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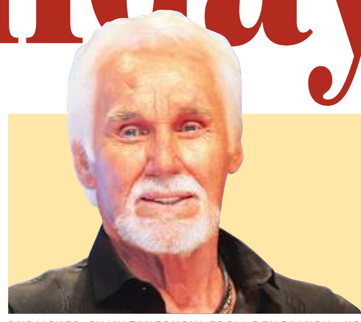

WORLD P8

COUNTRY MUSIC LEGEND KENNY ROGERS DIES AT 81

WORLD P8

GOLDMAN CEO BUCKS STREET TREND WITH 20% PAY BUMP

PUBLISHED SIMULTANEOUSLY FROM BENGALURU, KOLKATA, MUMBAI AND NEW DELHI

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 LELE** 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 Biyani-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 7

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 (SPECS) with an outlay of ₹3,285 crore over eight years, and Electronics Manufacturing Clusters (EMC) 2.0 with a budget of 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. Turn to Page 4

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 PHOTO: PTI

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. 3

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. PTI

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 PHOTO: REUTERS

Aerospace firms hit turbulence over COVID-19

AJAI 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.

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

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 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. Turn to Page 4

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. Turn to Page 4

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 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.

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

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 comprising on quality. Turn to Page 4

CORONAVIRUS IMAPCT

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. PTI

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- THE VIRUS HUNTER SHOWING THE WORLD HOW TO FIGHT AN EPIDEMIC P9
- BANKS PUT IN PLACE PLANS TO TACKLE VIRUS P6
- GOOGLE WEBSITE LAUNCHES A WEEK AFTER TRUMP TOUT P8
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- PVT LABS WAIT FOR GOVT GO-AHEAD FOR TESTING P2

IN BRIEF

LIC eyes sale of 25 million individual policies

State-owned Life Insurance Corporation (LIC) is hopeful of crossing its fiscal target of selling over 25 million individual policies and a premium collection of more than ₹55,000 crore before March 31, 2020. This is 17 per cent growth in terms of number of individual policies sold compared to the number of policies sold in FY19. "We have created a new record by selling 2,17,00,000 individual policies and a premium collection of ₹50,500 crore as on March 21, 2020," the LIC said. The life insurer said it is confident of crossing its target of 25 million individual policies well before March-end. In the previous fiscal, the corporation had sold 21,403,905 individual policies. PTI

GoAir appoints Sanjiv Kapoor as advisor

Wadia group-owned budget carrier GoAir on Saturday announced the appointment of aviation industry veteran Sanjiv Kapoor as advisor to the airline. Kapoor, who quit the Tata-SIA joint venture airline Vistara recently,will advice GoAir on important business and government matter, the airline said. PTI

Smartphone shipments plunge 38% in Feb: Report

Smartphone shipments took an historic plunge last month as the novel coronavirus disrupted supply and demand, industry tracker Strategy Analytics said on Friday. Global smartphone shipments dropped to 61.8 million in February, a 38 per cent drop from the same month a year earlier. PTI

NCLAT to hear only 'urgent matters' till April 1

The National Company Law Appellate Tribunal (NCLAT) has restricted itself to hearing only 'urgent matters' till April 1 due to the COVID-19 outbreak and has extended operation of all interim orders and stay passed in the pending matters till next hearing. All matters listed for hearing "shall stand adjourned and the date of hearing would be notified later," said the NCLAT. PTI

Pharmacyclics loses patent for cancer drug

Pharmacyclics has lost a patent for its anti-cancer drug ibrutinib in India, following a post-grant objection raised by Laurus Labs. The Patent Office had revoked the patent observing that the claims made by the firm are obvious to an ordinary person skilled in the art and that the drug lacks any inventive step that would make it superior to others. BS REPORTER

COVID-19

CoSara bags licence to make test kits

Company says it will price the kits lower than the imported ones

VINAY UMARJI
Ahmedabad, 21 March

Ahmedabad-based CoSara Diagnostics has become the first and only Indian company so far to receive a licence from the Central Drugs Standard Control Organisation (CDSCO) to manufacture coronavirus (COVID-19) diagnostic test kits.

The company now plans to send sample batches to National Institute of Virology (NIV), Pune, for validation, following which it would apply for a manufacturing licence with the Gujarat government.

A joint venture of Synbiotics, a wholly owned subsidiary of Ambalal Sarabhai Enterprises (ASE), and CoDiagnostics, CoSara Diagnostics is a Gujarat-based molecular diagnostic company.

While it did not share the exact pricing of the kits, the company's chief executive officer and ASE's managing director Mohal Sarabhai said the price would be lesser than the imported kits available in the country. Market sources peg the imported tests' price being capped at around ₹1,000-1,200.

"We are not giving the price right now because it is still dependent on various factors. It will be lower than whatever the imported prices are right now. Currently, logistics costs are higher because the cost of materials needed for these kits is increasing day-by-day due to huge global demand. The swing is too high for us to come to a price point until we get the validation from NIV," Sarabhai told Business Standard.

While its US partner CoDiagnostics will share its research and technology of molecular diagnostics for testing COVID-19, among other diseases, the Indian partner will manufacture the same at its facility in Ranoli, Vadodara.

CoSara's plant can churn out 10,000 diagnostic tests or kits per day. Moreover, compared to diagnostic results currently taking around two days, the company's tests can deliver results in two and a half hours.

"Our molecular diagnostics platform using the polymerase chain reaction (PCR) technology can deliver results in two and a half hours. We already have manufacturing licence for molecular diagnostics to cover diseases like tuberculosis (TB), Hepatitis B, Hepatitis C, human papillomavirus (HPV) and malaria which are being manufactured from the Vadodara plant," he added.

With the NIV Pune's validation likely to come in by next week, Sarabhai said the company is ready to commence manufacturing of the diagnostic tests in a week or two.

"We have already placed orders for the raw materials including primer and probes right now from approved source in the US. These will be used to manufacture diagnostic tests which are basically tubes with liquid reagents which when mixed with patients' samples can then detect whether the patient is infected or not using the PCR technology," Sarabhai added.

The company will be supplying these tests to not only the government-run laboratories, but also to private ones. Around 60 private labs accredited by the National Accreditation Board for Laboratories can now test for COVID-19. Until recently, only government-owned labs were allowed to carry out tests for the infection.

FIRST IN THE RACE

- First in India to bag test licence for COVID-19 diagnostic kits
- The firm has the capacity to manufacture 10,000 kits per day
- The firm claims its tests can deliver results in two and a half hours
- Kits will be supplied to over 50 government-owned labs and nearly 60 private labs
- Govt's imported COVID-19 diagnostic kits price cap likely to be at ₹1,000-1,200

CORONAVIRUS PANDEMIC

Private labs wait for govt go-ahead

SOHINI DAS
Mumbai, 21 March

As the country's apex medical research body has now revised testing guidelines for COVID-19 infections, the private sector diagnostic players said that they are ready with testing kits and the protocol.

ICMR on Saturday said all hospitalised patients who have pneumonia or severe acute respiratory illness will be tested for COVID-19. ICMR has also noted that anyone who has come in contact with a COVID-19 positive person should be tested even if they do not show any symptoms

Multiple players said they are waiting for the final go-ahead from the government, including directives on pricing if any, to launch the diagnostic test kits.

A Velumani, chairman of Thyrocare Technologies told Business Standard that the infrastructure was ready.

"Our infrastructure is ready, the team is ready and the protocols are in place," he said, adding that they were waiting for approvals from the government.

Most leading diagnostic chains are importing the kits for testing and that would make the logistics also difficult. Mumbai-based Metropolis Healthcare, for example, has tested multiple kits and has zeroed in on one from Germany.

Others like Delhi-based Dr Lal Pathlabs and SRL Diagnostics, a Fortis unit, are also waiting for official communication from the government before they can start testing.

The Indian Council of Medical Research (ICMR) on Saturday said all hospitalised patients who have pneumonia or severe acute respiratory illness (SARI) will be tested for COVID-19. SARI patients would have high fever, cough and shortness of breath as major symptoms.

ICMR has also noted that anyone who has come in contact with a COVID-19 positive person should also be tested even if they do not show any symptoms. So far India was testing people who had recently travelled abroad and subsequently showed symptoms, and people who had come in contact with these people and showed symptoms of COVID-19 infection.

Virus deals a crippling blow to small businesses

PEERZADA ABRAR, SAMREEN AHMAD & NEHA ALAWADHI
Bengaluru & New Delhi, 21 March

A spurt in the novel coronavirus (COVID-19) cases is hitting start-ups, especially consumer-focused companies that are in their early phases of growth, hard.

Take the example of True Elements, a Pune-based consumer-focused start-up that offers health food. Sreejith Moolayil, co-founder of the firm, claims he is finding it tough to keep it afloat. The lockdown, which was put in place to stop the rapid spread of coronavirus, has gripped the entire state. "As a start-up, we would be in a big mess because 15 days' shutdown means our cash flow for those days is gone. I don't know how I am going to pay salary to my employees. I am not a big-time venture capital-funded company," said Moolayil, whose firm has 115 on its roll.

For him, the other problem is that around 40 per cent of his production staff members have gone back to their hometowns due to the pandemic.

Though the company, which sells health foods online, is witnessing a huge demand for its products, it is not able to meet the requirements. The firm is moving its production to a small town, 200 km away from Pune. "If there is an overall India lockdown, we won't survive for more than a month," said Moolayil.

The example of TheWowBox is also somewhat the same though the start-up faced a slightly different challenge. The Mumbai-based company offers a discovery platform for new consumer products. As part of its promotion initiatives, the firm distributes newly launched products of different companies and also promotes entertainment events. According to its founder and chief executive officer (CEO) Nikunj Bubna, all these have to be completely stopped since consumers are now focusing on buying only essential items. "Our business has straight gone down to zero. We are having a warehouse where products or samples worth lakhs are on the verge of expiry," said Bubna. "Our fundraising process also got impacted."

True Elements and TheWowBox are among several such start-ups and small businesses that are facing major challenges due to COVID-19.

According to a survey by community platform LocalCircles, early-stage start-ups, funding dependent start-ups and many small businesses will soon be fighting for survival.

LocalCircles conducted a survey among 35,000 start-ups, small and medium enterprises (SMEs) and entrepreneurs on how they plan to cope with the coronavirus outbreak in the short term so that their businesses could recover once the restrictions are removed. It says, about 71 per cent of start-ups and small businesses are facing issues such as lower demand for products and services. This would potentially results in salary cuts and reduction in expenses towards marketing, advertising and infrastructure.

Many companies have asked their employees to work from home and others have temporarily suspended operations.

"The survey accurately captures what start-ups and SMEs are currently faced with and soon LocalCircles will aggregate and make recommendations to the government on relief measures needed for the start-up and the SME sector," said Sachin Taparia, founder and chairman of LocalCircles.

Some start-ups and SMEs have reported the exercise of 'Force Majeure' (superior force) clause by their customers and getting out of a contract, said Local Circles. Others are reporting postponement of deliveries by Indian and global customers.

Governments in several countries have started doling out packages to make small businesses survive this difficult phase. The US, for example, has announced a $50 billion package for small businesses.

The UK chancellor also announced a business bailout of 350 billion pounds via business loans. "What remains to be seen is the kind of measures the government of India will announce to assist start-ups and SMEs," said LocalCircles.

According to experts, start-ups have begun conserving cash irrespective of their size. Any kind of investment that was in the pipeline, including hiring and new projects, have been curtailed. "Most vulnerable are the start-ups which were running out of cash and have not been able to raise funds. As the scenario has slowed down, they could be under risk," said Anup Jain, managing partner at Orios Venture Partners.

Bengaluru-based electric bike-sharing platform Yulu has postponed its plan to launch in new cities, until the situation gets normal. The start-up has also put a temporary hold on PI hirings – those positions which are important but the company can do without.

"In times like this, the focus is on fundamentals and core business, and also to try and save cost wherever possible. My first priority now is providing salary to my employees," said Soham Chokshi, co-founder of digital logistics platform Shipsy, which caters to markets such as Southeast Asia, other than India.

Soumajit Bhowmik, co-founder and CEO of Styched, a fast-fashion e-commerce portal, says, companies like his are struggling, owing to the stopping or reduction of supply of fabric which are usually imported from China, Vietnam and Thailand. There is also an impact on import of printers and ink as they are mostly imported from China.

"After Holi, when the outbreak began, we would be able to deliver an order in 2-3 days. But now, it is taking 10-14 days. This is because last-mile delivery partners are delivering fewer packages due to safety concerns," said Bhowmik. "On the customer side, people are shopping less, which has resulted in about 35-70 per cent drop in conversion rates."

According to Saurabh Marda, managing director (MD) of Freyr Energy, a Hyderbad-based solar systems integration and solutions firm, the company's FY20 revenue is going to take a hit. "Our primary objective is to ensure liquidity in the company; so we can wait this out," said Marda.

Several start-ups have also come up with innovative features to collaborate with customers. myGate, which offers security management and convenience service for guard-gated premises, has rolled out Leave at Gate service. This enables contactless deliveries. As more number of corporates are now encouraging employees to work from home, Facilio, which offers management software, has opened up an online meeting room during 'office hours'.

New-age firms rethink biz models, tweak offerings

PAVAN LALL, PEERZADA ABRAR & SAMREEN AHMAD
Mumbai, 21 March

Despite the possibility of lost profits and at least a couple of missed quarters, owing to the virus spread, there are instances of bright sparks emerging. These are in the form of innovative companies that look to tweak business models and rev up new services.

Among the emeging firms is Gurugram-based Zypp, an electric scooter rental app, which will start to deliver its bikes to retail consumers – with a unique add-on: A sanitary wash-down in front of the customer at the time of delivery.

"As the work from home lifestyle becomes a norm, many young employees, that include millennials, may not have access to cabs. If there's an urgent need to go to a medical store or hospital, they may be in a bit of a spot," said Akash Gupta, co-founder of Zypp. "That's where our e-scooters come in. The added feature is that an individual may not want to use a cab or a car in which an infected person may have earlier sat."

Zypp, founded in 2017, is available on weekly or monthly subscription basis. The prices range between ₹650 a week and ₹950, depending on the model. Zypp e-scooter ranges from 55 km to 70 km on a single charge.

"It's greener but also definitely cleaner than a cab which folks may have used before you," said Gupta. Zypp received total funding of $3 million from IAN Fund, a venture capital fund. IAN Fund backed-Zypp operates over 1,000 vehicles currently. Zypp also leverages a crowdfunding model, whereby it raises money from investors to lease vehicles in exchange for interest payouts and a buyback condition at the end of a pre-determined tenure.

Like Zypp, Bike-taxi unicorn, Rapido is providing customers with mandatory half-helmets as opposed to full-face helmets. The riders (captains) are also asked to maintain personal hygiene and clean the pillion seat before onboarding customers in addition to wearing a mask at all times.

The bike-taxi is a more open and personalised way for intracity travel. This is opposed to other crowded alternative ways like cabs, buses and trains, where the customer has an advantage of less exposure to any infection due to his/her limited interaction with the captain, said company officials.

Bengaluru-based Rapido is present in over 90 cities with 500,000 partners catering to 10 million customers.

Bengaluru-based start-up Dunzo already runs delivery services for customers but is contemplating more stringent "no contact delivery" methods that leverage a sanitized approach.

Sandeep Murthy, co-founder of Lightbox, which funds Dunzo, says deliveries include safety gear and a new insurance policy that covers workers for the virus and related expenses as well as guaranteed pay.

"We're also exploring the possibility of using aircraft aerosol-style sprays to disinfect goods and packages but that is an early stage plan," Murthy said.

Digital payments company PhonePe already has a service on its platform called 'Pay at Stores' that allows consumers to find nearby 'kiranas' or shops, buy groceries, get them delivered and pay remotely. According to sources, they are seeing a huge uptick for groceries and medicines as people avoid supermarkets and malls due to the coronavirus (COVID-19) outbreak. The feature allows consumers to explore multiple grocery and medical stores in the vicinity, compared to just one or two most frequently used kiranas.

"Sometimes the grocery store next to your home is shut and you are looking for the next best option. The new PhonePe feature shows what time the store opens and closes and provides access to phone numbers of the store," said a person familiar with the development.

PhonePe competes with rivals such as Paytm, Google Pay as well as Amazon Pay and is accepted as a payment option at 10 million outlets across 350 cities in India. It has 200 million registered users and does 570 million monthly transactions. The company witnessed annualised total payments value (TPV) of $180 billion and has 10 million merchants.

Not surprisingly, the grocery category spiked by 115 per cent in recent weeks as people are stocking up on supplies.

According to sources, online grocery firm Grofers, which last year raised $220 million from investors that include SoftBank, will offer a credit feature soon to consumers with low income to enable them to also buy groceries.

Online grocery player Bigbasket, is in the process of implementing a 'no-touch' option, where products can be left at the doorsteps of customers. Bengaluru-based Bigbasket's officials said it was ensuring the safety of customers as well as delivery executives and making sure its employees wear disposable gloves and masks while the grocery crates are wiped regularly.

Ashish Chaturvedi, founder of uFony Services, which works with over 700 schools in nine countries, has a platform called 'School Diary'. It helps schools engage with parents and provide their content such as videos, pictures and other information to students.

CHANGE AGENTS

- Electric two-wheeler rentals offer cleaner travel
- Digital payment platforms offer grocery, medical store information
- Grocery platforms look at 'no-touch deliveries'
- Educational platforms aim to set up affordable video conferencing for parents

Ola, Urban Company offer pay protection to infected staff, partners

PEERZADA ABRAR & SAMREEN AHMAD
Bengaluru, 21 March

Ride-hailing giant Ola has said the company will cover any loss of income for its driver-partners and their spouses in case they test positive for COVID-19. This benefit will be given to all infected driver-partners in the country across categories, including Ola Bike, Ola Auto, Ola Rentals, and Outstation. Home services marketplace Urban Company, too, has rolled out a similar health insurance and income protection cover for all its 30,000 service professionals.

Eligible Ola driver-partners and their spouses will be covered by a floater sum of ₹30,000 under which they can receive a compensation of ₹1,000 per day for a maximum of 21 days for an individual, from the date of a positive diagnosis for COVID-19. This will include hospital, as well as home quarantine, prescribed by a qualified medical practitioner and based on government norms, the Bengaluru-based company said. Drivers can make a claim for this compensation by providing appropriate medical documents.

Urban Company, too, has extended COVID-19 health insurance and income protection cover to service professionals active on its platform across all the 18 cities in India where it is present.

Under this new insurance cover, they are offered a hospitalisation cover of up to ₹25,000 and income protection cover of up to ₹14,000 in the event of hospitalisation because of coronavirus. This health insurance and income protection plan is in addition to the existing life, accidental, and health insurance plans provided by Urban Company.

Govt okays ₹13K-cr package to boost bulk drugs production

Industry feels India first needs to tap existing capacity before setting up new drugs parks

SOHINI DAS & PTI
Mumbai, 21 March

The Union government on Saturday approved a package comprising four schemes with a total outlay of ₹13,760 crore to boost the domestic production of bulk drugs and medical devices and exports.

The Union Cabinet chaired by Prime Minister Narendra Modi approved outlay of ₹9,940 crore and ₹3,820 crore for bulk drugs and medical devices, respectively, Minister of State for Chemicals and Fertilizers Mansukh Mandaviya told reporters.

The Cabinet also approved a sum of ₹3,000 crore for the next five years for a scheme to promote bulk drug parks and for financing common infrastructure facilities at three such parks, he added.

A sum of ₹6,940 crore has been approved for the Production Linked Incentive (PLI) scheme for promotion of domestic manufacturing of critical key starting material (KSM), drug Intermediates and active pharmaceutical ingredients (APIs), Mandaviya said. The PLI scheme will lead to expected incremental sales of ₹46,400 crore and significant additional employment generation over eight years, he added.

The plan is to develop three mega bulk drug parks in partnership with states. The Centre will provide grants-in-aid to states with a maximum limit of ₹1,000 crore per park. Financial incentive will be given to eligible manufacturers of 53 identified critical bulk drugs on incremental sales over the base year (2019-20) for a period of six years. Of these drugs, 26 are fermentation-based bulk drugs and 27 are chemical synthesis-based bulk drugs. The rate of incentive will be 20 per cent (of incremental sales value) for fermentation-based bulk drugs and 10 per cent for chemical synthesis-based ones.

Meanwhile, the scheme for promotion of medical device parks will provide a maximum grant-in-aid of ₹100 crore per park to states. It will have financial implications of ₹400 crore, Mandaviya said.

