IN BRIEF

Emirates to stop all passenger flights, slash wages by 50%

Emirates said it would stop all passenger flights this week and cut staff wages by as much as half because of COVID-19's impact on travel demand. The carrier had already announced the suspension of nearly 70 per cent of its network of 159 destinations, asked staff to go on unpaid leave, and froze recruitments. REUTERS

Vedanta announces ₹100-crore fund to fight pandemic

Vedanta on Sunday announced setting up of a ₹100-crore fund to combat the coronavirus outbreak. The fund will be utilised to provide preventive healthcare to daily wage workers, company employees and contract workers in and around various plants of the company, Vedanta said. PTI

Ipca, Cadila gear up to make drug for COVID-19

SOHINI DAS
Mumbai, 22 March


Both the firms assured that there would be enough supplies

Hydroxychloroquine, a drug whose largest manufacturer is an Indian firm, has shot into the limelight after the US president advocated it as potential therapy for COVID-19.

Ipca is the biggest producer of the drug. Cadila Healthcare, based in Ahmedabad, too is a major player. Both are gearing up to meet the demand and have said there will be enough supplies.

On top of this, a combination hydroxychloroquine and azithromycin, a common antibiotic, is being considered.

Vadodara-based drug major Alembic is the domestic market leader with its brand Azithral, with an almost 30 per cent share.

Sources said the country's apex health research body, the Indian Council of Medical Research (ICMR), had included the drug in its protocol for treating COVID-19. The ICMR, however, has not confirmed this.

Pankaj Patel, chairman of Cadila Healthcare, said the firm was producing 20 tonnes of Hydroxychloroquine per month, and had started ramping up production.

He said the country could make 100 tonnes of the drug per month immediately.

"We are ramping up our capacity and are geared up to supply enough for the Indian market. There would be no shortage of this drug here. Moreover, most of the raw material used is fortunately available locally," he added.

Meanwhile, there is demand pouring in for Ipca Laboratories. The US Food and Drug Administration (USFDA) has relaxed the import alert imposed on its plants for the active pharmaceutical ingredient (API) and the finished product of hydroxychloroquine sulphate and chloroquine phosphate.

In a notification to the BSE, Ipca on Saturday said the USFDA had made an exception to the import alert to its plants for the products in question. APIs for hydroxychloroquine sulphate and chloroquine phosphate are produced at Ipca's Ratlam unit, Madhya Pradesh, while the formulation is produced at Pithampur, Madhya Pradesh, and Piparia, Silvassa (headquarters of Dadra and Nagar Haveli).

Analysts said the company's stock would see an upside as a result. Ipca's plants are under the USFDA's import alert for the past three years.

The USFDA has, however, said the exception would be re-considered if the shortage implications changed.

Several research papers and articles have said the drugs have treatment potential.

"Due to this, we are noticing an increase in emergency demand and enquiries for the chloroquine phosphate and hydroxychloroquine sulphate from our formulations from several countries world over. Forseeing this increased demand, Ipca being amongst largest manufacturer, vertically integrated with capacities and capabilities for manufacturing of these APIs and its formulations, is gearing to manufacture and supply these products meeting the stringent cGMP, quality and regulatory requirements and thus help mankind in the best possible way in these testing times," the company said.

A senior company executive said hydroxychloroquine was used to treat rheumatoid arthritis and also as third-line therapy for diabetes.

"The drug's safety profile is thus well established," he added.

Ipca used to make 600 tonnes of chloroquine phosphate, an anti-malarial drug, a year, and had an 80 per cent share of the global market. However, the demand for the drug has reduced with cases relating to the particular malaria variant coming down.

"President Donald Trump has mentioned both the drugs for treating COVID-19 and we can easily ramp up manufacturing as demand scales up," he said.

Meanwhile, Alembic has indicated there is enough material to make azithromycin till June and supplies from China have started coming.

