FRIDAY, 27 MARCH 2020 12 pages in 1 section MUMBAI ₹9.00 VOLUME XXIV NUMBER 159

| THE MARKETS ON | Chg# | |
|--|------------|---------|
| Sensex | 29,946.8 🔺 | 1411.0 |
| Nifty | 8,641.5 | 323.6 |
| Nifty futures* | 8,677.3 | 35.8 |
| Dollar | ₹75.2 | ₹76.1** |
| Euro | ₹82.4 | ₹82.5** |
| Brent crude (\$/bbl)** | 26.5## | 26.7** |
| Gold (10 gm)*** | ₹43,110.0▼ | ₹140.0 |
| *(Apr.) Premium on Nifty Sp # Over previous close: ## A | | |

Market rate exclusive of VAT; Source: IBJA

COVID-19 IMPACT

G20 NATIONS PLEDGE \$5-TRN INJECTION TO AID RECOVERY



"whatever it takes" to overcome the coronavirus crisis and said on Thursday they were injecting \$5 trillion into the global economy through national measures as part of their

efforts to lessen its impact. Pushed through targeted fiscal policy, economic measures, and guarantee schemes, the infusion will counteract the social, economic and financial impacts of the pandemic, according to a statement released after the G20 Leaders' Summit. 12

US Senate passes \$2–trn Bill for COVID-19 crisis

The US Senate unanimously backed a \$2-trillion Bill aimed at helping unemployed workers and industries hurt by

the coronavirus pandemic, as well as providing billions of dollars to buy urgently needed medical equipment. Meanwhile, the number of Americans filing claims for unemployment benefits shot to a record of more than 3 million last week. **REUTERS**

694 confirmed cases in India, death toll now 16

The number of coronavirus cases climbed to 694 in India on Thursday and the death toll rose to 16, according to the health ministry. Officials also said India was at the second stage as there was still no "hard evidence" to say that there had been community transmission of the virus. The number of active cases is 633. Maharashtra is the most affected state with more than 120 cases.

India Inc gets 1-month extension to hold AGMs

Sebi on Thursday granted listed companies one-month extension to hold their annual general meetings (AGMs). At present, the top 100 companies have to conclude their AGMs within five months of the financial year closing. As companies have a March year-ending, they have to hold BS REPORTER their AGMs before August 31.

ICC postpones World Cup qualifying events



PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

Prominent names in the

"Comprehensive measures

break on the rural and urban

poor, farmers, health workers,

migrant workers, divvangs,

senior citizens and other vul-

nerable sections of society,'

8,800

8,700

8,500

8,400

8,300

endra Pradhan said.

Govt unveils ₹1.7-trn package for the poor

Comprises food security, cash transfer; additional outlay may be ₹1.03 trn

www.business-standard.com

ARUP ROYCHOUDHURY New Delhi, 26 March

couple of days after three-week the nationwide lockdown came into force, Union Finance Minister Nirmala Sitharaman announced a ₹1.7-trillion foodsecurity and income-transfer package for the urban and rural poor.

The package includes free foodgrain for 800 million

| | people : |
|---------------|-------------|
| PAGE 7 | three |
| TAGET | months, |
| EDIT: NEED | insurance |
| FOR MORE | cover |
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| HOW STATES | viders, fro |
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ment guarantee programme. Sitharaman also promised a one-time payment to women Jan Dhan accountholders and widows belonging to economically backward sections, pen-



Finance Minister Nirmala Sitharaman said measures would for ensure no gareeb (poor) remained hungry PHOTO: DALIP KUMAR

sioners, and differently abled; give further detail. extra free cylinders for Ujjwala for beneficiaries; a hike in collatgovernment and the opposieral-free loans for self-help tion reacted to Sitharaman's groups; operationalising a cone proannouncements. , front struction workers' fund; and ng PM contributing to organised secannounced today (Thursday) tor workers' employees' proviinstalwill mitigate the economic , and dent fund (EPF) accounts. impact of the COVID-19 out-

se in Sitharaman did not rule mployout further announcements targeting other sectors, and a senior government official said a comprehensive package for micro, small and Petroleum Minister Dharmmedium enterprises was

being worked on, declining to

CORONAVIRUS EFFECT

CENTRE'S EPF SCHEME TO COVER **ONLY 16% OF TOTAL SUBSCRIBERS**

RELIEF PACKAGE **INADEQUATE: ECONOMISTS**

8,641

Markets extend rally on stimulus boost

RECOVERING

Nifty50

SOME GROUND

Sensex rebounds 15% in three days from recent lows SUNDAR SETHURAMAN Mumbai, 26 March

The Indian markets surged for a third straight day on Thurs best three-day gains in years, spurred by stimulus deals announced by policymakers around the globe to combat the economic damage caused by the coronavirus pandemic. The Sensex rose 1,411 points, or 4.94 per cent, to end at 29,947. After dropping to 2016 levels on Monday, the 30-share index has rebounded 15 per cent. The Nifty50 index rose 323.6 points, or 3.9 per cent, to end at 8,641, up 13.6 per cent over its Monday's close of 7,610. The pullback has been so sharp that many on the Street are saying Monday's levels could be the bottom for the market, and that the benchmark indices could rise further if the efforts to mitigate the spread of coronavirus disease (COVID-19) were a success. Wall Street surged on Thursday as record weekly jobless claims came in below investors' worst fears. The Dow Jones was up 937 points, or 4.4 per cent, as on 11:30 pm IST. Turn to Page 11

RELIEF MEASURES

> 5 kg rice/wheat free for 800 mn beneficiaries* Additional outlay of around ₹45,000 crore

• Each farmer to be given ₹2.000 under PM Kisan in April • Outlay from FY21 allocation of ₹75,000 cr. No extra spending

States told to utilise ₹31,000 cr construction workers' welfare cess fund

No extra spending by Centre.Corpus comes from employers, maintained by states

▶ ₹50 lakh medical insurance for essential service providers, medical personnel, etc

• New proposal. No details yet MNREGA wages to be increased by ₹20. Additional benefit of ₹2,000 per worker ▶ Additional outlay of ₹5,600 cr

▶ Free gas cylinders for three months under Ujjwala scheme ▶ New proposal. ₹ 13,000 cr extra expenditure

*Over and above 5 kg they are entitled to Turn to Page 11 at subsidised rates

FMCG leaders mark down growth to 3%

Nielsen sticks to 5–6%

NO ONE CAN PREPARE FOR A

PROBLEM LIKE THIS: PVR CMD

VIVEAT SUSAN PINTO Mumbai, 26 March

COMPANIES P2

The ₹4.3-trillion fast-moving consumer goods (FMCG) market may see its overall growth rate decline to 3 per cent in the January-March period as measures to contain the impact of COVID-19 intensify, top companies have told Business Standard. The gloomy industry projection is in sharp contrast to the forecast by research agency Nielsen, which has maintained its 5-6 per cent quarterly growth outlook.

The assessment by companies is based on the lockdown and supply crunch that most of them are facing. "There is no denying that there is an impact on business because of the virus scare," said Mayank Shah, senior category head, Parle Products.

"March has been challenging and the growth rate in biscuits has fallen to 3 per cent this month versus 7 per cent we saw in January and February. April will also be no better as the lockdown will continue for half the month, impacting business," Shah said.

According to Nielsen, the panic buying of food items and hygiene products in the recent weeks has pushed up growth rates of food and non-food categories by 300 and 400 basis points respectively, compared to the numbers in January.

However, companies argue the spike will not compensate for the fall in the overall growth rate during the quarter due to the virus.

"As of now, there is panic buying and pantry loading, which are indicators of a deferred demand impact in the coming months. On top of this is the sheer magnitude of the economic impact of this crisis. The market will not be the same again," Suresh Narayanan, chairman



FMCG growth over the past six quarters* (%)

18 Estimate for Q4 FY20 15 Nielsen 16.2 12 6.6 6% 9 Companies Jul-Sep '18 Oct-Dec '19 *Figures exclude e-commerce ources: Nielsen, industry LOCKDOWN TO LEAVE BITTER

P8

TASTE FOR FMCG SECTOR

and managing director, Nestle India, said. Mohit Malhotra, chief executive officer, Dabur India, said the lockdown had pushed back market revival by several quarters as the immediate priority for most companies would be to restore the supply chain and get labour back into the factories. "The virus scare has exacerbated the situation. The FMCG market was grappling with an overall consumption slowdown, which has now turned worse because of the need for social distancing, he said. Turn to Page 11

LABOUR SHORTAGE MAKING TRUCKS LINE UP AT APMCs

Page 4

The International Cricket Council (ICC) said on Thursday that all qualifying events for the 2021 Twenty20 World Cup and 50-overs version in 2023 that were scheduled to be held before June 30 had been postponed due to the coronavirus pandemic. The pandemic has also brought global sport to a standstill and the ICC said the World Cup qualifiers would also be impacted. **REUTERS**

COMPANIES P3 YES Bank board approves ₹5,000-cr fundraising

YES Bank will raise up to ₹5,000 crore as equity capital in the second round to meet regulatory requirement and support business. 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 mode.

Mar 25 Mar 26 **Biggest gainers in Nifty** As of Mar 26 Price in ₹ 1-D chg (%) 44.7 IndusInd Bank 435.9 Bharti Airtel 470.7 9.7 Larsen & Toubro 9.4 838.0 2,106.9 8.2 Bajaj Auto

8.1 Hero MotoCorp 1,801.9



Source: Exchange/Bloomberg Compiled by BS Research Bureau

New-age warriors against corona: Robots, drones, chatbots, apps

Start-ups are offering the latest technology to help health workers

SAMREEN AHMAD, GIREESH BABU, & PEERZADA ABRAR Bengaluru/Chennai. 26 March

Drones spraying disinfectant across large areas, robots dispensing hand sanitizer, apps analysing coughs to see if they are 'dry' or 'wet', and AI

PAGE 2

E-GROCERS **RESUME WORK AS STATES** STEP IN

techniques normally used for detecting tuberculosis being tweaked so that they can detect the virus. These are someofthe

contributions of Indian start-ups to the fight against the contagion.

As the nation moves into a 21-day lockdown, start-ups, far from letting their spirits sink, are rising to the occasion by building drones, chatbots, apps, and robots to help health care



A drone being used to spray disinfectant in Chennai to contain coronavirus PHOTO: PT

professionals fighting on the COVID-19 frontline.

General Aeronautics, a Bengalurubased aerospace engineering start-up, has deployed its drones to spray disinfectant across the city. "We have

INNOVATIONS IN TIMES OF COVID-19

- Karmi-bots from Kerala to carry food to people in isolation
- Heartbeat and respiration monitor to track those in quarantine
- Al-based cough analysis feature to predict the type of cough
- Chatbots to disseminate **information** related to the virus
- Apps to track the movement of those in isolation

spraved disinfectant in crowded areas such as KR Market and Majestic, and will continue for the next 10 days to cover most parts of the city," said Abhishek Burman, founder and CEO. Turn to Page 11



2 COMPANIES



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| .95 CLOSE | Mar 2020 Mar |
| | 10 25 |

Delivery picks up

slowly, but firms

struggle as staff

PEERZADA ABRAR, SAMREEN AHMAD

had resumed services as sit-

uation on the ground

improved. Most states took

several measures, includ-

ing providing passes to

delivery executives and

eased interstate movement

of essential goods being

transported by these firms.

also said many of these

firms were facing an uphill

ground to return to work, as many

were apprehensive about their safety.

have started (operations) in all cities,

with clear permission from the

authorities, and all our warehouses

"Things are a lot better now. We

However, some sources

-commerce companies, espe-

cially those selling grocery

online, said on Thursday they

CORONAVIRUS

stay away

& BIBHU RANJAN MISHRA

Bengaluru, 26 March



Bharti Airtel 495 Announces free access

478.00 460 to e-book platform during lockdown 429.75-_425 444.90 ₹478.00 CLOSE .390 2020 ▲ 11.23% UP*

MUMBAI | FRIDAY, 27 MARCH 2020 Business Standard Marico



IN BRIEF

Mahindra to come up with ventilators for just ₹7,500



Mahindra & Mahindra said on Thursday it expected to come up with a ventilator priced at just ₹7,500, which otherwise costs up to ₹10 lakh, as the company seeks to assist in combating the coronavirus pandemic. The

company said it hoped to have a prototype of an automated version of bag valve mask ventilator, commonly known as Ambu bag, in three days for approval. "We are simultaneously working with an indigenous maker of ICU ventilators. These are sophisticated machines costing between ₹5 lakh and ₹10 lakh. This device is an interim lifesaver and the team estimates it will cost below ₹7,500," Mahindra Group Chairman Anand Mahindra said in a tweet. Earlier, M&M Managing Director Pawan Goenka had said the company was also working with two large PSUs along with an existing manufacturer of high spec ventilators to help PTI∢ them simplify design and scale up capacity.

Moody's warns of downgrading Tata **Motors' rating**

Moody's Investors Service has placed the ratings on Tata Motors on review for a possible downgrade. The review, which will be completed over the next 90 days, is on the Ba3 corporate family rating and Ba3 senior unsecured debt rating, **PTI** Moody's said.

DoT seeks spectrum requirement details from telcos

The Department of Telecommunications (DoT) has asked telcos to provide the Wireless Planning and Coordination Wing (WPC) with details of the amount of spectrum in each circle they would require temporarily. Telcos have seen a 15-20 per cent surge in traffic since Sunday as a result of the lockdown as well as the near-complete shift to work from home. Earlier, the capacity had risen by10 per cent. BS REPORTER

Govt helps Al avoid default, refinances ₹700-crore NCDs

The government has come to the rescue of the divestmentbound Air India, whose operations and revenue are crippled due to the coronavirus lockdown from a default on a ₹700crore debt repayment that was due Thursday. The ₹700-crore non-convertible debentures of the national carrier were due

Monitoring traffic patterns, can handle surge: Voda Idea

Vodafone Idea said on Thursday it was monitoring traffic patterns and remains confident of handling surge in voice and data services demand amid country-wide lockdown to tackle the spread of coronavirus, as the company made an appeal to the telecom department to clear pending applications for spectrum allocation.

PTI₄ **Bajaj Group sets** aside ₹100 cr to

fight coronavirus Bajaj Group said it had pledged ₹100 crore towards the fight against coronavirus. Working with the government and group's network of over 200 NGO partners, it will ensure these resources reach those who need the most, Bajaj PTI Group said.

Lava pays 20% advance salary to factory workers

Lava has paid 20 per cent advance salary to factory workers to support their expenses during the nationwide lockdown. "The move is a part of the several measures that the company has taken to ease the trouble of its employees and ensure their safety and wellbeing," the company said. PTI.

E-grocers resume work as states step in

-248.30

2020

founder and CEO, BigBasket.

"Yesterday, the Central government and states gave clear instructions to make sure this does not happen again. While passes are being issued, local policemen have also been informed to allow the executives based on their uniforms and badges," he said.

BigBasket, the country's largest online grocer, presently operates in 24 cities. The company also provides services in some adjoining cities. Menon said since there was a huge order backlog, the focus was on clear-

ing those, so as to create capacities for taking fresh orders. "It is taking 4-5 days to deliver the orders now, which will come down as we clear the backlogs. It will take may be a day or two to clear the backlog, as the (delivery) people who had PANDEMIC stopped working after being beaten up by police are coming back. Fortunately, most of

task of convincing the people on the them were in the city itself, as transport has been suspended."

Flipkart also said Supermart, its Bengaluru-based grocery business, had resumed taking orders from Wednesday night. The firm said it was taking steps to get passes for its onare open now," said Hari Menon, co- field executives. "We halted (earlier)



because of the problems faced by our on-ground staff. But we are back now and our entire machinery is working to make things right," said a company source. Flipkart's grocery service is currently available in Bengaluru, Mumbai, Delhi NCR, Chennai, and Hvderabad.

Amazon India's website says considering the prevailing extensive lockdowns and restrictions, pending deliveries would be delayed. It also said new ordering was available only on essential products through prepaid payment methods. "We are continuously evaluating the situation Wednesday, managing to deliver

EASING DELIVERIES

- BigBasket says there is a huge order backlog and the focus is on clearing those
- Flipkart says Supermart, its Bengaluru-based grocery biz, has resumed taking orders
- Amazon says new pre-paid orders were available only on essential products
- Online food delivery companies, however, have not been as lucky

and working towards resuming deliveries soon," said Amazon.

Milkbasket, a subscription-based micro-delivery start-up, has also announced that it has resumed operations across Gurugram, Noida, and Bengaluru. In terms of losses, over 50 plus communities were denied entry to Milkbasket in the past few days, without prior notice, resulting in

dumping of 15.000 litres of milk and throwing of over 10,000 kgs of fruits and vegetables. "Our employees and vendors are scared for their own families, but they came out on

whatever they could to 30.000 families," said Anant Goel, chief executive and co-founder, Milkbasket.

Online food delivery companies, however, have not been as lucky, given several states are yet to recognise them as essential services. Swiggy said it was managing to operate in select cities with limited capacity and it was also dependent on the functioning of restaurants. "While the Centre has allowed it, it has not been allowed in some states. For example, Delhi and Karnataka have allowed it, while Tamil Nadu and Punjab have not," said Vivek Sunder, chief operating officer, Swiggy.

Companies like his, Sunder said, are required to take three layers of approvals in order to be able to operate. The first one from Central level, the second from state-level authorities. Then one needs to be permitted by the policemen on duty. "Literally, no state has all three things sorted out. Though Karnataka is certainly ahead of others on this front,'

Sunder said. According to the ministry of home affairs guidelines for the 21day lockdown, e-commerce is included as part of essential services for delivery of important goods, including food, pharmaceuticals, and medical equipment.

Customs allows e-clearance for moving laptops for IT industry

NEHA ALAWADHI & SUBHAYAN CHAKRABORTY

New Delhi, 26 March As work from home for information technology (IT) firms gets increasingly feasible, the industry and the government worked together to remove a practical hurdle that required the industry to get Customs approval physically, in addition to an online clearance, in record time.

The Customs clearance required for moving equipment like laptops, desktops, etc out of Special Economic Zone (SEZ) units was delaying things as the clearance had to be taken in person after a first level of approval online.

The directorate general of export promotion under the Central Board of Indirect Taxes and Customs worked with IT services body Nasscom (National Association of Software and Service Companies) and other industry players to allow online approvals for such movement. The Foreign Trade Policy (2015-20) allows authorised employees of software technology park (STP) units to work from a place outside the unit. equipment was going to be and they are allowed to temcumbersome. porarily take laptop or computers and video projection systems out of the STP unit. The Software Technology Parks of India allow for this mandatory warehousing in approval online, but Customs clearance required one to phys-2016, such endorsement can be ically take approval. done electronically over email



IT employees' working from home requires them to carry equipment from STPI units

| Such | Approvals | On industry |
|--------------------|------------------|----------------|
| movement is | required were | appeal, |
| allowed under | online from | Customs has |
| the Foreign Trade | STPI, physically | allowed online |
| Policy (2015-2020) | from Customs | approvals |
| | | |

Industry also hopeful of getting approval for allowing some employees to work from office amid lockdown

Tuesday pushed the home ministry to allow certain senior management of companies in the IT and IT-enabled services (ITeS) space to operate from their office premises. This included "employees who are classified as 'mission critical' and associated with 'essential services' by the top management of the company," said the Ravi Shankar Prasad-led ministry. Also, it wanted companies to be allowed to self certify which staff is mission critical.

