ASHOK GULATI

India needs an East-focussed **stimulus package** of 5% of GDP

EDITORIAL

Labour reforms a must if India is to thrive, parl panel's recommendations not bold enough

PAWAR TO PM

'Don't limit packages to businesses, lenders; states need help too'

'MOUNTAIN OF PROBLEMS'

UK PM Johnson 'raring to go' at Downing Street from today

KOLKATA, MONDAY, APRIL 27, 2020

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FINANCIAL EXPRESS

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READ TO LEAD

IN THE NEWS

₹10,700-cr GST, customs duty refunds in 16 days

THE CENTRAL Board of Indirect Taxes (CBIC) has cleared over ₹10,700-crore refunds in GST and customs duty during April 8-23. In the 'Special Refund and Drawback Disposal Drive', CBIC cleared over 1.07 lakh GST and IGST ₹9,818.12-crore refund claims, reports **PTI**. Over 1.86 lakh customs and duty drawback refund, totalling ₹915.56 crore, was processed.

Demand for gold plunged about 95% on Akshaya Tritiya

WITH JEWELLERY shops shut due to the lockdown, the demand for gold on auspicious Akshaya Tritiya day is estimated to have plunged around 95% and only negligible sales happening through digital mode, reports **PTI**. A sharp rise in gold prices by over 52% in the last one year is also a dampener.

COVID COMBAT

Now, states seek forest funds

Odisha, with highest surplus amount of ₹5,500 cr under CAMPA funds, takes the lead

~₹50,000 cr
Corpus with state compensatory afforestation funds (CAMPA)

1-1.5
percentage points
Saving in interest cost seen if states borrow from CAMPA

■ States are exploring the option of borrowing a portion of the corpus to reduce the current funds crunch, which prompted many to front-load market borrowings

PRASANTA SAHU
New Delhi, April 26

IN ANOTHER INSTANCE of the government tapping resources other than the budgetary funds — assorted receipts and market borrowings — to meet heightened expenditure requirements during the pandemic and its aftermath, some states are discussing with the Centre the option of availing of soft loans from the funds lying with the Compensatory Afforestation Fund Management and Planning Authorities (CAMPA) at the state level. These CAMPA funds, mostly parked in central government securities, are estimated to be worth over ₹50,000 crore at present.

The Centre had earlier asked the states to tap the district mineral funds (DMF) to meet their contingency spending needs; Odisha, one of the mineral-rich states which oversees large DMF funds aggregating ₹7,000 crore, has even asked the Centre to remove the cap of 30% cap on the use of DMF to fight Covid-19 in each affected district.

Odisha finance secretary Ashok Meena said: "The state oversight authority (headed by a former Supreme Court judge) of the CAMPA fund has given us the permission to borrow from CAMPA. Now, we are awaiting the accounting norms from state Accountants General (AG)." He said the state would pay the same interest that the fund generates from investments in central G-Secs.

Continued on Page 2

BUREAUCRATIC REJIG

Tarun Bajaj to be new DEA secy

FE BUREAU
New Delhi, April 26

TARUN BAJAJ, currently an additional secretary at the Prime Minister's Office, will take over as the economic affairs secretary after Atanu Chakraborty retires on April 30, according to an official order on Sunday.

In his current capacity, Bajaj, a 1988-batch Haryana cadre IAS officer, has handled over a dozen ministries and subjects, including home affairs, electronics and IT, communications, Aadhaar, DBT, digital payments, information and broadcasting, monitoring of PM's announcements and unit monitoring the implementation of crucial programmes. Chakraborty, a 1985-batch IAS officer of the Gujarat cadre, will retire after an over nine-month stint at the helm of the economic affairs department.

The appointment of Bajaj comes at a time when the economy has been facing an unprecedented crisis due to the Covid-19 outbreak, and is expected to grow at just 1.9% in FY21, according to an IMF estimate, or even lower. The government needs to roll out stimulus packages to prevent large-scale job losses and rebuild the economy, even though tax mop-up is expected to drop by at least ₹2 lakh crore this fiscal.