"The PLI scheme for promoting domestic manufacturing of medical devices with financial implications of ₹3,420 crore," he added. The expenditure is to be incurred for the schemes on promotion of medical devices will be for the next five years.

Union Ministers Prakash Javadekar and Ravi Shankar Prasad during a press conference after a cabinet meeting, in New Delhi, on Saturday PTI

Under the sub-scheme for promotion of medical device parks, common infrastructure facilities would be created at four parks, which is expected to reduce manufacturing costs.

"It will lead to expected incremental production of ₹68,437 crore over five years," he said. He added the schemes have potential to generate an additional employment of 33,750 jobs over five years and reduce import of target segments of medical devices.

The Cabinet also approved a sum of ₹3K crore for the next five years for a scheme to promote bulk drug parks and for financing common infrastructure facilities at three such parks

However, even as the government gears up to reduce import dependence for pharmaceutical raw material and medical devices, the sector said the immediate focus should be on utilising existing capacities.

Yogin Majmudar, a bulk drug unit owner and head of the bulk drug committee of the Indian Drug Manufacturers' Association (IDMA), said in the scheme, the support to be extended to brownfield units was not clear. "There can only be an immediate increase in production from these units. Parks are a longer-term solution with a horizon of a minimum of three years," he said.

Around 40 per cent of installed capacity is estimated to be lying idle, he said.

Majmudar added that environment regulations needed to be tweaked to get faster approvals. The focus should have been on effluent quality and quantity and not on the product portfolio of an API unit. In the announcement there was no mention of that, a major hindrance to quick production, he said.

Rajiv Nath, forum coordinator of Association of Indian Manufacturers of Medical Devices, said, "We are more than hopeful that these schemes announced would help boost local manufacturing and will accelerate medical devices manufacturing as a 'Make in India' enabler, make quality healthcare accessible and affordable for common masses, enable placing India among the top five medical devices manufacturing hubs worldwide and help end the 80-90 per cent import dependence forced upon us and an ever increasing import bill of over ₹38,837 crore".

IPA: Working with govt to ensure continued supply of medicines

PRESS TRUST OF INDIA
New Delhi, 21 March

The Indian Pharmaceutical Alliance (IPA) on Saturday said it along with its member companies is working with the government, various pharma industry associations in India and other key stakeholders in the pharmaceutical supply chain to ensure that patients in India and the world continue to have access to medicines.

The member companies are closely monitoring orders and inventories of medicines, it said. "With an adequate stock of Active Pharmaceutical Ingredients (APIs), finished product formulations and channel availability, we would be able to sustain the supply of medicines for the coming months, the IPA said in a statement.

The pharma industry body also said that it is not aware of any medicines shortage, to date.

"We are working closely with the International Generic and Biosimilar Medicines Association (IGPA), World Health Organisation (WHO) headquarters in Switzerland and its India office, Association of Affordable Medicines (AAM) USA, Medicines for Europe and several other country associations to assess international developments and any potential impact on supply of medicines globally," the IPA said.

The IPA and its companies are aligned to government initiatives of containment measures and social distancing while meeting supply commitments in the essential services for availability of medicines, it added.

The IPA is committed to providing quality medicines to patients in India and across globe as patient centricity and welfare is fundamental to us, the statement said.

Soap makers keep off price hikes for now

Earlier this week, HUL had faced backlash online following reports of price hikes

"We were planning for a price increase to partially cover for the spike in input costs. However, given the spread of COVID-19, we have decided to hold off this increase. It is our endeavour to ensure that stocks are replenished across all channels, so that our consumers can adopt better hygiene practices and stay safe"

SUNIL KATARIA,
CEO (India & SAARC), GCPL

VIVEAT SUSAN PINTO
Mumbai, 21 March

Most key soap manufacturers in India are not considering price hikes for now as the novel coronavirus (COVID-19) outbreak continues to spread in the country.

Besides Godrej Consumer (GCPL), companies such as RB Health (makers of Dettol), Wipro Consumer Care (Santoor), ITC (Savlon), and Jyothy Labs (Margo) are not looking at pricing action, officials at these firms said.

While most insisted that the decision to keep price hikes at bay had nothing to do with the COVID-19 outbreak, GCPL said otherwise.

"We were planning for a price increase to partially cover for the spike in input costs. However, given the spread of COVID-19, we have decided to hold off this increase. It is our endeavour to ensure that stocks are replenished across all channels, so that our consumers can adopt better hygiene practices and stay safe," Sunil Kataria, chief executive officer (India & SAARC), GCPL said.

Jyothy Labs' Managing Director MR Jyothy said better hygiene habits were the need of the hour. "We launched our hand wash under the Margo brand a month ago. Consumers now have the option of a hand wash besides soap within the Margo portfolio. We've been pushing the hand wash aggressively in trade with introductory offers," she said.

Earlier this week, the country's largest soap maker, Hindustan Unilever (HUL), had faced online backlash following media reports of price hikes within its soaps portfolio in the wake of the virus outbreak.

The company, however, clarified in a statement that no such thing had happened and that price hikes within soaps had been undertaken in January before the outbreak of the virus in India.

"We increased prices in our skin cleansing portfolio by 5-6 per cent across our brands Lux, Lifebuoy, Dove, Hamam, Liril, and Pears. This was well before the COVID-19 outbreak in India. The production of new stock started in January. We had also clarified during our third quarter results at the end of January that the price increase was much lower than inflation. These reports of HUL profiteering are completely baseless and malicious," an HUL spokesperson said.

The key reason for the decision by the producers was the fall in input prices such as that of palm oil. Since the start of calendar year 2020, palm oil prices has fallen 24 per cent, while crude oil has fallen by 59 per cent

Analysts said a key reason for the decision by manufacturers to hold off price hikes, at least for the next few months, was linked in part to the fall in input prices such as palm oil, an important ingredient going into soaps. From the start of calendar year 2020 to now, palm oil has fallen 24 per cent, while crude oil has fallen by 59 per cent.

High-density polyethylene, a crude-linked derivative, is used as a packaging material in all consumer staples, including soaps. It constitutes 15-20 per cent of input cost for companies.

CII writes to prime minister, calls for ₹2-trn fiscal stimulus package

Suggests setting aside 1% of GDP for cash transfer scheme for poor and elderly

SUBHAYAN CHAKRABORTY
New Delhi, 21 March

To battle the current coronavirus disease (COVID-19) crisis, a fiscal stimulus of 1 per cent of India's gross domestic product needs to be provided by the government through direct benefit transfer to the poor and elderly immediately, the Confederation of Indian Industry (CII) has told Prime Minister Narendra Modi.

This would be in line with steps taken by other major economies like the United States, France, Japan and the United Kingdom, which have announced billions of dollars worth of stimulus to their economies.

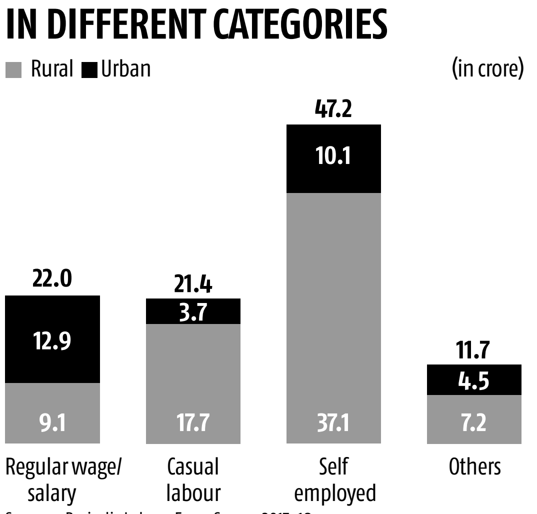
In a letter to the PM sent on Wednesday, the industry body stressed the need for easing the cost of capital. It has renewed its demand for the removal of long-term capital gains tax of 10 per cent and fixing the dividend distribution tax at 25 per cent.

However, as an immediate measure, CII has suggested that ₹5,000 be provided to every poor person, the majority of who work in the informal economy and face the brunt of business slows down. It also wants the most vulnerable section — the elderly — to get ₹10,000 each, and free distribution of one month's ration to those below the poverty line from the government's stocks.

The Periodic Labour Force Survey data currently counts 200 million casual laborers in the country, who CII said could benefit with the transfers, and could help drive consumer demand. The industry body has argued that the recent crash in global oil prices allows the government to fulfill this demand. "Every $10 dollar decline in oil price leads to a saving of $15 billion in the oil import bill," CII said.

It also pushed for Goods and Services Tax (GST) payments to be on the collection of bills, rather than the raising of invoices to avoid liquidity getting locked during delays in payments. Such pending payments, especially to the micro, small and medium enterprises sector currently stand at ₹6 trillion, according to government statistics.

NUMBER OF WORKERS (15+ YEARS) IN DIFFERENT CATEGORIES



Source : Periodic Labour Force Survey 2017-18

NOT IN GOOD HEALTH

Demands for MSME sector

- All term liabilities to be deferred by 6 months without penal interest
- NPA norms in genuine cases to be extended to 180 days from present 90 days
- Deferment of GST deposit by MSMEs by a minimum of one month

Medical devices in short supply

- Temperature guns, digital thermometres, N95 masks, nebulizers, blood pressure measuring kits

Source : CII

Banking reforms needed

CII has also listed a host of immediate monetary and banking reforms including a reduction of 50 basis points both on Cash Reserve Ratio as well as the repo rate to ensure suitable liquidity for business. Along with other industry bodies, it has also demanded that the Reserve Bank of India relax norms for recognising non-performing assets from 90 days to 180 days till September 30 to provide relief.

Over the past few days, India Inc has demanded that the central bank announce a blanket moratorium on debt repayments for 60 days to help firms tide over immediate cash flow issues. CII has suggested that credit limits for all regular banking accounts be enhanced by 25 per cent.

Sectoral challenges

To address the shortage of easily available, cheap drugs, the industry body has suggested shoring up indigenous Active Pharmaceutical Ingredients (API) production. While in 2018-19, pharmaceuticals exports were worth $19.13 Billion, a study by the commerce ministry found that 70 per cent of APIs continued to be imported from China. Now, this over dependence has led to pricing volatility and supply disruption that has led to concerns of a shortage.

For the beleaguered aviation sector, CII has sought an immediate 4 per cent cut to the Value Added Tax levied by states on Aviation Turbine Fuel (ATF). In the long run, CII says ATF needs to be brought under the ambit of the GST regime to enable full input tax credit.

The man who saw the banking crisis early warns of new peril

BLOOMBERG
21 March

Ashish Gupta is surprised that not a single Indian billionaire sued him in the last decade.

His 2012 "House of Debt" report for Credit Suisse Group AG gave investors an early warning about the dangerous levels of delinquent borrowing by many of India's top business groups. That helped push policy makers to review banks' loan books and revise the nation's official bad-loan ratio from about 3 per cent to 9.3 per cent, one of the highest in the world.

"The scale of mounting debt was first quantified and highlighted by the outstanding work of Ashish Gupta at Credit Suisse," Arvind Subramanian, who advised Prime Minister Narendra Modi in the early years of the banking crisis, wrote in his 2018 book, Of Counsel: The Challenges of the Modi-Jaitley Economy. He hailed Gupta as "one of the few heroes in India's sordid banking saga."

The coronavirus pandemic now roiling global markets adds urgency to his warnings. Gupta, Credit Suisse's chief of India equity research, says the crisis engulfing India's shadow bank sector could be even more destabilizing for the $2 trillion economy because the risks are held in entities that, unlike state banks, rely on market funding and provide scant disclosure. The government-backed rescue of Yes Bank Ltd., until recently India's fourth-largest private lender, may further reduce banks' willingness to provide credit to the economy.

In February and March interviews in Mumbai, Gupta described his approach to analysing Indian businesses, his outlook for the financial industry, and the risks he's focused on today.

Where did the inspiration for the first "House of Debt" report in 2012 come from?

From 2011 we had started writing about corporate NPAs [non-performing assets]. The reason was that while India's overall economic trajectory was good in 2011, certain segments weren't doing too well, and they were some of the most indebted parts of the economy. We started looking at how many companies have adequate cash flows. A lot of our reports use interest cover as a barometer of financial health, and that started revealing a lot. We found that 15 per cent of companies had interest cover less than 1 [meaning those companies' annual cash flows weren't sufficient to pay their annual interest expense]. We started focusing on these firms, and some concentration started manifesting.

Did it take some courage to come out with these reports?

Because it was so controversial, all our reports are just based on public data or published historical data. In none of our reports is there a forecast. The sad truth is that—even without forecasting anything, just by looking at historic data—the situation was so stark. In 2011 was when we first came out and said NPAs in the banking system are in double digits and not the 2 per cent that is reported. But 2012 is when we narrowed it down. I remember in 2013-14 we did another report where we showed NPA numbers had gone up. We looked at annual reports of the companies, which according to Indian regulations had to start reporting if they were in default of payments to creditors. So we aggregated some top 200 annual reports and some of the companies we were tracking. Just by adding that, we were able to come to some double-digit number on the percentage of corporates where in the annual report the company has mentioned it is in default of its debt obligations, and it was not reported by the banks. So in the banks' book it was not an NPA. And in fact many of the companies in their reports even mentioned the amount in default, the period of default—and in many cases that was more than 90 days [the threshold for bad-loan recognition in India]. But still in the bank books everything was good. So I don't know where the slip was.

What kind of reaction did you get?

The first pushback was that these are large conglomerates, so if something happens to them they have other businesses, and their promoters have deep pockets. I said: "That is why actually we are doing a group-level analysis. We are saying at the group level there is a problem." The second pushback was that these projects are all under construction, so you are kind of penalizing them because these are works in progress and when they are completed it will all be good. But again my response to that was simple: When you look at interest cover, you are looking at it on the P&L [profit and loss statement]. The P&L expense is only the cost of debt or operational costs. So you are comparing apples to apples: revenues generated from completed projects versus cost of debt of completed projects. There was of course pushback from the banks as well. Ironically this always happens that people will say, "Yes, the power sector has a problem, but the power projects I have financed have no problem." And nowadays the real estate sector is the same: "Real estate is a problem, but my projects are all fine." There was a lot of pushback also from investors. I can choose not to listen to what the bank managers are saying, but I can't choose not to listen to the investors because they are my clients. Thankfully, as I said, we were able to get into every project level and show the data. Because there was such concentration, you had to analyze only about 15 companies and 150 projects, and then you can show the argument.

Did investors appreciate what you had done?

Not so much after the first one (report). But after the second one the belief started. One thing I was surprised about is before the Indian regulators went about it, some of the international regulators sought out our work. A global bank had large exposure, so international regulators had their eye on the overseas operations of a bank. By the end of 2015, the RBI [Reserve Bank of India] started the AQR [asset quality review] process. It also sent out a message to the bank that the supervisors are not willing to look the other way or are looking more closely at it.

Is there anything your team missed?

IL&FS (Infrastructure Leasing & Financial Services), a non-bank financial company that was seized by the government in September 2018] was one thing that even we didn't find out about. All our analysis was centered on drawing data on listed companies. Because IL&FS was unlisted it was never in our line of sight. But in terms of the listed space we believe a lot of the large problems are known and recogniSed.

What are you focusing on now?

For the last two years we have been highlighting the NBFC [non-bank finance company] sector issues. They have partly panned out, but the general belief is once the big event has happened, then slowly liquidity improves.

TRAVEL TAX

Focus on tour operators to manage tax at source

Travellers whose incomes are below the taxable limit will have to file a return to claim the refund on this tax

HOMI MISTRY

Budget 2020 proposed many amendments to tax laws that impact individual taxpayers. While some are favourable to taxpayers, others impose more taxes or obligations. Out of the many proposals, one that has caught the attention of taxpayers is the new provision regarding tax collected at source (TCS) on overseas tour packages.

Most taxpayers are familiar with the concept of tax deducted at source (TDS), which refers to the payer of an income or a buyer of a service, withholding a certain percentage of that income or fees and depositing it with the tax authorities as TDS. TDS currently applies to a wide range of receipts such as interest, rent, professional fees, payments to contractors, etc.

TCS is levied by the seller of goods or services and is collected by him from the buyer, along with and over and above the price of the goods or services. The concept of TCS is less prevalent and was applicable to the business of trading in alcohol, liquor, forest produce, scrap, and the like.

In 2016, TCS was extended to the purchase of cars costing more than ₹10 lakh. The proposed amendment now extends the applicability of TCS to the purchase of an overseas tour package and requires that the seller of such a package shall collect TCS from the customer on sale of the tour package.

How will TCS work?

With effect from April 1, 2020, for every purchase of an overseas tour package, the tour operator, will also collect, besides, the cost of the tour package, an additional amount from the customer towards income tax. The tax that he has so collected will be deposited by him with the tax authorities. An overseas tour package has been defined to mean any tour package which offers visits to countries outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expense of similar nature.

What is the rate of TCS?

The tax will be collected by the tour operator, where applicable at the rate of 5 per cent (plus applicable surcharge and cess in case of non-residents) where PAN/Aadhaar is available. In the remaining cases, where PAN/Aadhaar is not furnished or is not available, TCS will be at the rate of 10 per cent (plus applicable surcharge and cess in case of non-residents).

For instance, Mr B, a resident Indian, plans to go on a holiday to Singapore and the cost of the tour is ₹3 lakh. In this case, if Mr. B furnishes his PAN or Aadhaar to the tour operator, then the latter will collect ₹3 lakh + 5 per cent, that is, ₹3,15,000 from Mr B. The TCS of ₹15,000 will be paid by the tour operator to the tax authorities and ₹3 lakh will be retained by him for the bookings or reservations and his charges for the overseas tour. If Mr. B does not have either a PAN card or an Aadhaar, the tour operator will collect ₹3 lakh + 10 per cent, that is, ₹30,000 from Mr B, ₹30,000 being the TCS amount.

Are there any exceptions?

Unlike other cases, there is no minimum threshold prescribed for the applicability of TCS on overseas tour packages, that is, there is no provision that TCS on overseas tour packages will apply only if the cost of the tour exceeds a certain amount. Hence, TCS will apply to every overseas tour package booking, irrespective of the cost of the tour. The only exceptions to this are, one, if the buyer is liable to deduct tax at source under any other provision of the Act and he has deducted such amount; and two, the central government, a state government , an embassy, a High Commission, legation, commission, consulate, the trade representation of a foreign state, or any other person notified by the central government in the official gazette for this purpose, subject to such conditions as specified in that notification. In such cases, no TCS will be levied by the tour operator on the cost of the overseas tour package cost.

How can you claim the benefit of TCS?

Once the tour operator collects TCS, he is obliged to remit the amount collected to the tax authorities by the seventh of the month, following the month in which the payment was received. For instance, if the TCS is collected in the month of April 2020, the tour operator should deposit it with the tax authorities by May 7, 2020. He is also required to file a TCS return giving details of the TCS and the amount collected towards tour package charges. While doing so, he needs to quote the PAN of the customer. The tour operator also needs to issue a TCS certificate to the buyer detailing the TCS collected therein. Based on the PAN, the amount of TCS so deposited will show up in the buyer's Form 26AS and he can take credit for such tax when he files his tax return. If the income of the buyer is below the taxable limit, he will need to file a return to report his income and the TCS, so as to claim a refund of the TCS collected during that financial year.

When do these provisions take effect?

The provisions of TCS on overseas tour package will come into effect from April 1, 2020. TCS is to be collected by the seller at the time of debiting the buyer's account, or receipt of the amount from the buyer by any mode, whichever is earlier.

TCS on overseas tour packages has definitely added an additional burden in terms of higher cash flow, for taxpayers planning overseas tours as they will have to shell out more money starting from April 1, 2020. It also adds a compliance burden on tour operators in terms of collection and payment of tax, filing of TCS returns, and issuing certificates for TCS.

Homi Mistry is a partner with Deloitte India. Mousami Nagarsenkar is director and Richa Udaipuri is an assistant manager with Deloitte Haskins & Sells LLP

RAISING COMPLIANCE BURDEN

- TCS will become effective from April 1, 2020
- Those who have PAN/Aadhaar will pay 5 per cent, while those who don't will pay 10 per cent TCS
- There is no minimum threshold, so it will apply on every overseas tour package
- TCS will show up in your Form 26AS
- You can claim refund while filing your tax return

BS TUTORIAL

Jayant Pal

1. Which fast food giant reportedly intends to launch burger-scented candles?

A. McDonalds

B. Burger King

C. Wendy's

D. Tim Hortons

2. Which sporting behemoth began life as Blue Ribbon Sports?

A. Adidas

B. New Balance

C. Puma

D. Nike

3. Who was the first woman to be admitted into the Royal Statistical Society?

A. Janet Norwood

B. Florence Nightingale

C. Gertrude Cox

D. Enid Charles

4. Which IBM CEO said, "The last thing IBM needs now is a vision"?

A. Sam Palmisano

B. Virginia Rommetty

C. Lou Gerstner

D. Arvind Krishna

5. Which country defaulted on its debt last week?

A. Lebanon

B. Libya

C. Somalia

D. Peru

Solutions

1. A. The pack consists of six different scented candles. When lit together, they replicate the aroma of a Quarter Pounder Burger.

