

Travel curbs tightened as 1 more tests positive

Additional visa restrictions: People travelling from Italy and South Korea will have to submit a certificate to prove they tested negative for coronavirus

Govt: No shortage of drugs, key ingredients for 3 months

PRESS TRUST OF INDIA
New Delhi, 5 March

A man from Ghaziabad with a recent travel history to Iran has tested positive for novel coronavirus in Ghaziabad, taking the number of cases in the country to 30, as the government on Thursday asserted there was no shortage of medicines or raw ingredients for drugs for the next three months. The government also asked states to form rapid response teams at district, block and village levels. In some relief for Telangana, blood samples of two persons from the state which were sent to the National Institute of Virology (NIV) in Pune for confirmation tested negative.



CORONAVIRUS OUTBREAK

India-EU summit, to be attended by PM Narendra Modi, being rescheduled: MEA
Working with Iranians for return of Indians: Jaishankar
Virus could halt domestic steel price rally, increase downside risk for the sector: ICRA, Ind-Ra
All primary schools in Delhi to remain shut till March 31
Paytm Gurugram office shut for 15 days, Zoho offers work from home
Delhi govt suspends biometric attendance
Goafest 2020 postponed but Abby Awards, held during the fest, will be conducted

coronavirus. The list includes the first three cases in the country from Kerala last month. The three persons have

been discharged following recovery. Meanwhile, five people who came in contact with the Paytm employee who works in Gurugram and lives in west Delhi have been tested and quarantined till their results come in, Delhi government health officials said. The Paytm employee, who tested positive for the contagious disease with flu like symptoms on Wednesday, came in touch with 91 people, an official said. Delhi government health officials are also coordinating with their counterparts in Noida to ascertain the number of people he came in contact with. Deputy Chief Minister Manish Sisodia announced that all primary schools in the national capital would remain closed till March 31. The outbreak cast a shadow on the India-EU summit, which was slated to be held later this month. MEA spokesperson Raveesh Kumar said India and EU have decided to reschedule PM Modi's visit to Brussels.

1.5 million bpd* CUT IN OIL OUTPUT SUGGESTED BY OPEC	94,534 INFECTED GLOBALLY	3,270 DEAD AROUND THE WORLD
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*bpd: barrels per day



An official uses thermal screening device on tourists in the wake of coronavirus, at Taj Mahal in Agra on Thursday

E-tailers see spike in demand for masks, sanitizers

PEERZADA ABRAR
Bengaluru, 5 March

With the rise in number of coronavirus cases, e-commerce companies such as eBay, Flipkart, and Amazon are witnessing a massive demand for sanitizers, masks, and disinfectants not just from India but also from the US and countries in Europe and West Asia. Most of these products are, however, becoming out of stock, according to industry executives. US-headquartered e-commerce marketplace eBay said: "We have been able to do a significant volume of business in exporting masks, sanitizers and various other health-related items over the past fortnight. There is a triple-digit growth for us in the health vertical," said Vidmay Naini, country manager at eBay India. eBay has more than 100,000 sellers associated with it in India. Industry executives, who did not wish to be quoted, said customers were avoiding the items sourced from China, throwing an opportunity for India sellers to fill that gap. Amazon and Walmart-owned Flipkart are also witnessing a huge uptick for these products. "The stocks are depleted, and sellers are not able to even supply them to the medical stores," said an e-commerce industry executive.

Opec backs biggest cut since 2008 crisis

REUTERS
5 March

Oil prices edged lower on Thursday as the coronavirus epidemic showed no signs of slowing, with deaths mounting globally, but losses were limited as major producers agreed on deeper output cuts to bolster prices. The Organization of the Petroleum Exporting Countries (Opec) agreed to cut oil output by an extra 1.5 million barrels per day

TAKING A HIT

- Moscow yet to signal support for bigger output cut
- Oil price slide hits Opec members' budgets hard



World food prices dip in February, says UN
Iran says virus deaths reach 107 amid 3,513 confirmed cases
US virus death toll hits 11; FBI investigate nursing home
South Africa confirms first case
New infections may drop to 0 by end-March in Wuhan: Expert

(bpd) in the second quarter of 2020, its deepest cut since the 2008 financial crisis, but made its action conditional on Russia and others joining in. Still, analysts and traders said global oil markets are likely to be oversupplied in the second quarter. Brent crude fell by 34 cents, or 0.7 per cent, to \$50.79 a barrel. Russia has so far indicated that it would back an extension rather than deeper production cuts. "Russia has so far dragged its feet in committing to more cuts," Capital Economics analysts said.