Continued on Page 2

PM-CMs MEETING TODAY

On table: Migrants, more easing, financial support

In meeting with state chief secretaries, Cabinet secy reviews preparedness even as India records highest one-day rise in cases

EXPRESS PHOTOS: PRASHANT NADKAR & AMIT CHAKRAVARTY

(Clockwise from top) An NGO readies Iftar packets to be distributed for free to 15,000 families in Malad; a Navi Mumbai pizza chain opens for takeaway orders; people at a mobile shop in Kozhikode

ABANTIKA GHOSH
New Delhi, April 26

IN HIS THIRD video conference with chief ministers of all states after the March 24 lockdown scheduled on Monday morning, Prime Minister Narendra Modi is likely to ask them not to let their guard down in the fight against Covid-19, and exercise caution by ensuring adequate social distancing even as several states in prepare for a staggered exit from the second phase of the lockdown that ends on May 3.

Four key demands are likely to be made by several states in the Monday meeting: special trains to transport migrant workers to their home states, permission to allow more economic activities in non-hotspots, financial resources to support small businesses and the vulnerable, and additional health care equipment like PPEs, testing kits, and ventilators.

A day before the meeting, Rajasthan chief minister Ashok Gehlot told *The Indian Express* that the nationwide lockdown should be modified and economic activities allowed in non-hotspots. "There was some relaxation for industries and shops... That is fine, but more activities should begin because the revenue of states has become zero. When there is no revenue, how will states work," he said.

Continued on Page 11

COVID-19 UPDATE

26,917 TOTAL CASES

875 DEATHS SO FAR

1,945 NEW CASES

Delhi's plasma donors: 'Want to save lives..., corona sees no religion'

ASTHA SAXENA & SOURAV ROY BARMAN
New Delhi, April 26

"IF I AM able to save the life of even one person, I will count myself lucky." That's how 36-year-old Tabrez Khan, among the first plasma donors in the national capital, summed up his decision to volunteer for the procedure.

"We heard about plasma therapy and how it is saving the lives of other coronavirus patients. This was when I contacted the hospital. Doctors were quite happy and they explained the procedure to me," said Tabrez, who had tested positive for coronavirus on March 20 and, having recovered, reached out to the Institute of Liver and Biliary Sciences a month later.

Continued on Page 11

1 lakh PPE coveralls produced a day

THE GOVERNMENT on Sunday said the production capacity of PPE coveralls required by medical personnel treating Covid-19 cases has been ramped up to more than 1 lakh per day, with Bengaluru emerging as a major hub for its production. Nearly 50% of the coverall production is from Bengaluru. ■ **P2**

Workers keep control rooms busy

MIGRANT WORKERS and those working in mines, railways, banks and major ports in the central sphere are making good use of the control rooms set up by the labour ministry meant to address their issues relating to sustenance, wage and jobs. On a pan-India basis, 20 such control rooms are getting an average of 100 calls daily. ■ **P2**

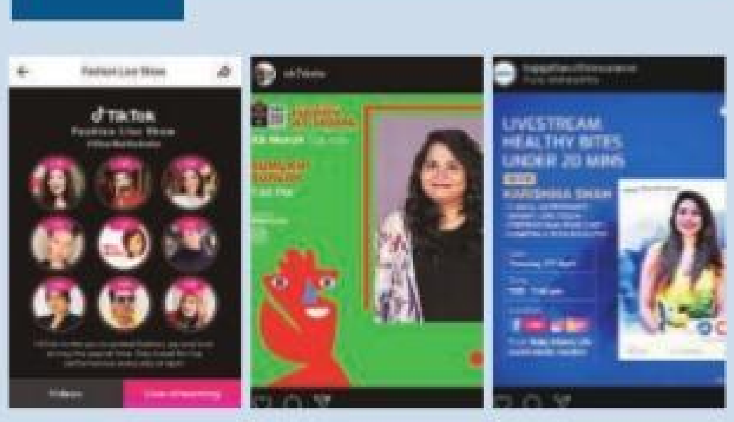
Gurgaon: Work from home may continue

MNCs, BPOs and IT-enabled services (ITES) in Gurgaon may have to allow their employees to work from home till the end of July, Gurgaon metropolitan development authority CEO VS Kundu said. He, however, said they have got the green signal to resume construction activities but within the norms of social distancing. ■ **P3**

China seizes 89 m shoddy face masks

CHINA HAS confiscated over 89 million poor quality face masks, a government official said on Sunday, as Beijing faces a slew of complaints about faulty protective gear exported worldwide. Regulators had also seized ineffective disinfectants worth over 7.6 million yuan ($1.1 million), the Chinese government said. ■ **P11**