2. D. The company was founded on January 25, 1964, by Bill Bowerman and Phil Knight, and officially became Nike, Inc. on May 30, 1971.

3. B. In 1859, she was elected the first woman member of the Society for her work that saved lives during the Crimean War.

4. C. He said this in 1993 while underlining the need for action rather than words.

5. A. It defaulted on its US $1.20 billion debt, blaming its current economic crisis for it.

ECONOMY

Centre, social media join hands to fight misinformation

NEHA ALAWADHI
New Delhi, 21 March

With social media networks buzzing with misinformation on the coronavirus disease (COVID-19), the Indian government is tying up with social media firms and others to ensure that citizens have access to authentic data and details about the spread of the disease.

Prime Minister Narendra Modi on Saturday tweeted the initiatives that Google India, Facebook/WhatsApp and Twitter have taken to ensure people have access to authentic information on COVID-19 and the novel coronavirus that causes it.

Google has been putting out simple tips on handwashing for Android users, believed to be the best defence against contracting the virus, Twitter India has set up a "dedicated COVID-19 page that provides essential real-time updates to people from various authorities across India", while Facebook-owned WhatsApp has partnered with the Ministry of Electronics and Information Technology (MeitY) and Ministry of Health and Family Welfare to launch a chatbot on the lines of the one launched by the World Health Organization (WHO) this past week.

The MyGov Corona Helpdesk, launched Thursday, works on an IVR-like interface and lets users choose the information they want based on options provided. It is available at +91 9013151515, which, once added to a person's phone contacts will enable them to interact with the bot by texting "hi".

MyGov, the government's idea crowdsourcing platform (under MeitY), MoHFW and Mumbai-based Haptik developed the Helpdesk chatbot within 36 hours.

"We already have a microsite carrying important information about the advisories, precautions on travel and so on from the government, but citizens should not get overwhelmed with information. We spoke to top managers at Facebook and arranged approvals in record time to get this helpdesk up and running," said Abhishek Singh, CEO of MyGov.

Haptik, which launched a similar chatbot, said the firm worked for about four days to set up the MyGov bot. "The MyGov Corona Helpdesk is a completely new chatbot that has been built from the ground up. However, there are certain features that resemble the Haptik Coronavirus Helpdesk which went live in February. The government already has a national helpline number and the chatbot helps broaden the horizon in terms of reaching and spreading the right kind of information to people through a medium that over 400 million Indians utilise. The content and verified information is being provided by the ministries," said Aakrit Vaish, CEO of Haptik.

The initial response to the helpline was encouraging, said MyGov's Singh.

"We worked round the clock to set this up. It is version 1, and we plan to add more features, regional language support and interface changes," he added.

FROM PAGE 1

Cabinet nod to incentive plan for device firms

Under the MEIS scheme, the incentive was reduced to only 2 per cent for all sectors and to 4 per cent for a three-month period ending March 31 for mobile devices. Under the new scheme, foreign companies have to invest at least ₹1,000 crore in the next four years to set up their manufacturing units and will be offered 6 per cent incentive in the first two years, followed by 5 per cent in the next two years and then 4 per cent in the fifth year, according to industry sources.

The Indian Cellular and Electronics Association, welcoming the move, said, "PLI will be a mid-term stimulus to correct the manufacturing disability that India faces in manufacturing mobile devices in relation to China and Vietnam". The higher incentive will help mobile players narrow down the large manufacturing disability in the manufacturing cost which ranges from 9 to 23 per cent in these countries.

Mobile manufacturers point out that the move will give a push to Apple, which has been scouting for an alternative manufacturing hub beyond China. Currently, as much as $220 billion worth of phones in value terms or 95 per cent of its devices and components are manufactured in China. However, the Chinese domestic market constitutes makes up for 20 per cent in terms of its total sales share.

Apple already manufactures devices and components from India through its two vendors Foxconn and Wistron but the value is minimal at about $500 million. Among others, the Cupertino-based firm has been pushing for implementation of the PLI scheme to expand its export capacity from India.

Even Samsung, which has moved its manufacturing hub from China and has invested multi- billion dollars to set up mega plants in Vietnam, is likely to gain from the latest Cabinet decision. A large foreign investor for India, Samsung has made a beginning in the country as far as manufacturing is concerned. The company has invested ₹5,000 crore in a new plant near Delhi with a peak capacity to manufacture 120 million phones per annum. It has also committed that 30 per cent of the capacity can be used for exports as long as the country's polices are conducive.

The move to offer incentives will also help domestic players including Lava, Micromax and Karbonn, which invest in manufacturing mobile handsets. Experts say that many of them could become white label suppliers to global companies and even export on their own.

Currently, India exports only $1.6 billion-worth of mobile devices. That works out to less than 0.5 per cent share of the global exports of devices. According to ICEA, the new move could push India up in the top three league for mobile handset exports. The government also expects the new incentive scheme to help increase domestic value addition for mobile phones to 35-40 per cent by 2025 from the current level of 20-25 per cent. It's also expected to result in a total employment (direct and indirect) of over 800,000 jobs.

The manufacturing of mobile handsets, which has been a top priority of the government, is a focus area of the National Policy on Electronics 2019 with a target of 1 billion mobile handsets by 2025, valued at $190 billion, including 600 million mobile handsets for export.

Under SPECS, the government will provide financial incentive of 25 per cent on capital expenditure for machinery, research and development, electronic components, semiconductor/ display fabrication units, telecom equipment, specialised sub-assemblies and capital goods for manufacturing of such products. The scheme will be applicable to investments in new units and expansion of capacity/ modernisation and diversification of existing units. It is expected to create around 600,000 direct and indirect jobs in the country.

EMC 2.0 will provide infrastructure with minimum area of 200 acres along with industry specific facilities like common facility centres, ready built factory sheds/ plug and play facilities. It will offer financial assistance up to 50 per cent of the project cost subject to an upper limit of ₹70 crore per 100 acres of land for setting up of Electronics Manufacturing Cluster projects.

For common facility centres (CFC), financial assistance of 75 per cent of the project cost, subject to a ceiling of ₹75 crore will be provided This scheme expects to create 800,000 direct and indirect jobs.

According to the Manufacturers Association for Information Technology, the steps taken by the government, beginning with reducing corporate income tax to 15 per cent followed by the production-linked incentive scheme, are significant towards having an export-led electronic manufacturing strategy at a global scale and making India manufacturing globally competitive.

"India should now see large-scale manufacturing happening in the country, translating into progressive increase in value addition from 20 per cent to 35-40 per cent. Major EMS (electronics manufacturing services) companies like Flex, Wistron, Foxcon, Dixon will lead the manufacturing thrust," said Nitin Kunkolienker, president, MAIT.

Aerospace firms hit turbulence over COVID-19

But Airbus insists that "any supply chain disruption is only temporary.

"With the global spread of COVID-19, we are constantly expanding our global supply chain monitoring in order to widen and strengthen our early visibility, anticipation and mitigation capabilities. As of today, we are able to monitor and contain the effects of COVID-19 inside our industrial system, without impacting aircraft deliveries," stated Anand Stanley, president of Airbus India.

Boeing is equally sanguine. "We are having extremely frequent communications with our suppliers multiple times a day. We do this by having individuals from Boeing located regionally, and even in the sites and production facilities of our suppliers to help navigate the challenges that might cause shipping disruptions," said Salil Gupte, president of Boeing India.

Indian suppliers, however, say OEMs were not sharing what the situation was in their own facilities overseas, or with suppliers in other countries.

"We haven't asked them for any help or financial support yet. But we have alerted them to the possibility of delays. So far, they have just heard us out, but they have stopped visiting our facilities," said an Indian supplier, who asked not to be identified. Asked whether there would be production line shutdowns in the US, Gupte of Boeing said: "We don't really know. We will follow guidelines issued by the US government and the World Health Organization. Most important for us is the health of our colleagues in our supply chain. Boeing's guidance is that anyone who can work from home, should. But in factories, we recognise there are people working on site." "In the long term, we think aerospace is going to be a very strong industry. We recognise there will be disruptions in the short to medium term. We have to stay in close contact with our suppliers," said Gupte.

Most Indian aerospace firms have already implemented precautions, short of closing down production lines or cutting shifts. Biometric attendance has been scrapped and the temperatures of workers coming on shift are checked with temperature guns. Shop floors and offices have sanitizers and hospital grade handrubs at entry points and stock masks and medical supplies.

Some, like Dynamatic Technologies, have been innovative in holding a "Townhall meeting", where top executives have interacted with employees to reinforce workplace awareness of COVID-19. The firm is also sponsoring employee street plays that disseminate "dos and don'ts" for combating the virus.

Data demand surges as people step up work from home

Telcos are pushing streaming channels to shift their HD customers, who consume large amounts of bandwidth, to standard definition services. Companies like Netflix also have technology through which they can reduce the bit rate but without any impact on the quality of the service.

China vessels face 14-day quarantine

Vessels having persons suspected of COVID-19 will necessarily be required to be monitored by the health authorities and put in quarantine, if the samples are tested positive. The vessel will remain in quarantine and the infected persons will be dealt with in accordance with the procedures laid down by the health ministry. Vessels with infected persons will also be sanitised according to the protocols for dealing with COVID-19 pandemic.

Between April and January, India's major ports have handled 585.7 million tonnes of traffic, up 1.14 per cent from the same period last year.

Street bats for tax sops amid gloom

ASHLEY COUTINHO
Mumbai, 21 March

The Street is abuzz with calls for doing away with the tax on long-term capital gains, share buybacks, and dividend income received by shareholders as a last-ditch effort to improve the dismal sentiment among market participants. Many have taken to social media to express their demands

Mohandas Pai, former CEO and board member at Infosys, made a pitch for removing the tax on share buybacks. "Investors have lost ₹35 trillion but bad tax policies are penalising open market buybacks of shares by companies," he said in a tweet on Wednesday.

Companies such as Sun Pharma, Emami, Supreme Petrochem, Thomas Cook, and SP Apparels have announced or proposed buybacks recently. This is in the backdrop of a significant correction in stock prices over the past few days. The 20 per cent tax on buybacks introduced in the last year's Budget could dissuade more companies from announcing similar initiatives.

Buybacks involve repurchase of shares either through the open market or through the tender route. Share buybacks may help shore up earnings per share and return on equity and boost shareholder confidence about the company's future prospects.

BUYBACK OFFERS

	No. of offers	Offer amount (₹ cr)	Acquired amount (₹ cr)
2015	13	1,282	1,263
2016	37	28,235	27,887
2017	50	55,743	55,274
2018	63	32,718	32,385
2019	69	43,904	43,506
2020*	6	1371	1,289

*till Feb 29 Source: PRIME Database

"The government should scrap LTCG. Tax on buybacks and dividends should go as well. It is hardly getting any money from these initiatives"

DEVEN CHOKSEY
MD, KR Choksey Investment Managers

The clamour for removing long-term capital gains (LTCG) tax arising on sale of listed equity shares is also back on the agenda of market players.

"To arrest the fall in the Nifty, you may want to consider today removal of long term capital gain tax on equity, cut in IT by 3 per cent across the higher slab," tweeted Aditya Birla Sun Life AMC chief executive A Balasubramanian.

The then finance minister, Arun Jaitley, had introduced the tax in the 2018 Budget to be applicable at 10 per cent on gains of over ₹1 lakh for a holding period of over one year.

This year's Budget shifted the burden on paying tax on dividends from companies to shareholders. The dividend income is now added to the taxable income of the recipient and taxed at applicable rates. This has meant higher tax outgo for high net-worth individuals and promoters who would have to pay tax at a maximum marginal rate of 42.7 per cent, thus reducing cash in hand. Earlier, it was hoped that the tax in the hands of shareholders would be at a concessional rate.

"The government should scrap LTCG. Most stocks are down from the levels seen on January 31, the cut-off date for grandfathering, and investors are likely to book losses and carry forward the losses for the next eight years. Tax on buybacks and dividends should go as well. The government is hardly getting any money from these initiatives and it is better they are done away with for good," said Deven Choksey, managing director, KR Choksey Investment Managers.

NSE allows brokers to move trading terminals home

The National Stock Exchange (NSE) has allowed stock brokers to move trading terminals to locations other than those authorised so they can work remotely in light of the coronavirus pandemic.

In a circular titled "operational business continuity measures Covid-19", the exchange asked broking houses to frame an internal policy to prevent unauthorised trading activity. Brokerages will also have to give details of users who will be permitted to operate from remote locations and will have to ensure that only approved users get access to terminals.

"Before operation of terminals from alternative locations, provide the list of approved users, terminal details, segment, certificate details and the alternative location address to the exchange," the NSE has said.

Under the existing policy, a trading terminal can only be operated from the main office or branches. Also, brokers have to display the Sebi registration certificate on their notice board. The exchange has said these requirements stand relaxed till April 30 following which "the terminals shall be operated only from the locations reported to the exchange".

The NSE has said the internal policy for working from alternative locations will have to be approved by a senior authority such as CEO, director or compliance officer. Meanwhile, the NSE has also issued a "work from home advisory" to employees. Sources say it has divided its employees into two categories — those who can from work from home and those who need to come to the exchange premises.

SAMIE MODAK

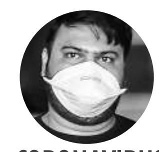
ICRA lowers rating of Future Group company

Falling share price of Future Group listed entities has led to 1.2x rise in total debt in ratio to market capitalisation

ABHIJIT LELE
Mumbai, 21 March

ICRA has downgraded the rating for term loans of Future Group's holding company Future Corporate Resources (FCRPL) to non-investment grade on high debt levels of the Kishore Biyani-led group.

The rating was lowered from "BBB" to "BB+" and factors in a substantial increase in the pledged shareholding of the promoter across listed entities owing to a continued decline in share prices.



CORONAVIRUS PANDEMIC

FCRPL's external debt reduced to ₹1,430 crore (excluding the impact of Ind-AS) as of December 31, 2019, from ₹2,758 crore (excluding the impact of Ind-AS) as of March 31, 2019. Yet, the debt (including debt from group companies) remains high.

Furthermore, despite monetisation of investments across various group entities, the total group debt has increased as of December 31, 2019, as against March 31, 2019, ICRA said in a statement.

The situation is mainly on account of an increase in debt of the operating companies, with the total debt at the group's listed companies increasing to ₹12,778 crore as of September 30, 2019, from ₹10,951 crore as of March 31, 2019.

With continued reduction in the share price of Future Group's listed entities, the group's debt to market capitalisation ratio has increased to 1.2 times as of March 16, 2020, from 0.4 times as of March 31, 2019.

Furthermore, this has resulted in an increase in the pledged shareholding of the promoter, resulting in reduced financial flexibility, the rating agency said.

However, the group also has investments in several unlisted entities, which provides an opportunity to monetise investments.

Future Group has received investments from marquee investors such as Amazon and Blackstone. But its ability to timely monetise its investments, reduce the debt at the holding companies as well as operating companies and achieve reduction in the pledge levels across various listed entities is a key rating sensitivity.

FCRPL's debt servicing is solely dependent on its ability to monetise its investments and/or timely refinance its debt because of insufficient accruals from its operating business, it said.

Banks may shut branches in case of lockdown

SOMESH JHA & NAMRATA ACHARYA
New Delhi/Kolkata, 21 March

Some banks are bracing up for downing shutters on branches in case cities go into a lockdown with a possible explosion of the coronavirus disease (COVID-19) cases.

"The number of customers visiting bank branches has come down in recent days. The banks may operate with a minimum number of branches and may close down some of them. But it will be done in a manner that the customers remain unaffected," a chief executive of a Mumbai-based state-owned bank said.

Private lenders such as Kotak Mahindra Bank have sent out advisories to customers, encouraging them to use mobile or internet banking as its offices "will operate with reduced staff due to COVID-19".

Some banks are going on an overdrive to secure employees who have to deal with the public at the branches on a daily basis with banking being one of the essential services. India's largest bank State Bank of India "decided to pay all employees a reasonable amount along with the salary for March, for purchase of masks, sanitizers".

Banks have been taking precautions to protect both employees and customers from infection. The movement of customers inside the premises of Bank of India at a branch in Masangaon, Madhya Pradesh has been semi-prohibited and a cordon has been set up using ropes from the cash counter to the passbook printing counter. No more than five-six customers are allowed to enter the branch at a time.

The corporate offices and head offices of all banks are working with reduced staff and on a rotational basis, as a part of the business continuity plan.

Kolkata-based UCO Bank has split its treasury department into two separate locations in Mumbai to avoid disruptions on account of lockdown. The bank is also planning to split it between Kolkata and Mumbai.

"We are seriously thinking of creating a standby arrangement by making the treasury operational in two places, Mumbai and Kolkata," said A K Goel, managing director and chief executive officer of UCO Bank. The bank has also asked about 40-50 per cent people to work from home at all administrative offices, whereas those at branches are working in shifts.

Banks are taking precautions to protect both employees and customers from infection by disinfecting their premises

United Bank of India, too, is asking employees who report symptoms of cold to go on leave, and this will not be deducted from their annual quota of leave, Ashok Kumar Pradhan, the MD and CEO of the bank said.

"In cases where it is possible, we are asking our employees in administrative offices to take files home and work from home. It is their call. However, at the branch level, it is not possible to do as customer interaction is involved. We are providing adequate amount of sanitizers in cash counters to counter this," said Pradhan.

Canara Bank has issued a circular saying that circle offices will ensure that at least 40-50 per cent of the employees are either on leave or working from home. Quick response teams will be formed to handle "exigencies, in case of upsurge in the spread of COVID-19".

HEALTH

FIT & PROPER

Your weekly health guide

HIV: Saving lives starts with early testing

ANIL JOTWANI
Senior president, Sales & Marketing, Transasia Bio Medicals

Most people confuse HIV and AIDS. While HIV is the virus that attacks the immune system, AIDS, also known as late stage HIV, is a set of symptoms that are manifested due to an immune system seriously damaged by HIV. Though there is no cure for HIV, early diagnosis can aid in timely initiation of antiretroviral therapy that can stop the virus from damaging the immune system. An HIV patient who has received timely treatment can live a normal and long life without progressing to late stage HIV.

Arresting the infection early on

HIV diagnosis is made by either demonstrating the presence of virus or viral products (antigens), alternatively by detecting host response (antibodies) to the virus. Rapid diagnostic tests provide same-day results and are a good form of initial screening. However, confirmatory tests such as serological assays (eg ELISA) to detect anti-HIV antibodies or HIV p24 antigen, Chemiluminescence immunoassays (CLIA) or Nucleic Acid Amplification Test (NAAT) to detect HIV nucleic acids, need to be mandatorily performed. HIV infection can be detected with great accuracy using WHO prequalified tests.

An infected person, generally develops antibodies against HIV after 4-6 weeks of infection. During this asymptomatic period of seroconversion — when the body's immune system has still not developed anti-HIV antibodies — the infected person can unknowingly transfer the HIV infection to others. There is a high possibility that a test done during these initial days does not reveal the true diagnosis. This is where the testing kit's sensitivity, specificity and the analytical sensitivity for HIV p24 antigen becomes utmost important in order to eliminate any false reporting.

Following a positive diagnosis, the patient should be retested before they are enrolled in treatment and care to rule out any potential testing or reporting error.

In India, since NAAT testing is quite expensive and not practically available for small and medium lab setups, serological assays such as ELISA, are a more common diagnostic method for HIV. As an alternative to NAAT, combined fourth-generation assays for detection HIV antigen and antibodies simultaneously have been developed with high sensitivity and specificity.

HIV and TB — a dual challenge, molecular testing to the rescue

Not just HIV, tuberculosis has also been a matter of concern for India with 27 per cent of the TB patients globally residing in India. In 2016, 12 per cent of the people who enrolled for HIV care in India had active TB. So India has a herculean task at hand to ensure early diagnosis of HIV and TB.

Having said that it is important to note that there is in urgent need to reach out to the remote areas through primary health care centres to create awareness and access to initial screening.

