

Note: Stock, currency and bullion markets were closed on account of Ram Navami; *International market data till 1900 IST

TRACKING COVID-19 APP TO ASSESS RISK

Legal experts raise concerns, seek more clarity from Aarogya Setu's privacy policy

PRANAV MUKUL & AASHISH AARYAN
NEW DELHI, APRIL 2

FLAGGING CONCERNS over the privacy policy of Aarogya Setu app, launched by the government Thursday to allow people to assess if they are at a risk of contracting COVID-19, legal experts are of the view that there was a need for further clarity on how the data collected by the app be stored and used by the government.

According to a statement by the Ministry of Electronics & IT, the app will track users' "interaction with others", and will alert the authorities if there was any suspicion of the user having been in contact with any infected person. "Once installed in a smart phone through an easy and user-friendly process, the app detects other devices with Aarogya Setu installed that have come in the Bluetooth or GPS proximity of one's phone and captures this information. It recommends users to keep the Bluetooth and location sharing settings of the device switched on at all times. The statement added that the app's design ensured "privacy-first". It said that the personal data collected by the app was encrypted using "state-of-the-art technology and stays secure on the phone till it is needed for facilitating medical intervention".

However, the app's privacy policy reads: "Any personal information uploaded to the cloud will only be used for the purpose of informing you, or

those you have come in contact with, of possible infection. Such personal information may also be shared with such other necessary and relevant persons as may be required in order to carry out necessary medical and administrative reasons."

"There isn't enough information available on what data will be collected, how long will it be stored and what uses it will be put to. If the data gets shared with the government of India, what the government can use it for needs to be specified. Otherwise, it will be a violation of the notice and consent principles," said Prasanna S, a Delhi-based lawyer.

On the data retention part, the app's privacy policy mentions that all information provided at the time of registration will be retained for as long as the user's account remains in existence "and for such period thereafter as required for the purposes for which the information may lawfully be used..."

"This is only the app-side data. What about the server side data? How long the Government of India retains it also needs to be specified," Prasanna argued.

Additionally, there was also a question of proportionality with the app and whether it will be as effective as envisaged in containing the COVID-19 outbreak. "We understand that these are extraordinary times and some level of data collection is required but the question is how effective is this. Our situation is different than Singapore, where a good number of people would have smartphones. This raises a concern of proportionality. There are other means for trying to achieve this for a country like ours," said Prasanth Sugathan, volunteer legal director, SFLC.in.

LOCKDOWN DUE TO COVID-19 PANDEMIC HAS DISRUPTED BUSINESS OPS, SUPPLY CHAINS

Despite RBI liquidity push, banks stare at fresh NPAs

SUNNY VERMA & SANDEEP SINGH
NEW DELHI, APRIL 2

BANKS ARE bracing up for a fresh bout of non-performing assets (NPAs) as the disruption caused to business operations and supply chains during the 21-day lockdown period will take time to repair. Even as the Reserve Bank of India has injected fresh liquidity into the banking system and given banks leeway to deal with potential stress in loan accounts, bankers have discussed with the government their concerns about MSME loans and those extended to manufacturing sectors, such as auto, steel, renewable energy, as those where fresh NPAs are looming.

It is learnt there was a concern among bankers that even if the lockdown is lifted on April 14, operations of a number of companies in specific sectors will not see business getting back to normal as the labour has moved out and the production may not be able to restart.

Apart from these, capital intensive sectors such as aviation, real estate, consumer durables, and jewellery may take a long time be-

EXPLAINED

Buildup of bad loans looks inevitable

BANKS ARE concerned about a fresh wave of non-performing assets that may hit them as a result of the lockdown. While a prolonged shutdown of the economy is expected to hit them hard, the 21-day period is enough to cause pain to lenders, especially in loan accounts from sectors including MSMEs, airlines, real estate, auto dealers, gems and jewellery, metals among others. A raft of measures by the RBI will provide them some relief during the next three months, but a buildup of bad loans looks inevitable.

fore there is a demand revival. While moratorium provides temporary relief to borrowers and helps check the NPAs during that period, an extended lockdown is expected to have a significant adverse effect on the economy.