FE SPECIALS



BRANDWAGON, P10
The show must go online
The live streaming feature on social media platforms is seeing a huge uptake

eFE, P8
Cash flows run dry for startups
With startups seeing fall in revenues, they need to modify their business models in the post-pandemic period

PERSONAL FINANCE, P9
Plan with insurance as first step
Now is the time to assess where you are in relation to financial goals, tax planning & cash inflows

INFRASTRUCTURE, P4
A hamper full of opportunities
Retail turnover at transit hubs has the potential to grow exponentially by 2030, boosting the viability of infra projects

SCIENCE & TECH, P5
Apps need self-regulation
As our lives come to depend on internet and apps, it is time we try to introduce the concept of accountability

IN EXCESS

Foodgrain stocks hit all-time high of 73.85 mt in April

HARISH DAMODARAN
New Delhi, April 26

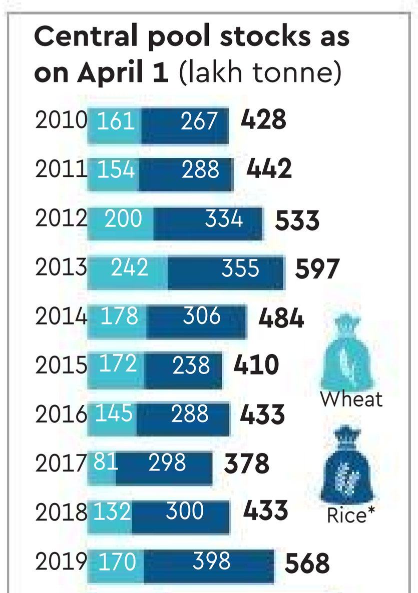
FOODGRAIN STOCKS IN the central pool stood at 73.85 million tonne (mt) as on April 1, the highest ever for this date and three-and-a-half times the minimum operational-cum-strategic reserve requirement of 21.04 mt.

The 73.85 mt figure includes 24.70 mt of wheat and 32.24 mt of rice. In addition, the Food Corporation of India (FCI) and state government agencies were holding 25.24 mt of un-milled paddy, whose rice equivalent, at an outturn ratio of 67%, worked out to 16.91 mt.

Wheat stocks, at 24.7 mt, were 3.3 times the necessary level of 7.46 mt for April 1, when procurement of the new crop that arrives in the markets begins. The previous record for this date was 24.21 mt in 2013 (see table). Rice stocks (inclusive of the milled paddy equivalent) were also at an all-time-high of 49.15 mt and 3.6 times the normative minimum of 13.58 mt for April 1.

The build-up of stocks to such high levels is mainly a result of governmental procurement of grain exceeding offtake from the central pool. In 2019-20 (April-March) alone, total procurement amounted to 80.64 mt, comprising 46.51 mt rice and 34.13 mt wheat. Against this, the aggregate offtake was just over 62 mt. That included 52.85 mt under the National Food Security Act (NFSA), 3.77 mt under midday meals and other welfare schemes, and 5.25 mt of open market sales through e-auctions.

Central pool stocks as on April 1 (lakh tonne)



*Includes rice equivalent of un-milled paddy
Source: Department of Food & Public Distribution

Continued on Page 11

CRUDE CRASH

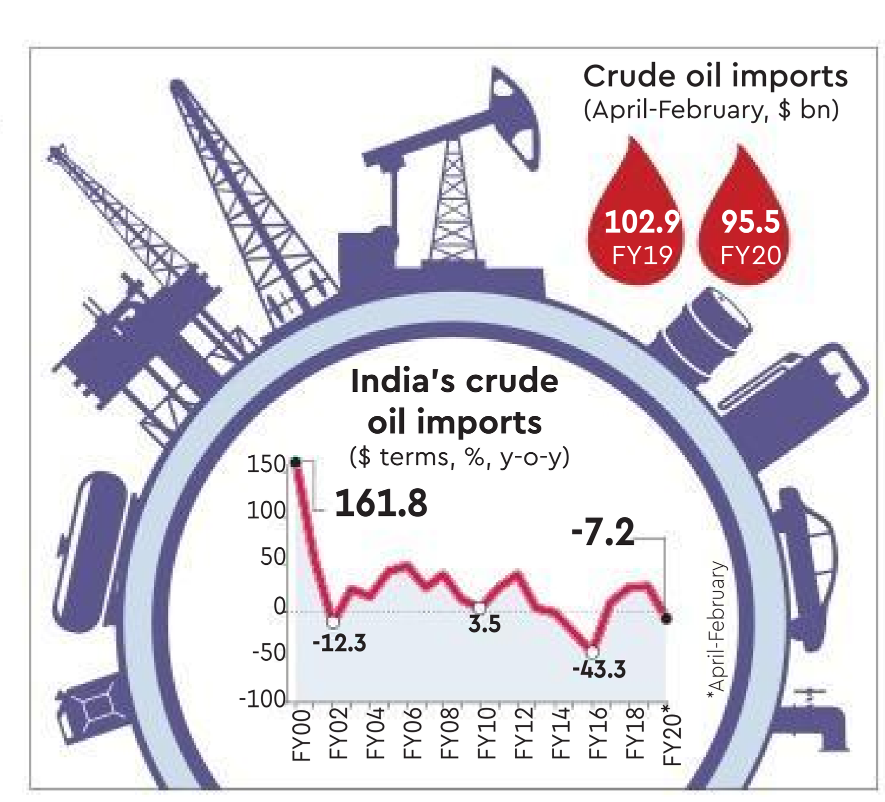
Oil reserves get a leg-up since Mar, yet import bill shrinks in FY20

