BWR Web-Conference Series

INDIA ECONOMY OUTLOOK AND IMPACT OF COVID-19

April 17, 2020

Contact

investordesk@brickworkratings.com

Investor and Media Relations
+9184339 94686
liena.t@brickworkratings.com

Access the recording of web-conference using the link given below

Introduction

The coronavirus disease (COVID-19) pandemic has created unprecedented changes in economic activities globally, as well as in India. The Indian government imposing a nationwide lockdown as a precautionary measure to contain the spread of the disease since 24 March 2020 has created a huge disruption in economic activities, with every sector facing labour crisis and supply chain issues. On the corporate front, increased liquidity pressure has been impacting their credit profiles. Although the impact of the coronavirus pandemic on the Indian economy was limited initially, the extension of the lockdown following a sharp escalation in the number of positive coronavirus cases resulted in considerable uncertainty in terms of the economic outlook and recovery. Hence, there is a need to closely monitor the unfolding domestic situation and impact on various sectors.

Economic activities have come to a standstill with the suspension of business operations across the country excluding those for essential commodities. Brickwork Ratings (BWR) expects the disruptions caused by the extended lockdown to possibly have a huge cascading effect on the country's Gross Domestic Product (GDP). The COVID-19 outbreak has already had a severe direct and indirect impact on many sectors, but the agriculture sector is the least impacted presently. The services sector is the most affected, followed by manufacturing, which was functioning partially, and mostly has suspended operations during the lockdown period. Following are some of our observations:

Agriculture and allied activities

- The least impacted sector so far is agriculture and allied activities and seems to be the only silver lining in terms of the supply side
- The extension of the lockdown may create some disruption in demand; the bigger impact would be on labour shortages and logistics.

Manufacturing Sector

- Impact on the manufacturing sector has been medium to high.
- A disruption in supply, the non-availability of demand and the threat of job losses leads to a demand-supply misbalance.

Services Sector

- Impact on the services sector, the largest contributor to the nation's GDP, would be significant.
- Travel, tourism and hospitality sectors are already hit; a high impact on income and job security is also expected

BFSI Sector

- The BFSI sector is expected to witness medium to high impact.
- The MFI segment or unsecured loans, SME loans and real estate funding will all witness a larger hit.
- Asset quality and profitability are expected to take a huge toll on banks, and non-banks would witness a further slowdown in growth.

Given the prevailing uncertainty, the spate and pace at which critical government measures or stimulus are undertaken assume significant importance to minimise long-term damage to the economy. Stimulus measures announced by the Finance Minister and the Reserve Bank of India since the imposition of the lockdown provide some cushion, but uncertainty pertaining to how long the lockdown situation may continue prevails; hence, more suitable measures are required to address the current crisis.

Amid the shortage of fiscal space, along with revenue loss, there is a need for well-planned and suitable solutions to face the current crisis; hence, we expect policymakers and experts to offer much needed workable solutions to improve economic prospects.

In this context, BWR organised a series of Web conferences with eminent experts to understand the impact of the lockdown on various sectors of the economy and the way forward. The idea of having this panel and getting everyone together, along with eminent economists from around the country, was that many participants were interested in knowing how the economic situations are panning out, what measures being taken by the government and regulators, how the measures announced so far is working and what more needs to be done, along with the manner in which it needs to be done.

Hope you enjoy reading the transcriptions of experts' views.