However, the home ministry had refused the plan, arguing the difficulties involved in compiling a list of designations which can be termed 'mission critical', for thousands of IT/ITeS companies working in different capacities. It had also pointed out that other industries may also demand the same.

Instead, it had pointed out that all ground staff dealing with loading, transportation, and delivery has been allowed for e-

Indians preferring mobile data over broadband: Study

NEHA ALAWADHI New Delhi, 26 March

Ookla, a platform that tests internet speed, said initial trends show India consumed a lot more mobile data compared to broadband in the early days of work-from-home like TikTok. "ACT (Fibernet) and the lockdown.

compared to the United States and other developed countries. "What we're

seeing (in India) is

a bit different than

in the US. There, people are not using mobile "For (internet service) providers phones as much, its a capacity so we didn't really see much of a issue, so I don't change in mobile know if there's usage except a litanything that tle less of it. Fixed **they can do;** broadband is being prioritising used for far more traffic, lower things. In India, resolution (can help)" what we've seen so far is that mobile DOUG SUTTLES speed has slowed CEO, Ookla down. There has been only a little bit of effect so far on broadband. This may change this week, with a true national lockdown," said Doug Suttles, CEO of Ookla. India went into a 21-day lockdown beginning Wednesday as concerns over spread of coronavirus increase. While schools and educational institutions shut down over the past few weeks, more and more private businesses allowed

their employees to work from home. The higher number of people staying at home means there will be more stress on internet networks, as people carry out their business, studies, consume more video on streaming services and apps and Jio are very

close in performance at the top,' said Suttles.

In a bid to speed up networks, the digital industry in India has said it would temporarily stream high definition and and ultra-HD content in standard definition, at bitrates no higher than 480p, on cellular networks. This is similar to streaming services like

Netflix, Amazon

Prime and others

offering lower reso-

lution videos to







for redemption or interest payment on Thursday. **PTI**

Suzuki Motor's **Gujarat plant** extends closure

Maruti Suzuki India said on Thursday Gujarat-based Suzuki Motor Gujarat (SMG) would extend its plant shutdown till April 14 pursuant to the lockdown announced in the country. Following the latest government directive on the COVID-19 situation. SMG would be extending plant shutdown till April 14, MSI said. **PTI**

NTPC concludes buy of Centre's stake in THDC & NEEPCO

Power generating firm NTPC concluded the acquisition of Centre's entire stake in two hydropower generating firms. THDC India and North Eastern Electric Power Corporation (NEE-PCO), at ₹11,500 crore. The company informed the exchanges that it signed share purchase agreement on Wednesday to buy the government's entire 74.49 per cent stake of THDC for an aggregate consideration of

BS REPORTER4

Given the current situation with the ongoing pandemic,

the need for a physical visit to and the government announcing a complete lockdown, takthe Customs office," the directorate general of export promoing clearances from the tion said in its reply to the indus-Customs department for movement of each piece of try on Wednesday. This means that IT compa-

nies providing work from The Customs authorities home facility to its employees took prompt action once alerted by allowing them to take lapto the issue, and resolved it withtops and desktops and other in two days. "In view of present equipment home, will be able COVID-19 crisis and removal of to do so much faster.

To ensure the continuity of operations in India's biggest foreign exchange earning sector, and acknowledgement can also the Ministry of Electronics and be provided over email without Information Technology had on reduced by next week.

commerce companies - currently classified critical to the sustainability of the ongoing 21day lockdown. For all other categories of privately held business, the home ministry has firmly stated that most employ-

ees need to stay home. On the other hand, with many online service providers based out of SEZs, senior functionaries at the Export Promotion Council for EOUs & SEZs (EPCES) on Thursday said they have been assured by the commerce department that current restrictions on the staff movement will be progressively

ensure better speeds for users. Suttles isn't sure how effective these measures are. "As we know, most of traffic is for videos, either for Netflix or YouTube. The belief is that

lowering resolutions saves about 25 per cent of bandwidth. It can't hurt, but in the countries we've looked at. there has been no improvement. For example, in Italy there is still decrease in performance," he said.

'This is not like a one-quarter hit; it will take time'

For the first time in four years, film ticket sales grew in 2019. Just as the industry was savouring it, coronavirus came along. Cinema chains were among the first to shut down At 845 screens across India, the ₹3,118-crore PVR Cinemas is the country's largest theatre chain. Vanita Kohli-Khandekar spoke to Chairman AJAY BIJLI on what social distancing means to an industry that depends on bringing people together. Edited excerpts:

₹7,500 crore.

What was your first reaction when the coronavirus hit?

I was doing a course in Harvard at the end of December when I first heard the news about a virus outbreak in China. My first thought was it would be in China only.

There was some thought about the things we get from China, like the components of the sound system. Then when the Bond film (No *Time To Die*) was postponed (March 4) I thought it made sense because China, Japan and South Korea were shut

down

AJAY BIJLI

Chairman, PVR

For tentpole Hollywood films the China box-office is huge, so it was a setback. But in India, more than 90 per cent comes from the domestic box-office. We didn't anticipate that something like this would happen here. The first salvo was when Jammu & Kashmir shut down theatres (March 11), then Kerala and Delhi followed suit.

If social gathering propagates the disease then we are happy to meet public guidelines. It is not just a business issue.

What does this mean for PVR?

We had done a ₹500-crore QIP (qualified institutional placement of shares) late in 2019. Therefore, there are cash reserves and a strong balance sheet. It will see us through. At a cinema level, we haven't laid off people but senior employees have taken a 50 per cent salary

cut while others have taken a cut anywhere between 10 and 25 per cent. We have tried our best to soften the whole thing at lower levels.

What kind of impact could it have on smaller chains and single screens? I am not a political person. But I see other governments lending support to the industries that are facing closure. Some sort of fiscal benefits from

the government — GST deferment, renumeration for employees among others - would help.

We have made representations to the prime minister, finance minister and information and broadcasting minister through the Multiplex Association of India for relief measures. We have also made some representations through the Producers Guild, Exhibitors Association and written letters to them in our individual capacity. The Indian film industry is very small, not even a \$2 billion (in box office revenues), while China's industry is \$9-11 billion. So, it needs support. I am not concerned about the overall fundamentals of the business. Human beings are social in nature. We are hardwired to meet, to go out. It is contrary to human nature to stay at home. So people will come out in droves once this is all over. The movie industry will continue to make movies. They will be bunched up for release. Hence, we will have a good problem of plenty.

What are your big learnings while handling this crisis?

No one can prepare for a problem like this. But when the going is good, no harm in deleveraging yourself. The

QIP was for deleveraging.

Since we are expanding and adding screens, the board decided to ensure a healthy capital structure. Nobody anticipated this. Second is communication. This (situation) is a true test of leadership. We are speaking to our 20 million registered loyalty members, communicating with them, telling them to stay safe. The spirit of PVR is beyond cinema. We talk to them about movies. We don't want to be out of sight, out of mind.

What would be the long-term impact on PVR and the industry?

That depends on how long it lasts. From June to August period, we are okay. We have pushed down our expenses. But this question is really not applicable because it is difficult to forecast. On one hand, there are more cases coming up in the UK and Italy while on the other, one can draw hope from China being able to continue (after beating the virus).

In India, films are a solid business,

"AT CINEMA LEVEL, PVR HAS NOT LAID OFF PEOPLE BUT SENIOR EMPLOYEES HAVE TAKEN A 50 PER CENT SALARY CUT WHILE OTHERS HAVE TAKEN A CUT OF BETWEEN 10 AND 25 PER CENT'

employs 15,000 people in 845 screens chains own 40,000 screens, India has 9,000 screens, of which 3,000 screens













selling around 1.5 billion tickets

in PVR and its fundamentals. It

annually. If you believe in the Indian

consumer, the film industry and the

theatrical business, then you believe

with more than 110 million visitors a

year. But this industry is fragmented.

are owned by multiplexes. In a crisis

like this, everybody - big or small -

is there in your tank. This is not

like a one quarter hit; it will take

time. But the pent-up appetite

(once things go back to normal)

will be so much that we will

opened theatres on an experi-

is using re-releases; it is see-

ing 100 per cent occupancy.

The same thing will happen

in India.

mental basis (500 screens) and

have overflows. China has

It all depends on how much fuel

is in the same boat.

Unlike the US where two to three

COMPANIES 3

IndiGo crew stuck as govt withholds nod for flight ops

ΔΝΕΕΣΗ ΡΗΔΟΝΙς & ARINDAM MAJUMDER Mumbai/Delhi, 26 March

ore 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 cities with an overnight stay away from the base.

The airline had worked out

CORONAVIRUS PANDEMIC 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 air-

line 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 to operate flights from other 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 Bankboard 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 times, said banking sources. board held a nine-hour-long meeting via videoconference. Besides enabling resolution for capital raising, the direc-



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 on March 5. Kumar is now the manag-

The bank is a board-driven company. Earlier, it was run by administrator Prashant Kumar under the reconstruc-

ing director and chief executive officer of the bank.

While the bank had prepared the broad contours of a strategic plan, the tors dwelled on employee concerns and tion scheme, which came into effect 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 transportation, distribution and of products distribution because of the lockdown and confusion in what constitutes essential goods, which have been exempted by the central infant and baby food, tea and

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, retail of packaged foods and beverages, milk and milk products — which include bakery and dairy, animal feed, pet food,

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.

4 CORONAVIRUS EFFECT

Centre's EPF scheme to cover only 16% of total subscribers

PF account holders can withdraw up to three months of contribution during pandemic

SOMESH JHA New Delhi, 26 March

he Union government will foot the Employees' Provident Fund (EPF) bills of companies hiring up to 100 workers for the next three months and allow all the formal sector workers subscribed to the EPFO to withdraw their three months' PF contribution during the COVID-19 pandemic.

This is part of the Centre's ₹1.70-trillion Pradhan Mantri Garib Kalyan (PMGK) package announced by Finance Minister Nirmala Sitharaman on Thursday to provide relief to formal sector workers to help them tide over the national lockdown.

Employers and employees equally contribute 12 per cent of wage towards a worker's provident fund account maintained with the Employees' Provident Fund Organisation (EPFO). The move to finance PF contributions will, however, leave behind a majority of workers who received such social security cover in the formal sector. In fact, it will cover only about 16 per cent of EPF subscribers and 1.6 per cent of the total workforce of 471 million.

A senior EPFO official said the money would be in the form of reimbursements, indicating that the employers will have to continue to provide wages to their employees for the next three months for which the government will foot the PF bill. The official explained that an employer will have to show proof

APPENDIX IV [See rule 8 (1)] POSSESSION NOTICE (for immovable property)

Whereas ianed being the Authorized Officer of INDIABULLS HOUSING FINANCE LIMITED (CIN:L65922L2005PLC136029) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act. 2002 and in exercise of powers conferred under Section 13 (12) read with Rule 3 of the Security Interest (Enforcement) Rules, 2002 issued Demand Notice dated 16.01.2020 calling upon the Borrower(s) RED PARKS PRIVATE LIMITED., DHRUVA REALTY PROJECTS LIMITED, SIMPSON ESTATES PVT. LIMITED, UNITECH MIRAJ PROJECTS PUT. LIMITED ALONGWITH TRIKAR RESIDENTIAL DEVELOPERS PRIVATE LIMITED AND JOSHU PTE LIMITED (BOTH CORPORATE GUARANTORS) to repay the amount mentioned in the Notice being Rs.12,21,57,051/- (Rupes Twelve Crore Twenty One Lakh Fifty Seven Thousand Fifty One Only) against Loan Account No.S000240503 as on 15.01.2020 with pending TDS for an amount of Rs.10,50,000 /- (Rupees Ten Lakh Fifty Thousand Only) and interest thereon within 60 days from the date of receipt of the said Notice

The Borrower (s) having failed to repay the amount, Notice is hereby giver to the Borrower (s) and the public in general that the undersigned has taken symbolic possession of the property described herein below in exercise of powers conferred on him under Sub-Section (4) of Section 13 of the Act read with Rule 8 of the Security Interest (Enforcement) Rules, 2002 on **25.03.2020**

The Borrower (s) in particular and the public in general is hereby cautioned not to deal with the property and any dealings with th property will be subject to the charge of the INDIABULLS HOUSING FINANCE LIMITED for an amount of Rs.12,21,57,051/- (Rupees Twelve Crore Twenty One Lakh Fifty Seven Thousand Fifty One Only) as on 15.01.2020 with pending TDS for an amount of Rs.10,50,000 /- (Rupees Ten Lakh Fifty Thousand Only and interest thereon.

The Borrower's attention is invited to provisions of Sub-Section (8) o Section 13 of the Act in respect of time available, to redeem the s

DESCRIPTION OF THE IMMOVABLE PROPERTY

ITEM NO. 1 ALL THAT PIECES OR PARCELS OF LAND/PROPERTIES AS UNDER TOGETHER WITH ALL THE PRESENT AND/OR FUTURE STRUCTURES,



PMGK scheme.

"This initiative will largely benefit the

required on whether for calcu-

lating the employee threshold (of

₹15,000) the government would

take into account third party

employees and whether they too

would benefit from this initia-

tive," said Richa Mohanty Rao.

Partner at Cyril Amarchand

the 48 million active provident

But what may be a relief to all

Mangaldas.

of payment of three months' salary of its workers, without paying for the PF amount, to claim the benefit.

Wage-earners below ₹15,000 per MSME (micro, small and medium entermonth in businesses having less than prises) sector since the scheme is only for 100 workers are at risk of losing their those establishments which employ not employment. This (move) would pre- more than 100 employees...Clarity is

vent disruption in their employment," an official statement issued by the finance ministry said on Thursday. The government will



the total establishments and around 84 will be able to draw 75 per cent of their PF

per cent of the workers registered under contribution. The government will make

scheme, which is set to benefit 7.9 million workers employed in around 377,000 establishments. However, the EPFO has fund account holders, the government 563,000 establishments under its fold will allow a withdrawal of up to three that employ a total of 48 million workers months of their contribution during the who make provident fund contributions pandemic. For workers who haven't on a regular basis. So, about one-third of earned wages of up to three months, they



the EPFO will not be eligible for the amendments to the EPF scheme for the same. "EPF regulations will be amended to include pandemic as a reason to allow non-refundable advances of 75 per cent of the amount or three months of the wages, whichever is lower, from their accounts" an official statement stated

More than 80 per cent of India's workforce is employed in the unorganised sector. After the government's lockdown measures, there was an exodus of migrant workers who wanted to go back to their villages from cities but were stranded due to a curb on transport movement across the country. The migrant workers, mostly in the unorganised sector, will not be able to take benefit of the government's move.

'Credit pension by March 30'

The EPFO on Thursday directed its 135 field offices to ensure payment of pension to 6.5 million beneficiaries by March 30 amid the lockdown. according to an official statement.

TALKING HEADS

THESE MEASURES WILL GREATLY BENEFIT THE MOST VULNERABLE SECTIONS OF SOCIETY. THEY WILL PROVIDE SUPPORT TO FARMERS, DAILY-WAGE EARNERS SHG WOMEN AND POOR **SENIOR CITIZENS**"



RAJNISH

KUMAR,

to the current CPI-AL. But with the lockdown in force, the labourers may not get the work to earn the extra wages. However, most welcomed the Centre's decision to give an extra 5 kg of free food grains (wheat or rice) to all identified



SANJEEB MUKHERJEE New Delhi, 26 March

The Centre on Thursday announced a slew of measures to provide relief to poor and vulnerable sections of the population during the COVID-19 crisis, but the efficacy of many of these will depend on a robust last-mile delivery mechanism, which has been badly affected right from the start of the 21day lockdown.

Experts said most of the announcements pertain to beneficiaries of existing schemes. Hence, anyone who is not part of the current set of programmes may not be able to access the relief measures.

They also pointed out that in some cases, such as raising the MGNREGA wages by ₹20 per day, the measures were already in the works and would have come irrespective of the COVID-19 pandemic.

Moreover, an ex gratia payment of ₹1,000 over the next three months is also minuscule, considering that it translates into around ₹330 per month.

The Centre already gives a pension of ₹200-500 per month to poor widows, handicapped and others. After the current announcements, this will go up by ₹330 per month for the next three months.

The decision to speed up the first instalment of ₹2000 under the PM-KISAN scheme to April 1, is also part of the ongoing programme.

In the case of MGNREGA, experts said wages were set to be linked to a new CPI-Rural index. This would have pushed them up from the current levels as the new index has a higher weightage for non-food items as compared

beneficiaries through the shop, and if the distribution ration shops for the next three channels are not clogged, the months, along with 1 kg of grains can be transported. He pulses per family



have two months' stocks with

them. However, the challenge

would be to ensure that bene-

ficiaries can get to the shops,

and a member of the faculty at

Ahmedabad, said that the

direct transfer of ₹500 per

month to women Jan Dhan

account holders for the next

work site may increase the risk

of community transmission.

These people should have

ed to bear an expense of ₹5,600

crore on increased wages to ben-

penetration of digital pay-

ments is very low among poor

households, it remains to be

seen how the poor can come to

the banks to collect their pen-

payments among poor

households is very low so

people may start crowding

the banks and business cor-

respondents (BCs) to with-

draw money, which will

"Penetration of digital

sions during the lockdown.

efit almost 5.5 crore families.

The government is expect-

Some experts said that as

been given cash," she said.

"In case of MGNREGA, the

three months is too little.

Reetika Khera, economist

Institute

(IIM)-

Singh added.

Management

Indian

KEY ANNOUNCEMENTS

(₹crore)

MGNREGA wages to be 5,600 increased by ₹20 per day ₹500 ex gratia for women **31,000** Jan Dhan account holders Three free gas cylinders to 13,000 Ujjwala beneficiaries Extra 5 kg free grains plus

45,000 1 kg pulses for 3 months Extra pension of ₹1,000 to 3,000 old and poor widows for 3 months

PM-Kisan first 16,000 instalment advanced

"The free ration is a welcome step, but the big question is how to ensure their delivery when even ration shops aren't opening.' said Dipa Sinha, a teacher at Ambedkar University and a member of the Right to Food campaign.

Sinha said deliveries will be a big challenge unless some sort of a doorstep delivery mechanism can be worked out. "A better idea would have been to organise community kitchens or distribute food packets to address the need of migrant labourers who are on their way home," she said. Former Food Corporation

of India Chairman Alok Singh said that the food grain godowns are usually located 20-30 km away from a ration

defeat the whole purpose. Home delivery of money through BCs and bank officials needs to be mandated.' said Anil Gupta, partner of MicroSave Consulting. Moreover, dormant accounts belonging to women should be activated and there

should also be the option for opening new account with "social distancing" in force, said some ration shops even he added.