ANUPAM CHATTERJEE
New Delhi, April 26

INDIA HAS RAMPED up its strategic oil reserves since mid-March in view of the slump in crude prices and hopes to fill it to the brim by May end, yet, the country's oil import bill in FY20 could be just a little over $100 billion, much lower than $111.9 billion reported in FY19.

Against the projected $111.3 billion (233 million tonne) for FY20, India imported just $95.5 billion (207 million tonne) of crude oil in April-February of the fiscal, which was even 7.2% lower than in the year-ago period (6.6% lower in rupee term).

Though the March import data have not been officially released yet, according to global oil market research agency Refinitiv, India imported 20.3 mt of crude in the month — the highest monthly import volume since October 2019. Purchases continued at a brisk pace in April too. The monthly average imports in April-February FY20 was 18.8 mt.



Continued on Page 2

FUNDING COVID WAR

Tax super rich, say IRS officials

FE BUREAU
New Delhi, April 26

A REPORT PREPARED by Indian Revenue Services (IRS) officials has proposed raising income tax rate to 40% for those earning over ₹1 crore a year for a limited time period, reintroduction of wealth tax for individuals with net wealth of ₹5 crore and imposition of a one-time Covid-19 cess of 4% on taxable income of over ₹10 lakh to mobilise revenue in the aftermath of the pandemic.

Among other measures, the report suggests that inheritance tax, which was abolished in 1985, should be brought back as this would reduce concentration of wealth, widen tax base and enhance revenue. It also proposed that equalisation levy or 'Google tax' should be raised by 1-7% for ad services and 3% from 2% for e-commerce to tap revenue from online services that have flourished during the pandemic.

Continued on Page 2
■ **Report 'an act of indiscipline', says govt, Page 2**

■ Impose **40% tax** on annual income **above ₹1 crore** per year

■ **Bring back wealth tax** on wealth **above ₹5 cr** for limited time period

■ **New 4%** Covid-19 cess on annual **income above ₹10 lakh**

■ Bring back **inheritance tax**; raise **Google tax** on online services

QuickPicks

Kapil & Dheeraj Wadhawan in CBI custody: Maharashtra minister

THE CBI has taken into custody former DHFL board members Kapil and Dheeraj Wadhawan, Maharashtra home minister Anil Deshmukh tweeted on Sunday, reports **fe Bureau** in **Mumbai**. The central investigating agency is probing the matter pertaining to alleged swindling of money by Yes Bank promoter Rana Kapoor, the Wadhawans and others. **PAGE 2**

No need for fresh directive on prepaid validity, says Trai

TRAI HAS decided not to issue any fresh directive to telecom operators on prepaid validity extension for now, as they have offered benefits to low-income users amid the lockdown and indicated it will be open to considering further measures in due course, reports **PTI**. **PAGE 3**

EMERGING MODELS

Small firms giving up office space to save rent

ASMITA DEY
New Delhi, April 26

WITH REVENUES DRYING and receivables piling up, several small firms are fast switching to a work-from-home model to save on rent. The managements at these firms reckon that teams of anywhere between 10 and 100 people should be able to function effectively enough even if they don't meet everyday.

