

Business

India quarterly growth worst in two decades as lockdown bites



MUMBAI: India's economy grew at its slowest pace in at least two decades last quarter, government data showed Friday, with warnings of far worse to come as it grapples with the fallout of the world's largest coronavirus lockdown.

Asia's third-largest economy expanded by just 3.1 per cent in the January-March period, which coincided with the first week of a months-long shutdown.

The figures beat even gloomier forecasts, with Bloomberg News predicting growth would slow to just 1.6 per cent, but analysts are bracing for a severe contraction in the current quarter after manufacturing, services and consumer spending came to a grinding halt.

Annual growth was 4.2 per cent, its slowest pace since the 2008 global financial crisis, though

the finance ministry said the estimates were likely to be revised due to a lack of available data.

The shutdown is widely expected to plunge the country into recession, with Goldman Sachs predicting a 45 per cent contraction in the April-June quarter from the previous year.

The central bank has also warned of a downturn and slashed rates to spur lending.

Even before Prime Minister Narendra Modi announced a shutdown in late March, the economy was struggling to gain traction with sluggish growth, record unemployment and a flurry of bad loans making banks reluctant to lend.

Earlier this month Modi announced a \$266 billion package - 10 per cent of the country's GDP - to revive the battered economy.

But with millions of migrant workers having

† **Naga girls walk past on a street in Kohima, capital of the northeastern Indian state of Nagaland, on Friday.**
Associated Press

fled home to their villages due to a lack of food and money, and factories struggling with labour shortages, few expect economic activity to pick up soon.

The key services sector - which contributes 54 per cent of GDP - suffered a severe blow last month, with the purchasing managers index of activity experiencing its sharpest contraction since record-keeping began in 2005.

Top IT firms including TCS, Infosys and Wipro also reported weak earnings in the quarter

as the pandemic dragged on demand from Western markets.

Analysts warned India to brace for an even bigger hit in the coming months as the extent of the pandemic's toll on the economy becomes clear.

"The June-ended quarter will be terrible and we can expect at least a 30-40 per cent contraction," said Ashutosh Datar, an independent economist based in Mumbai.

In more bad news for Modi's government, 122 million Indians lost their jobs last month, according to data from the Mumbai-based Centre for Monitoring Indian Economy think-tank, with small traders and daily wage earners accounting for the bulk of losses.

"Frankly, India should be growing at seven or eight per cent to create jobs for everyone,

so we are headed (for) a bigger jobs crisis," Datar told AFP.

India's coronavirus death toll passed neighbouring China's on Friday, with 175 new fatalities in 24 hours taking the total to 4,706, according to official data.

Separately, the Indian stock market settled on a positive note for the third consecutive day with the Nifty50 on the National Stock Exchange (NSE) closing over the 9,500 mark.

Initially a choppy trade was witnessed on Friday with both Sensex and Nifty opening on a negative note.

However, healthy buying in FMCG, oil & gas, metal and capital goods stocks supported the indices, analysts said.

Agencies



Emirates Refreshments (PJSC)

Announcement for Opening the Nominations for the Board of Directors' Membership

The Company's Board of Directors is pleased to inform the shareholders that the nominations period for the membership of the Board of Directors, will be open from Thursday 28th May, 2020 to Saturday 06th June, 2020. Any person/shareholder who fulfils the nomination conditions for the Board of Directors' membership may nominate himself/herself to the membership of the Board of Directors, by submitting an application to the Company Corporate Secretary at the Head Office, located in Al Quoz 1, Meydan road, Emirate of Dubai, P.O Box: 5567 or online at lyotica.kapoor@erc.ae.

The application must enclose his/her biography and the membership category for which he/she wishes to nominate himself/herself (Executive Director/ Non-Executive Director/ Independent Director).

General Conditions:

- The number of members to be elected for the Board of Directors is five.
- The nominations for membership of the Board of Directors will remain open for a period of ten (10) days from the date of this announcement, in accordance with the requirements of Article (40) of the SCA Board of Directors Decision No. (7/CH) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Joint-Stock Companies.
- The applicants for Board membership must satisfy the conditions stipulated in the Federal Law No. (2) of 2015 concerning Commercial Companies and the SCA Board of Directors Decision No. (7/CH) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Joint-Stock Companies, as well as the Articles of Association of the Company.
- The nomination application shall enclose the documents referred to in Article (41) of the SCA Board of Directors Decision No. (7/CH) of 2016.
- Upon submitting the nomination application, the candidate may not relinquish his/her nomination to another person.
- The Company will publish the list of nominees and their biographies on the Company's website (www.erc.ae) and the Dubai Financial Market's website (www.dfm.com), on 07th June, 2020.
- The Securities and Commodities Authority and the Dubai Financial Market will be provided with a list of the nominees after the nomination period is closed.



