage Fund ("the Scheme") and fixed **Monday, April 27, 2020** (or the immediately following Business Day, if that day is not a Business Day) as the Record Date for the same as given below:

| Name of the Scheme / Plan / Option | Net Asset Value ("NAV") as on April 20, 2020 (₹ per unit) | Amount of Dividend# (₹ per unit) | Face Value (₹ per unit) |
|---|---|---|---|
| HDFC Balanced Advantage Fund - Regular Plan - Dividend Option^ (Payout and Reinvestment) | 20.406 | 0.230 | 10.00 |
| HDFC Balanced Advantage Fund - Direct Plan - Dividend Option^ (Payout and Reinvestment) | 21.894 | | |

^ *Dividend option- Monthly Frequency*

# The dividend will be subject to the availability of distributable surplus and may be lower, depending on the distributable surplus available on the Record Date.

**Pursuant to payment of dividend, the NAV of the Dividend Option(s) of the above Scheme would fall to the extent of payout and statutory levy, if any.**

Income distribution will be done / Dividend will be paid, net of tax deducted at source, as applicable, to those Unit holders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Fund / Statements of Beneficial Ownership maintained by the Depositories, as applicable, under the Dividend Option(s) of the aforesaid Scheme on the Record Date (including investors whose valid purchase / switch-in requests are received by the Fund till cut-off timings in respect of the aforesaid Scheme, on the Record date, subject to realization of cheques / demand drafts). However, in respect of subscriptions for an amount equal to or more than ₹ 2 lakh (at Unit holders' PAN and holding pattern level), the Applicable NAV shall be based on realization of funds as per the provisions of SEBI Circular CIR/IMD/DF/21/2012 dated September 13, 2012 and No. CIR/IMD/DF/19/2010 dated November 26, 2010, as may be amended from time to time, on uniform cut-off timings for applicability of NAV.

Unitholders who have opted to receive dividend by way of physical instruments may note that due to the unprecedented COVID-19 situation and depending on availability of postal / courier services, there may be a delay in delivery of dividend payment instruments.

With regard to Unit holders of the aforesaid Scheme who have opted for Reinvestment facility under the Dividend Option(s), the dividend due will be reinvested by allotting Units for the income distribution / Dividend amount at the prevailing ex-dividend NAV per Unit on the Record Date. The amount of dividend re-invested will be net of tax deducted at source, as applicable.

In view of individual nature of tax consequences, each investor is advised to consult his / her own professional financial / tax advisor.

For **HDFC Asset Management Company Limited**

Place : Mumbai
Date : April 21, 2020

Sd/-
Chief Compliance Officer

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

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**POST OFFER ADVERTISEMENT TO THE EQUITY SHAREHOLDERS UNDER REGULATION 18(12) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011,(AS AMENDED) OF**

## MAHAAN IMPEX LIMITED

**Corporate Identification Number (CIN):** L67120GJ1982PLC105654
**Registered Office:** BSafal House, Near Tej Motors, Behind Mirch Masala Restaurant, Off. S G Highway, Ahmedabad - 380059.
**Tel No.:** +91 6351988376; **E-mail Id:** mahaanimpex@gmail.com; **Website:** www.mahaanimpex.com

Open Offer for Acquisition up to 5,83,700 Equity Shares representing 26% of the voting share capital from the Equity Shareholders of Mahaan Impex Limited ("**Target Company**") by Mr. Manishkumar Raichand Shah and Mr. Sameer Amit Shah (**hereinafter collectively referred to as "Acquirers"**) at a price of Rs. 15.15 p per fully paid-up equity share.

This Post Offer Advertisement is being issued by Finshore Management Services Limited ("**Manager to the Offer**"), on behalf of Mr. Manishkumar Raichand Shah and Mr. Sameer Amit Shah, in connection with the offer made by the Acquirers, in compliance with Regulation 18(12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended ("**SEBI Takeover Regulations, 2011**"). The Detailed Public Statement ("**DPS**") with respect to the aforementioned offer was published on November 29, 2019 in all editions of Financial Express (English) & Janasatta (Hindi), in Mumbai edition of Mumbai Lakshadeep (Marathi) , in Ahmedabad edition of Financial Express (Gujurati) and in Kolkata edition of Arthik Lipi (Bengali).

1. **Name of the Target Company:** Mahaan Impex Limited.
2. **Name of the Acquirer(s) and PAC:**
   a. Acquirer 1 – Mr. Manishkumar Raichand Shah;
   b. Acquirer 2 – Mr. Sameer Amit Shah.
3. **Name of the Manager to the Offer:** Finshore Management Services Limited.
4. **Name of the Registrar to the Offer:** Skyline Financial Services Private Limited.
5. **Offer Details:**
   a. Date of Opening of the Offer: Tuesday, 17th March, 2020
   b. Date of Closure of the Offer: Tuesday, 31st March, 2020
6. **Date of Payment of Consideration:** Monday, 20th April, 2020.
7. **Details of Acquisition:**