Contents

Summary of Key Takeaways	Page no
Difficult to give a direction on the market Dr Tirthankar Patnaik, *Chief Economist, National Stock Exchange of India Ltd*	4
Potential solutions to tackle the crisis: No V shaped recovery for India Dr. Soumya Kanti Ghosh, *Group Chief Economic Advisor, State Bank of India*	4
India will need to take up large stimulus to cope up with the crisis Dr. Saugata Bhattacharya, *Chief Economist, Axis Bank*	5
Innovative and alternative fiscal measures needed Dr. M Govinda Rao, *Chief Economic Advisor, Brickwork Ratings*	5

Details of Panel Discussion	
Dr Tirthankar Patnaik, Chief Economist, National Stock Exchange of India Ltd	6
Dr. Saugata Bhattacharya, Chief Economist, Axis Bank	8
Dr. Soumya Kanti Ghosh, Group Chief Economic Advisor, State Bank of India	9
Dr. M Govinda Rao, Chief Economic Advisor, Brickwork Ratings	11

Summary of Key Takeaways

Difficult to give a direction on the market

Dr Tirthankar Patnaik
Chief Economist,
National Stock Exchange of India Ltd

Dr Tirthankar Patnaik, *Chief Economist, National Stock Exchange of India Ltd*

- The economy is relatively in a much worse position to tackle any crisis.
- Any quick improvement in growth or replacement in consumption is a key challenge as this will cause significant impulse globally, and India is no exception.
- Historically, whenever there has been a sharp correction in the market, it has rebounded fairly sharply. Hence, markets are expected to bounce back sharply.
- Markets crashed more than 20% this year, whereas earnings have not reduced in the same fashion. Earning numbers, going ahead, may decrease aggressively.
- Markets will only take a breather once India goes past peak infections.
- We are at the bottom of the 5-year growth cycle; not very optimistic about the growth outlook.

Potential solutions to tackle the crisis: No V shaped recovery for India

Dr Soumya Kanti Ghosh
Group Chief Economic Advisor,
State Bank of India

Dr Soumya Kanti Ghosh, *Group Chief Economic Advisor, State Bank of India*

- We expect the GDP growth rate for the current fiscal at 1.1%, possibly attributing to a downward revision in the FY20 growth numbers by 0.9% (from 5% to 4.1%).
- The total GDP/GVA loss would be Rs 12 trillion (6% of GDP), considering the lockdown is in place until 3 May
- The lockdown is not a permanent solution to the pandemic crisis; a vaccine is the solution, which is 12-18 months away.
- The fiscal package should be at least of Rs 5 trillion; the government needs to do much more.
- A guarantee programme for SMEs or the retail sector may have a multiplier effect of around 50-70%.
- Significant decline in credit quality and a high Covid-19 impact is expected to be seen in sectors including aviation, hospitality, automobile, food processing, power, gems and jewellery.
- The size of States fiscal will widen significantly to around 750 billion to 1 trillion.
- In the construction sector, bringing back workers will be critical.
- Agriculture will get impacted as well, and income loss will be higher as over the years, the share of food grains has shifted towards allied activities.
- It will not be a V-shaped recovery for India; the FY22 growth estimate will be at around 6-6.5%.

Dr Saugata Bhattacharya
Chief Economist,
Axis Bank

India will need to take up large stimulus to cope up with the crisis

Dr Saugata Bhattacharya, *Chief Economist, Axis Bank*

- A slowdown has been prevailing since FY14-15, and India has entered this Covid-19-related slowdown with many financial and real sector parameters in a fairly deteriorated state.
- A global slowdown due to the crisis will have multiple repercussions on the Indian economy.
- Growth recovery drawn out may be on the back of labour dislocations.
- Taking a base case scenario of the lockdown being imposed until 3 May, and a 60-day recovery with an operating efficiency of around 60%, the growth number for FY21 would be 0.8-1.0%; the lockdown being extended further (say to mid-May) will lead to 0% growth.
- The loss of nominal growth in the base case situation could be anywhere between Rs 9-10 trillion for FY21.
- The implication of a loss of income will show-up in corporate top and bottom lines, a drop in the equity market valuations and so on, ultimately showing-up in fiscal in terms of tax and non-tax revenues.
- Fiscal deficit needs to expand by at least Rs 5-6 trillion.

