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WORLD P9
HOW THE LONGEST BULL RUN ENDED IN PANDEMIC PANIC

WORLD P9
FOR TAG HEUER, SMARTWATCH IS 'ADDITIONAL BUSINESS'

PUBLISHED SIMULTANEOUSLY FROM BENGALURU, KOLKATA, MUMBAI AND NEW DELHI

Mobile phones get costlier

GST rate hiked from 12% to 18%; Council asks Infosys to fix GSTN glitches by July

DILASHA SETH & INDIVJAL DHASMANA
New Delhi, 14 March

The Goods and Services Tax (GST) Council on Saturday announced a hike in the tax rate on mobile phones and specified parts to 18 per cent from the next month, from the existing 12 per cent, to correct the inverted duty structure.

It, however, deferred the decision on hiking rates on three other items — footwear, textiles, and fertilisers — which was recommended by the fitment committee of officers to correct the system of having higher duties on inputs than on the final products.

"If there is a need to calibrate the rates on these items, we will take up the issue in one of the future meetings," Finance Minister Nirmala Sitharaman, who chaired the meeting, told reporters.

West Bengal Finance Minister Amit Mitra, who had urged the Council to not hike the rates on these items, said, "Timing is the key. When you have the coronavirus issue and growth slowdown, what sense does it make in hiking the GST rates on items like these?"

Mitra, who did not attend the meeting because of health reasons, said his West Bengal colleague raised the issue and got support from all states, barring one or two. "Some BJP states also supported. Tamil Nadu, Maharashtra, all have textile industries. First they deferred (rate hikes on) all items, but after lunch they said they could raise it on mobile phones," Mitra said.

Responding to a query whether prices of mobile phones would rise after this decision, Finance Secretary A B Pandey said the move was aimed at correcting the inverted duty structure, which was blocking refunds of companies. "I don't believe that prices would rise by 6 per cent," he said.

The Council, meanwhile, reduced the GST rate on maintenance, repair and overhaul services of aircraft to 5 per cent from 18 per cent. This would help in setting up these facilities in India, Sitharaman said.

It also brought parity in handmade and machine-made matchsticks by imposing a GST rate of 12 per cent on them.

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Finance Minister Nirmala Sitharaman and Finance Secretary A B Pandey at the GST Council meeting on Saturday PHOTO: PTI

"GST INCREASE FOR PHONES FROM 12% TO 18% WILL CRUMBLE THE INDUSTRY... MY REQUEST TO PM @NARENDRAMODI JI AND FM @NSITHARAMAN JI — PLEASE RECONSIDER THIS GST HIKE"
Manu Kumar Jain, MD, Xiaomi India

DETAILED REPORT ON PAGE 3

TAX REJIG

Existing GST rate / New GST rate (in %)

	Existing GST rate	New GST rate
Mobile phones and parts	12	18
Aircraft maintenance, repair and overhaul (MRO) services	18	5
Handmade matchsticks	5	12
Machine-made matchsticks	18	12

Note: GST rate changes effective from April 1

CORRECTION IN INVERTED DUTY STRUCTURE DEFERRED

Existing rate / Proposed rate (in %)

	Existing rate	Proposed rate
Textiles (fabric and garments)	5	12
Footwear	5	12
Fertiliser	5	12

YES Bank Q3 loss zooms to ₹18,564 crore

Gross NPA up eight times

SUBRATA PANDA & ABHIJIT LELE
Mumbai, 14 March

Private sector lender YES Bank on Saturday reported a net loss of ₹18,564.24 crore for the December quarter (Q3FY20), as against a net profit of ₹1,000.57 crore in the corresponding period of FY19.

The troubled bank, which announced its Q3 numbers after weeks of delay, reported a pre-tax loss of ₹24,778 crore in Q3FY20 compared with a pre-tax profit of ₹1,442 crore in the year-ago period. It had posted a net loss of ₹629 crore in the quarter ended September 2019.

Gross non-performing assets (NPAs) saw a sharp rise to 18.87 per cent compared with a meagre 2.10 per cent in the same period of FY19. In absolute terms, the gross NPA figure for the December quarter stands at ₹40,709 crore compared with ₹5,158 crore in Q3FY19, a rise of over 600 per cent. At the end of Q2FY20, the gross NPA of the bank stood at 7.39 per cent. The net NPA of the bank at the end of the December quarter stood at 5.97 per cent. In Q3FY19, the bank reported net NPA of 1.18 per cent.

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CENTRE NOTIFIES RESCUE PLAN

The lender has made provisions to the tune of ₹15,422 crore in the quarter ended December 31, 2019, as against ₹550 crore in Q3FY19. Sequentially, the bank had set aside ₹1,336.25 crore in September 2019 quarter as provisions and contingencies.

The bank has recognised additional NPAs to the tune of ₹5,150 crore and made additional provisioning of ₹772.5 crore.

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GATES STEPS DOWN FROM MICROSOFT, BERKSHIRE BOARDS

Microsoft Corp co-founder Bill Gates, who made the company one of the world's most valuable technology firms, stepped down from the board on Friday to focus on philanthropic works related to global health, education and climate change. Gates also stepped down from the board of Warren Buffett's Berkshire Hathaway, where he has served since 2004. 9

COMPANIES P2

Xerox pauses HP hostile takeover amid outbreak

Xerox Holdings Corp said it will pause its public pursuit of HP amid the outbreak of the coronavirus. "Xerox needs to prioritise the health and safety of its employees, customers, partners and affiliates over and above all other considerations, including its proposal to acquire HP," Xerox CEO John Visentin said.

BACK PAGE P12

Two major Russian arms deals likely next week

On Wednesday, the Ministry of Defence will clear the purchase of one, or possibly two, Russian weapons systems, taking orders in the Moscow pipeline to above $15 billion and underlining Russia's status as India's premier arms supplier, writes
AJAI SHUKLA

WORLD P9

Instagram to roll out video advertising

Instagram plans to sell advertisements in IGTV, its home for longer videos, a bid to compete with YouTube for a larger share of the booming market for online video. Facebook-owned Instagram started reaching out to its top video creators on Friday, asking them to partner on ad tests.

IN DEPTH

Why the microfinance crisis is still not over

Andhra Pradesh's Ordinance to regulate MFIs has been a double-edged sword for the poor, with some digging deeper into debt, writes
NAMRATA ACHARYA 7

When office banter at the water cooler is history...

BS REPORTERS
Mumbai/New Delhi/Kolkata/Ahmedabad, 14 March

It's the turn of the large conglomerates to bite the bullet. If technology and new economy firms took the lead so far in shielding their employees from coronavirus, now the traditional big groups including the Tatas, and Reliance are taking unusual measures to cope with the growing health hazard. Speaking in one voice, corporate India is asking its people to reduce travel, limit meetings and adopt stringent hygiene standards. Some of them are allowing work from home and advising self-isolation in what looks like a new normal.

Manufacturing plants have not caught up with work from home yet. Unlike the services sector, people in manufacturing do not need to travel extensively outside the premises and this offers a natural immunity, especially if it is also linked to a township.

That apart, other steps are being taken proactively by business majors with deep presence in manufacturing. For instance, every person stepping into the Reliance premises is being thermally screened. "We have asked anyone with symptoms of flu etc to isolate themselves. Fortunately, in the last one month there has not been much of international travel and we did not need to quarantine any of our executives," said a Reliance spokesman.

Reliance has formed a special group to monitor the situation and brief the chairman and the executive directors every day. Meetings that require more than 20 people in one room are avoided. Carmaker Maruti Suzuki has told employees to use teleconferencing and video conferencing instead. At Tata Sons, at least two employees have self-quarantined and are working from home as they have just returned from coronavirus-affected countries.

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FIGHT AGAINST COVID-19

Measures put in place by Indian companies

- Employees told to avoid international travel and reduce domestic travel
- Those with COVID-19 symptoms or travel history to affected nations asked to go into quarantine
- To avoid large group meetings; encourage hand hygiene
- Work from home, especially to expecting mothers, offered
- Biometric attendance disabled
- Thermal screening at premises

Apple closes stores outside Greater China for two weeks

Apple announced on Saturday that it is closing hundreds of retail stores outside of Greater China until March 27. It also said that it's moving to remote work in order to help reduce the spread of coronavirus. 9

Fuel duty hike to add ₹43K cr to govt revenue

Move to help rein in FY21 fiscal deficit

SHINE JACOB
& INDIVJAL DHASMANA
New Delhi, 14 March

The government on Saturday increased taxes on petrol and diesel by ₹3 per litre each, a move that may fetch it an additional revenue of around ₹43,000 crore in a year.

While special excise duty was hiked by ₹2, road cess was increased by ₹1 per litre on the fuels, according to a notification issued by the Central Board of Indirect Taxes and Customs (CBIC).

After the latest hike, the excise duty on petrol has gone up to ₹22.98 a litre from ₹19.98, and that on diesel to ₹18.83 from ₹15.83 a litre. The decision to raise the duties was taken in view of the tight fiscal situation and the recent decline in crude oil prices, sources said.

The move, however, will not help the government much in reining in the fiscal deficit in the current financial year, as the coffers will be richer by just ₹2,120 crore in the remaining days of this month. The deficit surpassed the revised estimates for FY20 by 28.5 per cent as of January. The extra revenue will, however, be helpful in meeting the FY21 target of bringing down the deficit to 3.5 per cent of the gross domestic product.

Additional revenue will help govt meet its FY21 target of bringing down the fiscal deficit to 3.5% of GDP

Finance Minister Nirmala Sitharaman said there would not be any increase in retail prices of petrol and diesel. "In fact, there is reduction in these prices today compared with yesterday," she said.

Government sources said "this calibrated increase" would help generate resources for development of infrastructure.

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IN BRIEF

Swiss airline to ground half its fleet, cut work hours

Lufthansa subsidiary Swiss International is taking half its fleet out of service and reducing working hours for flight personnel to help safeguard its finances during the coronavirus outbreak, it said. "To compensate for the sharp fall in demand and resultant lost revenue, Swiss has decided to take immediate further precautionary action to secure liquidity," it said in a statement on Friday. Payout of variable salary components would be postponed to the end of this year for both flying personnel and senior management, the airline said, adding all recruitment besides apprentices and interns would also be halted and all non-essential projects halted or postponed. Major US and European airlines have begun discussions with governments on obtaining financial assistance to weather a crippling travel slump brought on by the coronavirus, which has hobbled global travel and is threatening thousands of industry jobs. REUTERS

Carowners can sell vehicles at Suzuki True Value outlets

Maruti Suzuki's pre-owned car network 'True Value' on Saturday announced the facility of vehicle buying from car owners. This introduction aims to facilitate True Value's motto of being a trusted one-stop destination for buying and selling quality pre-owned cars, a statement said. Through this, customers can get their cars evaluated digitally at their home, Shashank Srivastava, Executive Director (Marketing & Sales), Maruti Suzuki India said. PTI

PVR Cinemas to open 4 more screens in Indore

Film exhibitor PVR Cinemas on Saturday said it has received licences to operate four new screens at Indore in Madhya Pradesh. The company is opening the new screens at PVR Treasure Island Mall in Indore, a statement said. The now nine-screen property will introduce two mainstream and two special formats — PVR PlayHouse and PVR 4DX in the existing five-screen cinema, it added. PTI

Veego gets DoP nod to hold 100% equity in Wintac

Pharma firm Wintac on Saturday said its promoter Veego Pharma, LLC has got approval from the Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, to hold up to 100 per cent shares in the company. "Veego has now been accorded the approval of the DOP vide letter dated March 13, 2020, for 100 per cent FDI, thereby enabling Veego to hold up to 100 per cent shares in the Company," it said. PTI

Eldeco Housing sells 100% stake in Swarnim Nirman

Real estate firm Eldeco Housing and Industries on Saturday said it has sold 100 per cent stake in its arm Swarnim Nirman to Eldeco Infrastructure and Properties. "The Company today i.e. March 14, 2020 has sold 10,000 equity shares i.e. 100 per cent of the total equity capital of its wholly owned subsidiary Swarnim Nirman Private," it said in a BSE filing. PTI

Renault-Nissan halts Barcelona plant production

Production at a Renault-Nissan plant in Barcelona was halted on Friday due to disruptions in its supply chain, a Nissan Motor spokeswoman said on Saturday. "Production stopped in our Barcelona plant on Friday due to local restrictions on movement, which have impacted our supply chain," Azusa Momose said in an email. "For this reason, we have notified our employees that Monday will be a non-production day." Nissan will continue to discuss possible solutions with the authorities, she added. BLOOMBERG

Harley-Davidson board faces possible proxy fight

Harley-Davidson Inc.'s board is facing a potential proxy fight with one of its shareholders as it searches for a new chief executive officer. The iconic motorcycle maker received notice in January that Impala Asset Management wanted to nominate two new directors, according to a filing. BLOOMBERG

Urban Company offers COVID-19 health insurance

Home services marketplace Urban Company on Saturday said it has rolled out Covid-19 health insurance and income protection cover for 30,000 service professionals active on its platform in India. This will be in addition to the existing life, accidental and health insurance plans provided by Urban Company to its professionals, it added. PTI

HMSI recalls certain units of three scooter models

Honda Motorcycle and Scooter India (HMSI) on Saturday said it is recalling certain number of units of three of its scooter models to rectify and replace the rear cushion. The company is recalling units of Dio, Activa 125 and 6G, manufactured between February 14 to 25, 2020, HMSI said in a statement. PTI

Premium purveyors see a slowdown coming

From apparel to cigars, supply chain is a major cause for concern

PAVAN LALL
Mumbai, 14 March

PHOTO: KAMLESH PEDNEKAR

WHO'S GETTING AFFECTED

- Luxury watch dealers see currency flux eat into margins
- Designer apparel stores expect stock delay in winter
- Perishables like cigars get squeezed by airport closures
- Apple stores shut in malls where state mandates apply

Step inside Japanese chocolatier Royce' in Mumbai and the sales staff are wearing masks, making the high-end confectioner feel more like a pathology lab. Retailers and resellers of premium and luxury goods alike are feeling the jitters of the interruption in global trade because of the coronavirus pandemic, which has disrupted capital markets, supply chains, weakening the rupee as well as slowing down consumer spending for the well-heeled.

Rolex dealers say that the jump in the Swiss franc to the rupee from ₹72 to ₹80 does eat into their profit margins and make the going harder. Gaurav Bhatia, director of multi-brand Swiss watch reseller Art of Time, an authorised dealer of watches from the Richemont Group, Breitling, and the Swatch group said the slowdown hasn't been affected by the supply chain issues or China but because of market crashes and the ongoing uncertainty.

For the luxury apparel and accessories business in India that includes labels like Coach, Armani, Burberry, Diesel, Ermenegildo Zegna, Paul & Shark, Gucci, Canali, and many more say that for the most part spring and summer collections have already made their way to the Indian market and store inventory constraint is not an issue. "However, there will be a problem with fall and winter collections for those brands that are rooted in forward fashion markets, such as Italy, and that includes the majority," an executive in the apparel industry said.

CORONAVIRUS PANDEMIC

"Those with strong cash reserves and balance sheets will stay the course but brands that are even slightly shaky will find it tough going ahead and may have to wind up and that could extend to exits from malls which will mean higher rentals and a difficult cycle for luxury and premium stores," the executive adds.

Across the country, some malls have already started shutting down. UB City Mall in Bengaluru, the most premier mall in the state, has kept restaurants open but shut stores for at least a full week says one person aware of the mall's operations. In Mumbai, Palladium Mall is open but footfall on the weekend was scant with barely a dozen people compared to a couple hundred on a normal Saturday. At a Gucci store, the most recent shipments which come from Italy, have been held up in quarantine for over a week and it is not clear when they will be released to the store.

Recently, there was a rumour about the government of Maharashtra ordering a lockdown on malls which would mean a further reduction in sales for companies that are operating their stores there. Lockdown in fashion capitals, such as Milan and Venice, where Armani shut stores, will no doubt also have an impact on business going forward in terms of supplies and inventory.

Kaizad Hansotia, founder of premium cigar maker Gurkha Cigars, which retails at five-star hotels and airports in India, said: "Gurkha Cigars has suffered economically due to coronavirus and its effects worldwide. Various ports and airports around the world have been closed to prevent the virus from spreading."

As a result, despite demand, Gurkha wasn't able to deliver to many of its customers. Hansotia says he has seen a significant impact at several points of the supply chain. "The US is now systematically closing borders which might impact the ability to get the product out of our factories, though we have seen little spread of the virus in the Caribbean and Central America thus far," he said. "We will monitor the situation and fulfill orders as soon as the ports and airports open."

Premium electronic reseller Apple has also decided to shut stores where state laws have mandated such closures, and according to one industry insider, there's a good chance that may trickle down to non-mall Apple stores soon. Even as the impact is being felt by different brands and businesses see a variety of reactions and impact, the common denominator is the same. Everyone is waiting and watching to see how the dynamics are going to shape up in the next few weeks.

A doctor checks Union Civil Aviation Minister Hardeep Singh Puri at the Wings India 2020 event in Hyderabad

Puri: No need for aviation sector to worry about virus

DASARATH REDDY
Hyderabad, 14 March

Union civil aviation minister Hardeep Singh Puri said on Saturday that there was no need for any contingency plan for the aviation sector owing to the coronavirus outbreak. According to Puri, it was just a passing phase.

"No one has asked for any contingency plan or a bailout package even though issues like bringing aviation turbine fuel (ATF) — which forms 40 per cent of the operational cost of an airline — under GST was discussed. We meet stakeholders on a regular basis to understand their issues," said Puri, after attending the CEOs forum deliberations at the Wings India 2020 summit.

The minister said bringing ATF under the GST regime, extending credit for one month to airlines by oil companies or adjusting ATF rates every 15 days instead of one month would be implemented soon.

The meeting also discussed matters like aviation financing and leasing, capacity building, aviation safety and unmanned aerial vehicles (UAVs), among other things.

The civil aviation minister asserted that agencies under his ministry were able to effectively monitor airports against the spread of coronavirus without causing any panic.

"There may be a 15-20 per cent drop in domestic passenger traffic due to the virus threat but it is a temporary phase. We will not only overcome this challenge but also emerge as a robust aviation market in the future," Puri said at Wings India 2020.

He added that the country will have 1,200 aircraft in next few years, going by orders placed by some Indian operators. Referring to the passenger growth estimates, the minister also said India was going to touch the 1 billion passenger mark from the current 345 million, much ahead of the projected year of 2035.

He added, airport operators, airline companies and those in training and maintenance will all work independently to benefit from the aviation industry's growth potential.

According to the minister, Indian airports have so far screened 1.17 million international passengers for a possible coronavirus infection while 3,225 were subject to further examination.

"Our airports today constitute a benchmark for every airport in the world as to how they have to respond to a situation like this," the minister added. He defended the ministry's decision to go ahead with Wings India 2020 summit while stating that it was business as usual for the industry. The government was acting against the ongoing challenge in such a way that the country and the aviation sector will emerge stronger once the problem is behind us, he said.

Ferrari halts production for two weeks amid virus threat

Ferrari NV temporarily halted all production of its iconic sports cars in Italy due to the spread of the coronavirus, according to people familiar with the matter.

The Italian supercar maker will suspend its production at the Maranello and Modena plants until March 27, the people said, asking not to be identified because the decision isn't public. The company will continue to pay its 4,000 workers in Italy, the people said. Ferrari's decision follows a similar move by Volkswagen AG's Lamborghini, which suspended production in Italy until March 25.

Italy has become the epicenter of the coronavirus outbreak outside of China, with more than 15,000 confirmed cases and a death toll of more than 1,200. The government has put the entire country on virtual lockdown as it tries to contain the spread.

Last month Ferrari boosted its 2020 forecasts for sales and earnings after the supercarmaker posted record deliveries, a sign that Chief Executive Officer Louis Camilleri's model-range renewal is bearing fruit. The company produced more than 10,000 cars for the first time last year. BLOOMBERG

Xerox pauses HP hostile takeover, proxy fight amid virus outbreak

Xerox Holdings said it will pause its public pursuit of HP Inc amid the outbreak of the coronavirus.

"Xerox needs to prioritise the health and safety of its employees, customers, partners and affiliates over and above all other considerations, including its proposal to acquire HP," Xerox Chief Executive Officer John Visentin said in a statement Friday, adding that the company continues to monitor the situation closely.

Norwalk, Connecticut-based Xerox intends to continue its pursuit of HP when the pandemic stabilises, according to a person familiar with the matter, who asked to not be identified because the matter isn't public. A representative for HP was not immediately available for comment.

Xerox offered to acquire the much larger HP for $24 a share in cash and stock, or roughly $35 billion, in a hostile takeover. It has also nominated a slate of directors to replace the company's board. HP has repeatedly rebuffed its efforts, arguing the takeover price undervalues the company and has raised other issues with the proposal.

The printer maker said it would be forced to take a break from its hostile takeover and proxy fight in the wake of the pandemic.

"We believe it is prudent to postpone releases of additional presentations, interviews with media and meetings with HP shareholders so we can focus our time and resources on protecting Xerox's various stakeholders from the pandemic," Visentin said.

Dealmaking across the world is being hampered by the spread of the coronavirus. The volume of M&A announced through the end of February was down 27 per cent to $419 billion, the slowest start to a year since 2013, according to data compiled by *Bloomberg*. BLOOMBERG

E-comm gets a boost as customers prefer to stay indoors

Firms like Flipkart, Amazon, Bigbasket witness 30% spike in orders as COVID-19 spreads

PEERZADA ABRAR
Bengaluru, 14 March

Though the spread of coronavirus (COVID-19) cases in India has had some impact on the ride-hailing and online food ordering segments, it has come as a boon for the e-commerce companies as more people prefer buying goods, especially grocery items, vegetables and other daily needs from online platforms.

According to industry insiders, e-commerce companies such as Flipkart, Amazon, Bigbasket, and Grofers have witnessed about 20-30 per cent spike in orders as customers are avoiding visiting crowded places like malls and supermarkets.