Relief package inadequate: Economists

DILASHA SETH New Delhi, 26 March

The ₹1.7-trillion coronavirus age announced by

business sector haven't been addressed, which I feel will probably be addressed later by government," the said aian. Besides, th Ran se who

do not have a bank account

might miss out, with the gov-

"PROBLEMS FACED BY THE BUSINESS SECTOR HAVEN'T BEEN ADDRESSED, WHICH I FEEL WILL PROBABLY BE ADDRESSED LATER BY THE GOVERNMENT



among the working class." State Bank of India chief need to shell out at least an addi- that the central bank announce

cal office, it added. The Confederation of Indian economist Saumya Kanti Ghosh Industry had sought a ₹2 trilsays the the government will lion package for the poor and

BUILDINGS, FURNITURE, FIXTURES, FITTINGS, STANDING AND/OR PLANT AND MACHINERY INSTALLED/TO BE INSTALLED AND/OR CONSTRUCTED/ TO BE CONSTRUCTED THEREON AND ALL THE PRESENT AND/OR FUTURE RIGHTS, TITLE AND/OR INTERESTS OF M/s. RED PARKS PRIVATE LIMITED THEREIN

SCHEDULE OF LAND ADMEASURING 120 KANAL 0 MARLA OR 15.00 ACRES SITUATED IN THE REVENUE ESTATE OF VILLAGES FAZILPUR JHARSA & BADSHAHPUR, SECTOR 69, DISTRICT GURUGRAM, HARYANA, OWNED BY M/s. RED PARKS PVT. LIMITED

| VILLAGE | RECT. NO. | KILLA NO. | AREA | | |
|-----------------|-----------|-----------|------------------------------------|----------------|--|
| | | | KANAL | MARLA | |
| FAZILPUR JHARSA | 51 | 11/2 | 1 | 16 | |
| | | 19/2 | 3 | 0 | |
| | | 20 | 8 | 0 | |
| | | 21 | 8 | 0 | |
| | | 22 | 3 | 14 | |
| | | TOTAL | - | MARLA OR 3.062 | |
| | | | | | |
| FAZILPUR JHARSA | 51 | 9/1 | 4 | 4 | |
| | | TOTAL | 4 KANAL 4 MA ACRES | RLA OR 0.525 | |
| | | 4/0 | | | |
| FAZILPUR JHARSA | 51 | 1/2 | 1 | 11 | |
| | | 10/1 | 4 | 18 | |
| | - | 10/2 | 3 | 2 | |
| | | 2/2 | 0 | 5 | |
| | | 11/1 | 6 | 4 | |
| | | TOTAL | 16 KANAL 0 M ACRES | ARLA OR 2.0 | |
| | | | | | |
| FAZILPUR JHARSA | 52 | 15/2 | 0 | 18 | |
| | | 16 | 3 | 17 | |
| | | TOTAL | 4 KANAL 15 MARLA OR 0.593 ACRES | | |
| | | | | | |
| FAZILPUR JHARSA | 52 | 6/1 | 0 | 11 | |
| | | 6/2 | 2 | 11 | |
| | | 6/3 | 1 | 14 | |
| | | 15/1 | 4 | 0 | |
| | | TOTAL | 8 KANAL 16 M ACRES | ARLA OR 1.10 | |
| BADSHAHPUR | 42 | 1 MIN | 1 | 3 | |
| | | 2 MIN | 1 | 7 | |
| | 1 | 9 | 8 | 0 | |
| | 1 | 10 | 7 | 18 | |
| | 1 | 11 | 6 | 13 | |
| | | 12 | 8 | 0 | |
| | 43 | 6 | 1 | 1 | |
| | | 15 | 3 | 7 | |
| | 42 | 19 | 8 | 0 | |
| | ·- | 22 | 8 | 0 | |
| | 65 | 2 | 8 | 0 | |
| | | 3MIN | 0 | 6 | |
| | | TOTAL | - | MARLA OR 7.718 | |
| | | | ACRES | | |
| | | GRAND | | MARLA 0R 15.00 | |
| | 1 | TOTAL | ACRES | | |

SCHEDULE-B

RECEIVABLES i.e. THE ENTIRE SALE PROCEEDS, ADVANCE, ALLOTMENT MONEY. RENT. LEASE RENTALS. LICENSE FEES. SECURITY DEPOSIT(S) AND/OR OTHER RECEIVABLES RECEIVED OR TO BE RECEIVED (ON AND FROM THE DATE OF THIS AGREEMENT) BY, INTER ALIA THE OBLIGOR(S) FROM ALL THE CONCERNED PERSONS. INCLUDING THE BUYER(S), TRANSFEREE(S), ALLOTTEE(S), LESSEE(S), SUB-LESSEE(S), DEVELOPER(S), TENANT(S) AND OR LICENSEES OF THE IMMOVABLE PROPERTIES DESCRIBED IN SCHEDULE A HEREINABOVE

Date : 25.03.2020 Place : GURUGRAM



Sd/

Finance Minister Nirmala Sitharaman is inadequate, say some prominent economists. They feel an additional

country, say the critics.

SANJIV PURI,

Chairman & MD,

ernment talking of direct transfer of benefits into such accounts. "Although the govstimulus package is required for stressed sectors with the ernment opened Jan Dhan country's economic growth accounts, they should make it estimated to touch new lows in clear as to how many migrant 2020-21. These sectors labourers have accounts and hotels, trade, banks and aviahow many do not. That part tion, among others — need a needs to be addressed." relief package on a priority

Rangarajan adds that if the basis to overcome the brewing disruption due to coronavirus economic and job crises in the lasted more than two months, it will affect the economy severe-

Former Reserve Bank of ly. Former chief statistician India's governor C Rangarajan Pronab Sen told PTI fiscal stimsaid sectors such as hospitality, ulus was not going to help restaurants and travel have growth because problem was now a supply-side problem. been particularly affected and

need support at this time. "Production is not taking Besides, the relief package for place. Fiscal stimulus works the poor and vulnerable. when problem is on the demand announced on Tuesday, might side. At the moment, fiscal internot suffice for those thrown out vention should be to make sure of employment in the wake of that the poor and vulnerable the COVID-19- induced lock- who don't have money to tide much to boost growth as the

C RANGARAJAN FORMER GOVERNOR, RBI



"THE PACKAGE SHOULD INCLUDE AT LEAST ₹1 TRILLION FOR POSTPONEMENT OF TAXES AND BAILOUT FOR SPECIFIC SECTORS"

SAUMYA KANTI GHOSH, CHIEF ECONOMIST, SBI

pushed into hunger," Sen, who chairs the Standing Committee on Economic Statistics, said. Stating that the finance min-

istry unfortunately cannot do down. "Problems faced by the over this period don't get to country is in a lockdown situa- down do not lead to poverty mated by the national statisti- announced measures."

"FISCAL STIMULUS WORKS WHEN PROBLEM IS ON THE DEMAND SIDE. FISCAL INTERVENTION SHOULD MAKE SURE THAT THE POOR DON'T GET PUSHED INTO HUNGER"

> PRONAB SEN FORMER CHIEF STATISTICIAN

tional ₹3.55 trillion. And, the Reserve Bank of India (RBI) should provide relief of ₹1.35 trillion to banks. "The package should

include at least ₹1 trillion for postponement of taxes and bailout for specific sectors. ₹75,000 crore compensation from the Centre for Goods and Services Tax shortfall, ₹75,000 crore capital requirement ... and

a ₹50,000 crore forbearance package for the stressed sectors," said Ghosh.

He has estimated a 1.7 percentage points impact on real gross domestic product in FY21. With at least 70 per cent of the economy at a standstill, SBI has estimated the FY21 GDP growth tion and production is not hapat no more than 2.6 per cent, pening, he said: "At the with the first quarter seeing a moment, I think focus should contraction. In fact, the GDP not be growth at all. The finance growth for 2019-20 could see a ministry's focus should be to downward revision to 4.5 per make sure that effects of lockcent, from the 5 per cent esti-

a blanket moratorium on debt repayment for 60 days, to help firms tide over immediate cash flow issues

The American legislature has passed a \$2.2-trillion economic rescue package for aid businesses, workers and health care systems affected due to the pandemic.

'The package is very limited. Even for the most vulnerable, ₹500 is too small an amount. The amounts need to be ramped up," said Madan Sabnavis, chief economist at CARE Ratings. He adds that implementation will be key, with the possibility of leakages.

Gokul Chaudhri, partner at consultants Deloitte India, said: "Addressing the concerns of other stakeholders in society, such as those impacted in tourism. aviation and the hospitality sector, is awaited. Efficient implementation is now key for the

Labour shortage making trucks line up at APMCs

SHALLY SETH MOHILE Mumbai, 26 March

Ramesh Rambiya, a Navi Mumbaibased trader, has rice in five trucks waiting to be unloaded. However, there are no workers because of the COVID-19 lockdown, in an otherwise busy Agricultural Produce Market Committee (APMC) market.

"The trucks came from Delhi on Monday. But the unloading has yet to be done as most of the labourers have left for their villages. With great difficulty, I managed to get some from the Maharashtra Industrial Development Corporation and get two out of five trucks unloaded," said Rambiya.

Rambiva's is one of the 700-800 lorries in the APMC that have arrived from on Wednesday midnight, said SP Singh, the northern India ferrying grains and

unloaded due to an acute shortage of labour. The market that feeds the Mumbai Metropolitan Region and several parts of Maharashtra has been shut since the announcement of the 21-day lockdown. Low on supplies of fruits, vegetables and other essentials, it is expected to open on Saturday for a brief time, according to one of the traders.

Close to 500,000 truckers, including the cleaners, were stranded at the state border check posts across the country till Wednesday as the policemen posted there would not allow them to go ahead due to the lockdown.

road transport department and pressure from the trade bodies and transport businesses, the trucks were allowed to leave for their destinations senior fellow at Indian Foundation of



Following an intervention by the About 700-800 lorries that have come from North India to be unloaded at APMCs in Mumbai PHOTO: SHALLY SETH

> APMCs shut, they are now piling up at the entrance.

other essentials but have not been Transport and Research Training. But pan," said Singh. Owing to the lockout, Research and Training.

with factory gates, warehouses, and only half of 5 million medium and heavy commercial vehicles are plying on the highways, according to the a control room to monitor in real-time "It's like landing from fire into firing Indian Foundation of Transport

Meanwhile, the struggle for food continues for the truckers. With dhabas shut they have been surviving by cooking the cereals and grains they carry along for the long journey, said a transporter. Some states, including West Bengal and Odisha, have issued notifications to district magistrates to allow smooth movement of trucks carrying essentials. They have also ordered dhabas. restaurants, repair shops, and petrol pumps to remain open every 20 kilometers. "We are trying our best to help the truckers. But there is only so much that we can do. Our hands are also tied," said Balmalkit Singh, chairman of the All India Motor Transport Congress.

The Department for Promotion of Industry and Internal Trade has set up the status of transportation and delivery of essential commodities









CORONAVIRUS EFFECT 5

Essential goods market gets relief from state govts, police

RAJESH BHAYANI, VINAY UMARJI VIRENDRA SINGH RAWAT & SANJEEB MUKHERJEE Mumbai/Ahmedabad/Lucknow/ New Delhi, 26 March

ssurance of support and required facilities by state authorities to essential commodities markets and distribution channels has come as a reprieve. While labour shortage remains a challenge, traders are coping by convincing local labourers.

The slump in demand for commodities - following the closure of hotels, restaurants and roadside eateries - has reduced the burden somewhat. However, farmers are eager to sell their produce, during the harvest season

Madhya Pradesh (MP) and Rajasthan have taken measures to smoothen rabi crop harvesting, while Azadpur mandi has returned to normalcy. "The situation is improving after passes issued to small trucks from neighbouring states," said Rajendra Sharma, president of Onion Merchants Association in Azadpur Mandi.

MP has allowed movement of combine harvesters, tractors and threshers with maximum three on board so that farmers can harvest their crop, but grain *mandis* aren't being allowed to function. On Thursday, the state decided to keep services related to warehousing construction, rake movement, and godown construction, along with the labour required for the same. exempt from the lockdown under Essential Services Requirement.

Rajasthan has issued guidelines for farmers on how to undertake harvesting of rabi crops while maintaining social distancing. Haryana has decided to postpone wheat procurement for 20 days but will incentivise farmers who bring their crop late. It has decided to give a bonus of ₹50 per quintal, over and above the MSP of ₹1,925 a quintal to those bringing wheat for sale from May 5-31, and ₹125 a quintal from June 1-30.

Government sources said 1,600 wholesale mandis had started functioning smoothly and 300 more would operate from Friday.



People maintain safe distance as they queue up to buy vegetables at a stadium turned into a makeshift market to limit the spread of COVID-19, in Vijayawada PHOTO: REUTERS

farmers to retailers was on full swing, with mandis calling for lesser quantities of perishables. Imported oilseeds — which had arrived on ports but weren't getting clearance due to closure — were cleared. Crushing units and refineries are operating with thinner capacities. The rest are in the process of organising essential passes for staff, workers, and even transporters. In Navi Mumbai, restric-

tions have been imposed on wholesale mandis to avoid gatherings, with staggered timings. However, most mandis dealing in essentials are open.

CORONAVIRUS In Gujarat, however, PANDEMIC there was a government

flip-flop. Grain APMCs markets. On Thursday, they said farmers and traders have agreed to resume after a few days. The change followed a representation by traders that they would prefer to remain shut, given the accounts closure. They will resume on April 2.

While the government has assured of the availability of vegetables, grains, and pulses, essentials like edible oils have been impacted.

In most areas, direct selling by "Only 10 per cent of groundnut crushing units are operational due to the lockdown. Transport of raw material for other edible oils, such as cottonseed and palmolein oil, has been affected because trucks are not being allowed to ply. Moreover, workers are afraid and not coming to work. Even ports have been closed. though raw materials are lying at warehouses," said Sameer Shah,

president of the Saurashtra Oil Mills Association (SOMA). In UP, which produces 40 per cent of the country's sugar, the government instructed district administrative and police to ensure seamless conduct of operations. "So far, there has not been any major hurdle being faced by UP mills,

although the situation canhad been told on Wednesday to open not be termed as normal. The state sugarcane department has sought reports from the mills regarding any difficulties in transporting raw or finished goods," UP Sugar Mills Association (UPSMA) secretary Deepak Guptara told Business Standard. S B Sharma, director of UP horticulture and food processing, has asked district officials to

ensure storage of horticultural crops, including potatoes, in cold storages.

Kandla and Mundra ports in Gujarat have resumed functioning for handling essential commodities. Ships coming from Argentina and Brazil take longer and hence their 14-day quarantine concludes during high seas. Ships from nearby nations may take a few more days before their consignments are unloaded.

Adani on low capacity

Organised edible oils players such as Adani Wilmar, too, have been impacted with inventory reducing to eight days from the usual 15 days. "Daily production is less than sales. Since we don't have enough stock, we are maintaining lower stock keeping units of 1-litre packs. This way, we will cater to more people," Angshu Mallick, deputy chief executive officer of Adani Wilmar, said.

Lasalgaon onion mandi closed Onion auction in Lasalgaon mandi has been halted. A senior functionary said traders usually keep the mandi closed in March-end and this will now be opened in the first week of April. Farmers have been advised to sell their produce in nearby mandis

Sources said closure for a long time would jeopardise market equations, as prices could rise.

HOW STATES ARE REACHING OUT TO THE POOR

India's 21-day lockdown to prevent the spread of COVID-19 has put millions of daily wagers and migrant workers at home. On Thursday, the Centre unveiled a ₹1.7-trillion financial package directed at the segment under the Pradhan Mantri Gareeb Kalyan Yojana, but many states had taken the lead in rolling out schemes. Here's what they are offering:

DELHI

Free ration for April, with 50% ₹5,000 more than normal entitlements for all construction for 7.2 mn beneficiaries workers

Doubling the monthly pension for 850,000 (250,000 widows, 500,000 senior citizens and 100,000 differently abled)

Food kitchens offering two meals a day at all the government night shelters for the homeless (see pic)

PUNJAB

Deputy commissioners given **₹1 crore each** for providing free food, medicine, and shelter to the needy Distributing 1 mn of drv rations to daily wagers and unorganised labourers across the state door to door



₹1,000 each for 2.1 million construction labourers

₹13.2-cr loan waiver under Badavara Bandhu scheme for street vendors and small traders

Payment of two-month social security pension in advance

during lockdown (Inputs from Ishita Avan Dutt, Archis Mohan, Virendra Singh Rawat, Avishek Rakshit, Samreen Ahmad, Vinay Umarii, TE Narasimhan, Dasarath B Reddy)



CHHATTISGARH

Started helplines where the poorest can dial-in to get food

UTTAR PRADESH

₹1.000 direct cash handout

cost to exchequer at ₹353 crore

to get free foodgrain under MGNREGA

Facilitating community kitchens and

WEST BENGAL

₹1,000 one-time grant

Insurance coverage of more

workers involved in preventing

than ₹5 lakh for 1 million

TELANGANA

₹1.500 cash for every

Wages for contract workers

engaged in government work

family and 12 kg of rice

per person free of cost

for every worker in the

unorganised segment

spread of coronavirus

Free foodgrain for 78.5 million

to 3.53 mn daily earners;

food packets for the poor

16.53 mn

and Antyodaya

till September

CM Ashok Gehlot has asked district administrations to ensure food supply to the poor

RA.IASTHAN

TAMIL NADU

| ₹1,000 |) each | |
|--|---|---|
| as relief for all ration card holders | special relief, along with 15 kg rice, 1 kg of dal & 1 litre cooking oil | additional relief for registered street vendors |
| Free rice, dal, sugar, and cooking oil | 15 kg of rice, 1 l 1 litre cooking of construction wor | il for migrant |

for April unorganised sectors

GUJARAT

10 mn

6 mn daily-wage earning ration card holders to get 3.5 kg wheat, 1.5 kg rice, 1 kg sugar, 1 kg pulses and 1 kg salt free

5.5 litres milk pouches daily



by schools and mass for BPL families education department

Space exploration and calamities

The COVID-19 pandemic will upset the timelines of Nasa's next manned missions to the Moon



OUANTUM LEAP

DEVANGSHU DATTA

t has been 48 years since man last walked on the moon. That was durthe Apollo-17 Mission ing of December 1972. The US Space Agency, Nasa, is planning a new set of manned missions but there will postponements due to the COVID-19 pandemic.

Project Artemis is supposed to put a human exploration team on the moon manned space station would be put into lunar orbit and then, using technologies

developed during Artemis, a manned mission to Mars is on the cards. However, the pandemic will lead to

postponements. Most Nasa employees and contractors are working from home and it has shut down two key test centres. Work from home is not really optimal in space exploration. Designs incorporate multiple components sourced from all over, and there must be brutally stringent tests.

