

IndiGo crew stuck as govt withholds nod for flight ops

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Mumbai/Delhi, 26 March

More than 50 pilots and cabin crew of IndiGo are now stuck in Bengaluru, Hyderabad, Kolkata, Lucknow, and Mumbai as the government has withheld permission to ferry flights to bring them back to their bases.

AirAsia India has two pilots from its Bengaluru base stranded in Kolkata, while SpiceJet and Vistara said all their crew members returned to their bases on Tuesday after the suspension of domestic operations on Tuesday midnight.

The suspension excludes domestic and international cargo services and flights specifically approved by the government.

IndiGo operated over 800 flights on Tuesday, around half its normal schedule. Its duty patterns require pilots and crew to operate flights from other cities with an overnight stay away from the base.

The airline had worked out a schedule in such a way that all such pilots and crew could return to their base. "We had plans to bring all of our crew back, but some planned flights got cancelled and as a result over 50 pilots and crew got stuck," said an airline source familiar with the matter.

IndiGo management then planned relief flights to ferry crew to their bases. "Necessary approvals were sought and secured at the local level but the same were withheld as Prime Minister Narendra Modi announced 21-day nationwide lockdown," the source added.

A senior official of the Directorate General of Civil Aviation confirmed that IndiGo had



Around 50 pilots and cabin crew couldn't return before lockdown was announced

approached the regulator seeking special permission to ferry flights, but the regulator turned it down citing the lockdown.

"The direction... was very clear that no flight will be allowed to take off after 12 midnight. The airlines should have planned accordingly. As of now, we aren't giving permission to any special flight other than foreign countries evacuating their citizens," the official said.

IndiGo did not immediately respond to an e-mail sent for comments. A SpiceJet spokesperson said, "All our crew reached their home bases on Tuesday night. Cargo aircraft pilots continue to operate from different bases as required." A few of SpiceJet crew traveled on other airlines to reach their home base and tickets were provided by the airline.

YES Bank board clears ₹5K-cr fundraising plan

ABHIJIT LELE
Mumbai, 26 March

Ailing private sector lender YES Bank looks to raise up to ₹5,000 crore as equity capital in the second round to meet regulatory requirement and support business.

The board, at its meeting on Thursday, approved raising of funds for an additional amount aggregating up to ₹5,000 crore in one or more tranches, by issuing securities, the bank informed the exchange. Its shares closed 10.27 per cent lower at ₹26.65 per share on the BSE.

The bank has kept options open to use routes like qualified institutional placement, public issue, rights issue, global depository receipts, American depository receipts, and foreign currency convertible bonds or any other permissible mode, it added.

Its reconstituted eight-member board held a nine-hour-long meeting via videoconference. Besides enabling resolution for capital raising, the directors dwelled on employee concerns and



While YES bank had prepared the broad contours of a strategic plan, COVID-19 pandemic has added new challenges

work being done by them in trying times, said banking sources.

The bank is a board-driven company. Earlier, it was run by administrator Prashant Kumar under the reconstruction scheme, which came into effect

on March 5. Kumar is now the managing director and chief executive officer of the bank.

While the bank had prepared the broad contours of a strategic plan, the COVID-19 outbreak has added new

challenges. The management will begin a dialogue with investment bankers to chalk out a plan for raising fresh capital and assess market appetite for shares from the bank, said sources.

According to rating agency ICRA's estimates, YES Bank will require equity infusion of ₹9,000-13,000 crore to meet regulatory capital requirements, including capital conservation buffers (CCB). The regulatory norms require banks to maintain a CCB of 2.5 per cent as on March 31.

Early this month, the bank received an equity infusion of ₹10,000 crore from eight domestic lenders, led by State Bank of India. The bank has a write-down of AT-I bonds. This is expected to improve capital ratios — common equity tier-1 (CET-1) and tier-1 of 7.6 per cent and 7.8 per cent, respectively. The capital adequacy ratio (CAR) will be more than 9 per cent.

YES Bank's regulatory CAR (Basel III) stood at 4.1 per cent (CET-1 of 0.6 per cent and tier-I of 2.1 per cent) as on December 31, 2019.

Packaged foods industry gets government relief

SURAJEET AS GUPTA
New Delhi, 26 March

The ministry of food processing on Thursday put out an advisory to all chief secretaries of states to permit manufacturing, transport, distribution and retail of packaged foods and beverages in what is a major relief to the firms.

Many of these players have had to suspend production and distribution of products because of the lockdown and confusion in what constitutes essential goods, which have been exempted by the central

government.

Pushpa Subrahmanyam, secretary for food processing industry department, said on Thursday that in understanding food, the definition of "food" would be as per the Food Safety and Standards Act of 2006 under which any packaged or loose food article would be defined as a food product.

As a result, manufacturing, transportation, distribution and retail of packaged foods and beverages, milk and milk products — which include bakery and dairy, animal feed, pet food, infant and baby food, tea and

coffee, health supplements, nutraceuticals, food for special medical purposes — are all exempted from the lockdown orders.

It, of course, also includes the other essential products which include fruits and vegetables, rice, wheat, sugar, salt, spices, tea and coffee, eggs meat and fish amongst others.

As part of the advisory food delivery services and e-commerce, cold storage and warehousing of these products will also be allowed and so will all raw materials, intermediates, packaging material needed to

support such products.

Earlier many beverage as well as dairy companies had said there was confusion on what constituted essential and non-essential commodities as far as food was concerned. This had led to closures of many facilities manufacturing food products.

The communication also says that uninterrupted manufacturing of these food products was critical for maintaining supply chain and availability of food to the population.

Just a few days ago, companies like PepsiCo, Coke, and

Nestle had to suspend manufacturing and distribution of most of their products because of the lockdown across the country. These firms can now open up their facilities as well as retail their products.

PepsiCo's bottling partner Varun Beverages had suspended all manufacturing operations and had stated that "in view of the lock down in many states and union territories across the country, production and distribution facilities have been temporarily shut". Even Nestle had suspended its operations at many places.



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