

Business Standard



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COMPANIES P2 DAMANI BEATS COVID CRISIS, NET WORTH UP 11%



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GOLDMAN SLASHES INDIA'S GDP GROWTH FORECAST TO 1.6%

Goldman Sachs expects the global economy to sink into recession in 2020, and sees the Covid-19 pandemic take global gross domestic product (GDP) to a negative 1.8 per cent in 2020. The latest forecast is a 5 percentage point (pp) downward revision since early this year, and around 3 pp lower than the March 22 forecast. The global research house has lowered India's real GDP forecast to 1.6 per cent for 2020-21, from 3.3 per cent earlier. This, however, is still higher than the US, which it now sees contracting to -6.2 per cent in 2020. **5▶**

Pending tax refunds of up to ₹5 lakh soon

The Centre has decided to issue pending refunds for income tax (up to ₹5 lakh), goods and services tax and customs worth ₹18,000 crore immediately to benefit scores of taxpayers amid the coronavirus lockdown. The move is aimed at helping many overcome cash crunch due to the closure of shops and business operations as well as delayed salaries and job losses. It is expected to benefit 1.4 million taxpayers.



PERSONAL FINANCE: Stopping SIP set to become simpler

Many fund houses don't yet offer the pause facility but are scrambling to put one in place for investors, writes SANJAY KUMAR SINGH **9▶**

OPINION: Fiscal space: Not if but how

In the first part of a series, DEVESH KAPUR & ARVIND SUBRAMANIAN argue the means must be found to avert potential economic and social collapse post-Covid **6▶**

RBI puts HDFC Bank's key appointments on hold

The Reserve Bank of India (RBI) has put on hold the appointment of Sashidhar Jagdishan and Bhavesh Zaveri to HDFC Bank's board till a new managing director and chief executive officer assumes charge. The bank had asked for approval from the RBI in November last year for appointing Sashidhar Jagdishan as an additional director and Bhavesh Zaveri as executive director (whole-time director) of the bank.

Bernie Sanders ends presidential bid

Bernie Sanders ended his presidential run on Wednesday after a string of stinging defeats left him without a credible path to the Democratic nomination, anointing Joe Biden as the party's de facto standard bearer. Sanders's move came after an unbroken string of losses in recent weeks that cemented Biden's all-but-insurmountable lead in delegates. **BLOOMBERG**

Firms weigh measures to adapt to post-Covid world

Sanitisation, social distancing top of the agenda as shop floors get ready to open again

SURAJEET DAS GUPTA, SUDIPTO DEY, SHALLY SETH MOHILE & ARNAB DUTTA
New Delhi/Mumbai, 8 April

Indian manufacturers are bracing for a new reality — a fundamental change in the way shop floors are run once the nationwide lockdown to contain the spread of coronavirus (Covid-19) is relaxed.

A raft of new protocols are being discussed with the government or are in the process of being finalised. For example, workers in big factories will soon be walking through fumigation chambers in order to get sanitised before they enter the premises.

The first virus check will be at the factory buses taking them to work. The workers' body temperature will be checked with infra red thermometers, and as is the plan for flights, they will be seated with one seat vacant between them to ensure social distancing. This is one of the suggestions being considered by the Automotive Component Manufacturers Association (ACMA).

CEOs agree that in the post-Covid world, all shop floors will undergo major changes, with more automation and artificial intelligence taking over some functions to ensure social distancing while pushing for productivity.



STRATEGIC SHIFT Protocols companies are planning to adopt after factories reopen

- To test temperature in factory buses; keep alternate seats vacant
- Use fumigation chambers before factory entry
- Adopt more automation
- Restrict entry of outsiders
- Rework shift duties
- Use personal protective equipment for certain functions
- Sanitise shop floor after every shift

The new mood is summed up by R C Bhargava, chairman of Maruti Suzuki: "Earlier, the focus was safety so that accidents were minimised, and the aim was to get to zero. Now, it will be health, and to protect workers from the virus, so that you have zero incident of infection. The standard operating procedures (SOPs) will fundamentally change."

Auto paints company Nippon Paints India has a twelve-point agenda for its factories once the lockdown is lifted. This includes avoiding

any overlap or interaction between two shifts and sanitising the plants with the help of professional agencies, rather than in-house. The company also plans to come up with a self-declaration form to be filled by employees every day with details of their state of health. Moreover, it is buying thermal scanners, and also personal protective equipment (PPE) where needed.

Says Sharad Malhotra, president of Nippon Paints India: "Some of them are specific till the

Stop pvt labs from charging testing fee, SC tells govt

Reimbursement of expenses incurred will be considered later

SOHINI DAS & PTI
Mumbai/New Delhi, 8 April

The Supreme Court (SC) on Wednesday suggested that the Centre devise a mechanism which prevents private laboratories (labs) conducting coronavirus (Covid-19) tests to not charge an exorbitant amount from the public. It also asked the government to reimburse the fee charged by labs.