Invitation to attend the Annual General Assembly of Emirates Refreshments P.J.S.C

The Board of Directors of Emirates Refreshments P.J.S.C is pleased to invite the shareholders to attend the Annual General Assembly meeting which will be taking place on Monday the 22nd of June 2020, at 11:00 am remotely / E-Voting, to discuss the following:

- Review and approve the Director's report on the company's activities and its financial position for the fiscal year ended 31/12/2019.
- Review and approve the report of the company's auditor for the financial year ended on 31/12/2019.
- Discuss and approve the company's financial statements along with the profit and loss statements for the year ended 31/12/2019.
- Discharge the company's board of directors from any liabilities for the financial year ended 31/12/2019.
- Discharge the auditors of the company from any liability for the financial year ended on 31/12/2019.
- Appoint the external auditors for the year 2020 and determine their fees.
- Election of Board of Directors.

Special resolution:

- Consider the recommendation of the company's Board of directors to continue practicing the company's activities or to dissolve the company as the accumulated losses of the company exceeded 50% of the issued capital. Presenting the work plan and the procedures that will be taken to address the accumulated losses.
- Approval of the company's Board of Director's proposal to merge the accumulated losses by using the balance of the mandatory reserve account and the balance of the statutory reserve

Notes:

- Shareholders can vote on the resolutions through <https://esrv.dfm.ae> with the share's registrar.
- Meeting shall be held in the company's head office at the date and time set in the shareholder's invitation. The board of directors, the auditors share registrar, vote collector and secretary of the meeting shall be present in person while shareholders can participate electronically and without personal attendance.
- Any Shareholder that has the right to attend the general meeting may delegate any person elected by such shareholder, other than directors, under a special written proxy. A Proxy of a number of shareholders shall not hold in the capacity over 5% of the share capital of the company. Shareholders who are minors or legally incapacitated shall be represented by their legal representatives.
- A corporate person may delegate one of its representatives or those in charge of its management under a resolution passed by its Board of Directors or any similar entity to represent such corporate person in any general meeting of the company. The delegated person shall have the powers as determined under the delegation resolution.
- The shareholders who are registered as on Sunday, 21st of June 2020 shall be entitled to vote during the General Assembly and register for E-voting.
- Shareholders shall have access to the financial statements and the governance report through the company's website www.erc.ae and Dubai Financial market website www.dfm.ae
- Shareholders may access the investor rights guidelines by visiting the website of the Securities and Commodities Authority at: <https://www.sca.gov.ae/Arabic/Pages/Home.aspx>
- The meeting of the General Assembly shall not be valid unless shareholders who hold or represent by proxy at least (50%) of the company's share capital were registered online. If Quorum is not present at the first meeting, the General Assembly shall be adjourned to Monday 29th June, 2020 in the same place and time (the second meeting to be held after at least five (5) days, but not excess of fifteen (15) days from the date of the first meeting. Quorum at the adjourned meeting shall be present irrespective of the number of the present shareholders.
- The special resolution shall be passed by the majority of the shareholders holding not less than three quarters of the shares represented at a General Assembly of the public shareholding companies.

Turkey sold \$44b reserves to boost lira this year

LONDON: Turkey's state banks sold about \$44 billion of hard currency in the first four months of this year and some \$77 billion since the beginning of 2019 to support the lira, according to central bank data and the calculations of four bankers.

Two of the bankers estimated more selling took place in May to boost the Turkish currency and offset an outflow of funds amid the coronavirus pandemic, bringing total sales this year to more than \$50 billion.

The FX interventions by state lenders have heightened investor concerns over a drop in Turkey's foreign currency buffer as its economy tips into a sharp downturn.

The central bank's net FX reserves have fallen to as low as \$26 billion this month, from \$40 billion at the start of 2020.

The calculations and estimates are based on the central bank's latest data. The bankers, who requested anonymity due to the sensitivity of the matter, previously estimated state banks sold at least \$32 billion as of March.

The central bank declined to comment. Its governor, Murat Uysal, said last month that fluctuations in reserves are normal and temporary in such periods of stress.

Finance Minister Berat Albayrak has said the bank may intervene to reduce volatility in the currency.

The lira has outperformed most emerging market (EM) peers this year, even while it is down 15% against the dollar and hit a record low in May.

Adding to market concerns, Turkey's external debt obligations are nearly \$170 billion over the next 12 months.

Hunting for extra foreign funding, the government this month sealed a deal with Qatar to triple a currency swap line to \$15 billion, helping to raise the central bank's net FX reserves to \$32 billion last week.

Local swaps obscure the true level of reserves, analysts say. "But if they keep burning reserves at the current pace," the new funds from Qatar will also be indirectly spent to boost the lira, said Cristian Maggio, head of EM strategy at TD Securities in London.

Reuters