| Sl. No | Particulars | Proposed in the Offer Document (Letter of Offer) | | Actuals | |
|---|---|---|---|---|---|
| 7.1 | Offer Price | Rs. 15.15/- (Fully Paid-up Equity Share) | | Rs. 15.15/- (Fully Paid-up Equity Share) | |
| 7.2 | Aggregate number of shares tendered | 5,83,700 | | 2,72,000 | |
| 7.3 | Aggregate number of shares accepted | 5,83,700 | | 2,72,000 | |
| 7.4 | Size of the Offer (Number of shares multiplied by offer price per share) | Rs. 88,43,055 | | Rs. 41,20,800 | |
| 7.5 | Shareholding of the Acquirer and PACs before Agreements/Public Announcement (No. & %) | NIL | | NIL | |
| 7.6 | Shares Acquired by way of Share Purchase Agreement (SPA) • Number • % of Fully Diluted Equity Share Capital | 13,29,700 (59.23%) | | 13,29,700 (59.23%) | |
| 7.7 | Shares Acquired by way of Open Offer • Number • % of Fully Diluted Equity Share Capital | 5,83,700 (26%) | | 2,72,000 (12.12%) | |
| 7.8 | Shares acquired after Detailed Public Statement • Number of shares acquired • Price of the shares acquired • % of the shares acquired | NIL | | NIL | |
| 7.9 | Post offer shareholding of Acquirer along with PACs • Number • % of Fully Diluted Equity Share Capital | 19,13,400 (85.23%) | | 16,01,700 (71.35%) | |
| 7.10 | Pre & Post offer shareholding of the Public | **Pre-Offer** | **Post-Offer** | **Pre-Offer** | **Post-Offer** |
| | • Number • % of Fully Diluted Equity Share Capital | 9,15,300 (40.77%) | 3,31,600 (14.77%) | 9,15,300 (40.77%) | 6,43,300 (28.65%) |

8. The Acquirers severally and jointly accepts full responsibility for the information contained in this Post Offer Advertisement and also for the obligations under SEBI Takeover Regulations, 2011.
9. A copy of this Post Offer Advertisement will be available on the websites of SEBI, BSE Limited, Calcutta Stock Exchange Limited and at the registered office of the Target Company (Mahaan Impex Limited).
10. The capitalized terms used but not defined in this advertisement shall have the meanings assigned to such terms in the Public Announcement and/or Detailed Public Statement and/or Letter of Offer.
11. This Post offer Advertisement is being issued in all the newspapers in which the DPS has appeared.

**ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF ACQUIRERS**

**FINSHORE**
Creating Enterprise Managing Values

**FINSHORE MANAGEMENT SERVICES LIMITED**
Anandlok", Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal
**Telephone:** +91 – 33 – 22895101; **Email:** ramakrishna@finshoregroup.com; **Website:** www.finshoregroup.com
**Investor Grievance Email:** info@finshoregroup.com; **Contact Person:** Mr. S. Ramakrishna Iyengar
**SEBI Registration No:** INM000012185; **CIN No:** U74900WB2011PLC169377
**Place:** Kolkata
**Date:** April 22, 2020

CONCEPT

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## भारतीय रिज़र्व बैंक
## RESERVE BANK OF INDIA

www.rbi.org.in

**GoI Announces the Sale of Four Dated Securities for ₹ 21,000 Crore on April 24, 2020**

**The Government of India (GoI) has announced the sale (re-issue) of four dated securities:**

| Sr. No | Nomenclature | Notified amount Nominal (in ₹ Crore) | Earmarked for Retail Investors* (in ₹ Crore) |
|---|---|---|---|
| 1 | 5.09% GS 2022 | 3,000 | 150 |
| 2 | 6.45% GS 2029 | 9,000 | 450 |
| 3 | GoI FRB 2031 | 4,000 | 200 |
| 4 | 7.19% GS 2060 | 5,000 | 250 |

GoI will have the option to retain additional subscription up to ₹2,000 Crore against any one or more of the above securities.

The sale will be subject to the terms and conditions spelt out in this notification (called 'Specific Notification'). The stocks will be sold through Reserve Bank of India Mumbai Office, Fort, Mumbai - 400001, as per the terms and conditions specified in the General Notification F.No.4(2)–W&M/2018, dated March 27, 2018 and Reserve Bank of India press release dated March 31, 2020 for release of Indicative market borrowing calendar for H1 2020-21.

The auction will be **price based** (for all securities), **using multiple price method**. The auction will be conducted by RBI, Mumbai Office, Fort, Mumbai on **April 24, 2020 (Friday)**. The result will be announced on the same day and payment by successful bidders will have to be made on **April 27, 2020 (Monday)**.

For further details, please see RBI press release dated April 20, 2020 on RBI website – (**www.rbi.org.in**).

**Attention Retail Investors***
**(*PFs, Trusts, RRBs, Cooperative Banks, NBFCs, Corporates, HUFs and Individuals)**

Retail investors can participate in the auctions for the amounts earmarked for them on a non-competitive basis through a bank or a primary dealer. For more information, detailed list and telephone numbers of primary dealers/bank branches and application forms please visit RBI website (**www.rbi.org.in**) or FIMMDA website (**www.fimmda.org**).

**Government Stock offers safety, liquidity and attractive returns for long duration.**

**"Don't get cheated by E-mails/SMSs/Calls promising you money"**

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## CANARA ROBECO

### Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd.
Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.
Tel.: 6658 5000 Fax: 6658 5012/13 www.canararobeco.com CIN No.: U65990MH1993PLC071003

**NOTICE NO. 03**

**Declaration of dividend in Canara Robeco Mutual Fund Schemes**

Notice is hereby given that the Board of Trustees of Canara Robeco Mutual Fund has declared dividend in the following schemes, subject to availability of distributable surplus:

| Scheme Name | Investment Option | Dividend (₹ Per unit) | Face Value (₹ per unit) | NAV Per Unit as on 20.04.2020 |
|---|---|---|---|---|
| Canara Robeco Short Duration Fund | Regular Plan - Monthly Dividend Option | 0.06 | 10.00 | 15.0656 |
| | Direct Plan - Monthly Dividend Option | 0.06 | 10.00 | 16.3995 |
| Canara Robeco Conservative Hybrid Fund | Regular Plan - Monthly Dividend Option | 0.10 | 10.00 | 13.0084 |
| | Direct Plan- Monthly Dividend Option | 0.10 | 10.00 | 14.2773 |
| Canara Robeco Equity Hybrid Fun | Regular Plan - Monthly Dividend Option | 0.60 | 10.00 | 68.0700 |
| | Direct Plan - Monthly Dividend Option | 0.60 | 10.00 | 75.7200 |

**Pursuant to payment of dividend, the NAV of the dividend option of the schemes would fall to the extent of payout and statutory levy (if any).**

Record Date for the purpose of distribution of dividend is **27th April, 2020** or the next business day if the record date happens to be a non-business day. All unit holders, under the abovementioned Plan/Option, whose names appear on the register of unit holders of the Scheme as on the record date, are eligible for the dividend.