Leading analysts and rating agencies have flagged these concerns in their reports, and the stock market has punished financial sector and bank stocks much more than say FMCG stocks.

Moody's Investors Service has

changed the outlook for Indian banking system to negative from stable, as it expects deterioration in banks' asset quality due to disruption in economic activity.

In a report released Thursday, CRISIL said post-lockdown, "asset classes such as microfinance, unsecured loans, and SME borrowers (including the LAP segment) will see continuing pressures on asset quality due to weaker profiles of borrowers and expectation of only a gradual economic recov-

ery." It said while RBI's permission to banks to offer moratorium on servicing of bank loans until May 2020 comes as a big breather in the immediate term, it pointed that over the near to medium term, credit quality trends would be driven by the ability of companies to rebound from the near-standstill demand situation.

Even bankers say in most of the businesses where shop/floor function is involved, such as steel, heavy engineering, auto, and their ancillary units, there is a perceptible impact. Renewable power is struggling because of complete disruption of supply chains from China, as a result of which they are way behind on project schedules and could face payment issues from their customers, the power discoms. MSMEs are the most impacted, especially from the labour exodus. In these cases, what's been flagged is that even months after the lockdown is lifted, operations may not return to normal because of the labour migration issue.

Government officials, however, continue to be optimistic. "We don't think the lockdown will persist beyond 21 days. While bankers may have their concerns,

one also needs to bear in mind that the Indian economy has lot of resilience. The three-month moratorium, along with a series of government and RBI measures, would ensure that we traverse this phase with least possible disruption," a finance ministry official said, asking not to be named. Queries sent to the finance ministry and the Reserve Bank of India seeking comments on the story did not elicit any response.

Gurpreet Chhatwal, president, CRISIL Ratings, "We foresee India Inc's credit quality deteriorating in the near-term. Our study of 35 sectors, both from manufacturing and services, however, shows sharp variation in resilience in a post-COVID-19 landscape. Strong balance sheets or continuing demand will support some sectors during the current lockdown." Excluding financial sector, these 35 sectors comprise 71 per cent of the debt in the agency's rated portfolio.

Pharmaceuticals, telecom, FMCG, fertiliser, oil refineries, power & gas distribution and transmission are among the sectors — comprising nearly 44 per cent of the debt — which are in high resilience category, while an-

Pandemic may shave almost 1% off global economy: UN

The global economy may shrink by up to 1 per cent in 2020 due to the coronavirus pandemic, a reversal from the forecast of 2.5 per cent growth, the UN has said



Supply chain disruption
The analysis by the UN Department of Economic and Social Affairs said the pandemic is disrupting supply chains and international trade

Millions of workers are facing the bleak prospect of losing their jobs

Worst-case scenario
The world economy could contract by 0.9 per cent in 2020

1.7%
The world economy had contracted by 1.7 per cent during the global financial crisis in 2009

Best-case scenario
With moderate declines in private consumption, investment and exports and offsetting increases in government spending in the G7 countries and China, global growth would fall to 1.2 per cent in 2020

Situation prior to the outbreak: The analysis noted that before the outbreak of the COVID-19, world output was expected to expand at a modest pace of 2.5 per cent in 2020, as reported in the World Economic Situation and Prospects 2020

Source: UN/PTI

INTERVIEW WITH BANK OF BARODA MD & CEO

Pressure on individual borrowers should be less after 3 months: Chadha

SANJIV CHADHA, MD & CEO, Bank of Baroda, spoke to GEORGE MATHEW on the situation in the banking sector in the wake of the coronavirus outbreak and the lockdown in the country. Edited excerpts:



How is the banking sector proceeding on the issue of the three-month moratorium on term loans?
We're now living in difficult times. There are physical challenges in terms of people transacting in their accounts, coming to the branches and the lockdown. We have implemented moratorium across the board, as has been allowed by the RBI. We have told customers that if there are some debits, we will reverse the transactions. We have not raised demands but very often customers have given instructions that please debit from the account. In these cases also, we have given the option of reversing the transactions and crediting back money to the customers.