In such an environment, where an increasing number of people are also working from home, these firms are doubling down to bring convenience to customers and win their trust. "In the last two weeks, there has been at least a 25 per cent spike in orders. This has put extra pressure on the delivery network," said an e-commerce industry executive.

These companies are seeing an increase in demand for products such as fresh fruits and vegetables, milk, flour, rice, and lentils, and personal hygiene items like sanitizers and soaps and household cleaning products. Other products include instant noodles, baby food and Ayurvedic items. "There is even a huge spike in pet food," said a person.

These trends are similar to the pattern in China, where consumers increasingly relied on the internet to get their daily supplies and other products because of COVID-19, according to experts.

"We have seen a very clear uptick in terms of orders, which have grown by 20-30 per cent compared to last month, and it is picking up pace as more people decide to order online," said Vipul Parekh, co-founder of Bigbasket, one of the largest online and food grocery stores.

"It is partly driven by new customers coming online because they don't want to go to the (physical) stores, and there are also existing customers who are stocking up much more products over fears of things running out," added Parekh.

SoftBank-backed e-commerce company Snapdeal said that the overall order volumes remain strong, with some categories showing fast growth. The sale of masks and hygiene products like sanitizers and hand wash jumped 25X on Snapdeal in the last five days. Over 50 per cent of masks listed for sale on Snapdeal were sold on the day India reported the first suspected case of COVID-19. Neoprene masks and N95 masks are the top sellers. Customers are also buying home use products like floor cleaners, microfiber dusters, surface cleaning liquids, towel sets and bedsheets, which point towards an increased emphasis on hygiene. "We have witnessed an increase in the purchase of 4G routers as more users equip themselves to work from home," said Snapdeal. "Products like manicure and pedicure sets are being bought to minimise the need to visit beauty salons."

MoEngage, an intelligent customer analytics and cross-channel engagement platform, which works with internet first brands said it was also seeing a shift in consumer behaviour because of the outbreak. "Our platform has over 400 million monthly active users and we are certainly seeing an increase in the number of users choosing to shop online instead of visiting supermarkets and stores especially for day-to-day items like grocery," said Raviteja Dodda, founder and CEO, MoEngage.

E-commerce firms are putting in extra efforts to monitor their supply-chain and delivery network, and have put in place thermal scanners and guns to check the temperature of their staff

E-commerce firms are putting in extra efforts to monitor their supply-chain and delivery network, and have put in place thermal scanners and guns to check the temperature of their staff. Bigbasket said it was ensuring the safety of customers and making sure its employees wear disposable gloves and masks while the grocery crates are wiped down regularly.

It is also monitoring the body temperature of all the delivery executives before and after they deliver products. "It is not just about customer safety, we also want our delivery people to be safe," said Parekh of Bigbasket. The company is in the process of implementing a 'no-touch' option, where customers don't need to come in direct contact with delivery people, and products can be left at the doorsteps of customers.

"In the last 15 days, the demand for sanitizers has increased by 559 per cent, face mask has increased by 334 per cent, hand wash has increased by 81 per cent, and disposable gloves has increased by 66 per cent," said Sandip Chhettri, COO, TradeIndia.com, an online business-to-business platform. "Apart from the three major cities (Mumbai, Delhi, Bengaluru), there has been a surge in demand in cities like Hyderabad, Kolkata, Chennai, Ahmedabad, Gurugram, Surat, Pune and Srinagar," said Chhettri.

"This is a golden opportunity for the e-commerce industry to build trust with customers as ordering on platforms such as Amazon, Flipkart and Bigbasket is becoming a lifeline for them," said an e-commerce industry executive. "Suppose there is a lockdown because of COVID-19, e-commerce firms are more than willing to partner with the government and provide essential commodities to the people in a safe manner," said the person.

While there is a spike of products on online retail platforms, other consumer internet companies such as ride-hailing firms including Ola and Uber are witnessing 40-50 per cent drop in rides in major cities as fewer number of employees are commuting to offices, according to sources. What is also contributing to this drop is that there is a user perception about hygiene issues, as they think the taxis might have been used by international travellers.

Industry, analysts decry GST rate hike on mobile phones

Xiaomi MD says move could weaken demand as smartphone makers will be forced to raise prices

ARNAB DUTTA
New Delhi, 14 March

Manufacturers are facing severe supply crunch and falling demand. Any price hike at the moment is set to further worsen the business prospects, analysts said

At a time when all major handset manufacturers are struggling to cope with disruptions caused by the coronavirus (COVID-19), the Goods and Services Tax (GST) Council has dealt a body blow to the mobile phone sector, industry players said.

Notwithstanding falling demand and severe crunch in supply of key mobile components, the council on Saturday announced that the rate of taxation had been raised on "mobile phones and specific parts presently attracting 12 per cent to 18 per cent".

Reacting to the move, Manu Kumar Jain, managing director of Xiaomi India, said the industry had heeded Prime Minister Narendra Modi's call to participate in the "Make in India" initiative. "But today's recommendation by the GST Council to raise GST rate on mobile phones from 12 per cent to 18 per cent will seriously harm the industry," he said.

He said the industry was already struggling with profitability because of the depreciating rupee. "Indian smartphone industry is facing supply chain disruption because of the current COVID-19 situation," he said.

"As a result of this GST increase, all smartphone makers will be forced to increase prices. This can weaken demand and mobile industry's Make in India program. This could also have long lasting impact on internet penetration and digital India program as majority of Indians access internet on smartphones," Jain said. He requested the prime minister and finance minister to reconsider the increase.

"At least for people who cannot afford to buy expensive phones, we suggest that GST on all phones under ₹15,000 should be brought back to 12 per cent (similar to differential GST structure for TVs smaller than 32")," he said.

Meanwhile, Nipun Marya, director of brand strategy at Vivo India, said: "We are still evaluating the impact of the new tax structure and will be taking a decision in the next few weeks."

Analysts said the rate hike could compound manufacturers' problems as factory shutdowns and production cuts in China have led to a surge in the prices of several components. The increase in Customs duty on imported components announced in the Union Budget has also put severe pressure on their margins.

According to Navkendar Singh, research director at IDC, the new burden in the form of higher GST has the potential to mute growth prospects of the India's smartphone market in 2020. "Amid an ongoing crisis, this hike defies any logic. The move has potential to dislodge plans for making India a digital economy as smartphones are set to get costlier. While we were anticipating a lower growth rate for the year already — at 5-6 per cent — the move may decrease the rate further," he said.

Faisal Kawoosa, chief analyst at TechArc, said though the government could earn an additional ₹12,000 crore in revenues in the form of GST collections, the move will be detrimental to the health of the telecommunication market that has so far performed better than other consumer facing sectors in India. However, the additional revenue estimates could be matched only if the market remains at 160 million units this year, as purchases are already in decline.

Confederation of All India Traders (CAIT) strongly opposed the move. Praveen Khandelwal, CAIT national secretary general, said, "The decision is highly unwarranted, deplorable and will destabilise mobile trade in India, which is already facing a battle for survival from online platforms. Instead of providing relief, the mobile sector is burdened with an unnecessary hike."

According to companies, as most leading players are already operating under wafer thin margins, they have no option but to pass on the additional burden. In 2018-19, all of the top four players — Xiaomi, Samsung, Vivo, and Oppo — reported poor performances. While, Xiaomi India's bottom line went into the red for the first time, Samsung's net profit plunged 59 per cent. Oppo's net losses widened by 93 per cent, and Vivo continued in red.

However, what is making analysts and manufacturers more uncomfortable is that after facing severe supply crunch they are now staring at falling demand. As public gatherings are being discouraged, malls and markets are witnessing steep decline in footfall. This has led to lower sale of most consumer good items including mobile handsets. Any price hike at the moment is set to further worsen the business prospects, the said.

YES Bank crisis: Govt notifies rescue plan

Three-year lock-in period for investors

SUBRATA PANDA
Mumbai, 14 March

Prashant Kumar, the current administrator, will be MD & CEO, while Sunil Mehta will be non-executive chairman

The Union government has notified the YES Bank reconstruction scheme according to which the moratorium on the private sector lender will be lifted on March 18.

The notification states that there shall be a lock-in period of three years to the extent of 75 per cent of equity shares for investors holding over 100 shares and those who have been allotted shares under the reconstruction plan. The lock-in is effective from March 13. Investors holding less than 100 shares of YES Bank are exempted from this rule.

Earlier, Finance Minister Nirmala Sitharaman had said there would be a lock-in of three years of a part of the investments made by private lenders in YES Bank. As much as 26 per cent of State Bank of India's (SBI's) equity investment and 75 per cent of the equity pumped in by other players will be retained in YES Bank for three years.

The government vide the notification has constituted a four-member board wherein Prashant Kumar, the current administrator of the bank, has been appointed managing director (MD) and chief executive officer (CEO), and Sunil Mehta, former non-executive chairman of Punjab National Bank, non-executive chairman of the bank. The other members of the board are Mahesh Krishnamurthy and Atul Bheda as non-executive directors. SBI will nominate two members to the board as directors and the Reserve Bank of India (RBI) may choose to appoint one or more persons as additional director.

Moreover, the government has exempted SBI from complying with the norms of promoter holding for a period of four years under the Sub section (2) of Section 19 of the Banking Regulation Act.

According to the regulations, no banking company shall hold shares in any company, whether as pledge, mortgagee or absolute owner, of an amount exceeding 30 per cent of the paid-up share capital of that company or 30 per cent of its own paid-up share capital and reserves, whichever is less.

LENDING HELP

- Lock-in period won't apply to shareholders with less than 100 shares
- Moratorium to be lifted on March 18
- Bandhan, Federal Bank to invest ₹300 cr each

Bandhan, Federal Bank to invest ₹300 cr each

Kolkata-based private sector lender Bandhan Bank has said it will invest ₹300 crore in YES Bank under the reconstruction scheme of the RBI and acquire 300 million equity shares at ₹10 each. Similarly, Federal Bank has informed the exchanges that it will invest ₹300 crore in YES Bank for 300 million shares.

Bandhan and Federal Bank have thus joined a slew of private sector lenders that are investing in the troubled lender. While HDFC and ICICI Bank will invest ₹1,000 crore each, Axis Bank will chip in with ₹600 crore, and Kotak Mahindra Bank will put in ₹500 crore, according to the decisions taken by the respective boards on Friday. SBI has already committed to investing ₹7,250 crore.

According to information made public, YES Bank has got investment commitments of ₹10,950 crore so far.

The government has also raised authorised capital of the bank over five times, from ₹1,100 crore to ₹6,200 crore.

If IPL-13 happens, it will be a truncated one: Ganguly

PRESS TRUST OF INDIA
Mumbai, 14 March

Suspended till April 15 owing to COVID-19, the 13th edition of the Indian Premier League (IPL) can only be a truncated one provided the situation improves, BCCI president Sourav Ganguly said on Saturday.

The Board of Control for Cricket in India (BCCI) on Friday postponed the start of this year's IPL from March 29 to April 15 in wake of the pandemic, which has caused massive upheaval across the globe.

Asked if IPL could be curtailed, Ganguly said, "It will happen, because if it is April 15, then, in any case 15 days are gone, it has to be truncated. How truncated, how many games, I can't say at the moment." Ganguly was speaking to reporters after the end of the IPL Governing Council meeting. The BCCI's top boss reiterated that safety is their top priority.

"We will monitor further. Safety is most important and with the current situation with what is going around the world and in India, with government directives, we have even postponed the remaining domestic matches." The decisions to postpone the cash-rich league and the ODI rubber were taken hours after the Delhi government suspended all sporting activity in the national capital due to the ever-growing health crisis. Delhi is home to the Delhi Capitals IPL franchise.

In the meeting between the franchise owners and the BCCI brass, six to seven options were discussed, including a curtailed IPL. "We met with the owners, to tell them how it can happen and where do we stand at the moment. At the moment, it is just postponed. We will assess the situation," Ganguly said.

"It will be reassessed every week. I can't say at the moment (about any deadline). I has to be worked around. As much as we want to host the IPL, we also need to be careful about the security." So far, India has recorded more than 80 positive cases and two deaths due to the pandemic which has claimed more than 5,000 lives globally while infecting close to 1,50,000.

The COVID-19 has led to either cancellation or postponement of top sports events across the world, and the IPL was no different. Asked if there is any backup plans, Ganguly said, "I can't say anything at the moment, allow us a week, let's see how it goes around the world." There is a possibility that the tournament could feature more double-headers than previously planned and at least five optional venues are being kept ready after state governments of Maharashtra, Karnataka and Delhi refused permission for the games. After the Saturday's meeting between BCCI and the eight IPL franchise owners in wake of the COVID-19 pandemic even as Kings XI Punjab's Ness Wadia said that he doesn't know when the T20 event will commence.

TAX SAVING

ELSS: High returns with shortest lock-in tenure

Give these equity-linked instruments at least seven years to yield good returns

PRATEEK MEHTA

With March 31 just a fortnight away, those who have not done their tax-saving investments yet would be rushing to do so. With such procrastination till the very last moment, there is always the risk that the investor could end up selecting the wrong tax-saving instrument. It's important to keep a variety of criteria — return, lock-in, your risk appetite, investment horizon, etc — in mind when choosing your tax-saving investment. Ideally, your tax-saving investments should be in sync with your long-term financial planning. The investments you make should also enable you to meet life's expected and unexpected expenses. They should also enable you to plan for a graceful and comfortable retirement. Thinking of tax planning and retirement planning as mutually exclusive is not the right approach. Remember that tax-saving should be an additional perk and not the end goal.

THE BEST TAX-SAVING OPTION

Several dedicated tax-saving products are available that you can choose from. You have fixed deposits (FDs), Employee Provident Fund (EPF), Public Provident Fund (PPF), National Savings Certificate (NSC), and Equity-linked Savings Scheme (ELSS). While most investors have a good understanding of fixed-income instruments like EPF, PPF, and NSC, and are comfortable investing in them, they often shy away from investing in ELSS, which is a market-linked instrument. Let us examine a couple of options in detail and compare them with ELSS to understand the potential that the latter holds, not just for tax saving but also for a long-term goal like retirement planning.

PPF: It is a popular investment option as it enjoys the EEE (exempt-exempt-exempt) tax status. This means that the principal you have invested, the interest you have earned, and the maturity amount are all exempt from tax. The interest rate on it is 7.9 per cent currently. From the tax planning point of view, it has a lot to offer, but when you look at it from the long-term financial planning perspective, the benefit is limited. PPF investment comes with a 15-year maturity. If you were to invest in a market-linked product for the same tenure, past data shows that you would accumulate a much larger sum. However, if you have built a long-term, asset-allocated portfolio and need an instrument for the fixed-income portion, PPF fits the bill.

FDs: They are the go-to option for many. While tax-saving FDs come with a lock-in period of five years, they offer returns in the range of 6-8 per cent. Again, the same amount invested in a market-linked tax saving product like ELSS will enable you to accumulate a much larger sum.

Ulips and insurance plans: They are often sold as a way to save tax as well as get insurance coverage. Unit-linked insurance plans (Ulips), which combine investment and insurance, are showcased as three-in-one products that allow you to save tax, earn good returns, and get insured. However, many Ulips have a high-cost structure that makes them inefficient. Many investors, who already own adequate insurance, will unnecessarily pay a mortality charge in these instruments. And unlike a term plan, where the mortality charge is fixed for the entire tenure, here it increases with age. Ulips also come with a lock-in of five years. It is, in fact, smarter to keep insurance and investment separate—buy a term plan, which is cost-effective, to meet your insurance needs and use mutual funds, including ELSS, for your investment needs.

ELSS: ELSS offers an excellent combination of a shorter lock-in, market-linked returns, and greater flexibility, thus making it an ideal choice. Investment in any tax-saving instrument under Section 80C — FD, EPF, PPF or NSC — will qualify for the same income-tax deductions. But ELSS holds an edge over the others, as we shall examine next.

ELSS SCORES ONE

Shortest lock-in: ELSS has the shortest lock-in compared to other Section 80C investment tools — just three years. Therefore, it allows you greater flexibility over the medium term. However, since it is an equity-linked instrument, you must give it at least seven years to earn good returns, and not withdraw from it as soon as the lock-in ends.

Potentially higher returns: Most Section 80C investment tools offer single-digit returns on an average (between 6-8 per cent). As ELSS invests in equities, it has the potential to offer significantly higher returns — 10-12 per cent on an average in the long run.

Better tax treatment on maturity: Barring PPF and National Pension System (NPS), ELSS offers better tax treatment at the time of maturity compared to any other Section 80C investment tools. Long-term capital gains of up to ₹1 lakh per year from ELSS are exempted from income tax, while long-term capital gains of above ₹1 lakh are taxed at 10 per cent. Many of the fixed-income instruments under Section 80C are taxed at the investor's income-tax slab rate. Hence, despite paying a tax, given the market-linked returns, you stand to accumulate a larger sum compared to most of the other fixed-income options.

Selecting the right ELSS: Instead of going with the best performer over the past three- or five-year horizon, look for a fund that has been a consistent performer. If you compare the calendar yearwise return of a fund over the past five to seven years against its benchmark or category average, you will be able to identify a fund that has been a consistent performer. Many web sites also offer information on the quartile in which a fund's performance has been in the past, and that too can help you identify a consistent performer.

The writer is chief business officer, Scripbox

ELSS VERSUS OTHER SECTION 80C INSTRUMENTS

ELSS	PPF	FD
Who is eligible: Individual taxpayers, including NRIs	**Who is eligible:** Only resident individual taxpayers	**Who is eligible:** Individual taxpayers, including NRIs and HUF
Minimum amount: ₹500	**Minimum amount:** ₹500	**Minimum amount:** ₹100
Rate of return: 11-14% over the long term	**Rate of return:** 8.10%	**Rate of return:** 7-9% varies from bank to bank
Risk: Equity asset class risk	**Risk:** Negligible risk	**Risk:** Bank credit risk (PSU/well run banks - negligible). Small finance banks/Cooperative banks - Relatively higher credit risk
Lock-in Period: 3 years	**Lock-in Period:** 5 years	**Lock-in Period:** 5 years
Tax Implication: ■ Principal amount deductible u/s 80C deduction up to ₹1.5 lakh ■ Returns taxed at 10% (LTCG) if gains more than ₹1 lakh in a financial year	**Tax Implication:** ■ Principal amount deductible u/s 80C deduction up to ₹1.5 lakh ■ Interest taxable on withdrawal based on income-tax slab	**Tax Implication:** ■ Principal amount deductible u/s 80C deduction up to ₹1.5 lakh ■ Interest taxable upon withdrawal based on income-tax slab. And, TDS of 10% applicable if interest income exceeds ₹10,000 in a year

BS TUTORIAL

Jayant Pai

Financial literacy

1. ______________ is not a feature of mercantilism.

A. Foreign trade

B. Emphasis on money

C. Emphasis on population

D. Minimal regulation

2. If the BSE Sensex's current PE ratio is 25, its earnings yield is__________.

A. 25 %

B. 4 %

C. 0.40 %

D. 2.50 %

3. An interest only loan is an example of a _________.

A. Equated monthly instalment (EMI) loan

B. Balloon payment loan

C. Bullet payment loan

D. Subsidised loan

4. A resident of Coimbatore with basic salary of ₹30,000 a month, HRA of ₹16,000 and paying rent of ₹17,000 will get HRA tax exemption of ₹_______.

A. 12,000

B. 15,000

C. 16,000

D. 14,000

5. The Dow Jones fell over 10% last Thursday. But its biggest one-day fall in percentage happened in ___.

A. 1929

B. 1931

C. 1987

D. 2008

Solutions:

1. D. The period between 1400 and 1750 was a golden period for mercantilist thought. It advocated state intervention in commercial activities for increasing national wealth and power.

2. B. Earnings yield is the reciprocal of the P/E ratio and is expressed in percentage terms.

3. B. The first few payments only consist of interest component. After that, principal is added and the amount rises.

4. A. Since Coimbatore is not a metro city, according to the Income Tax authority's list, only 40 per cent of the basic salary is exempt.

5. C. It fell by 22.6 per cent on October 19, 1987. That day is often known by its moniker, Black Monday.

The quiz master is a certified financial planner and head-products, PPFAS Mutual Fund.

Send your queries and feedback at yourmoney@bsmail.in

ECONOMY

Jewellers squeezed from all corners

DILIP KUMAR JHA

Mumbai, 14 March

High volatility in gold prices have dealt a double blow to jewellers as consumers are staying away from visiting shops because of the coronavirus spread. This has reduced discretionary spending as it rendered jewellery sales to almost a standstill. Also, advance tax payment has put them under pressure.

Prices continued to fall, and on Saturday, they fell further. The next 10 days will be crucial, although it is believed that demand growth may begin after a month.

Jewellers have started reducing their inventory to avoid any additional handling cost. As against 35-45 days of stocks jewellers earlier, they are just building stocks for seven-10 days to protect themselves from price volatility.

Jewellers pay a lumpsum amount as advance tax on presumption of sales during the January-March quarter and compensatory tax, if any, from the previous three quarters of the current fiscal year.

This year, the tax component is expected to rise significantly due to a sharp spike in gold prices.

The income tax department has started asking jewellers to pay advance tax on increased value of stock due to a surge in gold prices.

"It is a double whammy for jewellers as sales have come to standstill due to fear of coronavirus and high volatility in gold prices. The decline in sales has created a liquidity problem for jewellers. At the same time, they will have to pay advance tax on increased value of stocks. So, it's a double blow for us," said Anantha Padmanabhan, managing director, NIC Jewellers, a Chennai-based jewellery retailer and chairman of Gems and Jewellery Domestic Council (GJC).

Gold prices have risen by a significant 25 per cent since September to trade currently at ₹41,000 per 10 g (Saturday). Standard gold in Mumbai's Zaveri Bazaar corrected after hitting a record high of around ₹44,000 per 10 g on Saturday. Similarly, silver also fell by ₹1,500 to trade at ₹42,600 per kg.