Ask OTT players to ease network load: COAI to govt

MEGHA MANCHANDA
New Delhi, 22 March

The Cellular Operators Association of India (COAI) has asked the Centre to instruct the over-the-top (OTT) players like Netflix, Amazon Prime Video and Zee5 to ease the pressure on network infrastructure that has arisen from the increased demand for online video streaming.

Demand has surged because of the coronavirus lockdown, more people working from home, more digital payments, more healthcare and education services moving online, and quarantine measures to contain the spread of Covid 19.

"Due to lockdown/quarantine measures in various parts of the country, a sudden surge in demand for online video streaming is also expected to rise substantially," the COAI has said in a letter to the Telecom Department secretary.

The COAI has also cautioned the streaming platforms themselves about the surge in digital use straining the network infrastructure of telecom operators. It has urged companies to take urgent steps. One is temporarily switching from high definition to standard definition streaming. Another is removing advertisements and pop ups that consume high bandwidth and replacing them with public announcements on awareness about the coronavirus.

At this crucial time, COAI said it is absolutely essential for the streaming platforms to cooperate with telecom providers so as to manage the traffic distribution patterns that are likely to strain the network infrastructure 'at a time when it is needed for various critical requirements'.

Citing the 'unprecedented situation' caused by the outbreak of the coronavirus, the COAI noted that governments around the world are imposing stringent measures to reduce social interaction to contain the spread of the pandemic.

"In the past few days, in India too, advisories have been issued by various government agencies including social distancing, restrictions in terms of workplace, also encouraging Work From Home (WFH), online/digital education, digital payments/transactions, online healthcare, wherever possible and other critical requirements to be met through digital means. This sudden surge in digital use is already putting pressure on the network infrastructure of the Telecom Service Providers (TSPs)," said the COAI.

The association has written to a dozen streaming platforms including Amazon Prime Video, YouTube, Hotstar, Zee5, Alt Balaji, Voot, Sony Liv, Viuclip, Hoichoi, Netflix, SunNXT and Voot seeking their 'cooperation for joint action to facilitate smooth functioning of data communications services in this critical period'.

"We understand that there are various measures that the streaming platform companies can undertake in this present situation to continue to provide a suitable level of service to their customers at the most appropriate bitrate required...," the COAI said in its communication to streaming platforms.

The COAI mentioned how OTT players in other countries were reacting. "We understand that similar measures are being taken by various streaming platforms internationally like in the US and Europe as more and more countries enter lockdown to combat the spread of the virus," it said.

Metropolis, Thyrocare say they will start tests for the virus from today

SOHINI DAS
Mumbai, 22 March

At least two leading private diagnostic chains on Sunday said that they got the final go-ahead from the government to start COVID-19 testing.

They would start collecting samples for testing from today. For starters, this would happen in Mumbai. Thyrocare and Metropolis Healthcare both got the final clearance from the government to go ahead with the testing.

A Velumani, chairman of Thyrocare said "We got permission. We will start testing from tomorrow." Similarly, Metropolis' Sushil Shah too confirmed that they would start testing.

As the country's apex health research body now decided to relax norms for patients to avail the diagnostic testing for the novel coronavirus, the private sector diagnostic players were awaiting a formal approval from government. The Indian Council of Medical Research (ICMR) on Saturday said that all hospitalised patients who have pneumonia or severe acute respiratory illness (SARI) will not 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 case 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 . The testing guidelines are reviewed from time to time.

'Virus impact on us relatively limited'

As India Inc battles the impact of COVID-19, Dalmia-OCL is relatively protected owing to the industrialised nature of its products. However, the company faces challenges in exports to Europe, stemming from supply chain disruptions. **SAMEER NAGPAL**, chief executive officer of Dalmia-OCL, tells **Jayajit Dash** about the demand scenario in the wake of the outbreak, outlook on cement and steel industries, its major customers and their plans for acquisitions, plant ramp-ups and capex infusion. Edited excerpts

Q&A

How has the coronavirus scare impacted your business?

