### **ICICI Bank cuts** savings interest rate by 25 bps

189.50

..-20.75 ....-2.05

SPECIAL CORRESPONDENT

Private sector ICICI Bank has reduced its savings account interest rate by 25 basis points (bps). For savings account balance below ₹50 lakh, the new rate will be 3.25% and for above ₹50 lakh it will be 3.75%. The new rate comes into effect from April 9.

ICICI Bank also reduced retail term deposit rates by 50 bps for deposits of less than ₹2 crore. The new rate will be effective April 3.

# RBI relaxes export rules, allows States and UTs to borrow more

Sets up panel to review ways and means advances limit for States

SPECIAL CORRESPONDENT

The Reserve Bank of India (RBI) has announced more measures to fight economic disruptions caused by CO-VID-19, including extension of the realisation period of export proceeds and allowing States to borrow more.

"Presently, the value of the goods or software exports made by exporters is required to be realised fully and repatriated to the country within nine months from the date of exports.

"In view of the disruption

### COVID-19

caused by the pandemic, the time period for realisation and repatriation of export proceeds for exports made up to or on July 31, 2020, has been extended to 15 months from the date of export," the RBI said. The measure will



In the interim: Pending submission of the report, RBI has raised the ways and means advances limit by 30%. • REUTERS

means limit for State govern-

ments and union territories.

Till the panel submits its re-

port, the central bank has in-

creased the ways and means

advances limit by 30% for

States and union territories.

the final recommendations

by the Committee, it has

been decided to increase the

WMA limit by 30% from the

"Pending submission of

enable exporters to realise their receipts, especially from COVID-19 affected countries, within the extended period, and also provide greater flexibility to exporters to negotiate future export contracts with buyers abroad.

The central bank has also formed an advisory committee to review the ways and ments to tide over the situation arising from the outbreak of the COVID-19 pandemic. The revised limits will come into force with effect from April 1, 2020 and will be valid till September 30, 2020, the RBI said. The 'Ways and Means Advances' is a scheme that

existing limit for all States/

UTs to enable State govern-

helps meet mismatches in receipts and payments of the government. Under this scheme, a government can avail itself of immediate cash from the RBI

The central bank has also deferred the implementation of counter cyclical capital buffer (CCyB) for banks.

"Based on the review and empirical analysis of CCyB indicators, it has been decided that it is not necessary to activate CCyB for a period of one year or earlier, as may be necessary," the RBI said.

## SBI, HDFC Bank, ICICI Bank activate moratorium

State Bank of India to reverse March EMI if already paid

SPECIAL CORRESPONDENT MUMBAI

State Bank of India, the country's largest lender and private sector lenders ICICI Bank and HDFC Bank have started activating the loan repayment moratorium option for customers.

The moratorium was announced by the Reserve Bank of India last week in view of the financial stress faced by borrowers following the lockdown declared on account of the COVID-19 pandemic.

SBI customers who want to avail themselves of the moratorium, are required to send an email to avail the option. "No action is required. They may continue to pay in

not charge any interest on

the amount for this extend-

ed period. Under the Rin Sa-

madhan scheme, the time-

acceptance of OTS proposal

along with upfront payment

from borrowers has been

extended up to June 30,

from the current March 31

and up to September 30 for

recovery of the entire OTS

Also, payment obliga-

tions for borrowers with

outstanding as on March O1,

2020 under 'General Com-

promise' category has been

extended by three months,

without charging any inter-

est for the additional pe-

riod. On working capital

loans, C.S. Setty, MD, SBI,

said because firms have to

pay interest on such loans at

the end of the moratorium

period, banks are evaluating

the option of requesting the

RBI for some relief in terms

of asset classification.

receipt

for

amount.



Rescue act: SBI customers need to only send an email to avail themselves of the EMI moratorium option. • REUTERS

usual course," SBI said of customers who do not wish to avail the moratorium

SBI has also clarified that if a customer has already paid the EMI for March, then the amount will be reversed if the customer sends in a request. "Interest shall continue to accrue on the outstanding portion of the term loan during the moratorium period," SBI said.

Commenting on impact in case of home loans if the EMI is deferred, SBI said that for a loan of ₹30 lakh with a remaining maturity of 15 years, the net additional interest would be about ₹2.34 lakh, which is equal to eight EMIs.

"For a loan of ₹6 lakh with a remaining maturity of 54 months, the additional interest payable would be approximately. equal to additional 1.5 EMIs," SBI said on the impact in the case of auto loans.

