CRUDE WATCH

OIL OFF 2-MTH HIGH ON TRADE WORRIES

New York: Oil prices fell on Friday, pulling back from two-month highs as concern over US-China trade talks overshadowed expectations of an extension to OPEC+ production cuts. Brent crude futures eased 58 cents to settle at $63.39 a barrel. **REUTERS**

PERIODIC LABOUR FORCE SURVEY FOR JANUARY-MARCH QUARTER

Urban jobless rate hits 4-quarter low at 9.3%

AANCHAL MAGAZINE
NEW DELHI, NOVEMBER 23

UNEMPLOYMENT RATE in urban areas moderated to 9.3 per cent in January-March, the lowest in at least four quarters, the Periodic Labour Force Survey for the January-March quarter showed. The urban unemployment rate, based on current weekly status, stood at 9.9 per cent in October-December 2018, 9.7 per cent in July-September 2018 and 9.8 per cent in April-June 2018.

Female unemployment rate, however, was higher than the overall rate at 11.6 per cent in January-March, lower than 12.3 per cent in October -December 2018 and 12.8 per cent in April-June 2018, while unemployment rate for males stood at 8.7 per cent in January-March, as against 9.2 per cent in the previous quarter and 9 per cent in April-June 2018.

A state-wise breakup for all years' age group showed female unemployment to be the highest in Jammu & Kashmir at 38.2 per cent, followed by Uttarakhand at 33.7 per cent and Kerala at 21.5 per cent in January-March.

Among males of all ages, the highest unemployment rate was seen in Odisha at 15.6 per cent, followed by Madhya Pradesh at 13 per cent and Delhi at 12.9 per cent.

Labour-force estimate, according to current weekly status (CWS), is the number of persons either employed or unemployed on an average in a week of seven days preceding the date of survey.

Comparable figures for the January-March quarter of 2018 are not available as the first quarterly bulletin for the quarter ended December 2018 was brought out in May this year. To be sure, this data set differs from the Annual Report of Periodic Labour Force Survey, which covers both rural and urban areas and gives estimates of employment and unemployment in both usual status (ps+ss) and CWS.

The first annual PLFS report, which was first withheld and then released in May this year, was for July 2017- June 2018. The second annual PLFS report for July 2018-June 2019 is yet to be released.

As per the latest quarterly bulletin, labour force participation rate for 15 years and above inched lower to 46.5 per cent in January-March from 46.8 per cent in the previous quarter.

Female labour force participation rate for 15 years and above also recorded a decline to 19.1 per cent in January-March from 19.5 per cent in the previous quarter, while those for males eased to 73.4 per cent in January-March from 73.6 per cent in October-December.

Labour force participation rate (LFPR) among youth (15-29 years) in January-March was recorded at 37.7 per cent, lower than 38.2 per cent for the previous quarter. Female LFPR for 15-29 years age group was at 16 per cent in January-March as against 16.7 per cent in the previous quarter, while for males, the LFPR moderated to 57.9 per cent in January-March from 58.3 per cent.

A state-wise breakup for 15 years and above showed Bihar and Uttar Pradesh to be the worst performers with female LFPR at only 5.6 per cent and 6.0 per cent, respectively.

The worker population ratio, which gives an estimate of the workforce in the current weekly status, remained broadly at the same level as the previous quarter at 32.7 per cent in January-March, the data showed.

EXPLAINED

Some relief, annual PLFS report awaited

URBAN UNEMPLOYMENT rate, based on current weekly status, has slowed to 9.3 per cent in January-March, the lowest in at least four quarters. Female unemployment rate improved, though it continued to stay above the overall unemployment rate, at 11.6 per cent in January-March from 12.3 per cent in the previous quarter.

At a time when there is overall slowdown in the economy, these figures show marginal improvement. However, going ahead, the key dataset to watch out would be the yet-to-be released annual PLFS report, which would provide unemployment rate for rural and urban areas for 2018-19.

Banks have ₹1,415-cr exposure to Karvy Stock Broking

GEORGE MATHEW
MUMBAI, NOVEMBER 23

BANKS AND finance companies have a Rs 1,415-crore exposure to Karvy Stock Broking, which was banned by the Securities and Exchange Board of India (Sebi) on Friday for default of Rs 2,000 crore to clients.

Karvy had unauthorisedly sold pledged client shares via off-market transfer and transferred Rs 2,000 crore to its group company Karvy Realty in violation of Sebi rules. ICICI Bank has the maximum exposure of Rs 875 crore, which was created only on October 1, 2019. HDFC Bank has an exposure of Rs 195 crore, IndusInd Bank Rs 105 crore, DCB Bank Rs 55 crore and Axis Bank Rs 85 crore, according to banking circles.

Hundreds of investors who have accounts with Karvy and yet to receive money from the firm have complained to Sebi and tweeted about the fraud committed by the broking firm.