Are you curtailing the services in the wake of coronavirus and lockdown?
We have something like 3 crore accounts. The government is now sending money to these accounts and all these people would want to access their accounts. We are making sure that all our branches are open, all our ATMs are open and business correspondents (BC) are working. As of today, despite restrictions, 99 per cent of our branches are open and more than 90 per cent of the ATMs are functional. We have also got money to BCs so that they can buy sanitisers, masks and other safeguards so that they can conduct the transactions safely. We

because of the recent developments?
The RBI has proactively taken steps anticipating likely pressures which are likely to come in to the system. For three months, we are not raising any demands in terms of installments. We believe that as long as we return to normalcy within the three-month period which we anticipate as of now, these pressures should be less, particularly on individuals. When it comes to corporates, there are different sectors which are likely to be impacted. I think an assessment of what the impact is likely to be and any sector specific solution is required can be done once the lockdown is lifted on April 14. Airlines, hotels, cinema halls etc are sectors that could be impacted as of today.

Do you expect more measures from the RBI or the government for the banking sector?
Given the current situation, the RBI has done everything that was possible. The challenge for the industry may be beyond what a bank can do. For that, a sector-specific solution may be required.

Do you think credit offtake will improve in the wake of the reduction in Repo rate and other measures by the RBI?
As far as we're concerned, even before these measures came in, our credit resources were almost fully deployed. We did not have surplus funds to park with the RBI. However, as a result of new measures like CRR reduction and MSF facility being expanded, more liquidity will be available. This will be made available to our borrowers.

Has banking business come down because of the lockdown and virus?
All the customers will get the minimum services which are required. This means they will be able to operate their accounts, deposit cash, receive cash, make transfers... there are limited services which are offered at the branches. When it comes to digital channels like ATM, they are working exactly as normal. We're not focusing on opening of new accounts.

Have you come across cash shortage in part of the country?
Not really. As I said our ATMs are working above normal. There's no shortage of cash.

Do you see a spike in NPAs

BRIEFLY

HDFC Group pledges ₹150 cr to PM-CARES

New Delhi: HDFC Group on Thursday said it has committed Rs 150 crore to the PM-CARES Fund to support the government in its relief and rehabilitation measures.

Petronet LNG contributes ₹100 crore

New Delhi: Petronet LNG has contributed Rs 100 crore to the PM-CARES Fund. PLL being a responsible corporate, said MD & CEO Prabhat Singh, will ensure seamless supply of LNG.

NHIDCL donates to PM-CARES

New Delhi: The National Highways & Infrastructure Development Corporation has contributed Rs 67,25,000, which includes one-day salary of its staff, to the PM-CARES Fund, as per a release.

All-time high output of bauxite, alumina: NALCO

New Delhi: National Aluminium Company Ltd (NALCO) has recorded over 100 per cent capacity utilisation, as per a release. NALCO's Panchpatmali Mines has achieved bauxite output of 73.02 lakh MT, which is highest ever. Bauxite transportation has gone up to 73.02 lakh MT, also highest ever. **ENS**

International flights will be permitted after April 15 on case-by-case basis: Puri

PRESSTrust OF INDIA
NEW DELHI, APRIL 2

THE GOVERNMENT on Thursday said resumption of international flights will be considered on a case-by-case basis, depending on which countries they are coming from, after April 15 when the 21-day lockdown to fight the coronavirus ends in India.

Civil Aviation Minister Hardeep Singh Puri said Indians who are stranded in several foreign countries will have to wait till April 15 to return to India, suggesting flights taking foreign nationals to their nations from India will not bring back any passengers.

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Air India has also extended its services to countries such as Germany, UK and France to facilitate return of their citizens.

Air India has also got approval from Indian and Chinese authorities for operating cargo flights to Shanghai and Hong Kong to get medical supplies, Chairman and Managing Director Rajiv Bansal said on Thursday.

'Manufacturing activity weakens in March, biz sentiment at record low'

PRESSTrust OF INDIA
NEW DELHI, APRIL 2

THE COUNTRY'S manufacturing sector activity grew at the slowest rate in four months during March, hampered by softer rises in new business as international demand faltered owing to the coronavirus pandemic, a monthly survey said on Thursday.

The headline seasonally adjusted IHS Markit India Manufacturing PMI fell to 51.8 in March, from 54.5 in February, signalling the slowest improvement in business conditions since November 2019.