Dr M Govinda Rao
Chief Economic Advisor,
Brickwork Ratings

Innovative and alternative fiscal measures needed

Dr M Govinda Rao, *Chief Economic Advisor, Brickwork Ratings*

- States need to be more empowered as they are fighting the pandemic at the forefront.
- Monetisation seems to be unavoidable now.
- A fiscal council should be created like the Congress did in the US and should be appointed by the parliament and report to the parliament to chalk-out the fiscal plan.
- Overall fiscal deficit will have to be increased.
- Hopefully, after the lockdown is lifted, states will get more revenue from excise duty, petrol and diesel, alcohol and so on and less from GST, stamp duty and others.
- More innovative and alternative measures will be needed.
- States should come up with innovative steps; for example, Karnataka has come up with a scheme in which corner plots in metros will be auctioned off, which would generate approximately Rs 15,000 crores in revenues.
- Lot of uncertainty to comment of growth; we need to come out of a lot of problems first

Details of Panel Discussion

Dr Tirthankar Patnaik

Chief Economist, National Stock Exchange of India Ltd

- The Indian Economy has not seen the Covid-19 crisis in the last several decades.
- The key differentiating factor between the global financial crisis and Covid-19 is that former was a financial crisis wherein global growth, in real terms was at its highest since World War II.
- The crisis led to dislocations in the financial market, which did not allow firms to meet their debt obligations even though they were solvent, and the lack of liquidity, which was understood to be a major factor behind the crisis, was taken-up meaningfully by the RBI; thus, a significant amount of liquidity was injected into the global financial system.
- We witnessed global central banks' balance sheets hitting inflation in various asset classes. The Corona crisis is totally the opposite; social distancing is the response to the crisis, picture in a significant global shock in the real economy. The longer this shock takes to heal, the more it will transform into a financial shock; this is an aspect we need to be mindful of.
- The Indian economy was at its lowest growth at 4.5% while going into the corona crisis, and for FY21 also, our expectation was around a similar number i.e. 4.5%. So, clearly, the economy is relatively in a much worse position to tackle any crisis.
- The key challenge is any quick improvement in growth or any kind of replacement in consumption will create a significant impulse globally, including in India.
- The problem for India is that the country's fiscal balances are not very good, and just to reiterate the numbers, for FY20, our estimate was 3.8%, which stood at an allowance of 50bps from the FRBM target and for FY21, it was 3.5% of the GDP. To include off balance sheet borrowings, the number goes north of 4-4.5%, and with the real sector shock, the challenge would be to determine on fiscal side what must be done with tax exemptions for FY21 as clearly there is going to be a significant shortage or deficit.
- The finances of States are likely to be in a much worse condition in FY21.
- A significant point that must be made here is that the longer the lockdown continues, the longer it would take to recover.
- Historically, whenever there has been a sharp correction in the market or drop in valuation or economic shock that led to the loss of earnings, markets have rebounded fairly sharply and aggressively, and one can go back to the 2013, 2008, 2006 and 2000 crisis. Whenever markets have significantly corrected, there has been a sharp rebound.
- A glimmer of hope of earnings coming back is enough for markets to rebound, it will not wait for earnings to actually coming back. A 20% drop since January was the sharpest ever
- The same works for downward trend as well; markets crashed more than 20% this year, whereas earnings have not reduced in the same fashion.
- At the moment, current FY20 numbers are likely to be revised downwards significantly.
- For FY21, the numbers are expected to come out to be as low as the following: base case 5-6%, bear case 0%, bull case 16-17%.

- While markets have recovered 7-8% already, there is clearly a long way before Nifty reaches January 2020 levels.
- In terms of valuation, current levels, are those which have seen last in 2011 and 2013-14 period when growth was deteriorating. On average, the last 10 years' 12-month forward multiple is 14.5 times, and today we are 10-15% below that number.
- Recovery has already started, but there is a likelihood of infections returning after the lockdown is lifted.

