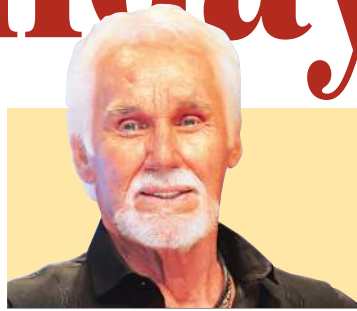


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WORLD P8
COUNTRY MUSIC LEGEND
KENNY ROGERS DIES AT 81

WORLD P8
GOLDMAN CEO BUCKS STREET
TREND WITH 20% PAY BUMP



RBI EXTENDS PMC BANK MORATORIUM BY THREE MONTHS



The Reserve Bank of India extended the moratorium – restrictions on conducting business – on fraud-hit Punjab and Maharashtra Co-operative Bank (PMC Bank) by three months till June 22. The Mumbai-based urban cooperative bank was placed under moratorium from the close of business on September 23, 2019, to protect depositors' interest. The RBI said it was "working out a scheme for the bank's revival... and considered necessary to extend the moratorium".

BACK PAGE P12 Banks in a haze over ₹200-cr stressed loans

The banking industry is in a quandary after the Indian Banks' Association withdrew its communiqué calling attention to a finance ministry letter on the treatment of stressed companies that have taken loans of up to ₹200 crore. The ministry's letter had said banks were to work with the promoters of these companies to find long-term solutions. RAGHU MOHAN & ABHIJIT LEL report

ECONOMY & PUBLIC AFFAIRS P6 ICRA downgrades rating for Future Group firm

ICRA downgraded the rating for term loans of Future Group holding company, Future Corporate Resources, to non-investment grade on high debt levels of the Kishore Bhiyani-led group. The rating was lowered from "BBB" to "BB+" and factored in a substantial increase in the pledged shareholding of the promoter.

WORLD P8 US oil companies hit badly as prices collapse

The energy sector has buckled in recent weeks as the global demand for oil suddenly shrivelled and oil prices plunged. The crisis has been a body blow to the American oil and gas industry. Already heavily indebted, many companies are now struggling to make interest payments on the debt they carry.

IN DEPTH The secret sauce of a merger



Most acquisitions fail because of a cultural clash. But Conzerv Systems and Schneider Electric managed this thorny issue successfully. HEMA HATTANGADY & ASHISH SEN throw light on what worked for the two companies

Cabinet nod to incentive plan for device firms

Decision to help electronics manufacturers make India a global hub; Apple, Samsung may gain

NEHA ALAWADHI & SURAJEET DAS GUPTA
New Delhi, 21 March

In a move that may encourage global mobile device manufacturers such as the US-based Apple and South Korean major Samsung to make India one of their global hubs for exports, the Centre has announced a production-linked incentive (PLI) scheme with a budgetary allocation of ₹40,995 crore. Under the scheme, which was approved by the Union Cabinet on Saturday, electronics manufacturers will be offered incentives ranging from 4 to 6 per cent on their incremental sales of goods manufactured in India for a period of five years.

Together with the PLI, the government also announced a scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPCES) with an outlay of ₹3,285 crore over eight years, and Electronics Manufacturing Clusters (EMC) 2.0 with a budget of ₹3,762.25 crore spread over eight years.

Addressing the media on Saturday, IT and Telecom Minister Ravi Shankar Prasad said, "Because of these schemes, we hope to generate manufacturing revenue potential of ₹10 lakh crore (₹10 trillion) by 2025."

The PLI scheme will replace the current Merchant Export from India Scheme (MEIS), which was challenged at the World Trade Organization (WTO) and declared void in October 2019. The new scheme is WTO-compliant as it targets production of phones made by or for foreign players which have a manufacturing value of at least \$200, according to device manufacturers.