Both ICICI Bank and HDFC Bank have also activated the options in their websites to avail moratorium. Customers have to fill in a simple form giving loan account numbers and other

### Petro prices hiked as BS-VI fuel kicks in

SPECIAL CORRESPONDENT

Even as prices of international crude have dropped to the lowest in the last 18 years since 2002, stateowned oil marketing companies (OMCs) have increased the price of sensitive petroleum products like petrol and diesel in most Indian cities.

The price of petrol has been increased in Mumbai and Chennai, while the price of diesel has been increased in Mumbai, Kolkata and Chennai. Delhi is the only Indian metro where the prices of petrol and diesel have been reduced, while Kolkata witnessed a reduction in petrol prices.

While Mumbai witnessed a ₹4-per-litre increase in petrol prices, Chennai saw a ₹3.42 per litre increase in diesel prices.

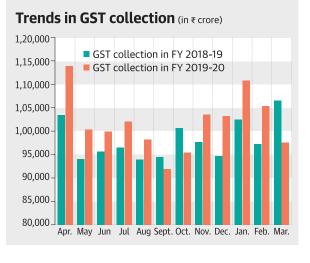
The price of petrol in has been increased from ₹72.28 a litre to ₹76.31 a litre and the price of diesel in Mumbai has been increased from ₹65.71 a litre to ₹66.21 a litre, making it the highest among the four metros.

Similarly, in Chennai, the price of petrol has been increased from ₹69.59 a litre to ₹72.28 a litre, while diesel price has been increased from ₹62.29 a litre to ₹65.71 a litre.

In Kolkata, the price of petrol has been reduced from ₹75.30 a litre to ₹73.30 a litre, while diesel prices have been increased from ₹65.21 a litre to ₹65.62

In Delhi, the price of petrol has been reduced from ₹72.29 to ₹69.59 a litre and diesel prices from ₹64.62 a litre to ₹62.29 a litre, making it cheapest among the OMCs have reduced the

prices of LPG or cooking gas by an average of ₹63 per 14 kg cylinder.



## March GST revenue drops below ₹1 lakh cr.

COVID-19 impact to be seen from Apr.

SPECIAL CORRESPONDENT NEW DELHI

Goods and Services Tax (GST) collections for March 2020 stood at ₹97,597 crore, dropping below the ₹1 lakhcrore mark after four months.

Gross GST revenue for the month was 8% lower than that of March 2019, according to Finance Ministry data released on Wednesday.

For the full financial year 2019-20, gross GST collections grew 4% in comparison to the previous year.

As the March revenue collections are based on the business conducted in February, these figures do not take into account the full impact of COVID-19 and the consequent shutdown of many business sectors in India. Analysts warn that next month's revenues are likely to dip much further.

Although GST revenue from domestic transactions dropped 4% in comparison with March 2019, there was a 23% fall in the tax collected on import of goods. "Global trade was affected by CO-VID-19 in February itself, so we could be seeing the result of that," said Sachin Menon, national head, indrect taxes, KPMG in India.

There has also been a sharp 7% decline in the filing

of February GSTR-3B returns, with only 76.5 lakh returns being filed till March 31 in comparison with the more than 83 lakh filed in the previous two months. "It seems that many businesses may not have been able to pay GST because of the liquidity issues being faced after the lockdown," said Pratik Jain, partner and indirect tax leader at PwC India.

The situation is likely to worsen. "With most businesses being non-operational for a considerable period in March and the relaxation of delayed payments allowed, collections in the coming quarter would see quite a fall," said Abhishek Jain, tax partner at Ernst and Young. Small businesses have been allowed a threemonth deferment of GST payments due to the CO-VID-19 situation, and there is a wider industry demand for a moratorium on payments and reduction in rates.

"At this stage, it is necessary for businesses to conserve cash in order to enable resumption of operations once the lockdown ends. Any deferral of the GST payment timelines by a few months would significantly assist them in this process," said M.S. Mani, partner, Deloitte India.

## SBI eases settlement deadline by 3 months

Concession follows 21-day lockdown

State Bank of India (SBI) has decided to extend the timeline for payment of settlement amount by three months due to the 21-day lockdown.

"SBI has come forward to extend the timeline for payment of settlement amount by three months. Now, customers, on-boarded under settlement scheme SBI OTS 2019 / Rin Samadhan 19-20/ General compromise can meet payment obligation by June 30, 2020," SBI said.

