

**BCC&<sup>i</sup>**

THE BENGAL CHAMBER

**BCC&I President's Tele –Con with the  
Finance Minister of India**

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**MEDIA DOSSIER**

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# Covid spike spooks markets

## OUR SPECIAL CORRESPONDENT

**Mumbai:** The Sensex sank 833 points at the end of a torrid day of selling, the rupee tumbled to 74.87 against the US dollar and gold — always seen as a safe haven in hard times — climbed above Rs 47,000 per 10 gm as panicky investors tried to make some sense out of the worrying resurgence of the coronavirus pandemic and the Centre's ham-handed response to a snowballing crisis.

Investors on Monday feared the resurgence of the virus would adversely affect earnings. The Sensex plunged 1469 points intra-day but recovered ground to close at 47949.42 with investor wealth eroding by Rs 3.53 lakh crore.

"Indian equities are distinctly underperforming other comparable equity markets in Asia. The near term outlook would remain clouded and keep markets volatile. We expect pharma, speciality chemicals, IT services to outperform in the near term," Gaurav Dua of Sharekhan by BNP Paribas said.

The slump in equity values comes at a time of the start of the fourth quarter results that have proved to be a mixed bag so far for India Inc. There are apprehen-

## TOP LOSERS

(Close in Rs, loss in %)

On Sensex	Close	Loss
PowerGrid	201.1	4.17
ONGC	103.1	3.91
IndusInd	831.7	3.89
KotakBank	1701	3.65



sions that the spate of localised lockdowns may adversely impact India's fledgling recovery, corporate earnings and its banking sector. In fact, leading brokerages have already downgraded India's GDP growth projections for the current fiscal to as low as 10 per cent.

Market circles said the rapid rollout of the vaccine has pushed equities to record highs but the states have started complaining on the shortage of the jab. Prices are likely to remain under pressure till the number of Covid-19 cases peaks out, analysts said.

In the trading on Monday, the 30-share Sensex opened lower at 47940.61 and crashed to an intra-day low of 47362.71 — a

fall of 1469.32 points. It managed to pare some initial losses but still ended 882.61 points or 1.81 per cent lower at 47949.42. Similarly, the broader NSE Nifty tanked 258.40 points or 1.77 per cent to 14359.45.

## RBI intervention

The rupee on Monday fell 52 paise to close at 74.87 against the dollar. Analysts said that if the current trend continued, the RBI may intervene in the market.

"The RBI is expected to be active and may intervene aggressively to curb volatility. Over the near term, we expect a range of 74.00 and 75.50," Anindya Banerjee of Kotak Securities said.

K.V.S. Manian, director & member of the group management council at Kotak Mahindra Bank, allayed fears of a fall in the value of the rupee. "The fundamentals of the economy both Indian and international have not changed or are not yet expected to change significantly for the rupee to weaken so much. The bond and equity markets are still not showing similar levels of weakness."

Meanwhile, gold rallied Rs 411 to Rs 47,291 per 10 gram in the national capital on Monday reflecting strong buying in the precious metal and rupee depreciation.

## OUR SPECIAL CORRESPONDENT

**New Delhi:** Finance minister Nirmala Sitharaman sought inputs from industry chambers on how to deal with the pandemic.

"Spoke on telephone with each of the following business/chamber leaders. Took their inputs on industry/association related matters. Informed them that GoI at various levels from PMO India is responding to Covid management. Working together with states for lives and livelihoods," she said in a tweet.

Sitharaman had interactions with the heads of industry chambers including CII president Uday Kotak, Ficci president Uday Shankar and Assocham president Vineet Agarwal.

She also spoke to industrialists such as Tata Steel managing director T.V. Narendran, L&T chairman A.M.

## Talks with India Inc on fresh steps



Nirmala Sitharaman

Naik, TCS managing director Rajesh Gopinathan, Maruti Suzuki chairman R. C. Bhargava and TVS Group chairman Venu Srinivasan.

