GOLD	RUPEE	OIL	SILVER
₹41,705	₹76.28	$26.15	₹38,100

Note: Spot gold markets shut due to lockdown in major states. *Indian basket as on March 19, 2020

SENSEX: 31,159.62 ▲ 1265.66 **NIFTY:** 9,111.90 ▲ 363.15 **NIKKEI:** 19,498.50 ▲ 152.73 **HANG SENG:** 24,300.33 ▲ 329.96 **FTSE:** 5,842.66 ▲ 164.93 **DAX:** 10,564.74 ▲ 231.85

*All major financial, forex and debt markets were closed on account of Good Friday; International market data till 1900 IST

TECHNOLOGY WATCH
INTERNET NEWS

French competition watchdog tells Google to pay news cos for sharing their content

EXPRESS NEWS SERVICE
NEW DELHI, APRIL 10

IN A major fillip to the press and news wire agencies, the French competition regulator announced on Thursday that Google must start paying media for sharing their content, as its practices had caused serious harm to the press sector. The French regulator, in a statement, said it has asked the internet giant to "negotiate with publishers and news agencies the remuneration due to them under the law relating to neighbouring rights for the re-use of their protected contents".

The order is an interim decision, and the regulator is yet to decide if Google has actually breached competition rules of France. Though the order is only for the French press, it has global ramifications for Google and the press, as it can set a legal precedent and shape the discourse around the economics of news on the net.

Autorité de la concurrence, the French competition regulator, ordered "interim measures" and found that "Google's practices on the occasion of the entry into force of the neighbouring rights law were likely to constitute an abuse of a dominant position, and caused serious and immediate harm to the press sector".

"It, thus, requires Google, within three months, to conduct negotiations in good faith with publishers and news agencies on the remuneration for the re-use of their protected contents. This negotiation must retroactively cover the fees due as of the entry into force of the law on 24 October 2019," the regulator ordered.

Google stated it will comply with the order. "Since the European Copyright law came into force in France last year, we have been engaging with publishers to increase our support and investment in news. We will comply with the (French Competition Authority's) order while we review it and continue those negotiations," Richard Gingras, vice president of News, Google, said.

FINAL DECISION YET TO BE TAKEN

■ Though only for the French press, the order could have global ramifications

■ The regulator is yet to take a final decision if Google has actually breached France's competition rules

The internet behemoth has also been asked by the regulator to file "monthly reports on how it is complying with the decision". Noting that Google holds a dominant position, the regulator stated that "Google may have abused its dominant position in the market for general search services by imposing unfair trading conditions on publishers and news agencies".

It further said: "Google's practices caused a serious and immediate harm to the press sector, while the economic situation of publishers and news agencies is otherwise fragile, and while the law aimed on the contrary at improving the conditions of remuneration they derive from content produced by journalists."

Google's dominant position leads it to bring significant traffic to the websites, which is "very important and crucial for publishers and news agencies who cannot afford to lose any share of their digital readership due to their economic difficulties". It also noted that Google's behaviour deprives publishers and news agencies of vital resources.

The neighbouring rights law that came into force July 24, 2019 "aims to set the conditions for a balanced negotiation between publishers, news agencies and digital platforms, in order to redefine, in favour of press publishers and news agencies, the sharing of the value between these actors". A complaint had been filed last November by several press publisher unions in France and news agency Agence France-Presse against Google.

NO INDICATION YET FROM GOVT ON MORATORIUM TO NBFCs

NBFCs stare at liquidity woes as banks offer them no moratorium

Total bank loan outstandings to NBFC sector were ₹7,37,198 crore as of January 31

GEORGE MATHEW
MUMBAI, APRIL 10

BANKS ARE sticking to their position of not offering any moratorium on term loans taken by non-banking financial companies (NBFCs), though the RBI has asked NBFCs to offer moratorium on loans taken by their customers, putting significant pressure on liquidity profiles of many such companies.