Q. There are a lot of forecast on the economy for the current year and for the next fiscal but the fact that it will be a V shaped recovery for the next fiscal, 7-10% growth in many economies including India. Why do you think it will not be a V shaped recovery?

- V-shaped recovery is largely mathematical. For instance, growth numbers that will be seen for FY21 can get bumped up if you revise your FY20 numbers downwards, which is likely to happen.
- We are in a considerably different position today than we were at in 2008; now, we are the bottom of the growth cycle, so the recovery will depend on where we are, and we are not in a good position.
- Growth numbers will look good only because of the base effect as FY20 was one of the worst years in terms of growth witnessed.
- Weak growth numbers are expected at least for the next 2-3 years as we were already doing badly when this crisis hit us.
- Historically, whenever there has been a sharp correction in the market or drop in valuation or economic shock that led to the loss of earnings, markets have rebounded fairly sharply and aggressively, and one can go back to the 2013, 2008, 2006 and 2000 crisis. Whenever markets have significantly corrected, there has been a sharp rebound.
- A glimmer of hope of earnings coming back is enough for markets to rebound, it will not wait for earnings to actually coming back
- The same works for downward trend as well; markets crashed more than 20% this year, whereas earnings have not reduced in the same fashion.
- At the moment, current FY20 numbers are likely to be revised downwards significantly.
- For FY21, numbers are expected to come out to be as low as follows: base case 5-6%, bear case 0%, bull case 16-17%.
- A 20% drop since January was the sharpest ever, from normal to bear market
- Markets have recovered 7-8% already; there is clearly a long way to go before Nifty reaches pre-January levels.
- In terms of valuation, current levels 12 months forward earning are those which have seen last in 2011 to 2013-14 period when growth was going downwards.
- On average, the last 10 years' 12-month forward multiple is 14.5 times; today, we are 10-15% below that number.
- Already recovery has started, but there is a likelihood of infections returning after lockdown is lifted; hence, when India is past its peak infections, market will take a breather

Dr. Saugata Bhattacharya

Chief Economist, Axis Bank

- We have entered the Covid-19 slowdown in an already weakened state.
- Slowdown has been there since FY14-15, and we have entered the Covid-19 related slowdown with a lot of financial and real sector parameters in a fairly deteriorated state.
- The global slowdown due to this crisis will have multiple repercussions on the Indian economy.
- The labour dislocation that we are seeing and which is likely to persist for the long term also seems to indicate that the slowdown may be fairly drawn out, and growth recovery may be drawn out.
- Under a lockdown, it is difficult to predict growth, so we are only analysing with what-ifs, such as by considering different lockdown periods.
- Taking the base case scenario of the lockdown being imposed until 3 May and 60-day recovery with an operating efficiency of around 60%, the growth number for FY21 would be 0.8-1.0%.
- Extended lockdown (say to mid-May) may lead to 0% growth.
- Given the low oil and global commodity prices, despite fears of transient food shock for the next 2-3 months, given the IMD forecast of a normal monsoon, the nominal growth needs about 4.5% for FY21 with an optimistic 2% real growth plus about 2.5% GDP deflator. and this is compared with 7.5% nominal growth estimate for FY20 and this is compared to our own pre-Covid forecast of 5.2% real growth.
- The loss of nominal growth in the base situation could be anywhere between Rs 9 -10 trillion for FY21.
- The implication of the loss of income will show-up in corporate top and bottom linesThe consequent drop in consumption, a drop in equity market valuations, etc will show up ultimately in fiscal numbers in terms of tax and non-tax revenues which will lead to sharp reduction in overall revenue collections.
- The second part would be what measures would need to be put in place to counter some part of the slowdown. We have already seen two large rounds of RBI stimulus measures. I think the next stimulus we need from the government.
- Recovering up part of the GDP loss or the income loss that we expect or that we forecast and how the recovery will play out will depend on how the consumer demand will be.
- So, our sense is that fiscal deficit needs to expand by at least Rs 5-6 lakh crore.
- The ability of the domestic market to support such additional borrowing will be very weak, and as a consequence, India will need to take up large stimulus, a part of which we have already seen in terms of the increase in state government WMA limits.

