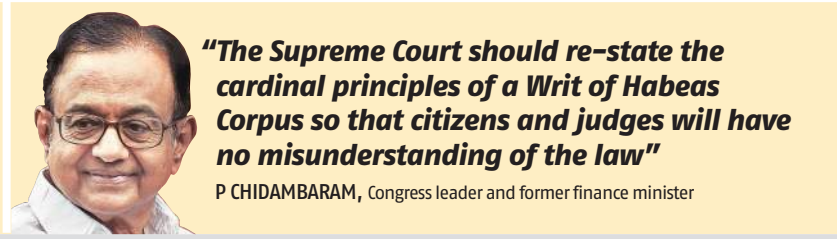


**"I assure all the countrymen that there will be no shortage of essential commodities in the country during the time of lockdown"**

AMIT SHAH, Union home minister



**"The Supreme Court should re-state the cardinal principles of a Writ of Habeas Corpus so that citizens and judges will have no misunderstanding of the law"**

P CHIDAMBARAM, Congress leader and former finance minister



**"We are standing on the threshold of an exceptionally unnatural situation. We have decided to extend the complete safety regulation to the entire state till March 31"**

MAMATA BANERJEE, West Bengal CM

# BS-VI gear shift rests on SC as March 31 deadline looms

JYOTI MUKUL & SHALLY SETH MOHILE  
New Delhi/Mumbai, 24 March

India's transition to more stringent automobile emission norms from April 1 has been clouded by the coronavirus disease (COVID-19) outbreak, but any decision to extend the deadline can only come from the Supreme Court.

A senior government official told *Business Standard* that the government would consider an extension only on the apex court's directions.

Federation of Automobile Dealers' Association (Fada) and a couple of two-wheeler manufacturers — including market leader, Hero MotoCorp, and Honda Motorcycle and Scooter India — had last week petitioned the court seeking an extension of the deadline for shifting to the Bharat Stage (BS)-VI emission norms in the wake of COVID-19, as automobile companies could not sell BS-IV inventory in March. The matter has so far not been listed for hearing.

Dealers are hoping their petition will be heard this week, though sources said it was unlikely to come up before March 31.

The Supreme Court had on March 13 curtailed hearings because of COVID-19 and announced that it would hear only urgent matters. In February, the court rejected a plea for extension, following which Fada asked dealers to sell remaining stock of BS-IV vehicles by March 31.

According to CRISIL's estimates, passenger vehicle dealers have unsold stock of two to five days, light commercial vehicles of four to eight days, medium and heavy commercial vehicles of up to four days, and two-wheeler makers of 12-16 days.

However, automobile manufacturers are divided over this proposal.

On October 24, 2018, the Supreme Court had upheld the government order that no motor vehicle conforming to the older BS-IV emission norms could be sold or registered in the country from April 1, 2020.

Fada on December 18, 2019, petitioned for an extension of the last



SLIPPERY ROAD

- Government likely to consider an extension only on the Supreme Court's directions
- Fada and a couple of two-wheeler firms had last week petitioned the court, seeking an extension of the BS-VI deadline
- Dealers hoping plea will be heard this week; sources say it is unlikely to come up before March 31
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date because of the financial hardships faced by firms as a result of the economic slowdown. It sought one extension by a month to clear BS-IV inventory. Hetal Gandhi and Pushan Sharma, analysts at CRISIL Research, expect COVID-19 to "land a double whammy on the sector". First, earlier-than-anticipated closure of RTOs could lead to unsold BS-IV inventory. And second, lower-than-anticipated retail sales would result in higher-than-normal BS-IV inventory for large OEMs at the start of fiscal.

Under a government notification dated February 20, 2018, a sub-rule was inserted in Rule 115 of the Central Motor Vehicle Rules, 1989, which said new motor vehicles conforming to BS-IV manufactured before the April 1, 2020, shall not be registered after the June 30, 2020. An extension for registration till

September 30, 2020, was given for BS-IV vehicles manufactured before the April 1, 2020, and sold in the form of drive-away chassis.

The October 2018 court order said manufacturers were not willing to comply with the March 31, 2020, deadline not because they do not have the technology but because the use of technology will lead to increase in the cost of the vehicles which may lead to reduction in sales of the vehicles and ultimately their profit.

