

Business Standard



THE MARKETS ON WEDNESDAY			Chg#
Sensex	28,535.8	▲	1,861.8
Nifty	8,317.8	▲	516.8
Nifty futures*	8,406.5	▲	88.6
Dollar	Market Closed		₹76.1**
Euro	Market Closed		₹82.5**
Brent crude (\$/bbl)**	26.9**		27.0**
Gold (10 gm)**	₹43,250.0	▲	₹1,172.0

* (April) Premium on Nifty Spot; ** Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBIA



COMPANIES P3

INDIGO OFFERS ITS AIRCRAFT TO TRANSPORT DRUGS, EQUIPMENT

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SOCIAL DISTANCING: PM LEADS BY EXAMPLE AT CABINET MEET

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MANUFACTURING TAKES BIG HIT

Manufacturing in key sectors in the country has virtually stopped, with more and more companies announcing that they are shutting down their factories owing to a shortage of labour and raw materials, and a lack of logistical support amid the ongoing nationwide lockdown. The lockdown, aimed at containing the spread of the coronavirus pandemic, is also impacting their plants overseas.

COMPANIES P3

Carmakers told to ramp up ventilator production

The government has asked all automakers to utilise their facilities to produce ventilators required. The communication happened after a joint meeting of the top four auto companies – Maruti Suzuki, Mahindra & Mahindra, Tata Motors and Hyundai. It is understood that M&M and Tata Motors are in final negotiations to raise production.

ECONOMY & PUBLIC AFFAIRS P4

Banks offer new credit lines, fear defaults

Despite State Bank of India, Bank of India, and Bank of Baroda announcing fresh credit lines for troubled companies, they are expecting defaults by small and medium companies. Union Bank and Indian Bank also announced similar measures to increase working capital limits.

NPR, first phase of Census postponed

With a 21-day lockdown to contain the virus spread, the Centre on Wednesday postponed the updating of the contentious National Population Register (NPR) and the first phase of the Census 2021. The house listing and housing enumeration of the Census 2021 and NPR were to be carried out simultaneously from April 1 to September 30.

BS ON THURSDAY SPECIAL

PERSONAL FINANCE



Hard decisions in tough times

For those who don't have adequate investments, taking a bridge loan to service EMIs may work, writes BINDISHA SARANG

₹60k-cr income support plan for poor in works

Industry, individuals may also get relief

ARUP ROYCHOUDHURY
New Delhi, 25 March

The Narendra Modi government is said to be considering an income support scheme for those worst hit by the slump in economic activity owing to the coronavirus pandemic and the resultant nationwide lockdown.

The scheme could mean transferring ₹5,000-6,000 into the bank accounts of 80-100 million poor families, *Business Standard* has learnt.

A one-time transfer of ₹6,000 each into 100 million accounts will cost the exchequer ₹60,000 crore. However, given how dynamic the situation is, officials are not yet willing to give the monetary size of the package.

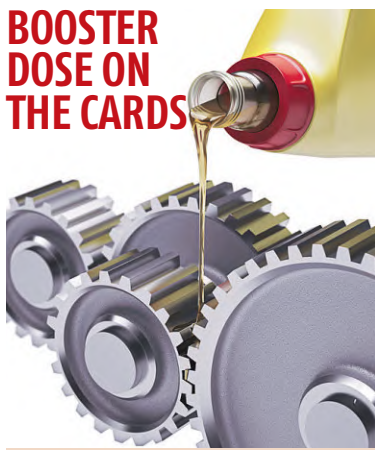
There are also discussions on allowing a deferment of equated monthly instalments (EMIs) for targeted individuals, and loan repayments for micro, small and medium enterprises (MSMEs). But this will require providing some support to the banking system as well, sources said.

These measures are likely to be part of a comprehensive economic package to fight the downturn in the country, which is currently locked down to contain the spread of coronavirus. The package can be announced any day now.

News agency *Reuters* reported that the size of the economic package could be anywhere between ₹1.5 trillion and ₹2.3 trillion. Any stimulus package will not only include the monetary component of an income support scheme, but also for MSMEs and others.

As of Wednesday, COVID-19 had infected 440,321 people globally and over 606 in India.

“Economic activity has come to a near halt. Work in factories, workshops,



BOOSTER DOSE ON THE CARDS

- One-time transfer of ₹5,000-6,000 into the accounts of about 100 million poor families
- Loan deferment for MSMEs
- EMI deferment for individuals under certain conditions
- Borrowings for FY21 could be increased, from the current planned gross borrowing of ₹7.8 trillion
- Uncertainty about immediate future hampering efforts to finalise the size of the package

farms, the services sector, and other labour-intensive sectors has just stopped. The poorest families, especially those dependent on daily wages, will not be able to survive the lockdown,” said a person aware of the deliberations in the COVID-19 economic response task force.

MONTHLY QUOTA OF SUBSIDISED FOODGRAIN INCREASED BY 2 KG

The government on Wednesday decided to increase the monthly quota of subsidised foodgrain by two kg per person, to seven kg, through ration shops for the 800-million beneficiaries under the National Food Security Act. The increased allocation will be for a period of three months starting April. From an average allocation of 25 kg for a

five-member family, this decision will push it up to 35 kg. A rough estimate is that the central government will have to meet an additional burden of ₹5,600 crore per month (₹67,200 crore per annum) in the coming financial year if it allocates two kg of rice to all the 80 crore beneficiaries.