"Do not think lockdown is the appropriate response this time. Will do more harm than

## good," Bhargava said. BCC&I inputs

The finance minister had called BCC&I president Deb A. Mukherjee on Sunday.

Mukherjee said there should not be a nationwide lockdown like 2020. The focus should be on micro level containment zones.

"She pointed out India is better prepared to deal with second wave and a complete lockdown is not being envisaged," Mukherjee said.

The Chamber suggested infrastructure should be ramped up to test as many people as possible. Moreover, a detailed road map should be planned for faster roll-out.

The conversation ended with Sitharaman enquiring if the industry needs any more support, indicating the Centre may have stimulus sops in the pipeline.

WITH INPUTS FROM CALCUTTA BUREAU

# Centre working to save lives, livelihoods, FM tells India Inc

Finance Minister has sought feedback over impact on businesses and economy

SHRIMI CHOUDHURY  
New Delhi/19 April

Union finance minister Nirmala Sitharaman on Monday said the Centre is working with state governments to save lives and livelihoods.

She said this during an interaction with industry chambers on concerns of India Inc with respect to the second wave of the pandemic.

She is learnt to have also sought feedback on the impact on businesses and the Indian economy.

Some heads of industry chambers with whom she interacted include Kotak Mahindra Bank managing director (MD) and chief executive officer (CEO) Uday Kotak, who is also president of the Confederation of Indian Industry (CII), Uday Shankar of Federation of Indian Chambers of Commerce & Industry (FICCI), Deb Mukherjee of Bengal Chamber of Commerce and TR Parasuraman of Bangalore Chamber of Commerce.

►FM takes stock of second wave and impact of the same

►Spoke to eminent people from corporate and industry chambers

►Has sought inputs and feedback from them on the impact of the second wave on businesses

►India registered an increase for the 40th day in a row, active cases have now jumped to 1,929,329, comprising 12.81% of the total cases

►Recovery rate has dropped to 86%

►As far as economy is



concerned, government's capex grew 104% during October 2020 to February, 2021 (YoY)

►Total capex of 25 states increased 7.29% in

Q3 FY21 over the corresponding period of the previous year

►From contraction of 24.4% in Q1 FY21, registered growth of 0.4 per cent in Q3 FY21

prepared to combat the scourge of the second wave. In the finance ministry's monthly economic report of March, it had said that high-frequency data indicates that India is on the path to becoming better and stronger.

The rise in daily cases since mid-February marks the onset of the second wave of the infection in India, the report had said. It added that the country "has, however, been able to delay the onset of the second wave - the gap between the first peak to start of the second wave has been 151 days in India while it was much lower in other countries."

The country's total tally of Covid cases crossed 15 million with a record single-day rise of 273,810 new coronavirus infections. Active cases surpassed the 1.9 million-mark, according to the Union health ministry's data updated on Monday.

Finmin had also stated in the report that as far as economic activities are concerned, the country has adapted itself to the pandemic. This prospect is further bolstered by the roll-out of vaccination, it said.

Besides, India is emphasising a five-fold strategy to curb the tide of new cases. They include increase in testing, effective isolation and contact tracing of those infected as well as ensuring Covid-appropriate behaviour.

"Spoke on the telephone with each of the following business/chamber leaders. Took their inputs on industry/association related matters. Informed them that the government at various levels is responding to Covid management. Working together with states for lives and livelihoods," she said in a tweet.

She also spoke to top corporates, including Tata Steel MD TV Narendran, Larsen & Toubro chairman AM Naik, PCS MD Rajesh Gopinathan,

Maruti Suzuki chairman RC Bhargava, TVS Group chairman Venu Srinivasan and Hero Moto Corp MD Pawan Munjal. She took their feedback on the situation arising out of the surging Covid cases and local containments.

Same time around last year, the outbreak had badly hit the economy, which contracted 23.9 per cent in the first quarter (April-June) compared to the previous fiscal year (2019).

However, the government has maintained the stand that India is well