The total bank loan outstandings to the NBFC sector — which was already facing liquidity problem — were Rs 7,37,198 crore as of January 31, showing a rise of 32.2 per cent on a year-on-year basis.

While collections are falling steeply in the wake of the lockdown, closure of units and job losses, an estimated Rs 1.75 lakh crore debt obligation of NBFCs will mature by June.

The Reserve Bank of India (RBI) had asked banks, co-operative banks and NBFCs to offer three-month moratorium on loan repayments by their customers in the wake of the COVID-19 pandemic and the nationwide lockdown. However, banks have refused to give the same facility to NBFCs which have taken huge loans from the banking sector.

"A significant part of money disbursed by NBFCs is loan taken from banks. It's true that the RBI has not specifically said NBFCs should not be given moratorium by banks. But banks have not extended the facility to NBFCs. The RBI has also not clarified its position on the NBFC moratorium," said a banking source.

While NBFCs — hit hard by the IL&FS and DHFL crises — have taken up the moratorium issue with banks, the RBI and the Finance Ministry, they have not received any favourable decision so far. Industry chamber Assocham had proposed a special liquidity window for NBFCs, but the banking regulator has not shown any inclination so far. While a few banks are inclined to offer moratorium on NBFC loans, some of the big banks have ruled out any such facility and the RBI and the government have not given any indication till today, said a source.

The central bank has made available Rs 1 lakh crore through its targeted long-term repo operations (TLTRO) window. However, only half of that is earmarked for primary issuances.

Moreover, an expected scramble for funds means corporates and government-owned financiers will also be interested in this window. Consequently, only higher rated NBFCs may end up benefiting.

According to a Crisil report, with collections minimal and the moratorium only for their borrowers, raising fresh funds is critical, especially because NBFCs, unlike banks, do not have access to systemic sources of liquidity and depend significantly on wholesale funding.

The rating agency said that liquidity pressure will increase for nearly a quarter of NBFCs if collections do not pick up by June. These NBFCs have Rs 1.75 lakh crore of debt obligations maturing by then, it added.

In a report, Acuité Ratings & Research said, "While we can presume that most banks will provide back to back moratorium, there is no indication that it will be applicable for the non-bank lenders or investors, unless there are specific bilateral arrangements."

This implies that the bondholders, commercial paper investors and also fixed deposit holders (applicable for deposit taking NBFCs) in all likelihood, will insist on maintaining the existing repayment schedule, the agency said.

Almost 60 per cent of NBFC borrowings are from non-bank sources and require continuity in debt servicing. With minimal collections, NBFCs can only depend on their cash reserves and any backup credit lines from banks, if available for servicing such debt.

E. EXPLAINED

Tiding over lockdown the priority for NBFCs

FOLLOWING THE DHFL and IL&FS crises, the key challenge for NBFCs would be to tide over the lockdown crisis. They will have to tackle the likelihood of a sharp deterioration in the delinquency levels and repayment of bank loans amid the three-month moratorium.

While the lockdown implemented to contain the spread of COVID-19, may be gradually removed over the next few weeks, the impact on the businesses of the self-employed and SME borrowers is likely to be severe, posing challenges for NBFCs.

TO COUNTER LOCKDOWN EFFECT

EPFO contribution waiver: FAQs issued on eligibility of employees

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 10

AN EMPLOYEE whose monthly wage is below Rs 15,000, universal account number (UAN) is seeded with Aadhaar, and who has a contributory member of EPF scheme and Employees' Pension Scheme (EPS) for any period between September 2019 to February 2020, will be eligible for the 24 per cent contribution waiver for March, April, and May under the Pradhan Mantri Garib Kalyan Yojana, the Employees' Provident Fund Organisation (EPFO) said in a set of FAQs released Friday.

Under the scheme, announced to counter the lockdown due to COVID-19, the 24 per cent contribution waiver (12 per cent for employers and employees each) will be for an establishment or a factory already covered and registered under the EPF Act, having up to 100 total number of employees, with 90 per cent or more of such employees drawing monthly wages less than Rs 15,000.

