LOAN FRAUDS & MONEY LAUNDERING

Govt to SC: ₹18K cr returned to banks

FE BUREAU
New Delhi, February 23

THE GOVERNMENT ON Wednesday informed the Supreme Court that around ₹18,000 crore has been returned to the banks in the cases relating to fugitive industrialists Vijay Mallya, Nirav Modi and Mehul Choksi, who are facing charges of loan frauds and money laundering.

Stressing the necessity of a stringent law to deal with money laundering, Solicitor General Tushar Mehta told a Bench led by Justice AM Khanwilkar that the total proceeds of crimes in the Prevention of Money Laundering Act (PMLA) cases pending before the Supreme Court amounted to ₹67,000 crore. Various companies and individuals represented by senior lawyers, including Kapil Sibal, Abhishek Singhvi, Mukul Rohatgi, Sidharth Luthra, Amit Desai, have questioned validity of stringent measures and potential misuse of the amendments to the PMLA. Critics of the PMLA have argued that that it was extremely difficult to get bail under this statute, while the actual conviction rate had remained very low.

"As on date, 4,700 cases are being investigated by the Enforcement Directorate (ED) and the number of the cases taken up for investigation each year in the last five years varied from 111 cases in 2015-16 to 981 in 2020-21," he said, adding that during the last five years, only 2,086 cases were taken up for investigation under the PMLA out of registration of FIRs of approximately 33 lakh for predicate offences by the police and other investigative agencies. "Further, the efforts against money laundering have consistently advocated to include the widest range of predicate offences in the domestic laws," he said.

The Supreme Court is hearing a large batch of more than 200 petitions that challenge various provisions of the law that is used to track the money trail in financial and other offences.

Appeals have asked SC to examine the wide scope of powers available to the Enforcement Directorate for search, seizure, investigation, and attachment of proceeds of crime under the law.

On February 15, the apex court had stressed the need for a fast investigation if the Enforcement Directorate (ED) comes across an intelligence input indicating huge illegal money-laundering, observing that "cash travels faster than light".

Vijay Mallya (left), Nirav Modi (centre) and Mehul Choksi

- **4,700 cases** being investigated by ED
- Only **313 arrested** since PMLA enactment in 2002
- Total amount covered by interim orders: **₹67,000 cr**
- 2016-21: **2,086 cases** taken up for probe out of **33 lakh registered**

Steep fall in e-Shram registrations

SURYA SARATHI RAY
New Delhi, February 23

THE PACE OF registration of unorganised workers on the government's e-Shram portal has fallen steadily — and rather steeply — since the peak levels achieved in December 2021, even as one in almost one in three of them are yet to find themselves on the portal. The Aadhaar-seeded centralised database is being created primarily to improve the targeting of delivery of benefits under the welfare schemes meant for these workers and provide them a modicum of social security.

While the e-shram portal was launched on August 24 last year, as many as 26 crore of an estimated 38 crore unorganised sector workers (as per Economic Survey 2019-20) in the country, including agriculture workers, domestic helps, street vendors, etc, have already joined the Centre's maiden initiative.

One reason for the reduced pace of registration is the Omicron spread, according to official sources. From just three persons on the first day of registration, the daily count climbed to a peak of 80 lakh on December 30, 2021. The number has started falling since then, though not exactly uniformly, to stand at just 4.8 lakh on February 22.

All workers, aged between 16-59 years, and not members of existing social sector schemes run by ESIC and EPFO are eligible to register on the portal. After registering, those within 18-59 years bracket get an accidental insurance cover of ₹2 lakh under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) for the first year at no cost. From the second year, she has to pay an annual premium of ₹12 to remain continuously covered.

While lack of proper propaganda at the grassroots level could be one of the reasons for the declining registrations, the engagement of such set of workers in the ongoing harvesting work may also be responsible for the trend, sources said.

With 8.2 crore registration, Uttar Pradesh tops the list among the states followed by Bihar (2.74 crore), West Bengal (2.51 crore), Madhya Pradesh (1.41 crore) and Odisha (1.32 crore). Agricultural sector rules the roost with 13.35 crore registration till now followed by domestic & household workers at 2.66 crore. Majority of the workers (24 crore) earn ₹10,000 or less in a month.

Females have a higher share of registration at 52.73% than their male counterparts. Of the total registered, 62% are in the 18-40 years age bracket, 22% in the 40-50 years age bracket and the remaining above 50 years. Nearly 46% registered belong to the other backward class (OBC).