Declaration of dividend is subject to availability of distributable surplus on the record date/ex-dividend date. In case the distributable surplus is less than the quantum of dividend on the record date/ex-dividend date, the entire available distributable surplus in the Scheme/plan will be declared as dividend.

**Unitholders are requested to visit www.canararobeco.com to claim their amounts remaining unclaimed or unpaid and follow the prescribed procedure therein.**

**For and on behalf of Canara Robeco Asset Management Company Ltd.**
**(Investment manager for Canara Robeco Mutual Fund)**

Date: 21-04-2020
Place: Mumbai

sd/-
Authorised Signatory

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

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ICICI PRUDENTIAL MUTUAL FUND
TARAKKI KAREIN!

### ICICI Prudential Asset Management Company Limited

**Corporate Identity Number:** U99999DL1993PLC054135

**Registered Office:** 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001.
**Corporate Office:** One BKC, 13th Floor, Bandra Kurla Complex, Mumbai - 400 051.
Tel.: +91 22 2652 5000, Fax: +91 22 2652 8100, Website: www.iciciprumf.com,
Email id: enquiry@icicipruamc.com
**Central Service Office:** 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (E), Mumbai - 400 063. Tel.: 022 2685 2000 Fax: 022 26868313

**Notice to the Investors/Unit holders of ICICI Prudential Capital Protection Oriented Fund - Series XI - Plan B 1222 Days and ICICI Prudential Fixed Maturity Plan - Series 80 - 1125 Days Plan S (the Schemes)**

Notice is hereby given that ICICI Prudential Trust Limited, Trustee to ICICI Prudential Mutual Fund has approved declaration of the following dividend under the dividend option of the Schemes, subject to availability of distributable surplus on the record date i.e on April 27, 2020*:

| Name of the Schemes/Plans | Dividend (₹ per unit) (Face value of ₹ 10/- each)$# | NAV as on April 20, 2020 (₹ per unit) |
|---|---|---|
| **ICICI Prudential Capital Protection Oriented Fund - Series XI - Plan B 1222 Days** | | |
| Dividend | 0.0500 | 11.8805 |
| Direct Plan - Dividend | 0.0500 | 12.2880 |
| **ICICI Prudential Fixed Maturity Plan - Series 80 - 1125 Days Plan S** | | |
| Dividend | 0.0500 | 12.6668 |
| Direct Plan - Dividend | 0.0500 | 12.7722 |

$ The dividend payout will be subject to the availability of distributable surplus and may be lower depending upon the extent of distributable surplus available on the record date under the dividend option of the Schemes.

# Subject to deduction of applicable statutory levy.

* or the immediately following Business Day, if that day is a Non - Business Day.

Dividend will be paid to all the unit holders/beneficial owners whose names appear in the register of unit holders/Statement of beneficial owners maintained by the Depositories, as applicable under the dividend option of the Schemes, at the close of business hours on the record date.

**It should be noted that pursuant to payment of dividend, the NAV of the dividend option of the Schemes would fall to the extent of dividend payout and statutory levy (if applicable).**

**Suspension of trading of units of the Schemes:**

The units of ICICI Prudential Capital Protection Oriented Fund - Series XI - Plan B 1222 Days (CAPRO-XI-PIB 1222 D) are listed on BSE and the units of ICICI Prudential Fixed Maturity Plan - Series 80 - 1125 Days Plan S (FMP-80-1125D PIS) are listed on National Stock Exchange of India Limited (NSE). The trading of units of CAPRO-XI-PIB 1222 D will be suspended on BSE and the trading of the units of FMP-80-1125D PIS will be suspended on NSE with effect from closing hours of trading of April 22, 2020.

For the purposes of redemption proceeds, the record date shall be April 27, 2020.

For **ICICI Prudential Asset Management Company Limited**

Place : Mumbai
Date : April 21, 2020
*No. 012/04/2020*

Sd/-
**Authorised Signatory**

**To know more, call 1800 222 999/1800 200 6666 or visit www.iciciprumf.com**

**NSE Disclaimer:** It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Scheme Information Document (SID) has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the SID. The investors are advised to refer to the SID for the full text of the Disclaimer clause of the NSE.

**BSE Disclaimer:** It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Scheme Information Document (SID) has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the SID. The investors are advised to refer to the SID for the full text of the Disclaimer clause of the BSE Limited.

**Capital Protection Oriented Fund disclaimer:** The Scheme offered is "oriented towards protection of capital" and "not with guaranteed returns". The orientation towards protection of the capital originates from the portfolio structure of the scheme and not from any bank guarantee, insurance cover etc. The ability of the portfolio to meet capital protection on maturity to the investors can be impacted in certain circumstances including changes in government policies, interest rate movements in the market, credit defaults by bonds, expenses, reinvestment risk and risk associated with trading volumes, liquidity and settlement systems in equity and debt markets. Accordingly, investors may lose part or all of their investment (including original amount invested) in the Scheme. No guarantee or assurance, express or implied, is given that investors will receive the capital protected value at maturity or any other returns. Investors in the Scheme are not being offered any guaranteed/assured returns.