Dr. Soumya Kanti Ghosh

Group Chief Economic Advisor, State Bank of India

- We had revised our GDP forecast and now actually expect the GDP growth rate for the current fiscal at 1.1%; however, there is a small caveat here, we also believe that the FY20 growth rate could actually be revised downwards from 5% to 4.1%. So, 1.1% FY21 growth could be possibly attributed to this downward revision of 0.9% (from 5% to 4.1%).
- The total GDP/GVA loss is Rs 12 lakh crore (6% of GDP) considering a lockdown till 3 May; we do not expect the lockdown to extend further.
- The lockdown, if continued will result in a significant loss of labour income, of around Rs 5 lakh crore, and capital income to the tune of Rs 2.5 lakh crore.
- A large part of the capital loss will be shifted to banks in terms of bankruptcy costs, and some failures of corporates' fixed cost.
- Lockdown is not an ultimate solution to the pandemic crisis; a vaccine is the solution, and it is 12-18 months away.
- The lockdown is giving us an opportunity to build our hospital infrastructure and amenities to cope with the added problem later also.
- The nominal GDP last year was around 7.8% or so, and this year, the nominal GDP projection is around 4.2% with a downward bias.
- Every Rs 2 lakh crore is equal to 1% of the GDP; this way, nominal growth has been estimated from 4% to 8%.
- The fiscal package to cover income loss should be at least Rs 5 lakh crore if not Rs 8 lakh crore
- The RBI has done a lot of endeavour heavy lifting in the process, and the government needs to do the rest, as the total package by the government today is only 0.4% of the GDP.
- We have recommended a guarantee programme for the SME or retail sector, which may have a multiplier effect of around 50-70%.
- We should not forget the 2008-09 crisis and should understand that we should not push banks aggressively to lend.
- Issuing tax free bonds is also likely to be a solution as the market for bonds has completely dried-up, given the fact that there is no issue of fresh ones.
- Monetising deficit is the best option; the RBI should decide on the optimal level.
- The expectation of inflation is premature as people hoarding cash while money multiplier has declined significantly, and I don't see any adverse consequences of monetisation.
- Significant decline in credit quality and high Covid-19 impact is expected to be seen in sectors such as aviation, hospitality, automobile, food processing, power, gems and jewellery and construction and NBFCs.
- The 'size of States' fiscal position will widen significantly to around 750 billion to 1 trillion; states have no source of revenue, and they cannot mobilise their own tax revenue.

- The RBI may come up with an OMO with state government securities or an additional liquidity window.
- We need to push the economy further and do whatever is required as the slowdown is front loaded.

Q. You said that the package that would be required will be anywhere between Rs 5 to 8 lakh crores, where do we get the resources?

- Fiscal resources will never be available for a package like this. In a country like India, the fiscal situation will always be constrained; there has to be a separate Covid budget.
- Banks must be incentivised to lend more through credit guarantee schemes.
- Resource mobilisation has to be done through the issuance of tax -free bonds.
- Limited monetisation should be determined by the RBI; but it should be large enough
- The revenue shortfall for the centre must be lower by Rs 4 lakh crore going by the 4% nominal GDP growth; so, for states, it should be lower by Rs 1.35 lakh crore.
- Expand FRBM limit; part of them could be mobilised or monetised and rationalise expenditures

Q. Which sectors the stimulus money should be spent by the government, on those heavily impacted ones or to labour intensive where maximum employment can be generated?