Foxconn's revenue hammered

REUTERS
5 March

Apple's manufacturing partner Foxconn reported its biggest monthly drop in revenue in about seven years as the coronavirus outbreak continued to play havoc. The Taiwanese company, which assembles Apple's iPhones, saw revenue sink 18.1 per cent in February — the biggest monthly fall since March 2013 and the third straight month of decline. It warned the coronavirus epidemic would hit its bottom line in the first quarter. Foxconn is among manufacturers worldwide grappling with virus-related curbs that have disrupted supply chains and dampened demand. Apple, its top client, rescinded its March quarter sales guidance, citing a slower ramp up of manufacturing in China amid travel restrictions and an extended Lunar New Year break. Foxconn said in a stock exchange filing that revenue fell to \$7.28 billion in February. The company warned earlier this week that revenue would fall more than 15 per cent in businesses including consumer electronics and telecommunications products in the first quarter.

Airfares to UK, US drop 20-30%

ANEESH PHADNIS
Mumbai, 5 March

Airfares to Europe and the US have dropped 20-30 per cent as companies cut travel and people hold off booking leisure trips, say experts. Travel restrictions are in place only for a limited number of countries but people are cancelling or postponing travel to prevent the spread of coronavirus. "A Mumbai-New York return economy class ticket in May is now available for around ₹65,000. Normally this would cost upwards of ₹80,000. Similarly, non-stop return tickets to London during the same period are being sold for ₹50,000 which is around 17 per cent cheaper than usual," said Rakshit Desai, managing director of FCM Travel Solutions. An executive from a European airline said loads have declined 30 per cent in the last few days. "Right now on our outbound flights, passengers mostly comprise Europeans or US nationals returning home from their India trip or Indians visiting the US on long visits or work visas. Those travelling for



Virus could cost airlines \$113 bn in 2020: IATA

The airline industry could lose up to \$113 billion in revenue this year due to the impact of the new coronavirus, the International Air Transport Association (IATA) warned on Thursday. The IATA estimated revenue losses to airlines' passenger business of between \$63 billion and \$113 billion — with the higher figure for a scenario where the virus spreads more widely. The more dire prediction amounts to a 19 per cent loss in worldwide passenger revenues, IATA said. It was a far bleaker assessment than two weeks ago, when IATA forecast revenue losses would come in at \$29.3 billion. "AI DIVESTMENT DIFFICULT" "Equity markets are already quite weak at the moment. The industry is being hit by the shock of the coronavirus... That makes it (AI divestment) quite difficult at this moment," IATA Chief Economist Brian Pearce said.

UN: Trade impact for India at \$348 mn

PRESS TRUST OF INDIA
5 March

The trade impact of the coronavirus epidemic for India is estimated to be about \$348 million, as the country figures among the top 15 most affected economies, as slowdown of manufacturing in China disrupts world trade, according to a UN report. Estimates published by United Nations Conference on Trade and Development

(UNCTAD) said that the slowdown of manufacturing in China due to the coronavirus (COVID-19) outbreak is disrupting world trade and could result in a \$50 billion decrease in exports across global value chains. The most affected sectors include precision instruments, machinery, automotive and communication equipment. Among the most affected economies are the European Union (\$15.6 bil-



People stand in a queue to receive prophylactic medicines at an AYUSH centre, in Hyderabad

lion), the United States (\$5.8 billion), Japan (\$5.2 billion), among others. The trade impact for India is less as compared to other economies such as EU, the US, Japan and South Korea.

Can't cherry-pick issues under Vivad se Vishwas, clarifies govt

DILASHA SETH
New Delhi, 5 March

Picking and choosing issues under one order will not be allowed and the tax dispute will be settled under the direct tax dispute resolution scheme, which is yet to be notified. Disputes relating to wealth, securities transactions, commodities transaction tax, and the equalisation levy will not be covered under the Vivad se Vishwas amnesty scheme. The declarant has to deposit the disputed tax amount within 15 days of the determination of the tax liability by a designated authority. The clarification gives little time to assessee to square up by March 31 because the Bill is yet to be enacted. These clarifications were part of the 55 frequently asked questions (FAQs), released by the Central Board of Direct Taxes (CBDT) on Thursday. The appellant must choose to settle all issues and then only would he or she be eligible to file a declaration, the FAQs said. Under the scheme, taxpayers will get a refund of the excess of the tax payable under the scheme in case one has paid the disputed tax during litigation. "The appellant will be entitled to refund without interest under Section 244A of the Act," one of the clarifications said. The Lok Sabha on Wednesday passed the Bill. Being a money Bill, it does not require the Rajya Sabha's nod. However, it will go to the Upper