In refractories, the raw material supply chain is very much dependent on China. There have been some minor disruptions but not any major impact on the supply chain side.

If the crisis perpetuates, do you foresee any demand slump or consumption slowdown?

Our customers are mainly in the industrial segment — steel and cement makers. If they ramp down their production due to workers not turning up or restrictions imposed by the government, then there could be some impact. At this point, we don't see any impact.

How will your product prices be affected?

We believe steel production will continue and so will cement. But, the cycle of ramping up and down of these industries is difficult to predict. If there is a slowdown at all, we expect it to be temporary — a few weeks or, at best, a couple of months. We hope it is not going to have any major impact.

The anticipated impact on your export?

We export around 10 per cent of our production. And, we have a plant in Germany. If there is a government-imposed lockdown on intracity people movement, our production might get impacted. Our export to Europe is seeing a challenge primarily because of supply chain disruption. In Europe, there is a little challenge. However, in other parts of the world, we are not witnessing any challenge. We are somewhat protected by the industrialised nature of our products.

On your core operations, do you see scope for ramp-up and capita expenditure?

If we don't factor-in the coronavirus, our production in India will continue to be ramped up. All our plants are going through some stage of upgradation. Our strategies are centred on both organic and inorganic growth. We are planning for capex and improvement at our existing facilities. At this stage, we are not planning any new projects; we are looking at acquisitions in Europe. Last year, we acquired a plant in Germany.

Your outlook on cement demand and prices for 2020-21?

The cement sector is our customer. We track it only from the point of view of how production is shaping. We see production at more or less similar levels. Many more projects might be announced. We expect cement companies to go for brownfield expansion.

Your outlook on the refractory business?

Dalmia-OCL is the second largest in India. We have introduced models in our production processes and services. We have brought in capabilities from Europe. We expect to grow 17-18 per cent, more than the industry average of six per cent.

Only essential business services function with minimal staff: TechM

SAI ISHWAR
Mumbai, 22 March

Tech Mahindra, one of the country's biggest IT services companies, has said the firm is taking all necessary measures to ensure its staff are safe and protected, following the outbreak of COVID-19 in the country.

The Pune-headquartered firm was responding to a specific query after a video surfaced where a person was seen arguing with Tech Mahindra employees regarding the safety of staff. The video was widely circulated on social media also.

Even though, the company did not comment on this video, sources said an 'internal investigation' had been ordered to find out the details. According to sources, the person who was seen questioning the staff in the video was a 'local activist' in Pune who had visited the company's campus on Thursday.

"The well-being and safety of our associates and partner ecosystem is our biggest priority and we are taking all the necessary preventive measures to ensure that they feel safe and protected," Harshvendra Soin, chief people officer at Tech Mahindra in a statement. "We have relaxed our work from home policy and are encouraging associates to avail flexibility for the same. Some of our businesses that come under essential services, however, are still functional," it added.

Separately, Soin in a tweet has said some of the company's businesses that come under essential services are functional with due approvals and minimal staff after ensuring every safety precaution.

Maharashtra Chief Minister Uddhav Thackeray has ordered shut down of non-essential services in Mumbai Metropolitan region and in Pune and Nagpur, among others, until the end of March.

After HUL, ITC, Godrej cut price of sanitizer packs

VIVEAT SUSAN PINTO
Mumbai, 22 March

Godrej Consumer (GCPL) and ITC on Sunday slashed the price of their entry-level hand sanitizer packs under Godrej Protekt and Savlon, respectively, by nearly 66 per cent, in response to Hindustan Unilever (HUL) reducing its prices.

The move also comes as the government characterised masks and hand sanitizers as essential commodities, monitoring its production, distribution, and marketing closely. More players are expected to follow in HUL, GCPL and ITC's footsteps, sector analysts said.

A 50-ml Godrej Protekt pack will now cost ₹25 against ₹75 earlier, Sunil Kataria, chief executive officer (India and SAARC), GCPL, said, with the company ramping up both production and distribution of the item.