PRODUCTION PUSH

■ The production-linked incentive (PLI) scheme replaces the Merchandise Exports from India Scheme (MEIS)

■ Incentives will be linked to incremental sales and capital investment of companies

₹10 trillion
Revenue potential in production of mobile phones and components by 2025

₹50,000 crore
New investments in electronics manufacturing likely

500,000
Direct jobs, and 1,500,000 indirect ones, expected

35-40%
Rise in domestic value addition for mobile phones by 2025



Union ministers Ravi Shankar Prasad (left) and Prakash Javadekar at a press conference after the Cabinet meeting in New Delhi on Saturday

Govt okays ₹13K-cr package to boost drug production

The government has approved four schemes with an outlay of ₹13,760 crore to boost the domestic production of bulk drugs and medical devices in the country and exports. The Union Cabinet approved ₹9,940 crore and ₹3,820 crore for bulk drugs and medical devices, respectively. The Cabinet also approved a sum of ₹3,000 crore for the next five years for promotion of bulk drug parks for financing common infrastructure facilities.

PIB implements social distancing at Cabinet briefing

Seeking to implement measures of social-distancing to check the spread of coronavirus, the Press Information Bureau (PIB) gave journalists an option on Saturday – to watch the briefing on the cabinet decisions online and put questions to Union ministers through WhatsApp. The journalists present at the National Media Centre were asked to maintain a distance between each other by leaving seats and rows vacant.

BEFORE THE CURFEW, JANATA HEADS HOME



Migrant workers board a train, with the Maharashtra government imposing curbs on public gatherings to prevent the spread of COVID-19, in Mumbai on Saturday. Prime Minister Narendra Modi has asked people to observe janata curfew on Sunday

Aerospace firms hit turbulence over COVID-19

AIAI SHUKLA
New Delhi, 21 March

The coronavirus pandemic is creating ripples across the global aerospace components industry, with red lights flashing over its two most fundamental characteristics – global supply chains, which move materials and components rapidly across borders; and fabrication facilities, with large numbers of employees working in close proximity.

India, a growing player in the global aerospace industry, is directly impacted. Several hundred small, medium and large Indian firms manufacture or assemble some ₹10,000 crore worth of aerospace components annually for original equipment manufacturers (OEMs) such as Boeing, Airbus, Lockheed Martin, and Bell Helicopters.

Boeing alone sourced over ₹7,000 crore worth of components and services last year from over 200 Indian companies. Airbus, in turn, sourced over ₹4,500 crore worth of components and services from over 45 Indian companies.

Indian suppliers, from large corporates such as the Tatas and Mahindra to medium-sized high-tech manufacturers such as Dynamatic Technologies, cater to a common imperative: supplying top-quality components to their respective OEMs within a rigid time schedule.

Interfering with this now are disruptions relating to COVID-19. These include

delays or non-arrival of raw materials and inputs, disrupted financial flows, and growing absenteeism amongst production line workers.

Indian firms are searching for answers at three levels: Government assistance in managing this situation; assistance and clarity from the OEMs they supply; and internal measures to contain the pandemic.

From the government, there is little support or clarity. It was hoped that



Hundreds of Indian firms manufacture or assemble some ₹10,000 crore worth of components annually for OEMs such as Boeing, Lockheed Martin, and Airbus

Prime Minister Narendra Modi would announce financial support, such as low interest loans, moratoria on loan repayments, corporate tax cuts and direct cash transfers to workers, the way the US government is envisaging. However, in his address to the nation on Thursday, Modi was silent on these issues, and merely urged citizens to stay at home for the coming weeks.

Nor have Indian aerospace supplier been clearly advised by their OEMs about what to expect. A question that remains unanswered is: Will OEMs expect deliveries according to contracted schedules, or are delays now acceptable?

In the absence of clarity, Indian firms are reading the global tea leaves. Airbus shut down production this week for four days on orders from the French government. This could continue, with French workers unions urging the company not to resume production on March 23, when the deadline expires.

China vessels face 14-day quarantine

ADITI DIVEKAR
Mumbai, 21 March

India has imposed a 14-day quarantine on shipping vessels arriving from any port in China. The vessels arriving after 14 days of departure from a coronavirus-infected country are, however, not required to comply with the additional precautionary measures. Stoppages of a vessel at any port of the affected countries only for refuelling will not be considered for the calculation of 14 days.

These are part of the Directorate General of Shipping's (DGS's) guidelines for the ports in the country to deal with vessels and people on-board in light of the coronavirus pandemic.

Shipping services are needed to be operational so that essential goods and commodities like fuel, medical supplies and food grains are delivered, and to ensure that the economic activity of the nation is not disrupted, the DGS said in its order.

Ports that are not able to comply with the specified requirements have been told not to allow berthing for vessels arrived within 14 days from the infected countries.