ILLUSTRATION: BINAY SINHA

House, which can recommend changes, but it will be up to the Lok Sabha to accept those or not. After that it would go to the President for assent before notification. This would leave assessee with barely a fortnight to avail of the maximum benefit from the scheme. While a waiver of interest and penalty will be given in the case of payment by March 31, an additional 10 per cent of the disputed amount will have to be paid after that till June 30. There are more than 400,000 such cases, involving at least ₹9.3 trillion. The FAQs further said the scheme would also cover tax deducted at source (TDS) and tax collected at source (TCS) disputes that are pending in appeal. "If there is no dispute relat-

ed to TDS or TCS and there is delay in depositing such TDS/TCS, then the dispute pending in appeal related to interest levied due to such delay will be covered under Vivad se Vishwas," it added. Although matters pending before the Authority of Advance Ruling (AAR) are not covered under the scheme, the cases against which an appeal has been filed can come under it and the AAR order has determined the tax liability. "To illustrate, if the AAR has given a ruling that there exists Permanent Establishment (PE) in India but the AO has not yet determined the amount to be attributed to such PE, such cases cannot be covered since the total income has not yet been determined," the Board

cited an example. The FAQs further said where notice for initiating prosecution had been issued with reference to tax arrears, the taxpayer had a choice to compound the offence and opt for Vivad se Vishwas. However, the scheme will not cover cases where prosecution has already been instituted and is pending in court. It further clarified the declarant would be required to withdraw appeals over tax disputes at the time of paying the amount determined by the designated authority and not at the time of filing a declaration under the scheme. The scheme offers a waiver of interest, penalty and prosecution for settling disputes pending before the commissioner (appeals), income tax appellate tribunals (ITATs), high courts, or the Supreme Court as of January 31, 2020. It also offers a 50 per cent discount on the principal tax amount where an appeal has been filed by the I-T department. Amit Singhania, partner, Shardul Amarchand Mangaldas & Co, said the applicability of secondary adjustment in the case of transfer pricing disputes overshadowed the benefits expected out of the scheme. Rakesh Nangia, chairman, Nangia Anderson Consulting, said there was very little time for taxpayers to opt for the scheme and also for the tax authorities to evaluate all the applications.

Rail, defence procurement to soon be through GeM portal

SUBHAYAN CHAKRABORTY
New Delhi, 5 March

Public procurement by two of the country's largest government purchasers, the ministries of defence and railways, will soon be subsumed under the Commerce Department's Government e-Marketplace. By September, all general use goods and services currently purchased through the Indian Railways E-Procurement Systems (IREPS), the Defence e-Procurement portal, and the Central Public Procurement Portal, will have to be made through GeM, officials said on Thursday. IREPS publishes over 30,000 tenders every month and has an online transaction value of ₹10,600 crore as of mid-2019, according to the Centre for Railway Information Systems. "Under the unified procurement system plan, all portals would be brought under GeM, allowing both the buyer as well as thousands of vendors more clarity and options on the tenders, such as price discovery," said Tallen Kumar, chief executive officer of GeM. The move is part of a measure dubbed GeM 4.0, that seek to position it as the largest source of public procurement in the country, a long-term aim of the Prime Minister Narendra Modi-led government to reduce corruption, costs, and increase transparency, efficiency and scope of public purchases.



THE STORY SO FAR

Procurement through GeM (cumulative)	₹48,890cr
Number of orders made on GeM	3,606,889
Number of products and services on offer	2,091,674
Number of registered buyers	43,880
Number of registered sellers/service providers	342,455
Including MSME sellers	76,276
Women sellers	10,144
Start-up sellers	4,397

Source: Government e-Marketplace

Offline buying continues However, government departments registered on GeM continue to make purchases outside the portal. Finance Minister Nirmala Sitharaman said the ministry was looking into ₹91,000-crore worth of purchases done by government departments and public sector undertakings (PSUs) outside the GeM system, as of October 2019. Senior officials confirmed to Business Standard that this figure has only risen since then. GeM officials stress that the government's General Financial Rules (GFR), 2017, mandate that all public procurement be routed through the portal. "The rate at which new products and services are being added that will soon make any excuses of

products not being available on the portal, redundant," Kumar said. Official estimates by the commerce department show a target of ₹50,000 crore in 2019-20, ultimately hitting ₹1 trillion worth of procurements by 2021. Kumar also clarified that GeM would not be opened up to private buyers anytime soon, as had been announced earlier. The move was set to bring the government in direct competition with major e-tailers, and could happen sometime later, if at all, Kumar added. **New features galore** The government will also roll out non-monetary incentives for buyers and sellers for timely payments, seller referral and catalogue corrections, among

other actions. These rewards can be used to access benefits like faster approvals and priority help desks. Seen as a step to woo small firms, the government has started offering credit facility to MSMEs (micro, small, and medium enterprises) on GeM through the Trade Receivables Electronic Discounting System (TReDS). It is a bill discounting service supported by Small Industries Development Bank of India for pre- and post-shipment of products. Meanwhile, as small businesses have continued to complain of massive payment delays by government bodies, GeM has pushed the 'pool accounts', where states can make advance payment for their purchases but can't debit, thereby, eliminating the chance of non-availability of funds. Blockchain technology will also be used for the first time for bulk procurement of pharmaceuticals, and automatic generation of provisional receipt certificates. The Uttar Pradesh government will test out the new system. A system of new seller ratings, taking into account buyer and user feedback, apart from transaction history will also be rolled out. The portal has also onboarded most public sector enterprises, banks and state governments. While Goa and Rajasthan have recently started purchasing through the portal, Karnataka remains the only glaring exception that still buys outside GeM, officials said.