"There can be no compromise with the health of the citizens and if one has to choose between health and wealth, keeping in view the expanded scope of Article 21 of the Constitution, health of the teeming millions of this country will have to take precedence over the greed of a few automobile manufacturers," the SC had said.

## Extension of BS-IV cut-off date will be unjust: Rajiv Bajaj

Rajiv Bajaj, managing director of Bajaj Auto, opposed plans to extend the deadline for clearing stocks of Bharat Stage (BS)-IV vehicles by the end of this month, saying such a move would unjustly penalise those who have complied with the law in letter and spirit.

Bajaj suggested defaulting firms reimburse their dealers for such stocks, if any, on April 1.

The statement comes in response to some of Bajaj's competitors indicating that they plan to urge the government to extend the deadline because of the closure of dealers and lack of potential customers as a result of shutdowns across the country because of COVID-19.

Bajaj said, "Despite the impact of COVID-19 Bajaj expects to clear all of its BS-IV stocks by the end of this week through a combination of strong and timely promotional interventions by the company, supported equally and ably through on ground activation by its leaders." He said his firm objected "to any extension for BS-IV stocks as this unjustly (penalises) those who have complied with the law in letter and spirit".

Two-wheeler manufacturers have been offering hefty discounts to sell existing BS-IV vehicle stocks, especially of mobiles, for over a month. Bajaj suggested that action should be taken against defaulting original equipment manufacturers (OEMs). He said: "In our view, defaulting OEMs must reimburse their dealers for redundant BS-IV stocks, if any, on April 1."

Recently, the Supreme Court refused to hear a plea by the Federation of Automobile Dealers Association asking for an extension of the deadline till May 31.



**"DEFAULTING OEMS MUST REIMBURSE THEIR DEALERS FOR REDUNDANT BS-IV STOCKS, IF ANY, ON APRIL 1"**

SURAJEET DAS GUPTA

# Govt orders cash transfer to construction workers

SOMESH JHA  
New Delhi, 24 March

In a major step to help the unorganised sector tide over the COVID-19 pandemic-induced lockdown, the central government on Tuesday directed states to transfer cash into the bank accounts of construction workers from the unutilised welfare funds earmarked for them.

Additionally, to provide relief to employers, the government also extended the last date for filing returns under eight labour laws and 10 central rules for 2019 till April 30.

The central government will not initiate legal action against establishments if they failed to file returns till February-end because of the pandemic, stated the March 20 letter by the chief central labour commissioner.

Labour and Employment Minister Santosh Kumar Gangwar wrote a letter to all chief ministers (CMs) of states and Union Territories, urging them to utilise ₹52,000 crore lying vacant in the building and other construction workers welfare cess fund. There are about 35 million construction workers registered under the Building and Other Construction Workers Welfare Cess Act, 1996.

The cess fund is maintained by state governments which also maintain a register of construction workers in their region. The states are required to frame schemes for the welfare of construction workers related to medical needs, pension, loans for construction of houses, insurance, education of children, maternity benefit, among others. However, various state governments have not utilised the funds. The Supreme Court has pulled up both the Centre and states for this.

In a rare move, the government has invoked Section 60 of the Act to issue directions to state governments to frame a scheme "for transfer of adequate funds to the bank accounts of construction workers, through the direct benefit transfer mode".

"The amount to be granted to construction workers may be decided by the respective state governments and Union territories. The financial assistance at this point in time would help to mit-

## UP TRANSFERS CASH TO 0.6 mn DAILY EARNERS

The Uttar Pradesh government on Tuesday started providing cash to daily wage earners. In the first phase of the cash handout scheme, it has transferred ₹1,000 each to nearly 600,000 beneficiaries, totalling ₹60 crore, directly into their bank accounts. Chief Minister Yogi Adityanath formally launched the transfer of the relief amount through public sector Allahabad Bank. The payment to the remaining beneficiaries would be made as and when their details are collated, said UP additional chief secretary Avanih Kumar Awasthi.

VIRENDRA SINGH RAWAT



LAST DATE FOR FILING RETURNS FOR 2019 EXTENDED UNDER EIGHT LABOUR LAWS AND 10 CENTRAL RULES TO APRIL 30

igate the financial crisis of construction workers to some extent and boost their morale to deal with this epidemic," the letter issued by the labour minister stated.