Work has been suspended at Michoud, New Orleans, where the moon rocket Orion and space launch system is being designed. The Stennis Space Center in Mississippi, where the rocket booster is to be tested, is also closed.

This will delay Project Artemis, maybe well beyond 2024. The primary mission objective is simple: Nasa will put "the first woman and the next man" on the lunar surface, with new technology to explore it.

In the five decades since Apollo 17, there have been huge advances in elecin 2024. After that, a permanent tronics, computing, communication technology, solar power, etc. A 2020 smartphone is millions of times more

powerful than the Apollo guidance computers! So there could be big advances in understanding if these are deployed in manned lunar research.

Artemis has a complex timeline. The first unmanned Orion rocket was to be launched in April 2021 to put multiple satellites into orbit. That Artemis 1 launch will be delayed. In October 2021 the Artemis 7 Lander was also due for demonstration.

The Lander was to be flown to the moon on a Falcon-9 rocket, designed by SpaceX. Artemis 7 is being built by Draper Laboratories, to specifications and design by the Japanese company, ispace. Draper has named it "Artemis 7" because the aerospace company was been involved in six Apollo missions. SpaceX is also behind schedule in rocket development and so apparently, is the lander.

The Artemis 2 launch was scheduled for late 2022. This is to be a crewed orbit of the moon. In 2023, the HakuroR Rover, which is also a Draper-ispace collaboration is to be demonstrated. Once again, this will be carried by a of Nasa's philosophy is, open tenders, Falcon-9 rocket. Incidentally the rover, as befits a government organisation. biodiversity in a time of climate change.

and the lander, were both originally developed to compete in Google's Lunar X competition.

The culmination of the project would be the Artemis 3 launch which was supposed to be in 2024. That would carry a crewed mission to land, rove and explore the moon, before it returns. A manned Mars mission will be far more challenging in many ways. The moon is just 384,000 kms away, while Mars, at its closest to Earth, is 55 million kms away.

The Lunar Gateway Space Station is another ambitious project. The gateway is a small spaceship in orbit around the moon with living quarters, a research lab, ports to dock spacecraft, etc. Nasa had originally proposed to build a reusable three-stage lander with an ascent module, descent module, and transfer module — all to be assembled at the gateway. However it is now reverting to the more familiar concept of a descent-ascent vehicle and Project Lunar Gateway will be delayed.

One of the more interesting aspects

Indeed, space pioneer John Glenn once confessed, "As I hurtled through space, one thought kept crossing my mind every part of this rocket was supplied by the lowest bidder!"

Project Artemis is buttressed by the Commercial Lunar Payload Services (CLPS) initiative. Corporates have been invited to bid on delivering payloads, from the Earth to the Moon. Early missions will perform science experiments, test technologies and demonstrate capabilities to explore the Moon and prepare for human missions. The first two deliveries for Nasa payloads to the Moon were targeted to launch in July 2021.

There are multiple other lunar missions on the agenda of various agencies. There is India's Chandrayaan 3, which will again attempt an unmanned softlanding. China is looking at some robotic missions, followed by a crewed mission in the 2030s. Japan and Russia also have crewed missions on the agenda, though neither has a clear timeline.

Although the pandemic has led to a postponement, the fear of such global calamities is one of the factors driving space exploration. Setting up viable colonies in space may seem like science fiction but it is a goal worth aiming for. Even a space-based facility that can safely store DNA could be a failsafe for

Flying in the face

CHINESE WHISPERS

Actor Amitabh Bachchan (pictured) on Wednesday tweeted that a study in a prestigious medical journal had shown that coronavirus "lingers on human excreta much longer than in respiratory samples". Connecting it to the Clean India Campaign, for which he is brand ambassador, Bachchan implored all: "Come on India, we are going to fight this! Use your toilet." However, some of his Twitter followers requested him to cite the link to the study, and also reminded him he recently had to delete a tweet in which he had claimed that vibrations from clapping could destroy the virus. On Thursday, Union Health Ministry Joint Secretary Luv Agarwal could barely suppress a laugh when asked about Bachchan's claim that flies too spread coronavirus. "I can tell (you) this is not correct," he said with a smile.

Prescriptions galore

The Central government over the past few days has been flooded with advice on how to tackle the economic distress the lockdown would cause the poor. Those giving advice are political parties and trade unions. The Centre of Indian Trade Unions and All India Trade Union Congress, both Left-affiliated, were the first among them. They brought out a long prescription for the Centre earlier this week. This left the Bharatiya Mazdoor Sangh (BMS), which is not only affiliated to the Rashtriya Swayamsevak Sangh but calls itself the largest trade union in the country, red-faced. A day later, the BMS also brought out its list of prescriptions, which read quite similar to those of the other two.

Passing the buck

Congress leader Rahul Gandhi on Wednesday caused some embarrassment to his party's chief ministers, albeit unwittingly. He has been a votary of the Nyay yojana, or a minimum incomeguarantee scheme. He has mooted the idea that the Centre help the poor in the country cope with the economic distress from the nationwide lockdown. "Please transfer ₹7,500 to every Jan Dhan account, PM Kisan account and every pension account to tide over nutrition needs of 21 days and give free PDS ration," Congress Spokesperson Randeep Singh Surjewala said. However, Gandhi's efforts to get the Congress-run state governments to implement it in the past one year have met with resistance because they have pointed at their states' stretched finances. Ouestions were raised what if the Bharatiya Janata Party were to ask why the Congress had not implemented it in the states it ran.

Independent directors: Underpaid & unappreciated

Independent directors have been in the eye of the storm for their inability to guide companies or being able to stand up to controlling shareholders. But there is the aspect of director remuneration that still needs to be discussed



OCCASIONAL ASIDE AMIT TANDON

lot is expected — rather demanded — of independent directors. By regulators, through the Companies Act and the Securities and Exchange Board of India's (Sebi's) listing obligations, by shareholders and the other stakeholders. and by promoters and managements. Add to this the looming risk of regulatory action, and it is clear why being an inde-

pendent director is not easy. To be an effective board member, you need both knowledge and judgement. As businesses have grown more complex, the knowledge quotient has gone-up exponentially.

Recognising this, the Ministry of Corporate Affairs mandated that to serve on a board today, albeit with some exceptions, you need to take an exam. Here, you will be questioned on aspects of the Companies Act 2013 (say, that criminal liability for misstatements will attract Section 447 of the Act), basics of accounting and matters is judgement and behaviour. accounting standards (knowing that

sheet date), financial ratios, duties of directors (duty of care), board committees, corporate social responsibility, secretarial standards (directors will not participate through electronic mode for the approval of accounts), securities laws (say Sebi's ESOP and sweat equity guidelines etc), listing disclosures etc. Potential directors will be expected to be familiar with board practices including topics relating to board effectiveness and culture, governance of board committees, board evaluation etc. One can debate whether such knowledge is neither necessary nor sufficient or it is necessary but not sufficient, but clearly a test can take you only so far.

For example, if a media company wants to invest in an over-the-top or OTT platform, the board members will need to have some familiarity with the business itself, its market structure, understand choice of technology, what might upend or disrupt the business, how will you determine the addressable market size, and how it is evolving, how will you market the platform, the advertising and social media strategy, accounting standards for the business taking in revenue recognition, if subscriptions can be cancelled and content created up-front, cyber security, the kind of people to be hired. And at a base level whether to even invest in this business or not. Now you may have cleared the exam, but still not be sufficiently well-versed with all this, so what

Sanjay Kapoor of Russell Reynolds

and contingencies after the balance had undertaken a few years ago answering just this question of behaviour. Cutting through 18 traits, the ones that mattered to most and across geographies are (i) possess the courage to do the right thing for the right reasons; (ii) willing to constructively challenge management, when appropriate; (iii) demonstrate sound business judgement; (iv) ask the right questions; and (v) possess independent perspective and avoid "groupthink". There are others like remain "fully present" in meetings, and communicate in a constructive manner, but there was a global consensus regarding the first five.

Unfortunately, these are skills that cannot be tested for, but these are what make the difference.

So, if individuals with knowledge and skills are needed in the boardroom, are companies compensating them adequately? For the most, no.

IiAS data for the BSE500 companies for FY18, finds that of the 2,880 independent directors, 540 were paid a sitting fee of ₹100,000 or less, and 1,009 or one in three were paid ₹2 lakh or less and 42 per cent were paid ₹3 lakh or less. Were it not for the prestige of being on the board of a public limited company, I am not sure how many will even get out of bed in the morning. And more so if you see the regulatory risks associated with this. The independent directors of Nirav Modi's firm found their bank accounts frozen and independent directors of the Jaiprakash Associates from transferring any personal assets.

True, there are companies -AS4 deals with the treatment of events helpfully directs me to a survey his firm Infosys, Tata Consultancy, Reliance trolling shareholder knows what is in @AmitTandon in



Industries, just to name a few — who pay upwards of ₹1 crore, but they do so as commission, which has its own limitations. For one, it is all paid to the directors upfront, though a lot of what the board does should continue to impact the company in the mediumto long-term. Ideally, you want the incentive to be deferred, else you risk companies cutting down on long-term investments. (Boeing is yet to recover from a cut in R&D spends.)

While welcoming these pay-outs, structure aside, it brings to the fore another issue that warrants a debate. Paying too much. True, independence is both state of mind and strength of character. Yet, as Mae West colourfully put it, "I generally avoid temptation unless I can't resist it." And believe me, it is easy, for the independent directors to convince themselves that the con- Advisory Services India. Views are personal.

the company's best interest, after all they are the ones who have skin in the game. The regulators briefly flirted with matter of board fees and its linkage to income/wealth. They proposed recommendation rewarding people by inversing Marx's slogan popularised in his Critique of the Gotha Program, when he exhorted for each (to be paid) according to their need. They wanted the well-heeled to be paid more. Thankfully, this was scuttled but it points to how vexing this issue can be.

Based on this, two things need to be done. First, sitting fees needs to go-up. I will not be prescriptive and suggest a number, but companies will need to find the balance between paying too little and paying so much that behaviour alters. The second is doing away with commission and replacing it with stock options. Currently stock options are not permitted. We need to allow these. Options should be issued at market price so that there is alignment with the shareholder interest and can vest between one and three years from stepping off the board. Unlike commission, this can be clawed back. And it might even serve as an incentive for board members to step off the board.

Given the increased expectations from independent directors and take on the risk of serving on a board, we need to broaden the pool. And that will happen only if we provide the right incentive and make it worthwhile for an individual to serve on a board.

The author is with Institutional Investor

INSIGHT

The world will be as one

Not guite the way Lennon envisioned in *Imagine*, but an invisible virus will refine globalism, make us accountable, and make travel a richer, more immersive experience, but in smaller numbers



VIJAY VERGHESE

n a few months, when the tumult caused by the novel coronavirus (COVID-19) subsides to a level where people and governments have stopped panicking and more clues happens with a emerge on how to stay safe or battle this zoonotic scourge, there may be time to appreciate just how much the world has changed.

From an outpouring of global angst on social media to crackpot remedies and feel-good memes, the internet has crackled with the zeitgeist of our times - abject terror — its bandwidth devoured by the new crusaders clicking likes, and perhaps not very many actually doing anything about it.

One of the first things anyone can do apart from continuing with safe social habits and the enforced cleanliness that has been foisted upon us like a divine epiphany, is to get working speedily in some productive sphere, your own, or in borrowed garb if your industry has collapsed or the job has migrated.

The national GDP everywhere needs rebuilding with effort and good cheer. Almost like the post-War world our fathers built and bequeathed to us, it will not come about through Facebook hilarity and Twitter outrage though these platforms can all play a constructive role. A comeback on this scale requires hard work, sacrifice, and perseverance; something the new generation over harvesting of tourism. will need to learn.

If anything, this invisible virus has brought the world together and shown in one insouciantly savage act how vulnerable our planet is. Suddenly something Greta Thunberg has gone hoarse shouting about is staring us from our screens 24 hours a day. The bug cares nothing for borders, passport, race, ethnicity, colour, age, or wealth. It has been a great leveller of people and myths. There is a single planet. And it is time to mend it, from health and lifestyle, to addressing wasteful consumerism, divi-

sive politics, supply chains and climate.

The mending changed worldview. While it is possible that the triumphal progress of globalism may come to a screeching halt

with countries sealing borders and xenophobic nationalism rearing its head everywhere, it more likely is

need each other to survive. Seemingly independent actions - even in obscure locations — have a ripple effect on others. Too many people have died for this not to be painfully obvious.

Travel is a powerful healing force as well as a disruptive agent that has in the same breath offered hope for orphaned Cambodian amputees as well as devastated fragile tribal ecosystems around the world with ignorant manners and a mistaken belief in the crusading might of the dollar and that all-important bucket-list selfie. No more trampling on people and their traditions. There is a need for sensible regulation to prevent

The world of tomorrow — and it's right around the corner — must be calmer, saner, and more equitable. The anguish felt over the plight of frontline Wuhan doctors and Italian patients in streetside ICUs is a fraternal wake-up call. There is no us and them. And it has taken an existential threat to galvanise the world, discard old stereotypes, and help shed some of its vacuous opioid consumerism.

Despite the Wuhan-coronavirus baiting and the US-germ-warfare-gonewrong counter, it is abundantly clear

that the world is deeply too enmeshed in globalism and global supply chains to pull out in an instant or even contemsuch plate action. Loved

hated. China has

or

ury trippers in Bali to pharmaceutical supplies for much of the world from India to the USA. The iPhone is not manufactured in a single place, nor is a B787. Intricately, embroidered dresses from Milan are often created off the sweat industry of nimble-fingered but underpaid children in Bangladesh or elsewhere. Parts for just about every musthave gadget, from solar panels to satellites, are universally sourced. We need each other as never before.

And that is the power of COVID-19 -to unite the world as a single home. It will change the way people "see" travel. No more should tourism be practised as

a locust industry that depletes local resources and turns fine art into tat in an instant as the demand for tawdry gewgaws grows. No more can travel be a monoculture with hotels vying for just European guests or rich Japanese. Travel is for all.

When travellers of yore laboured across continents aboard a soot-spewing train, a cranky motorcar, or a sedate ship. the experience was gracious — a gentle incremental process, a growing relationship rather than a hurried one-night stand. People read up avidly on places and cultures and savoured the moment, the stories. It was immersive. It was the journey and not just the arrival.

The time has come to return to that enriching immersion in smaller numbers that do not overwhelm the destination, destroying the very things that drew us there in the first place.

The info-barrage on the web, much of it wacky, and designed for mass clicks, has reduced "education" to small sound bites, a snarky sentence in the Twittersphere, or a must-do Cappadocia Instagram pose. In all the primping and preening lands and peoples have disappeared. Lands and Peoples was a brilliant 1954 collection of handsomely bound volumes presenting the world with erudition and evocative photography. It sparked a profound curiosity and the travel bug in many.

It is time to rediscover this "lost chapter" with a vengeance. Do travel when it becomes safe to do so - like it's the last meal on earth. Only then are you going to truly relish the diversity on offer as you appreciate another paradox: how much we have in common with everyone else.

The author is a Hong Kong-based journalist, columnist and the editor of AsianConversations.com and SmartTravelAsia.com

LETTERS

Need imaginative measures

Finance Minister Nirmala Sitharaman has announced the much-anticipated relief package of ₹1.7 trillion to soften the blow of the coronavirus lockdown on the poor. It has several well meaning measures, though much would depend on how they are implemented to ensure that the relief reaches the intended beneficiaries. An insurance cover of ₹50 lakh to the sanitation workers, including doctors is a motivational announcement for those serving the nation, braving the threat to their own lives.

But disappointingly, there is no announcement to stimulate the economy, or specific to the industries and banks. Bankers are "not heartless" but need clear cut instructions, as they do not have the authority to take policy decisions. They need to be instructed to defer NPA classification and not to launch recovery proceedings against defaulting borrowers, besides extending lines of credit at low rates of interest to those rendered jobless. Credit card companies should be instructed not to charge their fancy rates of interest on delayed repayments. Direct transfer of credit to the poor and migrant workers to be allowed, even in cases where KYC compliance is pending. Tax men should also be told to eschew coercion in collecting dues from the assesses, since the stiff revenue targets fixed for them were to enable the government reach its ambitious spending and investment estimates announced in the annual budget. which are no longer tenable. One hopes the government comes up with such measures in its next announcement to telephone number

mitigate the impact of the unprecedented crisis on all sections of people. **V Javaraman** Chennai

Together in isolation

At a time people have been advised to stay at home and practice social distancing as part of measures to combat the spread of coronovirus even as poor and daily wage earners are bracing for worse where they have to face the maximum brunt stemming from the 21 days lockdown period, concerns about the toll such unprecedented lockdown would take on the mental health of people are real and cannot be taken lightly. There are proven scientific evidence pointing to the inextricable link between increasing level of stress, depression and anxiety among people and prolonged period of social isolation or quarantine. Practising physical distance and social togetherness by reaching out to people through phone or media and supporting people in each other's difficulties is what we needed at this critical juncture to keep anxiety and stress at bay. The growing "infodemic", an epidemic of wrong information on social media platforms, will only heighten anxiety, stress and depression. It is time people stayed away from spreading misinformation on the Covid-19 pandemic. The mental and emotional toll of the virus is as much a threat to public health as the virus itself.

M Jeyaram Tamil Nadu

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard Nehru House, 4 Bahadur Shah Zafar Marg New Delhi 110 002 Fax: (011) 23720201 · E-mail: letters@bsmail.in All letters must have a postal address and



auth-ored much of the world's recent prosperity, from brand-

people and countries will realise they crazed shoppers in Hong Kong and lux-

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Need for more

Relief for the poor is welcome, but only a beginning

he government has finally announced a relief package, worth ₹1.7 trillion, to blunt the effects of the lockdown imposed to contain the spread of COVID-19 on the poor. The government's intention and its plans are welcome. However, it should ideally have been announced with the prime minister's address, as its absence resulted in uncertainty and panic among the most vulnerable sections of the population.

The package features aspects such as a wage increase under the rural employment guarantee scheme, higher caps on collateral-free loans, free gas cylinders under the Ujjwala scheme, and tweaks to the employees' provident fund. It is not inordinately large, reflecting both the constraints on the exchequer and the design of the package that largely uses existing channels to funnel additional support to vulnerable households. This is a sensible intervention. That said, however, it is unclear why the package is due to be implemented only from April 1. The issues arising out of the lockdown have begun to affect people already - especially for groups such as daily wage earners and migrant labourers. If nothing else, cooked and healthy food needs to be prioritised to keep immunity levels high. The Union government should look at those states, such as Tamil Nadu, which have had some success with food kitchens, and produce a template that states could follow.