Under the One Time Settlement (OTS) 2019 scheme, the extension will be available only to those customers where the first two instalments of 5% / 15% and 20% / 25% have been received within the stipulated 30 and 60 days, respectively.

The balance OTS amount can be paid by June 30, it said, while adding it would

# Maruti, Hyundai sales skid

Tata Motors, M&M too hit by nationwide lockdown

YUTHIKA BHARGAVA

Already reeling under a prolonged slowdown and the transition to BS-VI fuel norms, auto sector saw its woes being compounded by the 21-day nationwide lockdown. Manufacturers witnessed a decline in sales in the range of 44%-90% in their domestic wholesales in March 2020.

The country's largest carmaker Maruti Suzuki posted a 47.4% decline in passenger vehicles (PVs) in the domestic market to 76,240 units, compared with the more than 1.45 lakh units sold in March 2019. The company, however, said that sales during March 2020 were not comparable with that in March 2019 "due to the suspension of operations with effect from March 22, 2020, in line with national policy."

Exports during the month also fell 55% to 4,712 units as against 10,463 units in

March 2019. For the full year ween February and March (2019-20), the company's domestic vehicles sales fell 18.1% to 14.36 lakh units from the previous year.

Hyundai Motor India too saw a 40.6% decline in sales to 26,300 units in March in the domestic market. Tata Motors' domestic

passenger vehicle sales fell 68% to 5,676 units. For the full year, PV sales declined 38% to over 1.31 lakh units.

Similarly, Mahindra and Mahindra sold 3,384 PVs in March 2020 in the domestic market, a decline of 88% from 27,646 units in the year-ago month. For fiscal year 2019-20, domestic PV sales fell 27% to 1.86 lakh. Veejay Ram Nakra, CEO,

Automotive Division, M&M Ltd. said, "Our performance in March has been muted on account of the impact of the current lockdown related to Covid-19 and the disruption in our BS-VI ramp-up plan. The latter was planned bet-

but was affected due to the challenges of parts supply from global and local suppliers. We have been able to clear our BS-IV inventory, but for fewer than 100 vehicles. However, there are many vehicles that are sold, but not yet registered because of the closure of RTOs.'

Relatively new entrant Kia Motors sold 8,583 units in the retail market in March

Naveen Soni, Senior VP, Sales and Service, Toyota Kirloskar Motor (TKM), said, "... last month has been very challenging for us, both in sales as well as production," adding the pandemic has financially impacted all its dealerships across India. TKM reported a 55% decline in sales to 7023 vehicles in March in the domestic market. It added that March was the last month of production for the Etios series as well as the Corolla Altis.

## Commercial vehicle sales fall off a cliff on COVID-19

Virus lockdown impacts operations

SPECIAL CORRESPONDENT NEW DELHI/CHENNAI

Commercial truck manufacturer Ashok Leyland has reported a 90% drop in its total international sales volume for the month of March 2020, following suspension of operations across its factories in the wake of COVID-19.

The flagship company of the Hinduja Group sold 2,179 vehicles in the domestic and international markets during March 2020, against 21,535 units sold in the year-earlier period.

In the case of medium and heavy commercial vehicles, the company's sales dipped by 93% to 918 units and in buses by 62% to 913 units. Light commercial vehicle sales declined by 94% to 348 units.

Tata Motors' domestic commercial vehicle (CV) sales tumbled 90% to 5,336 units in March. For the full

vear, CV sales were down 34% to more than 3.1 lakh units. Girish Wagh, president, commercial vehicles business unit, Tata Motors Ltd. said, "Domestic sales in March 2020 [were]... deeply impacted by the COVID-19 lockdown as well as the planned transition to BS VI. Retail sales was significantly ahead of wholesales, Almost all BS IV vehicles in the ecosystem have been retailed: however, some await registration which was halted due to the lockdown"

M&M's domestic sales of CVs fell 90% to 2,325 units in March 2020. For the full year 2019-20, domestic CV sales fell 20% to about 1.99 lakh units. VE Commercial Vehicles – a joint venture between the Volvo Group and Eicher Motors - recorded sales of 1,499 units in March 2020 compared with 8,676 units in March 2019, a decline of 82.7%

### **Capgemini's** Altran buy may close by Apr. 8

MINI TEJASWI

The French financial market authority, Autorité des marchés financiers (AMF), announced on Wednesday that 110,571,163 Altran shares have been tendered in connection with the final reopening of the friendly tender offer of Capgemini for Altran Technologies.