A senior labour ministry official said the country has about 50 million construction workers and the states can also launch a drive to register more workers under the Act, so that the rest of the unaccounted construction workers are able to take benefit of the cash transfer.

Some state governments have already announced relief to workers by utilising money from the cess fund. Punjab CM Amarinder Singh has declared an immediate relief of ₹3,000 to each registered construction worker in the state; Himachal Pradesh will also provide one-time relief of ₹1,000 to such workers.

Due to lockdown announced by several states, economic activity, except those involved in essential services, has taken a hit, with potential to impact India's unorganised sector workers the most, given they do not have any social security cover at the moment.

## DELHI GOVT TO GIVE ₹5K TO CONSTRUCTION WORKERS

The Delhi government will give ₹5,000 to every construction worker as their livelihood has been affected due to the coronavirus disease outbreak, CM Arvind Kejriwal announced on Tuesday. He said no new case of had been reported in Delhi in the past 40 hours, and the earlier number of virus-infected patients had gone down from 30 to 23. He said a five-member doctors' panel had been constituted to suggest a plan to if Delhi enters stage 3 of the pandemic. The panel has been asked to submit its report in 24 hours, he said.

PTI

# Contingency plans afoot for power sector

SHREYA JAI & AMRITHA PILLAY  
New Delhi/Mumbai, 24 March

With India going into a complete lockdown, power generators (gencos), suppliers, and grid operators are entering the contingency mode to ensure seamless supply with minimum manpower. While the country's largest power generator, NTPC, initiated an emergency plan a week ago, Power Grid Corporation of India (PGCIL) has shifted complete to remote operations.

The most important part of the power supply chain — power grid operator POSOCO and its five load dispatch centres (LDCs) — are acting on a detailed contingency plan. The LDCs — located in five regions — monitor, schedule, and forecast the supply of power in their respective regions.

The contingency plan prepared and circulated on Monday enlisted a 15-point agenda for "ensuring supply and grid security in the wake of the COVID-19 pandemic outbreak". This included having reserve manpower for operating in case of any emergency and establishing temporary control rooms at every LDC.

"Adequate reserve generation may be kept on bar to take care of any contingency in respective systems. However, during low-demand period, sufficient backing down/reserve shutdown may be restored to," said the advisory.

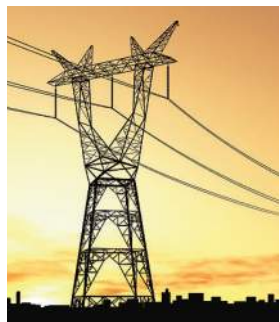
To ensure steady availability of power in case of sudden ramping up or down, hydro and gas run power stations have been asked to be on standby. Unlike coal, solar, and wind stations, hydro and gas can be switched off and on instantly. "Hydro stations are advised to execute orders of LDCs swiftly so that ramp requirements during exigencies may be fulfilled. These stations are advised to maintain healthy operations," said the advisory. All transmission line licences — including Power Grid and private players like Sterlite Grid, Adani Transmission, etc — have been advised to avoid planned shutdowns and execute any instruction from the LDC promptly. The system is also gearing up for an impending fall in demand. With industrial and commercial centres closed, electricity demand may slump.

On Sunday, during the janata curfew, demand fell 16.41 per cent over the previous day. Sunday was also not a working day for most manufacturing units. On Monday, the first working day under a near countrywide lockdown, demand rose by close to 1,000 Mw but was lower by 10 per cent over Saturday.

Adani Electricity Mumbai (AEML) said power consumption marginally reduced by 1 million units a day, during last week. It also said peak demand reduced to 1,437 Mw on March 20, as against an average peak demand of 1,500 Mw. Mumbai started moving towards a lockdown in a phased manner, starting last week.

In the national capital, power demand on Monday was less by around 32 per cent over the previous Monday. Delhi's power demand stood at 2,294 Mw on Sunday, and 2,471 Mw on Monday.

Despite the demand slump, senior NTPC executives said all generation units will function normally with less staff.