One notable gap in the package is the effect on producers. Small and medium enterprises, in particular, will require targeted support. Such support has been a feature of similar government interventions elsewhere in the world, small businesses will in particular need help with cash flow. Given the demand conditions and disruptions in supply chains, business would have dried up for small and medium enterprises. Further, generalised liquidity problems suggest that the flow of already due payments may be held up. The objective of the package should be to tide them over what is hopefully a relatively short-term problem and thereby prevent long-term negative effects on the economy in general and employment in particular.

Now that some immediate action has been taken to impose social distancing and address the most vulnerable economically, the government should turn its attention to dealing with the medical aspects of the crisis. The production or import of testing equipment, and personal protection paraphernalia, such as masks, and of intensive-care essentials, such as ventilators, must be stepped up on a war footing. Special quarantine facilities can be developed using excess capacity in the real estate sector. The private sector has expressed its willingness to co-operate in this endeavour, and the government must meet it more than halfway. The prime minister announced that ₹15,000 crore will be allocated to strengthen the health infrastructure. This money must be spent to a plan and as part of a comprehensive programme - one that prioritises the access to protective equipment of health workers in particular, some of whom are working without even masks. This is something that cannot wait even a day. Finally, the scale of testing will have to be stepped up manifold, from the very low level so far in India. The World Health Organization and all experts have repeatedly insisted that widespread testing is critical. India still has a long way to go in its fight against COVID-19.

Monsoon cheer

India must grab some of the space vacated by China

eports that meteorological conditions are turning favourable for a normal monsoon this year have come as a silver lining amid the general sense of despondency caused by the outbreak of COVID-19. It bodes well for agriculture and other rain-dependent economic activities as also for the overall economy. Its potential gains can, in fact, be enhanced further if the time till the onset of the monsoon in June is utilised to plan and prepare for diversifying agriculture to achieve two broad objectives. First, to replace crops like cereals, which are facing a glut, with those in short supply, such as oilseeds and pulses, or more nutritious and less water-consuming ones such as maize and millets. The diversification should also involve a greater integration of farming with allied activities like animal husbandry, fisheries, beekeeping, agroforestry, and others. Second, to increase the production of export-oriented crops to capture part of the space in the international agri-commodities market that is likely to be vacated by China and some other exporters due to coronavirus-related factors.

The optimism about the monsoon emanates from the ongoing changes in the surface water temperature of the Pacific and the Indian Oceans. Weather agencies say that monsoon-inimical El Nino may remain neutral in the first half of the monsoon season and subsequently yield way to monsoon-friendly La Nina in the second half. The rains, thus, may remain satisfactory throughout the season (June to September). These conditions would be ideal for the farmers to try out new crops and other ventures with least risk. The COVID-19 pandemic has had a pronounced impact on the international agri-commodities trade. China, being one of the largest stakeholders, seems to have suffered the most. Its agricultural exports are reckoned to drop by around 17 per cent due to low production in the wake of the outbreak. This virus has also hit many other countries in Europe, West Asia, and Southeast Asia, the regions of interest to India, adversely affecting their cross-border trade of agri-products. India's shipments of rice, buffalo meat, and a few other products to these regions have dwindled. That is all the more reason why India needs to redouble its efforts to grab some of the global business expected to be shed by China. The agriculture ministry has, in fact, already identified 20-odd items for export thrust. These include honey, soyabean, groundnut, litchi, guava, fermented tea, chillies, tamarind, and spices. Most of these products are already price-competitive in the global bazaar. With some incentives, their domestic production can be stepped up to generate an adequate surplus for exports. This apart, India has also developed the technical calibre to produce disease-free and international-standard seeds of many crops for the export market. As far as India's imports of farm goods from China are concerned, New Delhi doesn't have much to worry because the quantities imported in most cases are small and their local output can easily be scaled up. Bamboos and kidney beans are the only products that are imported in bulk. The organisations like the bamboo mission and the technology mission on pulses need to take steps to augment their supplies. However, advance planning on all these counts is imperative to capitalise on the anticipated normal monsoon and convert the corona challenge into an opportunity to revamp agriculture and boost agri-exports.

ILLUSTRATION: BINAY SINHA



Lest we forget

Sub-optimal responses against viral pandemics and crony lending would keep resurfacing if voters do not hold govts accountable

omies, including the US, Europe and China, stringent restrictions on international trade and the movement of people, including social distancing, has impacted India negatively. On March 24, Prime Minister Narendra Modi announced a 21-day national lockdown. Unless a medication for the coronavirus is found soon, it is likely that in fiscal 2020-21 Indian gross domestic product (GDP) would shrink by 5 per cent or more in real terms. The underlying assumption is that India would lose a month's economic output due to the ongoing shutdown.

Amidst this virus induced economic gloom, for-

eign institutional investors (FIIs) have reduced their investments in Indian equity and debt. In fiscal 2019-20, at the end of December 2019, the net equity and debt inflows were \$7.7 billion and \$3 billion, respectively. By March 20, 2020, net equity inflows had shrunk to \$3.5 billion and the net number was negative \$4.2 billion for debt due to huge outflows. Therefore, the net FII capital outflows from India in the last three months amounted to \$11.4 billion. It is the same sorry story as in 2008-09 and August-September

dollar-denominated instruments at times of economic uncertainty.

Clearly, government spending at the central/state government and local body levels has to go up to address the sharp fall in income for Indians, particularly those who depend on daily wages. The quantum and nature of funding support which has to be provided should be based on extensive consultations

The partial or complete shutdown in major econ- Hopefully, the ₹1.7 trillion stimulus and funding package announced by the finance minister on March 26 is based on exhaustive interactions, including with banking, agriculture, transportation and public health specialists.

That said, it has been obvious to most for quite some time except the deliberately obtuse that the Indian rupee is highly overvalued. On March 16, the Reserve Bank of India (RBI) supported the rupee by selling two billion dollars with a forward provision to buy back the dollars in six months. As Brent crude oil prices have halved to about \$27 per barrel, this is an opportune time to let the rupee slide downwards to 85 or more to the dollar over the

next 12 months.

Given the current macroeconomic uncertainties and collapsing Indian equity indices, which have dropped by about 35 per cent in the last one month, the recent questioning of YES Bank founder and ex-chief executive officer Rana Kapoor by the Enforcement Directorate may soon be forgotten. It is incredible that YES Bank had disbursed loans to 103 firms owned by Kapoor's family. It was also

2013 with foreign capital looking for a safe haven in reported that Anil Ambani's firms received ₹12,800 crore in loans from YES Bank. On March 19, 2020, the Enforcement Directorate questioned Anil Ambani about possible kick-backs to Rana Kapoor in exchange for loans received from YES Bank.

Public memory is short and this is particularly true for financial blunders and scams. For instance, the recapitalisation of public sector banks (PSBs) over the last five years has cost taxpayers around ₹4 trillion between government and independent experts who already. The better run private banks in India such as are knowledgeable about those who are hurting. HDFC Bank are majority foreign-owned, achieve

higher returns on capital and their net non-performing assets as a percentage of loans are lower. However, it is worth reflecting what would happen if, say, 90 per cent of Indian deposits were with private sector banks instead of the current fraction of about 40 per cent.

At the first sign of a bank getting into trouble there is a chorus from all quarters starting with depositors, for the bank to be bailed out as it was in the recent case of YES Bank. If there is a sharp drop in depositor confidence, it does not matter if the bank is privately or publicly owned. In such situations taxpayers are forced into making outright grants. There are many examples which confirm this assertion, including the remedies implemented after the 2008 crisis in G7 countries. And, on March 24, 2020, the US central bank, the Federal Reserve, announced that it is again prepared to purchase an unlimited amount of government, mortgage-backed and corporate debt securities which could total more than the \$4 trillion injected by the Federal Reserve in 2008-09. Separately, on March 25, the US Senate has approved a Trump government stimulus plan totalling \$2 trillion.

In India it is political executive malfeasance along with the acquiescence of senior civil servants that make our PSBs prone to crony lending. We look for all manner of solutions to bind the hands of the gov ernment to appoint above-board specialists to head financial sector institutions and corresponding regulators. Although government has set up appointment panels at arm's length from itself- e.g. the Banks Board Bureau — the current sub-optimal government approach cannot be improved unless transparency in selection procedures is incorporated in law.

It is not long ago that those involved in financial scams such as Lalit Modi-Indian Premier League, Vijay Mallya-Industrial Development Bank of India, Nirav Modi-Puniab National Bank, Chanda Kochhar-ICICI Bank and Ravi Parthasarthy-Infrastructure Leasing & Financial Services Limited (ILFS) were cited as shining representatives of private sector enterprise. As the months have lengthened to years, there seems to be little follow-up action by the government. Consequently, it is not surprising that there are frequent instances of Indian financial sector fraud. Newspapers could carry a table, say on the first Wednesday every month, about the progress made in serious cases of wrongdoing, who were the board members and senior managers when the fraud took place and report on action taken by government. If no updated information is available from official agencies, "Nil" entries should be reported.

To sum up, people get governments they deserve. Governments get the heads of regulatory institutions, including the RBI and Securities and Exchange Board of India, and heads of financial institutions they appoint. We need to reflect as a people who we are electing and hold them accountable for their choices rather than this misleading distinction between public and private ownership alone.

j.bhagwati@gmail.com; The writer is a former Indian Ambassador and World Bank Treasury professional

Beating COVID-19 and the economic pandemic

ack in January, I predicted that the spread of the new COVID-19 coronavirus in China would reach a turning point by the second or third week of February. Indeed, the total number of serious and critical cases in the country has been declining since February 22, and there have been no new cases in the last few days other than international travellers arriving in China. Unfortunately, new infections outside China have risen very fast, with potentially disastrous consequences for public health and the global economy.

Faced with this pandemic, policymakers can draw several useful lessons from China and other countries that were among the first to be hit by COVID-19. This is especially useful for countries that have not yet experienced a major outbreak. Above all, they must act fast.

First, governments and publichealth authorities must ramp up preparations before a major outbr



In order to mitigate some of the economic fallout from the pandemic, policymakers must provide rapid emergency assistance to workers, firms, and financial institutions. COVID-19 will have a strong negative impact on the overall economy in the short run, and potentially on some sectors even in the medium term.

The negative supply shock caused by factory closures is transmitted via supply chains to downstream sectors around the world, including in countries not currently experiencing a major COVID-19

outbreak. In addition, the pandemic is causing incomes and demand to contract, which affects unstream sectors everywhere. The

taxes or provides temporary financial assistance to needy households, the increase in domestic demand may "leak" to foreign producers via increased imports. This leakage is especially significant for small and medium-size economies that have a relatively high ratio of imports to gross domestic product (GDP), and may discourage them from pursuing enough stimulus.

International coordination can help to solve this problem. When all countries boost their total demand, exchange rates do not need to move as much, and the increase in global demand will benefit all. The G20 or the International Monetary Fund can play a crucial coordinating role in this regard.

Finally, reducing tariffs and non-tariff trade barriers also can help to fight a pandemic-induced recession. Many major central banks have already cut their policy interest rates to nearly zero, and thus are limited in how much more they can do. But many countries maintain various trad both raise production costs and reduce domestic households' real incomes. While the risk of a recession often tempts governments to raise trade barriers further, the exact opposite is needed to boost global output and employment. As with fiscal expansion, coordinated trade liberalisation offers the best chance of success. because each country's "concessions" to foreign firms will be met with improved access for their own companies to foreign markets. The World Trade Organization and the G20 need to step up their leadership in this area. The COVID-19 pandemic threatens the world with disaster. But the crisis also offers governments a rare chance to undertake policy changes that not only address the short-term public-health challenge, but also boost the global economy's long-term growth potential. While the Chinese did not actually invent all the interesting sayings attributed to them, it is true that the Chinese phrase for "crisis" consists of a character signifying "danger" and another for "opportunity." Governments around the world should seize the moment and not waste the COVID-19 crisis.



occurs. When COVID-19 hits, there will be a spike in demand for testing kits, face masks, alcohol wipes, protective clothing, hospital beds, and life-support machines. Europe and the United States did not use their six-week lead time well: other countries should get ready now.

If domestic supplies of such mate-

rials are limited, then countries should consider importing more of them from China. Japan, and elsewhere. After all, most of these products are not high-tech, and can be made in many countries. China in particular is eager to resume production, and factories there have the competence and can respond speedily to a surge in global demand.

Furthermore, national contingency plans should ensure adequate numbers of hospital beds - especially in intensive-care units - in the event of a large-scale outbreak. If a national plan is not feasible or is insufficient, then the government will need to consider building new hospitals quickly, using foreign companies if necessary.

Public authorities also must advise the public early, clearly, and forcefully on how to minimise the virus's spread, through both personal hygiene and social distancing. Singapore, where health officials and even the prime minister have delivered accurate medical information to the public, is a good model to emulate.



SHANG-JIN WEI

resulting decline in business income and confidence can cause a downward spiral in demand for products and services. To forestall self-fulfilling recessionary expectations, governments must quickly roll out emergency programmes that may include the temporary suspension of tax and interest payments, financial sup-

port and guaranteed health benefits to workers, and financial assistance to banks.

Countries also need to make the best (or better) use of digital technologies. Robust online shopping can offset some of the economic difficulties facing retailers and factories, but this requires broad Internet availability, widespread acceptance of digital payment by firms and households, and an efficient and inexpensive delivery system. While China is fortunate to possess all three, many developing countries do not. Their governments should thus consider emergency service-sector reforms that would allow internationally competitive firms to help build infrastructure quickly in order to advance national public-health objectives.

As for economic stimulus, an internationally coordinated programme will be more effective in tackling a global recession than isolated action by individual countries. This is especially true in the case of fiscal stimulus. When a government cuts

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The Congress' golden years



BOOK REVIEW ADITI PHADNIS

very time they sit down to write a by two gnawing anxieties: Whether their version of events is accurate and not slanted even unconsciously in favour of x or y source; and how much to say - and not say. A lot of what you know cannot be written (those two silly clauses, Section 499 and 500 of the Indian Penal Code governing defamation, you know) and as a result, a huge amount of information goes unreported.

Ashwini Bhatnagar's book on Rajiv Gandhi, because of his enormous depth and breadth of knowledge about politics in the Congress, especially in Uttar Pradesh, breaks these reportage shackles. A lot about Rajiv Gandhi's life is already known but despite this, he comes up with new material about politics in India at a time that might arguably be considered the Congress's golden years.

We know that Rajiv Gandhi was a reluctant politician and Sonia Gandhi held him back as much as she could. Mr Bhatnagar doesn't linger on that. Instead he reports from inside the Gandhi household, the relationship between the five (and later four, after Sanjay's death) adults in the family, how this spilled out into public view and shaped politics. Included are such delicious details as how the ravenhaired factotum of the household, R K Dhawan, was tasked with evicting

Sanjay's widow Maneka, her sister Ambika, and their Irish wolfhound Sheba, from the Gandhi household after Maneka defied orders from Indira Gandhi to cease and desist from plans to join politics - and how Dhawan had to proceed warily after he was bitten by said Irish wolfhound in the midst of the eviction. Mr Bhatnagar attributes this account to Khushwant Singh's autobiography, Truth, Love and a Little Malice but most know this to be true.

Mr Bhatnagar describes Rajiv's struggle to transition from being a pilot to a politician against the background of a caste struggle in the Congress in UP between the Thakurs and the Brahmins and because he was reporting from UP at the time, reactions to Rajiv from below. His interview with one of the legends of the Congress in UP, Vir Bahadur Singh, is priceless because it captures the mood of the times so perfectly. Singh is describing Rajiv's

style of working and he tells Mr Bhatnagar: "Rajivji is not a Congressi like me. He's different. We don't do any real work; Congressis like us just float along with the crowd...we go where the crowd takes us...party crowd, election crowd...any crowd. We just want a crowd around us to confirm to the world that we are leaders.

But Rajivji is not like ASHWINI BHATNAGAB us. He sits, thinks, THE discusses, puts everything in files. there are rows and rows of those steel cabinets in his office...all full of data and notings. I bet he even has a file on me with a diagram showing

how many times I sneeze every day, and what is the likelihood of me sneezing right now. He's very particular about details ... vou don't understand him. He's changing politics".

The book describes sensitively how

from being an ingenue, Rajiv becomes prime minister, gets into action, overcomes many obstacles to change. but ultimately becomes a victim of byzantine intrigue that he is unable to see because he surrounds himself with individuals who represent interests, rather than The People. Outsiders like

Mr Bhatnagar can see this clearly -THE LOTUS and from a Nice YEARS: Political Life In India In Guy, Rajiv Gandhi The Time Of changes into a leader with teeth Rajiv Gandhi bared, snarling and Author: Ashwini fighting some of the Bhatnagar very people he Publisher: helped to turn into Hachette India leaders. During the Price: ₹499 French Revolution,

Robespierre's lieutenants, St Juste, who was being led away to the guillotine was asked if he had any last words for other aspiring revolutionaries. His answer was : "When you make a revolution halfway, you dig your grave". There cannot be a more apt

one of Maximilien

epitaph for Rajiv Gandhi.

Mr Bhatnagar makes no bones about the fact that he admires, even likes, Raiiv Gandhi. His vinegary comments about how Vishwanath Pratap Singh managed to steer his way to the top job by manipulating opposition leaders give him away. But then, the book does not claim to be even-handed. It reports on a stupendous experiment in Indian politics and records personal foibles. One such is an interview with Amitabh Bachchan days before he resigned from Parliament. Halfway through there is a call that Mr Bachchan accidentally puts on speaker mode. A feminine voice asks the MP when he is coming. The caller? You need to read the book to find out.

The only niggling gap is insufficient research on the conspiracy that led to the end of Rajiv Gandhi's life - his assassination. But that is incidental. Mr Bhatnagar's writing brings personalities in politics in the 1980s and 1990s to life in all their splendid iridescence, making his book a wonderful spotlight on that period.

lotus YEARS RAJIV GANDHI

QUICK TAKE: RANGE-BOUND OUTLOOK FOR SILVER



Met buying by 'others' (₹ cr) RHS

29,94<u>6.77</u>___300

Mar 26

70.8

100

_-100

0

- S&P BSE Sensex (value) LHS

42,000 <u>38,144.02</u>

Mar 2

Geojit Financial Services.

2020

which way it (the indices) will move.

Some people who were there in the mar-

ket for a long time are putting in money,"

said Satish Menon, executive director at

economic dislocations and earnings

pain, which will play out over a longer

term, according to a March 25 strategy

report from brokerage firm Edelweiss

Securities and authored by analysts

Aditya Narain, Prateek Parekh and

Padmavati Udecha. It noted that the fall

is likely to continue for now and some

sectors like pharmaceuticals (pharma)

and information technology (IT) are like-

pany leaders; pharma, IT services, and

telecom could well be leaders, dividend

vield and absolute value are great...(risk-

adjusted) ... trades; financials will lag in

"We...call a reset of sector and com-

ly to be leaders in the days ahead.