Technologic advances with HIV diagnostics continue to address outstanding and new issues associated with diagnosis and the monitoring of infection by providing more simplified, cost-effective and accurate testing throughout the world.

Coronavirus: Being male may be a risk factor, just as being older is

RONI CARYN RABIN
21 March

The coronavirus is striking, and felling, more Italian men than women, and some experts are warning that being male may be a risk factor for the illness, just as older age is.

The Italian trend mirrors one seen in China, where men were more likely than women to die of COVID-19.

In Italy, more men than women have been infected, and a higher proportion of infected men have died. Some 8 per cent of male patients died, compared with 5 per cent of female patients, according to a Higher Health Institute of Rome analysis of 25,058 cases.

"Being male is as much a risk factor for the coronavirus as being old," said Sabra Klein, a scientist who studies sex difference in viral infections at Johns Hopkins *Bloomberg* School of Public Health. "People need to be aware that there is this pattern. Just like being old means you're at higher risk, so does being male. It's a risk factor."

She said the vulnerability could be biological or behavioural. Women have more robust immune systems, Klein said. And more men smoke in higher numbers, and they are less likely to wash their hands, studies show.

"We don't always understand why something is a risk factor, and we're probably not going to be able to pinpoint one thing," Klein said. "But it's remarkable that we're seeing this across such socially and culturally distinct countries as Italy and China. More needs to be made of this fact."

In Italy, coronavirus is taking a higher toll on men — the way it did in China

Deborah Birx, the coronavirus response coordinator for the White House, mentioned the gender disparity in deaths in Italy, but said the gender gap was "twice" as high in men at all ages. In fact, the report mentioned no deaths in people under 30 and very few deaths among men and women in their 40s and 50s. The heightened risk to men becomes apparent in their 50s, with the gender gap tapering off somewhat only at 90, probably because there are fewer men in this age group.

Over all, men represented 58 per cent of 25,058 coronavirus cases in Italy, and 70 per cent of the 1,697 deaths described in the report.

In China, the death rate for men was 2.8 per cent, compared to 1.7 per cent for women, according to the largest analysis of cases by the Chinese Center for Disease Control and Prevention.

Men also were disproportionately affected during the SARS and MERS outbreaks, which were caused by coronaviruses.

More women than men were infected by SARS in Hong Kong in 2003, but the death rate among men was 50 per cent higher, according to a study published in the Annals of Internal Medicine.

Some 32 per cent of men infected with Middle East Respiratory Syndrome died, compared with 25.8 per cent of women. Young adult men also died at higher rates than female peers during the influenza epidemic of 1918.

Women appear to have stronger immune systems than men. The female sex hormone estrogen appears to play a role in immunity, as does the X chromosome, which contains immune-related genes. Women carry two X chromosomes; men only one.

But women also develop more autoimmune diseases such as lupus and rheumatoid arthritis, in which the immune system attacks the body's own organs and tissues.

Other health and behavioural factors may also be contributing to men's vulnerability. Men develop cardiovascular disease and hypertension at younger ages than women, and both of these conditions increase the potential for severe disease, said Kathryn Sandberg, director of the Center for the Study of Sex Differences in Health, Aging and Disease at Georgetown University.

Men also smoke at higher rates than women. In China, more than half of all men smoke, compared with less than 3 per cent of women; in Italy nearly 30 per cent of men smoke, compared with 19 per cent of women. In the United States, the smoking gap is smaller, with 17.5 per cent of men smoking compared with 13.5 per cent of women.

A World Health Organisation report on cases from the European region noted that of 11,228 coronavirus infections with known data, 57 per cent were in men. Of 1,032 deaths for which records were available, only 295, or 28 per cent, were in women.

Burnout isn't just in your head; it's in your circumstances

ADAM GRANT
21 March

The health of a society depends heavily on health care professionals, but the profession has a problem: burnout. Over half of doctors and a third of nurses feel it, and the consequences are dire. When providers burn out, patients are less likely to get quality care and more likely to die.

During a pandemic, the risks of burnout become even more acute: Medical professionals are braving high disease exposure, long hours and inadequate resources.

The heart of burnout is emotional exhaustion — feeling so depleted and drained by your job that you have nothing left to give. In the US, over half of employees feel burned out at least some of the time. It doesn't just hurt our productivity — it can harm our mental and physical health, too. There's evidence linking burnout to weakened immune systems and even cardiovascular disease. It's no wonder that burnout has been declared an occupational syndrome by the World Health Organisation.

As an organisational psychologist, I've spent part of my career studying burnout in schools, fire departments, governments and hospitals. My favourite model is demand-control-support. The basic idea is that if you want to prevent or cure emotional exhaustion, you have three options: reduce the demands of a job, provide support to deal with them or increase control over them.

Reducing job demands: This is a structural change; it's about decreasing the load on the person doing the job. In health care, it often starts with decreasing digital demands. If you want to hear a health care provider curse, try asking them to estimate how many hours they waste a year clicking through electronic health records. At the Cleveland Clinic, for example, they launched a task force to simplify the process. They also introduced some digital solutions to lift the burden of calling pharmacies for refills and insurance companies for tests: now they have automated refills and pre-authorisations.

Increasing support: Here is where cultural change comes in. One of the biggest barriers to support is that people are often afraid to ask for help, of being vulnerable and a burden to others. They want to look competent and self-reliant. To make sure people get the support they need, it helps to remind them that asking for help is a sign of strength, not a source of weakness. In hospitals, my colleagues and I have found that creating a nurse preceptor role — a professional whose job is to help other nurses — facilitates help-seeking.

Increasing control: This is about giving people the freedom and the skills they need to handle the demands of their jobs. It often starts with psychological change: When we're feeling overwhelmed, it can help to apply some evidence-based techniques for regulating emotions. Two of the most effective strategies for gaining control over our emotions are reappraisal and distraction. A teacher feeling daunted by the challenges of delivering online classes might reframe it as an opportunity to build new skills.

Mind your emotions: Another avenue for control is to name our emotions. When you name your exhaustion, it becomes easier to see that it's not a problem in your head; it's a problem in your circumstances. You can start to pinpoint situations where it rises and falls — and start doing something about it.

Anyone can burn out in any job. But especially in a pandemic, we need to make sure we care for the caregivers.

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 in their book

Acquisitions and mergers are a tricky business. It is one thing to make them happen and quite another to make them work with results sometimes being downright messy.

A long-time friend and Bangalore angel investor P G Ponnapa was Managing Director of AOL India from 2006 to 2010. He says, "Acquisitions often fail because of a cultural mismatch. As Managing Director of AOL India, I saw at close hand what has become one of the world's biggest collapses of a big-ticket merger: The $350 billion merger of AOL and Time Warner in 2000. At AOL you had thirty-year old guys wearing t-shirts and jeans, and at Time Warner you had fifty-year olds who were running billion-dollar businesses who were now compelled to say: 'Time to listen to these guys!'"

Much has been written over the years about the role of culture in the failure of the AOL Time Warner merger. On the tenth anniversary of the merger, an article in *The New York Times* by Tim Arango "How the AOL Time Warner Merger went so wrong" quoted Richard Parsons, President of Time Warner as admitting, "I remember saying at a vital board meeting where we approved this, that life was going to be different going forward because they're very different cultures, but I have to tell you, I underestimated how different.'

In a commentary in *Fortune* magazine on 10 January 2015, fifteen years after the merger, Rita Gunther McGrath wrote, "Merging the cultures of the combined companies was problematic from the get-go. Certainly, the lawyers and professionals involved with the merger did the conventional due diligence on the numbers. What also needed to happen, and evidently didn't, was due diligence on the culture. The aggressive and, many said, arrogant AOL people "horrified" the more staid and corporate Time Warner side. Cooperation and promised synergies failed to materialise as mutual disrespect came to colour their relationships.'

Business leader, consultant and journalist Georg Bradt says in the June 2015 issue of the *Forbes* magazine "When you merge cultures well, value is created. When you don't, value is destroyed...The game is won or lost on the field of cultural integration. Get that wrong and nothing else matters."

In stark contrast, the senior leadership team at both Conzerv and Schneider Electric spent a lot of time on, and paid much attention to, the compatibility of cultures. We were moved by the utmost professionalism, empathy and sensitivity of the global leadership team at Schneider Electric led by Jean-Pascal Tricoire. They have honoured every commitment they made, they were empathetic when Ashok and I expressed a desire to remain in the business for one year and not three, that too in a non-operational role, and they made that year of transition completely trouble-free.The underlying theme has been mutual respect.

Anil Chaudhary, Country President and Managing Director at Schneider Electric, India, adds the role of leadership into the integration brew, "Hema made sure that there was good people integration happening. She was part of our Advisory Board even after the acquisition till 2011. That also helped to achieve very good integration of Conzerv within Schneider Electric."

The integration was not just in terms of people but also many of the programmes which underlined not just synergy but an equitable relationship between both organisations.

Managing Director of Eco-Crystal (a water purification solutions company in Bangalore), Dr Bhattacharya says wryly, "It is very rare for an Indian company or for that matter any company in the world to ask its acquirer "please maintain my social programmes". Usually when the company is gone you forget about those programmes."

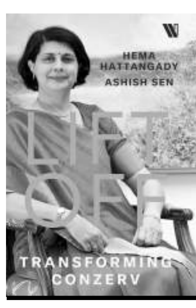
We managed to do that and more.

Lessons from the integration

There are four key lessons to be learnt:

Are both parties clear on the logic of the acquisition?

This is an important element and one which probably gets overlooked in the zeal to do the deal. Both sides need to be realistic about the logic for the deal and also understand why the other party wants to merge/acquire and be comfortable with the reasons. In this case, both companies went to great lengths to articulate the logic to each other as well as internally and get a buy-in in their respective companies.



LIFT OFF: The Story Of Conzerv
AUTHORS: Hema Hattangady & Ashish Sen
PUBLISHER: Westland
PRICE: ₹441

The devil IS in the details

Thinking things through beyond the actual acquisition/merger was the hallmark of this acquisition. Integration of people and products got as much attention as percentage points increase in profits.

Olivier Blum, then heading Schneider Electric in India, was patience personified in listening to our assessment of our people and product portfolio. He spent time with each key manager in Conzerv to understand their aspirations and concerns. He travelled with me to meet the regional sales teams and dealers across India and spent time meeting the manufacturing and design teams.

Olivier also did something else that was unique, given that Schneider Electric was a global giant acquiring a much smaller company: He made sure he got engaged in our thought-leadership initiatives:

AEEE: In 2008, I had co-founded AEEE (Alliance for an Energy Efficient Economy) as a national not-for-profit for energy efficiency in India (see 'On Thought Leadership')

Conserve my Campus: I had also created Conzerv's social initiative to teach school children how to conserve energy at home and school. We called it 'Conserve my Campus' (more in 'On Thought Leadership'). Schneider not only continued but also scaled this programme calling it 'Conserve My Planet' and has expanded it to many cities across the country. Anil Chaudhary, current Managing Director and Country President, Schneider Electric India says, 'Even today it is one of those very important initiatives which we have carried on in Schneider and it remains a signature programme for us.

Digging your heels in

The resilience of both parties turned out to be an important factor. In our case the global financial crisis could have been a good reason to postpone, even call off the deal. Schneider Electric didn't but chose instead to reach out and discuss the changed circumstances and the effect on financial projections. A mutually acceptable rework later, the process of due diligence continued. A critical role was played by Russell Stocker (then EVP at Schneider Electric, Asia Pacific) in taking ownership and steering the acquisition at the highest level.

Check for vision alignment

From all that has been written on the lessons from the AOL-Time Warner merger, we saw culture as key to the success of integration. Both our companies had similar values, culture, a passion for technology and innovation and a similar vision for energy efficiency. Chairman and CEO of Schneider Electric, Jean Paul Tricoire sums up all these lessons neatly in his statement in November 2016, seven years after the acquisition: "Energy efficiency and innovation are the core of Schneider. Therefore, I always felt it was logical for Conzerv and Schneider to join forces... Most importantly, our company cultures were highly compatible and complementary, cemented by similar vision of the future of energy, the same passion for technology and same values... I made my decision based on the personality and drive of Hema Hattangady, who personified Conzerv culture."

THE PROOF OF THE PUDDING, EIGHT YEARS LATER

People

Almost all the original employees of Conzerv continue to be part of Schneider Electric. Many have reached high positions in the senior team in India and overseas. Olivier Blum, now the Chief HR Officer, Schneider Electric says, "I am glad today that most of the historical employees continue to work for Schneider."

Products

Anil Chaudhary says, "Conzerv's metering products continue to be an important part of the strategic offer of Schneider Electric. The brand name Conzerv is still used for certain categories of meters."

Continuing relationship

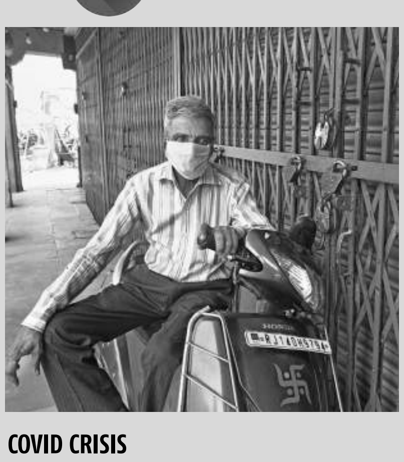
Even though the contractual relationship ended one year after the acquisition, the engagement continued. Hema continued her role on the Advisory Board in India till 2011 and Ashok continued his consulting role with one of their global design teams for seven years. Anil sums up the success of the integration from Schneider's point of view neatly: "I came back to India from France in 2013 by which time Conzerv was already fully integrated into Schneider Electric. At Schneider Electric we are very happy to have Conzerv as part of our portfolio. In terms of the people, it is a very strong culture they have built there...a very respected professional team and this is aligned with the people strategy of Schneider Electric as well. We appreciate and take care of our teams-encourage them to innovate and take risks and try to do business in an innovative way so that they can create maximum value for our customers. This was already a culture which was very much present in Conzerv They were very close to the customer, very professional, proud of the technology they were bringing and the values they were bringing to the customer.

We have been able to accelerate some of the development and innovation work which we were doing in the domain of energy efficiency and energy management. This has really created a strong portfolio for us today. We are not only one of the leaders in India, but we are putting these (Conzerv) products into the global market with global customers. More recently, we have created a centre of excellence for power measurement-this is located in Bangalore where a lot of people from erstwhile Conzerv have taken on very important roles in this organisation as well as in other parts of the world and some mature economies like Canada, Middle East etc.

Another asset has been Conzerv's very strong, loyal network of distributors and partners. We have been able to expand their portfolio from energy metering to the full range of our products. Many of the larger distributors working with us today came to us with Conzerv as a family of partners .... That is part of the very strong work done by Hema and Ashok and team to create that kind of network."

Excerpted with permission from Westland

IMO



COVID CRISIS

Kiran Mazumdar Shaw@kiranshaw
Why is @WHO not researching the virulence of COVID19 in terms of warming weather conditions. It is an RNA based virus which is known to be fragile at increased temperatures. So far highest virulence seems to be in regions where temperatures are sub 20 deg. C.

Aakar Patel@Aakar__Patel
The only effective way to stop this is to have 100% lockdown and Govt sends food and water to each home through trained professionals.
Possible in India?

Arvind Kejriwal@ArvindKejriwal
Corona restrictions causing terrible financial stress to poor. Following decisions taken to provide them relief-1. Rs 4000- 5000 pension will be paid to 8.5 lakh beneficiaries by 7 Apr ; 2. Free rations, with 50% more quantity than normal entitlements, to 72 lakh beneficiaries

Rakesh M Chaturvedi@_Rakesh_RC
#KanikaKapoor seems to have left no stone unturned to infect people. Why was she partying and attending functions when she should have been in self-quarantine after returning from UK? From MPs to ministers to commoners, many now are suspect. #COVID-19

Sagarika Ghose@sagarikaghose
•No we don't need clapping and ghanti bajao, we need more masks, hazmat suits, better quarantine facilities and more awareness, says this doctor working with #CoronavirusOutbreakindia

Rohini Singh@rohini_sgh
World over billionaires are donating money to fight the pandemic. Indian billionaires, on the other hand, are defaulting on loans, decamping after taking public money, manipulating NCLT to buy assets cheap, spreading hate and misinformation through their news channels!

KAMAL NATH RESIGNS AS MP CHIEF MINISTER

Shama Mohamed@drshamamohd
Never forget, when India is going through an unprecedented health crisis, BJP bribed, threatened & abducted MLAs, kept Parliament functioning despite the health risk, & spent unimaginable amounts of money all to topple a democratically elected state govt!

Ashok Gehlot@ashokgehlot51
Karnatak, Madhya Pradesh and now BJP has poached 5 MLAs in Gujrat, this is highly condemnable . They are trying hard to implement their one party agenda, which will never happen. Congress will fight tooth and nail against them.

Barkha dutt@BDUTT
So @OfficeOfKNathresigns before floor test. It's Karnataka redux in Madhya Pradesh. And for those who said Scindia departure was no big deal for Congress, if the loss of a big heartland state is not a political cost, please don't be in politics!

JUSTICE RANJAN GOGOI NOMINATED TO RAJYA SABHA

Ashok Swain@ashoswai
Modi nominates Former Supreme Court Chief Justice Rajan Gogoi to India's Upper House (Rajya Sabha) - That is the reason, Gogoi, who was accused of sexual harassment, helped Modi to wage a coup in CBI to hide his Rafale scam & get the Babri Mosque land to build a temple!

Shehla Rashid@Shehla_Rashid
If Ranjan Gogoi knew the true power that the office of the Chief Justice of India - the protector of the Constitution - commands, he wouldn't be running after a mere Member of Parliament seat! He should have died fighting than surrendered.

No certainty of success with YES bailout plan

Unless a resolution mechanism designed for a quick turnaround of stressed financial institutions is implemented, we will continue to lurch from one crisis to the next

DIVA JAIN

With no disclosure on the true extent of losses, it may be difficult to convince depositors to continue to hold their funds in YES Bank

The Reserve Bank of India (RBI) and the finance ministry have formulated a bailout plan for YES bank post-haste to prevent contagion in the financial system. Contagion usually results from a shock that generates uncertainty, which in turn causes a fear induced freeze in the financial system thereby initiating a self-fulfilling death spiral. This can only be combated by resolving uncertainty, which then restores confidence and allows market forces to operate freely. Unfortunately the RBI and the finance ministry plan tries to boost confidence without resolving the underlying uncertainty, and, in fact, even adding to it on some dimensions.

The recently approved plan envisages an equity investment into YES Bank by SBI and other private players, a write-down of Tier 1 bonds and a lock in period of three years for 75 per cent of the holdings of all shareholders except SBI. While the plan does nothing to address the root cause of this crisis that lies in the uncertainty around the true extent of losses hiding in YES Bank's books, it creates several negative externalities for the system.

The plan hinges on its ability to convince depositors that YES Bank will remain a viable custodian of their funds after the restructuring. However, with no disclosure on the true extent of losses and ample signals that further equity investment may be required in YES Bank, it may be difficult to convince many depositors to continue to hold their funds in the bank. A flight of deposits from YES Bank post restructuring will further compound the problem and may create a large asset liability mismatch, which will require an even larger bailout. Thus, the plan in its current format is risky and deprives YES Bank of an opportunity to restructure its operations with a clean slate and restore the trust of its customers.

Second, the bailout plan creates massive uncertainty for providers of banking capital in the system. The plan preserves the value of equity at ₹10 a share but writes down the value of Tier 1 capital while leaving Tier 2 capital (around ₹18,000 crore) unscathed. This may be legally feasible, but is not backed by any economic logic. It is important to note that such a seemingly random allocation of losses among capital providers increases uncertainty for all classes of investors in banks (equity, Tier 1 and Tier 2) and not just Tier 1 investors as is being forecast. Investors in bank capital will now be worried that an arbitrary allocation of contingent losses may wipe them out completely while leaving other classes untouched. This will create uncertainty about the resolution process of failed banks and likely increase the cost of raising bank capital across the board and not just for Tier 1 bonds.

Third, the decision to lock in shareholders for three years is loaded with negative signals. It shows that the authorities are unsure about the success of the plan. It also suggests that the new investors are uncertain about the true extent of losses on the books and wish to have downside protection on their investments (at least in the short run) should the losses be excessive or should the plan fail to stop a flight of deposits. Thus, instead of resolving uncertainty about YES Bank's viability, it adds to it.