No blankets for passengers on trains, says Railways

The South Eastern Railway and the East Coast Railway on Saturday said they decided to withdraw the provision of blankets and curtains in air-conditioned coaches of all trains they operate to prevent spreading of novel coronavirus. The temperature of the AC coaches will be set suitably so that passengers do not require blankets, SER spokesman Sanjay Ghosh said in Kolkata. However, blankets will be provided on demand, he said. Ghosh said the withdrawal of blankets to passengers and curtains will be in effect immediately and will continue till further orders. PTI

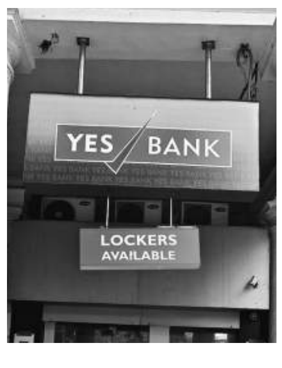
FROM PAGE 1

YES Bank Q3 loss zooms to ₹18,574 crore

At the end of December 2019, the bank breached the regulatory requirements of maintaining the minimum CET1 (Common Equity Tier 1) ratio. The CET 1 ratio of the bank stood at 0.60 per cent as compared to the minimum requirement of 7.375 per cent. The breach is primarily on account of the increase in the provision for advances during the quarter ended 31 December 2019 as the bank has decided, on a prudent basis, to enhance its provision coverage ratio on its non-performing loans over and above RBJ loan level provisioning and also considered slippages.

The bank has also breached the minimum statutory liquidity ratio (SLR) and liquidity coverage ratio (LCR) requirements of the RBI during the quarter and has provided an amount of ₹86 crore for the expected penalty on the SLR breach.

"The RBI proposed a draft reconstruction scheme on 6 March 2020 which envisaged that the Bank would be able to write down Additional Tier 1 (AT-1) securities amounting to ₹8,695 crore to equity. The final Scheme issued by the Government of India does not contain any reference to the write down of the A T1 securities. These conditions, along with other matters as stated in the said note, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern," said the bank's auditor.



When office banter at the water cooler is history...

"These persons have not tested positive, it's just a precaution," said a person familiar with the matter. The holding company has issued an advisory to Tata Group employees to avoid non-essential travel and large gatherings. Tata Steel has suspended all business travel, domestic and international, until further notice. It is disabling the biometric-based attendance system as a precaution. Coal India has told staff to avoid handshakes and use the namaste greeting. ITC is putting together a business continuity plan to address potential contingencies. Its own Savlon hand rub dispensers are kept at prominent places. Here too, all international travel is suspended. Anyone coming from abroad first has to meet the company doctor before doing anything else.

Companies such as Coca-Cola, Godrej Consumer and Uber have all given their employees the option to work from home given that most employees are connected via laptops and phones. The result of this mass migration to homes is that offices in the central business districts of

Mumbai such as Bandra, BKC and Worli are looking sparsely populated.

Those who have not already moved to the 'work from home' principle, are going to start soon. From Monday, Star India staff will work from home. "In light of the ongoing COVID-19 developments, to minimise the risk, we have decided that effective ?Monday, all our offices across India will shift to work-from-home status until further notice," said a Star India spokesperson.

However, companies that are part of the stock market ecosystem find it difficult to issue a work-from-home directive. Mutual fund managers have to follow a certain work ethic to curb insider trading or front running. Along with the analyst community, they have to make extensive use of office infrastructure like data terminals which is difficult to replicate at home. An industry official said that if the situation worsens, they might have to seek regulatory approvals before moving certain functions to homes. Meanwhile, India's largest brokerage in terms of active clients, Zerodha, has ordered all its 1,200 employees to work from home.

A string of companies, including the Mahindra Group, have asked pregnant women not to come to the office. Insurance company HDFC Life has given all pregnant women the option of working from home. Another insurer, ICICI Lombard, is preparing for exigencies. "We have conducted drills at our key offices to ensure that we are able to service customers and settle claims if our employees need to operate from home. We are apprising customers on this aspect and reassuring them that our health insurance policies cover hospitalisation due to coronavirus," said Sanjay Datta, head of Underwriting, Reinsurance & Claims, ICICI Lombard General Insurance. Several of the country's drug makers have cancelled their sales conferences and domestic trips. "The hospital sales teams practically cannot meet doctors now as they are not allowed to enter the premises at most places," said a leading pharma giant. At Bharti Airtel, it is work as usual in the office though with lots of hand sanitisers, deep cleaning, and thermal screening. Vodafone Idea has issued advisories related to travel, cleanliness, and work from home options.

India's top law firms too are gearing up with preventive measures. Dina Wadia Managing Partner J Sagar Associates said that they had all contingency plans in place including banning non-essential travel and work from home facility. She said that they are fully geared for this and are also testing its efficacy by having half work from office and half from home and all work from home for a few days this week. Like her, Shweta Shroff Chopra, Partner at Shardul Amarchand Mangaldas & Co said that from the day the first case was reported in India, her firm had put in all emergency response measures in place including WHO protocols, safety resources (60 per cent alcohol based sanitisers, masks, disposable eco-friendly crockery, etc), disabled biometric access and put in place more frequent deep cleaning measures, across all its offices.

With inputs from Subrata Panda, Samie Modak, Abhijeet Lele, Megha Manchanda, Shally Seth Mohile, Ishita Ayan Dutt, Avishek Rakshit, Viveat Susan Pinto, Raghavendra Kamath, Vinay Umarji, Jash Kriplani and Sohini Das

Fuel duty hike to add ₹43K cr to govt revenue

India has planned to spend $1.4 trillion on improving infrastructure in five years.

Sources said retail selling prices of petrol and diesel in the country were linked to crude oil prices. From about $66 a barrel in January, crude oil had come down to about $51 a barrel in the first week of March, and then sharply fell to $32 a barrel this week.

Despite the hike in excise duty, the price of petrol in Delhi was seen at ₹69.87 a litre, down from ₹70 on Friday. On the other hand, diesel was down from ₹62.74 to ₹62.58 a litre.

An industry analyst told Business Standard that every ₹1 increase in excise duty would have an annual impact of ₹14,200 crore on the exchequer and the current hike would lead to an addition of around ₹43,000 crore to the government revenue.

Aditi Nayar, principal economist at ICRA, said the higher duties on petrol and diesel would shore up government revenues while preventing a sharper easing in inflationary pressures.

Vishal Raheja of Taxmann said, "The global economic slowdown due to coronavirus has halted almost each sector and this hike in excise duty will help the government generate revenue resources for development of infrastructure."

Consumers are unlikely to get the complete benefit of the slump in international prices as states are also likely to raise the value added tax (VAT) on petrol and diesel.

A CARE Ratings report said that prior to Saturday's hike, the government (centre plus states) was collecting around 107 per cent taxes (excise duty and VAT) on the base price of petrol and 69 per cent in the case of diesel.

The excise duty on petrol increased 142 per cent and diesel by 429 per cent since the Narendra Modi government took charge for the first time in 2014. On April 1, 2014, the excise duty on diesel was only ₹3.56 per litre, and on petrol, it was ₹9.48 per litre. Since 2014, duties were revised 11 times upwards and two times downwards.

Mobile phones get costlier

At present, hand-made stick box attracts 5 per cent GST and machine-made 18 per cent.

Correcting GSTN system

The Council decided that it would convey to Infosys Chairman Nandan Nilekani that the GSTN portal be rectified and made better-equipped to respond to challenges by July, as against January 2021 suggested by him. Nilekani made a presentation to the Council earlier in the day. He demanded additional staff and better hardware, which was agreed to by the Council.

"As all are aware, we had a series of technical glitches, issues of system not being able to bear the load and when more than a lakh of people tried to access the system, the system either stalled or delayed or just did not respond," Sitharaman said. She said the ministry had engaged with Infosys to improve the system. "From the Council side, we want completely enhanced capacity, more pruned system, a leaner system of GSTN with better staff response and solution by July 2020," she said.

The Council deliberated on whether it could go for borrowing if compensation cess collections fell short of the requirement of the states.

Sitharaman said she would have to get opinion on various legal issues, such as who would give guarantee to the borrowing, how would it be repaid, impact on the Fiscal Responsibility and Budget Management Act. After the Parliament session is over, a special session of the Council will be called on this. So far, ₹78,000 crore of compensation cess has been collected and states have been given over ₹1.2 trillion, she disclosed.

The Council deferred the introduction of e-invoicing to October 1 against the earlier planned April 1. While there is no mention of deferring simplified new returns, officials said existing returns would continue for a while.

However, Cleartax CEO Archit Gupta said,"We are expecting the Council to soon share a detailed roadmap for the new GST return system and clear ambiguities that exist in the current format of new return forms."

The Council deferred deadline for filing annual and reconciliation returns for 2018-19 by three months till June 30. It also waived late fee for taxpayers whose annual return is up to ₹2 crore.

Highways a bright spot in economic slowdown

But there have been some delays due to land acquisition and other issues

ARUP ROYCHOUDHURY
New Delhi, 14 March

PROJECT PLANS

- Work continued apace in a number of projects of the Centre and the NHAI
- At an event Transport, Minister Nitin Gadkari said that the government will shortly issue a tender for 3,000 kilometres of roads on build-operate-transfer model
- There is also a plan to open 2,000 petrol pumps on national highways
- Over ₹1-trillion worth of work will be undertaken for tunnels in the next five years

As various sectors in the economy go through a sustained slowdown, the roads and highways sector remains a rare bright spot. Work has continued apace in a number of marquee projects of the Centre and the National Highways Authority of India (NHAI). This is evidenced in the pace of central funds as well.

The 2019-20 revised estimates of allocation to the Ministry of Road Transport and Highways (MoRTH) was the same as budgeted estimates, at ₹83,015.97 crore. The capital expenditure component has been raised slightly, and revenue estimates have been cut by an equivalent amount.

However, the pace of spending has been ramped up substantially. During the first half of 2019-20, that is, till end-August, MoRTH had spent just 39 per cent of the full year target, compared to 50 per cent for the same period in 2018-19.

By January-end, that had risen up to 87 per cent, compared with 72 per cent till January-end 2018-19. Most of this renewed focus has come in capital expenditure. Finance Minister Nirmala Sitharaman has made it clear that even in the face of lower revenue receipts, capital expenditure will not be compromised.

Till January-end 2019-20, capital expenditure by MoRTH was almost 90 per cent of the revised estimates, compared to just 69 per cent for the same period last year, while revenue expenditure was 71 per cent compared with 88 per cent. For 2020-21, MoRTH's allocation has been budgeted at ₹91,823.22 crore.

Meanwhile, MoRTH Minister Nitin Gadkari continues to talk about new projects and investments. At a recent event organised by another newspaper, Gadkari said that the government will shortly issue a tender for 3,000 kilometres of roads on build-operate-transfer (BOT) model.

"We are also planning to open 2,000 petrol pumps on national highways. The land will be from NHAI and petrol pumps from the oil companies," Gadkari had said.

Last month, the minister also said that over ₹1 trillion worth of work will be undertaken for tunnels over the next five years to ensure all weather connectivity in strategic parts of the country.

However, not all of it is smooth running. One of NHAI's marquee projects, the Delhi-Meerut Expressway has run into some trouble. Phases II and IV of the project are slightly delayed due to construction ban in parts of the National Capital Region. However, officials are confident that the two phases will be completed well within the deadline of May 2020.

Meanwhile, work has been expedited on the Delhi-Amritsar-Katra expressway, though the biggest challenge, of land acquisition, is yet to commence. Acquisition of land for the ₹30,000-crore project, of which ₹10,000 crore will be spent by NHAI on the 300 kilometre stretch in Punjab, will commence soon.

One of the most-anticipated projects, the Bangalore-Chennai Expressway has been delayed time and again, because environmental and other clearances were not forthcoming, various reports suggest. Work has not yet begun in spite of efforts from Tamil Nadu and Karnataka governments and NHAI. Additionally, part of the project, in Tamil Nadu, will require use of Navy land. These issues are yet to be sorted out.

The most prestigious projects among all of these, however, is the Delhi-Mumbai Expressway. The 1,320-kilometre project is expected to cost ₹1.03 trillion, and Gadkari has promised that the Delhi-Jaipur stretch will be completed before Diwali. He has also invited prospective bidders to develop dedicated electric lanes with supporting infrastructure of electric vehicles.

The entire project is expected to be completed in the next three years. Gadkari has said publicly that land acquisition for the project has been completed and has resulted in savings worth ₹16,000 crore.

Gun and city: Delhi leads spike in unlicensed arms

Police data show the number of illegal firearms confiscated in the national capital has doubled in just one year from 2017 to 2018

SUBHOMOY BHATTACHARJEE
New Delhi, 14 March

The visuals of the riots in North East Delhi made it clear that guns are all over the place in the city. Most of those killed in the violence succumbed to gunshot wounds. It was also clear that the weapons used were largely unlicensed.

Data, even if tangential, shows there is reason to be scared. Police data on the seizure of guns made every year shows the number of illegal firearms confiscated in the city has doubled in just one year from 2017 to 2018. As the table shows, Delhi Police seized 1,025 unlicensed arms in 2017. It was 2,057 in 2018. The data for 2019 is not yet available.

Assuming that the police search for these weapons assiduously every year and have the same success rate, this is an alarming statistic. The number of these guns caught across the country jumped 19 per cent in one year, and Delhi was one of the largest reasons for the surge.

If one digs deeper into the statistic, the data for the previous years are also uncomfortable. While there are inter-year swings, the trend for the capital city is clearly rising too fast. The problem is that this data is too recent, as the National Crime Records Bureau itself states.

Amazingly the police department has begun to compile the data on guns seized only from 2014. "This is a newly included chapter for which data have been collected under the revised proformae. Nowadays, illegal arms, explosives and explosive substances, illegal drugs and liquor pose a threat to security and economic prosperity of the country. The NCRB has made an effort to study the trends and patterns of these illegal activities and is publishing an exclusive chapter of seizures of illegal arms... (sic)," notes the chapter from the 2014 edition of the NCRB.

There is no evidence except anecdotes to give a sense of how much of the flow of illegal arms the police is able to tap into. "The actual could be 20 times or it could be more. We really do not know," said a top police officer of the Uttar Pradesh government. The state records the maximum number of seizures under the Arms Act at over 45 per cent, followed by Madhya Pradesh. The NCRB statistics note these two State together accounted for two-thirds of the seizures each year. This itself is a significant pointer said the official to where the guns are headed. "It is basically the proximity to Delhi NCR, which creates the demand," he said. The other states

DATA ON ARMS AND AMMUNITION SEIZURES

Year	Region	Unlicensed arms (pieces)	Ammunition (nos.)
2014	All-India	32,319	109,110
	Delhi	859	20,794
2015	All-India	32,564	342,478
	Delhi	413	5,047
2016	All-India	36,064	106,900
	Delhi	685	1,049
2017	All-India	59,694	92,107
	Delhi	1,025	1,854
2018	All-India	71,135	108,444
	Delhi	2,057	6,261

Source: National Crime Records Bureau

from where these firearms are most often found are all in North India. The rankings change but they are West Bengal, Bihar, Rajasthan, and Haryana.

Arms and the money

While the western UP towns are rich manufacturing zones for these guns, many of these arms are still colloquially known as Munger brand. The Munger district in Bihar has been the largest manufacturer of illegal firearms since Independence. Independent India had decommissioned the gun manufacturing unit located in the district. But few alternatives to employ the skilled workers came up in its place. The workers retreated to their homes and soon developed a veritable cottage industry in the product. The most famous of these is the point 32-bore pistol or revolver that sells for about ₹35,000.

It does not take more than a lathe machine to make the barrel of a gun. Even if he churns out one every week, a skilled worker can earn much more than what he would from the legal trade in any profession. The police try to keep the trade under control by squeezing the ammunition chain (dana, as cartridges are called). It is difficult to produce those in the illegal units and thus there is a continuous pressure to smuggle them from ordnance factories or from the supply chain of the legitimate arms dealers. This makes the supply of ammunition often far more valuable than the guns. As the data shows there is a one is to one match of the ammunition seized by the police with the number of guns seized, except for a one off spike in 2015. "It is our way of keeping the incentives low, and thus restrict the trade," said an officer in the government. There is no data to establish why the spurt had occurred.

A police source said the shortage of ammunition is one of the reasons brandishing a firearm is often more prevalent than the incentive to shoot. This is also the reason why the bore of the most popular gun is the point-32 variety. It is the one for which ammunition is the most easily available unlike the point 38 that the police force most often use. Meerut is a cantonment city, plus its proximity to Delhi which makes it destination of choice for the arms trade to gravitate there.

While those who buy the guns often bring their purchase back themselves, there are gun runners who hide the consignment in innovative ways like canisters of ghee and oil to evade checks at the borders. And of course the business runs only on cash. But despite these constraints, it is evident more guns are flowing into Delhi and these are also of better quality.

The business spikes during elections, so in 2020 before the Delhi elections the Delhi Police registered 252 FIRs recovering 331 weapons and 381 cartridges. The data from the rest of the months in 2020 is expected to be busy too.

India's pandemic readiness a major concern

Country fares worse than the top affected nations in key medical infrastructure and health care investments

SACHIN P MAMPATTA & SOHINI DAS
Mumbai, 14 March

Government announcements shutting down malls and other crowded places might well be key to any chance of India managing the coronavirus outbreak (COVID-19).

An analysis of medical infrastructure and other data of the top 10 affected countries shows that India lags far behind on the resources required to deal with a pandemic.

The World Health Organization (WHO) recorded 132,536 cases across 123 countries in the week ending March 13. China, Italy, Iran, South Korea, Spain, France, Germany, the United States of America, Switzerland and Japan are the top 10 countries based on cases detected. They accounted for over 90 per cent of COVID-19 patients.

India has fewer hospital beds and doctors per 1,000 people than any of those countries. A significant section of people might not even have adequate facilities for washing hands, a basic requirement to keep the disease at bay. India also has a high chance of people being pushed into poverty because of out-of-pocket health care expenditure, suggesting that a widespread pandemic may well have wealth and inequality consequences, too. Many of the figures used for the analysis from the World Bank appear with a lag, but provide a broad picture of the gap between India and key affected countries. The analysis considered the year with the latest available data for India, and that year's data for other countries was taken for comparison, where available, or the year closest to the India data.

India has 0.7 hospital beds and a similar number of physicians per 1,000 people in 2011. China had 3.8 for the same year and Italy had 3.5. China also had a higher number of physicians (1.8) as did Italy (4.1).

Hand washing is one of the recommended ways of avoiding COVID-19. Data shows that 50.7 per cent of the rural population does not have basic hand-washing facilities, including soap and water (2017 data). It was 20.2 per cent in urban areas, around 40.5 per cent for the population overall.

Indians are also particularly vulnerable to being pushed into poverty by the expenses of catching a major disease. The proportion of the population pushed below the $1.9 poverty line because of out-of-pocket health care expenditure was around 0.03 per cent for Iran showed a 2011 study. It was 4.16 per cent in India.

This appears to be in line with the fact that India has not been a big spender on health. Comparative international figures are available for 2016 with the World Bank, which shows that India spent 3.14 per cent of general government expenditure on health, compared to China's 9.05 per cent, Italy's 13.47 per cent and Iran's 22.6 per cent.

India has since seen a widespread rollout of Ayushman Bharat in an attempt to have universal health coverage. However, this has also run into some headwinds, including reach and reports of hospitals refusing patients under the scheme.

"Well I think when a pandemic like this hits any country most health care (infrastructure) will fall short. I think the government has acted very swiftly and has been proactive. This kind of mass hysteria globally I have not seen before," said Ranjan Pai, chairman of Manipal Education and Medical Group (MEMG).

Global hysteria has been fuelled also by the absence of key requirements such as masks and respiratory equipment, an issue that India could also face, according to the manufacturing segment.

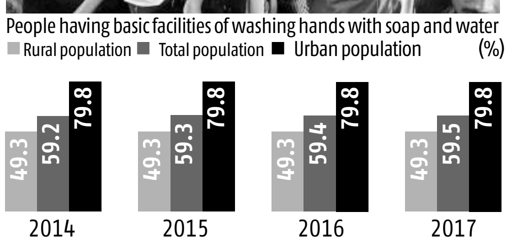
"The soft underbelly of India's health care security stands exposed in (the) absence of imports from China for many devices where India was overly dependent... (domestic companies are) ramping up manufacturing capacity to take advantage of global shortages in masks and gloves, and other consumables," said Rajiv Nath of Association of Indian Medical Device Industry (AIMED), he is also the managing director of Hindustan Syringes and Medical Devices.

Nath said that they were working on compiling data of the manufacturing capacity and capabilities for ventilators and oxygen supplies.

The WHO said on March 3 that it had shipped half a million sets of protective equipment to 47 countries, but supplies are still falling short. It estimated that manufacturing must increase by 40 per cent to meet global demand. It has set up a fund called "The COVID-19 Solidarity Response Fund".

The fund has been organised with the help of the United Nations Foundation and the Swiss Philanthropy Foundation. It is seeking financing for protective equipment for medical workers on the frontlines, for diagnostic laboratories, improving surveillance and data collection, and to "establish and maintain intensive care units; strengthen supply chains; accelerate research and development of vaccines and therapeutics; and take other critical steps to scale up the public health response to the pandemic," according to a note.

This comes even as developed countries too have been overwhelmed by the large numbers needing care simultaneously. Foreign news reports indicate that Italy is already been facing a shortage of ventilators and beds in the intensive care units of its hospitals. Medical professionals now may have to choose who to help and who, as one report put it, leave "gasping for air".