The recent market fall is reflective of

Note: Others exclude foreign and domestic institutions, n resident Indians, and proprietary traders. Said to be large nigh net-worth individuals (or HNIs) Sou

48,000

36,000 **°**

30,000_

24,000_

41,200 outbreak-led weak demand, silver has risen 17 per cent ^{51,000} After falling 28% since its February peak on the COVID–19 over the past week, following safe-haven buying. Silver $\frac{2}{39,000}$ prices are now likely to remain sideways in the near term due to lockdown of factories, leading to lower industrial

consumption and uncertain global economic situation

2020 = Mutual funds are subject to market risks. No better time to learn the value of this disclaimer **KALPEN PAREKH** President, DSP Mutual Fund

HNIs net buyers amid volatility **CONSISTENT BUYING**

₹1,392 crore of inflows in the last 15 trading sessions, shows BSE data

WWW.SMARTINVESTOR.IN FOR INFORMED DECISION MA

SACHIN P MAMPATTA Mumbai, 26 March

n Monday, March 16 at 11:30 am, as the markets began a week that would see the S&P BSE Sensex fall below the 30,000-mark, a well-known firm with a large number of high networth clients had a conference call. It advised them to boost equity allocations.

At least some high net-worth individuals (HNIs) seem to have been of a similar view. They have been buying amid the general weakness that has characterised March, barring the last few sessions. The Sensex has jumped around 15 per cent in the last three days, though at 29,946.77 (as of Thursday's close), it remains shy of the 30,000-mark and 29.2 per cent off its peak of 42,273.87 attained on January 20.

The exchange data shows a continuous buying worth ₹1,391.6 crore in the last 15 sessions. They were net buyers in each of these sessions. This contrasts ₹4,790.9 crore in net sales since January 1. The analysis is based on the BSE data, which gives details of category-wise turnover. The category 'clients' comprises non-institutional flows. Non-resident Indians (NRIs) and proprietary traders are also excluded, which leaves retail investors and HNIs.



Business Standard MUMBAI | FRIDAY, 27 MARCH 2020

likely to be from HNIs, a market expert also seen to be especially attractive. said, as they tend to dominate in terms of the value of purchases because of the size of their portfolios.

There has also been some selective rise in flows into portfolio management investment funds (AIFs), according to industry watchers. "We are getting a few top-ups to the PMS scheme and subscriptions to equity-linked AIFs," said Nimish Shah, head of investments at BNP Paribas Wealth Management. He said investors, who have the cash, are looking to gain equity exposure by buying into large-cap companies in a staggered way after the recent fall. Select



The bulk of the buying by value is small-cap and mid-cap valuations are

Daniel G M. founder-director at industry-tracker PMS Bazaar, said some portfolio managers have outperformed

on a relative basis, selectively drawing in investors. "That flow is there," he said, service (PMS) schemes and alternative though the overall flow remains below the levels seen before regulatory changes, including the doubling of minimum investment to ₹50 lakh.

Most clients invest in discretionary PMS schemes, where the fund manager makes investment decisions. Other segments involve the portfolio manager acting according to client directions or providing advice.

"People are scared... They don't know the consolidation phase," it said.

Fresh flows on hold, tight spreads weigh on arbitrage schemes

JASH KRIPLANI Mumbai, 26 March

Arbitrage funds, which buy in the cash markets and sell in the futures at higher prices, have been feeling the impact of the ongoing volatility, with futures trading at a discount to spot market prices. This led to spreads for such funds shrinking, with some fund houses suspending fresh flows into these schemes. This is to insulate new investors from the dislocation in the market.

Both Tata MF and ICICI Prudential MF had suspended fresh flows into their arbitrage schemes. ICICI MF has stopped accepting fresh investments till March 31.

"Opportunities in the arbitrage space have reduced drastically, in the Futures market. Under normal conditions, spreads are available in the range

is a "special situation". "Fresh investors coming into arbitrage schemes would have seen some losses, so it was a prudent move to suspend flows," said a fund manager.

Industry participants say that arbitrage schemes could still be among the safer products in the market

"Technically, one cannot make losses in arbitrage schemes, except only to the extent of the fund's expense ratios, in the worst-case scenario. This is because all positions are balanced out in such funds. Therefore, investors can keep their investments in such schemes, as the dislocation in markets could also reverse, going ahead," said Jimmy Patel, managing director and chief executive officer of

Quantum MF. The strong recovery in the markets seen over the last three days is positive for arbitrage

ONGC, Oil India stare at steep earnings cuts

Analysts cut ONGC's FY21 earnings estimate by 70%

UJJVAL JAUHARI New Delhi, 26 March

Domestic oil majors- ONGC and Oil India- maybe trading 15-20 per cent higher, compared to their 52-week lows seen last month, but the challenges regarding their earnings persist and investors need to be cautious. With crude oil prices crashing, the profitability of the two companies is expected to be severely hit.

Being a play on crude oil prices and with Brent crude trading below \$30 a barrel, ONGC and Oil India may not be in a position to recover their cost of production. Nilesh Ghughe, analyst at HDFC Securities, estimates including expenses for maintaining the production level (capex), ONGC's cost of production will be close to \$31 a barrel; for Oil India, it will be \$25-26 a barrel. Thus, if oil prices remain at the current levels, the companies may even end up posting a loss at the pre-tax level. Brent crude prices, which had dipped below \$25 a barrel, have seen some rebound after the stimulus package by the US lifted sentiment on demand. However, they are still trading around \$27, less than half the 52-week high levels of \$70.

Moving forward, too, Moody's expects oil prices to average \$40-45 per barrel in 2020, and in a downside scenario, where economic weakness persists longer, to guidelines which constrain average \$30-35 in 2020 and

IndusInd, Bandhan

shares surge 40%

onec SIGNIFICANT DOWNGRADES FOR ONGC

| In ₹ crore | FY21E(old) | FY22E (new) | % change YoY | | | | |
|--|------------|-------------|--------------|--|--|--|--|
| Ebitda | 90,950 | 57,690 | -36.6 | | | | |
| EPS (₹) | 26.6 | 7.7 | -70.9 | | | | |
| E: Estimates, EPS- earnings per share, Ebitda: earnings before interest, tax, depreciation and | | | | | | | |

\$35-40 in 2021. This is not ity to lower dividends, the good news for upstream oil producers, and both ONGC and Oil India may see pressure on net realisations. Cairn India, which is now a part of Vedanta, will also be impacted.

Analysts had already been cutting their earnings estimates. Even estimating Brent prices at \$42 in FY21, analyst at Edelweiss had expected a 59 per cent vear-on-year decline in ONGC's FY21 earnings. This translates into a 70 per cent cut in ONGC's FY21 earnings estimates. It is unlikely that Oil India's earn- meet debt repayment obligaings decline could be significantly different.

cash equivalents declined to Given the increasingly ₹6,700 crore on September 30, uncertain oil price environ-2019, from ₹24,700 crore at the ment, ONGC's depleted cash end of 2016, while its net borreserves, and government rowings increased to about ₹1 trillion from ₹21,500 crore state-owned enterprises' abilduring the period.

Commodity derivatives trade timings curtailed

company's ratings have been

downgraded by Moody's.

"ONGC's credit metrics will

weaken beyond the tolerance

level for its ratings, if oil

prices remain low for a pro-

longed period," says Vikas

The requirement by gov-

Halan, Moody's lead analyst

ernment-owned companies to

pay a minimum annual divi-

dend equal to 5 per cent of

their net worth is seen as a

negative for credit profile at a

time when profits are under

stress and companies need to

tions, too. ONGC's cash and

for ONGC.

RAJESH BHAYANI Mumbai, 26 March

The commodity exchanges have decided to curtail the trading hours for commodity derivatives. Such trades will close at 5 pm from Monday until April 14, the

modity exchanges discus-

sions with the Securities and

All the five exchanges

including the MCX, NCDEX,

and the ICEX, have capped

trading timings to 5 pm. The

MCX reports maximum trad-

Exchange Board of India.

THE COMPASS Delay in regulatory leeway may prove costly affair for banks

Earlier Revised

7,930

27,590

14,130

4,410

18,420

10,740

33,220

17,510

6,780

With loan growth and asset quality likely to take a hit, FY21 earnings estimates are coming under the knife HAMSINI KARTHIK

The sharp rally in banking stocks, which rose 10-12 per cent, in the first half of Thursday's trade did not sustain fully as hopes of relief or bailout measures for the sector from the finance minister did not materialise. The

minister though has kept the option open for more relief measures as and when needed, which suggests that some relaxation (from the Reserve Bank of India or RBI) on asset classification norms (critical for classification of

non-performing

SHREEPAD S AUTE

"The longer it takes assets or NPA) may come through for the to roll out these relief measures, the pro-

State Bank of India 25,610

Net Profit (₹ crore)

Axis Bank

HDFC Bank

ICICI Bank

IndusInd Bank

at ICICI Securities. "The lockdown will adversely impact most sectors and may not be restricted to chemicals, textiles, electronics, and entertainment," they add.

The last time when banks received dispensation on asset recognition was in 2016, after demonetisation. The RBI gave a 90day window for classifying certain retail loans as NPAs. "Without a similar dispensation being extended from the March quarter, banks could find it very difficult to sail though," said a top executive of a staterun bank. Another senior banker said unless such dispensations are soon given,

> especially for private -26 -17 -19 -35

it may be difficult, **DOWNWARD EARNINGS REVISION** FY 21 estimates Chang

banks, to lend support to customers. While most stateowned banks have come out with special schemes for their customers battling the lockdown, private banks are yet to act.



sector, while hopes of some relief have been around for over 10 days, any further delay could prove costly for banks. Analysts are already downgrading their earnings expectations, with private banks likely to see a sharper cut. In fact, an across-the-board earnings downgrade is also the first of its kind for private banks.

The nation-wide lockdown, which was initially to be more a problem for small and medium enterprises (SME) exposure of banks, is beginning to spread. "The current pan-Indian lockdown will certainly affect cash flows of borrowers, both individual and corporate, which may lead to an increase in corporate as well as retail NPAs," say analysts analyst of a foreign brokerage.

longed will be the period of dull growth for banks," he adds while mentioning that business volumes have been quite negligible in the last two weeks.

Investors need to remember that loan growth has been pale at single-digit in CY20, so far. Therefore, unless the RBI temporarily relaxes its NPA norms, banks may find the going getting tougher. PhillipCapital estimates that NPAs could rise by 250 basis point for the sector if relaxations are not given.

Thus, "Until there is clarity on the sort of dispensation the RBI is willing to roll out, investors should not be fancied by the steep correction in banking stocks," says a research

of 35-40 dasis points (ops), but the spread has currently narrowed to 15-20 bps, with many securities trading at a discount," ICICI MF said in a note.

The fund house added that investors with a long-term investment horizon may con-

BINDISHA SARANG

while filing returns.

YOUR

MONEY

companies qualify.

es. Many investors, who have booked

these losses, will be looking to claim it

executive officer (CEO), Cleartax, says:

"Investors selling shares or redeeming

MFs at below their cost price (invest-

ment) will incur

capital losses. A

capital loss is

incurred at the

time of sale of an

asset, including

shares, MFs, gold,

Such capital

be

can

reduced against

taxable capital

and so on."

loss

gains in the same year. However, if

unable to set-off due to insufficient

capital gains in the first year, carry it

forward up to eight successive years.

And all individuals, Hindu Undivided

Family, Association of Persons and

Archit Gupta, founder and chief

schemes as it can put futures back to trading at a premium to spot prices of stocks. On Thursday, Tata MF announced that it had re-opened flows into its arbitrage schemes.

tinue to remain invested as this More on business-standard.com



nder is among the worst-mi in the recent carnage, with its stock coming off 85 per cent Price in ₹ from its highs.

Shares of several beaten-

down banking stocks sky-

rocketed on Thursday amid

the expiry of derivatives con-

tracts for the March series.

Shares of IndusInd Bank

soared 45 per cent to end at

₹437. The private sector

SAMIE MODAK

Mumbai, 26 March

shares of Similarly, Bandhan Bank rose nearly 40 per cent to end at ₹216. Before Thursday's gain, Bandhan Bank, too, had seen its share price drop by 70 per cent.

While these two counters had fallen the most, several other banking and financial stocks posted huge declines on worries that the sudden bad loans and hurt growth prospects.

traders had aggressively built spurt in prices on Thursday.

last day of the 21-day nation-SOME RELIEF wide lockdown. This followed the com-540



elusind

Bank

Compiled by BS Research Bureau stop to economic activities short positions in many finanwould lead to an increase in cial stocks during the market fall and covering of these positions amid improvement in

Derivatives analysts say market sentiment led to a

ing in the evening session. Brokers had approached the regulator and requested to discontinue the evening session trading until the lockdown as it was becoming increasingly difficult to ensure staff presence and commute in the night.

short-term capital loss against both long-term capital gains and short-term capital gains from other assets, including gains from immoveable property. Gopal Bohra, partner, NA Shah

Associates LLP, says: "However, a longterm capital loss can be set off only against long-term capital gain from any other assets. However, remember it is mandatory to file I-T returns by the due date to carry forward losses to the following years.

Kapil Rana, chairman and founder, cannot offset notional losses.

Tarun Birani, founder and CEO, TBNG Capital Advisors, says: "Under these circumstances, there is a strong case for tax harvesting, but you need to be aware of the exit load risk and market risk," adds Birani.

Explaining 'tax harvesting', Harsh Roongta, certified financial planner says: "Short-term loss can be set off against any capital gains. However, the sold assets can then be bought back again from an unconnected party, so that the investment continues, but at a lower cost now."

Get ready to claim capital losses

Taxable

HostBooks, says: "After the amendments in the Finance Act, 2018, if you have incurred a long-term capital loss after March 31, 2018, you can set them off against any long-term capital gains. as they are now taxable in excess of ₹1 lakh." Another thing to remember, one

Tax strategy

Number of Amount (₹ shares net capital

| | and price | | gain/loss (*) |
|---|-----------|---------|---------------|
| SHORT-TERM | | | |
| Sales consideration on on Dec. 3, 2019 | 500*1,579 | 789,500 | |
| Less: Cost | 500*1,226 | 613,000 | |
| Net gain/loss | | | 176,500 |
| LONG-TERM | | | |
| Sales consideration on March 19, 2020 | 500*918 | 459,000 | |
| Less: Cost | 500*1,226 | 613,000 | |
| Net gain/loss | | | (1,54,000) |
| Adjust against long-term capital gain on sale of property | | 100,000 | |
| Balance long-term capital loss carried forward | | 54,000 | |

Assumption: Someone has purchased 1,000 equity shares of RIL @ 1,226 per share on March 1, 2019, Investor also has long-term capital gain on sale of property of ₹1 lakh. Source: NA Shah Associates LLP

So how does it work? Suresh Surana, founder, RSM India, says: "First, it is imperative to determine whether the capital loss is a long-term capital loss or a short-term capital one."

of listed shares or equity-oriented MF units held for up to 12 months are con-

the holding period is over 12 months, it qualifies as long-term capital losses. In case of debt MFs, short-term is defined as less than 36 months, and above that, long term.

Claim process

Under the Income Tax (I-T) Act, taxpayers are allowed to claim set-off of

Base=100 120 S&P BSE Sensex The fast-moving consumer goods (FMCG) sector is believed to be faring better, given the daily-use products it sells. Expected margin gains from S&P BSE FMCG lower input costs, following the sharp correction in oil prices, adds to the belief. However, the road ahead may be tough, as demand and supply-related issues are bound to take a Mar 26,'20 toll on their overall perform-

Lockdown likely to leave bitter

taste for FMCG companies

Nifty FMCG trading at 100% premium to benchmark

ance till the next quarter. Although hygiene, home care, and packaged foods may witness higher demand, the lockdown will have a visible implication on the supply

chain and overall demand. Dhaval Dama, analyst at Equirus Securities, says: "A curfew or lockdown will impact the supply chain process, with labour shortage and disturbance in supply of raw materials. Distribution could also be impacted."

Many FMCG firms have already been witnessing volume pressure since the past few quarters.

Concerns also arise due to the high revenue share of



For instance, for Marico,

the impact may be lower.



Mar 1,'19 Compiled by BS Research Bureau

non-essentials such as beauty products, and household items such as room fresheners. As the government has only allowed the supply of essential goods such as gro-

ceries, milk, and hygiene products during the lockdown, the sale of non-essen-

Dabur, ITC, Emami, and Hindustan Unilever, essential products account for up to 35 per cent of their top line, according to analyst esti-

mates. Nestlé and Britannia,

A few like Dabur have also informed about the suspension of production of nonessential items till March 31 (may get extended). Besides, even for essen-

tials, organised players could face demand pressure as consumers may shift to lowerpriced products amid the risk to income, say analysts. Income risk has resulted in fears of delayed demand recovery.

A key positive is that raw

material prices have fallen, which could aid margins. Given the government's financial package for farmers and the poor, some push to sales is also expected for the companies mentioned above as rural India accounts for 30-50 per cent of their top line. However, it is unlikely to be tials is likely to get impacted. enough to cushion the overall pressure on top line.

The surge in FMCG stocks on Thursday, and their outperformance vis-à-vis the Nifty over the past 10 sessions, might now be questioned. Moreover, valuations are still though, come purely under not cheap as the Nifty FMCG packaged foods, and hence index is trading at an over 100 per cent premium to the Nifty.

HOW DOES IT WORK You can adjust long-term loss against long-term gain across assets. But long-term capital With the Sensex shedding over 25 per loss can't be adjusted against short-term capital gain cent since the beginning of the calendar year due to the COVID-19 crisis, Particulars most equity and mutual fund (MF) investors are staring at significant loss-

For example, losses arising on sale sidered to be short-term capital loss. If

TVS looks beyond comfort zone

The company hopes its overseas push will help compensate for the slowing sales domestically TE NARASIMHAN

he \$8.5-billion TVS Group's flagship company TVS Motor announced two new partnerships in recent months - both aimed to consolidate its presence in central America. The latest push into the region is part of its strategy to step into at least two new export markets every year to derisk its business from domestic market pressures. K N Radhakrishnan, president and chief executive officer of TVS Motor Company, says, "Almost 30 per cent of the company's business now comes from the international market and it is growing much faster than the domestic business.'

This strategy has started paying off already. The share of exports in its overall sales pie more than doubled to nearly 30 per cent by end 2019 against 14 per cent in 2014-15. That's good news for the company because the two-wheeler market has been shrinking domestically like the rest of the automobile market. Between April 2019 and January 2020, the sales of two-wheelers in the domestic market dropped sharply by 15.83 per cent to stand at 15.2 million units, down from 18.12 million units. However, during the same period the country's two-wheeler exports grew by 8.35 per cent to 2.99 million units from 2.76 million units. TVS Motor's total domestic sales dropped by 19.16 per cent during April 2019 to January 2020 to 2.15 million units, while its exports grew by 13.46 per cent to 572,749 units in the same period.