The crisis at Karvy has come close on the heels of the RBI superseding the board of DHFL and initiating the bankruptcy proceedings for recovery of around Rs 84,000 crore with banks accounting for over Rs 38,000 crore of the debt. "After IL&FS, DHFL and PMC Bank, now Karvy also … financial sector woes are continuing," said a bank official. "It's one of the largest brokers and registrars. This is a reputation loss for the market. Is investors' portfolio secure with brokers? Who to trust?" tweeted an investor. "Even with all the regulations, inspections and monitoring, scams of larger proportion keep on happening," said another investor.

The National Stock Exchange (NSE), which submitted a report to the Sebi, observed that KSBL misused power of attorney given by its clients. "KSBL has sold client securities in the market in disguised manner through own controlled entities and used the funds for its own purposes. KSBL in order to hide its misdeed has not even reported the DP account (No. 11458979) in the submissions made by it to the NSE from January 2019 to August 2019. It is only during inspection by NSE, this account came to the notice," Sebi said in its ex parte order banning Karvy Stock Broking. KSBL transferred a net amount Rs 1,096 crore to its group company Karvy Realty between April 2016 and October 2019.

The NSE report found that there are numerous transactions in the DP account whereby securities of the clients have been moved. Securities of clients received in pay out are transferred from the pool account to this account and also securities lying in the demat account of the clients are also transferred into and from this account misusing power of attorney given by the client, Sebi said.

According to Sebi, the securities lying in the DP account actually belong to the clients which are the legitimate owners of the securities. "Therefore, KSBL did not have any legal right to create any kind of pledge on these securities. Even if the client securities were pledged, it should have only been for meeting the obligation of the respective clients which was not observed in this case," Sebi said.

Hyderabad-based C Parthasarathy is the chairman and managing director of the diversified financial services Karvy group. "Parthasarathy — CP as he is better known in the industry — has the uncanny knack of staying ahead of the curve and the foresight to spot opportunities that seem invisible on the horizon for the others. Karvy's entire history is a case study of turning adversity into opportunity. CP is a chartered accountant by qualification, whose entrepreneurial energy drove him to co-found Karvy in 1983 with a less-than-modest capital of Rs 150,000," says the Karvy website.

DEFAULT OF ₹2,000 CR

- **Karvy unauthorisedly sold pledged client shares via off-market transfer and transferred Rs 2,000 crore to its group company Karvy Realty, in violation of Sebi rules**
- **ICICI Bank has the maximum exposure of Rs 875 crore, which was created only on October 1, 2019. HDFC Bank has an exposure of Rs 195 crore, IndusInd Bank Rs 105 crore, DCB Bank Rs 55 crore and Axis Bank Rs 85 crore, according to banking circles**

'Private hospitals account for 55% of in-patient cases, public hospitals 42%'

ENS ECONOMIC BUREAU
NEW DELHI, NOVEMBER 23

PRIVATE HOSPITALS across the country accounted for 55 per cent of the in-patient hospitalisation cases for availing treatment while the share for public hospitals was 42 per cent, indicating higher reliance of private healthcare services, according to findings of nation-wide survey on 'Household Social Consumption related to Health during the period July 2017 to June 2018.'

The remaining 3 per cent of the surveyed household were treated by medical charitable trusts. The survey was conducted by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, as a part of 75th round of National Sample Survey (NSS).

According to the survey report released on Saturday, health insurance coverage in the country remains low, as only 14 per cent of the rural population and 19 per cent of the urban population reported they had health expenditure coverage. Among the insured public, 13 per cent of rural and 9 per cent of urban population were covered by government sponsored health insurance. While about 6 per cent of urban population were covered by health insurance arranged by employers, around 4 per cent of urban population were covered by health insurance arranged by the households with insurance companies.

The nation-wide survey collected data from 1,13,823 households (64,552 in rural areas and 49,271 in urban areas), covering a total of 5,55,115 persons (3,25,883 in rural areas and 2,29,232 in urban areas). The survey gathered data on key issues including profile of ailments and their treatment, role of government and private facilities in providing healthcare, expenditure on medicines, hospitalisation and expenditure thereon maternity and childbirth, among others.

With regard to treatment of ailments, private sector again accounted for major chunk, as private hospitals treated 23 per cent of ailments and private doctors/clinics treated 43 per cent of the ailments. Government hospitals provided treatment of ailments in 30 per cent of the cases (33 per cent in rural, 26% in per cent). In both rural and urban India, 95 per cent of ailments were treated by allopathy.

Average medical expenditure per hospitalisation case (excluding childbirth) in rural India about Rs 16,676 and Rs 26,475 in urban India, as per the Survey. Healthcare costs in private hospitals were nearly 8 times that in government-owned hospitals. In government/public hospitals the expenditure was about Rs 4,452, while in private hospitals the expenditure was about Rs 31,845.