LAGGING BEHIND ON BEDS

Hospital beds (per 1,000 people)

Japan	13.4
South Korea	10.3
Germany	8.2
France	6.6
Switzerland	4.9
China	3.8
Italy	3.5
Spain	3.1
US	2.9
Iran	1.7
India	**0.7**

Note: South Korea and Japan numbers are for 2012. All other data for 2011
Source: World Bank

NOT ENOUGH DOCTORS

Physicians (per 1,000 people)

Switzerland	4.2
Germany	4.2
Italy	4.1
Spain	4.1
France	3.2
US	2.6
Japan	2.4
South Korea	2.4
China	1.8
Iran	1.1
India	**0.8**

Note: India, South Korea, and Italy have data as of 2017. China and Iran have 2015 data. All the rest have data from 2016

Buffalo meat exports come to a halt

DILIP KUMAR JHA
Mumbai, 14 March

Buffalo meat exports have come to standstill after Malaysia, Vietnam and Turkey, the three major destinations of India's exports, stopped placing orders following the global coronavirus (Covid-19) pandemic.

This is the worst ever crisis for these exporters.

Since 2013-14, buffalo meat had been the largest export item in the agri commodity basket for a few years. Since the coronavirus outbreak in January, Indian exporters have received no fresh orders from Southeast Asian and West Asian countries, which cumulatively contribute nearly 65 per cent of India's overall buffalo meat shipment.

With coronavirus gradually spilling over to China's trade partners and other countries now, buffalo meat exports have come to a standstill.

Many consignments that were shipped to various countries, including Hong Kong, Vietnam and Malaysia, ahead of the New Year celebrations in China on January 25, 2020, are still stuck at ports due to the lockdown there. Those who had already shipped their consignments before the Chinese New Year are still waiting to get paid from importers there.

Exporters fear default in buffalo meat shipments could be in millions and may create business hurdles in the future.

Trade with Malaysia and Turkey were also hit due to their anti-Indian stand over abrogation of Article 370 and 35A in Jammu and Kashmir.

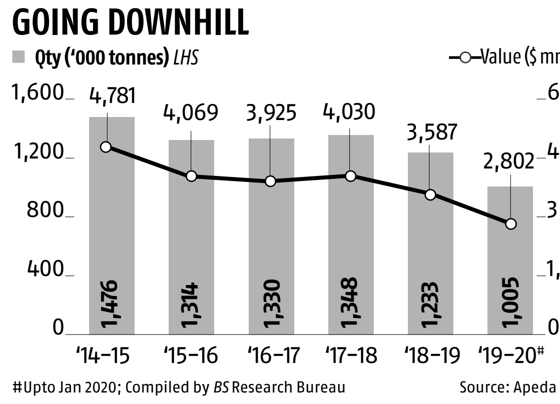
"There is absolutely no orders received since the coronavirus outbreak in China. Tonnes of exported buffalo meat await clearances at various ports. Millions of dollars of receivables are still pending due to the lockdown there. We are trying to convince local authorities of importing countries to clear the consignments and deposit them in cold storages there," said Soeb Khan, managing partner, Fresh N Frozen Tech, a Hyderabad-based manufacturer and merchant of buffalo meat.

The delay in clearing consignments at importing ports resulted in huge amounts of demurrage being paid over and above the container and freight charges.

Data compiled by the Agricultural and Processed Foods Export Development Authority (Apeda) showed that India's buffalo meat exports declined by 8 per cent in value terms to $2.8 billion between April 2019 and January 2020 compared with $3.05 billion in the corresponding period last year.

In terms of quantity, however, the decline was a mere 2.4 per cent to 1 million tonnes.

GOING DOWNHILL



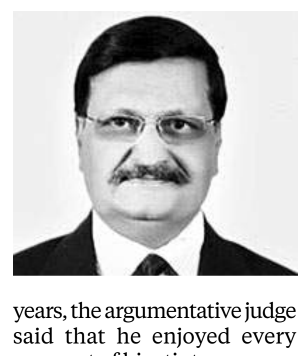
#Upto Jan 2020; Compiled by *BS* Research Bureau
Source: Apeda (DGCIS)

Mukhopadhaya: 'Argumentative' outgoing NCLAT chairman

RUCHIKA CHITRAVANSHI
New Delhi, 14 March

For all the times he created a stir with highly unexpected rulings, retired judge Sudhansu Jyoti Mukhopadhaya (*pictured*) — the outgoing chairman of the National Company Law Appellate Tribunal (NCLAT) — was also known for his dry sense of humour.

Addressing his colleagues at the farewell organised by the NCLAT Bar Association, the former chairperson said, "The Bar tolerated me for the last three years and nine months. The Bar is supposed to argue but I argued and the Bar tolerated."



Finally hanging up his boots after three eventful years, the argumentative judge said that he enjoyed every moment of his stint.

Appointed as the first Chairperson of NCLAT on June 1, 2016, Mukhopadhaya did not have much in terms of resources at hand when he began, with limited staff and infrastructure. It is only recently that the NCLAT moved to its new premises and the government approved adding strength to the tribunal, including setting up new benches.

As Mukhopadhaya moves on, the reins will be handed over to retired judge Bansi Lal Bhat for a period of three months with effect from March 15, until a regular chairperson is appointed, or until further orders. Bhat is a member of NCLAT and former judge of the Jammu & Kashmir High Court.

Mukhopadhaya said that speed was of the essence for the Tribunal. As NCLAT chairperson the 69-year-old ruffled many feathers with his judgements in matters related to the Insolvency and Bankruptcy Code (IBC).

HEALTH

FIT & PROPER

Your weekly health guide

Post-partum depression

ANAGHA KARKHANIS
Senior gynaecologist, Infertility specialist and Director
Cocoon Fertility

Getting back to corporate life after delivering a baby is complex. After all, the new parent is simply not the person they were prior to having the baby. Initially, a new parent is vigorously climbing a steep learning curve that encompasses grasping a whole new set of skills, learning to tackle challenges that are foreign to any new parent. New mothers and fathers have to cope effectively with physical healing, which itself can be difficult and exhausting, while caring for and bonding with the new-born. This personal tussle, in a 24*7 work culture can often add to cultural disconnect for the new parent.

In reality, this evolution is perplexing for almost every new parent but for some it can transform into postpartum depression (PPD), which is the universally-accepted term used to describe a range of mood syndromes that typically tend to occur around childbirth. This phase can be a predominantly vulnerable period when parents often experience colossal biological, emotive, fiscal and social alterations. Things like how often do PPD indications happen, how long do they last and how strong they feel, can be diverse for each person. It has been researched that about one in seven women and about 4 to 25 per cent of their male counterparts may experience low levels of PPD. If left untreated, postpartum psychological distress can unfavourably impact the child's mental and language development, the attachment between mother and infant and motherly health and quality of life.

Considering the fact that in present times there has been a significant rise in the number of women who get back to work post their maternity leave, it is extremely important to recognise the influence of postpartum depression (PPD) and anxiety (PPA) on occupational outcomes, too. To avert or to mitigate such mental distress faced by new parents at work, a lot of effort can be put in by directors and human resources personnel. This will help optimise their company-employee well-being and labour output. Furthermore, supportive work environments can also provide an approach to build faithfulness, employee retention, and above all, trust, among valued employees.

Here are a few tips that may help you guard yourself if you have fallen trap to PPD while at work:

Consult a medical expert: Your doctor can help identify if you have a temporary emotional illness like postpartum depression and can suggest adequate steps to treat the same.

Exercise and eat healthy: Healthy eating alone will not cure PPD. Still, getting into the routine of eating nourishing edibles can help you feel rejuvenated and give your body the essential nutrients it requires. Pairing proper workouts along with your dietary plans may have an antidepressant outcome for women suffering from PPD. Even going for a walk or jog is a significant way to tackle the bouts of depression. In case your work culture does not allow you time to workouts, a mere ten-minute workout session during the day is an extremely good resource to tackle PPD.

You must rest enough: You are always advised to sleep when your baby sleeps. This is because mothers who receive the least sleep may also experience the most depressing symptoms. Hence, new parents need to get enough rest to help condense the signs of PPD.

Trump's take on coronavirus confuses public: Researchers

BRAD BROOKS
14 March

The coronavirus is not as bad as the seasonal flu. President Donald Trump is not worried about having had direct exposure to the virus. The United States is in far better shape than other countries.

Those are some of the messages from Trump to the American public in recent days.

On Monday, when Trump tweeted that the coronavirus was not as perilous as the flu, he said, "So last year 37,000 Americans died from the common Flu. It averages between 27,000 and 70,000 per year. Nothing is shut down, life & the economy go on. At this moment there are 546 confirmed cases of CoronaVirus, with 22 deaths. Think about that!"

Two days later, Anthony Fauci, head of infectious diseases at the National Institute of Health and a member of Trump's task force on the outbreak, said the coronavirus was far more deadly.

"This is 10 times more lethal than the seasonal flu," Fauci said on Wednesday, when was asked by a House of Representatives committee for a fact that would help Americans gauge the danger.

PHOTO: REUTERS

These are text-book examples of contradictory communication during disease outbreaks, according to some researchers into the psychology of pandemics and how leaders can most effectively communicate to keep the public safe during them.

Shortage of staff, poor sanitary conditions and lack of basics such as blankets caused deaths

Trump has also said he is not worried about having had a direct exposure to the virus and that the United States is in far better shape than other countries, leading some experts to criticise him for playing down the dangers of the disease and lulling citizens into complacency.

History has shown that leaders trying to manage pandemics without full transparency hamper citizens from acting to help, said Steven Taylor, a psychiatry professor at the University of British Columbia and author of the 2019 book "The Psychology of Pandemics." He maintains that if the public loses the trust of its leaders, people will not listen to them when they offer good advice.

"On the one hand it creates increased anxiety among those who doubt the truth is being told," he said of a leader who has lost the trust of citizens. "And on the other it increases the number of people who think the whole thing is overblown."

Asked about Trump's messaging around the coronavirus, including his public comments, a White House spokesman said: "While the media wants to spin up fear, this White House is working around the clock to protect all Americans from the coronavirus. As President Trump said this week, we are using the full power of the federal government and the private sector."

Trump is known for his informal style in attempts to, for instance, calm markets amid trade wars.

Healthier diet tied to higher sperm count among young men

LISA RAPAPORT
14 March

Young men who care about their sperm quality might want to lay off the cheeseburgers and fries, according to a new study that links a typical Western diet with a lower sperm count.

Men in the study who ate a mostly Western diet characterised by pizza, fries, sweets, sodas and red and processed meats typically had a lower sperm count — by about 26 million — than men who ate far less of these unhealthy foods. With a Western diet, men also had lower levels of reproductive hormones needed for optimal fertility.

The current analysis includes 2,935 healthy men in Denmark, between ages 19 and 20, on an average

Conversely, men with the healthiest eating habits — with lots of fish, chicken, vegetables, fruits, and water — typically had a sperm count 43 million higher than those who ate the lowest amounts of these foods.

"Your sperm is what you eat," said coauthor Feiby Nassan of the Harvard T H Chan School of Public Health in Boston.

Diets rich in seafood, poultry, nuts, whole grains, fruits and vegetables provide antioxidants and omega-3 fatty acids that are essential for good sperm production, Nassan said by email.

"Our results suggest the possibility of using dietary intervention as a possible approach to improve sperm quality of men in reproductive age," Nassan said.

A normal sperm count can range from 15 million to 200 million sperm per millilitre of semen.

Sperm quality and certain sex hormone levels have decreased substantially over the past few decades, driven in part by worsening diets in many parts of the world, the researchers note in *JAMA Network Open*.

The current analysis included 2,935 healthy men in Denmark, ages 19 or 20, on average. REUTERS

Doctors and insurers urge patients to get medicine on hand

DEENA BEASLEY, CAROLINE HUMER
14 March

As Americans stay home to try to help stop the spread of a new coronavirus, many patients with conditions that require prescription drugs are being urged to refill their medications for a longer period.

Doctors, patient advocates and insurers themselves are telling Americans with chronic conditions such as diabetes that require life saving medications to make sure they have more than enough medicine on hand. The US Centers for Disease Control and Prevention also says people should have extra medicine available.

"Typically for say a month or two you should have access to medicines, and any basic essentials that you might need to leave the house for," said Neha Nanda, medical director of infection prevention and antimicrobial stewardship with Keck Medicine of the University of Southern California in Los Angeles.

The AIDS Healthcare Foundation, which provides health services to people infected with HIV, said it was extending the usual 30-day refill time for antiretroviral treatment and other medications to 60 days even without medical provider approval, AHF spokesman Ged Kenslea said.

Health insurers and pharmacy benefit managers have been pressured to address potential access issues around COVID-19, the disease caused by the new coronavirus. Many have responded by waiving copayments related to the diagnostic test and other upfront out-of-pocket costs.

CVS Health Corp said patients who typically pick up a 30-day prescription should consider changing that to 90 days

David Dross, who leads the managed pharmacy practice at health benefits firm Mercer, said the industry is being flexible because of the unprecedented impact of the outbreak.

More than 1,600 people have tested positive for the virus across 47 states, according to the CDC. The effort to slow its spread has led to mass disruption including closures of schools, offices, and large gatherings like sporting events. They are thinking "if they cancelled March Madness for God's sake ... we need to be flexible," Dross said, referring to the popular annual college basketball playoffs.

In addition to diabetes or HIV, access to medicines that treat chronic conditions such as pulmonary disease and high blood pressure are of particular concern.

CVS Health Corp said patients who typically pick up a 30-day prescription should consider changing that to 90 days. It also said Aetna patients who typically refill prescriptions every 30 days can extend that to a 90-day supply.

Anthem is urging members who have a pharmacy plan that allows for a 90-day benefit to talk to their doctor about whether extending their prescription is appropriate, spokeswoman Leslie Porras said in a statement.

Cigna Corp, which owns the Express Scripts pharmacy benefit manager, is recommending that patients who currently receive a 30-day supply switch to a 90-day supply, according to spokeswoman Jennifer Luddy.

UnitedHealth Group, which owns OptumRX pharmacy benefit manager, also said customers could call for early refills on their prescriptions.

REUTERS

Why the microfinance crisis is still not over

Andhra Pradesh's Ordinance to regulate MFIs has been a double-edged sword for the poor, with some digging deeper into debt, writes **NAMRATA ACHARYA**

This year, cotton plantation has been particularly good in Vattpally, a village in the Sangareddy district in the southern state of Telangana. Cotton plucking is at its peak, and so is the demand for workers.

Last year, Lakshmi was getting ₹8 for plucking one kg of cotton, but this year the rate has increased to ₹10 for a kg. At 6.30 a.m, she is already late to work. She needs to pluck at least 20 kg of cotton, as she has to earn at least ₹200 by the end of the day. A month ago, she had taken a loan of ₹20,000 for the purpose of repairing a rickshaw owned by her husband. Even before the disbursement, she was charged ₹2,000 as interest, and handed over ₹18,000. Now she is required to pay ₹200 daily for the next 100 days to pay off the principal. The annual rate of interest comes to a steep 41 per cent— and close to 80 per cent on a diminishing return.

As on January 2020, 3.38 million people from rural Andhra Pradesh and 2.16 million in Telangana are marked defaulters by credit bureaus. In total, nearly 5.54 million rural borrowers in the two states are least credit-worthy for any formal financial institution. Hence, Lakshmi is not entitled to any private institutional finance.

Cut to February 2010, Swayam Krushi Sangham or SKS Microfinance (which went through several avatars to merge with IndusInd Bank recently), founded by the doyen of Indian microfinance industry (MFI), Vikram Akula, was a friendly name in Sangareddy. Women would pay an annual interest of 24-26 per cent (on diminishing return) on loans, payable in about 50 weeks, to get quick cash. Along with SKS, many other MFIs were flourishing in the state. However, unchecked by regulations, some of them were charging 70-80 per cent interest and coercing people for recovery. In consequence, at least 75 borrowers committed suicide due to intimidation by MFIs. Ultimately, in October 2010, the Andhra Pradesh government invoked the Andhra Pradesh Micro Finance Institutions (regulation of money lending) Ordinance, imposing stringent regulations on loan recovery and disbursements by MFIs. Eventually, the sector died in the state where it was once born.

With MFIs not able to collect as much as ₹7,000 crore in Andhra Pradesh, a large number of borrowers were marked defaulters, despite a previous record of timely payment.

Almost 10 years after the MFI clampdown, a part of the void left by MFIs is filled by moneylenders, charging exploitative interest rates from the poor.

"Since the last 10 years, we have had a hard time getting any loan. Banks don't give us credit, finance companies don't come here," says Padma, a resident of Kotwanpally village in Sangareddy.

"After a detailed survey, we came to the conclusion that inclusive banking model in other states cannot be replicated in Andhra Pradesh and Telangana. While there are no restrictions, there are challenges. The ordinance restricts us to make microlending sustainable," according to an official of a private sector bank.

A large number of borrowers in the state have been marked defaulters, despite a previous record of timely payment

According to regulations in Andhra Pradesh and Telangana, any private institution willing to give microloans needs to submit records of each loan to the local authority — a condition which MFIs say makes it virtually impossible to lend. Most banks and non-banking finance institutions in rural India work in microfinance group lending model, either independently or through a tie-up with an MFI.

"We need conducive environment. We don't want to work in a situation where we don't know how the government will react. Also, a large section of women are defaulters, and no bank would want to lend to a defaulter," said another banker with a private sector bank.

Institutionalised money lending

Till about a decade ago, Nagesh (name changed) was a field staff at SKS, earning close to ₹12,000 month. Today, he is one of the richest men at Narayankhed town in Sangareddy. Five years ago, Nagesh started his own money lending business. Every month he disburses on an average ₹20 lakh, acquiring one customer every 10 days.

Moneylenders offer various kinds of loans, popular ones being daily, monthly and bullet financing. While the average ticket-size of loan is about ₹10,000, the interest rate is exploitatively high 80-85 cent (diminishing return). Under the daily financing scheme, repayment has to be done every day, while in weekly financing, it is to be done in seven days. Under the bullet financing scheme, the borrowers need to deposit gold as collateral against loans with monthly interest between 3 per cent and 5 per cent. The repayment is one time, generally after a year, but if the borrower defaults even by a day, the interest gets added to the principal and interest payment goes up. Further delay leads to the attachment of gold.

Satmala, a resident of Kotwanpally, had taken a loan of ₹30,000 from a moneylender under bullet financing by pledging little bit of gold she had accumulated for her daughter's wedding. She had to sell her only livelihood asset, a buffalo, to repay it. Today, she works as a daily labourer.

In many villages in the Sangareddy district, despite the growth of government-backed credit, dependence on moneylenders has increased over the years. Moneylenders meet the quick credit needs of the people without any documentation, which is not the case with government schemes

Some of the other conventional money lending products that are popular in Narayankhed include fertiliser loan, under which farmers are required to mandatorily set aside a portion of their crop for moneylenders, even before the harvest. The default rates are less than a per cent, as moneylenders keep a close tab on borrowers for timely repayment.

Raj (name changed), another moneylender who too used to be a staff of MFI once, from Narayankhed, says there is nothing illegal about his money lending business, as he works under the aegis of an auto leasing finance firm owned by his uncle.

"My uncle owns an auto leasing finance firm, which allows daily collection and disbursements. So my clients get documents, but we don't write the amount of loan and date on it," says Raj.

Under a typical auto-lease agreement, a borrower makes lease payments on a vehicle, and in exchange the dealer allows the borrower to use the car for a certain period of time.

At Narayankhed town, it is not difficult to spot auto financing firms in close concentration. Money lending is not an illegal activity in India, but the problem lies in implementation.

"Money lending by unincorporated or unorganised moneylenders is not illegal. There have been some rulings to the effect that money lending laws do not apply to NBFCs. This may be the reason that moneylenders are working under the aegis of NBFCs. Truth-in lending and disclosure of lending practices, commonly called fair lending laws, has been a concern all over the world. The fact that usurious lending is most likely to operate for the bottom-of-the-pyramid population where there is need for protection, makes the concern really strong," says Vinod Kothari, a financial consultant.

"Many moneylenders could be operating under the aegis of laws governing NBFCs as it gives flexibility on disbursement and collection," says Pooja Dutta, managing partner, Astutelaw, a law firm.

Although there is no official data or study on the extent of informal money lending in Andhra Pradesh and Telangana, MicroSave, a consulting firm found out that moneylenders accounted for a major 59 per cent of credit delivery in rural Andhra Pradesh in 2011, soon after the MFI clampdown.

"Money lending continues to be a thriving business even in markets where microfinance penetration is deep. Logically, if you kill the microfinance industry in a particular spot, money-lending will flourish," says Manoj K Sharma, managing director, MicroSave Consulting, a consulting firm.

"Having a good financial product is not sufficient, as we need to have good financial penetration. No product in the formal financial system delivers instant cash, and there arises the demand for microfinance, in absence of which moneylenders grow," he adds.

Government schemes to help MFIs

After the 2011 crisis, the government of Andhra Pradesh (then undivided) made many efforts to fill the void left by MFIs. However, demand far outstrips the supply. Further, MFIs, and now moneylenders, meet the quick credit needs of the people without any documentation, which is not the case with government schemes.

One major initiative of the government was StreeNidhi, a state-backed credit cooperative federation to supplement credit flow from the banking sector. After the split of Andhra Pradesh, the scheme was split for Andhra Pradesh and Telangana.

According to data from credit rating agency Brickwork, the loan portfolio of StreeNidhi in Andhra Pradesh was ₹1,110 crore in FY19. In Telangana the scheme disbursed close to ₹1,300 crore in FY19.

The coverage of other two sources of formal credit — Self Help Group (SHG) bank linkage and direct bank credit for agriculture loan has been quite extensive in the two states. In 2019-20, Andhra Pradesh and Telangana together accounted for the highest share of SHG-linked credit among all states at about ₹25,000 crore. This is more than 40 per cent of total loan disbursed through SHG linkage in the country.

"StreeNidhi was set up to bridge the gap left by MFIs. It meets a major part of credit requirement in Andhra Pradesh and Telangana. The SHG lending programme is also very strong in the two states. However, since the demand is much more, there could be gaps," says P Mohanaiah, former chief general manager of the National Bank for Rural and Agricultural Development (Nabard), Andhra Pradesh.