This is the 32nd consecutive month that the manufacturing

PMI has remained above the 50-point mark.

In PMI parlance, a print above 50 means expansion, while a score below that denotes contraction.

Moreover, the confidence towards the business outlook plummeted to a record low, with positivity tapered by COVID-19 concerns, the survey said.

"Should the trajectory of injections continue in the same vein, the Indian manufacturing sector can expect a much sharper negative impact in the coming months, similar to the scale seen in other countries," Kerr said.

According to the survey, the sentiment towards the 12-month business outlook weakened in March.

Banks to deposit ₹500 in women Jan Dhan accounts from today

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 2

STARTING FRIDAY, banks will start depositing Rs 500 per month into Jan Dhan account of each of the women beneficiaries. A total of three monthly instalments will be credited in these accounts under the Pradhan Mantri Garib Kalyan Yojana, as part of relief measures announced by the government last month to help the poor during the lockdown that is in place to combat spread of COVID-19.

"Under Pradhan Mantri Garib Kalyan Package, a sum of 500 per month is being deposited into the accounts of Women Jan Dhan Yojana beneficiaries by all Banks. This is first of the monthly instal-

JAN DHAN ACCOUNTS

Women PMJD* a/c ending with	Date*
0 or 1	Apr 3
2 or 3	Apr 4
4 or 5	Apr 7
6 or 7	Apr 8
8 or 9	Apr 9

*Women PMJD account holders having account number with last digit as...

*Date on which amount could be withdrawn by the beneficiaries

Source: IBA

IBA said funds will be deposited in a staggered manner during April 3 and April 9 in order to maintain social distancing and to ensure orderly withdrawal of money by the beneficiaries. IBA said account holders can withdraw money as per their convenience and need not rush for withdrawals.

The accounts are being scheduled for disbursement based on the last digit of the account numbers of the beneficiaries. A total of 20.40 crore women account-holders are expected to benefit from government's move. The government would spend Rs 31,000 crore for this purpose. The government had also said it will transfer Rs 2,000 into the accounts of farmers under the PM KISAN scheme in the first week of April, covering 8.7 crore farmers.

WALL STREET FALLS AT OPEN AS JOBLESS CLAIMS TOP 6 MILLION

Oil jumps 23% on likely Saudi Arabia-Russia deal

REUTERS
NEW YORK, APRIL 2

OIL PRICES jumped over 20 per cent on Thursday after US President Donald Trump said he expected Saudi Arabia and Russia to reach a deal soon. Brent futures were up \$5.80, or 23.4 per cent, to \$30.54 a barrel by 12:23 p.m. EDT (16:23 GMT), while US West Texas Intermediate (WTI) crude rose \$4.91, or 24.2 per cent, to \$25.22.

US stock indices fell at the open on Thursday after US jobless claims blew past a record 6 million. The Dow Jones Industrial Average fell 124.05 points, or 0.59 per cent, at the open to 20,819.46. In Japan, the Nikkei ended down 1.37 per cent. European stocks made tentative gains, with the pan-European STOXX 600 gaining 0.5 per cent.



A passenger at Guarulhos International Airport in Brazil. Reuters

BA temporarily lays off 28K; Boeing may follow

Seattle/London: IAG-owned British Airways has temporarily laid off 28,000 of its employees, AFP reported on Wednesday.

The airline reached a broad deal with Unionite that will include suspension of jobs of 80 per cent of BA's cabin crew, ground staff, engineers and those working

at head office.

Meanwhile, Boeing Chief Executive Officer Dave Calhoun outlined a plan of voluntary layoffs for employees on Thursday, while warning that the coronavirus pandemic would have a lasting impact on the global aerospace industry. **AGENCIES**

EU announces work scheme, aid for farmers

REUTERS
BRUSSELS, APRIL 2

THE EUROPEAN Commission proposed on Thursday a package of measures to soften the impact of the coronavirus pandemic on the EU economy, including a short-time work scheme and easier access to funds for farmers and fishermen.

To prevent firms from laying off workers when there is not enough work, the Commission proposed that all EU countries adopt a German scheme under which employers cut working hours, not jobs.