The eligible establishment under the scheme will have to disburse wages for all employees and file an Electronic Challan-cum-Return (ECR), which after verification will show the amount of employees' and employers' contributions due as central government relief.

After the employer makes the payments, the EPF and EPS contributions will be credited in the UANs of the eligible employees of the establishment by the Centre, the FAQs said.

The EPFO will send communication to such eligible establishments for payment of wages to employees and filing of ECR, it added. "The central government shall bear the entire liability towards the EPF & EPS contributions of the eligible employees in the eligible establishment. The employer of eligible establishments shall continue to pay the EDLI contributions and EPF administrative charges for all employees as well as the EPF & EPS contributions for ineligible employees," an EPFO statement said.

An eligible employee under the scheme who is a member of the EPF scheme but not a member of EPS due to attaining the age of 58 years will also be eligible under the scheme, it said.

"So, there will be no deduction from wages of eligible employee so he/she will have a higher take home salary. Since the employer is also supported for employer's share by the government, it prevents loss of employment of low wage earners and ensures payment of wages to employees," the statement added.

Under the EPF scheme, employees and employers have to contribute an equal amount of 12 per cent of the employees' basic salary plus dearness allowance. From the employer's EPF contribution, 8.33 per cent is marked for EPS and the remaining to the PF account of the employer. The EPS component is subject to a wage cap of Rs 15,000, or actual basic pay, whichever is lower.

'Fall in productivity biggest concern among many firms'

Around 72 per cent of organisations feel that the impact of COVID-19 will be felt beyond six months, EY said in its report 'HR resilience planning: COVID-19 impact and preparedness'

70%: SHARE OF SURVEYED ORGANISATIONS THAT BELIEVE THE BIGGEST CONCERN FOR CONTINUED REMOTE WORKING IS FALL IN PRODUCTIVITY

<50%: PERCENTAGE OF ORGANISATIONS PREPARED TO MANAGE THE UNPRECEDENTED CRISIS CAUSED BY THE CORONAVIRUS OUTBREAK

>70%: Share of surveyed organisations that are moving to virtual methods of recruitment, with emerging technologies like AI, robotic process automation and machine learning leading this change

<35%: Share of organisations that are prepared if the crisis escalates

<10%: Percentage of organisations that have undertaken contingency and scenario planning

~87%: Share of respondents that currently have travel restrictions in place in addition to the mandated ones

55%: Percentage of respondents that foresee medium-to-significant impact on employee cost

22%: Share of organisations that are thinking of manpower optimisation in short term (maintaining an employee-centric view)

Source: EY/PTI

With $2.2 bn immediate assistance, ADB chief assures FM of support

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 10

ASIAN DEVELOPMENT Bank (ADB) president Masatsugu Asakawa Friday assured Finance Minister Nirmala Sitharaman of $2.2-billion financial support to India in its fight against the COVID-19 pandemic. "ADB is committed to supporting India's emergency needs. We are now preparing $2.2 billion in immediate assistance to the health sector and to help alleviate the economic impact of the pandemic on the poor; informal workers; micro, small, and medium-sized enterprises; and the financial sector," he said.

ADB is also engaged with the private sector to meet its financing needs during this period, the bank said. "ADB assistance for India will be further increased if needed. We will consider all financing options available with us to meet India's needs, including emergency assistance, policy-based loans, and budget support to facilitate swift disbursement of ADB funds," Asakawa said in a call with Sitharaman, according to a statement by ADB.

Weakening global economic growth is causing disruptions in India's trade and manufacturing supply chains, along with the slowdown in tourism and other economic activities. This is straining a large number of micro, small, and medium-sized enterprises, and the livelihood of formal and informal labourers across the country, ADB said. Asakawa said the policy measures announced by the government will provide much-needed relief and stimulus to the most vulnerable people as well as businesses, and become a basis for faster recovery.