There are several other issues with the plan such as the fact that new investors are now on the hook for prospective losses on the legacy book while Tier 2 capital providers walk away scot free. Also the government has now provided a de facto blanket sovereign guarantee on all bank deposits irrespective of whether they have been made at private or state-owned banks. This means that depositors will have no incentive to examine and monitor the banks they deposit their money in. Moreover, managers of private banks now have a much weaker incentive to manage and minimise lending risk.

What is unfortunate is that this was not the only way to stem contagion. The RBI could have used the moratorium to completely write down the value of doubtful assets, offset the losses against equity, Tier 1 and Tier 2 capital and finally start to look for new investors with a clean slate and zero uncertainty. Alternatively, the dubious assets could have been housed in a "bad" bank supported by legacy equity, Tier 1 and Tier 2 capital while the deposits and healthy loans could be spun off into a "good" bank, which could have sought new equity investors without the overhang of uncertain losses. Both these solutions are based on sensible economics, alignment of incentives and reduction of uncertainty, compared with the current approach which is risky and perverts incentives in the financial system

As this column has previously argued, what is missing from the current government's policies is a commitment to structural reform. While western economies have realised the importance of orderly resolution of systemically important financial institutions and imposed pre-packaged resolution plans (see link for resolution plans of all major financial institutions in the United States, *https://www.federalreserve.gov/supervisionreg/resolution-plans-search.htm)* for large banks, we have been devoted to a make-as-you-go approach to financial regulation. Unless a resolution mechanism designed for a quick turnaround of stressed financial institutions is implemented in India, we will continue to lurch from one crisis to the next with patchwork solutions that may be worse than the problem.

The writer is a probabilist who researches and writes on behavioural finance and economics

In heavy debt, US oil firms hit badly as prices collapse

Major issuers of junk bonds to finance expansion, US energy companies are in deep trouble now

MATT PHILLIPS AND CLIFFORD KRAUSS
21 March

Wall Street supercharged America's energy boom of the past decade by making it easy for oil companies to finance growth with cheap, borrowed money. Now, that partnership is in tatters as the coronavirus pandemic has driven the fastest collapse of oil prices in more than a generation.

The energy sector has buckled in recent weeks as the global demand for oil suddenly shriveled and oil prices plunged, setting off a price war between Saudi Arabia and Russia. Oil prices are now one-third their most recent high, trading as low as $24 a barrel, and could fall further.

US President Donald Trump tours the Shell Pennsylvania Petrochemicals Complex REUTERS

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 and are finding it challenging to raise new financing, which has gotten more expensive as traditional buyers of debt have vanished and risks to the oil industry have grown. Companies are increasingly turning to restructuring advisers to work through their finances, and the weaker businesses could end up filing for bankruptcy.

Collectively, the energy companies in the S&P 500 stock index are down roughly 60 per cent this year. Prices of bonds issued by US energy companies — both the safer investment-grade kind and riskier junk bonds — have plummeted, while their yields have skyrocketed.

Even once-unassailable energy giants appear fragile. On Monday, S&P Global Ratings cut the oil behemoth Exxon Mobil's credit rating, citing the impact of lower oil prices on cash flows, and some analysts are questioning whether it will be able to keep paying its current dividend. A week after Occidental Petroleum slashed its dividend, Moody's Investors Service downgraded its rating of the company. Occidental is stretched by its acquisition of Anadarko last year, which required it to take on $40 billion in debt, and is now expected to make severe payroll cuts.

"The shale players were already stretched to their limits, and the virus has just broken every thread they were holding on by," said Ed Hirs, an energy economics lecturer at the University of Houston.

Collectively, the energy companies in the S&P 500 stock index are down roughly 60 per cent

The American shale revolution began around 2008 as oil prices flirted with $150 a barrel and when the US faced chronic shortages of energy and dependence on Saudi Arabia and unstable producers like Venezuela and Nigeria. In the decade that followed, investors — and the Wall Street bankers who catered to them — were more than happy to provide financing for upstarts like Oklahoma-based Chesapeake Energy and Devon Energy.

Interest rates were low, and investors embraced the riskier debt that energy companies typically issued with the promise of higher returns. In the last 18 years, energy companies were among the largest issuers of junk bonds on Wall Street, according to analysis from JPMorgan Chase. In 10 of the last 11 years, energy companies were the single largest junk bond borrowers.

That borrowing binge meant that by 2014, almost all investors in junk bonds were heavily exposed to the fate of these companies. Since 2016, when oil prices began to drop, 208 North American producers have filed for bankruptcy involving $121.7 billion in aggregate debt, according to the Haynes and Boone's Oil Patch Bankruptcy Monitor report released in late January. That means many investors in those bonds lost their principal. But debt offered by the companies that did survive the bust still accounts for more than 10 per cent of the junk bond market.

"The main technology innovation there was financial innovation," said Roman Rjanikov, a portfolio manager at DDJ Capital Management in Waltham, Mass.. "Somehow they were able to convince investors that never generating cash was cool."

The problem with that model, he said, is that "when you lose access to that capital, things break down."

Oil companies were already under pressure from lower oil and natural gas prices because of a warm winter even before the coronavirus outbreak and the price war between Saudi Arabia and Russia. Also, margins for refining and chemical production have been shrinking. And with analysts at Citi projecting that the global Brent oil benchmark price will go as low as $17 a barrel, things could get much worse.

In recent days, oil companies have cut their capital spending sharply. In Texas, the epicentre of the shale drilling boom, companies have axed at least $8 billion in the last few days from their 2020 capital budgets, pulling drilling rigs and cancelling hydraulic fracturing crews. The job losses that follow will likely be significant, worsening what's expected to be a deep recession in the United States.

At the same time, major bills are coming due. North American oil exploration and production companies have $86 billion in debt that will mature between 2020 and 2024, and pipeline companies have an additional $123 billion in debt coming due over the same period, according to Moody's.

Chesapeake Energy has $192 million of bonds coming due in August. With debt of $9 billion, the company is almost out of cash and has hired restructuring advisers, *Reuters* reported. Another company at risk is Whiting Petroleum, focused on the North Dakota Bakken shale, which has roughly $1 billion of debt coming due over the next year.

Among those hit hardest from the latest oil price plunge and pullback in exploration and production activity will be oil service and drilling companies such as Halliburton, Schlumberger and General Electric's Baker Hughes, along with hundreds of smaller companies. The oil field services sector in North America faces high financing risk with $32 billion of debt maturing between 2020 and 2024 — roughly two-thirds of which was issued by smaller, more speculative companies — according to Moody's Investor Service.

But the entire energy industry is adjusting. Parsley Energy, a leading West Texas oil and gas producer, has devised its 2020 capital budget assuming that oil prices will be in the range of $30 to $35 for the remainder of the year. It is reducing its capital budget by more than 40 per cent to under $1 billion and reducing salaries of its executive officers by at least 50 per cent compared with last year. It has already reduced drilling and fracking crews and it plans to cut some more.

COVID-19 has spread around the globe, infecting more than 250,000 people and killing over 10,000 PHOTO: REUTERS

Google launches new COVID-19 website

MARK BERGEN
21 March

Google launched a website dedicated to information about COVID-19 a week after US President Donald Trump touted the company's help in the fight against the pandemic.

The internet giant said it worked with "relevant agencies and authorities" to roll out the site — google.com/covid19 — which went live on the web late Friday offering education, prevention and local resources related to the novel coronavirus.

At the top of the site, there's an information box describing virus symptoms, treatment and prevention tips from the World Health Organisation. Google also included links to state departments of health across the US, search trends related to Covid-19, and other resources for individuals, educators and businesses.

"Launching today in the US, the site will be available in more languages and countries in the coming days and we'll update the website as more resources become available," Google said in a statement. "Along with our other products and initiatives, we hope these resources will help people find answers to the questions they're asking and get the help they need."

The coronavirus has spread around the globe, infecting more than 250,000 people and killing over 10,000. In the US, about a third of the population has been told to stay home, triggering a financial market crash and dire warnings of economic decline. As the distributors of most online information, Google and other internet giants have been called on to help by limiting misinformation and highlighting trustworthy sources.

On March 13, Trump said Alphabet's Google had roughly 1,700 engineers working on a virus website. At the time, no one was sure exactly what he was talking about. Verily, a health-care unit of Alphabet, has rolled out a triage website that offers a limited number of virus tests in Silicon Valley. But Google itself has been developing its own site, which launched this Friday.

Google hopes to include a link on its website to a questionnaire from the US Centers for Disease Control and Prevention that will ask people about any virus symptoms and direct them to testing locations and other resources.

Under a resources tab on the left of Google's site, the company linked to many of its own services. A section for teachers on how to instruct students from home listed company offerings such as Google Classroom, Google Docs and Google Hangouts.

Google also created bespoke search pages to show people when they look for online information about COVID-19. The company will show no ads alongside these results. There will be a carousel of virus-related Twitter posts from vetted sources, too.

The site and revamped search experience are some of the first major projects from Google's new health division.

BLOOMBERG

Goldman CEO bucks Wall Street trend with 20% pay bump

ANDERS MELIN & SRIDHAR NATARAJAN
21 March

Goldman Sachs Group awarded Chief Executive Officer David Solomon $27.5 million in compensation for 2019, his first full year on the job.

His pay included $2 million in salary, a $7.65 million cash bonus and $17.85 million long-term incentive, the New York-based bank said Friday in a filing.

The pay boost comes just as Goldman is embarking on a $1.3 billion cost-cutting plan that includes removing some managers REUTERS

The pay boost comes just as Goldman is embarking on a $1.3 billion cost-cutting plan that includes removing some managers and shifting employees to less expensive locales. That is aimed at helping the firm meet a goal Solomon, 58, set at the firm's first-ever investor day in January to boost return on equity above 13 per cent in the next three years, up from 11.5 per cent in 2019. Solomon has spent much of his time as CEO accelerating the push into new areas, such as consumer banking and wealth management.

Morgan Stanley previously said it cut CEO James Gorman's pay by 6.9 per cent to $27 million. JPMorgan Chase & Co awarded Jamie Dimon $31.5 million, a 1.6 per cent increase. Both firms had their most profitable years ever in 2019.

Goldman shares climbed 38 per cent last year, beating the 29 per cent gain for the 66-company S&P 500 Financials Index. The stock is down 40 per cent this year amid the coronavirus pandemic.

The firm is still waiting for a resolution to criminal probes examining its role in the 1MDB scandal, in which money was allegedly diverted to corrupt officials and financiers from a Malaysian government development fund. Solomon previously oversaw the division when it became embroiled in the scandal. Goldman has said wrongdoing was committed by a rogue employee and that the bank wasn't aware of the misconduct.

Equity awards given to Solomon in 2018 are subject to clawbacks if the results of the investigation "would have impacted" the board's pay decisions for any senior executives. The board's compensation committee said it saw no reason to add a similar restriction to 2019 awards. BLOOMBERG

TOGETHER IN TROUBLE

The statue of Christ the Redeemer is lit up to reflect the countries that are affected by the coronavirus disease outbreak in Rio de Janeiro, Brazil on Friday PHOTO: REUTERS

Rejected Venezuela returns to IMF seeking $1 bn in aid

ALEX VASQUEZ, BEN BARTENSTEIN & FABIOLA ZERPA
21 March

Venezuela is returning to the International Monetary Fund with a request for $1 billion in assistance after a bigger financial rescue package was rejected by the Washington organisation, according to five people familiar with the request.

Nicolas Maduro's administration is arguing the emergency funds could be allocated through programs designed to purchase food, medicine and improve some hospitals' infrastructure to care for coronavirus patients, three of the people said.

An IMF press official said that the fund has the deepest sympathy for the humanitarian crisis facing the Venezuelan people and referred to a Wednesday statement in response to Venezuela's previous $5 billion request, which said that the IMF can't consider requests from Maduro's government because it isn't recognised by the international community. Officials at Venezuela's Information Ministry didn't respond to requests for comment.

Maduro ordered a nationwide quarantine starting Tuesday to slow the pace of infection. Venezuela's health system, depleted by a seven-year recession, is in precarious shape, suffering vast shortages of anything from antibiotics and protective equipment to soap and water. The government has reported 42 confirmed cases.

The IMF said it's ready to mobilise its $1 trillion lending capacity to help nations counter the coronavirus outbreak. However, the IMF's primary purpose is to ensure the stability of the international monetary system, and it isn't a humanitarian organisation.

Venezuela's relationship with the IMF has long been contentious. In 2007, late President Hugo Chavez pledged to cut ties with the fund, considering it a body that serves the interests of the US. BLOOMBERG

Kenny Rogers, the country musician with a pop audience, dies at 81

BILL FRISKICS-WARREN
21 March

Kenny Rogers, a prolific singer who played a major role in expanding the audience for country music in the 1970s and '80s, died on Friday at his home in Sandy Springs, Georgia. He was 81.

Rogers had been in hospice care and died of natural causes, said his publicist, Keith Hagan.

Singing in a husky voice that exuded sincerity and warmth, Rogers sold well over 100 million records in a career that spanned seven decades. He had 21 No. 1 country hits, including two — "Lady," written and produced by Lionel Richie, and "Islands in the Stream," composed by the Bee Gees and performed with Dolly Parton — that reached No. 1 on the pop chart as well.

By the time he retired from performing for health reasons in 2018, Rogers had placed more than 50 singles in the country Top 40, of which 20 also appeared in the pop Top 40. Long before the ascendancy of Garth Brooks and Shania Twain in the 1990s, he was among the first country artists to sell out arenas.

Rogers's popularity stemmed partly from his genial persona and rugged good looks, but also from his ability to inhabit his material, which, he often said, was of two main types: love songs like "You Decorated My Life" and narrative ballads like "The Gambler" and "Lucille."

"All the songs I record fall into one of two categories, as a rule," he said in a 2012 interview with NPR. "One is ballads that say what every man would like to say and every woman would like to hear. The other is story songs that have social significance."

"'Reuben James' was about a black man who raised a white child," he continued, referring to a 1969 song that was a Top 40 hit for his group Kenny Rogers and the First Edition. "'Coward of the County' was about a rape. 'Ruby, Don't Take Your Love to Town' was about a guy who came home from war."

"Ruby" in particular revealed Rogers's command as an interpreter of narrative ballads. Written by Mel Tillis, the song is about a veteran, left impotent and bound to a wheelchair by the Vietnam War, who must endure the agony of watching his wife leave the house every night to meet other men.

"And if I could move, I'd get my gun and put her in the ground," Rogers broods as the record ends.

Duo recordings were a prominent part of Rogers's repertoire, accounting for more than a dozen country hits, including eight No 1 records. Several of them, including "Don't Fall in Love With a Dreamer," a 1980 duet with the pop singer Kim Carnes, and

Kenny 'The Gambler' Rogers got the moniker after his 1978 hit song REUTERS

"We've Got Tonight," a remake of a Bob Seger hit performed with the Scottish singer Sheena Easton, were pop successes as well.

Rogers was particularly fond of singing the harmony part on vocal collaborations. In a 2013 episode of the television program "The Big Interview With Dan Rather," he explained that harmonies had fascinated him ever since he first heard his older sister Geraldine singing them in church.

"I'd never heard harmony before, and I said, 'What are you singing?'" he recalled. "She said, 'Well, that's called harmony, where you don't sing the melody, but you sing something that sounds good with the melody.' And I thought, 'Oh, I'd like to do that.'" Rogers also recorded with R&B artists like James Ingram and Gladys Knight. Both the rapper Wyclef Jean and the neo-soul singer Anthony Hamilton have used passages from his music in their work.

Rogers came by his wide-ranging musical sensibilities naturally. After graduating from high school, he played upright bass in the Bobby Doyle Three, a well-regarded jazz trio. He became a member of the folk ensemble the New Christy Minstrels in the mid-'60s.

He later experimented with pop psychedelia on the First Edition's 1967 single "Just Dropped In (To See What Condition My Condition Was In)," a Top 10 pop hit written by Mickey Newbury, with whom Rogers attended high school.

Most of Rogers's material was written by others. Two notable exceptions were "Sweet Music Man," a Top 10 country single in 1977 written solely by Rogers, and "Love or Something Like It," a No. 1 country hit the next year, which he wrote with his longtime keyboardist, Steve Glassmeyer.

Rogers also had an acting career, starring in a series of TV movies based on his signature song, "The Gambler," and in the 1982 feature film "Six Pack."

He was also an avid photographer. He published two volumes of his work: "Kenny Rogers' America" (1986), an assortment of photos of national landmarks and other places of interest, and "Your Friends and Mine" (1987), a collection of portraits of fellow celebrities like Elizabeth Taylor and Michael Jackson.

Rogers is survived by Wanda Miller, his wife of 22 years, and the couple's twin sons, Justin and Jordan.

CORONAVIRUS CONTAGION

IN BRIEF

Thailand closes malls as corona cases jump

Thailand announced it will close malls in the capital Bangkok as the country reported its largest daily increase in coronavirus infections on Saturday. Malls, except for supermarkets, will be closed for 22 days beginning March 22 to April 12 in a bid to curb the outbreak of the coronavirus, Bangkok Governor Aswin Kwanmuang said in a statement. "For malls, only the areas that sell food and goods that are used in daily life, will be open," Aswin said in a Facebook live broadcast. Long queues and crowds of shoppers were seen at a grocery store in downtown Bangkok with their carts full of dried goods, food and medicine. The governor asked the public not to panic and hoard goods. "Please don't be alarmed, I guarantee that you will be able to buy food and goods sufficiently," he said. Restaurants will be open for takeout orders and pharmacies will also remain open. The measures come as Thailand reported 89 new cases of the coronavirus on Saturday, bringing its tally to 411, with the majority of cases in Bangkok. REUTERS

Singapore reports first two covid-deaths

Singapore reported two coronavirus-related deaths on Saturday , marking the city-state's first fatalities from the infection. The patients who died were a 75-year-old Singaporean woman and a 64-year-old Indonesian man, the health ministry said in a statement. Singapore, widely praised for its fastidious onslaught against the virus, has confirmed 385 cases of the infection and had so far managed to avoid any fatalities since the outbreak began in the city-state in late January. to the police. REUTERS

Smiths shares IP of one of its ventilators

British technology firm Smiths Group said it was making one of its ventilator available for other manufacturers to produce, part of a coordinated attempt to tackle a shortage of life-saving equipment as coronavirus spreads.The group's Smiths Medical unit was providing intellectual property and advice to other companies to make its PARAPAC Plus lightweight ventilator, and it was ramping up its own production at its site in Luton, just north of London. REUTERS

How to fight an epidemic

The head of Korea's Centers for Disease Control and Prevention has emerged as a role model for virus-fighters

SOHEE KIM & HEESU LEE
21 March

As South Korea's coronavirus outbreak risked veering out of control, with infections rising thirty-fold in just ten days last month, the country's health authorities got an unexpected break. The secretive religious sect whose meetings were early vectors for spreading the virus had agreed to disclose the names of all 212,000 members — critical information for figuring out where it would appear next.

The deal was brokered, in part, by Jung Eun-kyeong, the head of Korea's Centers for Disease Control and Prevention, whose management of the response has made her something of a national hero, and a potential role model for virus-fighters elsewhere. Since the agreement with the Shincheonji Church of Jesus on February 25, South Korea has tested more than 320,000 people, a diagnostic blitzkrieg that's brought the daily tally of new infections to less than 100, compared with more than 900 two weeks ago

A former small-town doctor who was deeply involved with the response to a 2015 epidemic of Middle East Respiratory Syndrome that killed 38 in Korea, Jung's daily briefings have become must-see TV for many citizens. Social media buzzes with praise for her straightforward approach to pandemic communications: tell the public exactly what's going on, but without over-promising about what's possible.

"There is nobody who can do the job better than Jung in this situation," said former CDC director Jung Ki-suck, who's now a professor at Hallym University Medical Center. (He and the current director are unrelated.) "This job can't be done just with knowledge. She has experience of past outbreaks. She knows what can be done and what can't."

No lockdowns

Although it was one of the first countries outside of China to experience a large-scale epidemic, Korea's response has been measured compared with the US and Europe. Cities aren't locked down, many workplaces remain open, and school is likely to resume in early April. The CDC's aggressive early actions, centered on an enormous but focused testing operation that's moved far faster than efforts in the US and UK, were a big part of why it was able to avoid more drastic measures.

Mapping the coronavirus outbreak across the world

Starting with church members in Daegu, the city about 150 miles of Seoul where Korea's outbreak has been centered, officials systematically widened testing efforts to other members who had been in contact with them.

Jung Eun-kyeong brokered the deal with the Shincheonji Church of Jesus

Korea's experience may provide a playbook for how to turn around a seemingly out-of-control epidemic in a country that's neither governed by an authoritarian regime, like China, nor a compact city-state, like Singapore.