As part of the Go Green Initiative, investors are encouraged to register/update their e-mail id and mobile number to support paper-less communications.

To increase awareness about Mutual Funds, we regularly conduct Investor Awareness Programs across the country. To know more about it, please visit https://www.iciciprumf.com or visit AMFI's website https://www.amfiindia.com

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

# To avoid fresh Sebi notice, HDFC AMC pays ₹4 crore to settle Essel investments case

**FE BUREAU**
Mumbai, April 21

**HDFC MUTUAL FUND** has settled the matter pertaining to investments of Fixed Maturity Plans (FMPs) in debt instruments of Essel group companies with the markets regulator.

The Securities and Exchange Board of India (Sebi) issued the settlement order in the matter of show cause notices issued to the asset management company. In its order, Sebi said that HDFC MF had paid a little over over ₹4.20 crore towards the settlement.

Market regulator had sent two show cause notices to HDFC AMC on May 10, 2019, in relation to their investments of FMPs in debt instruments of Essel Group companies.

Later, on June 1, the regulator had initiating adjudication proceedings against country's top fund house HDFC Trustee Company Ltd, managing director and a few other officials of the company, in relation to their investments of FMPs in debt instruments of Essel Group companies.

According to Sebi, applicants which includes HDFC AMC, HDFC Trustees and other officials of the fund house had filed settlement applications in terms of the SEBI (Settlement Proceedings) Regulations, 2018, proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order.

The HDFC AMC (the applicant no.1) had invested on behalf of the Mutual Fund in the debt instruments of Essel group of companies through various mutual fund schemes of HDFC Asset Management Company.

It is alleged that the Mutual Fund had defaulted in complying with the various regulations, adhering to the requisite standards and failed to exercise proper due diligence and hence the captioned settlement applications were filed.

Sebi in its order said, "While forwarding the revised settlement terms the applicants also submitted that there are no subsisting complaints by the unit holders with regard to the said matter in respect of the various mutual fund schemes of HDFC AMC and that the HDFC AMC has already compensated the unit-holders of the affected mutual fund schemes for an amount of ₹4,46,00,000 (rupees four crore and forty six lakh only)."

The order also states that it was further proposed that, the settlement amount would be paid out of the funds of HDFC AMC and that the liability would not be passed on to the unit holders.

The High Powered Advisory Committee in its meeting held on March 2, 2020, considered the proposed settlement terms by the applicants and recommended the case for settlement upon payment of ₹4.20 crore towards the settlement terms.

According to the settlement order passed by whole time member, SK Mohanty and Ananta Barua stated that Sebi would not initiate enforcement action against the applicants for the said defaults and the order disposed of the enforcement proceedings in respect of the applicants.

**INTERVIEW: K PAUL THOMAS,** MD and CEO, ESAF Small Finance Bank

# 'We expect credit offtake to increase in SME segment after lockdown'

*In just two years of operation, ESAF Small Finance Bank became a scheduled bank from December 2018 and also got Sebi approval in March 2020 to raise capital through an initial public offering. Managing director and chief executive officer* ***K Paul Thomas*** *tells* ***Rajesh Ravi*** *on the concerns and consequential problems due to the lockdown. Edited excerpts:*

**What is ESAF's experience with branch banking during the lockdown period? Have you seen a significant change in net banking or ATM transactions?**

Most of our branches are open and functioning but the footfall is less than 10 people per day. We have noticed that customers are only doing the bare minimum banking. Our ATM transactions for the period is 3.12 lakh with a disbursement of ₹73 crore, which is also on the lower side. But we have seen the gold loan product being used a lot for emergency purpose. On a single day, we saw disbursement of ₹59 lakh in the gold loan section.

**Do you expect an increase in demand for credit after the lockdown period?**

We expect credit offtake to increase in the SME segment after the forty-day lockdown period. We estimate that the micro and MSME sector will need funds for restarting their establishments and also need working capital. Our strength and focus is the micro segment.

**Many people and establishments are likely to suffer due to decline in income during the lockdown. Do you expect delinquencies and NPAs to increase significantly?**

ESAF has more than 96% of its exposure in the micro segment with the average ticket size of the loan being ₹33,000. We have given a moratorium of three months till May to all our customers and are constantly in touch with them through our banking correspondents. The customers are confident that they can repay the loan within some time after the moratorium. We have past experience in dealing with such calamities like the flood of 2018 and don't see any problem. However, we estimate a little more delay in the MSME segment as they may take more time to come back to normalcy. We don't have much exposure in the corporate sector as our focus is mostly in the retail sector.

> ESAF has more than 96% of its exposure in the micro segment with the average ticket size of the loan being ₹33,000. We have given a moratorium of three months till May to all our customers and are constantly in touch with them through our banking correspondents. The customers are confident that they can repay the loan within some time after the moratorium

**Are you thinking of a new product to help them tide over the current situation?**

We have a new product for the small traders — a micro business loan — and are expanding it through the traders association. For our existing customers, we are giving a 'Covid Care Loan' of ₹30,000 with a four months moratorium. This is a pre-approved loan and during the floods, we had disbursed ₹89 crore to our customers who were in a similar situation.

**NRI remittance is a major source of fund for most of the Kerala-based banks. Do you see any shift in the remittance given the pandemic and other problems in West Asia?**

We do expect a disruption in the short-term, but in the long-term, we don't see much problem. Our expatriates are very vital for the economy of West Asia and I think we will overcome the problems.

**What is your outlook on the economy post-Covid?**

My observation is that the short-term impact will be severe in all segments. The recover will take a minimum of six months. The small segment is likely to recover faster. I think India has more opportunities and will recover in 18-24 months. I expect the automobile and telecom sectors to do better post-Covid. Kerala may again significantly bounce back due to its better handling of the situation.

