

Govt asks carmakers to help in production of ventilators

M&M, Tata Motors close to tie-ups with ventilator manufacturers

ARINDAM MAJUMDER & SOHINI DAS
New Delhi/Mumbai, 25 March

The central government has asked all automakers to utilise their manufacturing facilities to produce ventilators and other medical gear required to fight coronavirus pandemic (COVID-19).

Anand Mahindra-led Mahindra & Mahindra (M&M) is believed to be in the final stage of discussions with Bangalore-based ventilator exporter Skanray Technologies. Tata group, through Tata Motors, is also in last-minute negotiations with a Mysuru-based manufacturer to ramp up ventilator manufacturing.

In a communication to major automobile manufacturers, the Ministry of Heavy Industries asked them to explore using their manufacturing facilities and manpower to produce ventilators. Sources said that the communication was issued after a joint meeting of

the top four companies — Maruti Suzuki, M&M, Tata Motors and Hyundai.

In the United States, Ford Motors has started working with 3M and General Electric to manufacture respirators and ventilators. The past 48 hours have seen the government prioritise production of ventilators. With



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imports from Europe drying up, India urgently needs to increase availability. According to a study by Brookings Institution, India will need 110,000-220,000 ventilators by May 15.

"The government has literally created a war room and work is happening on real-time basis. In fact, a couple of joint secretaries have joined WhatsApp groups with manufacturers to learn about the issues they are facing," said an industry insider. The government and industry are frequently holding video-conferences across the country.

Executive of car companies, however, say it will be difficult for effective tie-ups between car companies and

medical equipment manufacturers to fructify at such short notice.

"The government anticipates a need for a much larger number of ventilators. They have approached us about the possibility of making ventilators in-house. A number of our teams are looking at the possibility. We will come up with an answer in a day or two. We have very limited time," said R C Bhargava, chairman of Maruti Suzuki.

An executive at Hyundai explained that for partnerships to fructify faster, ventilator manufacturers should agree to make their design, patents available to auto companies. "Carmakers don't

have expertise in manufacturing medical items. So, we would need design and manpower expertise from companies that have been making them," Bhargava said.

There are nine major local manufacturers of medical equipments, and they are facing major challenges in sourcing raw material in the current lockdown. The government has sought information on bottlenecks in component sourcing. Several meetings have been held and an inter-ministerial committee has been formed with representation from the departments of pharmaceuticals and civil aviation, among others.

The civil aviation ministry is coordinating with the association of freight forwarders and manufacturers to see how critical components can be picked up from ports across the world. "Cargo planes will fly and bring in these components for ventilators, along with other components for the medical devices industry," said Rajiv Nath, forum coordinator of AIMED (Association of Indian Medical Device Industry).

Delhi-based health-tech company AgVa Healthcare is working round-the-clock to produce 20,000 ventilators in the next month as the country battles the pandemic. This is a low-cost ventilator developed by a young robotics engineer and a doctor from the All India Institute of Medical Sciences (AIIMS) that comes at one-seventh the cost of the widely available variants in the market.

This is a huge number, given that India has an estimated 40,000 working ventilators now. If the number of COVID-19 positive cases surges, the infrastructure would be inadequate, given that around 5 per cent of patients need intensive care.

IndiGo offers planes, crew to transport medicines

PRESS TRUST OF INDIA
New Delhi, 25 March

IndiGo on Wednesday said that it has offered Union Civil Aviation Ministry its 'resources, aircraft and crew' to transport medicine, equipment and relief material from one part of the country to another.

As the Modi government has suspended all domestic and international passenger flight operations in India to curb the spread of coronavirus, IndiGo's fleet of more than 250 planes is currently grounded.

IndiGo is the largest airline in India with around 47 per cent share in domestic passenger traffic, according to aviation regulator DGCA's February data.

In a press statement, the airline said, "In an endeavour to support Government of India, IndiGo, India's largest airline, today has offered its resources, aircraft and crew to assist the nation in the worldwide battle against coronavirus." "The airline has expressed support to contribute in the ferry supply of medicine, equipment, and relief samples from one part of the country to another," the low-cost carrier said.

India has banned international commercial passenger flights for a period of one week from Sunday. Moreover, domestic flights have also been suspended from Tuesday midnight.

The airline said its CEO Ronojoy Dutta has written a letter to the civil aviation Minister, wherein he said, "I know you must be facing major logistical challenges in moving medicine, equipment and relief supplies from one part of the country to another. We at IndiGo would be extremely proud to be associated



GoAir to cut March salary of all staff

ANEESH PHADNIS
Mumbai, 25 March

GoAir will cut salary of all its employees for the month of March following grounding of all domestic flights in the country.