# Economy doctors' COVID-19 prescription

Economists Montek Singh Ahluwalia, C Rangarajan, and Pranab Sen had played a pivotal role in fixing the 2008-09 crisis. They say the current crisis is different from the one a decade ago and requires a different set of prescriptions. INDIVJAL DHASMANA finds out



MONTEK SINGH AHLUWALIA  
Deputy chairman of the erstwhile Planning Commission

**"BUSINESS ALSO NEEDS TO BE SUPPORTED BY EXPANDING CREDIT AND REGULATORY FORBEARANCE... THE FOCUS OF FISCAL, MONETARY AND CREDIT POLICY MUST BE TO LIMIT DAMAGE"**

the pandemic but independent analysts now project negative growth for the world for two quarters at least.

The highly adverse negative global environment will depress our performance. To this we have to add the domestic disruption from lockdowns and loss of income and uncertainty about the future ... we can try to start recovering in the third quarter of 2020-21.

Health will involve more expenditure and the Central government has to help the states. We need to take steps to expand social security to help informal-sector workers who will lose jobs and income. Business also needs to be supported through credit expansion and regulatory forbearance. Otherwise, there will be a string of bankruptcies, which would be a system failure.

The fiscal deficit will exceed the Budget target not just because of additional health expenditure but because revenues will fall short, with GDP growth being very low. We can worry about bringing the deficit under control through a credible medium-term strategy once the downturn is arrested. For the present, the focus of fiscal, monetary and credit policy must be to limit damage.

Hopefully the group under the finance minister, working along with the RBI, will come up with concrete proposals very soon.



C RANGARAJAN  
Former chairman of the Prime Minister's Economic Advisory Council

**"THE POLICY RATE NEEDS TO BE BROUGHT DOWN. BUT PLEASE REMEMBER THAT IT IS A DOUBLE-EDGED SWORD..."**

not only micro, small and medium enterprises (MSMEs) but also large companies.

ii) The RBI must supply more liquidity to the banking system. It has already taken some steps. Besides open-market operations, it has started long-term repos. In 2008, the US Fed bought corporate bonds. That is not permitted in India. But banks are holding government securities. So it is possible for them through open-market operations and other standard techniques to provide additional liquidity to the banking system.

iii) The policy rate needs to be brought down. But it is a double-edged sword. Some people are dependent on interest income on deposits.

### B) Government

i) It must incur all expenditure necessary to combat the virus — expenditures for testing not only in government hospitals but also private ones. There should be additional isolation wards in hospitals, arrangements for more masks, sanitizers, etc. It should also incur the cost of importing equipment for testing.

ii) There are industries that are particularly affected — travel, transport, hospitality, etc. Some help needs to be provided to them. The government must defer dues such as excise duty and licence fees.

iii) Advice should go from the government that businesses should not retrench workers, which it has done. But certainly some people will be thrown out of employment. There should be cash transfer. Some state governments are doing it. The government should do what it does at the time of drought and flood. In collaboration with non-government organisations, it should provide basic amenities like food and clothing and certain other things.



PRANAB SEN  
Former chief statistician

**"LIQUIDITY MANAGEMENT SHOULD BE CLEARLY THE RESERVE BANK'S FIRST STEP. THERE SHOULD NOT BE A SHORTAGE OF CASH"**

than in 2008-09. And then second-round effect is going to be there in the way which was also there in the earlier crisis.

The kind of V-shaped recovery we had in the aftermath of the earlier crisis was because of the demand the government pumped in through fiscal measures. Now, the hit you are essentially witnessing is the supply-side problem because you are forcing industry to simply shut shop. So a demand boost would not really solve the problem. In fact, nothing is going to happen until the contagion is checked. The only thing we can now do is to focus on the income hit that has taken place.

The requirement of cash will not go down. You and I can buy essentials through the credit or debit card, but not all. So liquidity management should be clearly the RBI's first step.

The second issue is force majeure. You have essentially asked industries to shut shop. Their revenue flow has come to a stop. Unless industries have large retained earnings on their balance sheets, they will simply not be able to service their debts. It is extremely important for the RBI to go for forbearance of asset recognition, and hold it off till it starts counting again. The RBI should keep it open-ended and not classify any assets as NPAs. It should re-set the zero date from which the clock will again start ticking. It will lead to lots of pressure on banks because they will have to pay interest on deposits but will not be able to earn interest on a very large chunk of their assets. Eventually, the government, through fiscal measures, will have to pump money into the banking system.