The Centre had announced a national health emergency programme, tax compliance and other relief measures provided to businesses, as well as a Rs 1.7 lakh crore economic relief package on March 26 to provide immediate income and consumption support to the poor, women, and workers affected by the three-week nationwide lockdown.

Last week, banks started depositing Rs 500 per month into Jan Dhan accounts of each of the women beneficiaries under the Pradhan Mantri Garib Kalyan Yojana. A total of 20.40 crore women account holders are expected to benefit from the government's plan to provide three monthly instalments of Rs 500 each. The Centre would spend Rs 31,000 crore for this purpose.

On March 18, ADB announced an initial package of approximately $6.5 billion to address the immediate needs of its developing member countries, including India, as they respond to the COVID-19 pandemic.

Earlier this month, the World Bank said it had approved an initial $1.9 billion in emergency funds for coronavirus response operations in 25 developing countries, with more than half the aid earmarked to help fight COVID-19 in India. It had also said it was working to redeploy resources in existing financed projects worth up to $1.7 billion.

BRIEFLY

G20 finance ministers to meet on Apr 15

New Delhi: Finance Minister Nirmala Sitharaman and RBI Governor Shaktikanta Das will on April 15 participate in the meeting of the G20 countries to discuss the way forward in supporting the economy after the COVID-19 pandemic.

FB sues Indian techie for fake news on virus

New York: Facebook has filed a lawsuit against Basant Gajjar, an Indian whose company LeadCloak pushed deceptive advertisements and misinformation about coronavirus outbreak on social media platforms by bypassing its advertising review process. **PTI**

ICSI donates ₹5.25 crore to PM-CARES

New Delhi: Following upon a contribution of Rs 25 lakh from its employees and members, the Institute of Company Secretaries of India (ICSI) on Friday said it has made another contribution of Rs 5 crore from its corpus to the PM-CARES Fund, to support the fight against coronavirus. **ENS**

MCA SUGGESTS MANDATORY JOINT AUDITS FOR LARGE COS AND SETTING UP INDEPENDENT PANEL TO PICK AUDITORS

Industry opposes proposal on joint audits, appointment panel

KARUNJIT SINGH
NEW DELHI, APRIL 10

TOP AUDIT firms and India Inc are in lockstep in opposing mandatory joint audits for large companies and an independent panel for appointment of auditors for large companies by an independent panel, two suggestions floated in a consultation paper by the Ministry of Corporate Affairs (MCA).

The Indian Express has learnt that the Institute of Chartered Accountants of India (ICAI) has, however, supported the idea of mandatory joint audits and an independent panel to appoint auditors in its submission to the MCA.

The Ministry had invited comments on the above proposal as well as a proposal to limit the number of partners per audit firm, causing major concerns at the four big audit firms, Deloitte, KPMG, EY and PricewaterhouseCoopers, *The Indian Express* has learnt. The consultation paper also proposed barring auditors of large corporates from providing any non-audit services to their clients to avoid conflict of interest.

The MCA recently strengthened the reporting requirements for auditors as part of a drive to boost corporate governance, after major corporate failures at companies such as IL&FS and DHFL.

Leaders at top auditing firms said there was little evidence of mandated joint audits leading to better audit quality internationally. "Joint audits create an issue of a lack of accountability. There is a risk of some issues falling between the cracks," said a partner at a leading audit firm who requested anonymity, adding that many other countries had considered and rejected joint audits as a measure to improve audit quality.

The ICAI has, however, supported mandatory joint audits and an independent panel to appoint auditors in its submission to the MCA

Another partner at a leading audit firm said, "It is important to leave the decision to appoint an auditor with an audit committee as an independent panel may not have the necessary expertise to appoint the right auditor," adding that increased transparency in the functioning of a audit committee was a better solution. "The Centre should consider requiring audit committees to make greater disclosures on the selection process for auditors," said the person.