GoAir is the third airline to announce a pay cut after IndiGo and Air India, which have slashed salaries to tide over COVID-19 crisis.

"Under the current situation we find ourselves left with no choice but to extend salary cuts for all of us for the month of March. We will ensure that lowest pay grades suffer the least," the airline's Chief Executive Officer Vinay Dube wrote in an e-mail on Wednesday. The letter did not reveal the extent of pay cut for each category. The pay cut comes even as domestic airlines seek urgent funding from the government to pay 50 per cent of staff salaries for the next three months. Domestic flights

were shut from midnight of March 24 and closure will remain in place until April 14.

The Wadia group airline had earlier implemented leave without pay for a section of its staff and fired foreign pilots to cut costs. Later, the one month leave without pay was extended to Indian pilots under training or to those not released for active duties. "In GoAir's 14-year-old history, we have never cut staff salaries or deferred salary payments. When the tide turns once again, and it will, GoAir will find the way to compensate all of you for the sacrifice you are being asked to make at this juncture. Given the strong business fundamentals of GoAir, I believe that moment is not so far away," Dube said.

"How can the airline cut salary of March when we have worked for 24 days," an employee asked. Experts, however, said pay cut is a sensible thing to do in the current situation to preserve cash.

Digital industry to switch to SD from HD streaming

MEGHA MANCHANDA
New Delhi, 25 March

Amid a surge in demand for internet services against the backdrop of coronavirus disease (COVID-19) spread and increase in work-from-home by companies, the digital industry has decided to 'temporarily' offer only standard definition (SD) streaming services till April 14.

Sources said data consumption lately has gone up by 15-20 per cent and consumption of high definition (HD) data requires 6-7 times higher bandwidth.

The move looks at the potential impact on the cellular network infrastructure caused by the unprecedented surge in mobile internet consumption as people are staying indoors, responding to Prime Minister Narendra Modi's call for social distancing and 21-day lockdown.

The decision was taken at a meeting on Tuesday by Uday Shankar, chairman, Star & Disney India, and attended by key stakeholders from the digital industry.

The meeting, held virtually, was attended by N P Singh (Sony), Sanjay Gupta (Google), Ajit Mohan (Facebook), Sudhanshu Vats (Viacom18), Gaurav Gandhi (Amazon Prime Video), Punit Goenka (Zee), Nikhil Gandhi (TikTok), Ambika Khurana (Netflix), Karan Bedi (MX Player), and Varun Narang (Hotstar).



The digital industry has decided to act immediately in the larger national and consumer interest and to ensure the robustness of the cellular network, an official statement said. The industry is acutely aware of this challenge and is committed to ensuring all citizens are able to access mobile networks wherever and whenever they want, the statement further added.

It was unanimously agreed that as an exceptional measure, all companies will immediately adopt measures, including temporarily defaulting HD and ultra-HD streaming to SD content or offering only SD content, at bitrates no higher than 480p on cellular networks. 480p is the shorthand name for a family of video display resolutions and is mainly used for many early plasma televisions.

Firms count losses as summer products face pandemic heat

ARNAB DUTTA & VIVEAT SUSAN PINTO
New Delhi/Mumbai, 25 March

If at this time last year marketers were spending sleepless nights stocking up for surging demand of air conditioners, refrigerators, and colas, this year they are burning the midnight oil to calculate the loss on sales.

As business activities come to a near halt after the country went into a total lockdown induced by the spread of the coronavirus disease (COVID-19), manufacturers of summer products are busy reworking yearly plans.

From large appliances like ACs and refrigerators to smaller items like air coolers and fans and fast-moving consumer goods (FMCG) like ice creams and aerated drinks — production and sales have been suspended. With all non-essential stores shuttered and e-commerce firms postponing deliveries of such items, sales have come to a halt.

Take ACs, for example. According to Krishan Sachdev, managing director of Carrier Midea, while mid-March to mid-April is peak season for AC sales, the total lockdown will surely impact yearly sales. "If this continues beyond mid-April, then it is very difficult to say how bad the ultimate impact will be." Unlike other years, this time all its factories are shut and employees, including Sachdev, are stuck inside their homes.

According to Kamal Nandi, president of CEAMA and V-P Godrej Appliances, February to June period contribute 60 per cent of the total turnover of the



Production and sales have been suspended for refrigerators, ACs and FMCG items like ice creams and aerated drinks

appliances industry. "March and April together form 25 per cent of sales. Due to the current lockdown and the dampened consumer sentiments, we have seen a drop of up to 60 per cent in sales this month. If lockdown is extended to mid-April we are expecting similar impact on sales next month too," he said.