In rural areas about 90 per cent childbirths were institutional (in government/private hospitals), while in urban areas it was about 96 per cent. Surgery was done in about 28 per cent of hospital childbirths in India — with the government hospitals having 17 per cent childbirths surgery cases and private hospitals reporting about 55 per cent of childbirths surgery cases.

For government hospitals, the average expenditure per hospital childbirth was about Rs 2,404 in rural and Rs 3,106 in urban areas. For private hospitals, the same was about Rs 20,788 in rural areas and Rs 29,105 in urban areas.

The government has conducted three such surveys before, in 1995-96 (52nd round of NSS), 2004 (60th round of NSS) and 2014 (71st round of NSS).

THE FINDINGS

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- **Among the insured public, 13 per cent of rural and 9 per cent of urban population were covered by government sponsored health insurance**

'Only 10.6 % people of age 15 years and above have finished a graduation course and above'

The National Statistical Office's survey on Household Social Consumption: Education builds indicators on participation of persons of age 3 to 35 years in the education system, expenditure incurred on education of the household members and indicators of those not attending education

EDUCATION EXPENDITURE IN 3 TO 35 YEARS AGE GROUP

General course: In rural areas, average expenditure per student pursuing general course in the current academic year was Rs 5,240 while in urban areas it was Rs 16,308

Professional course: In rural areas, average expenditure per student pursuing technical/professional course in the current academic year was Rs 32,137 while in urban areas it was Rs 64,763

LITERACY RATE:

7 Years and above: Literacy rate among this age group was 77.7% — 73.5 per cent in rural areas and 87.7 per cent in urban areas

15 years and above: in rural areas, 30.6% had completed secondary or above level of education while in urban areas it was 57.5%

ENROLMENT

Age 3 to 35 years: 13.6% never enrolled, 42.5% ever enrolled but currently not attending while 43.9% were currently attending. In rural areas, 15.7% never enrolled, 40.7% ever enrolled but currently not attending while 43.5% were currently attending. In urban areas, 8.3% never enrolled, 46.9% ever enrolled but currently not attending while 44.8% were currently attending

10.6 %

of the persons of age 15 years and above in India have completed level of education graduate and above. This was 5.7% in rural and 21.7% in urban areas

57%: of the students in rural and 23.4% in urban areas received free education

1,13,757 households were surveyed, 64,519 in rural areas and 49,238 in urban areas, covering 5,13,366 persons. In age group of 3 to 35, 2,86,456 persons were surveyed — 1,73,397 in rural areas and 1,13,059 in urban areas

5 YEARS AND ABOVE: information was collected on ability to operate computer, to use internet and use of internet in last 30 days. Information on current attendance and related expenditure in respect of the erstwhile members of age 3 to 35, currently attending education of the households were also collected

NSS REPORT ON 'DRINKING WATER, SANITATION, HYGIENE AND HOUSING CONDITIONS IN INDIA'

'58.2% of rural, 80.7% of urban households have drinking water facilities within their homes'

ENS ECONOMIC BUREAU
NEW DELHI, NOVEMBER 23

ONLY ABOUT 48.6 per cent of the rural households and about 57.5 per cent urban households had exclusive access to principal source of drinking water, with only about 58.2 per cent of the rural households and about 80.7 per cent urban households having drinking water facilities within the household premises, the National Sample Survey (NSS) report on 'Drinking Water, Sanitation, Hygiene and Housing Conditions in India' released on Saturday showed.

About 12.4 per cent of rural households and 9.1 per cent of urban households did not have sufficient access to drinking water throughout the year from the principal source of water, the report said.

Among sanitation facilities, only about 50.3 per cent of the rural households and about 75.0 per cent of the urban households had exclusive access to the bathroom.

"The major source of drinking water was hand pump for the households in the rural areas and piped water into dwelling in the urban areas.

About 42.9 per cent of the households in the rural areas used hand pump as the principal source of drinking water and about 40.9 per cent of the households in the urban areas used piped water into dwelling as the principal source of drinking water," the report said.

About 96.0 per cent of the rural households and about 63.8 per cent urban households had their own dwelling units. "Among the households living in houses, about 96.7 per cent of the households in the rural and about 91.5 per cent in the urban areas used the house for residential purpose only," the report said.

Among the households living in houses, about 89.0 per cent of the rural households and about 56.4 per cent in the urban areas had independent house.

About 76.7 per cent of the households in the rural areas and about 96.0 per cent in the urban areas had house of pucca structure. Only about 48.3 per cent of the rural households and about 86.6 per cent households in the urban areas used LPG as the fuel for cooking.

About 61.1 per cent of the rural households and about 92 per cent in the urban areas had drainage system in the house for disposal of waste water/liquid waste, the report said.