In villages like Vatpally, Kotwanpally and Jagannathpur in Sangareddy, despite the growth of government-backed credit, dependence on moneylenders has increased over the years.

"Earlier most people would take gold loans from one moneylender. Now we have four-five moneylenders in the village," says Premlata from Vatpally.

Further, StreeNidhi loans are mostly repayable over 36 months, and unless it is repaid, new loan is not provided.

Moglammma, who runs a small food stall in Vatapally, has taken loans from both moneylenders as well as StreeNidhi. She says, StreeNidhi loan is available only once a year, while moneylenders provide credit on demand round the year.

Informal money lending has always been strong in the southern states. In 2011, Andhra Pradesh had one of the highest concentration of MFIs with 6.24 million MFI clients, according to a study by Consultative Group to Assist the Poor (CGAP). The study revealed that the average household debt in Andhra Pradesh was ₹65,000, compared with the national average of ₹7,700. Hence, it is an abysmal task for government institution alone to meet all the credit needs of people.

At the same time, back in 2010, the MFI clampdown was much needed. Over the last decade, the number of agriculture related suicides have come down in both Andhra Pradesh and Telangana. According to data from the National Crime Records Bureau, the average number of suicides by people engaged in the farming sector in Andhra Pradesh between 2010 and 2012 was 2,434, compared with 1,800 between 2016 and 2017.

However, to ensure, history doesn't repeat itself, there is a need for stringent laws for private money lending too, along with a strong private institutional credit network as in other states.

Ironically, nearly a decade after the MFIs crisis, people like Lakshmi remain vulnerable to financial exploitation, while MFIs grow by leaps and bounds in other states.

IMO

JYOTIRADITYA SCINDIA JOINS BJP

Tehseen Poonawalla Official@tehseenp
I am confident the #MPPoliticalCrisis will blow over & #kamalnath will continue as the #Congress CM of #MadhyaPradesh . As #scindia leaves the Cong, wish him good luck for his future! The MOST IMP task before our INDIA is to defeat Modiji-Shahji.Best to #JyotiradityaScindia .

Sachin Pilot@SachinPilot
Unfortunate to see @JM_Scindia parting ways with @INCIndia. I wish things could have been resolved collaboratively within the party.

Vasundhara Raje@VasundharaBJP
If Rajmata Sahab was here today, she would be elated to see you put the #NationFirst.
I admire your strength of character and courage. It's good to be on the same team.
Welcome to the BJP.@JM_Scindia

Amit Shah@AmitShah
Met Shri @JM_Scindia ji.
I am sure his induction into the party will further strengthen BJP's resolve to serve the people of Madhya Pradesh.

Ram Madhav@rammadhavbjp
Hearty welcome @JM_Scindia into BJP family. Used to translate his grandmother's speeches in AP; watched with respect politics of dignity n grace of his father; working with his aunts. All of them established leaders in their own right. Glad we wl now hv @JM_Scindia also with us.

FAROOQ ABDULLAH RELEASED FROM DETENTION

Chowdhary Zulfkar Ali@chzulfkarali
Release of Dr Farooq Abdulla Former C M of Jammu and kashimir is a welcome move. All other political leaders including PDP chief and former chief Minister Mehbooba Mufti and Omar Abdullah be also released to start the political process in state.

Ashok Bhan@ashokbhan2
Good to see u a free citizen after ur detention is revoked by Dist.Magistrate Srinagar."Hope all the political detainees r released soon." U should attend Parliament and raise the issues of release of politicians, pressing problems of people of JK.

Suhasini Haidar@suhasinih
After seven months of keeping Dr. Abdullah in detention, the govt reverses its decision. Hope it realises its mistake and releases Omar Abdullah, Mehbooba Mufti and others shortly.

Shashi Tharoor@ShashiTharoor
Welcome the belated release of ?Dr Farooq Abdullah. I hope he will soon resume his rightful place on the front bench of the Lok Sabha, where he can address with his usual compelling vigour the issues facing his state & the state of the nation. His detention was a disgrace.

Barkha Dutt@BDUTT
Long overdue release of Farooq Abdullah in #Kashmir. Hope its a precursor to the release of @OmarAbdullah and @MehboobaMufti and Farooq is allowed normal access to media and to resume peaceful political activity, including the right to oppose 370 abrogation if he so decides

CORONAVIRUS PANDEMIC

Sara A. Carter@SaraCarterDC
Trump Declares National Emergency Over Coronavirus, Solutions Spur Wall Street Rally Incredible what can be done w/ right leadership @realDonaldTrump's.

Rahul Gandhi@RahulGandhi
I will keep repeating this. The #coronavirus is a huge problem. Ignoring the problem is a non solution. The Indian economy will be destroyed if strong action is not taken. The government is in a stupor.

Tackling coronavirus the Indian way

Whether we like it or not, coronavirus is knocking on the door—and we have two weeks to prepare

SONALDE DESAI

It is clear coronavirus is not containable, and closing the borders only buys India some time. We must use this time to prepare to manage the virus so that the damage to India's physical and economic health is minimised. American example provides interesting insights into how fast the virus can spread. As of February 15, there were only 15 diagnosed cases of coronavirus in the United States, almost all with known international travel history. On March 1, this number had increased to 76 and to 1,762 by March 13. If the US experience of community transmission is transported to India, by March 26, we will have over 1,500 COVID-19 cases and then it will increase exponentially. Italy reported 1,577 cases on March 1; as of March 10, it had 10,590 infected people.


Poor public hygiene and the lack of running water make Indian climate far more hospitable to spreading the virus than the US

Once the infection begins to spread in India, it may move far more rapidly than in the US or Italy. India's population density is 420 per square kilometre, while American population density is only 26. Even when we compare large cities, Mumbai's population density is twice that of New York. Close proximity, poor public hygiene and the lack of running water make Indian climate far more hospitable to spreading the virus than the US. There is a saving grace, in that flu and other viruses of the same family tend to slow down in hot temperatures and perhaps India can benefit from that. However, experience of other hot regions, namely Singapore or Australia, do not offer reassurance.

Hence, what we have is two weeks, at the most one month, breathing space to prepare for COVID-19. What should we do? Several mitigation and containment strategies are universal, but we also need to consider a number of India specific requirements. First, we must prepare for mass testing and focus on availability of testing supplies. Several different tests are available but each requires different collection and analysis procedure. One of the laboratories leading in this field — CoSara Diagnostics — is located in Salt Lake City and in Gujarat. The US has been slow in developing a supply of these tests and the test by CoSara (and its sister company Co-Dignostics) was just approved for use in the US, long after its use in Europe. We must learn from South Korea and Australia to work on ensuring adequate testing supplies and involve reputable scientists — including home-grown talent— to find ways of setting up diagnostics centres around the country that are easily reachable.

Moreover, India faces several unique challenges. With rampant water shortages, more to come in summer months, washing hands frequently is feasible only for the rich or those living in water abundant areas. The slum dwellers and service providers like vegetable sellers, most at risk of spreading the deadly virus, do not have easy access to running water to wash hands for 30 seconds. Investing in manufacturing hand sanitisers and distributing them almost free via the public distribution systems is an option that should be urgently considered.

Coronavirus spreads when an infected person coughs or sneezes. Most Indians carry a handkerchief to catch the respiratory droplets from cough and sneeze. These handkerchiefs are then tucked into their pockets to spread the contagion. Washing them at riverbanks or hand pumbs may simply lead to more transmission. We must find ways of flooding the market with facial tissue, particularly in dense localities, and then find a way of collecting and disposing of these tissues. Finally, all public transportation systems must be sanitised daily to contain the spread.

There is one ray of sunshine for India. The World Health Organization estimates that the case fatality rate in China was less than 0.5 per cent for people between ages 10 and 40 and increased to 3.6 per cent for individuals aged 60-69 and to 8 per cent for those aged 70-79. According to the 2011 Census, less than 9 per cent of the Indian population is above 60. Policy initiatives that allow older Indians to stay at home from work, gives them priority in testing for the virus and ensures their access to sanitisers may help contain fatalities.

Whether we like it or not, coronavirus is knocking on the door. We only have two weeks, a month if we are lucky, to prepare for its spread. The US wasted this opportunity and is facing spreading virus and economic meltdown. Can India learn from this? As our success with polio vaccination tells us, Indian bureaucracy excels when it must tackle challenges in a campaign mode. It is time for the government to activate this resource and make the best use of the borrowed time.

The writer is professor of sociology at University of Maryland and Professor and Centre Director, NCAER. Views are personal

World closes borders, restricts travel to contain coronavirus

REUTERS
14 March

Countries around the world on Saturday continued to close borders, impose strict entry and quarantine requirements and restrict large gatherings in efforts to contain the spread of the new coronavirus.

Apple Inc (AAPL.O) said it will close all its retail stores worldwide, outside Greater China, until March 27. Apple reopened all 42 of its branded stores in China on Friday as the spread of the virus on mainland China slowed dramatically.

Countries have shuttered museums, tourist attractions and sporting events to minimise the risk of coronavirus transmission, with more than 138,000 people worldwide infected and more than 5,000 dead.

Colombia said it will close its borders with Venezuela and stop visitors who have been in Europe or Asia, while a U.S. ban on entry for most people from continental Europe was due to start midnight Friday.

The World Health Organization (WHO) says Europe has become the pandemic's current epicentre after reporting more cases and deaths than the rest of world combined, apart from China

The World Health Organization (WHO) says Europe has become the pandemic's current epicentre after reporting more cases and deaths than the rest of world combined, apart from China where the coronavirus originated last December.

Saudi Arabia will suspend all international flights for two weeks, starting Sunday, state news agency SPA said, Taiwan will require travellers from mainland Europe, Britain and Ireland to self-isolate for 14 days, while New Zealand implemented a similar measure for all those entering the country.

Prime Minister Jacinda Ardern also called on cruise ships, a major source of infections in some countries, not to come to New Zealand until June 30.

"Alongside Israel, and a small number of Pacific Islands who have effectively closed their border, this decision will mean New Zealand will have the widest ranging and toughest border restrictions of any country in the world," she said.

The country has just six confirmed cases and has had no deaths, but Ardern said that number inevitably would rise.

"That is why ultimately, we must go hard and we must go early," she told reporters.

Chilean President Sebastian Pinera announced a ban on public events with more than 500 people on Friday, joining countries such as Australia where the ban will come into force on Monday.

Britain will introduce emergency laws next week to ban mass gatherings, said a government source, an escalation of its crisis plan which critics had said was too relaxed.

The Philippines capital Manila, home to 12 million people, announced nighttime curfews on Saturday and urged shopping malls to close for one month.

"To limit the spread of the virus, we need to limit the movement of people. We are slowing down the movement of people in Metro Manila," said Jose Arturo Garcia, general manager of the Metropolitan Manila Development Authority.

China new affections falling

A volunteer sanitises a church, as a precaution against the spread of the coronavirus, in Sidon, Lebanon, on Saturday REUTERS

While infections continue to climb around the world, in mainland China the number of new cases is falling.

The number of new coronavirus cases imported into mainland China from overseas surpassed the number of locally transmitted new infections for the first time on Friday, data released by the National Health Commission showed on Saturday.

Mainland China had 11 new confirmed cases on Friday, up from eight cases a day earlier, but only four of those - all in the virus epicentre of Hubei province - were locally transmitted.

Hubei has now seen new infections fall for nine straight days. All four of the new cases on Friday, down from five a day earlier, were in provincial capital Wuhan.

The flu-like virus has infected 80,824 people in mainland China, the commission said.

Shops, sport, museums shut down

In a bid to limit the economic damage from a pandemic that has infected the U.S. House of Representatives passed an aid package that would provide free testing and paid sick leave.

The U.S. military said it will halt most domestic travel, extending earlier restrictions on international travel for its more than a million active-duty troops around the world.

Travel bans have hammered airlines and travel companies worldwide, while financial markets have been hit by panic selling this week.

The impact of the coronavirus on everyday life is also deepening.

The Czech government will shut most shops and restaurants from early Saturday, with exceptions including food stores, pharmacies and gas stations.

In Paris, the Eiffel Tower, the Louvre museum and the Moulin Rouge cabaret closed their doors. The Smithsonian museums in Washington were preparing to do so on Saturday and Broadway theatres in New York went dark.

The kissing of the Blarney Stone, one of Ireland's oldest tourist traditions, was suspended.

The global sporting calendar has also been left in tatters with major tournaments cancelled, postponed or forced to continue without spectators.

But sport's biggest showpiece, the Olympics, will still proceed as planned, according to Tokyo organizers.

REUTERS

Trump declares national emergency; House races to pass relief bill

JIM TANKERSLEY & EMILY COCHRANE
14 March

US President Donald Trump is pictured on a television at Seattle-Tacoma International Airport as he declared a national emergency over the coronavirus on Friday REUTERS

President Trump declared a national emergency on Friday over the coronavirus pandemic and announced steps he said would speed the availability of testing, and early Saturday, the House passed a bill reflecting a deal with his administration to provide billions of dollars to help sick workers and to prop up a slumping economy.

Markets rallied on Mr. Trump's emergency declaration, which he said would free up $50 billion for states and localities to cope with the outbreak — separate from the congressional relief measure — and which would allow the Treasury Department to delay tax filing deadlines for some individuals and businesses.

During a news conference in the Rose Garden, the president also said he would indefinitely suspend interest collections on federal student loans, although no bills would go down. And he instructed the Energy Department to buy enough oil to fill the nation's Strategic Petroleum Reserve "to the top."

The S&P 500 soared during the remarks and closed the day up by more than 9 percent.

At the news conference, Mr. Trump followed none of the safety protocols recommended to combat the spread of the virus, shaking hands with multiple administration officials and chief executives and sharing a microphone with them.

He said his plan would speed the ability of Americans to be tested for the virus. It includes private partnerships to speed tests to the market and a website designed by Google, where Mr. Trump said potential patients could enter their symptoms and be directed to a drive-through testing center. The president said the site would be available starting on Sunday, with the goal of allowing all Americans who needed a test to get one "very safely, quickly and conveniently."

But later, Google appeared to cast doubt on when or even whether that would be possible. A spokeswoman said that the initiative was in its "early stages" and would first be introduced as a prototype in the Bay Area.

The president, who has claimed that anyone who wanted a test could get one, also deflected any blame for the testing delays that have hampered the government's response.

"I don't take responsibility at all," Mr. Trump said.

He brushed off questions about his own possible exposure to the virus. A Brazilian official who visited him last weekend at his Mar-a-Lago resort in Florida has since tested positive, but Mr. Trump said he had no symptoms and did not need to be tested. When repeatedly pressed on the matter, he said he was likely to be screened. "Fairly soon," he said. "We're working out a schedule."

Yet around midnight, his physician, Sean P. Conley, said testing was "not currently indicated."

The relief deal, whose cost is unclear, would allow for two weeks of paid sick leave and up to three months of family and medical leave for those affected by the crisis.

It provides tax credits to help small- and medium-size businesses finance the new benefit. It does not include the payroll tax suspension that Mr. Trump wants. Any such suspension could cost more than $800 billion and would not provide help to workers who lose their jobs or stop drawing salaries in the outbreak.

"We could have passed our bill yesterday," Speaker Nancy Pelosi said. "But we thought it would be important to show the American people — to assure the American people — that we are willing and able to work together to get a job done for them."

The announcements came as the pandemic's ripple effects further slowed critical sectors of the American economy and interfered with daily life.

Google, Walmart join effort to speed up corona testing

REUTERS
14 March

Corporate America joined the fight against the spread of coronavirus on Friday, as President Donald Trump and executives announced that Google would offer a website to help people determine whether they needed tests and retailers would set up drive-through testing in parking lots.

Shares of Google parent Alphabet Inc (GOOGL.O), Walmart Inc (WMT.N), Target Corp (TGT.N) and drugstore owner CVS Health Corp (CVS.N) all closed up more than 9%, in line with the broad stock market, though Alphabet dropped 2% after hours.

Pressure has been rising on U.S. officials to increase and improve testing for the fast-spreading virus, which has reached almost every U.S. state and infected more than 1,660 people in the country.

"I want to thank Google. Google is helping to develop a website, it's gonna be very quickly done, unlike websites of the past, to determine whether a test is warranted and to facilitate testing at a nearby convenient location," Trump said.

"Google has 1,700 engineers working on this right now, made tremendous progress."

An administration presentation showed a potential user would be asked several questions on the website and then given a recommendation as to whether they should get a coronavirus test.

Those requiring a test would be referred to a store that can provide assistance, potentially including a drive-through test, according to the administration's presentation. Results would be available online in 24 to 36 hours.

U.S. Vice President Mike Pence said the website's launch date would be known by Sunday night.

Verily, a healthcare tech company also owned by Alphabet, said it was leading the effort to develop the web tool, with the help of an undisclosed number of Google employees.

"We are in the early stages of development, and planning to roll testing out in the (San Francisco) Bay Area, with the hope of expanding more broadly over time," Verily spokeswoman Kathleen Parkes said.

About 1,700 Google workers have volunteered to help with coronavirus-related efforts, according to a person familiar with the matter, but it is unclear whether all of them are involved with developing the new website.

REUTERS

Major US internet firms agree not to cancel service over the next 60 days

The U.S. telecoms regulator said Friday that major internet providers - including Comcast Corp, AT&T Inc and Verizon Communications Inc - agreed not to terminate service for subscribers for the next 60 days if they are unable to pay their bills due to disruptions caused by the coronavirus.

Federal Communications Commission Chairman Ajit Pai said after calls with more than 50 companies that they also agreed to waive any late fees residential or small business customers incur because of their economic circumstances related to the coronavirus pandemic.

They also agreed to open Wi-Fi hotspots to anyone who needs them.

Millions of Americans are expected to work and study from home as employers and states urge people to stay away from workplaces and schools to reduce the potential to spread the coronavirus.

Others agreeing to take part include Alphabet Inc's Google Fiber, Charter Communications Inc, CenturyLink Inc, Cox Communications [COXC.UL], Sprint Corp, T-Mobile US Inc.

REUTERS

Brazil President Bolsonaro to be tested again for coronavirus

Brazilian President Jair Bolsonaro, who met with Donald Trump in the United States less than a week ago, will be retested for coronavirus following a negative test on Friday, Brazil's Estado de S.Paulo newspaper reported.

The test will be done early next week in order to rule out any chance the president has the virus, the newspaper said, without naming the source of the information. A representative for Bolsonaro's press office declined to comment.

Bolsonaro and a large Brazilian entourage, including cabinet ministers, met with Trump and other senior U.S.

Bolsonaro met US President Donald Trump only a week ago

officials last weekend at Mar-a-Lago. One of the party, Bolsonaro's communications secretary Fabio Wajngarten, tested positive for COVID-19 on Thursday and is in quarantine at his home.

Charge d'Affairs Nestor Forster Jr. at the Brazilian Embassy in Washington, who was also present at the Trump dinner, has also now tested positive, GloboNews television channel reported late on Friday.

Bolsonaro said earlier in the day that he had tested negative for coronavirus, in a post on his Facebook page.

"Tests negative for COVID-19 Mr President of the Republic Jair Bolsonaro," the post said, above an old image of Bolsonaro making an obscene local gesture in an apparent response to some media reports that a first test had been positive.

Estado de S.Paulo said Bolsonaro would remain isolated in quarantine at his official residence until the beginning of next week, citing an unnamed member of the president's medical staff who said Bolsonaro needed to be isolated for seven days from the time of being in contact with someone infected with the virus.

Bolsonaro's son Eduardo tweeted earlier on Friday that his test had come back negative. Defense Minister Fernando Azevedo e Silva tested negative as well, the ministry said in a statement.

REUTERS

Is the US really facing a toilet paper shortage?

MICHAEL CORKERY & SAPNA MAHESHWARI
14 March

If there's one image that captures the panic seeping through the United States this week, it might be the empty store shelves where toilet paper usually sits.

Shoppers, preparing for the possibility that the coronavirus could keep them quarantined for weeks or months, have been snapping up every roll they can find. The more images of stockpiling that emerged on social media, the more panicky buying that ensued. The result: The household staple has been consistently out of stock, whether at big box stores, at bodegas or on Amazon.

In an age of instant shopping gratification and same-day delivery, the idea that something so mundane could be unavailable seemed downright scary, and an ominous sign that a basic supply chain is under stress because of the pandemic.

But is there really a toilet paper shortage?

Major retailers say toilet paper hasn't been out of stock in stores for more than a day or two, or even a few hours. Manufacturers, paper industry executives say, are raising production to meet demand, but there is only so much capacity that they can or are willing to add.

They want to satisfy panic buying without going overboard and creating a glut on the market when the surge subsides.

Unlike some other products, toilet paper is not likely to be used more by Americans who are stricken with respiratory symptoms, even as the coronavirus spreads.

"You are not using more of it. You are just filling up your closet with it," said Jeff Anderson, president of Precision Paper Converters, a paper product manufacturer with 65 employees outside Green Bay, Wis. "What happens in the summer when demand dries up and people have all this extra product in their homes?"

Mr. Anderson's business focuses on facial tissues, which are also in high demand, and he is paying employees overtime to work longer shifts. "We can't make as much as they want right now," he said.

Perhaps more than in its recent past, the paper industry seems well positioned to meet the surging demand. After decades of declining sales, as

newspapers and printed documents lost out in the digital age, many manufacturers converted to making tissue products, like toilet paper and wipes. That means there is more manufacturing capacity that can be brought online.

But toilet paper is typically made to order. Because it takes up so much room, storing large quantities is not profitable, so the industry typically has only a few months of inventory on hand.

"There is not some big underground warehouse like in 'Raiders of the Lost Ark,' where there is all this toilet paper sitting around in case it is needed," said Dan Clarahan, president of United Converting, which sells manufacturing equipment to tissue companies.

In more normal times, toilet paper demand grows by only a few percentage points each year, mirroring population growth.