Even while volumes are under pressure in the domestic market, TVS is looking to increase its Ebitda margin to double-digit levels from the 8.8 per cent it reported in the third quarter of financial year 2019-20. Export not only drive the volumes for the company, but is also one of the key drivers for its margins. After pushing exports and reducing the import content relentlessly, the company's gross margins hit a 13-quarter high of 27.8 per cent in O3FY20.

TVS's global push is based on three pillars, besides riding on its 100-year legacy. TVS is betting big on technology and product quality, besides its wide range of offerings to take on competition in those markets - which largely comprise Japanese, Chinese and a handful of Indian brands. "TVS's export strategy is working out well because it has focused on India-like markets (Asia, Africa, Latin America) for both two-wheelers and three-wheelers," says Jinesh Gandhi, deputy head of research, Motilal Oswal Financial Services.



The share of exports in TVS's overall sales more than doubled to nearly 30 per cent by end 2019 against 14 per cent in 2014-15

Coming to the two recent partnerships, TVS first joined hands with Motomundo SA, one of the leading business groups in Honduras. As a part of this association, Motomundo SA will facilitate the sales and service of TVS products across all Motomundo stores in the country in a phased manner. The company also

announced a partnership with CADISA, a leading business Between April group across Guatemala and El 2019 and Salvador and inaugurated its January 2020, flagship showroom in El the sales of Salvador. The two are expected two-wheelers to put their resources together in the domestic to sell TVS's four modern promarket dropped ducts — the Apache RR 310, sharply by the Apache RTR 200 4V, 15.83 per cent to 15.2 million Apache RTR 160 4V and the Ntorq 125 scooter. Other than units, down showcasing the bikes and the from 18.12 company's technology, the million units dealership will also offer service, spare and other support in

the region. TVS will also be present in 17 multi-brand showrooms and 150 retail stores in Guatemala.

Motomundo stores will start with one exclusive outlet for TVS and will, within a year, expand it to three stores in the country. TVS Motor Company will be present in 40 Motomundo outlets and over 25

dealers across Honduras over the next three years. The company will also operate 25 service outlets to ensure complete service and spare support. The company aims to be present in 100 plus multi-brand outlets and over 150 retail stores across Central America in thrtee years. The range of twowheeler offerings will be supplemented

with attractive retail finance schemes. R Dilip, executive vice-president, international TVS Motor business. Company, says, "The unique network of distribution that Motomundo SA has developed makes them the best strategic ally for TVS Motor Company. With this partnership, we will be able to offer customised products with complete service and spare parts to our customers and consolidate our presence in the region."

Radhakrishnan expects the first half of FY21 to remain weak because of the current slowdown and the transition to Bharat Stage VI emission norms, with recovery in the domestic market from the second half of the year. TVS expects exports to continue to outperform the domestic market. That said, the path ahead won't be easy, the company knows.

EXPORT STATS

TVS Motor Company is among the top 10 in the world exporting to more than 60 countries

Outside India, its sales have been growing in Bangladesh, Latin America and Asean region, while it has posted negative growth in East Europe

Currently, TVS exports to several countries in the Asia Pacific region, and has a strong presence in African countries as well as the Latin American region, including Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Mexico, Nicaragua and Peru

India still accounts for around 70% of its sales

The outbreak of coronavirus impacted the supply of certain components for the production of BS-VI vehicles, but the company has told the media it was taking all necessary steps to normalise the situation at the earliest.

TVS Motor has been a late entrant in some of these markets compared to, say, Bajaj Auto, but it has been aggressive in expanding - both in terms of distribution network and the portfolio of offerings. "It has not only targeted new markets, it has also tried to offer as many of its products in these markets as possible (from mopeds to premium motorcycles). Also, it's association with BMW has had a rub-off on its brands in the export market. This has helped it to grow its exports — at 15 per cent in FY20 YTD and now contributes ₹25 per cent of the total volumes," says Gandhi of Motilal Oswal.

Gandhi explains the dilemma in the export market in these simple terms: While the Japanese products are superior in quality, they are priced at the premium end. On their part, Chinese brands are cheaper but are deemed lower in terms of their quality standards. Indian brands like Bajaj and TVS have struck a balance between pricing and quality, which has helped them expand fast in these markets.

GUEST COLUMN

Build to last In the second part of a series, the author

notes down some lessons for start-ups

hilosopher Thomas Kuhn argued that scientific breakthroughs happen when researcher observes the world well enough to identify and explain an anomaly. The discovery of an anomaly, a surprise, gives scientists the opportunity to revisit a theory to better understand it. This often leads to a modification or improvement of the theory by understanding and explaining the anomaly.

In the first part of this series (March 11), I explained our initial hypothesis that eight attributes of Mindset-Behavior-Action assemble into a grid pattern; the first three are essential,

while the other five are very valuable. Our method of validation and confirmation has been explained in the trilogy of books under the Shapers of Business Institutions series. Like

we instill certain things from childhood, startups must consider doing the right things from the beginning.

The first essential is 'People relations.' This refers to the shapers' obsession to engage with people, constantly nurturing their skills/expertise. Shapers tend to accord this higher priority than business planning. For example, as described in one book, Anil Naik's seven step leadership process

■'Short-term and long-term' refers to a counter-intuitive mindset - to spend clock time to robustly solve short-term problems, without reducing the emotional time to think through long-term issues. (A mother, who raises her child, exemplifies this ability.) Kiran Mazumdar-Shaw maintained a laser-sharp focus on solid state fermentation, while thinking through the benefits of an alternative technology for a biopharma entry by the firm.

■ 'Critical thinking' refers to the ability to generate new options in

decision-making: the obvious ones strike most managers anyway. For example, TCS's creation of software tools to automate software development to exploit the explosive Y2K opportunity.

In this second article, I explore lessons from our book titled. How Kiran Mazumdar-Shaw fermented *Biocon*, co-authored with Dr Sushmita Srivastava.

Biocon is interesting because it has been founded and nurtured by a woman entrepreneur in the biotech field that tends to be dominated by males-at least when she entered the fermentation industry in 1978. Imagine a Gujarati-origin, Kannada-speak-

ing, Australian-trained female brew master, who sought a job back in India. Her Australian classmate recommended her name as a possible Indian entrepreneur-partner for an upcoming Irish fermen-

R GOPALAKRISHNAN tation company called Biocon. She meets the

company with a raw dream, but understandable skepticism. That is why Kiran calls herself an accidental entrepreneur-perhaps all entrepreneurs are accidental.

My co-author and I had to be careful to avoid the trap of colonial-era historians, whose preoccupation is with the 'character' of the subject — and the character becomes dominant in the narrative. We reminded each other to focus on the institution rather than the subject. The MBA grid as explained previously greatly helped to view the institution objectively.

More on www.business-standard.com The writer is a distinguished professor of IIT Kharagpur. He was a director of Tata Sons and a vice-chairman of Hindustan Unilever (Three co-authored books in a series called 'Shapers of Business Institutions' - on TCS, Biocon and L&T — have just been published by Rupa

SNIPPETS



Viral ads -19 pandemic when people are being encouraged to stay at home, Pizza Hut has come up with an initiative, #QualityTimeNotQuarantine, that urges people to appreciate the time they have got with themselves and family. While Pizza Hut focuses on the bright side of the threat, another fast-food chain, KFC, has pulled out a series of adverts in the UK featuring customers licking their fingers, after complaints they would encourage the spread of coronavirus, as reported by thesun.co.uk. KFC says it's "paused" the television, print and billboard campaign, launched last month. Customers in the adverts, which racked up 163 complaints to the Advertising and Standards Authority, were seen eating Colonel Sander's fried chicken in stores and licking their fingers with KFC's usual "finger lickin good" strapline. Meanwhile, South Africa's Nando's restaurants, in an apparent reply to the KFC strapline, launched a digital campaign this month, saying: "Turns out finger licking isn't good." Its Twitter post, shared on March 18, says, "The power is in our hands, wash them."

STATSPEAK

ADDRESSING CONSUMER NEEDS WHAT INDIAN Indian consumers are evolving rapidly. **CONSUMERS WANT** sharing more information and

becoming more demanding, at the same time, several Said that social media is an start-ups have important influencing factor to try a

new brand

KEY DIFFERENTIATORS BETWEEN INCUMBENTS

The measures through which incumbents can inculcate the start-up culture to drive agile innovation, are:

Keep consumers at the heart of every decision



Invest with long-term vision

Set different performance tracking metrics for a startup brand compared to an incumbent brand

Set up an internal venture capital arm or an accelerator/incubator

An acquisition is not complete until it is successfully integrated

AND START-UPS:



'The mother of all disruptions'

The coronavirus outbreak is unprecedented in its scale and severity for humans and supply chains. The choking of supply chains, however, is "a second-order problem," and the foremost priority is to ensure the availability of medical supplies, Senthil Veeraraghavan, professor of operations, information and decisions at Wharton School of the University of Pennsylvania, has said in an interview with the Wharton Business Daily radio show on SiriusXM. An article on Knowlwdge@Wharton also quotes Morris Cohen, university professor of operations, information and decisions, as saying that the pharmaceutical industry is particularly challenged now since "the vast majority of the active ingredients are manufactured in China". Veeraraghavan adds even if production comes back to 100 per cent levels, there will be delays of up to a few months in getting products to consumers, and that situation will continue until fall 2020. Cohen says, "As the shortages worsen before they get resolved, prices of many products could go up for consumers." The article also reports a McKinsey report, which says that companies could "stabilise their supply chains".

started mushrooming to address unmet consumer desires, states FY's latest report Incumbents to disruptors: Adopting the start-up culture for innovation. These start-ups spot the unhappy consumer through digital means and then leveraging the latest digital technologies, such as data analytics, address



prices if they receive the their needs. desired value



Product as the story



MY TAKE Sends out a subtle message powerfully

CLIENT: Harper Collins YEAR OF LAUNCH: Late 2019 **AGENCY: Taproot Dentsu**

Increase direct-consumer interaction for c-suite

Define area of play using analytics

Reduce product turnaround time by at least half

Foster innovation-led culture

- Set up monthly innovation day for leadership
- Organise a focused internal disruption team
- Diversify leadership and board to include young leaders



Design lean organisation structure Cut down on review

than the product or service

case with the campaign?

advertised. Do you feel this was the

We live in an increasingly hyper-

connected world. Every time you

ing for our attention and mind

attention to communication that

resonates with us, and the setting

of this story helped draw our atten-

tion. In the words of Ty-

rion Lannister (a charac-

Thrones series): "There's

nothing more powerful

in the world than a good

story. Nothing can stop

ter from the Game of

space, but we will give our

go online, there are brands scream-

iterations and block common decision-making Develop a flotilla-like operating model to support time multiple niche brands Develop a portfolio of Break the silo style of partner relationship for the working between functions many smaller brands and new environment effectively track Design locally-Provide a central performance of each brand ecosystem to the flotilla of empowered lean teams with shared objectives Redesign channel brands

*The survey covered close to 100 consumers across cities, age groups and income brackets. Interviews were conducted with select consumer start-ups and large consumer product companies. Source: EY

SHUBHOMOY SIKDAR

Which is your favourite campaign and why?

There are many ways of telling a story, especially in today's world. I enjoy short films immensely as I feel that is an extremely effective medium, if used smartly and crafted well. That's why I would have to say that it is HarperCollins' short film "The Parcel". It's not every day that you see a compelling piece of long format storytelling narrated in a unique way using a gamified approach. It captures you from the start to the finish and has a climax that leaves you reeling even as it sends out a subtle message in a powerful manner. The craft is the key, but the context is everything.

On what parameters did you base your decision?

For a campaign to be successful, it has to tick a few checkboxes: First being the audience: The Parcel needed to appeal to readers who were into the crime and thriller genre. Second is the story: The campaign is compelling and builds up to an endearing climax. The third parameter is a "unique hook" that this ad has. The unravelling of the story using gamification is a

The ad masters all the three checkboxes by capturing the



creating a story that will keep their attention and allows it to play out in a way that subverts traditional storytelling methods and keeps us guessing till the very end. When their actual campaign message appears, we are already so involved in their story, it resonates and drives in without fail. It's a self-sustaining story that is superb throughout.

audience from the start by

What do you think was the key idea the campaign was trying to drive home?

In a world where your primereadingtimeis competing with every over-the-top or OTT streaming media platform.book publishers are facing an

enemy that's growing bigger by the day, but reading has a secret weapon. It triggers your imagination like nothing else can.

Do you remember the campaign winning any advertising awards? Not vet, but I'm sure it will soon. It is a story that deserves many plaudits and I hope it gets noticed by juries.

Sometimes, because of the emotional element in a campaign, there is greater recall for the story



CHAGAS FERDINANDO Senior creative director, BC Web Wise

"product" is the "story" and that's what makes this campaign "memorable".

it." In this case the

What are your

takeaways from the campaign? My one takeaway is I need to make time to read more, it's been ages since I've read a good thriller. And that is why The Parcel is a success. It has evoked a sense of nostalgia and is leading me to take action. In an extremely digital world, it's important to go back to books and reading, as they will always quench your thirst for knowledge.

More on www.business-standard.com





YES Bank bats for a new start

The bank looks to reassure its depositors with a new print advertisement acknowledging the past and asking depositors to look ahead. Does this help rebuild credibility?

SUBRATA PANDA Mumbai, 26 March

ver the past few months YES Bank has seen a rather rapid erosion in both trust and credibility, with its brand value hitting its nadir after the Reserve Bank of India imposed moratorium early this month. Keen to claw its way back up the trust meter, the bank has released an ad in select print newspapers saying that the worst is now behind them.

"We start a new journey, backed by India's best" read the advertisements, indicating that the bank was banking on the reputation that its new management was bringing to the table. Interestingly the ads have led to a fulmination online. Several marketing experts have weighed in on LinkedIn, Facebook and other social media to say that the communication falls short and that there may be a long way to go before the bank can hit the credibility tracks again.

Prabhakar Mundkur, a brand strategy advisor, ran a ing teams. poll on LinkedIn, "Not an easy job. But do you guys think it reassures customers about Yes Bank? Or does it reassure noncustomers? Or is this ad intended for the general public who are in dismay at what happened at Yes Bank and how it disrupted our financial systems?" He asked. The responses he got from a small and select group of marketing professionals indicated that they felt that the bank back campaign. "It

▶ FROM PAGE 1

Govt unveils...

Former finance minister P Chidambaram said while he was "glad" at the announcements, he called them "a modest plan".

'In due course, the government will realise that it must do more. The plan gives adequate additional food grain to the poor for three months, and that is welcome. It does not put enough cash in the pockets of the poor. Some sections have been left out altogether," he said.

'You will notice that suggestions like help to tenant farmers and the destitute, maintaining current levels of employment and wages, tax deferment, deferring payments of equated monthly instalments, struction workers welfare cess fund. ruts in rates of goods and services tax, etc. have not been addressed. Let's hope there from employers and is maintained by ing priority to those at the bottom of the will be a Plan II shortly." Chidambaram added. During the finance minister's media briefing and in the official press release, the Centre declined to share the expenditure constituents of the ₹1.7-trillion package. With some of the announcements not exactly being fresh monetary outlays, it is not clear what the extra expenditure would be. In the absence of an official break-up, back-of-the-envelope calculations show the size of the additional outlay comes to be a little less than ₹1.03 trillion, about 3.4 per cent of the size of 2020-21 Union Budget. Sources said this comprised ₹45,000 crore of additional expenditure on subsidised food, ₹5,600 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme, ₹34,000 crore for senior citizens, poor widows, and divyang, ₹13,000 crore for free cylinders, and ₹5,000 crore for contribution to the Employees'

itors got their money back. Would that get people to bank with YES again? Therein would lie

the test of the per- "The depositors have suasive skills of got the necessary the new market- comfort and confidence in the Post the invest- **bank. So is it the same** ments made by **bank that it was a** various private sec- couple months ago? No tor banks and State it is not to the extent Bank of India (SBI), that there will be no YES Bank has been run on the bank. The making efforts to **run has been totally** regain the trust of controlled" its deposit-holders ASHVIN PAREKH

but it is reluctant Managing Partner, Ashvin to put an official Parekh Advisory Services voice to the come-

has failed to read the moment. is not a campaign as such. The chairman and managing direc-Reassurance said many advertisements are just an tor of Nestle's India business, would come only when depos- assurance to the customers", often reiterates the importance pointed out.

said one person aware of

Such dithering does not

crises, YES Bank

could turn to

Nestle India and

Maggi nearly lost

its biggest market

on the back of a

health scare that

led to the product

going off the

shelves for nearly

Today Maggi is a

bestseller. lead-

ing the instant

noodle category

yet again. Suresh

Narayanan, now

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Brand

help. To take a cue from oth-

Maggi.

six

er brands and such credibility

the development.

Thursday, underpinned by the relief meas-Provident Fund. Some of the expenditures would be ures taken by the government. incurred from the existing schemes or funds only. For example, Sitharaman said on Thursday announced a relief package the first instalment of PM Kisan would be worth ₹1.7 trillion to help the economically

frontloaded and each farmer would be given ₹2,000 in April. Officials said this would cover around 87 million farmers and the outlay would be around ₹16.000 crore. However, since this is front-loading and not an additional amount, the figure cannot be considered extra spending and is part of the 2020-21 PM Kisan allocation of ₹75.000 crore.

Officials said since 2019-20 was almost over, this extra expenditure would be accounted for in the 2020-21 financial year. Sitharaman also said that the states would be asked to utilise the ₹31,000-crore con-However, the corpus of this fund comes

of the Maggi fiasco in the firm's journey. "It is a blessing in disguise," he has said in his interactions with the media in the past.

Nestle has slowly tweaked the Maggi brand narrative, from getting employees and users to show how safe its product is the company pitch now is that Maggi is 'good for you'. Can YES find its way back too?

It can but it firsts needs a credible voice to speak for it say experts. A bunch of people

working on its resurrection say that there is an understanding of the need to keep the brand visible and transparent. Since the day the moratorium was imposed on the private lender, the bank has made earnest efforts to reach out to their customers via emails explaining to them the situation and the various developments taking place, they said.

"The depositors have got the necessary comfort and confidence in the bank. So is it the same bank that it was a couple months ago? No it is not to the extent that there will be no run on the bank. The run has been totally controlled," said Ashvin Parekh, managing partner at Ashvin Parekh Advisorv Services.

The private lender saw its deposits plummet to ₹1.37 trillion, erosion of 34 per cent, between September 30 and March 5 mostly due to uncertainty around the bank's future. During the same time, the share price of the bank reached new lows. Mails were sent to customers, tweets about the status and print advertisements have been used to get the message out to the public at large. "Employee communication has also been swift, branch communication has been done wherein whatever was specified in the gazette notification of the government was explained to them," said a senior professional who chose to stay anonymous. The moratorium on the bank was lifted on March 18 and since then there has been no panic withdrawals by the account holders, he further

BRAND WORLD 11

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states, with no contribution by the Centre.

FMCG leaders...

"We are only carrying out production of essential items such as Chawanprash, avurvedic medicines, hand sanitisers and hand wash. Production of the rest has been temporarily suspended till March 31, which will impact sales," Malhotra added.