According to the order, the master of a vessel, before arrival at its first port of call in India, will ascertain the state of health of each person on board and submit a declaration to the health authorities of the port. If the maritime declaration of health given by the master is found to be incorrect and not reflecting the factual conditions of health of persons on board the vessel, the master is liable to be prosecuted in accordance with the applicable laws, it said.

Also, the Maritime Declaration of Health will be forwarded at least 72 hours prior to arrival of the vessel at the port. If the voyage duration from the last port of departure is less than 72 hours, the declaration will be informed to the port immediately on departure from the port, said the order.

Data demand surges as people step up work from home

SURAJEET DAS GUPTA
New Delhi, 21 March

Indian telecom service providers have seen a 10 per cent surge in overall traffic as more and more offices switch to 'work from home' or people go into self-quarantine in their homes to combat the spread of coronavirus.

The demand for data dongles has also doubled in the last few days and many retailers are asking for a week to replenish their stocks due to the spurt in demand.

Rajan S Mathews, director general of the Cellular Operators Association of India, said feedback from its telecom members indicated a 10 per cent increase in traffic, but rejected fears of choked networks. "The networks have enough capacity to manage this increase and there is no reason for worry," he said.

Telcos currently use 65-70 per cent of the network capacity. In other words, they have enough additional capacity to handle the new pressure without clogging the system, Mathews said.

Also, network usage demand is being reoriented or "flattened out", rather like the way governments would like the coronavirus curve to flatten out. For instance, demand has fallen sharply in the central business districts because offices are closed. So there is no



CORONA CONNECTION

■ Telcos see 10% rise in overall traffic, mostly because of data
■ Dongle sales double, with shortages in some areas
■ New tariff packages offer higher data usage
■ Broadcasters and OTT players see viewership and new subscribers shoot up

sudden surge in demand during peak times, which can consume 90-95 per cent of the network capacity. As a result, demand is much more uniform across the city with no sudden pressure on the network.

Telcos such as Reliance Jio are also responding to demand by prepaid customers for more data capacity on their mobiles. Jio has just introduced a new tariff package for top-ups, offering double the amount of capacity at the same price. So those going for a ₹21 top-up will now get 2GB, instead of 1GB, with 200 minutes of off-net calls.

Jio's rival Bharti Airtel has seen a spike in its home broadband customers. "Airtel home broadband customers are now upgrading to faster speeds and larger quota plans to support working from home and studying from home," said a company spokesman.

Broadcasting and OTT (over-the-top) companies are also enjoying a bonanza with both the number of viewers and new subscribers surging on their platforms.

"As far as content consumption is concerned, we have seen a spike across metros of 10 per cent for our original content and 5 per

cent for our TV content via connected devices like Amazon Fire etc. Our subscription numbers are up by 10 per cent compared to the previous weekend," said Zee5 CEO Tarun Katiyal. What's more, the viewership of children aged between two and 14 years grew 26 per cent in GRPs.

Executives with Viacom 18-run OTT channel, Voot Select, said the uptake of subscribers who needed to pay for the platform had been 2.5 to 3 times what they had expected in this period.

Voot Select is putting a host of international content up very soon, apart from three original Hindi and five regional shows that have been shot and are ready for release. This, said Ferzad Palia, head of Voot Select, youth, music, and English entertainment, will only boost the growth of the platform.

Questions are being asked whether this spurt in demand for entertainment needs to be controlled if it goes over the top. After all, video already uses over 60-70 per cent of the networks' bandwidth. Telcos say that, at the moment, the networks have enough capacity to handle the increase.

In Europe, though, Netflix has already decided to reduce the amount of bandwidth by 25 per cent without compromising on quality.

CORONAVIRUS IMPACT

INDIA CASES JUMP TO 283
The number of novel coronavirus cases in India rose to 283, with 65 people testing positive on Saturday. Several states went into battle mode to contain the pandemic, imposing restrictions on people's movement and gatherings, besides announcing a slew of precautionary measures.

The country is also set to observe janata curfew from 7 am to 9 pm on Sunday after Prime Minister Narendra Modi on Thursday pitched for social distancing, asking people, barring those in essential services, not to get out of their homes.

Several states also reported fresh cases though these numbers were not immediately taken into account.

INSIDE

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