Pranshu Sikka, founder and CEO at marketing consultancy The Pivotals, has already told his landlords in Noida the firm is moving out and says he will soon take a call on co-working spaces in Mumbai and Bengaluru. "We need to conserve cash and saving on rent is one way to do this," Sikka said, pointing out he's not sure if the firm will be able to recover the dues which are now close to a third of the annual revenues.

Kewal Kapoor, director, Chai Kreative, an advertising and consulting company, said the firm may altogether give up a physical office and slowly transition to using video-conferencing and other telecommunication facilities. Kapoor pointed out that with receivables having risen to about ₹3 crore and revenues having halved, it would make sense to give up the offices in New Delhi and Mumbai. "Rents account for about 8% of revenues and we can use the money elsewhere," Kapoor added.

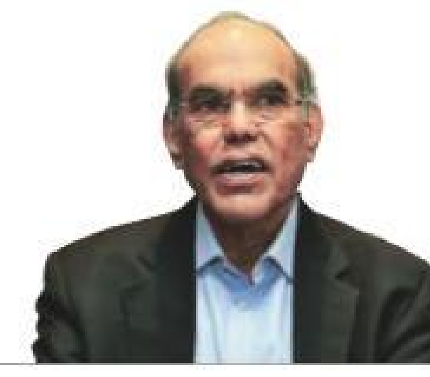
City	Region	Co-working** (₹)	Conventional commercial real estate** (₹)
Mumbai Metropolitan Region	CBD	17,575-27,075	24,500-30,000
	SBD	11,700-18,000	25,000-32,000
New Delhi	CBD	13,300-19,000	28,000-32,000
	SBD	2,700-7,200	10,000-20,000
Bengaluru	CBD	7,125-14,250	10,000-18,000
	SBD	3,600-7,650	6,500-15,000
Chandigarh	ALL	4,750-7,600	6,000-9,500
Noida	ALL	4,750-9,500	6,000-10,000

*Noida excludes Greater Noida **per desk/month, CBD: Central business district
SBD: Secondary business district
Source: ANAROCK Research

Continued on Page 2

Economy

MONDAY, APRIL 27, 2020



GROWTH PANGS

Duvvuri Subbarao, former RBI governor

Most analysts believe that this year India will actually have negative growth or growth will contract. We must remember that even ahead of the crisis two months ago our growth slowed. Now it has completely stopped.

Quick View

Maha ancillary units want relaxation

ANCILLARY INDUSTRIES IN Maharashtra have appealed to the state government to relax certain conditions so that they can resume operation amid the coronavirus-induced lockdown.

Spices exports up 10% in 2019-20

INDIA'S EXPORTS OF spices grew 10% to \$3.7 billion (about ₹28,100 crore) in 2019-20 on account of healthy demand in developed as well as developing countries. Exports stood at \$3.32 billion in 2018-19. Experts said ginger and cardamom significantly helped to push exports of spices.

CBIC clears ₹10,700-crore refund in 16 days

THE CENTRAL BOARD of Indirect Taxes (CBIC) has cleared over ₹10,700 crore of refunds in the GST and customs duty between April 8 and 23. In the 'Special Refund and Drawback Disposal Drive', CBIC officers have cleared over 1.07 lakh GST and IGST refund claims worth ₹9,818.12 crore.

Over 1.86 lakh customs and duty drawback refunds were processed, totalling ₹915.56 crore, the CBIC said in a tweet. "CBIC is committed to help GST Taxpayers/Exim Trade during #COVID19. Expeditious sanction of refunds during Special Refund Drive provide relief to trade, especially MSMEs," it said.

The government on April 8 said to provide relief during Covid-19, it has been decided to issue pending GST and custom refunds to help businesses, including MSMEs. **PTI**

FIGHTING COVID-19

PPE coverall daily production capacity ramped up to 1 lakh

PRESS TRUST OF INDIA
New Delhi, April 26

THE GOVERNMENT ON Sunday said the production capacity of PPE coveralls required by medical personnel treating Covid-19 cases has been ramped up to more than 1 lakh per day, with Bengaluru emerging as a major hub for its production.

"The PPE kits are being sent to states by the Ministry of Health as per requirement. Ministry of Health & Family Welfare, Department of Pharmaceuticals and Ministry of Textiles are continuously working with various industry bodies, stakeholders and manufacturers on 24x7 basis, to streamline the supply chain, remove bottlenecks and maintain a steady supply of all materials required for the healthcare professionals," an official statement said.