Asked about the shortages, many retailers would not commit to a specific timetable for when the shelves would be restocked, calling the situation "fluid." A retail analyst, Burt Flickinger of Strategic Resource Group, said big box retailers like Costco and BJ's Wholesale Club have been able to restock most empty shelves within a few hours, or by the next morning, according to his survey of hundreds of stores across the country this week.

But it's clear that the retailers, even those with experience in dealing with crisis-related demand before a hurricane or a blizzard, are being tested as demand surges across the country all at once.

Walmart said it was adjusting its supply routes to keep up. The company is picking up many high-demand products at factories and shipping them in trucks directly to stores, bypassing regional distribution centers.

The frenzied buying was even acknowledged Friday in the Rose Garden, where President Trump stood next to the executives of major retailers including Walmart.

"Toilet paper is not an effective way to prevent getting the coronavirus, but they're selling out," the health secretary, Alex M. Azar II, said.

People have been sharing images of toilet paper shortages and other empty shelves at Giant Eagle, a private grocery chain that has more than 400 locations and is based in Pittsburgh.

The chain said it had been working to increase the frequency of deliveries of "essential items" to stores and asked corporate employees to assist in stores, where other employees are stocking shelves and fulfilling curbside pickup and delivery orders.

All Giant Eagles have begun to temporarily limit toilet paper purchases to three packages per customer, Dick Roberts, a company spokesman, said in an email.

The vast majority of toilet paper consumed by Americans is made in North America. But about 10 percent of the giant rolls of paper that are used to make the rolls that end up in American bathrooms come from China and India. Those imports have been delayed because of the broader bottleneck of shipments from Asia, as the region begins to recover from the virus outbreak and factories come back online.

Joe Raccuia, chief executive of Morcon Tissue, which makes toilet paper in plants across the United States, said his supplier in Mexico had warned him about delays.

Apple closes all stores worldwide for 2 weeks

MARK GURMAN
14 March

Apple Inc. said Saturday it's closing its hundreds of retail stores outside of Greater China until March 27 and is moving to remote work in order to help reduce the spread of coronavirus.

In a letter posted on Apple's website, Chief Executive Officer Tim Cook said that the "most effective way to minimize risk of the virus's transmission is to reduce density and maximize social distance," which led to the decision to temporarily close the stores and move corporate employees outside of Greater China to work remotely.

Apple has nearly 460 locations across the world outside of China, including about 270 stores in the U.S. Apple had earlier shuttered its stores in Italy and Spain as the world deals with the Covid-19 pandemic.

Cook said that all hourly employees at the closed stores will continue to receive normal pay. He also said that the Cupertino, California-based technology giant has donated $15 million to fight coronavirus and that it would be matching employee donations two-to-one.

Apple also said it would hold its annual conference for software developers online, scrapping a June gathering in San Jose

Cook didn't say how long the remote work edict will last, but he said that "those whose work requires them to be on site should follow guidance to maximize interpersonal space." Apple employees at several offices had been encouraged to work remotely this past week. Cook closed his letter by thanking "the heroic first responders, doctors, nurses, researchers, public health experts and public servants" working to fight the pandemic.

The store closures is an extension of its efforts to cope with the outbreak. Cook sent a memo to employees about a week ago offering staff at most of its global offices the ability to work from home. At the time, he called the outbreak an "unprecedented event" and a "challenging moment."

Apple has nearly 460 locations across the world outside of China, including about 270 stores in the US. Apple had earlier shuttered its stores in Italy and Spain as the world deals with the Covid-19 pandemic REUTERS

As a U.S.-based technology company that builds the vast majority of its products via a China supply chain, Apple has been uniquely impacted by the coronavirus. It's supply chain had been set back by weeks with factory closures, and products like the iPhone and iPad Pro have seen constraints in meeting orders.

On Friday, Apple said it would hold its annual conference for software developers online, scrapping a June gathering that normally brings thousands of people together in San Jose, California.

Apple was one of the first companies to disclose the virus's impact on its financials, saying last month that it will no longer meet its March quarter guidance range of $63 billion to $67 billion. It didn't say how its two week closure of most stores would further impact revenue.

The stock has declined 5.3% this year, compared with the Nasdaq Composite Index's 12% slump.

BLOOMBERG

Gates steps down from Microsoft, Berkshire boards; Buffett says former AmEx CEO to replace him

REUTERS
14 March

Warren Buffett's Berkshire Hathaway Inc said on Friday that former American Express Co Chief Executive Officer Kenneth Chenault has been nominated to the conglomerate's board of directors, replacing Microsoft Corp co-founder Bill Gates.

The change was disclosed in Berkshire's annual proxy filing, ahead of its scheduled May 2 annual meeting.

Chenault, 68, led New York-based American Express from January 2001 to February 2018, and became one of the most prominent black CEOs in corporate America.

Berkshire knows Chenault well, having long been American Express' largest shareholder, and ending 2019 with an 18.7% stake in the travel and financial services company.

Gates, 64, has known Buffett since 1991 and been a Berkshire director since 2004, but now devotes most of his attention to philanthropy, including the Bill & Melinda Gates Foundation.

He is also the world's second-richest person, worth $103.6 billion according to Forbes magazine. Buffett ranks fourth, at $76 billion.

"I have made the decision to step down from both of the public boards on which I serve – Microsoft and Berkshire Hathaway – to dedicate more time to philanthropic priorities including global health and development, education, and my increasing engagement in tackling climate change," Gates said in a LinkedIn blog on Friday. Microsoft announced separately on Friday that Gates stepped down from its board.

In Friday's filing, Berkshire also recommended that shareholders reject a proposal by four New York City public pension plans that lists of outside candidates for board seats include "qualified female and racially/ethnically diverse candidates."

'I have made the decision to step down from both of the public boards on which I serve —Microsoft and Berkshire Hathaway — to dedicate more time to philanthropic priorities,' Gates said in a statement REUTERS

Three members of Berkshire's 14-person board are women, and Chenault would become the only black director.

Berkshire said it has for decades "forcefully" preferred directors with integrity, business savvy, an owner-responsive mindset and a deep personal interest in the company.

It said Chenault emerged as a "standout and unanimous choice" after its governance committee reviewed 23 candidates for board seats last year.

Berkshire said it may choose future board members from that list, noting that four directors, including Buffett, are between 89 and 96 years old.

The proxy filing also detailed compensation for top Berkshire executives in 2019.

Buffett was awarded $374,773, including his usual $100,000 salary plus $274,773 for personal and home security services.

Vice Chairmen Greg Abel, 57, and Ajit Jain, 68, who respectively oversee Berkshire's non-insurance and insurance operations, were each awarded $19 million, up from $18 million in 2018.

Buffett sets compensation for Abel and Jain, who many investors view as top candidates to eventually succeed him as CEO. Berkshire does not grant stock options.

While Berkshire's annual meeting will be held as scheduled, the coronavirus pandemic prompted Buffett on Friday to cancel other shareholder events in Omaha for the May 1-3 weekend.

Instagram to roll out IGTV advertising in challenge to YouTube

Instagram plans to sell advertisements in IGTV, its home for longer videos, a bid to compete with YouTube for a larger share of the booming market for online video.

Instagram started reaching out to its top video creators on Friday, asking them to partner on ad tests. Those in the program will receive a 55% share of all advertising in IGTV, the same rate as YouTube, according to people familiar with the matter. The company will start testing the ads this spring.

"This is another step forward to help creators monetize with IGTV," Justin Osofsky, chief operating officer of Instagram, said in a statement. "To be sure we get this right, we are talking to a few emerging creators to help us test this and plan to expand slowly."

A lack of revenue sharing was one of the main reasons top digital stars stayed away from the IGTV format, which is separate from the main Instagram feed. Within the main app, ads that look like regular posts already generate about $20 billion annually in revenue, accounting for more than a quarter of sales at owner Facebook Inc., people familiar with the matter have said.

Facebook is relying on Instagram to fuel its next wave of growth, especially as its main social network faces a slowdown. Facebook, based in Menlo Park, California, doesn't break out numbers for Instagram.

Instagram currently has ads in its main feed of updates, as well as in its stories feature -- the one featuring posts that disappear after 24 hours.

YouTube, the world's largest online video site, generated $15 billion in advertising sales last year. The total online video advertising market also includes Roku Inc., Walt Disney Co.'s Hulu and Amazon.com Inc.

BLOOMBERG

For Tag Heuer, smartwatch is 'additional business' beyond core

ROBERTA NAAS
14 March

As major events were getting canceled across the U.S., and New York was banning gatherings of 500 or more on March 12, the Swiss luxury watchmaker Tag Heuer hosted a final shindig in honour of its new Connected Watch.

At the Caldwell Factory in New York's trendy West Chelsea district, guests played with the new smart timepiece, which comes in four variations to retail from $1,800 to a steep $2,350 — making it one of the most expensive, serially produced, connected watches on the market.

"The new Connected Watch combines high-performance digital experiences with our new TAG Heuer Sports App and fine watchmaking," says Frédéric Arnault, the company's chief strategy officer and digital officer. "With the steel bracelet and interchangeable straps, the dynamic dial designs that are inspired by our mechanical watches, and the case design, especially with the ceramic bezel, it looks like you are wearing a mechanical watch."

The Connected Watch—crafted in stainless steel or titanium—features a ceramic bezel that

The new timepiece, which comes in four variations to retail from $1,800 to a steep $2,350, is one of the most expensive, serially produced, connected watches on the market

improves the communication for the sensors underneath to align with the app. In previous generations, a steel bezel interfered with the sensors, so the watch construction was a bit bulkier. (The molecules of the ceramic allow for better transmission.) The new watches are thinner and lighter in weight, as well as more ergonomically designed to fit the wrist. They are also highly intuitive for the user because instead of being a total touch-screen device, functional crown and chronograph pushers are installed on the case side. They can be used to start and stop programs, return to original menu screens, and more.

Tag Heuer, still a traditional watchmaking company focused on mechanical watches, views the connected business as a new revenue stream, not a replacement for existing categories. "We continue to invest heavily in the mechanical watch space; it is what we stand for, and our core values are in the mechanical watch world," says the 24-year-old Arnault, whose father Bernard is chairman of Tag's parent company, LVMH. "The smart watch is additional business, and it increases our consumer base." In fact, the connected watch business nourishes the mechanical business, according to Arnault: Some people who start with a smart watch go on to buy mechanical TAG Heuer watches.

How much additional business can the brand expect from the new Connected Watch? The smartwatch market "is really booming, with very high double-digit growth year over year, and it's just the beginning. It is only four or five years old, and there is more coming, especially since the true use is health and fitness, where we have positioned ourselves," says Arnault. "So we have strong ambitions and believe the volume can reach several hundreds of thousands of watches. We think this could reach 20 to 30% of the business in the years to come."

While the Covid-19 coronavirus pandemic could slow initial sales as people delay big-ticket purchases, the Tag Heuer Connected Watch is a multipurpose purchase, especially with the Sports App that tracks not just walking, but jogging, running, and even golf. (A separate digital team was created in Paris to work on this app, created over the course of 18 months.)

According to Arnault, the next sport to be tracked, with updates coming in the next few months," will most likely be swimming. Currently, the watch has interchangeable rubber straps and metal bracelets and is water resistant to 5 ATM, which means it's ready for the pool.

"The tactile sense of the watch, the functional pushers, and crowns make it very easy to use," says Arnault. "We wanted the user interface to be intuitive and fluid; that was a high priority. The [previous model's] heavy reliance on touchscreens bothered us. If you have wet fingers and can't move the screen, for instance, it is a problem. With this watch, even a mechanical watch user feels very comfortable."

BLOOMBERG

How the longest bull run in history ended in pandemic panic

TOM WESTBROOK & SCOTT MURDOCH
14 March

As a collapse in the oil price unleashed chaos in financial markets, Madrid money manager Diego Parrilla phoned a colleague who agreed: they had better head to work early in the morning.

By daybreak in Europe, the price of crude oil had fallen by a third. The shock had turned worry about the coronavirus to full-blown panic, wiped trillions of dollars from Asian stocks and sent futures for European and U.S. markets plunging.

"We assessed the book," said Parrilla, 46, who runs a 300 million euro ($332 million) fund that is long gold and bonds and uses options to bet on just about everything but dollars and volatility falling.

"We were in a good position," he said. "We decided which parts of the portfolio we would take profits on first."

So began what became the worst week on Wall Street since 2008, which has left Parrilla one of the few winners in the shakeout that ended the longest bull run in U.S. history. His Quadriga Igneo fund is up 30% for the year to date.

The wipeout has also exposed the complacency of investors as markets marched toward record peaks in February, and the inadequacy of their protection as traditional risk correlations broke down in the rout.

And for others it holds both clues as to what happens next and great promise.

"It's these times that great fortunes are built, not bull markets," said James Rosenberg, private client advisor at brokerage and wealth manager Baillieu Holst in Sydney.

"But you have to buy the right companies, you have to have an appetite for some pain and misery and you have to be patient."

Oil shock

The twist that sent markets already stressed by the global coronavirus outbreak into a tailspin was a plunge in the already weak oil price that followed Saudi Arabia's move to launch a price war with Russia last weekend.

The 30% drop had oil-linked currencies cratering – the rouble RUB= fell 9% - and the stock prices of household-name oil majors from Shell (RDSa.AS) to ExxonMobil (XOM.N) were down by double digits.

By day's end, the bonds of heavily indebted energy firms were trading many times beneath their face value, and fears of a credit crunch were growing.

It was at this point that Parrilla, who had argued for years that equities were overvalued and that the cost of betting against them in the options market was good value, was laying fresh bets.

"We came in on Monday, and we see things are happening. And from a disciplined point of view, we were actually putting more trades, on things that were lagging, such as the VIX," he said, referring to the Chicago Board Options Exchange's Volatility Index.

Talk on trading floors and at funds from Sydney to Singapore, Hong Kong, London and New York, was of crisis.

"When these big things happen, then you have no floor," said Sean Taylor, chief investment officer for Asia-Pacific at German asset management firm DWS. "You can't really work out the fundamentals, it's not priced in," he said.

Taylor spent the evening on a phone hook-up with other regional chiefs to discuss the oil move, followed by another meeting the next evening to go over global economic forecasts.

"When it happens, you can't do much about it," said Taylor, whose experience in the Mexican, Russian and Asian financial crises in the 1990s and the global financial crisis in 2008, taught him hard lessons about liquidity and helped him prepare.

"People laugh at the old-fashioned techniques of the older guys, but when it happens we come out slightly better, because you're not caught with midcaps and liquidity. It's liquidity that really gets you in these markets," he said.

Wrong-way Wednesday

Which is more or less what played out through the rest of the week, after what proved to be a dead-cat bounce on Tuesday.

U.S. President Donald Trump's announcement on Wednesday of surprise restrictions on travel from 26 European nations, his failure to mention medical measures that would be taken to combat coronavirus and disappointment over the European Central Bank's decision not to cut interest rates didn't just put stock indexes into freefall.

Rather than fleeing into safe havens, investors sold them to cover other losses. Bond yields, which had dived only days earlier, rose. At the same time volatility in the currency market shot higher with the squeeze in liquidity.

"The amounts are smaller, but the spreads are much wider because liquidity is starting to disappear from the system," said Stuart Oakley, Nomura's global head of flow FX in Singapore.

"The markets have become so disorderly the correlations between assets and currencies have completely broken down. We're in an entirely different world. It's unnerving bigtime, because it tells you people are being forced to unwind positions."

The twist that sent markets already stressed by the global coronavirus outbreak into a tailspin was a plunge in the already weak oil price that followed Saudi Arabia's move to launch a price war with Russia last weekend

Black Thursday

By Thursday it had become a mad scramble for dollars and nothing else, with the Dow Jones Industrial Average .DJI suffering its worst day since 1987. After a big rebound on Friday, the index was down 10.4% for the week while the S&P 500 index .SPX had shed 8.9%.

When Australian fund manager Geoff Wilson woke at 2 a.m., as is his custom, the tone of voice alone on CNBC was enough to know the crash he had begun to prepare for was on.

"This has happened so quickly," said Wilson, whose firm Wilson Asset Management runs roughly A$3 billion ($1.84 billion) and has more than doubled its cash exposure over the past three weeks.

"To me this is a combination of '87 and the global financial crisis," he said, having spent the week between work and home revisiting every investment thesis to weed out weak stocks.

"We'd bought them because when interest rates are low and the economy's going reasonably well, then debt wasn't a major concern ... now that's out the door."

By the end of the week Europe's benchmark STOXX 600 index had fallen 18%. Australia's ASX 200 index was down 11% and the S&P 500 was headed for its worst week since 2008.

Like Parrilla in Madrid, who has another leg of bets on a further downturn in China, Wilson expects things to get worse before they get better.

Others, though, are finding some of the discounts irresistible.

Scott Flanders, former chief executive officer of Playboy Enterprises and the head of online insurance marketplace eHealth, called his brokers in New York at breakfast time in Palo Alto, California, on Monday.

"I'm putting money to work right now," he said.

"I bought 5,000 shares in JPMorgan, I bought Bank of America and Citigroup. They're getting hit hard ... but they're so much better capitalized than they were during the '08 crisis."

REUTERS

CHATTERBOX

Old is gold

It is not necessary that the ruling party should tear down everything that its predecessor built.

Bikaner House, the former residence of the Maharaja of Bikaner — now a Rajasthan government property and a cultural space in the heart of Delhi — is one such example. The grand structure with high ceilings and arched doorways, that now act as a venue for open-air musical performances, art and sculpture exhibitions and so on, wasn't always like this. For years, the space was occupied by government offices. It even doubled up as a bus terminal for the Rajasthan State Road Transport Corporation.

All that changed during Vasundhara Raje's rule in Rajasthan. The building was restored to its old glory. It would even host an organic market every Sunday and the building became a revenue earner for the state government.

With the change in government in Rajasthan in December 2018 and Ashok Gehlot at its helm, the initial instinct was reportedly to reduce it back to the stature of a bus terminal. Thankfully, Congress interim president Sonia Gandhi intervened and now, after over a year, Bikaner House is back to hosting elegant soirees and art exhibitions.

The Bharatiya Janata Party can take a cue: Look at the beautiful structures in Pragati Maidan that the Modi government demolished or the plans for a new Central Vista!

DID THEY REALLY SAY THAT?

"HE IS THE ONLY CHAP IN THE CONGRESS WHO COULD WALK INTO MY HOUSE ANYTIME. HE WAS WITH ME IN COLLEGE."

Rahul Gandhi, after Jyotiraditya Scindia joined the BJP, in New Delhi on March 11

CHECKLIST

CORONA VIRUS: WHAT WORKS AND WHAT DOESN'T

- **Covid-19 virus can be transmitted in areas with hot and humid climates:** From the evidence so far, the Covid-19 virus can be transmitted in all areas, including hot and humid.
- **Cold weather and snow can't kill the new coronavirus:** There is no reason to believe that cold weather can kill the new coronavirus or other diseases. The normal human body temperature remains around 36.5°C to 37°C, regardless of the external temperature or weather
- **The new coronavirus can't be transmitted through mosquito bites:** To date there has been no information or evidence to suggest that the new coronavirus could be transmitted by mosquitoes
- **Are hand dryers effective in killing the new coronavirus:** No
- **Can spraying alcohol or chlorine all over your body kill the new coronavirus:** No. Spraying alcohol or chlorine all over your body will not kill viruses that have already entered your body. Spraying such substances can be harmful to clothes or mucous membranes (eyes, mouth). Both alcohol and chlorine can be used to disinfect surfaces, but they need to be used after proper recommendations
- **Can pets spread the new coronavirus:** There is no evidence that companion animals/pets can be infected with the new coronavirus
- **Can eating garlic help prevent infection:** Garlic is a healthy food that may have some antimicrobial properties. However, there is no evidence that eating garlic has protected people from the virus.
- **How susceptible are younger people:** People of all ages can be infected by the 2019-nCoV. Older people and those with pre-existing medical conditions (such as asthma, diabetes, heart disease) appear to be more vulnerable

Source: WHO

OPINION

S JAISHANKAR

'A team of Indian health officials is in Iran'

Mr Deputy Chairman, Sir, I rise to apprise this august House of some recent developments pertaining to Indians stranded in Iran as a result of the coronavirus situation. The House is already aware of the efforts the government had made to bring back Indians from Wuhan in China by mounting three flights to that city. Thereafter, we also brought back the crew and passengers of a cruise ship off Japan that was affected by coronavirus. These evacuations also included some foreign nationals.

Our focus since has shifted to Iran, in view of the sharp increase of coronavirus in that country. As per available information, there are over 6,000 Indian nationals in various provinces of Iran. These include about 1,100 pilgrims mainly from the Union Territories of Ladakh and Jammu and Kashmir and the State of Maharashtra; nearly 300 students primarily from... Jammu and Kashmir; about 1,000 fishermen from Kerala, Tamil Nadu and Gujarat; and others who are on long-term stay in Iran for pursuing their livelihood and religious studies. As the government started receiving information about the spike in coronavirus cases in Iran, as a precautionary measure, direct flights between India and Iran were temporarily suspended with effect from 27 February. Advisories were issued to avoid travel and returning passengers were started to be screened. This is an ongoing exercise. Our Embassy in Tehran and Consulates in Bandar Abbas and Zahidan naturally reached out immediately to Indian nationals in Iran to ascertain their welfare. An advisory was issued asking our nationals to observe appropriate precautions. Emergency contact details of the Indian Mission were put out. Embassy and Consulate officials have been reassuring the Indian nationals and ensuring that they are in good health and have adequate provisions. I mention this as an overall approach, but also with specific reference to the fishermen community whose welfare has been raised with me by a number of hon. members. Given the large number of Indians in Iran, it was natural that we should seek to prioritise their return, taking into account their location and exposure. The initial focus is on visiting pilgrims. Many of them are in Qom, where coronavirus incidence has been strong. The nature of their residency also increases the risks of exposure. Age is also a factor that was taken into account. As their welfare is being addressed, we are now focussing on Indian students. Many of them are studying medicine and are fully aware of the precautions to be taken in this difficult situation... Our understanding is the region where most fishermen are located has not been affected so severely. These factors will guide our approach in the coming days.

