

<p><b>STOCKS IN THE NEWS</b></p> <p><b>Bajaj Finance</b></p> <p>Market cap fell below ₹2-trillion mark; down 36% in one month</p> <p>₹3,062.15 CLOSE</p> <p>▼ 11.11% DOWN*</p>	<p><b>IndusInd Bank</b></p> <p>Sharpest single-day fall since listing on Jan 29, 1998</p> <p>₹459.85 CLOSE</p> <p>▼ 23.90% DOWN*</p>	<p><b>Bharti Airtel</b></p> <p>SC refuses further relief on adjusted gross revenue dues</p> <p>₹426.20 CLOSE</p> <p>▼ 6.14% DOWN*</p>	<p><b>Larsen &amp; Toubro</b></p> <p>Approves first interim dividend of 500% or ₹10 per share for FY20</p> <p>₹904.05 CLOSE</p> <p>▼ 5.35% DOWN*</p>	<p><b>Oil &amp; Natural Gas Corporation</b></p> <p>Now most valuable state-owned oil &amp; gas stock in terms of m-cap</p> <p>₹65.95 CLOSE</p> <p>▲ 9.83% UP*</p>
--	--	---	--	---

## Domestic air traffic rises 9 per cent in February

Domestic air traffic rose 9 per cent in February on the back of low base, one additional day (29 days in February this year) and extra deployment of capacity in domestic market after withdrawal of China flights. Last month, domestic carriers flew 12.3 million passengers — a growth of 8.98 per cent over same month last year, the DGCA said. In January, traffic grew 2.2 per cent while full year growth on YoY basis in 2019 was 3.74 per cent. March is seeing muted demand and even domestic sectors have seen 15-20 per cent drop in bookings but the previous month saw high single-digit growth as airlines increased capacity on domestic routes. "There is a low base effect, too, apart from one additional day in February. Jet Airways, which closed down last April, began curtailing its network from January. Its market share reduced from 13.6 per cent to 11.4 per cent in February 2019 over January," said Parth Gala of Prabhudas Lilladher, a broking firm.

### Cannes Ad Fest postponed due to coronavirus

The Cannes Advertising Festival has been postponed due to the coronavirus outbreak. The festival, held every year in June, has been pushed to October, the organisers said on Wednesday. They also said they were monitoring the situation and were coordinating with the French authorities, since the outbreak was growing in France and rest of Europe.

### Karan Bajwa named Google Cloud India MD

Google on Wednesday said it had appointed former IBM executive, Karan Bajwa, MD of Google Cloud in India. He will be responsible for driving all revenue and go-to-market operations for Google Cloud's portfolio that includes Google Cloud Platform and G Suite, it said. Google Cloud's field sales, partner and engineering organisations in India will also report to him, it added.

### Rajiv Bajaj renamed MD, CEO of Bajaj Auto

Bajaj Auto on Wednesday said its board had approved the re-appointment of Rajiv Bajaj as MD & CEO of the firm. The appointment was given in board meeting held on Tuesday. "Rajiv Bajaj, MD and CEO, whose five-year term expires on March 31, has been re-appointed for a period of five years with effect from April 1," the firm said.

### Yatra.com waives flight cancellation charges till Mar 31

Yatra.com has waived all flight cancellation charges until March 31 due to COVID-19 crisis. "We are offering full refunds to customers. This is an unprecedented situation and our call volumes have increased by over 8 to 10 times from normal levels," said Dhruv Shringi, cofounder of Yatra.com.

## Air India crew union calls pay cut illegal

ANEESH PHADNIS  
Mumbai, 18 March

Air India on Wednesday implemented a series of cost-saving measures, including reduction in allowances and fuel reimbursement for officers. However, the move is being resisted by its cabin crew — All India Cabin Crew Association (AICCA) — who have called the move discriminatory and illegal.



Around the world, airlines are responding to COVID-19 crisis with sharp reduction in capacity, pay cuts and layoffs. Air India, too, has decided on cost-saving measures that include withdrawal of entertainment allowance of executive pilots, 30-40 per cent cut in subsistence allowance paid to cabin crew on their foreign layovers and 10 per cent reduction in fuel reimbursement for all officers. In his letter, Air India's Executive Director (Finance) S K Singh said the steps were being taken in view of financial position of the firm. AICCA has called the reduction in allowances discriminatory and illegal. "This unilateral change in service conditions and reduction in emoluments are also violations of industrial law of workmen cabin crew," AICCA General Secretary Sanjay Lazar wrote in an email. Lazar said cabin crew had been denied 25 per cent of their emoluments for past five years and the issue is pending before the Supreme Court. Air India is duty bound to maintain status quo and demanded the withdrawal of pay cut order, he added.