Rohit Mathur, president, fans and pumps at Usha International, said the next few months would be challenging. Executives at cola majors Coca-Cola and PepsiCo, who have suspended operations at plants, are now estimating loss of sales that will impact their targets for the year. Like ACs, over half of the yearly cola sales happen during the March-July period.

However, the lockdown has also impacted their distribution chains, leaving hundreds of trucks stranded. Additionally, as these items as categorised as non-essential they are also being rejected by many over fears of catching a cold.

"Since summer is the peak period for us, we had already planned our production. We are covered as far as concentrates (raw materials) go for two months at our plants. Most bottling units are also carrying about two to three weeks' inventory of finished goods. But the biggest challenge right now is shipping goods into the market from our factories," said Ravi Jaipuria, chairman of Varun Beverages — the largest bottler for PepsiCo India. Jaipuria said, with most consumers staying indoors sales are getting impacted as out of home consumption has stopped.

According to Nadia Chauhan, joint MD & chief marketing officer of Parle Agro, the firm is reviewing the situation on a daily basis and taking proactive steps towards refining its initiatives. Parle has sufficient stock of raw materials and finished products and is working towards seamless replenishment of stocks at the retail level, she said.

IT firms ask clients to enable more work-from-home option

DEBASIS MOHAPATRA
Bengaluru, 25 March

Many information technology (IT) services firms have started negotiating with clients abroad to allow employees deployed on their projects in India to work from home (WFH), in the wake of the lockdown of the country to check the spread of COVID-19.

WFH for significant numbers of employees has never been part of delivery contracts. These do specify exit clauses with force majeure provisions but there is no clause to depend upon that can cover the current lockdown situation.

"Most of the top-tier firms are currently engaged with negotiation with clients in US and Europe to allow employees to work from remote locations. Given the lockdown and difficulty in commuting to office, clients are being conveyed about the situation and being requested to insert clauses enabling WFH for more numbers of employees," said analysts from brokerage firms who have interacted with company managements after the virus outbreak.

"The firms are engaged in negotiation with clients for



The majority of IT employees have to come to office as companies don't allow them to work from home

allowing WFH for more projects. As an interim measure, there will be a hybrid approach and whatever processes can be migrated to WFH, those will move in due process of time," said Sanclit Vir Gogia, chief analyst at Greyhound Research. "Processes like financial accounting can be allowed to be done through WFH. However, wherever personal identifiable information is involved, this will be still done in office."

Currently, while many IT employees are working from home, a significant majority has to come to office as companies don't allow these staffers to work from home, given the security issues

involved. Also, many have not been provided with laptops having VPN (virtual private network).

"With most nations struggling to contain the COVID-19 spread, clients in the US and Europe are empathetic towards the request. Hopefully, something favourable will come out soon," said Gogia.

The IT sector is looking at slowing demand. Many developed countries, including America, have started to see establishments shutting down, to ensure social distancing to fight the virus' spread. As a result, reports suggest, deal signings worth \$3-4 billion have been deferred in this month alone.

Cyril Amarchand Mangaldas fast-tracks bonus payouts

SUDIPTO DEY
New Delhi, 25 March

In a bid to pep up the morale of its 750-strong employees, largely working from home, law firm Cyril Amarchand Mangaldas has fast-tracked its annual variable bonus payouts to beat the pandemic lockdown.

At a time when businesses are looking to cut costs, Cyril Shroff, managing partner, Cyril Amarchand Mangaldas, said the firm wanted to stay true to its people-first culture.

"They need to be rewarded for the work," said Shroff. Overall, payouts this year were around 5 per cent above last year.

Law firms generally hand out annual bonus to employees in the March-April time frame. Given the lockdown, most law firms are looking to conclude the assessment process and payouts by April-end, some industry players said.

To pep up employees working from home, Cyril Amarchand Mangaldas has lined up several partner calls with external speakers,

including management consultants and spiritual leaders.

Shroff plans to hold full-firm calls twice a week to keep up the morale of all employees. Shroff said the firm has been investing heavily in technology for many years. And that has held up well in these trying times.

"We closed several transactions working from home," he said. Over 750 lawyers and support staff are currently working seamlessly from home, he added.

However, striking a note of caution, Shroff said the next financial year is likely to be challenging for both employers and employees.

Many in the legal fraternity agree that stress in the business environment would take a toll on employee remuneration. Most firms have had to invest heavily over the last couple of months on technology to make themselves work-from-home ready, experts said.

The uncertainty in business environment has taken a toll on business development and marketing activities, they added.