**ESAF received Sebi approval for an IPO recently. Have you taken any decision?**

We have not taken any decision on the IPO so far. We received approval in March and we have one-year time to go to the market. We may take a little more time for a public issue.







# Rubber futures drop 1.4% on lockdown blues, crude effect

**FE BUREAU**
Thiruvananthapuram, April 21

**RUBBER FUTURES ON** Indian Commodity Exchange (ICEX), which had surged to a 4% upper limit on Monday, dropped nearly half of the gains in early trade on profit sales, amidst the humongous fall in crude prices. With the extended lockdown casting a shadow over the moves of Kerala's green zones to go ahead with rubber processing, the local cues also weighed down the future prices.

"The May rubber was at ₹112.5 per kilo, down 1.4%. Open interest is down 6 lots indicating long liquidation. The contract has support at ₹112.10 per kilo and ₹110 per kilo in the near term, while ₹115.20 per kilo is a key resistance," Ajay Kedia, Kedia Securities, told FE.

Crisis in crude oil market, where prices of May contract sunk in the negative territory for the first time in history, on Monday, weighed on rubber futures, according to the commodity market analysts.

Benchmark September rubber on Tocom were also down over 2% to around 151 yen a kg.

The brakes on the plantation to processing yard have impacted the futures price movement. The Kerala government has been hesitant about restarting the rubber processing movement, although glove-making firms have been allowed to do so. Some of the relaxations that were earlier announced in the Covid-free green zones like Kottayam and Idukki districts, were rolled back, at the behest of Union home ministry.

Akshay Agarwal, MD, Acumen Capital, opines that "the recent uptick in NR price was largely due to short covering and prices are likely to decline to previous lows this week".

He believes that the loss of major demand from the automobile sector is unlikely to be mitigated in the short-term and that the steep fall in oil prices should continue to keep NR prices under pressure. "We see NR price falling to ₹110 to ₹105 per kilo this week," said Agarwal.

# Eastern Institute for Integrated Learning in Management-Kolkata

EIILM KOLKATA


Prof (Dr.) R.P. Banerjee,Chairman & Director, EIILM-Kolkata, delivering his speech at the Third Edition of the Asian Integration Seminar

## ASIAN INTEGRATION INITIATIVE SERIES

PROF. (Dr.) R.P. Banerjee is a renowned Professor of Management with Ph.D. and Post Doc. in Management. He has lectured at many universities around the world including Pennsylvania State University, Arlington State University, Stockholm University Sweden, Texas University Austin and Dallas, Tarleton State University, Texas Women's University, University of Tennessee, University of Kansas USA, University of Hamburg, Germany, and North Western University, Switzerland.

He is the editor of "Satyer Path" and Guest Editor of special issues of International Journal of HRD and Management. 'Mother Leadership' and 'Stress Management through Mind Engineering' are among his important books and contributions in the field of thought and practices. His publications include more than 200 articles/papers in national and international journals and 14 books he has authored/co-authored. Dr. Banerjee is the Ex-Vice President of International Association for Accounting Education & Research (IAAER). Currently, he is the Chairman & Director, Eastern Institute for Integrated Learning in Management, Kolkata.

### ABOUT EIILM-KOLKATA

EIILM-Kolkata's legacy goes back to 1995 when it was established and since then the institute has been serving the nation by providing quality education and rewarding opportunities. It has reached great heights under the able leadership of Prof. (Dr.) R.P. Banerjee, the current Chairman and Director. EIILM-Kolkata boasts highly accomplished faculty members, smart classes and modern teaching aids, fully equipped computer labs and an overall enriching teaching/nurturing environment. EIILM-Kolkata's success story is well-narrated by a large number of students, past and present. The institute ensures 100% placement of all its students.

Activities in EIILM-Kolkata are not limited to imparting of knowledge only. Seminars and conferences (national as well as international), CxO Forums, Faculty Development Programmes are regularly organised. Faculty members are encouraged to take part in various research endeavours in and outside the institute to ensure the institution's collective contribution to knowledge generation.


### ASIAN INTEGRATION INITIATIVE SERIES

With the ambition to unite Asia in various aspects, Prof (Dr.) R.P. Banerjee pioneered a series of International Seminars conducted in some of the prominent cities of Asia. The first International Seminar was held in Bangkok, the second in Singapore and the third Seminar was held in the City of Joy, Kolkata, which is also the Capital of the state of West Bengal.

- International Seminar on "Business in Borderless Asia – the Hurdles, Possibilities and Prospects" organised by EIILM-Kolkata in collaboration with Vidyasagar University was held at Hotel Novotel Platinum Pratunam, Bangkok, the capital of Thailand.
- International Seminar on "Asian Integration – Towards Creating a Homogeneous Asian Mind" organised by EIILM-Kolkata in association with Vidyasagar University & International College – Rajamangala University of Technology, Krungthep, Thailand was held at Hotel Novotel, Clarke Quay, Singapore.
- International Seminar on "Leadership for Emerging Asian Business: The Knowledge and Technology Dimension" organised by EIILM-Kolkata in collaboration with Pathumthani University, Thailand,was held at Bhasha Bhavan, National Library, Kolkata.