Most effective

"Perhaps no other country with epidemic spread has been as effective as South Korea at broad-based testing and mitigation, backed by great health care," Scott Gottlieb, the former head of the US Food and Drug Administration, said in a Twitter post earlier this month. "The US should heed lessons now from the steps they've taken."

The last time Jung was part of a team charged with fighting an outbreak, the results were less positive. After working as a family doctor in Yangju, a town on the outskirts of Seoul, she joined the national health ministry as a researcher in 1995, and was promoted to running its emergency-care department during the 2009 H1N1 outbreak, which sickened 750,000 South Koreans. She was appointed as the head of the CDC's disease-prevention center just as MERS hit six years later.

The CDC was widely criticised for its handling of MERS, which is far more lethal but less contagious than COVID-19 — particularly over whether it provided enough information to an anxious public. In some cities, for example, officials discovered that MERS patients had been transferred to local hospitals without any official notification from the agency.

MERS fallout

A government probe followed, with some lawmakers calling for the CDC's top ranks to be fired. That didn't happen, but according to local media reports at the time, Jung and other officials had to take pay cuts. In 2016, though, she was put in charge of a new unit responsible for coordinating the government response to future outbreaks, before being named to the agency's top job the following year.

This time, the CDC moved quickly. A system put in place after the MERS crisis saw testing kits created by local biotech companies and researchers approved within weeks, a process that typically takes a year. The agency is also communicating more.

In January — before the virus had really even taken hold in Korea — Jung began holding twice-daily briefings, disclosing, among other things, the places that patients visited before they were admitted to hospital. (They've since been reduced to one per day). BLOOMBERG

US President's corona remedy defies science

Trump promoted the use of two malaria drugs to cure COVID-19

KATIE THOMAS & DENISE GRADY
21 March

At a long-winded White House briefing on Friday, President Trump enthusiastically and repeatedly promoted the promise of two long-used malaria drugs that are still unproven against the coronavirus, but being tested in clinical trials.

"I'm a smart guy," he said, while acknowledging he couldn't predict the drugs would work. "I feel good about it. And we're going to see. You're going to see soon enough."

But the nation's leading infectious disease expert, Anthony S. Fauci, delicately — yet forcefully — pushed back from the same stage, explaining that there was only anecdotal evidence that the drugs, chloroquine and hydroxychloroquine, may be effective.

"The president feels optimistic about something, has feelings about it," said Fauci, director of the National Institute of Allergy and Infectious Diseases, emphasising that he was a scientist. "I am saying it may be effective."

Trump's boosterish attitude toward the drugs has deepened worries among doctors and patients with lupus and other diseases who rely on the drugs, because the idea that the old malaria drugs could work against the coronavirus has circulated widely in recent weeks and fuelled shortages that have already left people rushing to fill their prescriptions.

"Rheumatologists are furious about the hype going on over this drug," said Michael Lockshin, of the Hospital for Special Surgery in Manhattan. "There is a run on it and we're getting calls every few minutes, literally, from patients who are trying to stay on the drug and finding it in short supply."

The moment of discord between Trump and one of the nation's most trusted authorities on the coronavirus was a clash between opinion and fact. It threw Trump's faith in his own instincts into conflict with the careful, evidence-based approach of scientists like Fauci, who has held his position since the presidency of Ronald Reagan.

The great coronavirus crash of 2020 is different

PETER COY
21 March

The Great Coronavirus Crash has been frightening in its speed and breadth. Stocks have lurched lower worldwide, with brief rallies between the falls, like wounded bulls in a corrida. Through 1 pm on March 18 the S&P 500 index was off 27 per cent for the year to date, Germany's DAX was down 38 per cent, and Japan's Nikkei was off 29 per cent. In the credit market, investors have fled junk bonds. Even US Treasury bonds — traditionally a safe harbour in crisis times — have come under pressure, possibly because investors are selling them to cover losses elsewhere.

"This is different. The thing that is scarier about it is you've never been in a scenario where you shut down the entire economy," Steve Chiavarone, portfolio manager and equity strategist with Federated Hermes, told *Bloomberg* News on March 16. "You get a sense in your stomach that we don't know how to price this and that markets could fall more."

The scariest aspect of the crash is that, for once, it's about something real. The crash of October 1987, which featured the largest one-day decline ever, was a hiccup, a market malfunction that didn't even cause a recession. The crash of 2008 also had an internal cause: the popping of a debt bubble inside the financial system, which was addressable with fiscal and monetary stimulus. This crash hasn't been caused by an imbalance in balance sheets but a life-and-death struggle with a microscopic invader, the virus that causes the lung disease Covid-19. Investors are wrapping their minds around the awful reality that the pandemic is out of control. The coronavirus infects stealthily: It's too late to stop it at the border or to seal off hot spots within a nation. It has spread so widely, the only way to halt it now is to operate on the assumption that anyone could be a silent carrier.

The agreed solution to the coronavirus outbreak is social distancing

Extreme social distancing is hell for airlines, cruise ships, restaurants, and retailers

When sickness can come from anywhere, the agreed-upon solution is extreme social distancing — for a long time. President Trump said on March 16 that "people are talking July, August, or something like that." That's a big step for Trump, who's repeatedly played down the severity of the pandemic, but he's probably still being too optimistic. The COVID-19 response team at Imperial College London, headed by Neil Ferguson, issued a report that same day saying that to prevent new waves of infection, extreme distancing measures need to remain in place until a vaccine is ready. Scientists say that's likely to take a year to 18 months, if not longer. More optimistic forecasters point to China, which is encouraging people to go back to restaurants after a steep drop in new infections. But if China eases up too much, it could see a fresh outbreak.

Extreme social distancing is hell for airlines, cruise ships, restaurants, hairdressers, retailers—the list goes on. Few companies have announced mass layoffs yet, but they're bound to do so if no money is coming in. The American Hotel & Lodging Association said on March 17 that the industry would be forced to shed 1 million jobs in the next few weeks.

Economists, some of whom have been almost as reluctant as Trump to look on the dark side, are finally facing up to the likelihood that a global recession will set in soon, if it hasn't begun already. Goldman Sachs Group predicted on March 15 that the US economy would not grow at all in the first quarter and would then shrink at a five per cent annual pace in the April-June quarter. Goldman and other forecasters are looking for a second-half rebound, but that's contingent on an easing of distancing measures, which many epidemiologists doubt will occur by then. BLOOMBERG

Some of the USA's biggest states are beginning to limit people's movements as they struggle to try to curb the spread of the coronavirus

One in five Americans to be ordered to stay home

THE NEW YORK TIMES
21 March

One by one, localities and now some of the nation's biggest states are beginning to limit people's movements as they struggle to try to curb the spread of the coronavirus before fast-growing caseloads overwhelm their hospitals.

In New York, Andrew M Cuomo moved Friday to sharply limit outdoor activity across the state, including by ordering nonessential businesses to keep all of their workers home. His wide-ranging executive order, which takes effect on Sunday at 8 pm, was issued as the number of known cases in the state jumped to over 7,800. "These provisions will be enforced," Cuomo said at a briefing in Albany. "These are not helpful hints."

Then, within the space of an hour Friday afternoon, several other big states followed suit. Ned Lamont of Connecticut issued an order similar to Cuomo's, and Philip D Murphy of New Jersey said he planned to order on Saturday that all nonessential businesses in that state shut down as well.

And in Illinois, J B Pritzker announced a statewide "stay at home" order on Friday, asking all 12 million residents to leave the house only when necessary. All nonessential businesses must also stop operating under the order, which is effective at 5 pm Saturday.

"I don't come to this decision easily," Pritzker said at an afternoon news conference. "I fully recognise that, in some cases, I am choosing between people's lives and saving people's livelihood. But ultimately, you can't have a livelihood if you don't have your life."

Their moves were announced as California woke up Friday to new rules closing the state's nonessential retail shops and sharply limiting outdoor movement, after Gavin Newsom ordered Californians — all 40 million of them — to stay in their houses as much as possible. There was initially confusion there over how the order would be enforced and interpreted, but Californians were told they could still take walks and leave their neighbourhoods to hike or go to the beach, as long as they were able to practice social distancing.

Nestle secret maggi recipe adds show to win in emerging markets

CORINNE GRETLER & TOPE ALAKE
21 March

At a lively street market in Lagos, dozens of women sit by their stands in the shade of colourful umbrellas, displaying fresh produce, bottles of fish sauce and a variety of seasonings. Known locally as mammies, they help sell more than 80 million bouillon cubes across Nigeria each day.

Maggi bouillon, used throughout central and West Africa to add flavour to everything from stews to cassava porridge, represents one of Nestle's best-selling products in the region. The world's largest food company is using unusual marketing methods — from home visits to producing a web drama — to generate loyalty for the brand.

Those efforts are crucial for Nestle at a time when Big Food is seeing sluggish sales for many flagship brands as customers seek out goods they view as fresh, healthy and local. While some shoppers may avoid Maggi's stock seasonings in the developed world because of its sodium content, its bouillon cubes are so prevalent in Nigeria that consumers view Maggi as a local brand.

"How are we going to cook stew without Maggi in it?" said 44-year-old food vendor Saidat Adetutu. "It has been used in my house since I knew my left from right."

Adding flavour

Maggi, in line with Nestle's broader efforts, has been revamping its products to reduce salt, saturated fat and sugar, while adding ingredients that are more nutritious. Globally, Maggi sales rose more than three per cent to an estimated $2.3 billion in 2018, but annual growth in emerging markets is in double digits, Chief Financial Officer Francois-Xavier Roger told analysts last year.

The second season of Maggi's web series, *Yelo Peppe*, is set to kick off later in 2020, according to an Accra, Ghana-based spokeswoman.

Maggi bouillon is popular in central and West Africa to add flavour to almost everything

The drama follows five female characters and their relationships with food and cooking. It drew more than 20 million views in its first season and generated buzz for the brand, said Dominique Allier, Maggi's brand manager in central and West Africa.

It's been a long journey for a business born in a small Swiss town at the end of the 19th century with the goal of producing nutritious, inexpensive and easy-to-prepare food. The introduction of liquid seasoning, the bouillon cube and more women joining the workforce led to an expansion, including into Germany, where Maggi became a key food producer for the Third Reich. Nestle acquired Maggi when that market collapsed after World War II.

Convenience remains a key selling point. Aside from stock cubes, Maggi also makes instant noodles, powdered sauces and soups and cooking pastes. "Maggi's growth is driven by demographics in emerging markets, with more people and more women entering the workforce and urbanisation," Wayne England, the head of Nestle's food unit, said in an interview at the company's headquarters in Vevey, Switzerland.

To better understand its customers, Maggi gets up close and personal by visiting homes, inviting women and children to kitchens to cook together, and, in Nigeria, working with the mammies to both sell its products and gather feedback from shoppers.

The home visits led to at least one recent innovation, the Naija Pot cube. After discovering a preference for smoked-fish tastes in southern Nigeria, Maggi developed a bouillon cube that captures the flavour while cutting preparation time. Maggi's products fit with the local cuisine, which mainly consists of stews and pots.

The brand has had challenges, most notably in India. Nestle was forced to burn more than 35,000 tons of instant noodles in 2015 and the product was banned from shelves for six months after the government said it contained hazardous levels of lead. Maggi returned with new products it said were healthier, and regained its market leading position, with 60 per cent share, by August 2018. BLOOMBERG

CHATTERBOX

Accessible Rahul?

Rahul Gandhi has dismissed erstwhile colleague Jyotiraditya Scindia's complaint that he never took his calls, saying: "He was a friend of mine. He could walk into my house any time". Sadly, that has not always been the case. Former Congress leader Natwar Singh in an interview to news channel NewsX pointed out that even the late Sheila Dikshit had to wait for days before being granted a meeting with Rahul Gandhi — and when he finally met her he barely gave her a hearing. She was a three-term chief minister.

And Dikshit's case was hardly an exception as the list of those who felt they had been short-changed by Gandhi is fairly long. Himanta Biswa Sarma claimed he kept trying for a meeting with Gandhi and when he got it, Gandhi was more interested in playing with his pet than talking politics with Sarma. He eventually quit the party. In Goa, in March 2017, after the elections, the Congress snatched defeat from the jaws of victory when it lost the government, even though it was the single-largest party in the Assembly — because, before the results were out, Vijay Sardesai of the Goa Forward Party had an appointment with Gandhi at the Congress' war room at Gurudwara Rakab Ganj Road in Delhi. He reached the venue to find that the then Congress vice-president was running late and walked across to Nationalist Congress Party leader Praful Patel's house nearby, where he waited for almost four hours for Gandhi, who did not turn up. His host even dialled Digvijaya Singh, who was the then Goa in-charge, but there was no response.

DID THEY REALLY SAY THAT?

"BECAUSE WE ARE AT WAR, THE ENTIRE FOCUS OF THE GOVERNMENT AND PARLIAMENT MUST BE ON FIGHTING THIS EPIDEMIC"

President of France, **Emmanuel Macron**, addressing the nation in Paris on March 16

CHECKLIST

COVID-19 IS KILLING PEOPLE: BUT CAN IT REVIVE SAARC?

■ **The background:** The conventional wisdom is that South Asian Association for Regional Cooperation or SAARC is a dead duck. No summit meeting of the regional body has been held since 2014 because of India–Pakistan tensions. The 19th summit to be held in Pakistan in November 2016 was "postponed" after India, Afghanistan, Bhutan and Bangladesh informed Nepal, which was then the chair, of their inability to participate after the attack on Uri Army camp on September 18, 2016, that saw 17 Indian army personnel getting killed.

■ **The catalyst:** On March 15, Prime Minister Narendra Modi offered to create a SAARC fund for COVID-19 with $10 million as India's contribution for the fund. "We all agree that we are facing a serious challenge. We do not as yet know what shape the pandemic will take in the coming days. It is clear that we have to work together," he said at a video conference of SAARC leaders.

The video conference was addressed by Prime Minister Sheikh Hasina of Bangladesh, Bhutan Prime Minister Dr Lotay Tshering, Prime Minister K P Sharma Oli of Nepal, President Ibrahim Mohamed Solih of Maldives, President Gotabaya Rajapaksa of Sri Lanka, President Ashraf Ghani of Afghanisan and Zafar Mirza, Special Assistant on Health to Prime Minister Imran Khan of Pakistan.

■ **The reactions:** Prime Minister Hasina said Bangladesh would be happy to host such an institution. President Solih said that the economy of Maldives would be affected as the tourist inflow had dried up. President Ghani said: "... Our major vulnerability is our openness. We have an open border with Iran, one of the major centres (of the COVID-19 virus) and the flow cannot be stopped." Pakistan said: "What about Kashmir?"

OPINION

JAIRAM RAMESH

'We should not ignore Sanskrit's troubled history'

Sir, Sanskrit has enriched Indian languages and many Indian languages have contributed to Sanskrit. Sanskrit is part of our legacy. We are proud of the legacy. However, we should not forget that this beautiful language, this scientific language, this magnificent language has also been the instrument of caste oppression, caste discrimination and caste subjugation. This is also a part of the Sanskrit legacy. We have a glorious legacy of Sanskrit and we also have a very disquieting and a very unfortunate legacy that it was used as an instrument by human beings to subjugate large sections of our society. So, in our eagerness to promote Sanskrit, we should not ignore the troubled history of this language. Sanskrit is not spoken by many people. Hardly 15,000 people in India speak Sanskrit. ...(Interruptions) Sanskrit is not the spoken language. It has been the language of priests; it has been the language of the courts, but, it has not been the popular language. Buddha preached in Magadhi. The Bhakti Movement took place in regional languages. However, since Sanskrit is part of our cultural legacy, we take pride in it.

Sir, on the 3rd of February, 2020, there was an Unstarred Question in Parliament. This was Unstarred Question No.171 in the Lok Sabha. And, the question asked to the Minister of Culture was: What was the expenditure on Sanskrit and what was the expenditure on other classical Indian languages? I want to give this information to this House because we are in danger of giving greater importance to Sanskrit that it deserves at the cost of other regional languages. The answer by the Minister of Culture on the 3rd of February, 2020, reveals that in the last three years, the Government of India spent ₹640 crores on the popularisation of Sanskrit. ...(Interruptions)

Let me finish. But look at the expenditure on other classical Indian languages. The Government of India spent ₹24 crore on Tamil, ₹3 crore on Telugu, ₹3 crores on Kannada and zero on Malayalam and Odia. These are the six classical Indian languages of India; Sanskrit, Tamil, Telugu, Kannada, Malayalam and Odia...This completely negates the policy which we have to follow. These are the languages spoken by millions and millions of people. Tamil is not a language of Tamil Nadu alone, it is a national language. Kannada is not a language of Karnataka alone, it is a national language; Malayalam is a national language; Odia is a national language; Telugu is a national language. These are spoken by millions of people. But, for a language that is spoken by 15,000 people, we are spending ₹650 crores. This is the admission by the Minister of Culture alone. Sir, we may not like this, but, this is a fact that historically Sanskrit has always been the elite language. I find my friend, Mr Bhupender Yadav is shaking his head. Let me remind him what Valmiki Ramayana says, when Hanuman is seeing Sita for the first time in Lanka, Hanuman tells himself, and I want to quote from the *Valmiki Ramayana*: "If I speak in Sanskrit: 'Sita will get frightened thinking that I am Ravana'." This is what Hanuman says and this is what Valmiki says in *Sunderkand* of *Ramayana*. Hanuman goes on to say "I will therefore speak only in the language of the people". Even Hanuman did not speak in Sanskrit to Sita. He spoke in the language of the people and I wish this government speaks in the language of the people and spends more money for Tamil, Telugu, Kannada, Odia, Malayalam and not spend money only in Sanskrit because that is a very distorted picture of Indian civilisation.

Sir, I have two points on the Bill. First point is that there are three institutions, Rashtriya Sanskrit Vidyapeetha in Tirupati, Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeetha in Delhi and Rashtriya Sanskrit Sansthan in New Delhi. I want to make one suggestion to the honourable minister. The greatest name in Sanskrit Grammar, the man who invented Sanskrit Grammar, who is considered a genius even today by everybody, who lived in the 7th Century BC was 'Pāṇini'. I would request the honourable minister to name one of these institutions after Pāṇini. After all, Pāṇini was born in the North-West Frontier Province, whether he would be eligible under CAA or not is a separate issue, but, by naming one institution after Pāṇini, we would be recognising this great man who made Sanskrit what it is today. It would also give a signal that Sanskrit is not India's legacy, it is not Hindu legacy, but, it is the legacy of the entire subcontinent.

Secondly, sir, I would suggest to the honourable minister, the second big name in Sanskit grammar is Patanjali. Unfortunately, if you name an institution today after Patanjali, it will send the wrong signal. So, I will not recommend Patanjali. There is a third name, who we, all the students of Sanskrit have learnt when we were in school, the Ashtadhyayi and the Amarakosha. Pāṇini's Ashtadhyayi and the Amarakosha of Amarasimha. Amarasimha lived in Ujjain, in the 3rd Century AD, I would request the honourable minister to name the second institution after Amarasimha and not Patanjali. So, one institution should be named after Pāṇini and one institution should be named after Amarasimha.

Finally, sir, these three central universities will add to the forty central universities that are under the Ministry of Human Resource Development. However, the track record of managing the central universities is pathetic in the last few years. JNU has been destroyed; Allahabad University is being destroyed. So, the notion that by becoming a Central University, suddenly, things will be set right, has been proved wrong, and, I would, therefore, seriously urge the honourable minister to give a thought to the governance structure for the central universities, to liberate the central universities from the stranglehold of the ministry of Human Resource Development. Why should the minister be the chancellor of the central university? Why can't we find a distinguished Sanskrit scholar to be a chancellor? Divest your resources so that these Universities can be run independently and professionally.