# Small players cash in on 'fear economy'

As COVID-19 scare spreads, indigenous makers of masks, thermo scanners and sanitizers seize the day

PAVAN LALL  
Mumbai, 18 March

The 'sin economy' thrives on tobacco, liquor and gambling, and 'good times economy' posits as online. One example is Fearless, made by Fearless Pharma, run by Sajjan Raj Kurup, who got into the business recently with a suite of disinfectants.



**CORONAVIRUS PANDEMIC**

"Raw materials are not available and we are not being able to make what we want because it is a volume procurement game," he said. "In the future, we may be looking at setting up a small unit as opposed to contract manufacturing." He goes on to say that people are scrambling to order ethanol. Contract suppliers say they are not sleeping for five days because so many small contract manufac-

urers want ethanol and other chemicals to quickly push their versions of sanitizers. Sterillium, which is the gold standard and the most efficacious hand cleanser, is out of stock. Dr Shahavir Noorayzdan, a Mumbai doctor who also runs a medical device venture, said that as with sanitizers there were various levels of efficacy. "The bottom line is that you need 70 per cent Isopropyl



**THE ORIGINALS**

Sterillium sanitizer | 3M respirator masks | Fluke anti-touch thermometers

alcohol and with some of the stuff that is being sold on Amazon and small stores, there's no guarantee you get that," he said. "The gel-based hand cleansers are largely glycerine and don't even come close to killing bacteria and virus."

Business Standard called up one dealer of thermal non-contact thermometers who indicated that only orders of greater

than 25 would be taken and it would take a week to deliver. The prices he said were also higher. Devices that normally retailed for ₹2,000 were being sold for ₹9,000.

There are several brands of infra-red non-contact thermometers that include Chinese ones and local labels like Puja Engineering. But US-based Fluke Corporations' products are the best known ones.

A cheaper infra red thermometer is for sale online by a company called Shreenika. Its other products include sunglasses and insoles for shoes. Industrial giant 3M makes the best respiratory masks that range from surgical protection to more sophisticated models that filter out particulate matter in different sizes. Of course, in many shops, their masks are out of stock. Now, even garment makers are switching to masks made out of fabric that are designed and look close to those of medical grade equipment.

Color Fuel, a Delhi-based maker of women's dresses and kurtas, has started making surgical masks that are disposable daily and masks which retail for around ₹10 or ₹15 a piece. "Price is going up with demand," said Sadique Siddiqui, director of the firm. "The real demand in the industry is being inflated by WhatsApp and the social media and that's why raw material prices are going crazy. This mask could have even come for ₹5."

## If AGR is staggered, Airtel, Voda to pay ₹7,881 cr a year

SURAJEET DAS GUPTA  
New Delhi, 18 March

Under a payment scheme staggered over 20 years, Bharti Airtel and Vodafone Idea together have to pay around ₹7,881 crore annually (the latter around ₹5,235 crore) towards their AGR dues.

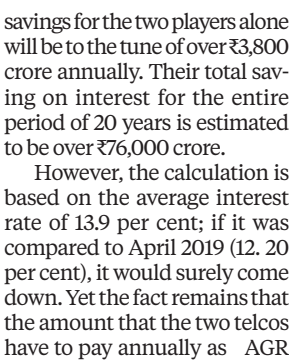
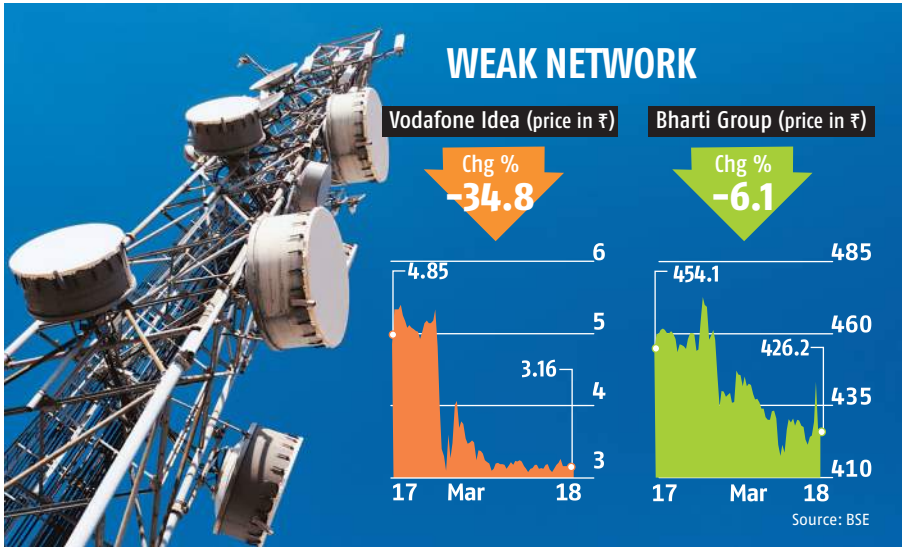
Analysts say the figure comes from the Department of Telecommunication's proposal for a staggered payment scheme with an interest rate of 8 per cent per annum.