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# Eastern Institute for Integrated Learning in Management-Kolkata

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# Join EIILM-Kolkata to give your career a boost

DRIVING PROGRESS
EIILM KOLKATA
25 YEARS
FOSTERING INITIATIVES

Students attending the CxO Forum 2019 at the National Library, Kolkata

STARTED in 1995, EIILM-Kolkata has traversed a unique journey through the lanes of academics, facilitating the career onset of business students in companies within the Nation and across the seven continents of the world. The accumulated number of alumni has reached the coveted mark of almost ten thousand with the institution's former students embracing disciplines like finance,marketing, corporate strategies, managing manpower and on the whole running enterprises. There are a good number of alumni who have reached top positions in their companies, helping set international benchmarks with their brands and products/services in territories which extend beyond national boundaries. There is no dearth of goods news of EIILM-Kolkata alumni receiving acclaim and accolades from various competent authorities and corporations. The undergraduate programmes which have flourished at the institution are:

- BBA
- BBA in Hotel & Hospitality Management
- BBA in Hospital Management
- B.Sc in Media Management
- BBA in Business Analytics
- BCA

The latest feather in EIILM-Kolkata's cap has been the Ph.D. programme in Management which covers all relevant and related areas, meeting the norms set by the UGC and the University.

EIILM-Kolkata is a name acclaimed by business and industry in India in general and corporate houses, domestic and global, operating from the intellectual capital of India, in particular. Scaling this height has been possible for EIILM-Kolkata because of its top quality business academics who blend academic knowledge and corporate expertise and an ongoing spirit of business and corporate research. Every classroom of the institute is equipped with Smart Boards and the entire campus is Wi-Fi enabled. Apart from the usual classroom teaching, emphasis is put on case-based learning method, role-playing, live projects, group discussions and several other activities which facilitate the process of practical learning.

Once admitted, students go through a one-month orientation course before they start with their actual course. In this way, from day one, students become acquainted with true professionalism and develop their business acumen. Professionals from industry and distinguished alumni visit the institute from time to time to conduct interactive sessions and workshops with the students, thereby preparing the students for the campus placement drives.

With this, I welcome you to join EIILM-Kolkata, and experience and scale highs in your career that will be unmatched by many others.

**- Prof (Dr.) R P Banerjee**
**Chairman & Director,**
**EIILM-Kolkata**

Inauguration of MBA 2019-2021 batch

## EIILM dignitaries

**Dr. Jayanta Saha**
Head- Admissions & Global Outreach

At EIILM-Kolkata, students get opportunities to get exposed to the global environment. To fulfil this objective, we have collaborated with various foreign Universities which provide our students the much-required global exposure. We are presently conducting International Immersion Programmes in countries such as Thailand, Taiwan, Indonesia, Singapore and the UK. We are also facilitating International Internship Opportunities for our students in these countries along with final placement.

**Prof. Surajit Chatterjee**
Co-ordinator - Corporate Relation & Placement

EIILM-Kolkata, a popular name in the management sector, seeks to fulfil the aspirations of the Young India. As the Co-ordinator - Corporate Relation & Placement of the institute, I am committed to the goal of getting my students placed in reputed companies, both national and international, keeping in mind the present industry requirements. Besides this, I also give prominence to our candidates' choice-based placement, so that they can grow, nurture and excel in the corporate world.

**Prof. Supriya Paul**
Administrative Officer & Asst. Prof.

EIILM-Kolkata has a diverse pool of Intellectual Capital across all departments. Being the Administrative Officer, I extend my contribution to all major functions and try to coordinate with all major departments to understand their essential functional requirements, task assignment and accordingly put my effort, which enables the respective departments to accomplish their tasks on time, effectively and efficiently.

**Prof. Tapas Chakraborty**
Campus Head, (Hare St.) & Senior Faculty (Marketing)

As a Marketing Professional having over 25 years of Industry exposure ranging from FMCG, Personal Care to FMCD, I am assigned to teach, enrich and groom the young minds with marketing skills and knowledge. This enables them to perform and deliver successfully in the interview process as well as at their respective workplaces.

**Tamal Jyoti Chakraborty**
GM - Finance & Administration

The Finance department plays a pivotal role in an educational institute. I, as the Head of Finance, look after all the affairs concerning our day-to-day activities and/or special events. I ensure good rapport with all other departments for the smooth functioning of the institute.

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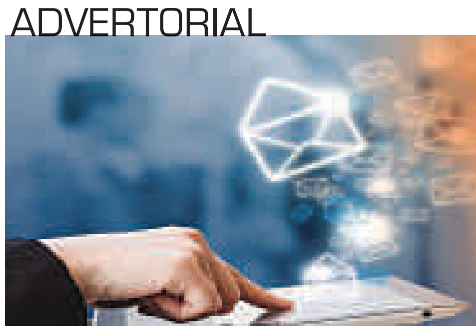

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## COLLABORATIONS WITH UNIVERSITIES ABROAD

Rajamangala University of Technology, Krungthep

Mingdao University Taiwan

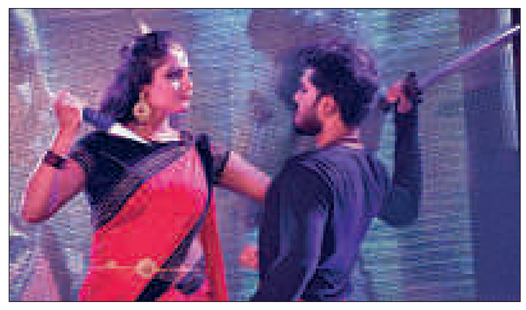
Pathumthani University Thailand

EIILM-Kolkata has signed a memorandum of understanding (MoU) with Mingdao University, Taiwan for student and faculty exchange programmes. The institute has also signed an MoU with International College, Rajamangala University of Technology, Krungthep as well as Pathumthani University, Thailand for Academia – Industry relationship. EIILM- Kolkata has also signed an MoU with leading Govt. Hotel Management Institutes in Asia to create a world-class Hotel & Hospitality School.