- This is unlike the 2008 crisis because back then, we were doing good and growth came down. But now, the economy itself was doing badly.
- We have to differentiate this from the 2008 crisis because at that time, we had a loan waiver, pay commission and fiscal package.
- Whatever demand destruction happened; there is a need to ramp-up demand.
- It is not about giving fiscal stimulus, but a package to those sectors that support social consumption.
- It has to be a judicious combination of sectors and measures.
- In this crisis, we need to support the sectors; otherwise they will collapse. Some of the sectors will be hospitality, aviation, automobiles, tourism and construction.
- Ramping up health infrastructure: In India, many districts do not have hospitals; building up to 500-bed hospitals in 250 districts will cost up to around Rs 20,000 crore.
- The government will need to provide payroll support for the impacted sectors; the UK, wherein the government gives support for 2 days, the employer foregoes the salary for 2 days and the company supports for 3 days, is a good example.
- In the construction sector, income support needs to be provided to migrant workers. Loss in income to migrant workers will be Rs 1 lakh crore if the share is 25%.
- Moving the workers back to construction sites will also be critical.
- Also, agriculture will be impacted as income loss will be higher as over the years, the share of food grain production shifted towards allied activities.

- The share of food grain production in agriculture is decreasing, and there is a diversion of income from food grain to allied activities; so, there could be 10% income loss in agriculture.

Q. There are a lot of forecasts on the economy for the current year and the next fiscal, and many believe that it will be a V shaped recovery for the next fiscal, 7-10% growth in many economies including India. Why do you think it will not be a V shaped recovery?

- It will not be V-shaped recovery for India; it will be a very slow-paced recovery.
- Because of lot of existing problems like financial sector problems which is not resolved yet. Given the fact that some sectors are facing these problems now, , it will be a slow recovery for several years.
- Many other sectors are also facing problems.
- Whatever growth we may get in FY22 will clearly be because of a lower base; so not hopeful of 7.4% growth forecast of IMF.
- Maybe the package is properly structured, things fall in place, and we may see some sort of a surprise in the second half of FY21.
- Long-run recovery is possible; FY21: near 0%, FY22 estimate: 6-6.5%.

Dr. M Govinda Rao

Chief Economic Advisor, Brickwork Ratings

- This is an unprecedented crisis, not comparable with the 2008 global financial crisis we have now in the slowing saving and investment cycle, and low growth, unlike in 2008.
- Hardly any fiscal space is left for the stimulus.
- State governments need to ramp-up the health infrastructure, but their fiscal position is pathetic.
- The longer the lockdown extends, the more the problem will be for revenue generation.
- The state’s tax devolution and grants are likely to be less than the Finance Commission estimates. The amount of revenues for States is going to be less by Rs 72,000 crore.
- States are likely going to lose around Rs 2.92 trillion in terms of tax devolutions if the economy will grow at around 4%.
- The central government should increase FRBM targets for states to 4% of the GSDP instead of 3%, since States are responsible and use it wisely.
- States should be empowered with better fiscal space, otherwise recovery will not come through by States.
- Overall fiscal deficit to be increased with some monetisation which is unavoidable hoping that this should not become a habit.
- One has to give sufficient credibility to the system in the sense that after the current crisis ends, it should return to normal fiscal correction path.

- Create a fiscal council that should be appointed by the parliament and be reporting to the parliament.
- The immediate action should be loosening the purse and spending to deal with the current serious situation.
- The intensity of the problem will depend on how long the current situation continues and how fast the government will recover through its spending program.
- There is not much of a choice to identify the most affected sectors because all are in the red zone; a lot can be done in the construction and infrastructure sector.
- Other constraints include bringing back the labourers who are moved out of the city due to lockdown.
- Thankfully, the agriculture sector is active; procurement has been going well, but the problem of horticulture production which are perishables persists.

Q If States' fiscal responsibility targets increased from 3% to 4%, how much would it add to their revenues and the overall revenue shortage persisting due to lower GST and tax and grants they get from the Centre? Will the increase in fiscal deficit target be able to make up for the shortage and what are the other ways for States to garner revenues?