E-Shram registrations*
(crore)

*As on Feb 23, 2022; the scheme was launched in August 24, 2021, with an aim to bring all 38 crore unorganised sector workers to a common platform; Source: Labour ministry

It's yesterday once more for consumers; footfalls back to 75% of pre-Covid levels

MALINI BHUPTA, GEETA NAIR & MITHUN DASGUPTA
Mumbai/Pune/Kolkata, February 23

WITH OMICRON CASES falling at a rapid pace, demand in contact-intensive sectors is picking up fast and has touched around 75% of the pre-pandemic levels, according to industry estimates. No wonder, hotels, restaurants, retail chains, malls and multiplexes, which have borne the brunt of Covid-led restrictions for over two years, are now seeking an end to all kinds of curbs put on their operations by various state governments for their businesses to return to full normalcy.

For instance, footfalls are back to 70% of the pre-pandemic levels at Mumbai's Infinity Malls, but as Mukesh Kumar, CEO of Infinity Malls, said, curbs on restaurants to operate at 50% of their capacity is still impacting business.

If the country's top four metros are taken into account, business at restaurants is around 40% of the pre-pandemic levels.

Pradeep Shetty, joint honorary secretary, Federation of Hotel & Restaurant Associations of India, said: "Operating at 50% capacity has a direct impact on the extent of the business. On the other hand, city hotels have managed to regain only 35% of the pre-pandemic business since there is no international travel and business travel is low."

As restrictions are gradually being eased, customers have returned to malls and multiplexes too. With a couple of big film releases lined up in March, multiplexes expect moviegoers to come back in larger numbers. In Kolkata, for instance, malls are "almost at pre-Covid level", in terms of footfalls, says Sushil Mohta, chairman, eastern region, Shopping Centre Association of India (SCAI).

Zorawar Kalra of Massive Restaurants, which runs 32 fine-dine restaurants across nine cities, said the industry has suffered immensely over the past two years with over 25% of all restaurants shutting down permanently. "While demand recovery has been quicker than most expected, the restrictions of timing and occupancy continually plague chances of survival. If airlines can have 100% occupancy, why not restaurants that have far greater distance between tables," he said.

Restaurant chains with a pan-India footprint are seeking easing of restrictions so that the industry can recover fully at a faster pace. They are also seeking restoration of input tax credit on GST immediately as that is seen as an obstacle to faster recovery.

Mohta, who is also chairman of Merlin Group, told FE that sales were good with the arrival of the winter season but have suffered December last week onwards till February first week, due to Omicron-led curbs. After some relaxations with the number of cases going down, the food and beverages segment has picked up. The hope is that reopening of schools will give more confidence to the public at large to visit malls and multiplexes. With demand returning, mall rentals, too, are back to near-normal levels. In fact, post-March 2021, tenants have paid normal rentals with no waivers, according to Mohta, who is also the promoter-director of Kolkata's South City Mall, and whose Merlin Group is the developer of the city's Acropolis Mall.

Kumar of Mumbai's Infinity Malls said malls have supported the brands throughout the lockdown and while the support may differ category to category, "we do not see any major challenges here".

Data from emerging IT and start-up hub Pune are even more encouraging. After fresh restrictions were imposed in December, consumer demand is making a strong comeback and could touch pre-Covid levels by March. Surjit Singh Rajpurohit, chief operating officer of the 1.2-million sq ft Amanora Mall in Pune, said, "We will be reaching pre-Covid levels by mid-March. Last year when malls opened, a customer rush was seen in the white goods stores, but now everyone is looking at everything. The marriage season and travel are driving footfalls. Barring formal apparel, all the segments are doing well."

The food and beverage segment is back to full capacity and theatre occupancy has reached around 60%. With three big releases slated for March, recovery could take occupancy to 80%.

Rishu Baweja, director at Cult House Terra, said that footfalls have been stable after the government decided to lift restrictions. "The response is quite good, we have seen an increase in walk-in customers. If the current scenario continues, we will soon go back to pre-Covid levels as far as sales and customer response is concerned," Baweja said.

- Footfalls are back to **70%** of pre-pandemic levels at Mumbai's Infinity Malls
- With demand returning, mall rentals, too, are back to near-normal levels, **say Kolkata mall owners**
- Food & beverage segment back to full capacity; theatre occupancy reaches around **60%**
- Pune mall owners expect touching pre-Covid levels by **mid-March**