## CORPORATE SOCIAL RESPONSIBILITY

In order to uplift the lives of the underprivileged community in Kolkata, the pavement dwellers, EIILM-Kolkata has promoted a charitable trust, "Towards Life Foundation India". The trust has dedicated itself to enabling the impoverished community of pavement dwellers to initiate activities for their social and economic empowerment. The centres of teaching started in January 2009. Children got education and first-hand training on the use of computers. Nutritious meals were also provided to each child on the days of teaching. Medical camps were organised at regular intervals in all the centres for the health check-up of the children as well as their parents.

## EXTRA-CURRICULAR ACTIVITIES



Sports and cultural activities are immensely encouraged at EIILM-Kolkata. Students enrol themselves in the Sports Club, Cultural Club, and Entrepreneurship Cell, according to their area of interest. Students participate in various Corporate Cricket and Football Tournaments, Inter-college sports and fests organised by institutes all over the nation. During their leisure hours, students access the common room of the institute where they can enjoy various indoor games like chess, carom and table-tennis.

The institute organises an Edutainment programme in which students are taken for an excursion and their managerial skills are developed through a number of games. EIILM-Kolkata periodically organises Inter-school and Inter-college Football and Cricket tournaments in Kolkata and the adjacent districts to promote sports among the youth of the state. Besides these, the institute also takes the initiative of conducting social activities like sapling distribution, blood donation and dengue awareness drives.

## ACADEMIC INFRASTRUCTURE

**COLLEGE CAMPUS:**
Currently we are in possession of 5 different campuses at the following addresses:
- 6, Waterloo Street, Kolkata – 700069
- 9, Hare Street, Kolkata – 700001
- DN-14, Sector – V, Salt Lake City, Kolkata – 700091
- Chatterjee International Centre, 33A, JL Nehru Road, 15th Floor, Kolkata – 700071
- Rudra Complex, 2nd Floor, Jalpaiguri Siliguri Main Road, Jalpaiguri – 735101.

**CLASSROOMS:** We have a total of 45 classrooms, half of which have a seating capacity of 100 or more. Each classroom is fitted with the latest Audio Visual Gadgets, Projectors, Smart Boards and the entire campus is Wi-Fi enabled, which helps the students keep a record of the documents, lectures, interactions, presentations and other classroom activities for future use.

**LIBRARY:** The library consists of more than 50,000 books and subscription of over 2,500 national and international journals. The library houses around 800 volumes of periodicals, project reports, dissertations and 6,000 items of non-book materials like reports, pamphlets and newspapers. Renowned international management journals like EuroMoney, Harvard Business Review, Economist, Sage Business Cases, among others, are also available in the library.
**COMPUTER LABS:** The institute has four large computer labs with a total capacity of 500 computing terminals.

**CAPITAL MARKET LAB:** EIILM-Kolkata has created one of the largest "Online Simulated Capital Market Laboratories" in the country – the largest in Eastern India. It has 65 terminals to facilitate students acquiring hands-on training on stock-market trading using required data-feed. The lab provides hands-on, real-world training in Securities, Derivatives, Commodities and Foreign Exchange Trading using required data feed. This set-up features actual exchange software from NSE, required data feeds from Newswire TV18 and charting tools from Meta Stock and Eviews. Access to a wide range of industry research through the CMIE Prowess, the EBSCO Journal Database, CYGNUS Database as well as high-end dedicated data server allow the students to get a feel of realistic simulations of Marketers' Instructor workstation.

**LANGUAGE LAB:** A multi-dimensional language lab catering to diverse functions is in operation at the institute. It provides technology aided language training in small groups for a more focussed, individualistic, stress-free and enjoyable learning experience. This contributes to improvement in the communication skills of the students of the institute. Here, special attention is paid to phonetics teaching, particularly aimed at enhanced ear-training and accent neutralisation so as to arm the students with the skills that are required for overseas placements.

## COURSES OFFERED


## HOSPITALITY MANAGEMENT: TAPPING THE UNIQUENESS OF INDIAN INDUSTRY


BBA (H&H) Students of EIILM-Kolkata

HOSPITALITY as an industry has scaled highs globally, offering required services to people in all aspects of human movement for a plethora of reasons. It has grown to the stage of catering to the economic needs of people and nations in the realms of work as well as leisure. One of the most important observations by Nobel laureate Samuel Beckett in his Nobel Prize-winning work *Waiting for Godot* highlights three aspects of being a civilised individual on earth:

*1. Free-thinking for making good and beautiful things on earth*
*2. Developing, maintaining, spreading and honouring goodness*
*3. Leisure and drawing pleasure from leisure to support free-thinking and developing goodness in the global system*

The observations of Beckett touch the right chord in the enterprise to replace an old world order with a new and a better one. In the present society, our activities should be oriented towards achievements destined to support and sustain the cause of the individual on one hand and that of the global system on the other. However, the system we live in is highly individualistic, with little care or regard for spiritual introspection.

It can be claimed that the Leisure Industry has the potential to bring out the best in us through its attention to detail, appreciation of tastes and uniqueness and an overall contribution to the development of a nation's economic backbone. In India especially, this industry is yet to tap into all the available resources. EIILM-Kolkata has launched the BBA in Hotel and Hospitality programme, determined to look into and explore the uniqueness in the industry with combined inputs from the facilitators, stakeholders and a newly defined holistic leadership approach.