Upon settlement and delivery of this reopening, scheduled for April 8, Capgemini will hold 98.15% of Altran's share capital and at least 98.03% of Altran's voting rights, as per a statement from Capgemini.

Post acquisition, Capge mini will have combined employee strength of 2.7 lakh globally. Altran has 70,000 employees of whom 15,000 are in India.

Altran's financial results will be consolidated in Capgemini Group's financial statements from April

### KIOCL's FY20 production at 2.375 MT

SPECIAL CORRESPONDENT

KIOCL Ltd., an iron ore mining central public sector unit (PSU) that manufactures iron oxide pellets for domestic and exports markets, has produced 2.375 million tonnes (MT) of pellets in the fiscal ended 2019-20 as against 2.238 MT in the previous year.

It dispatched 2.356 MT of pellets in the fiscal ended March 31 compared to 2.206 MT in the previous

KIOCL CMD M.V. Subba Rao said the export marfiscal.

## Virus fears roil markets as indices plummet

Sensex, Nifty fall 4%, FPIs in sell mode

SPECIAL CORRESPONDENT

Tracking a weak trend in the Asian markets, Indian benchmarks lost heavy ground on Wednesday even as a drastic fall in domestic auto sales numbers led to heightened concerns over potential economic impact of the COVID-19 pandemic.

The 30-share Sensex lost 1,203.18 points, or 4.08%, to close at 28,265.31. The broader Nifty ended the day at 8,253.80, down 343.95 points, or 4%. The India VIX index, however, dropped a little over 6% on Wednesday, a day after shedding ov-

Elsewhere in Asia, Nikkei was down by about 4.5% while Hang Seng lost over 2%. Kospi also closed almost 4% lower as the global toll of COVID-19 neared 45,000-mark.

Incidentally, auto sales more than halved for most auto majors in March with sector leader Maruti Suzuki reporting an almost 48% drop in sales.

overall market breadth, however, was balanced with about 1,100 stocks on the advance and decline list. Foreign portfolio investors (FPIs) were net sellers at a little over ₹1,100 crore on Wednesday.

## Sugar movement resumes

No shortage of the essential commodity, assures ISMA

SPECIAL CORRESPONDENT

Movement of sugar, which was disrupted initially when the countrywide lockdown was implemented as a precaution against COVID-19, has resumed.

Dispatches have picked up in the last four or five days, according to the Indian Sugar Mills' Association (ISMA). The "ISMA has assured

the government that there is enough sugar with the sugar mills, and therefore, there will not be any problem of availability of this essential food item for consumers," the association said in a press statement Wednesday.



As of March 31, 2020, 457 sugar mills, which started crushing this season - from October 2019 to September 2020 – have so far produced 232.74 lakh tonnes of sugar. This is nearly 64 lakh tonnes

less than what was produced during the same period last vear.

As many as 186 mills continued production, mainly in north India. The mills are taking efforts to ensure that wherever there is availability of sugarcane, it is procured and crushed so that farmers do not incur losses. During the first few days of the lockdown, there were also concerns about availability of inputs such as lime and

The lime quarries and kilns in Rajasthan were closed down. This was taken up with the Rajasthan government and there is smooth availability of all inputs now, the ISMA said.

#### **HUL** board okays Horlicks brand buy SPECIAL CORRESPONDENT

GSKCH, HUL merger

process completed

The merger of GlaxoSmith-Kline Consumer Healthcare Limited (GSKCH) with Hindustan Unilever Limited (HUL), which was announced in December 2018, has been successfully completed after obtaining all the necessary approvals.

In addition, the board of directors of HUL has approved the acquisition of the Horlicks brand for India from GSK for ₹3,045 crore by exercising the option available in the original agreement made between Unilever and GSK.

The other brands, which

were under the ownership of GSKCH, like Boost, Maltova and Viva have also come under HUL's brand portfolio by virtue of the merger, stated a release by HUL.

Incidentally, the acquisition of the Horlicks brand by the India unit of Unilever would result in savings for the Indian arm by avoiding expenses like royalty and brand royalty, said HUL chief financial officer Srinivas Phathak, in a media conference call.

He further added that owning a brand brings tax benefits as well including the option of claiming depreciation.

kets had boosted the company's performance in the