A 55-ml pack of ITC's Savlon, on the other hand, will now be available for ₹27 versus ₹77 earlier.

An ITC spokesperson said, "During these challenging times, we have redoubled our efforts to ensure supply of the Savlon range of hygiene products. According to government directives, we've already started manufacturing Savlon sanitisers with the new reduced price and are working overnight on rushing new stocks to the market."

HUL reduced the price of its Lifebuoy hand sanitizers and hand wash as well as Domex floor cleaners by 15 per cent. The products would be introduced in the market within the next few weeks, the company said.

In addition, HUL also committed ₹100 crore to fight COVID-19, taking a host of other measures including free availability of soaps to needy people, a ₹10-crore donation for better testing facilities and public awareness programmes.

GCPL has also stepped up effort to raise awareness about hand washing in the fight against the virus, pushing its '#ProtektIndiamovement' across media channels aggressively.

"Our on-ground teams are working relentlessly to replenish stocks across channels in India as we are seeing a growing demand for personal wash products. We are determined to help people tide over the pandemic together," Kataria said. Last week, GCPL as well as its rivals RB Health, Wipro Consumer, ITC and Jyothy Labs had opted to stay off price hikes in soaps as the outbreak got worse.

The show halts for events companies amid virus scare

Cancellation of at least ₹3,000-crore worth of business has happened in the past few weeks

VIVEAT SUSAN PINTO
Mumbai, 22 March

The spate of cancellation and postponement of domestic events because of the COVID-19 outbreak has left the industry gasping. Estimates by top event management companies is that at least ₹3,000 crore worth of cancellations and postponements have happened in the past few weeks, affecting business between March and May, considered a crucial period for the market.

These cancellations and postponements have extended to both small and big events in corporate, leisure, entertainment, sports and retail segments across cities, mirroring the trend worldwide. With coronavirus cases growing rapidly in India and community transmission being a real threat, there is uncertainty about whether the Indian Premier League (IPL), the country's biggest sports event, will be held at all, though the Board of Control for Cricket in India has postponed the tournament to April 15 and is said to be toying with the idea of a truncated event that would be televised to people.

Industry veterans such as Harindra Singh of Percept, Brian Tellis of Dentsu-owned Fountainhead MKTG and Sabbas Joseph of Wizcraft International said the business had been thrown out of gear because of cancellations and postponements, prompting lay-offs and salary cuts.

The small and medium enterprises, in particular, said Joseph, co-founder and director, Wizcraft International, would be wiped out since it would be impossible for them to continue in tough market conditions for long.

A bigger worry for most players, however, is the impact extending for a longer duration owing to the fear of a second wave of the outbreak in the months ahead. "I see the first half of the calendar year taking a knock. But the impact could extend beyond the March to May season because much will depend on how ready clients are to consider an activation or on-ground event once the initial health scare subsidies," said Singh, chairman and managing director, Percept.


With coronavirus cases growing rapidly in India, there is uncertainty about whether the IPL will be held at all

Tellis, who is co-founder and group CEO, Fountainhead MKTG, said there was an impact on ancillary industries such as hospitality and aviation due to cancellations and postponement of events. "At least for now, everything has come to a grinding halt. There is no movement in the market as central and state governments impose lockdowns across key cities," he said.

An EY report, along with the Event and Entertainment Management Association (EEMA), has pegged the size of the events market in India at ₹10,000 crore. This excludes weddings, trade fairs and exhibitions. If the latter are added, the overall market touches ₹40,000 crore, said Sabbas.

EEMA recently made a representation to the government asking for sops to bailout the industry. This includes tax refunds, collateral-free lines of credit and a moratorium on payback of loans.

Sabbas, who is also on the national advisory council of EEMA, said the government should work together with the industry to prevent lay-offs and salary cuts. "The events market is battling its biggest crisis ever. It is extremely important for the government to respond to its needs, like it has been done in countries such as Canada, Germany and the UK by governments there," he said.