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# Eastern Institute for Integrated Learning in Management-Kolkata

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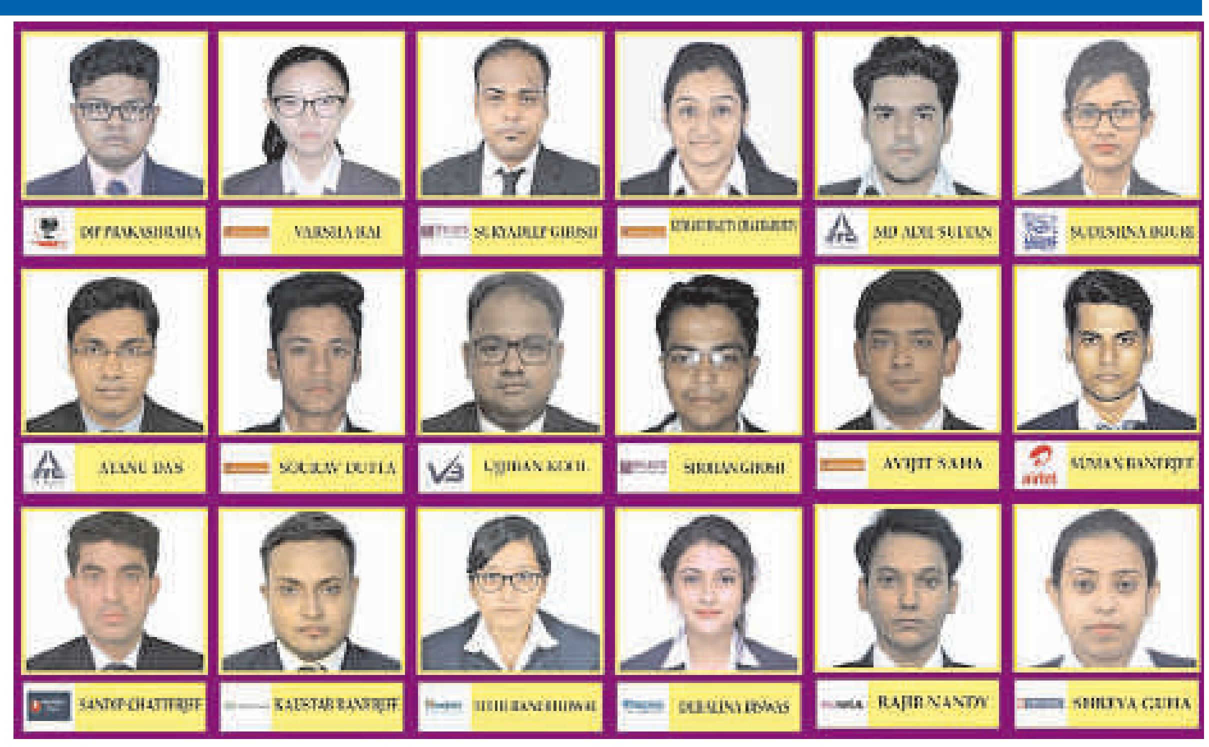
## RANKING, ACHIEVEMENTS, AWARDS & ACCOLADES

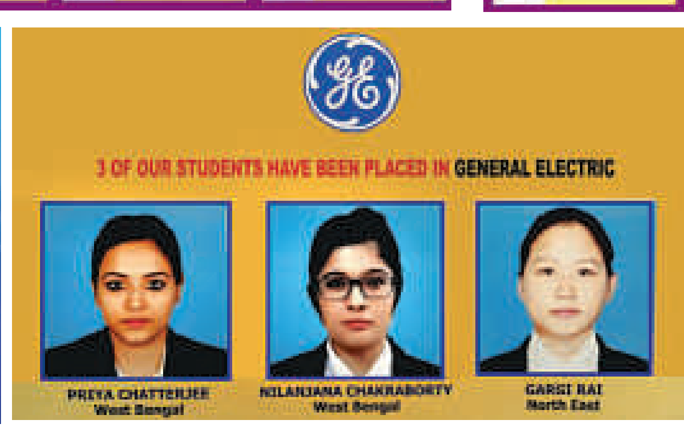


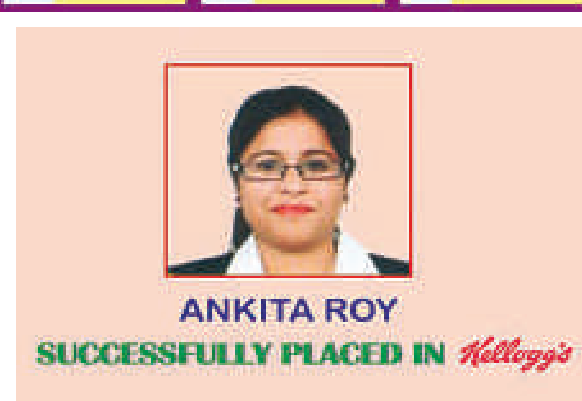

- Featured in "Dun & Bradstreet" – Leading Business Schools of India, 2019.
- India's greatest B-School Brand award 2018-19, presented at the India's Greatest Brands & Leaders Award 2018-19 in Mumbai.
- Asia's Greatest B-School Brand & Leader Award 2018 presented at the World's Greatest Brands & Leaders Award 2018-19 in Dubai.
- "Best Placements among B-Schools" Education Excellence Award presented by Zee 24-Ghanta, Kolkata in 2019.
- "CSR Top Institutes of India Award" for nine consecutive years.
- Best B-School in Non-IIM Category in West Bengal by CSR-GHRDC B-School Survey in 2018.

## MBA Placements






**Arnab Kumar Basu**
Assistant Vice President - Human Capital & General Affairs (HCGA), Welspun India Limited.

## A few of our Recruiters

**EASTERN INSTITUTE FOR INTEGRATED LEARNING IN MANAGEMENT- KOLKATA**

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(91) (33) 22100909
**Mob :** 9163393615 / 9163393633
**Email** : info@eiilm.co.in **Web**: www.eiilm.co.in
https://www.facebook.com/eiilmkolkata69/