In its comments, the Confederation of Indian Industry (CII) said mandating joint audits for larger companies would "not help improve audit quality, but would result in increased cost." It also said that appointment of auditors be left to the company like all critical decisions.

A source aware of developments said that ICAI had recommended the implementation of an independent panel to appoint auditors, but noted that the panel may face issues in assessing auditors appropriate for a variety of companies.

A partner at another top audit firm said that the proposal to limit the number of partners in a firm was retrograde and the government needed to take steps to promote the merger of smaller firms into larger firms. ICAI, too, has opposed the proposal to limit the number of partners in a single firm according to sources.

Leading auditors have also opposed the proposal to increase the number of non-audit services that auditors would be barred from providing to audit clients to avoid a conflict of interest, stating that current provisions were sufficient.

Bank credit growth slumps to over 5-decade low of 6.14% in FY20

New Delhi: Bank credit growth decelerated to an over five-decade low of 6.14 per cent in the fiscal ended March 31, 2020, amid a faltering economy, lower demand and risk aversion among banks, RBI data showed.

Bank advances growth in FY20 was the slowest since the fiscal ended March 1962, when loans had grown by 5.38 per cent.

In the week ended March 27, 2020, advances stood at Rs 103.71 lakh crore as against Rs 97.71 lakh crore as on March 29, 2019, according to data from the Reserve Bank of India (RBI).

"The economy during the year was weak which led to demand slowdown. Also, there was higher risk aversion among banks," Fitch Ratings Director (Financial Institutions) Saswata Guha said.

The country's economic growth slowed to a near seven-year low of 4.7 per cent in October-December 2019 compared to 5.1 per cent in the second quarter and 5.6 per cent in the first quarter of the current fiscal. Guha said one has to see the June quarter numbers, when the impact of COVID-19 on the overall economy will be visible. **PTI**

Raghuram Rajan, 11 others named to IMF advisory group

LALIT K JHA
WASHINGTON, APRIL 10

IMF MD Kristalina Georgieva on Friday named former RBI governor Raghuram Rajan and 11 others to her external advisory group to provide perspectives from around the globe on key developments and policy issues, including responses to the exceptional challenges the world now faces due to the coronavirus pandemic.

Rajan, 57, is currently working as a professor at the prestigious University of Chicago. **PTI**

Mexico says Trump agreed to help it meet global oil cut target

REUTERS
MEXICO CITY, APRIL 10

US PRESIDENT Donald Trump has "generously" agreed to cut American oil output by an additional 250,000 barrels per day to help Mexico contribute to global reductions, his Mexican counterpart said on Friday. During marathon talks Thursday inside the OPEC+ group, oil producers resolved to make cuts equivalent to around 10 per cent of global supplies, but Mexico balked at the initiative.

Speaking at a regular news conference, President Andres Manuel Lopez Obrador said Mexico, which is an OPEC ally, had been pressed to make cuts of 400,000 barrels per day (bpd), before the group lowered the target to 350,000 bpd. Lopez Obrador, who has made increasing oil output one of the priorities of his administration, said Trump had spoken to him on Thursday and offered to help before Mexico announced it would cut output by 100,000 barrels per day. The White House did not immediately reply to a request for comment on Lopez Obrador's remarks.

Global production cuts that stabilize prices are likely to provide some relief to US shale producers, some of which risk being pushed out of the market unless prices recover.

An Austrian army member at the OPEC headquarters in Vienna, Austria. *Reuters*

Contribution to PM-CARES to be in Form 16 TDS certificate

PRESS TRUST OF INDIA
NEW DELHI, APRIL 10

EMPLOYERS WILL have to show donation made by employees from their salary to PM-CARES fund in Form 16 TDS certificate, the Income Tax Department has stated.

Donations made to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund are eligible for 100 per cent deduction u/s 80G of Income-tax Act, the Central Board of Direct Taxes said in a notice.