Besides Dabur, Nestle and Coca-Cola have temporarily suspended operations at most of their plants, while companies such as Britannia, Hindustan Unilever and Godrej Consumer are notifying local authorities to allow them to continue carrying out production and transportation during the lockdown period.

Varun Berry, managing director, Britannia Industries, said, "Our factories are primed to manufacture products at this time with all due hygiene and social dis-

> tancing protocols in place." But, companies need support from district authorities in allowing workers to travel to the factory premises with appropriate safeguards, he added.

> According to Nielsen, the buying behaviour could change in future as people opt to shop online rather than crowding kiranas and supermarkets. "The e-commerce channel has been growing at around 40-50 per cent per annum for a couple of years now. This will now shoot up as consumers adopt better hygiene standards following the outbreak," said Prasun Basu, president, South Asia, Nielsen.

Markets extend...

Globally, investor sentiment has got a boost after the US Senate approved the fiscal stimulus legislation worth \$2 trillion to prop up the American economy rattled by the pandemic.

This has helped minimise the selling by overseas funds. On Thursday, they were net sellers only to the tune of ₹485 crore, as against the average selling of ₹3,000 crore for this month.

India was among the best-performing major global market on More on business-standard.com

earnings due to COVID-19. Howe pyramid is also the right thing to do," said Chokkalingam.

"Some measures on these lines would

Finance Minister Nirmala Sitharaman

weaker sections to tide over the 21-day lock-

down and the economic impact of the

appointment over the lack of stimulus

measures for the industrial and finance

said the markets were expecting there

would be measures like the scrapping of

long-term capital gains tax and some finan-

have given incentive to investors and would

have helped mitigate the hit on corporate

cial incentive for the corporate sector.

Some experts, however, expressed dis-

G Chokkalingam, founder, Equinomics,

COVID-19 outbreak.

sectors.

New-age warriors ...

The disinfectant, a mixture of sanitiser and bleaching powder, is being sprayed in areas where garbage has piled up to prevent the spread of any further infections.

In neighbouring Tamil Nadu, Garuda Aerospace, a Chennai-based startup, is also helping the civic bodies to spray disinfectant using drones with the help of engineering students from Agni College of Technology.

For those fretting about the health of quarantined loved ones, Healthcare startup Dozee is giving out its heartbeat and respiration monitor for free to those quarantined within Bengaluru city limits.

A brainchild of IIT alumni Mudit Dandwate and Gauray Parchani, Dozee is a portable device which gives continuous respiration data without the need for wires or technical expertise.

Attached to a thin sensor sheet which goes below the mattress, the device is kept underneath the patient's chest area and, Dozee says, gives 98 per cent accurate data. "This will help ease the anxiety of loved ones as currently they have limited means to know the health status of those quarantined at home," said Dandwate, CEO.

Several start-ups are also working to help reduce the burden on healthcare workers. Asimov Robotics began by using its robots to dispense sanitisers and distribute masks to the employees of various startups in Kochi in Kerala. Now it is looking to deploying robots called Karmi-bots to assist Covid-19 patients in isolation wards by carrying food to them. Sophisticated medical equipment is being tweaked to meet current needs. For example, Sequoia-backed healthcare startup Qure.ai has modified the AI solutions it had created earlier to help detect diseases like tuberculosis from Xrays. "Previously, our solution could automatically generate chest X-ray interpretation reports, detect tuberculosis, chronic obstructive pulmonary diseases, and lung malignancies. Now, it can additionally interpret an X-ray to detect findings indicative of Covid-19 and even quantify the proportion of lungs affected due to the lesions," said Prashant Warier, CEO of Qure.



G20 nations pledge \$5-trn injection to aid economic recovery

COUNTERING CORONA: Finance ministers to prepare action plan soon, trade ministers to assess impact on global trade

SUBHAYAN CHAKRABORTY New Delhi, 26 March

The Group of 20, or G20, leaders on Thursday pledged to inject \$5 trillion into the global economy to blunt the economic impact of the coronavirus pandemic.

The infusion — pushed through a targeted fiscal policy, economic measures, and guarantee schemes — will counteract the social, economic and financial impacts of the pandemic, according to a statement released after the G20 Leaders' Summit

We ask our finance ministers and central bank governors to coordinate on a regular basis to develop a G20 action plan in

response to COVID-19 and work closely with international organisations to swiftly deliver the appropriate international financial assistance," the statement said.

Held through videoconferencing, the Saudi Arabia-hosted summit also committed to expanding the manufacturing capacity to meet the increasing demand for medical supplies and ensuring these are made widely available, at an affordable price, on an equitable basis, where they are most needed and as quickly as possible.

Coordinated effort

Health ministers have also been mandated to meet, as needed, to share national best practices and



Prime Minister Narendra Modi interacts with fellow world leaders during the virtual G20 Summit, in New Delhi on Thursday

develop a set of G20 urgent actions on jointly combating the pandemic, in their ministerial meeting in April. The nations resolved to share timely and transparent information,

exchange epidemiological and clinical data, share materials necessary for research and development, and strengthen health systems globally. The summit also decided to pro-

Modi for fresh crisis management system

PM Narendra Modi pitched for developing a new crisis management protocol to deal with global health crisis and urged the G20 grouping to work towards addressing shockwaves triggered by the pandemic. He also held separate telephonic conversation with Emir of Oatar Sheikh Tamim Bin Hamad al Thani and Crown Prince of Abu Dhabi Sheikh Mohammed Bin Zayed Al Nahyan. "They exchanged notes about the measures taken in their respective countries to contain the spread of the virus," said the Ministry of External Affairs. PTI

vide immediate resources to the World Health Organization's (WHO's) COVID-19 solidarity response fund, the coalition for epidemic preparedness and innovation

(CEPI) and Gavi, the Vaccine Alliance, on a voluntary basis.

The leaders also asked the WHO to submit a report to assess gaps in pandemic preparedness and report to a joint meeting of finance and health ministers in the coming months. The move will establish a global initiative on pandemic preparedness and response.

Talking trade

Trade ministers of the bloc are expected to meet soon to assess the impact of the pandemic on global trade. In a show of rare solidarity following years of bitter differences on trade matters, the G20 leaders have now committed to come together to "coordinate trade responses in ways that avoid unnecessary interference with international traffic and trade".

The summit also saw the decision to implement emergency measures aimed at protecting health through targeted, proportionate, transparent, and temporary interjunctions. The member nations also decided to ensure the flow of vital medical supplies, critical agricultural products, and other goods and services across borders, and vowed to work to resolve disruptions to the global supply chains.

However, rather than focusing on the bigger players, the discussion took special care to address the challenges for poorer economies.

'We are gravely concerned with the serious risks posed to all countries, particularly developing and least developed countries, and notably in Africa and small island states," the statement said.

The G20 urged the central banks of member nations to support the flow of credit to households and businesses, promote financial stability, and enhance liquidity in global markets. It also welcomed the extension of swap lines that central banks have undertaken.

IN BRIEF

'CRITICAL FOR POWER SUPPLY' RENEWABLE **ENERGY PROJECTS CLASSIFIED AS ESSENTIAL SERVICE**

The central government on Thursday classified renewable energy power generation as an essential operation and allowed the movement of products needed for the same. The Union Ministry of New and Renewable Energy said these energy stations are critical for power supply situation in the country. "Renewable energy generating stations generate electricity and supply to the grid when conventional power plants may not be be running at optimal levels due to fuel supply concerns, SHREYA JA it said.

MORE PAIN FOR AIRLINES DGCA extends ban on int'l flights till Apr 14

All international commercial passenger flights will remain suspended till April 14 aviation regulator DGCA announced on Thursday amid a nationwide lockdown to prevent the spread of the novel coronavirus. The Directorate General of Civil Aviation (DGCA) on March 19 had announced that no international commercial passenger flight operations will take place in India from 1.30 am on March 23 to 5.30 am on March 29. PT

CELEBS STEP UP

Govt clears the air: Drugs can be delivered at your doorstep

SOHINI DAS & PRESS TRUST OF INDIA Mumbai/New Delhi, 26 March

o help citizens locked down in their homes, the Ministry of Health on Thursday allowed doorstep delivery of drugs.

The health ministry invoked section 26B of the Drugs and Cosmetics Act. 1940 to facilitate the doorstep delivery of drugs to consumers. "Central government is satisfied that retail sale of drugs to the doorstep of consumers is essential to meet the requirements of emergency arising due to pandemic COVID-19 and in the public interest, it is necessary and expedient to regulate the sale and distribution of drugs for their delivery to the consumers," it said in the notification.

It added that any person holding a licence under Form 20 or Form 21 under the Drugs and Cosmetics Rules of 1945 to sell, stock or distribute drugs by retail can participate. The licensee needs to submit an e-mail id for registration with the licensing authority if prescriptions are to be received through email.

The drugs shall be supplied at the doorstep of the patients located within the same revenue district where the licensee is located. The bill or cash memo shall be sent by return mail and records of all such transactions shall be maintained by the licensee, the ministry notification said.

Medicines that fall under Schedule H category (class of prescription drugs) would be provided against a valid prescription that can be submitted either physically or over e-mail. In case of chronic diseases, the prescription shall be dispensed only if it is presented to the licensee within 30 days of issue, and in acute cases the prescription shall be dispensed only if it is presented to licensee within seven days of issue.

CLUELESS COP!



A policeman punctures the tyre of a labourer's cart carrying vegetables, to dissuade people from crowding outside a market during the 21-day nationwide lockdown, in New Delhi PHOTO: REUTERS

Cases rising, but the rate is relatively stable: Health ministry

There has been no solid evidence of community transmission of COVID-19 in India as yet and the infection appears to be relatively stabilising considering the rate at which it is increasing, the health ministry said on Thursday.

'While the numbers of COVID-19 cases are increasing, there appears to be relatively a stable trend or even little bit reduction in the rate at which they are increasing," said Lav Agarwal, joint secretary in the Ministry of Healt

Adding a note of caution, Agarwal said the community transmission phase of the disease will begin if the community and the government do not work collectively and follow the set guidelines of social distancing, home quarantine and treatment.

He urged people to support the lockdown announced by the prime minister saying social distancing can be an effective tervention to break the chain of transmi

Agarwal said 17 states have started work on earmarking

efforts will go into waste even if one person does not follow

the policy for containment of the disease. "Continued

people's support for implementation of lockdown is

hospitals for dedicated treatment of COVID-19 patients.

GOING VIRAL

INDIA

▶ 694 CONFIRMED COVID-19 CASES

DEATH TOLL RISES TO 16

KASHMIR reports first virus death; 2 minors test positive; number of cases rises to 13

coronavirus count rises to 27; toll rises to 2 **TELANGANA** reports 4

MADHYA PRADESH

positive cases, among them a doctor couple; total rises to 45

1.8 mn tonnes for April

SUGAR sale quota fixed at

GUJARAT sees 5 new cases; tally rises to 44 **BHILWARA (RAJASTHAN)**

DELHI tally rises to 39

after 4 more test positive

reports death of a 73-year-old

MAHARASHTRA reports 3

more cases, count now 125 PUNJAB sees 2 more cases,

count rises to 33

CHINA bans entry of foreigners holding visas and cuts international flights



CASES TOP 487,000; 22,000 DEAD, 117,700 RECOVERED



CENTRE caps MRP of 3 ply meltblown face masks at ₹16/piece; permits distilleries to make sanitizers IIT KANPUR to develop low-cost portable

ventilators



Hrithik, Mahesh **Babu**, others make donations



Indian cine stars Hrithik Roshan (pictured), Mahesh Babu, and comic-TV host Kapil Sharma on Thursday pledged to donating both funds and medical supplies to help the country combat the ongoing coronavirus pandemic. South superstar Rajinikanth was the first celebrity to come forward by donating₹50 lakh to help daily wage workers. Several A-listers from the south, including Pawan Kalvan and Ram Charan have also ΡΤΙ donated money.

DOWNGRADED TO 'BB' Fitch cuts banks' score of operating environment

Faced with the adverse fallout of COVID-19 on the banking sector in India, Fitch on Thursday revised its midpoint score for banks' operating environment to 'BB' from 'BB+' earlier. Increasing challenges from the pandemic are expected to worsen an already difficult operating environment, it said. ICICI Bank and Axis Bank are susceptible to a downward viability rating pressure, even though they have better income and capital buffers than their peers. ABHIJIT LELE

Narcotics, psychotropics and controlled substances, though, cannot be delivered.

However, online pharmacies sav that they are trying to work out ways of participating in this as they are facing logistical issues.

E-pharmacies that have witnessed a huge surge in demand after the COVID-19 breakout say many issues need to be addressed. "This is a good effort by the government to ensure citizens do not step out of their homes. However, we are still figuring out how to participate. The current challenge is courier companies are not accepting orders and we urge the government to step in," said a senior official of a leading e-pharmacy.

"This, however, does not establish a clear trend and in no way are we relaxed about anything at this point."

Agarwal said the ministry is hopeful of containing the spread of coronavirus by social distancing, conducting a proper contact tracing of positive cases and by ensuring that all people at home quarantine are monitored.

He added that the government needs to build a mechanism by which courier companies can accept and deliver orders for medicines. Most epharmacies deliver through courier firms as they do not have dedicated delivery staff.

Delhi withdraws order

However, on the day Delhi police withdrew an order it had issued earlier allowing several online retail firms to restart their delivery services in the national capital with "immediate effect", officials said.

The police had issued a statement directing its personnel to allow persons and vehicles engaged in essential services to operate in Delhi and listed names of retailers and online delivery services that should be allowed to function. Bengaluru police, too, issued similar orders.

However, the Delhi police order was withdrawn with immediate effect hours after it was issued, stating that revised guidelines will be released and all traffic, picket and beat staff would

GOING OFF TRACK

Freight loading (mt) LHS

1.400

1,200

1,000

800

600

*Till March 26

16-17

17-18 19

18-

Freight earnings (₹ cr) RHS

be briefed accordingly.

The police did not cite any reason for withdrawing its previous order, but a senior police official said essential supplies would continue and a uniform order across states would be issued soon.

PTI

This comes a day after the Delhi police held a meeting with representatives of e-commerce platforms to ensure uninterrupted supply of essential goods and services during the 21day lockdown enforced to contain the spread of the novel coronavirus.

NOT FEELING THE STRAIN People venture out in Jingzhou after the lockdown was eased in Hubei, the epicentre of China's COVID-19 outbreak PHOTO: REUTERS

US DEATH TOLL TOPS 1.000 250,000 positive

deaths

jump to 78

coronavirus cases

SWISS coronavirus cases

top 10,000, with 161

INDONESIA'S fatalities

CANADA sees a 72% surge in confirmed cases

IRAN reports 157 new virus deaths, imposes intercity ban

CHINESE mainland reports zero increase in cases

EUROPE reports more than

SPAIN virus toll tops 4,000, a 19% increase over Wednesday

Coronavirus could become seasonal, says Anthony S Fauci, director, National Institute of Allergy and Infectious Diseases

Coronavirus effect: Rail freight earnings dip 10.7% in March

_140,0

_120,0

_100,0

80.0

60.0

Sour

needed," he said.

SHINE JACOB New Delhi, 26 March

The outbreak of coronavirus disease (COVID-19) and the resultant drop in economic activity has dragged down Indian Railways's freight earnings by 10.72 per cent so far in March, compared to the corresponding period last year. The losses are likely to increase during the 21-day lock-

down announced in the country. The decline in March has led to a 0.28 per cent reduction in annual earnings till March 26 to ₹1.22 trillion, compared to a year ago. With five days left in the month, freight loading is expected to decline further because of the lockdown. In financial year 2018-19 (FY19), there was an 8.86 per cent increase in freight earnings over FY18. The lower numbers this year would mean that the national transporter is likely to fall well short of its revised earnings target of ₹1,37,433 crore.

Freight loading, too, saw a dip of 4.62 per cent in March, though annual freight loading in the current fiscal rose 0.34 per cent to 1,198.59 million tonnes (mt). In FY19, freight loading rose 5.33 per cent to 1,221.39 mt from 1,159.55 mt in FY18. In the past seven days, earnings dropped by 17.80 per cent and loading by 13.30 per cent compared to



the corresponding period last year.

This comes at a time when the Indian Railways has cancelled all passenger train services, including suburban ones, till April 14, as a measure to check the spread of COVID-19. This is the longest shutdown of operations by the railways since the 54-day strike in 1974. However, freight operations are functioning to ensure the availability of essential commodities.

"Close coordination is being maintained with state governments so that rakes of essential commodities are handled smoothly without any delay, amidst various restrictions imposed in the wake of COVID-19," the Indian Railways said on Tuesday.

| | FEELING THE P | INCH (April to M | arch 25) |
|-------|---------------------------|------------------------|----------|
| | Commodity = 2018-19 = 2 | 019-20 (₹ crore) | % Change |
| 000 | Coal and coke | 59,737.64 60,056.01 | 0.53 |
| 00 | Minerals and ores | 12,776.13 14,749.48 | 15.45 |
| 00 | Cement and clinker | 10,007.37 9,193.11 | -8.14 |
| 00 | Iron or steel | 7,985.96 7,361.62 | -7.82 |
| | Chemical manures | 6,549.46 6,449.71 | -1.52 |
| 00 | Foodgrain, flour & pulses | 7,400.01 6,449.00 | -12.85 |
| 00 | Petroleum products & gas | 5,665.45 6,017.70 | 6.22 |
| | Container | 5,787.55 5,948.36 | 2.78 |
| e: IR | Others | 6,080.26 5,648.62 | -7.1 |

On March 23, a total of 891 rakes were loaded by the Railways. This included 474 rakes for essential commodities - including foodgrains, salt, edible oil, sugar, milk, fruits and vegetables, coal and petroleum products. In addition, 121 rakes were allotted for iron ore, 48 for steel, 25 for cement, 28 for fertilizers and 106 for container operations. The total num-

ber of rakes decreased to 714 on March 26.

Among commodities, coal and coke loading has seen a dip of 2.08 per cent till March 25 in the current financial year, owing to a decline in demand from the power sector. For cement and clinker the decline was 3.35 per cent. State-run Coal India had asked the Indian Railways to defer coal loading of rakes for non-power consumers, who do not have their own unloading systems, after the COVID-19 outbreak. However, this drop was partially compensated by an increase of 9.43 per cent in minerals and ores, and 4.71 per cent in petroleum products and gasses, compared to a year ago.

Earning from coal loading saw an increase of 0.53 per cent, while that from minerals and ores rose 15.45 per cent till March 24. The earnings from commodities that were hit severely include foodgrains, flour and pulses, which dropped 12.85 per cent, and cement and clinker, which was down 8.14 per cent.

Following the COVID-19 outbreak, the Railway Board slashed the demurrage and wharfage rates for goods to half the prescribed rates till March 31. The free time for loading and unloading of wagons, and for removal of consignments from railway premises has been increased to double the prescribed free time till March 31.