The reasonable outflow is despite the fact that the total AGR dues calculation is based on the demand made by the DoT which is far higher than the submissions of the telecom companies.

It is also based on the balance payment of AGR dues which they have to make after adjusting their recent payouts, made on the basis of their calculation of the AGR dues they owe the government.

Bharti Airtel, for instance, has already paid ₹18,000 crore of its AGR dues. The 8 per cent interest tag is far lower than the average applicable interest rate of around 13.9 per cent as specified in the licence conditions rate from April 2003 to April 2019. It has been pegged to the State Bank of India's banks' Prime Lending Rate and later on to the Marginal Cost of Fund Based Lending Rate and ranges from as high as 16.75 per cent to as low as 11.80 per cent.

As a result of the lower interest rate for the instalments, the



savings for the two players alone will be to the tune of over ₹3,800 crore annually. Their total saving on interest for the entire period of 20 years is estimated to be over ₹76,000 crore.

However, the calculation is based on the average interest rate of 13.9 per cent; if it was compared to April 2019 (12.20 per cent), it would surely come down. Yet the fact remains that the amount that the two telcos have to pay annually as AGR dues is less than half the ₹18,024 crore they pay every year for deferred spectrum payments.

And thanks to the two-year moratorium offered by the government recently, this will go up to ₹23,918 crore a year, three times more than what they will have to pay every year for the AGR dues. Yet, seen from

another perspective, the burden is still substantial. For instance, based on industry data, Vodafone-Idea pays around ₹4,440 crore per annum as licence fee and Spectrum Usage Charge (SUC). The over ₹5,235 crore it has to

fork out for AGR dues will be over and above this amount, making the total it pays out ₹10,000 crore per annum. Moreover, with revenues increasing, both the licence fee and SUC will only increase.

At the industry level, if all telcos (even those which have shut shop or are in the National Company Law Tribunal) had to pay their AGR dues, the government will receive over ₹14,250 crore annually for 20 years. This figure is much lower than the ₹21,000 crore the government would receive if the interest rate on the instalments was pegged at 13.9 per cent. But practically speaking, it will be able to get AGR dues mainly only from companies which are still in operation and this comes to ₹9,183 crore annually.

## Jet Airways gets 90-day extension for resolution

SUBRATA PANDA  
Mumbai, 18 March

The National Company Law Tribunal (NCLT) has granted a 90-day extension to Jet Airways' corporate insolvency resolution process (CIRP).

The earlier 270-day CIRP period was, under the rules, to end on March 15. A 90-day extension is legally allowed.

The Resolution Professional's counsel argued the lenders would get better value for their assets if these were sold in the CIRP period via a formal resolution plan, instead of the liquidation value also, some entities had shown interest and not withdrawn; a fair chance should be given to revive the airline company.

This is an exceptional case of extension beyond the 330-day limit under the insolvency and bankruptcy code.

Ashish Pyasi, associate partner at Dhir and Dhir Associates, said this was well within the parameters laid down by the Supreme Court in the matter of Essar Steel.

Last week, the committee of creditors (CoC) had decided to ask for extension to the CIRP. A plan to revive the company was still to be finalised, while none of those in the fray had backed out. The grounded airline did not get a proposal for revival until the final date for sending a resolution plan on March 9. According to sources, three entities are still in the fray.



These are Russia-based Far East Development Fund, Delhi-based Prudent ARC and South America-based Synergy Group. Prudent ARC had sought more time to raise funds from investors but failed to muster a plan. Synergy had issues regarding airport slots in India and abroad. And, some reservations about past liabilities of the airline.