Over the last few days, the government has been making focussed efforts for the safe return of the stranded Indians. Given the scale of Covid-19 infection and its pressure on Iran's own resources, a team of six Indian health officials has been deputed to Iran in order to set up testing and sampling facilities there. The first batch of 108 samples was received in India on 7 March. These were tested and 58 Indian pilgrims (25 men, 31 women and 2 children), who tested negative, were repatriated in special IAF C17 flight on 10th March. We have also received samples of 529 more Indians on this flight which are being tested in National Institute of Virology, Pune. We continue to collect more samples in Tehran and our endeavor is to ensure the earliest possible return of our nationals after appropriate testing and screening. We are working with the Iranian authorities to operate some limited commercial flights for facilitating early return of the remaining Indians after testing them. Our Embassy staff and the medical team are working round-the-clock... to ensure the objective of earliest possible return.

The House will appreciate their operational constraints, given that there are restrictions that have been instituted for public health reasons in Iran. It is not easy to organise transport, accommodation and other logistics. The Iranian system is naturally stretched and we appreciate their cooperation... During my recent visit to Srinagar, I took the initiative to meet parents of some of the students who are in Iran. Their anxiety at this time is completely understandable. I shared with them, in detail, the ground situation and sought their understanding. I assured them that the government would facilitate the earliest possible return of their children.

Our Consulate in Bandar Abbas is in touch with the Indian fishermen who are in southern provinces of Iran, including in cities of Asaalouyeh, Chiruyeh and Kish. Some of them have been visited and others would be soon... As per available information, they are all in good health.

I would like to strongly emphasise that the government remains fully committed towards the safety and welfare of our nationals in any part of the world. This has been the hallmark of our foreign policy. The House will surely appreciate the few other nations have done what we have with respect to Covid-19. The global coronavirus situation is being monitored on a continuous basis by a group of secretaries headed by Cabinet secretary and a Group of Ministers, chaired by minister of health and family welfare. My Ministerial colleague has already apprised the House of measures being taken to control and contain the spread of virus in the country. Hon. Prime Minister himself has reviewed the situation from time to time. We have been regularly issuing travel advisories and visa guidelines that reflect the situation in countries of concern. E-visas and Visa on Arrival have been temporarily suspended in certain cases. Precautionary measures are also being taken on all our land borders as well as air and sea entry points. The situation in Italy is now emerging as a cause of great concern... steps in this regard have already been initiated. The challenge is growing by the day in Europe and we will have to respond accordingly. I am confident that the hon. Members... would join me in commending the efforts of our medical team, the officials of the Indian Embassy and Consulate, the Indian Air Force crew and all those in India who are working tirelessly and selflessly to ensure that our people in Iran are safe and can return expeditiously...

Edited excerpts from Minister of External Affairs S Jaishankar's statement on the Covid-19 situation in Iran and elsewhere, Rajya Sabha, March 11

Marx: Of obituaries, epitaphs & sundry mix-ups

In its time, Marx's life hardly looked like the watershed in the history of the modern world it has proved to be since his death, writes **Anjan Basu**

On September 6, 1871, the *New York Times* ran an obituary of Karl Marx, "the ostensible leader of the famous International Society in Europe".

"The celebrity of Dr Marx", the notice observed, "is only of recent date, though his life was full of adventure, like all other political conspirators..."

That the *Times* was not inordinately fond of 'Dr Marx' is brought home by sundry other comments studding the article as well: that "he frequently rendered himself obnoxious to those who happened to differ with him"; and that "it was only a short time since he threatened to shoot the editor of the *Pall Mall Gazette* for a criticism deemed by him offensive".

One can almost hear "Good riddance!" breathing through the lines in Exhibit 1.

Is it any surprise then that the *Times* never seems to have run a correction, let alone an apology, for this premature obit?

What this goof-up did, however, was that it obliged the newspaper to tread more carefully when, on March 16, 1883, it reported on Marx's death once again, captioning the report, quite extraordinarily, as 'Reported death of Karl Marx'.

And then, once it became clear that this time the report had not been a howler, it came out on the following day with a more self-assured obit titled 'The death of Karl Marx' in which the newspaper made an effort to be more even-handed in its judgement of the dead man.

For example, it mentions that "Herr Marx... always avoided a demonstration", which is why the family had "decided that the funeral shall be private". However, it insisted on calling the dead man's 'intimate friend' Dr Friedrich 'Engel', presumably taking the 's' in the friend's last name for a superfluity. Also, it couldn't still get its timelines right. Thus the year Herr Marx's book *Das Kapital* was first published is given out as 1864, instead of 1867. The saving grace though was that this time, Karl Marx stayed dead.

While the *New York Times* fumbled and stumbled, British and Continental press did a better job overall of reporting Marx's passing. Indeed, the *Manchester Courier* even quoted from Engels's moving speech at his friend's grave-side: that "(t)he best hated and worst calumniated man in Europe, he had lived, although his work was not finished, to see his views embraced by millions of both hemispheres".

The Morning Post of March 17, basing its despatch apparently on a 'Reuter's Telegram', filed a more formal report and got almost all its facts correct, but somehow datelined the news 'Paris, March 16, Evening'. This was a curious mix-up, because to many readers this seemed to suggest that Marx had died in Paris, and not in London.

It is noteworthy that while conservative newspapers like the *Courier* and the *Post* presented the news with care, the liberal *New York Times* came across as slipshod. And Marx's was not an unfamiliar name in New York by any means. For nearly ten years between 1852 and 1861, Marx wrote a regular column for the *New York Daily Tribune* which was widely and approvingly read by American liberals. Besides, at least one of his monographs – 'The Eighteenth Brumaire of Louis Napoleon' – made its first appearance in another New York journal, albeit a German one, *Die Revolucion*.

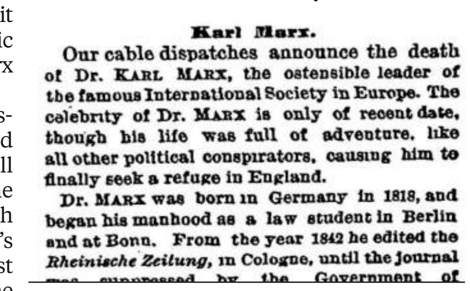
We have not been able to retrieve the obit inserted by The Daily News of London, the liberal newspaper founded by Charles Dickens. But the Moscow editorial office of the paper came in with a different kind of message, a telegram for Eleanor Marx, Marx's youngest daughter, received on 20 March, 1883, which read as follows:

Please be so kind as to convey to Mr Engels, author of 'The (Condition of the) Working-Class in England' and intimate friend of the late Karl Marx, our request that he lay a wreath on the coffin of the unforgettable author of 'Capital' bearing the following inscription:

"In memory of the defender of workers' rights in theory and their implementation in practice.

The students of the Petrovsky Agricultural Academy, Moscow."

The fact that the newspaper agreed to facilitate this message from Russian students in Moscow suggests that it was not unsympathetic to the causes that Marx was identified with.



Karl Marx.

Our cable dispatches announce the death of Dr. KARL MARX, the ostensible leader of the famous International Society in Europe. The celebrity of Dr. MARX is only of recent date, though his life was full of adventure, like all other political conspirators, causing him to finally seek a refuge in England.

Dr. MARX was born in Germany in 1818, and began his manhood as a law student in Berlin and at Bonn. From the year 1842 he edited the *Rheinische Zeitung*, in Cologne, until the journal was suppressed by the Government of

EXHIBIT 1

But since this message reached Eleanor/Engels a full three days after the funeral, the wreath could go on Marx's grave only in the first week of May – after the necessary inscriptions were ready – along with a few other offerings from different places in Western Europe and Russia, for example, Paris, Solingen, Erfurt, Zurich, St Petersburg and Odessa.

Understandably, many more messages reached Engels over the weeks following the funeral, and he scrupulously mentioned them in a couple of issues of May, 1881 of *Der Sozialdemokrat*, the German socialist fortnightly published from Zurich. Most were condolences, or messages of respect for the departed leader. But there were a couple whose point of interest was of a somewhat different kind. Some tended to show, as Engels was to mention in the May 17 number of the paper, that "(t)he death of a great man provides a first-rate opportunity for small people to make political, literary and actual capital out of it". Thus, in a letter dated 2 April, 1881, Philipp van Patten, Secretary of the Central Labour Union in New York, wrote to Engels that

In connection with the recent demonstration in honour of the memory of Karl Marx, when.... all factions united in testifying their regard for the deceased philosopher, there were very loud statements made by John Most and his friends that he, Most, was upon intimate terms with Karl Marx, that he had made his work 'Das Kapital' popular in Germany and that Marx was in accord with the propaganda conducted by him.

The man Van Patten was referring to was Johan (not John) Most, a German Anarchist loudmouth who had made himself a nuisance to trade union activists by his disruptive activities with regard to organised factory labour.

"Too much mischief has already been done here," Patten wrote, "by the untimely and imprudent talk of Most and it is rather disagreeable for us to learn that so high an authority as Marx endorsed such tactics". With alacrity, Engels got down to clearing Marx's name of his alleged proximity to and encouragement of Most & Co. After stating the nature of Marx's past association with Most before the latter embraced Anarchism, Engels proceeded to refute in detail Most's claim that he enjoyed Marx's confidence or support. Only 'a dupe or a deliberate liar' could make such a claim, Engels asserted.

In much the same vein, but at greater length, Engels disposed of another upstart, the Italian Achille Loria, who claimed that he had found out quite many 'flaws' in Marx's work on Surplus Value and that he had not only pointed these out to Marx but that Marx had pretty much conceded the truth in his 'observations'. Also that Marx's major work was all dominated by 'a conscious sophism'.

Engels was quite devastating in his reply to Loria which he also published in the following issue of *Sozialdemokrat* . Loria's claims, he said, were "pure fantasy" which, of course Loria was free to pursue. "However, what you are not at liberty to do, and it is a privilege I shall never grant to anybody, is to slander the character of my late friend."

While Engels made a meticulous inventory of the many messages he received, as well as of the requests for wreaths to be placed on Marx's grave, his exasperation showed in the references he makes in the despatch dated May 3 to sundry desecrators of the tomb. He notes how 'the long ends of the red silk bows' on some of the wreaths had been cut off and stolen on more than one occasion.

"Complaining to the trustees", he notes, "was to no avail, but will no doubt mean that the grave will be protected in future". Alas!, he was mistaken in his hope. For, in his report of May 17 he once again remarks on how 'the red silk ribbons of the Solingen wreath had again been stolen'. To stop such pilferage, 'we were obliged to make it impossible for them to be used again by making little incisions on the edges'. And the next time he visited the grave, he observes wryly, "(a) shower of rain had so affected the ribbon on the Erfurt wreath that it could not be used for anything else, and thus escaped being stolen".

Marx would have been amused that his long-time friend and comrade was thus obliged to mount guard not only on his legacy, but on the wreaths at his grave as well. But what all this also proves is that the 'bravehearts' who deface and defile Marx's grave with unfailing regularity well into the 21st century can claim a proud and long ancestry — to thieves of the night from 19th century England.

The author freelances as literary critic, commentator and translator. He can be reached at basuanjan52@gmail.com

(By arrangement with wire.in)

A new dawn

A Delhi trust gives wings to underprivileged girls to pursue higher studies through fellowship, writes **Anjuli Bhargava**

Darshana Joshi, one of the three children of an electrician in the national capital, had never heard of Cambridge University as a schoolkid, let alone dreaming of studying in it.

In 2013, the unimagined happened. She left for Cambridge to study physics after she was accepted with a regular scholarship for a doctorate programme — thanks to the Shalini fellowship by Udayan Care, a Delhi-headquartered trust that works for vulnerable children, women and youth. The Udayan Care team not just mentored her, but also convinced her parents — who were even reluctant to send her to Bengaluru for a master's degree — to allow her to study abroad.

In Cambridge, Darshana had life-changing experiences like being selected as the president of the graduate students' union there, first girl to hold the position, in 2017. After her doctorate, Darshana returned to India and started "VigyanShala", a not-for-profit organisation that aims at helping marginalised students in the STEM space.

Darshana is not alone, the fellowship has produced 27 doctors, 13 PhDs, 17 pharmacists, 126 engineers, 90 teachers and the list goes on.

Udayan Care started the Shalini fellowship in 2002 for girls from marginal background who have completed Class X and aspire to study further. A total of 8,428 Shalinis have been through the programme since 2002, with 4,593 currently under it. At present, a total of 652 voluntary mentors work with these girls across 21 locations in 13 states.

How much the girls need a support like Shalini can be figured out from the data of the *All India Survey of Higher Education (AISHE) Report*, 2018-19. The AISHE Report reveals that enrolment of girls countrywide in higher education is 23.5 per cent. Also, the highest percentage of female dropouts are between Class X and Class XI. This reflects in a lower than ideal female labour force participation rate in India, which is at 26.9 per cent, compared to the world average at 48.47 per cent.

THE OTHER INDIA

In such a scenario, the Udayan Shalini Fellowship is nothing less than a boon for many of the girls who want to go for higher studies, but fail to get family support.

The mentors select and support these girls for at least five years till they graduate or complete specialised courses of their choice. Going beyond monetary assistance, the Udayan Shalini Fellowship mentors offer regular career guidance, life skills and hold employability workshops to create a force of "sensitive, trained and enlightened citizens". "Many of these girls are unsure about possible career paths or even courses available. Mentors help them find direction in their most crucial years," says Udayan Care executive director Aneesha Wadhwa.

Darshana Joshi (*extreme left*) has done her doctorate from Cambridge University with the help of Udayan Shalini Fellowship. Now she mentors other girls like her

She adds the support can be as simple as helping them with identifying a good institute on internet to financial support for extra coaching.

After finishing their higher studies, there are only two asks from the fellows. One, to ensure that they become more aware and responsible socially — Shalinis are expected to fulfil 50 hours of mandatory social work. And two, they are urged by Udayan Care to give back and help others the way they received assistance.

As a result, 24 of the employed Shalinis are now sponsors for other young girls. In addition, 637 girls who have completed the fellowship, mentor others in turn.

Again, Darshana's contribution is unparalleled. Mentoring and guiding another Shalini fellow, Swati Keshri, she was able to assist her in finding way to her alma mater. Swati is now pursuing a doctorate in medical genetics from Cambridge University and aspires to find a cure for Alzheimer's and other neuro-degenerative diseases.

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COVID-19 & social media

The latter has been a force multiplier for both good and bad

The "Spanish Flu", which killed millions during 1918-21, didn't begin in Spain. But it was the Spanish media that first reported it. World War I was in its final year, when the first cases were identified in the US. By then, many soldiers in Europe had been infected. But the propaganda machines of combatant nations suppressed news of the disease. Neutral Spain did not. Censorship delayed policy responses that could have mitigated the impact of the flu. Similarly, the initial response to COVID-19 may have been inadequate, due to the tight leash kept on China's freedom of expression. Doctors in Wuhan, who speculated about a new disease, were punished. Victims were afraid to mention their symptoms and the scale of infection was unrecognised. The Chinese health care system woke up after COVID-19 had crossed the line into community-spread. Iran, which also disapproves of namby-pamby concepts like freedom of expression, also suffered massive infections and many deaths, before its health care system swung into action.

In other places, social media exploded with mentions of coronavirus and helped galvanise health care policy. It has been fascinating seeing the social media response to a pandemic in real-time. Panic and misinformation about COVID-19 have spread faster than the disease itself, even as the pandemic has bounded on at blinding speed. Social media has also proved an excellent medium for communicating public policy. Coherent, medically actionable information about handling the virus and travel advisories have been transmitted at speed. Platforms have been inundated with wild conspiracy theories, as well as ads and "public service announcements" advocating exotic and useless substances, such as cow urine, "blessed" turmeric paste, homeopathic pills, and vodka-based hand-sanitisers that supposedly prevent infection. (Hand-sanitisers, which do work, need about 60 per cent methyl alcohol content while vodka contains only about 40 per cent ethyl alcohol.)

But the platforms have featured public service announcements from the World Health Organization, and national disease control organisations. Announcements about cancellations of events, travel bans, and local news pertaining to the virus, have rapidly gone viral. The concept of social distancing — avoiding physical contact and keeping a metre's distance between individuals — has also been spread on social media. Winnowing out fake news and misinformation from the verifiable and useful has been difficult, even on a war footing. Google, and its subsidiary YouTube, have worked overtime to remove ads, and videos advocating nonsensical practices, and ads selling therapeutically useless substances. Google has also tried to clear out fake news on keyword searches and it has given governments, multilaterals, and NGOs free ad space. By and large, Facebook, Twitter, and Google have amplified the verified and credible, even if they have not succeeded in eradicating the false.

Of course, one cannot forget the "social" aspect. Patients suffering in isolation have been able to keep in touch with the world in a fashion unimaginable a few years ago. They have played games, streamed music, and connected with far-flung friends. These have kept the very real threat of an epidemic of depression at bay. Social media could, in future, provide an early warning system to give notice about the next epidemic. Artificial intelligence is already being deployed to analyse public posts, to derive information about outbreaks of mystery diseases. When somebody is ill, their social media presence can be used to trackback to the focus of infection, and to warn others at risk. Of course, this raises uncomfortable questions about privacy. Unfortunately, an emergency like this gives governments an excuse to "temporarily" ignore fundamental rights and this could easily become normalised.

Thus far into the COVID-19 saga, it seems social media has been a force multiplier for both good and bad. It offers a rich dataset with early alarm signals and feedback from victims; it is a powerful platform to transparently inform the public about policy. It is also a tool for toxic misinformation. One can only hope that the wisdom of crowds continually tilts the balance more in favour of the positive.

Limitations of defence diplomacy

With its stock nowhere near what it was a year ago, New Delhi has turned to defence as a lever of foreign policy — a strategy that can at best yield limited dividends

PREMVIR DAS

PTI

US President Donald Trump with Prime Minister Narendra Modi during a reception at Rashtrapati Bhavan during his visit to India in February. The only major outcome was a $3-billion helicopter deal

It is interesting how "defence diplomacy" has taken centre stage in the pursuit of our foreign policy. In earlier years, the Ministry of External Affairs (MEA) hardly ever looked at military interactions as a means to further the national interest, and economic issues, trade, cultural ties, and so on were at the forefront. Now, it would appear that those diplomatic arrows in our quiver are somewhat depleted. Nothing illustrates this more clearly than recent events which have brought defence interactions into greater focus.

Following its spectacular electoral victory in May 2019, the new National Democratic Alliance government had everything going for it. The economy was seeing some downslide, but nobody could have foreseen its subsequent deceleration in the manner that has happened. The Budget presented in July had soon to be literally rolled back in the next two to three months. Along with this came the abrogation of Article 370 in August, which, though it was within our sovereign rights, enabled some to question our credibility as a tolerant state. Indeed, it is after quite a while that India has found itself justifying internationally measures that it has taken domestically.

And, if this was not enough came the Citizenship Amendment Act which, possibly, without intending to do so, brought religion into play as a part of state policy, once again resulting in international criticism and the resultant need to defend our actions, sometimes rather aggressively — read the external affairs minister's articulation, "we now know who our friends are". This eliminated several countries which had earlier been cultivated as friends, including Iran, Turkey, Malaysia, Indonesia and Bangladesh, to name a few. Important functionaries in these countries did not hesitate to criticise our domestic policies, some more stridently than others.

In this environment, even US President Donald Trump offered to mediate between India and Pakistan on Kashmir, holding publicly, in India of all places, that there were two sides to the question — something that the American establishment had not done for years. At this same time, the economy has also been sliding; institutional inadequacies in many areas are seen to have further weakened our international standing, and the fact is that India's stock is not anywhere near what it was a year ago.

In this somewhat worrying environment, if anything has helped India to stay afloat, it is what may be termed "defence diplomacy". As mentioned earlier, it has come to the fore only in the last 10 years and has taken the form of frequent and increasingly ambitious joint exercises with militaries of the region and beyond, port visits by warships, and so on. While with most countries this has been not very significant, with the United States in particular, and with Japan, the interface has been substantial.

Starting in 2002, it has also led to the purchase of over $20 billion of military hardware from America (mainly aircraft), and some important bilateral agreements which will facilitate not just logistics exchange but also transfer of technology, though much of this latter has yet to be seen; Japan is now a regular participant in the trilateral Malabar exercises at sea.

While the Indo-Pacific has been repeatedly proclaimed as a theatre of mutual interest, what is left unsaid is that our understanding of the term is different and there is no precise identification of purpose, leaving aside "freedom of movement at sea". Indirect hints are made by diplomats and strategists that the real purpose is to counter growing Chinese influence in the region, but without indicating how that will happen unless we enter into some kind of military alliance, and China actually threatens some of our common interests. The Americans have always had a military presence in the region through their Pacific and Central Commands, while our aspiration, to quote the chief of defence staff, is "peninsular" (meaning, a swathe of land protruding into the sea).

This will not make India an Indo-Pacific player, leave aside the measly 14 per cent share of the defence allocation that is made towards the navy, almost the same as three decades ago. With no other country with which India has defence cooperation at sea — for example, France, the United Kingdom, and Russia — does the term Indo-Pacific form the basis of cooperation. Indeed, the last-named has publicly derided this concept and this, too, at a MEA-sponsored conference in our own country. So, the one significant element of our defence diplomacy in the last decade has been the relationship with the US, and has essentially revolved on our purchases of military hardware from them.

International criticism of our actions, and our need to defend them, often aggressively, eliminated many countries that were earlier considered friends

This having been said, if defence diplomacy, inclusive of purchases, has become a key ingredient of our foreign policy as we aspire to move up in the global power chain, then it is all to the good. During the recent visit of Mr Trump, the $3 billion military helicopter contract was the only major outcome, and there is no reason why such interaction should not be there so long as we recognise its limitations.