E-com firms set to resume work after police assurance

PEERZADA ABRAR, NEHA ALAWADHI & PTI
Bengaluru/New Delhi, 25 March

Walmart-owned Flipkart said on Wednesday it would resume services and Amazon said it was working with the government to enable its deliveries after state governments reached out to the firms, which had temporarily stopped accepting new orders amid reports of police high-handedness.

The Delhi police issued a statement saying they were proactively engaging with e-commerce portals and were issuing passes

to ensure agents were able to commute seamlessly and deliver essential goods to residents during the 21-day lockdown. The Bengaluru police, too, came out with guidelines for issuing curfew passes.

Following this, Flipkart Chief Executive Officer Kalyan Krishnamurthy said, “We have been assured of the safe and smooth passage of our supply chain and delivery executives by local law enforcement authorities and are resuming our grocery and essentials services later today (Wednesday).”

CONSUMERS SUFFER

Percentage of consumers unable to find essential goods via e-commerce platforms rose from 35% to 79% in the past two days



Reasons

- Lack of clarity from authorities
- Multiple notifications
- Message from bureaucracy to law enforcement agencies not clear

Percentage of those who could not find such goods at local retail stores rose from 17% to 32%

Source: Community platform LocalCircles

Indices post biggest gains in 11 yrs

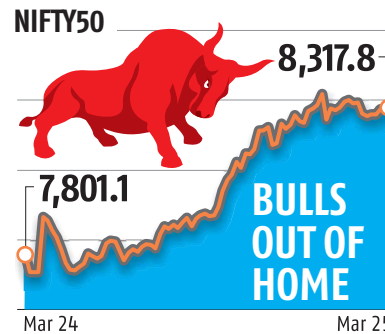
US stimulus deal bolsters markets

SUNDAR SETHURAMAN
Mumbai, 25 March

The Indian markets surged about 7 per cent on Wednesday as risk sentiment got a boost from the \$2-trillion stimulus bill in the US. Hopes of a multi-billion-dollar relief package by the Indian government also kept investors' mood buoyant.

The Sensex jumped 1,862 points to end at 28,536, while the Nifty50 index rallied 517 points, or 6.6 per cent, to settle at 8,318 — the biggest single-day gains for the benchmark indices since May 2009.

Most Asian and European markets soared after the US markets posted their biggest single-day gain since 1933, with the



TOP GAINERS

Company	Mar 25, 2020 Price in ₹	1-day chg (%)
Reliance Industries	1,082.3	14.7
Grasim Industries	451.4	12.8
Kotak Mahindra Bank	1,290.2	11.9
UPL	292.8	11.7
HDFC Bank	856.8	11.6

Source: Exchange/Bloomberg
Compiled by BS Research Bureau

Dow Jones rallying 11 per cent on Tuesday.

The \$2-trillion package is touted as the world's biggest fiscal response to a crisis. It includes unemployment insurance, small business loans, and loans for distressed companies.

“A lot of other countries have gone through this phase earlier in terms of total lockdown, whereas things have just started peaking in India,” said Andrew Holland, CEO, Avendus Capital Alternate Strategies.

Headed home as migrants have no room to isolate

SOMESH JHA
New Delhi, 25 March

Durga Prasad, 34, made a life-changing call to his family living in Bulandshahr (Uttar Pradesh) last Saturday to say he was headed back home as his garment manufacturing unit was closing down for the next 15 days. This was a day before the Delhi government had announced an official lockdown in the national capital.

“I resigned after my employer refused to pay me for the shutdown days,” Prasad, sitting on a bicycle in New Delhi's Okhla Industrial Area, tells *Business Standard*. “If the virus spreads further, it would leave me exposed without any earning. I'm headed home.”

A worker like Prasad, who's an integral part of the country's 471-million workforce, never felt more vulnerable. Around 81 per cent of this universe is unorganised, without any social security cover and outside the purview of a complex set of labour laws.

Like Prasad, 26-year-old construction sector worker Pintu Singh is looking for some odd job. While resting with other stranded workers outside the New Delhi Railway Station, Singh narrates his story. On Sunday, the day of the janata curfew, Singh hurriedly left Rewari in Madhya Pradesh to travel back to his village in Champaran (Bihar) via New Delhi. His journey home had to be halted as the



Zeenat, who works in a garment factory in Delhi, says she wants to go back to her village in Uttar Pradesh as she won't be able to make her ends meet in Delhi due to the lockdown

PHOTO: SOMESH JHA

lockdown came into force and he couldn't get into a second train to Bihar from New Delhi.

“I left behind all my belongings. I was supposed to get ₹7,000 from my contractor, but didn't even bother to take it. The contractor wasn't allowing us to leave and promised us food but no salary. I want to stay with my family in these times,” says Singh, who's been earning ₹600 a day. He left his workplace with ₹2,000 cash in pocket.

With all businesses and transportation grinding to a halt

during the lockdown, millions of migrant workers hardly have any choice on how to isolate themselves from the deadly coronavirus.

Missing social security ring

Even as COVID-19 coronavirus has hit the labour force hard like never before, the social security cover remains more of a privilege for workers. Unlike many other countries which follow a right-based approach giving social security to everyone in the workforce, India sticks to an employment-based plan. Social security is limited to units employing a minimum number of workers.

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100,000 LEFT IN THE LURCH AS NOIDA SEZ SHUTS

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