- 1% additional GSDP means that slightly less than 1% of GDP amounts to around Rs 2 lakh crore.
- Currently, States are completely in the dark as GST compensation has not come to them.
- An additional 3% of the GDP of fiscal deficit will add to somewhere around Rs 6 lakh crores, but that will not be enough as your overestimation in revenues itself for the current 3.5% GDP target is humongous.
- Budget constraints for States to remain even with 1% additional money, as revenues have substantially declined.
- Hopefully, after the lockdown is lifted, states will get more from their excise duty and significantly less from petrol-diesel, GST, stamp duty and others.
- Some States are taking innovative steps; Karnataka has come up with a scheme wherein corner plots in metros will be auctioned. They have identified around 12000 sites in Bangalore; this creates approximately Rs 15,000 crores in revenue. Thus, states will have to monetise lands. Such measures will be needed.
- Much of the capital expenditure is happening at the State level; capital expenditure to GDP is 1.7%, whereas at the state level, it is 2.5-3%. Thus, at the state level, a cut in the capital expenditure this year will have implications.
- Tax-free bonds, which are much more expensive is not an ideal option to raise funds, because money has to come from household sectors' financial savings.

Q. There are a lot of forecasts on the economy for the current year and the next fiscal, and many believe that it will be a V shaped recovery for the next fiscal, 7-10% growth in many economies including India. Why do you think it will not be a V shaped recovery?

- There is lot of uncertainty to comment of growth; depends on how long the entire thing will last or whether there will be a rebound of the pandemic or is there a possibility of a vaccine, etc
- Urban areas are growth centres, and most urban areas are now designated as hotspots.
- Given the rigidity is in the economy itself, we need to come out of uncertainty first, unless we come out of this crisis, pick-up in growth is not possible
- On top of it, looking at global growth, export is also not possible; even services export currently is struggling.
- In the first two quarters, there will be hardly any growth; hence, a V-shaped recovery looks unlikely.

****

ABOUT BRICKWORK RATINGS

Brickwork Ratings is India's home-grown credit rating agency built with superior analytical prowess from industry's most experienced credit analysts, bankers and regulators Established in 2007, Brickwork Ratings aims to provide reliable credit ratings by creating new standards for assessing risk and by offering accurate and transparent ratings. Brickwork Ratings provides investors and lenders timely and in-depth research across the structured finance, public finance, financial institutions, project finance and corporate sectors. Brickwork Ratings has employed over 350 credit analysts and credit market professionals across 8 offices in India. Our experienced analysts have published over 12,000 ratings across asset classes. Brickwork Ratings is committed to provide the investment community with the products and services needed to make informed investment decisions. Brickwork Ratings is a registered credit rating agency by Securities and Exchange Board of India (SEBI) and a recognised External Credit Assessment Agency (ECAI) by Reserve Bank of India (RBI) to carry out credit ratings in India. Brickwork Ratings is promoted by Canara bank, India's leading public sector bank. More on Canara bank available at www.canarabank.co.in

BWR Rating criteria is available at https://www.brickworkratings.com/ratingscriteria.aspx

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empanelled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empanelled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

All opinions expressed by the Participants are solely their current opinions and do not reflect the opinions of Brickwork Ratings (BWR) and its associates and/or affiliates or the companies with which the Participants are affiliated, and may have been previously disseminated by them. The Participants' opinions are based upon information they consider reliable, but neither BWR nor its affiliates, nor the companies with which such participants are affiliated, warrant its completeness or accuracy, and it should not be relied upon as such. The Participants may be actively involved in securities trading discussed in the interview/content, on behalf of themselves, their companies and their clients. Also, the Participants and/or their companies engage in securities trading and may hold both long and short options and/or futures positions in the same security, as well as the underlying stock. The opinions expressed by the Participants may be short-term in nature and are subject to change. Any views expressed is NOT a recommendation to buy, sell or hold any security and/or investments. BWR has no responsibility for any liability arising out of the views expressed here to any parties.