The sources said there would not be a new call for bids. If anyone shows interest, the CoC would consider it. This was the second occasion the lenders called for a resolution plan; the first round of bidding did not yield much. The deadline for prospective suitors was extended repeatedly. The total claim amount of the creditors is ₹36,090 crore, of which ₹14,640 crore was admitted as on October 20. Jet had shut its operations in April 2019 and was taken to the insolvency court two months after by its lenders.

Currently, Jet has 12 aircraft — three Boeing 737s, six Boeing 777s and three Airbus A330s, (including one leased to Air Serbia).

## As Indians stay indoors, they are binge-watching OTT shows

Viewership on OTT platforms has gone up by 20% in the past few days as corporates have allowed employees to work from home

SOHINI DAS  
Mumbai, 18 March

As many Indians are working from home amid the viral outbreak, there has been a clear spike in viewership across several over-the-top (OTT) platforms in the past few days. Most platforms have observed a 20 per cent rise in viewership, especially in metros like Delhi, Mumbai and Bengaluru.

Now, people have more time to spend watching video content online. "The usual watch time in mornings used to be while travelling, and therefore on phones. Now, we are witnessing a surge in content being watched on television," said a senior official of an Indian OTT platform.

Zee5, for example, has seen a significant jump in the consumption on connected devices, its spokesperson said. "This could be attributed to people working from home in the past week," the spokesperson said. Zee5 has seen consumption spike across key metros, with audiences consuming content in a

variety of languages.

Neeraj Roy, founder and chief executive officer, Hungama Digital Media, said, "In order to ensure their safety, most corporates have either already allowed their employees to work from home or are in the process of doing so. We have seen over 20 per cent jump in streaming numbers on Hungama Play between March 1 and March 16. These numbers are expected to rise as Indians start practising social distancing and turn to the digital medium to make up for lack of social interactions."

Roy threw in some insights. Besides an increase in streaming numbers, Hungama has also noticed a shift in the peak consumption hours. "Consumption in the morning is generally high between 8 am and 10.30 am. This is now extended until 11.30 am," he said. With office commute coming to a halt, the same time is now being utilised for content catch-up. Similarly, the evening, peak consumption period now starts at 6 pm, as opposed to 8 pm, and remains high until midnight. "We have also



observed a rise in video consumption between 1 pm and 3 pm, which are normally lunch hours," Roy said.

So far, the viewership growth has been witnessed in metros — Delhi, Mumbai and Bengaluru — where people spend more hours in commute compared to smaller cities. However, OTT platforms expect the smaller cities, too, catch up on the trend, as social distancing becomes a norm for the next one month at least.

Viacom18's OTT platform Voot

launched its subscription-led platform Voot Select in the beginning of this month. It came armed with a slew of original series content to encourage the viewer to switch from the advertising-led video on demand (AVoD) to subscription platform (SVoD).

Ferzad Palia, head of Voot Select, youth, music and english entertainment of Viacom18, said they had seen a significant demand for subscription among users driven by both the new content on offer and also the additional

### WATCH THIS!

- Viewership growth has been witnessed in metros — Delhi, Mumbai and Bengaluru
- Zee5, for example, has seen a significant jump in the consumption on connected devices
- With office commute coming to a halt, the same time is now being utilised for content catch-up
- Platforms also expect new viewers to join in, and are hopeful that once normalcy is restored they will continue to consume videos online

drive the demand for OTT content, felt some of the players. Another India OTT platform, which did not wish to be quoted said they had seen a rise in people watching older episodes of programmes. "There has been a 15-20 per cent rise in OTT viewing, given people now have little choice," said a senior official.

Platforms also expect that new viewers will join in during this period, and once normalcy is restored, they will continue to consume videos online.

### Are advertisers queuing up?

A few categories like food and online delivery services have seen some traction. Some big-ticket events like IPL get deferred due to virus outbreak. It is the biggest platform for advertisers and ad spends are likely to be moved to digital and OTT platforms.

"However, since India has just moved to social distancing, it'll take some time to see a visible increase in ad spends. A few categories that already seem to have amped up their advertising efforts on OTT platforms include food and online delivery services, personal care and hygiene products. Going further, we expect to see an increase in the ad spends of FMCG, pharma, health and life insurance, besides medical care services," Roy added.