A Bench of Justices Ashok Bhushan and S Ravindra Bhat was hearing a plea filed by advocate Shashank Deo Sudhi seeking direction to the Centre and authorities to provide Covid-19 testing facility gratis to all citizens.

A Velumani, founder and chairman of Thryocare, a lab that is roughly handling 250 samples per day in Mumbai, feels two-three separate agencies need to be appointed to make the testing process simpler and faster.

He says there can be a nodal agency for collection. Private labs use private agencies for sample collection. Around four-eight such collection agencies can be appointed in India by the government to cover all pincodes.



TESTING TIMES

₹4,500
Charges for screening and confirmation test of Covid-19

121,271
Covid tests done in the country so far

139
Functional labs under ICMR network

65
Private labs given approval

• A PIL has sought a direction to govt to provide free of cost testing facility to all citizens

The government will pay them for collection, and they will also undertake collection for testing in both public and private labs. Velumani thinks the cost of collection (manpower cost) will be around ₹500 per patient. **Turn to Page 11▶**

RUPEE CLOSSES AT RECORD LOW OF 76.38 A DOLLAR

The rupee closed at a record low of 76.38 a dollar, which strengthened against emerging market currencies. The rupee lost nearly 1 per cent from its previous close of 75.64 a dollar, while the Reserve Bank of India (RBI) did not intervene to check rupee's depreciation, a senior currency dealer said.

MARKET RALLY LOSES STEAM

The Indian markets posted strong gains in early Wednesday trade, with the benchmark indices adding 4 per cent to last day's 9-per cent gain, but the rally lost steam over fears of an extended lockdown **8▶**



₹1-trn stimulus package for MSMEs on cards

MANOJ KUMAR & AFTAB AHMED
New Delhi, 8 April

A second stimulus package the Centre is poised to announce in coming days will be worth around ₹1 trillion and focus on help for small and medium businesses weathering the coronavirus outbreak, two senior officials said on Wednesday.

Last month, the government outlined a ₹1.7-trillion economic stimulus plan providing direct cash transfers and food security measures to give relief to millions of the poor hit by an ongoing 21-day nationwide lockdown.

The second package could be focused largely on MSMEs (micro, small and medium enterprises)," one of the senior government officials, with direct knowledge of the plan told *Reuters*.

The official said a separate package could be announced for bigger companies after assessing the extent of the hit they have faced due to the lockdown imposed to fight the outbreak.

Small businesses account for nearly one-quarter of India's \$2.9 trillion economy and employ more than 500 million workers, according to government estimates.

The new package aimed at MSMEs could include increases in the limits of bank loans for working capital needs, hiking threshold limits for availing of tax exemptions, and relaxing rules for deposits of income tax and other dues, the people aware of the matter said.

A finance ministry spokesman declined to comment. **Turn to Page 11▶**



RELIEF IN SIGHT

- Increase in the limits of bank loans for working capital needs
- Hike in threshold limits for availing of tax exemptions
- Rules for deposits of income tax and other dues to be relaxed
- A separate package could be announced for bigger companies later
- Last month, govt unveiled ₹1.7-trillion economic stimulus plan to give relief to millions of poor hit by Covid-19

Residential builders stare at a bleak year

RAGHAVENDRA KAMATH
Mumbai, 8 APRIL

We did very few deals (sales) after the lockdown was announced. Who will come to do booking in these times," said Niranjn Hiranandani, managing director of the Mumbai-based Hiranandani group, one of the largest developers in the country.

Hiranandani has online response teams, which are on the job in the residential properties space.

Another top Mumbai developer said he had seen a huge drop in sales since April 1. "If the lockdown was not there, we would have done good sales during this time of the year," he said.

Sandeep Runwal, director at the Runwal group, said the company had done sales online in Dombivli, Parel, and the Thane area of the Mumbai Metropolitan Region. He said his firm was "pushing customers to look at their projects" and buy.

These are not isolated cases of drops in residential sales after the lockdown was announced in the country on March 24.

Developers of residential properties have seen sharp drops in the past 15-odd days and the rest of the year does not look rosy, say consultants.

CREDAI-MCHI, a body of developers in Mumbai, has pegged the drop in sales booking at around 80 per cent in the February-March period this year. The March quarter of the current calendar year (Q1, calendar year 2020) saw about a 30 per cent decline in sales of properties in top cities, said property consultant JLL India.

This is the second highest fall in residential sales in the past five years, after Q1, 2017, when the decline, due to the note ban, was 37 per cent. **Turn to Page 11▶**

NEW LAUNCHES CEMENT GODREJ PROPERTIES' MARCH QUARTER NUMBERS

REALTY BITES

30%
Decline in sales of residential properties in March quarter

52%
Fall in sales in Bengaluru in Q1 CY2020, the highest in the country

25-35%
Estimated drop in housing sales this calendar year

25-30%
Drop in launches likely

455,351
units unsold inventory as of Q1 2020, as against 442,228 in Q4 2019



Sources: JLL, Anarock