Unemployment rate among people with disabilities of age 15 years & above at 4.2%

New Delhi: Unemployment rate among persons with disabilities of age 15 years and above was at 4.2 per cent, with the unemployment rate of females at 3.9 per cent and males at 4.2 per cent, NSS' 76th Round of Survey of Persons with Disabilities showed. Labour Force Participation Rate among persons with disabilities of age 15 years and above in the usual status (ps+ss) approach was 23.8 per cent, the report showed.

The prevalence of disability — the percentage of persons with disability in the population, was 2.2 per cent with 2.3 per cent in rural areas and 2 per cent in urban areas, the survey showed. Prevalence of disability was higher among males than females, with prevalence of disability at 2.4 per cent among males and 1.9 per cent among females. **ENS**

FM on RCEP: Offer not up to aspirations

ENS ECONOMIC BUREAU
CHENNAI, NOVEMBER 23

INDIA DID not join the Regional Comprehensive Economic Partnership as the offer was not "as much as our aspirations", Union Finance Minister Nirmala Sitharaman said on Saturday.

The government was making efforts to ensure more regulatory mechanism in the banking sector to benefit bank account holders, she said in the context of the PMC Bank and IL&FS issues. On the PMC Bank scam, Sitharaman said the RBI has started making sure there are steps taken within the institution that would strengthen the supervisory and regulatory roles.

On non-performing assets (NPAs), she said they multiplied between 2007-08 and 2013 and had become a burden on the banks' books. However, banks had taken corrective action and most of them are out of it, she said. "As a result banks are also going through a churn of how to assess their risk and how to rate property or asset. And in this we had even discussions with credit agencies on how to really rate assets," she said. Sitharaman said she has met a few credit agencies to understand if the way in which they rate was consistent with what is happening in the economy.

The NDA government was 'receptive' to issues faced by the Indian businesses, she said. **FE**

EU countries back tough line on 5G suppliers in potential blow to Huawei

REUTERS
BRUSSELS, NOVEMBER 23

EU COUNTRIES on Friday endorsed a tough line for selecting 5G suppliers, including vetting the domestic legal framework to which they are subjected, potentially dealing a blow to telecoms equipment market leader Huawei Technologies.

Ambassadors meeting in Brussels agreed to the approach, a spokeswoman for Finland, which currently holds the rotating EU presidency, said in a tweet.

EU nations should consider non-technical factors such as the legal and policy framework to which suppliers may be subject in third countries, a draft seen by *Reuters* ahead of the meeting said. The document didn't mention specific countries or firms.

EU governments should also diversify their suppliers and not depend on one, the document said. EU ministers will give the green light to the approach at a meeting next month.

The United States has urged the EU to ban Huawei equipment, saying that its gear could be used by China for spying. Concerns have focused on a Chinese law on domestic companies' cooperation with the government on security matters, with critics saying that these could compel them to be a vehicle for Chinese spying.

The Shenzen-based company, which competes with Finland's Nodvkia and Sweden's Ericsson has denied the US charges and dismissed the concerns as groundless.

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'WeWork names 4 new executives'

REUTERS
NEW YORK, NOVEMBER 23

WEWORK NAMED four men to executive roles on Friday and outlined a six-point path to profitability, though the money-losing flexible office space operator said it will not be cash flow positive until 2023, according to a media report.

Marcelo Claure, a SoftBank executive who was named executive chairman at WeWork one month ago, emphasised the company's attributes as real estate concern, a departure from its past representation as a technology company, *Business Insider* said.

CONTRACT WAS WORTH UP TO $10 BILLION

Amazon files case against Pentagon contract to Microsoft

REUTERS
BENGALURU/SAN FRANCISCO, NOVEMBER 23

AMAZON.COM INC filed a lawsuit in a federal US court on Friday contesting the US Defense Department's decision last month to award a Pentagon cloud computing contract worth up to $10 billion to rival bidder Microsoft.

The complaint and supplemental motion for discovery were filed in the US Court of Federal Claims under seal, according to a spokesman for Amazon Web Services, a division of the online retail giant founded by billionaire Jeff Bezos.

The company did not explain the basis for its complaint.

The filings contain "proprietary information, trade secrets, and confidential financial information" that could "cause either party severe competitive harm," Amazon said in a court document seeking a protective order.

"The record in this bid protest likely will contain similarly sensitive information," it said.

Last week, US Defense Secretary Mark Esper rejected any suggestion of bias in the Pentagon's decision to award Microsoft the contract after Amazon announced plans to challenge it. "We believe the facts will show they (DoD) ran a detailed, thorough and fair process in determining the needs of the warfighter were best met by Microsoft," Microsoft said.

THE CASE DETAILS

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- **The filings contain "proprietary information, trade secrets, and confidential financial information" that could "cause either party severe competitive harm," Amazon said in a court document seeking a protective order**