Edited excerpts from a speech by Rajya Sabha MP Jairam Ramesh on The Central Sanskrit Universities Bill, 2019, New Delhi, 16 March

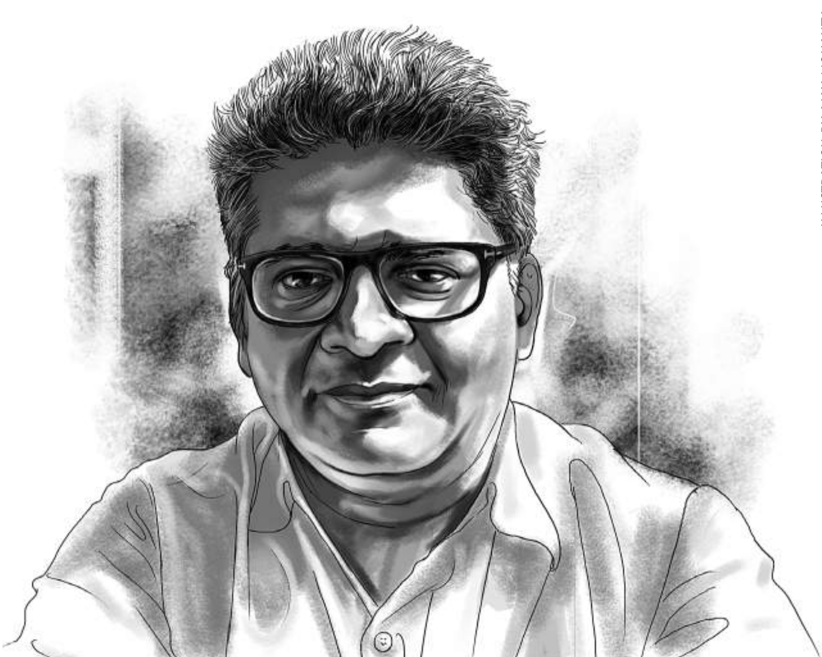


ILLUSTRATION BY AJAY MOHANTY

We have to treat the economy as if this is wartime

As policymakers search for answers to the coronavirus pandemic, **RATHIN ROY**, director of National Institute of Public Finance and Policy, and former adviser to Prime Minister Narendra Modi, says it cannot be combated through a business-as-usual economic scenario. Speaking to **Arup Roychoudhury**, he says that the government and the private sector will have to take a call on whether India should regear itself as a war economy, wherein all resources are utilised with a single aim of defeating the enemy. Edited excerpts:

Q&A

RATHIN ROY

Director, National Institute of Public Finance and Policy

Knowing that the situation is quite dynamic, what according to you would be COVID-19's impact on GDP?

It will largely depend on whether this crisis escalates in a substantial way to community transmission in India. It will further depend on whether this transmission occurs solely in the urban areas or spreads to the rural areas as well, especially in north and east India. The impact of the crisis, even without community transmission, is also not going to be negligible for two reasons: One, the epicentre of the crisis is now Europe, an important trade partner for India. And therefore, a lot of aggregate demand in many key industries will be impacted.

The traditional problem that you would identify in a country that is very much integrated with global supply chains is going to be muted in India precisely because we have failed to fully integrate. But this adds on to the supply chain problems from China as well. I'm assuming that even if those supply chain problems are sorted, the trouble is that the alternative — which is domestic production — will make things more expensive. This is the reason why we are importing many things from China in the first place. For a number of items, it is cheaper to import from China than to produce in India. And if things become more expensive, it won't be possible to restore aggregate demand, because prices will be higher. So we have to brace for that, particularly for an impact on the service sector.

But I've just been looking at the service sector data, and I am very encouraged by that. The relative importance of sectors that are immediately impacted — such as transport and hospitality — is relatively limited if you measure it in terms of contribution to GDP. This is because the value-added contribution of these services is relatively small. Their value of output, however, is large. We have to stop thinking about the GDP and have to look at its impact by looking at the impact of the value of output and unemployment. And that is not going to be insignificant.

How has the government's response been so far?

I think the governments, both at the Centre and in the states, have stepped up to the plate in an exemplary manner in their handling of the crisis. The handling of the crisis: the clear identification — that the biggest risk at this stage comes from transmission from areas outside the Indian borders — has let the Government of India implement a series of calibrated measures which do not involve stress on what is a very limited health infrastructure. However, I think we would have to be prepared for the stage-III of the problem or community spreading.

What sort of solutions are we looking at, in terms of the economy? Do we have the resources to deal with the pandemic if it escalates?

It is very clear that the standard tools or economic analysis, and the standard instruments of macroeconomic policy will not be effective in these circumstances. And the analytical way to think through this — and that decision has to be taken collectively by the government, the private sector, everybody — is to decide that we have to shift the way we think about the economy from a business-as-usual scenario to a wartime economy.

The economics of running a wartime economy are fundamentally different from the economics of running a peacetime economy. A wartime economy involves investing in winning a war because if you do not win the war, there is no economy to invest in. And therefore, you have to repurpose the economy to make the materials needed for the job and not the materials that we would during peacetime

In the specific case of a pandemic, therefore, we need to ramp up the health infrastructure of the country. We are therefore not looking at building new hospitals as we would in peacetime. We are looking at the things we can do to convert existing buildings — like a hotel or an industrial plant — into hospitals. Hospitals or public health care centres then take priority over everything else.

We are looking at making sure that the things we need — right from testing to medicines to vaccines to diagnosis to research and development, to the multilateral response and alliance building which happen during wars — are put in place. We need to make absolutely sure that finance is not a binding constraint on this repurposing of the economy.

It is very clear that it has to be anticipatory. We need to be a couple of months ahead of the curve.

We will have to start looking at our medical personnel at all levels like wartime soldiers, sailors and airmen. And we will have to make sure that we do not use them in numbers that could jeopardise our response to this pandemic. And that would mean, creating a far more expensive ecosystem for medical professionals to be in. And additional measures such as accepting the trade-off between deploying them 16 hours a day in high-risk situations to deploying them 10 hours a day. Fewer hours reduce the risk and one is able to give an additional 10 hours the next day.

Are you assessing the impact the pandemic could have on India's industrial output, trade numbers and other indicators?

I do not think that we should judge much from quarterly data except the vector, that is, the direction. What I can say is that the short-term pick up that I was expecting before this crisis, in the second and third quarter of this year, is jeopardised.

Should the government revise its growth estimates for 2019-20 and 2020-21?

It would be counterproductive to change its forecast because I don't think that anyone, including the government, will be able to make a quantifiable forecast with any degree of accuracy at this time.

There will surely be an impact on tax revenue and divestment.

Yes. When economic activity slows, then tax revenue collections will not be as forecasted earlier. If there is a danger of wealth destruction caused by this pandemic, then the value proposition of engaging in capital acquisitions, including disinvestments, will be considerably weaker than before. Add to that, there is nothing you can do with macroeconomic policy here because what is driving the decline in the value proposition is not the cost of capital. So people are not going to be making linear calculations at the margin. A good example would be the privatisation of Air India. Even if I compensate the prospective buyer for valuations — let's say by adding net worth into the company through public money — we don't know for how long, the business operations of the carrier is going to be affected.

Bringing nature closer

How a 20-year-old is transforming Bhopal's urban living spaces into "green paradises", writes **Swarnami Mondal**

City dwellers endure alarming levels of pollution in the concrete jungles they live in. They breathe in toxic air while living inside climate-controlled and airtight buildings, hardly getting any exposure to nature.

With such an arrangement, green spaces become a casualty despite their vital importance in ensuring people's health and well-being. But what if someone helps you find a middle ground, paves the way for some greenery to surround you working around the challenges?

That's precisely what 20-year-old Zuber Mohammed from Bhopal is trying to do: Helping others opt for a healthier lifestyle by incorporating more green spaces in their offices and homes. This second-year engineering student has founded a start-up, Paradise Gardens, which provides solutions to design gardens and landscapes in urban homes and offices.

THE OTHER INDIA

Talking about his initiative with *Business Standard*, Mohammed says: "Gone are the days when people used to live in big homes with designated spaces for large gardens. Now, times have changed and we live in compact houses where green spaces are diminishing quite rapidly. We aim to provide garden solutions for people who crave green spaces but don't have space or time to surround themselves with the tranquillity of greenery."

And a green surrounding offers more than just tranquillity. The *2019 Lancet Planetary Health study* points out that green urban spaces can help people live longer. A recent survey by UK-based firm Arboretum found out that greenery could have a beneficial impact on mental health. As many as 42 per cent of the 2,000 participants said that being around plants improved their mental health.

Budding entrepreneur

The start-up has completed 100 such projects so far in the past one year. It has already helped in transforming 22,680 square feet (sq ft) of land into gardens and greenery projects on 33,600 sq ft of land are still underway. When asked about the beginnings of this start-up, Mohammed says, "It was in 2015 when I stumbled upon the idea. A friend wanted to transform a piece of land into a garden and no one in Bhopal provided such services."

He adds: "I was still in school back then and did not have the needed knowledge of starting, running a business. For the time being, I put the idea on the backburner but despite that, there was always this idea of launching a business in the back of my mind. I began reading up on plants and techniques of gardening. Finally, it was in July 2019 I launched Paradise Gardens with just ₹7,000."

He further recollects how his first client wanted an 800 sq ft space within the compound of his home to be turned into a garden. "We transformed the space using shrubs, lawn grass and even flower plants. He was happy with the end result and satisfactory completion of the first project gave us the much-needed confidence boost."

Armed with a team of trained gardeners and a swanky website, Paradise Gardens is one of its kind ventures in Bhopal. "On receiving an inquiry from a customer, our team visits the site for an inspection and we figure out what the customer needs — the type of plants, type of compost, space, and all other parameters are taken into account before embarking on the project," Mohammed says.

From gazebos and small balconies to terraces, this start-up can change any kind of space into a tranquil green zone.

Zuber Mohammed (*inset*) is helping others opt for a healthier lifestyle by incorporating more green spaces in their offices and homes. (*Above*) A project completed by him

Is the grass always green?

Keeping a bootstrapped start-up afloat can involve dealing with various challenges. As Mohammed puts it: "When I founded this start-up, finding gardeners willing to come on board and learn new tricks of the trade while changing their approach towards existing practices, was difficult. Once this aspect got figured out, the next challenge was acquiring the technical know-how on landscape gardening. Finding adequate funding was not a challenge for us because such a model is not investment-oriented," the 20-year-old said.

Branching out

Within the next nine months, Paradise Gardens aims to expand to 10 cities and provide their services to more homeowners and help them create green spaces in their homes. Mohammed says: "We also want to develop community gardens. The model is still on the drawing board." The idea is to create a garden for each resident community in the city. The garden will be designed on government land and it will be maintained by the community members. "The community members will be taught how to grow their own vegetables using effective methods. This way, they can eat healthy, organic and fresh produce and also spend some time amid nature on a regular basis," the youngster explains. A pilot project will be first launched during the monsoon season in Bhopal this year.

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Rude truths

In India, discourtesy is an expression of power

The leaked video clip of Finance Minister Nirmala Sitharaman's outburst at State Bank of India (SBI) Chairman Rajnish Kumar over non-functioning bank accounts of tea garden workers revealed one of India's worst-kept secrets: The habitual discourtesy of the powerful towards their subordinates. The whistle-blower who taped the exchange was making a point: That a senior politician thought it was acceptable to berate the head of the country's largest bank in a meeting attended by officials of the Assam government and SBI. It's a different matter altogether that her accusations were misdirected. It was also a mystery why the bank unions' association hurriedly withdrew its statement of censure. A first information report has been lodged to identify the whistleblower.

It was Ms Sitharaman's misfortune that this was recorded. But many in power in successive governments have been known to behave offensively with bureaucrats and staff, sometimes stretching to outright abuse. Few bureaucrats care to talk publicly about the habitual misbehaviour of politicians. One exception is former coal secretary Anil Swarup. At the launch of his book Not Just a Civil Servant Mr Swarup said he had to request his minister not to shout at his joint secretaries in public and threatened to ask the prime minister for a transfer if the misbehaviour persisted. He said the minister dialled back his behaviour but resumed when he was given temporary charge of another ministry. Nor is this behaviour confined to this government or to the central government alone. The infamous photo of a senior police officer polishing then UP chief minister Mayawati's shoes captured for all to see how low politicians are prepared to stoop in their exercise of power.

Such institutionally embedded disrespect has played its part in vitiating relations between bureaucrats and politicians, an undesirable state of affairs in a country in which development priorities demand close coordination between the civil service and the executive. One indication that relations have reached a low point is that the UP government, in 2017, felt the need to issue a directive to senior government officials to rise from the chair when an MLA, MP, or minister visited them and repeat the procedure when they left. Water and refreshment also needed to be offered. These etiquettes and protocols are defined in conduct rules and attract disciplinary action for offenders. In 2018, the Haryana government issued a similar diktat to bureaucrats (though no penalties were specified). Significantly, the state was responding to a parliamentary committee report, no less, on the violation of protocol and disrespectful behaviour of the bureaucrats with MPs and MLAs.

The way politicians behave with officials is a reflection of the bullying culture embedded in the hierarchical underpinnings of Indian society. These worst practices endure because good jobs are scarce so subordinates are rarely in a position to defend themselves. So, from the powerful minister and industrial honcho to the chief executive and the petty official down the line to service providers and household help, discourtesy becomes the common expression of power. This top-down culture of disrespect encourages the transmission of bad behaviour down the pecking order and, inevitably, little respect in the reverse direction. Small wonder, then, that India has gained a reputation for its poor work culture. In the Global Empathy Index, eight Indian companies, most of them stock-market front-runners, figured among the bottom 20. It's time people in power learn to behave themselves.

Why globalisation is passé

Rising nationalism and a retreat from global alliances signal a restructuring of the geopolitical order

KAREN HARRIS & PRASHANT SARIN

Between war and peace is a place of rivalry, conflict and pervasive insecurity for most of history. We are emerging from what has been by historic standards a long period of peace — one which encompassed the working life of most business leaders. During this period, the world was benign, with minimal conflict, rising average prosperity, and growing global physical and digital linkages.

On the other hand, rising tariffs, trade wars, and instability in the eurozone and Brexit have undercut the dominant consensus that global trade benefits all. After seven decades managing in a world of rising average prosperity and minimal conflict and growing global linkages — physical and digital — business leaders are asking whether globalisation is dead, and if so, what will replace it?

Globalisation is not dead yet, but it is hardly healthy. Rising nationalism and a retreat from global alliances signal a profound restructuring of the geopolitical order. As a new era dawns, it will bring change to nearly every aspect of the global economy, from trade and finance to the state's role in the market. Leadership teams can no longer assume that national leaders will continually seek to improve the climate for global trade.

Since the end of World War II, and even more pointedly during the past 40 years, "business strategy" was shorthand for how businesses competed with each other for market share, for cost position and for market access. As we move toward a post-global order, macro conditions in many regions will become an obstacle to business. To cope with this fundamental shift, companies are beginning to develop a macro strategy as part of their business strategy.

While geopolitical changes can be sharp and sudden, often the underlying causes are clear and known well in advance. The core challenge that companies today face is around understanding how and when they should adjust their business strategy, to reflect changing geopolitical conditions. Companies will be forced to rethink supply chains (already the subject of discussions in many boardrooms), talent and its mobility, access to goods and capital markets, and their ability to conduct business across different regions. Changes that once seemed unimaginable may rapidly alter the business environment. For example, the US government is discussing capital controls as a potential means of controlling the dollar exchange rate. In a post-global world, US capital controls could seem a relatively minor adjustment.

Over the next two decades, we expect that powerful rival economic blocs (and in some cases, security blocs) will form, creating a global divide that may have parallels with the divided world of the cold war. A shift in that direction would lead to fragmented talent pools and capital markets. Consequently, businesses may find that a company's nationality determines where they can raise capital or hire talent. In a post-global economy, today's multinationals may find their relatively free rein being circumscribed by politics much more explicitly.

Senior executives across markets will be forced to rethink business assumptions and certitudes that have framed their thinking for the past 40 years. Societies may question the primacy of business and wealth creation, as they confront new threats to national security alongside economic insecurity. Governments will loom large over the marketplace, and more may start to view businesses as instruments of the national interest, the way China already does today — an echo of the state of the world long before the current era of shareholder primacy.

India too will be impacted by these developments.

As a new era dawns, it will bring change to nearly every aspect of the world economy. Leadership teams can no longer assume that national leaders will continually seek to improve the climate for global trade

As an example, geopolitical relationships and the rising influence of China has led India to cultivate new friends, even as it keeps warm relations with long-term ally, Russia. The Indian pivot to the US is a reflection of the shared need for both countries to retain relevance in the Indo-Pacific. Japan could play an important role as the third arm in this emerging troika. All of these geopolitical moves will have important implications for companies in India — far more than in the past. The current debate on India choosing between Western or Chinese vendors for 5G Technology, perfectly illustrates these challenges

Rising tariffs, trade wars, and instability in the eurozone and Brexit have undercut the dominant consensus that global trade benefits all

In the past, strategy was often about "perfect anticipation" — drawing a straight line to project the target performance for a company, in industries that were following a relatively stable evolutionary path. We believe the future for most industries will now focus much more on "fast adaptation". Companies need to deal with a much more complex and volatile geopolitical environment, along with fast moving technological disruptions and evolution of consumer needs. As a result, five-year plans are passé.

Companies need to develop a "strategy in uncertainty" by creating an agile and nimble operating model, which can rapidly adapt to challenges and opportunities thrown up by key changes in their respective industries. The importance of creating option value as business leaders take important capex-related decisions will be critical. For instance, the longer-term trend of increasing China-US trade tensions leading to a reconfiguration of global supply chains represents an attractive opportunity for India, and the COVID-19 outbreak simply increases the urgency of the ask. Speed, agility and quick action will define the leaders of the next decade.

Harris is managing director, Bain & Company's Macro Trends group. She is based out of the firm's New York office. Sarin is a partner in the firm's New Delhi office. He is a leader in Bain's global strategy, organisation and technology practices

A makeover that is not in sync with 'New India'

RAGHU DAYAL

Amid questions on the rationale and format, architectural concepts, and contours of the grandiose Central Vista redevelopment, the government intends to go ahead with the project. There are murmurs within the government against the plan, and some have questioned the project.

The government maintains the new Master Plan would "represent the values and aspirations of a New India...and be rooted in the Indian culture and social milieu". The proposed construction of 10 new eight-storey structures for a common secretariat for around 70,000 central government employees goes counter to the prime minister's oft-repeated commitment to "minimum government" and "maximum governance".

The proposed accommodation in the new common secretariat complex will be about five times the combined capacity of Krishi Bhawan, Shastri Bhawan, Nirman Bhawan, and Udyog Bhawan, which are slated to be razed, in addition to other buildings around Rajpath.

In the early years after independence, the entire Government of India was accommodated in South Block and North Block. Ever short of office accommodation, the civil service is now housed in an array of a few sprawling bhavans and about 30 other buildings across the city. There is a need to drastically trim ministries and the bloated bureaucracy, close down or amalgamate departments, shut scores of PSUs, transfer subjects and institutions to state governments and panchayati raj bodies.

Accommodation in the new secretariat complex will be five times the combined capacity of Krishi Bhawan, Shastri Bhawan, Nirman Bhawan, and Udyog Bhawan, which are to be razed

The potential of Digital India must be realised simultaneously. As *The Economist* recently visualised, the office of the mid-21st century will be very different from today's. The internet, personal computer, and handheld devices enable managers to instantly communicate across the system. Many workers desire to avoid stressful commutes, preferring to work from home or in a coffee shop, and opt for a flexible schedule. Hot-desking in offices, with unassigned desks, enables establishments to substantially cut the need for office space. In an era of remote collaboration, software and documents sit in the cloud, and several offices and activities could be dispersed, to help decongest New Delhi.

In place of the proposed mega administrative cluster, "a complete cultural vista" can be considered. The Central Vista ought to constitute a true discovery of India, the old imaginatively juxtaposed with the new, the traditional with the modern, encapsulating the country's history, science, culture and arts.

The capital city, bursting at the seams with some 22 million inhabitants, needs a concerted strategy to decongest. The central and state governments have ignored plans finalised over 30 years ago to shift a large number of offices, PSUs, and activities out of Delhi. In fact, the city has been steadily burdened not only with unauthorised colonies, periodically regularised, but also innumerable piecemeal structures without any comprehensive plan. The *crème d'crème* is the rewriting of history around the capital's veritable sanctum sanctorum — the Edwin Lutyens-Herbert Baker-crafted symbols of colonial empire — to yield place to a "new India".

The central part of this architectural landscape — Rashtrapati Bhavan, flanked by the North and South Blocks, and Parliament House, leading to the 3 km-long Central Vista to the India Gate — is slated to undergo massive transformation: Parliament House is to become a Museum of Democracy; North Block a museum showcasing "The Making of India", and South Block a third museum called "India at 75". A new Parliament building is envisaged within the existing complex, a triangular edifice sporting three spires, to house the 1,000-1,200 seat Lok Sabha, as well as the Rajya Sabha with up to 500 seats, besides offices for all members of Parliament, and a common lounge.