There are other players around the corner who are also watching where we are going, notably China and Russia. With the former, we share disputed borders stretching over several thousand kilometers and a tense security relationship, and with the latter, a defence interface that goes back six decades and now stands in some difficulty. In the Muslim world, Iran cannot be easily ignored, nor Indonesia in the Asean, or Bangladesh next door.

India's profile as seen from outside is now increasingly getting predicated on domestic issues within its borders. Defence diplomacy cannot, by itself, overcome the negatives. Unfortunately, a gathering of warships from 38 countries, planned to be held on the east coast later this month, has had to be cancelled due to the Coronavirus pandemic; it would have provided a badly needed boost.

To sum up, India, seeking to emerge as a major power, must be seen as "shining" not "whining", and domestic issues must mesh holistically with the desired international image. Defence diplomacy can only take us thus far, no further.

The writer has served as member of the National Security Advisory Board

Why high cigarette taxes hurt the economy

P C JHA

The government's recent announcement increasing levies on cigarettes in the form of the National Calamity Contingent Duty (NCCD) has created uncertainty for the legal cigarette industry. The legal domestic cigarette industry already faces a huge challenge from illicit and smuggled cigarettes. This action will also put additional pressure on the already serious job scenario in India. The tobacco industry, which is highly labour-intensive (especially the farming end of it), is bound to be adversely impacted.

Loss of jobs due to increase in smuggling and counterfeiting is not on the radar of policy makers. Ficci Cascade (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) for the first time in 2019 commissioned a study to identify the potential gains from containing illicit trade in the country. In just five sectors — textiles, tobacco products (cigarettes), readymade garments, capital goods (machinery and parts), and consumer (electronic) durables — potential exists for creating over 1.6 million additional jobs that are currently being lost due to smuggling of these items, after taking into consideration the sectors' backward linkages and multiplier effects.

Loss of jobs due to increase in smuggling and counterfeiting is not on the radar of policy makers. In just five sectors, there is potential for creating 1.6 million additional jobs now lost through smuggling

Any increase in tax on cigarettes is damaging for the domestic industry. Already, the livelihood of 26 million Indian farmers and farm labourers is under pressure due to high taxation. Their cumulative drop in earnings is estimated at over ₹5,000 crore between 2013-14 and 2018-19. In fact, smuggled and illicit cigarettes are estimated to use 17 million kg of unaccounted tobacco, which ends up depriving Indians of jobs and creating them in other tobacco growing countries.

The level of taxation on a commodity like tobacco products also has a bearing on people's health. The government holds that by increasing tax rates on cigarettes, it can bring about a reduction in its consumption and thus the health hazard for people can be minimised. However, it is clear from government data itself that an increase in tax rates on cigarettes leads to a commensurate rise in the share of the grey market — smuggled, counterfeit and illicit products made in an unhygienic environment. Such products of inferior quality are more injurious to health than genuine tax-paid products.

The NCCD will further the incidence of cigarette smuggling in India. The ill-effects of the rampant sale of smuggled and illicit cigarettes include the opening of the hawala route to transferring money, generation of black money which is a direct result of money laundering, and serious security concerns, as illicit trade and smuggling has an established link with terrorism. Top terror groups like al Qaeda, Taliban, ISIS and Hezbollah have been using proceeds from smuggling and illicit trade to fund their nefarious agendas.

The Ficci Cascade study estimates that cigarette smuggling increased from ₹7,183 crore in 2015-16 to ₹8,750 crore in 2017-18, leading to a 14-20 per cent loss of output for domestic tobacco manufacturers. These estimates are based on data from government sources or international agencies such as UN Comtrade. The tax burden on cigarettes trebled between 2012-13 and 2017-18. Adding successive year-on-year increases in excise rates between 2012-13 and 2016-17 amounted to a compounded annual growth rate (CAGR) of 15.7 per cent. Tax collections, however, increased at a CAGR of only 4.7 per cent, indicating suboptimal revenue collections, resulting from unduly high duty rates. In 2017-18, the GST rate, contrary to the revenue neutral principle, as promised by the government, significantly increased the tax burden on legal cigarettes by 19 per cent.

Taxation has a critical impact on volumes of both legal and illicit cigarettes. Policy makers often lose sight of the fact that the higher the rate of tax, the higher the illegal profit in evasion. There has to be perfect compatibility between higher rates of taxation and higher efficiency levels of enforcement agencies to check evasion effectively. Therefore, striking the right balance in setting the tax rate is critical. While taxation on legal cigarettes was increasing, the trade in illicit and smuggled cigarettes increased from 21.8 billion sticks in 2013 to 26.4 billion sticks in 2018, a 21 per cent jump. Stability in tax rates ensured that the illicit cigarette market grew, albeit at a relatively slower pace.

In India, cigarettes account for only 9 per cent of the total tobacco consumed, with the remainder comprising non-cigarette and illicit products, on which the tax burden is almost negligible. While overall tobacco consumption in India increased from 320 million kg in 1981-82 to 544 million kg in 2017-18, the share of legal cigarettes fell from 86 million kg to 52 million kg during this period. Clearly, while tobacco continues to thrive, it is the legal cigarettes that continue to bear the brunt. International studies show that taxes on cigarettes in India are the second-highest in the world, and prices in India are much higher than in neighbouring countries and many developed countries.

So, it is important to reconsider the decision to hike taxes on cigarettes. This would lead to increased revenue and greater job creation, address health concerns, rein in anti-social elements and curtail the generation of black money.

The writer is former chairman, CBIC

OTHER VIEWS

COVID-19 pandemic can wreck India's health care system

The tough and proactive steps taken by the Centre and states are welcome

India's tough decision to virtually ban all foreigners from entering the country for a month, and ask everyone, including Indians, to defer travel unless necessary, came an hour before the World Health Organisation (WHO) finally declared the coronavirus disease (COVID-19) a pandemic on Wednesday. While WHO lingered over whether to call COVID-19 a pandemic on the grounds that it may fuel panic, India proactively adopted an agile and aggressive disease-control approach that involved daily inter-ministerial reviews and updated advisories, weeks before the first cases were reported in Kerala. Such disease containment efforts have prevented, so far, the community transmission of COVID-19, with the disease being limited to people who got infected overseas or their contacts in India.

An epidemic can easily overwhelm India's already overburdened health system. This makes it imperative to rigorously enforce travel restrictions, surveillance, contact tracing, social distancing, and sharing updated information with the public to stop panic and prevent the spread of infection. With the window of global containment of the virus closing fast, the government is right in adopting assertive infection-control measures, even if these measures cause short-term public inconvenience, restrict personal freedom, and lead to the possible cancellation of popular events. India must treat the pandemic as a threat to social security that will, if it spirals out of control like it did in China, Italy, South Korea and Iran, destabilise the economy and wreck health systems.

Hindustan Times, March 13

Road deaths: A poor record

India needs to do much more

Union Transport Minister Nitin Gadkari has expressed optimism that the significant amendments made to the Motor Vehicles Act have begun reducing the terrible death toll due to accidents on India's roads. As the prime mover of these changes, he finds the reported reduction in crashes, notably in Gujarat, Uttar Pradesh, Manipur, Jammu and Kashmir, Andhra Pradesh, Chhattisgarh and Maharashtra, proof of the law's beneficial impact. Any reduction in road safety incidents in a rapidly motorising country is encouraging, but the cold reality is that data on those who lose their lives or are incapacitated do not reflect a marked decline. The new Motor Vehicles law does have more muscle in being able to levy stringent penalties for road rule violations — some States are using it — but that is not the same as saying that India has moved to a scientific road system marked by good engineering, sound enforcement, appropriate technology use and respect for all road users.

The transition to a professional road environment requires implementation of first-tier reforms that deal with quality of road infrastructure, facilities for vulnerable users and zero-tolerance enforcement of rules by a trained, professional and empowered machinery. To save lives on highways, quality trauma care at the district level holds the key.

The Hindu, March 13

Govt schools in dismal state

They lack basic infrastructure

A parliamentary panel on education recently revealed that almost half of India's government schools have neither electricity nor proper playgrounds. The panel also chided the government for its "dismal" rate of progress in building classrooms, libraries and laboratories to modernise higher secondary government schools. The figures speak for themselves: Out of 2,613 projects sanctioned for 2019-20, only three had reached completion in the first nine months of the financial year.

All of these figures, along with the revelations of the parliamentary panel, point to a marked lack of focus on building robust infrastructure, which is a key facet in education. Given that the parliamentary panel also highlighted shortfalls in funding and utilisation as causes for such severe lapses in infrastructure, would it be unreasonable to infer that such lapses are not entirely unintentional? The paucity of playgrounds might bolster this suspicion. Recreation is fundamental to all-round education. As such, the fact that less than 57 per cent of schools have them suggests a dogged refusal to move away from an orthodox education policy that only prioritises studies and rote learning over leisure and recreation. A modern school system, which should be a top priority of the State, will be impossible to put in place without electricity and recreational facilities.

The Telegraph, March 13

Centre declares outbreak a 'notified disaster'

84 infected as coronavirus spreads

PRESS TRUST OF INDIA
New Delhi, 14 March

The Centre has decided to treat coronavirus as a 'notified disaster' for the purpose of providing assistance under the State Disaster Response Fund (SDRF) and has announced an ex-gratia payment of ₹4 lakh to families of those who die of the novel coronavirus.

The disaster management division of the Union Home Ministry has issued a letter to the chief secretaries of all the states. The number of coronavirus-positive cases in the country has risen to 84, which includes the two deaths in Delhi and Karnataka, the Union Health Ministry said.

Seven persons who tested positive, including five from Uttar Pradesh and one each from Rajasthan and Delhi have been discharged after treatment, a senior health ministry official said.

Delhi has reported six positive cases and Uttar Pradesh 11 so far. Karnataka has six coronavirus patients, Maharashtra 14 and Ladakh three while Jammu and Kashmir reported two cases.

Besides, Rajasthan, Telangana, Tamil Nadu, Andhra Pradesh, and Punjab have reported one case each.

Kerala has recorded 19 cases, including three patients who were discharged last month after they recovered from the contagious infection.

The total number of 84 confirmed cases includes 17 foreigners — 16 Italian tourists and a Canadian, the ministry said.

"The number of coronavirus-positive cases in India has risen to 84," Special Secretary in the health ministry, Sanjeeva Kumar, said, adding that more than 4,000 people who had come in contact with those testing positive have been identified through contact tracing and are under surveillance.

He further said that there have been cases of people not willing to be quarantined, despite coming in contact with people testing positive.

He informed that a Mahan Air flight bringing back Indian passengers from Iran will land in Mumbai on Saturday midnight. A special Air India flight is also being sent to Milan in Italy on Saturday to bring back Indian students, he added.

Health officials disinfect a street in Jammu on Saturday, in a bid to contain the coronavirus pandemic. So far, two persons have tested positive for the virus in Jammu & Kashmir
PHOTO: PTI

CORONAVIRUS PANDEMIC

Kumar said all essential facilities like community surveillance, quarantine, isolation wards, adequate PPEs, trained manpower, rapid response teams are being strengthened further in all states and UTs.

The government on Friday declared masks, including N95, and hand sanitisers as 'essential commodities' under the Essential Commodities Act in the wake of the coronavirus scare leading to shortages and black marketing of these items.

These items will remain under essential commodities segment till June-end, a move aimed at ensuring availability at reasonable prices and cracking down on hoarders and black marketeers.

Even as the World Health Organisation declared the novel coronavirus a pandemic, the health ministry officials on Friday asked people not to panic, saying no community transmission of the virus has been observed and there has only been a few cases of local transmission so far.

The Centre, as part of its measures to contain the spread of the disease on Friday announced that people will be allowed to travel through 19 of 37 land border checkposts from Saturday midnight and services of Indo-Bangladesh cross border passenger trains and buses will continue to remain suspended till April 15.

Only four Indo-Nepal border checkposts will remain operational, and for citizens of Bhutan and Nepal visa-free entry to the country will continue, the home ministry's Additional Secretary Anil Malik had said.

He said the decision on closing the Kartarpur corridor is under consideration The government on Wednesday suspended all visas, barring a few categories like diplomatic and employment. It also asked Indian nationals to avoid all non-essential travel abroad.

All incoming international passengers returning to India should self-monitor their health and follow the required do's and dont's as detailed, the government said. Meanwhile, a 71-year-old man who had returned from Saudi Arabia and was suspected to have coronavirus infection died during treatment in Maharashtra's Buldhana district on Saturday afternoon, a hospital official said. He was suffering from diabetes and high blood pressure. The last rites of a 68-year-old woman, who died in the national capital after being infected with coronavirus, were performed on Saturday at the CNG crematorium at Nigambodh ghat under supervision of medical authorities.

Doctors from the Ram Manohar Lohia (RML) hospital and from MCD oversaw the funeral after the crematorium staff reached out to the authorities seeking directives on ensuring that the infection didn't spread from the body.

Officials said the Nigambodh Ghat Sanchalan Samiti, which manages the operations at the crematorium, delayed the last rites by a few hours and approached municipal authorities to seek directives in view of the coronavirus outbreak.

Across the country, institutions seem to be taking steps to protect themselves. Six benches of the Supreme Court will on March 16 take up only 12 urgent matters each to avoid overcrowding of court rooms, following the decision to restrict the apex court functioning in the wake of the coronavirus outbreak.

Among the important matters which have been listed for hearing on Monday are anticipatory bail pleas of civil rights activists Gautam Navlakha and Anand Teltumbde, accused in the 2018 Bhima Koregaon case, and a petition by a Nirbhaya case convict.

The court, which had on March 13 announced that only six of the 15 benches will be sitting to hear only urgent matters, on Saturday issued instructions for the staff, including thermal screening of all employees and closure of cafeterias.

KEY UPDATES

- Coronavirus deaths have crossed 5,400 worldwide
- In India, more than 4,000 people who had come in contact with the 84 patients are under surveillance
- Seven persons, who tested positive, have been discharged after treatment
- A special Air India flight will head to Milan on Saturday to bring back Indian students, said the health ministry
- Bombay HC will hear only urgent matters
- Bus stands, railway stations in Bengaluru deserted, malls, cinema halls closed
- Press gallery passes and entry for show around in the Parliament complex suspended as a precautionary measure

PHOTO: WWW.TIRUMALA.ORG

Over 60,000 visit Tirumala every day despite scare

T E NARASIMHAN
Chennai, 14 March

Even as people across the country are staying away from crowded places owing to the coronavirus outbreak, the situation at the Balaji Temple in Andhra Pradesh's Tirumala is somewhat different. The pilgrim flow to the shrine has been over 60,000 every day since the virus surfaced.

But compared to the inflow on March 1, which was 83,521 pilgrims, the rush to Tirumala has reduced. One of the key factors is the board exams in the neighbouring state of Tamil Nadu.

According to the Tirumala Tirupati Devasthanams (TTD), on March 12, 61,652 pilgrims had darshan, after waiting for nearly five hours, compared to 57,352 on March 11, after they waited for nearly eight hours. On February 12, about 61,860 pilgrims had darshan.

The TTD, which manages the temple, is taking measures to check coronavirus. It has appealed to those coming from abroad to postpone their pilgrimage to Tirumala for 28 days from the day they stepped into India.

The virus started spreading across the world since February and people have been advised to stay away from public places. Also, companies have started asking employees to work from home.

In beginning of February, the number of pilgrims stood at 59,015. Pilgrims need to wait from three hours to 10 hours at the temple for darshan.

TTD's executive officer Anil Kumar Singhal said it rolled out effective measures to check the impact of coronavirus. An awareness and counselling centre was set up at Alipiri check point, as part of the state and central government's initiatives to check the spread. Accordingly, coronavirus prevention camps have been set up with thermal scanning at Alipiri check point and other places.

"If symptoms are identified, the pilgrim will be stopped from entering Tirumala and diverted to isolation wards at Ruia Hospital," he added. The executive officer said special focus has been given to sanitation and cleaning in Tirumala is being taken up every two hours.

RS polls: Fearing horse-trading, Gujarat Cong shifts legislators

PRESS TRUST OF INDIA
Ahmedabad, 14 March

The Gujarat Congress on Saturday started shifting its MLAs to different destinations outside the state, fearing horse-trading ahead of the Rajya Sabha elections to be held on March 26.

Around a dozen Congress MLAs arrived at Ahmedabad airport to board a flight, with MLAs themselves saying they have no clue where they are going.

The Congress decided to shift its MLAs, even when the Assembly session is underway, after three BJP candidates and two from Congress filed their RS poll nomination forms on Friday for four seats.

MLAs like Himmatsinh Patel, Ganiben Thakor, Chandanji Thakor, Rutvik Makwana, Bharatji Thakor, Lakha Bharwad, Nathabhai Patel, Ajitsinh Chauhan, Harshad Ribadiya, Chirag Kalariya and others were seen at Ahmedabad airport, as they arrived to board flights to unknown destinations.

Sources said the MLAs will go in separate groups to Congress-ruled states like Rajasthan and Chhattisgarh.

Talking to the media, MLA Baldevji Thakor said, "For now I am going to Delhi. From Delhi, the party will decide where I will go. We have to go to three to four different places."

The Congress' move is to thwart any attempt at cross- voting.

BJP can win two seats, but it will require cross-voting from Cong MLAs to win the third

It has fielded senior state leader Shaktisinh Gohil and Bharatsinh Solanki, while the BJP has fielded Abhay Bhardwaj, Ramila Bara, and Narhari Amin.

According to the seat strength in the Assembly, the BJP can win two seats, while it will require cross-voting from Congress MLAs to win the third seat, as this would require 111 votes.

IT'S RAINING CATS AND DOGS

Heavy rain and hailstorm pummelled Delhi on Saturday afternoon, creating a new record for March. The Safdarjung observatory has recorded 101.9 mm of rainfall in March this year. Delhi received rain on nine days this month
PHOTO: SANJAY K SHARMA

Two major Russian arms deals likely next week

Weaponry worth $15 billion in Moscow pipeline, underlining Russia's status as India's premier arms supplier

AJAI SHUKLA
New Delhi, 14 March

On Wednesday, the Ministry of Defence (MoD) will clear the purchase of one, and possibly two, Russian weapons systems, taking orders in the Moscow pipeline to above $15 billion and underlining Russia's status as India's premier arms supplier.

The Defence Acquisition Council (DAC) — the MoD's apex procurement body, headed by Defence Minister Rajnath Singh — is poised to clear the purchase of the 9K338 Igla-S missile system for a sum of $1.3 billion.

India will buy 800 launchers and 5,175 Igla-S missiles, which fall in the so-called "Very Short Range Air Defence System" (VSHORADS) category.

The VSHORADS procurement has been mired in controversy. The Igla-S is a 16-year-old missile system, first built in 2004, which the Russian military replaced in 2014 with the newer, far more capable, 9K333 Verba missile.

After the MoD announced in November 2018 that it had chosen the Igla-S over, the other two VSHORADS on offer — Swedish firm Saab's RBS-70; and the Mistral, offered by European consortium, MBDA — Saab shot off four letters of protest to the MoD alleging foul play in testing.

However, internal MoD evaluators ruled that testing had followed procedure. In a reply to Saab that *Business Standard* has reviewed, the MoD wrote: "The case has progressed as per provisions of Defence Procurement Procedure (DPP) with level-playing field to all the participating vendors."

Apparently, the MoD feels the Igla-S met India's needs and Rosoboronexport's price of under $1.47 billion makes it a value proposition compared to Saab's tag of $2.6 billion and MBDA's offer of $3.68 billion.

Russian industry sources say that, when the Indian tender was floated in 2010, they had only the Igla-S to offer since the Verba was not ready. In 2014, when the Russian military introduced the fourth-generation Verba, Rosoboronexport offered to replace the Igla-S with the new missile. However, the MoD said the DPP did not permit this change.

Consequently, the Indian military will get an obsolescent VSHORADS that will be almost two decades old by the time it enters service, and almost fifty years old at the end of its service life cycle.

Furthermore, since the 2010 tender did not specify any 'Make in India' stipulations, production of the Igla-S will take place mostly in Russia.

VSHORADS are the ground forces' last defence against attack from enemy ground strike aircraft. At the apex level, the IAF is responsible for air defence, which it does by bombing enemy airfields to prevent combat aircraft from even taking off. Those that do manage to enter our airspace are engaged with the IAF's fighters and missiles. However, some enemy aircraft still sneak through to attack ground troops, who protect themselves with VSHORADS.

The MoD is also racing against time to bring before the DAC the long-delayed proposal to build 197 Kamov-226T helicopters for an estimated $2 billion. This is being touted as a 'Make in India' initiative, with the choppers being built by a joint venture (JV), Indo-Russian Helicopters Ltd (IRHL). The biggest stakeholder in the JV is Hindustan Aeronautics Ltd (HAL) with a 50.5 per cent stake, while Russian Helicopters has a 49.5 per cent stake.

However, there will be only limited indigenisation. The inter-governmental agreement (IGA) between New Delhi and Moscow permits Russian Helicopters to deliver the first 60 helicopters in flyaway condition. The next 40 helicopters would be shipped as kits from Russia to be assembled in India. Only after that would indigenisation pick up momentum over the last 97 choppers.

The VSHORADS and Kamov-226T contracts will supplement the on-going purchase from Russia of S-400 air defence systems ($5.43 billion), AK-203 rifles ($1 billion), Krivak III frigates ($2 billion), BrahMos anti-ship missiles ($2.6 billion) and a supplementary order for 18 more Sukhoi-30MKI fighters ($1.15 billion).

This will take the value of on-going arms imports from Russia to $15 billion — far more than any other country, including the US.

Washington, however, has created a lever to discourage Indian weapons imports from Moscow. A recent US law — Countering America's Adversaries Through Sanctions Act (CAATSA) — requires the US government to sanction countries that engage in "significant transactions" with Russian, Iranian and North Korean entities. The US president has the power to grant India a waiver from CAATSA. However, without large arms purchases from the US, there is no certainty that Donald Trump would grant a waiver.