The work of planning, designing and executing the work has been assigned to Gujarat-based HCP Design, Planning & Management Pvt Ltd. Tough deadlines have been announced — work is to start in May, redevelopment to be completed by November 2021, the new Parliament by March 2022 (the 75th year of India's independence), and the new Central Secretariat by March 2024.

In incredibly quick time, Delhi Development Authority has approved the change in land use of six plots spread over 86 acres in the Lutyens' Bungalow Zone (LBZ), of a 24.7-acre plot housing establishments such as Vigyan Bhawan, another 7.7-acre plot on which the National Archives stands, and a 15-acre plot on Dara Shikoh Road for the prime minister's new residence, to come up south of Raisina Hill, closer to South Block.

Although the 4-sq km patch of land in central Delhi is integrally tied to the city's aspirations to become a world heritage city in terms of the application submitted to Unesco in 2013, the coveted tag may not yield any abiding cultural value. Experts believe that plans for the project should be so designed that existing areas and structures are optimally utilised, suitably strengthened and renovated.

Many believe the existing Parliament building is in good shape. If Parliament House is short of office space, another annexe can be built adjacent to it, rather than junk the original structure. The palace of Westminster, where Parliament convenes in Britain, dates back to the mid-1800s. Westminster Hall is even older, built in 1099, and is still in use.

The writer is former chairman, Container Corporation of India

OTHER VIEWS

PM strikes right chord, with mix of caution and assurance

He may also have intended to prepare people for a more severe lockdown

It was a prime ministerial speech to an anxious citizenry. At 8 pm Thursday, Prime Minister Narendra Modi conveyed some well-judged messages to the people in the time of coronavirus. Amid the alarm bells within and from outside, he struck the right chord as he delivered some larger cautionary notes, some much-needed assurances. The coronavirus crisis is not just the government's challenge, it demands from the citizen both resolve and restraint, "sankalp" and "sayyam", the dissemination of correct information to others, and the good sense not to unnecessarily burden the health care system, the PM said. The "janata curfew" that PM Modi exhorted the nation to observe on March 22, and the audible demonstration of respect for those who keep the nation's basic services going, are imaginative ways of nudging the people towards a sense of solidarity when they may feel pushed to isolate themselves, or worse, turn on one another. Of course, this could also be a way of preparing them for a more severe lockdown, should the crisis escalate — the possibility, or warning, of more stringent measures to come.

The PM's address was also welcome for its exhortation to compassion for those who are less able to tide over tough times. It is here, though, that his message could be said to lack specifics. Yet, despite the silences, in the end, the PM's speech was more important for what he did say, as it served to lay out the crisis and set the larger stage.

The Indian Express, March 20

Slippery move on oil prices

Consumers denied benefits of declines

Oil prices can be quite volatile depending on perceived global demand and geopolitical conditions. The spirit of deregulation is to allow consumers to bear the consequences of the fluctuations of global crude prices. Another purpose is to offer some relief to the oil suppliers in the sense that they would not have to subsidise the consumer when oil prices go up, as they had to in the old administered price regime. However, recently, oil prices have been plummeting because of low perceived global demand and price wars between major oil-producing countries. Instead of allowing the lower prices to be passed on to consumers, the Centre has imposed additional excise duties to keep oil prices the way they were before the prices started falling.

The government should have weighed the decision against the possible gains foregone. The first issue is that the Indian economy has slowed down considerably, and is likely to decelerate further in the wake of the coronavirus pandemic. Passing on lower energy prices could have brought down transport costs and given a boost to the economy. The second issue is of signalling to the business community what the government's attitude is towards markets and price discoveries. Controlling price levels by countervailing taxes goes against the essential functioning of a free, deregulated market. It sends a wrong message to private investors.

The Telegraph, March 20

SC ruling a landmark

Speaker must act quickly on defections

The Supreme Court's order stripping a Manipur minister of his office and barring him from entering the State Assembly may appear drastic and unusual, but is quite a reasonable and necessary course of action. T Shyamkumar was elected as a Congress candidate, but defected to the BJP to join the Biren Singh Cabinet. In a landmark judgment in January, which put an end to the deliberate inaction of Presiding Officers on petitions for disqualifying defectors, a Bench headed by Justice Rohinton F Nariman had ruled that courts have the power to fix a time-frame for Speakers to dispose of petitions under the anti-defection law. In the Manipur case the court had given a reasonable period of four weeks — the defection complaint is pending since 2017 — but the Speaker failed to comply with it.

It is in this background that the court invoked its extraordinary powers under Article 142 of the Constitution to take the sort of measures that would kick in if the defector concerned had been disqualified. The order is interim in nature, and the next hearing is on March 30. This means that the Speaker can still decide the matter, but a strong message has been sent out that courts will no more aid them in their attempts to protect defectors from the consequences of their floor-crossing.

The Hindu, March 20

Banks in a dilemma over ₹200-cr stressed loans

IBA withdraws note on FinMin letter which had PMO inputs

RAGHU MOHAN & ABHIJIT LELE
Mumbai, 21 March

The banking industry is in a quandary after the Indian Banks' Association (IBA), the premier industry lobby, 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 are to work with the promoters of these companies to find long-term solutions, even offering a one-time settlement scheme. This was to ensure that "under no condition are companies forced into closure and job losses furthered". It had observed that "banks, instead of arriving at a balanced solution, end up referring the matter freely to the National Company Law Tribunal (NCLT)".

The Department of Financial Services' (DFS') letter to the IBA, in turn, had been triggered by the input it had received from the Prime Minister's Officer (PMO).

The IBA's withdrawal of its communiqué on February 17, just four days after issuing it, and the lack of guidance on the road ahead is creating confusion. The financial year comes to an end in less than a fortnight, and banks have to take a call on the treatment of stressed accounts, whatever the ticket size.

And the 10 state-run banks that are merging have to arrive at a common policy. Furthermore, some of these exposures (though small) could be part of a consortium, or multiple banks.

"The IBA communiqué was based on the suggestions received from authorities at the very top of the decision-making chain. And we have to act on the DFS letter at the policy level as it has not recalled its suggestion," said a senior banker.

Official at the association said the communication was withdrawn to make the focus clear. Plus, such issues need vetting by the IBA's highest decision-making body — the management committee. However, it is not clear when that will be re-issued with suitable modifications. He, however, did not specify a timeframe for issuing revised communication.

Complicating matters further is the fact that if banks act on the DFS suggestion, they will draw in the Reserve Bank of India (RBI).

This is because North Block is in effect signalling forbearance on the part of banks for companies which have taken loans of up to ₹200 crore, and are under stress.

The issue is also linked to the central bank's June 7 circular on the resolution of stressed assets, especially on the treatment of accounts under ₹1,500 crore.

"The DFS' letter appears to be suggesting that the range will now be between ₹200 crore and ₹1,500 crore," said another senior banker.

The central bank, on its part, has not yet declared the cut-off date for the treatment of such accounts. In the case of exposures above ₹2,000 crore, the effective date was June 7; for those that ranged between ₹1,500 and ₹2,000, it was January 1, 2020.

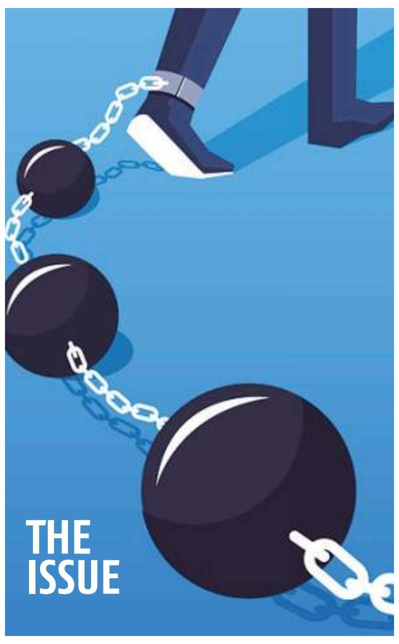
The June 7 circular was also categorical that all lenders must put in place board-approved policies for resolution of stressed assets, including the timelines for resolution.

"Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default," it had said. And these guidelines were to kick in irrespective of the loan size.

The IBA, while confirming the recall of its communiqué, declined to give more details. It has been gathered that the IBA's management committee had not discussed the contents of the DFS letter even though the initial communiqué, and its subsequent withdrawal, came from Rajeev Dewal, the body's legal advisor.

The DFS letter was for empowering merit-based decision-making in banks and financial institutions without the fear of being questioned by investigative authorities. This, it noted, "can go a long way in terms of de-clogging the NCLT ecosystem". And an atmosphere needs to be created wherein every government servant works to protect against the closure of companies and loss of jobs.

It was also explained that the Insolvency and Bankruptcy Code was passed for two primary reasons — to help banks recover dues from companies that have failed; and to prevent them from dying so as to limit job losses.



- FinMin has said companies should not be forced to shut under any condition
- It wants banks to arrive at a balanced solution; not refer cases freely to the NCLT
- There's a lack of guidance on the road ahead, even as the FY ends in less than 2 weeks
- Banks to take a call on stressed accounts, whatever the ticket size, this month
- May be taken up with RBI as North Block has, in effect, signalled forbearance

120 Indians stuck in Amsterdam allowed to return by DGCA

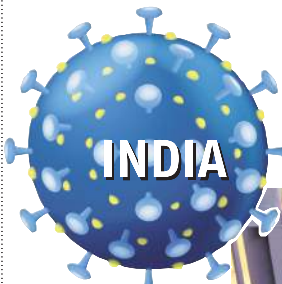
ANEESH PHADNIS
Mumbai, 21 March

After spending three days in transit at the Amsterdam airport, Sanjay Sapra was relieved to board the KLM flight to Delhi on Friday. However, the joy turned into horror as the aircraft was refused permission to land in India and forced to return from the Russian airspace. The government relented on Saturday evening after the 120 passengers protested, and allowed KLM to operate the flight on Sunday.

"We were concerned about the passengers remaining stranded as India will be stopping all international flights for a week and have given the approval" said Director General of Civil Aviation Arun Kumar.

India stopped all passenger traffic from Europe and Turkey from March 18 to stop the spread of COVID-19. Sapra and over hundred other Indian passengers were returning to India from the US and Canada.

Governments announce a slew of measures to alleviate COVID pain



- **All businesses except groceries, medicos** will stay shut to observe janata curfew in Noida


PHOTO: KAMLESH PEDNEKAR

- **Govt caps** maximum retail price of 200 ml hand sanitizer at ₹100 till June
- **Delhi govt** to hold all press conferences online
- **Indian embassies issue advisories** worldwide for distressed nationals
- **Railways relaxes refund rules** for travel between March 21 and April 15
- **215 people at ITBP quarantine** facility asymptomatic after a week
- **CBSE launches toll-free helpline** for students, parents on safeguards
- **Bengaluru police chief cautions** people against venturing out
- **Air India to send aircraft** to bring back Indians stranded in Rome
- **Coronavirus positive cases** in Maharashtra rise to 63
- **Environment ministry suspends meetings** of its green panel till March 31
- **8 COVID-19 patients recovered in Uttar Pradesh**, says official
- **Vice-president urges people** to follow janata curfew on Sunday
- **Bihar shuts down** bus services, restaurants, banquet halls
- **Indian Oil initiates rare protocol** to keep fuel supplies running
- **Big financial package need of hour**, India must follow global practices, says Rahul Gandhi
- **12 more test positive in Kerala**, total cases touch 49
- **Mock drill on March 22 for emergency response** to handling coronavirus cases in govt hospitals
- **Chhattisgarh govt** orders all offices to remain shut till March 31
- **Ration per person being increased by 50%,** will be provided free in Del: Kejriwal
- **We are contact-tracing over 7,000** persons, says health ministry
- **NCLAT to only hear** "urgent matters"
- **Autos, taxis to remain off-road** in Delhi during janata curfew
- **UP health minister,** who attended party with singer Kanika Kapoor, tests negative for COVID-19
- **5-day Delhi Assembly** Budget session curtailed to single day
- **Delhi Metro services between 6 am amd 8 am** on Monday will be available only for people involved in essential services
- **No lockdown in Delhi for now**, but will have to do it if need arises: CM
- **Woman with no foreign tour history tests coronavirus positive** in Maharasthra, attended wedding

Rumours & fears grip aviation sector

Many in the industry argue that there will be at best three to four players over the long term, and that the weaker airlines will be weeded out

ANJULI BHARGAVA
New Delhi, 21 March

Two rumours gripped the aviation industry as the COVID virus revealed its full stranglehold over the sector earlier this week. One, the aviation industry in India has been speculating on which would be the next airline to down shutters. This question has been a topic of much debate for a long time now — ever since Jet Airways became history. Many in the sector argue that there will be at best three to four players in the sector over the long term and that the weaker airlines will be weeded out sooner or later.

The epidemic has brought home that reality with a bang. Even CAPA's Chief Executive Officer (CEO) Kapil Kaul, usually an industry cheerleader who always errs on the positive side of caution, seemed pessimistic. "If this continues for another two weeks with the same severity, a shutdown of certain players cannot be ruled out," he said.

Almost all the airlines are seeing a drop in loads, which is expected to intensify as the numbers for March come in. International operations have been suspended by almost all players. A senior official in IndiGo said that while loads had currently shown a dip of 12-15 per cent, the drop in bookings in the coming weeks was even sharper and therefore they expected a further dip in loads for April. But airports in India are equally stressed and claim they need support too.

NEWS ANALYSIS

On March 16, Mumbai-headquartered GoAir began to give everyone the jitters. The airline stopped all international operations, drastically reduced domestic flights, and asked employees to stay at home without pay. The contracts of 70-odd expat pilots, signed as recently as August last year, have been terminated and the pilots have been asked to return to their home countries with a promise that their "full and final settlement would be done in due course". The airline asked its own employees to go on leave without pay, aiming to cut at least 35 per cent of its staff across departments and close to 50 per cent in support functions. A staggered salary cut of 20 per cent has been suggested for the remainder staff. GoAir has reduced its fleet from 54 to 38 and will be reducing further down to 20 aircraft. In an email response, the airline maintained that this was temporary and in response to the present crisis but that the airline expects to remain on track and add 12-15 aircraft every year to its fleet right up to 2025. In the airline's case, sources maintained that it faced a double whammy as there was no senior management to handle the crisis.

SpiceJet reported a sharp fall in loads starting mid-March. While the February loads remained high, it is March onwards that traffic has virtually dried up. The airline is suspending its international flights but has not yet grounded any aircraft although it has reduced utilisation and future grounding cannot be ruled out. Ajay Singh, the airline's CEO, is likely to delay vendor payments and is largely expected to manage to keep his ship afloat as he has through past crises. He is expecting a large compensation for the delay in the Max aircraft by Boeing but the two sides have not yet agreed on the final amount. The chances of compensation, however, are looking brighter since the US government is expected to bail out Boeing in the coming weeks. Vistara too has not yet grounded its domestic fleet but has reduced utilisation.

In a more precarious position, sources argued, is Air Asia India. That the Tatas have been less than happy with the way this venture has unfolded is well known but sources in Mumbai's aviation circles and in the ministry of civil aviation (MoCA) speculated that this might be the "perfect opportunity" for the Tatas to put an end to this sad saga.

"Considering the mayhem that airlines in Malaysia too are currently facing, the Tatas' partner in the venture Air Asia Berhard may not be as resistant either," pointed out a senior government official. Sources said that a Tata team had gone recently to meet Tony Fernandez to stress the fact that the Tatas could no longer put in any more funds to keep the airline going. This has been conveyed to him more than once, said a Tata source. The auditors of the airline have raised concerns on it being called a going concern on the grounds that the accumulated losses of the airline for the year ended 2018-19 are now ₹1,284 crore against a share capital of ₹534 crore. In addition, the company's current liabilities exceed current assets by ₹962 crore.

According to sources, the MoCA and finance ministry are looking at a package to bail them out. The bailout includes waiving all kinds of taxes (including on aviation turbine fuel) and lowering various charges. A top MoCA official, however, told this writer that "consolidation among Indian carriers has been long overdue and perhaps this is the best time". He argued the government's financial situation itself was precarious with goods and services tax collection below expectations.

But private airlines argue that this is by that yardstick perhaps the best time for the government to close down Air India also. The airline recorded a higher than ever before loss of more than ₹8,550 crore in 2018-19 and this year is expected to be even higher. The beating the traffic has taken since the beginning of this year will reflect in the financial year's results, many argued. They pointed out that cancelled flights were in fact the bright spot because the aircraft loads had dipped so sharply.

Moreover, there are unlikely to be any buyers for Air India for a while to come. "The chances of sale of the airline are down to nil in the present environment. Before suggesting the private airlines consolidate, the government should put its own house in order," said a private airline CEO. He argued that the most inefficient players should be the first to bow out and Air India should lead that pack.

Airlines around the world are seeking support from their governments and several governments are stepping in to support the sector. India has not yet announced anything and pressure on the government is building up. Whether it succumbs is a several billion rupee question.

Almost all the airlines are seeing a drop in loads, which is expected to worsen as the numbers for March come

City migrants flee to villages as coronavirus measures take toll

REUTERS
Mumbai, 21 March

Thousands of city migrants whose livelihoods have collapsed due to India's coronavirus measures headed back to their villages on Saturday, raising fears that the exodus could carry the virus to the countryside.

About one fifth of India's 271 confirmed coronavirus cases has been reported in the western state of Maharashtra -- home to Mumbai, the country's largest city and economic powerhouse. So far, India has registered four deaths due to the virus.

Prime Minister Narendra Modi has urged Indians to stay at home to fight the outbreak. Maharashtra state authorities ordered on Friday the closure of all shops and offices, apart from those providing essential services, until March 31.

For Indians who drive rickshaws or run food stalls, the economic shock of such control measures has been huge, pushing them to leave for family homes where they typically do not pay rent and food is cheaper. "Work has stopped. I'll go back and work on the farm," said Rakesh Kumar Gupta, 40, who sells mosquito nets and was heading back to his family house in the northern state of Uttar Pradesh.

On Saturday, hundreds of people, many young men wearing masks and lugging backpacks, jostled in long queues to board trains at Mumbai's Lokmanya Tilak Terminus station.

India's state-run railway operator laid on 17 special train services starting on Friday to ferry people out of the Mumbai area to eastern and northern India, spokesman Shivaji Sutar said.

Health specialists say large-scale population shifts to rural areas could hasten the spread of coronavirus in India, a country of 1.3 billion people with weak public health care - especially in the countryside.

India has about 120 million migrant labourers, according to labour rights group Aajiveeka.

"This really is the beginning of community spread, assuming there haven't been forerunners," said Dr. Rajib Dasgupta, a professor of community health at the Jawaharlal Nehru University in New Delhi.

The Indian Railways spokesman said they were screening passengers and had trained workers on board in case of emergencies. But anxious travellers were cramming into overcrowded trains, according to a Reuters witness, likely increasing the chances of infection.


PHOTO: PTI

Avoid travel, says Railways

SHINE JACOB
New Delhi, 21 March

The Indian Railways on Saturday urged people to postpone train journeys after 12 people, who travelled in two different trains, tested positive for coronavirus (COVID-19).

This comes as the national transporter announced the cancellation of over 3,700 passenger locomotives and long-distance mail and express trains that were scheduled to start their journeys on Sunday. The cancellation came after Prime Minister Narendra Modi's call for a janata curfew on that day.

Of the 12 people, eight had travelled from Delhi to Ramagundam on AP Sampark Kranti Express on March 13, while the remaining four had travelled on Godan Express from Mumbai to Jabalpur on March 16. Other than this, two passengers were asked to deboard a Rajdhani train going from Bengaluru to Delhi after it was found out that they had been marked for mandatory quarantine. Using hashtag "NoRailTravel" on Twitter, the railways ministry on Saturday asked people to avoid train travel and postpone all journeys. "Railways has found some cases of coronavirus infected passengers in trains which makes train travel risky. Avoid train travel as you may also get infected if your co-passenger has coronavirus. Postpone all journeys and keep yourself and your loved ones safe," it said.

The Indian Railways operates around 12,500 trains on a daily basis — including 9,000 passenger trains and 3,500 mail express trains.

The four people in Godan Express had come to India from Dubai last week and travelled in B1 Coach. They tested positive on Friday.

Sources said Railway Board chairman Vinod Kumar Yadav, who was present in a parliamentary panel meeting attended by the BJP MP Dushyant Singh, has taken precautionary measures needed for a second contact, as directed by a medical team.

Dushyant Singh, along with his mother former Rajasthan chief minister Vasundhara Raje, had opted for self-isolation after attending a party with singer Kanika Kapoor, who later tested positive for COVID-19.