Nearly 50% of the coverall production in the country is from Bengaluru. Other than Bengaluru, PPE coveralls are also being manufactured by approved production units in Tirupur and Coimbatore in Tamil Nadu, Ahmedabad and Vadodara in Gujarat, Phagwara and Ludhiana in Punjab, Kusumnagar and Bhiwandi in Maharashtra and Dungarpur in Rajasthan. These are also being made in Kolkata, Delhi, Noida, Gurugram and a few other places.

"The cumulative production till date is approximately one million coverall units," the statement issued by the textile ministry said.

Body coveralls (PPE) have a stringent technical requirements as prescribed by the Ministry of Health & Family Welfare since it is a specialised protective suit meant for high level of protection to health professionals.

HLL Lifecare is the designated single-window procurement agency for hospitals and healthcare organisations under the Ministry of Health & Family Welfare.

In the last week of January, the technical standard for coveralls was prescribed as per WHO class-3 exposure pressure, in accordance with ISO 16003 or its equivalent. "Such materials were being manufactured by a few international companies, who expressed their inability to supply on account of a complete glut in stocks and ban of exports by the source countries. Only a limited quantity was offered and procured by the procurement organisation of the Ministry of Health & Family Welfare," the statement said.

Don't limit packages to biz, lenders; states too need succour: Pawar to PM

FE BUREAU
New Delhi, April 26

NCP SUPREMO SHARAD Pawar has written to Prime Minister Narendra Modi urging him to extend an additional untied grant of ₹1 lakh crore to the Maharashtra government for FY21, given that the state, one of the worst hit by the Covid-19, is facing shortfall of a similar amount to sustain the projected expenditure in the year. Estimating a 40% shortfall in revenue receipts from the budgeted level and arguing that covering this entirely through market borrowings could push the state to a debt trap, Pawar also sought a two-year moratorium on NSSF repayments.

Pawar's letter to Modi dated April 25 echoed similar demands raised by many states including Kerala and Punjab, and underlined the notion that cutting spending was hardly an option for states at this juncture.

The former Maharashtra chief minister wrote: "... it is heartening that central packages have been released for the poor and vulnerable, financial institutions, businesses and others. Similar packages need to be given to states."

Pawar's letter to Modi, dated April 25, echoed similar demands raised by many states including Kerala and Punjab

Pawar added: "In the eventual recovery of the Indian economy, the states will play a major role and if left out without our help, the states will not be in a position to supplement the required national government efforts."

He also supported the idea of monetisation of a part of central government deficit, mooted recently by several economists, including former RBI governor C Rangarajan. "There should not be a problem in central government resorting to deficit financing. It is felt that borrowing by the central government will be much more efficient and cheaper compared to borrowing by the states," he contended.

It may be noted that many states have front-loaded their borrowings in Q1FY21. The RBI recently enhanced the WMA for states by 60% (from the level as on March 31) to about Rs 51,560 crore for H1FY21 to encourage the states to spread out their borrowings.

Pawar's move comes at a time when several state governments could become a lot more indebted in FY21 as they are borrowing at a faster rate than the Centre, marring their recent track record of being less profligate. Some states are asking for FRBM forbearance, allowing them to raise the deficit level to as much as 5%.

Hard-pressed, some states are even disregarding the exorbitant costs such fund-raising entails, in a clearly risk-averse, jittery market.

Migrant workers making good use of control rooms

FE BUREAU
New Delhi, April 26

MIGRANT WORKERS AND those working in mines, railways, banks and major ports in the central sphere are making good use of the control rooms set up by the labour ministry meant to address issues related to sustenance, wage and jobs.

While over 80% of the calls are genuine and officials under chief labour commissioner (central) Rajan Verma managing such rooms are trying to sort out the callers' problem with their employers; some calls do perplex them.

On a pan-India basis, 20 such control rooms are getting 100 calls every day on an average. One in five calls they receive is frivolous. Control rooms were also mandated to deal with the problems of migrant workers through coordination with various state governments.

"Whenever there is a distress call, our officers are dealing with them on a priority basis. Upon receiving calls, our officers are intervening and taking the matter to the relevant principal employers. Our success rate is quite good. We are able to solve around 80% of the problems flagged to us," said Verma.

However, after some days of the launch, it was found that a good number of calls are pertaining to various states — beyond the jurisdiction of the CLC (C).

As labour is on the concurrent list, Union labour minister Santosh Kumar Gangwar wrote all the states requesting them to designate a nodal officer from the labour department to coordinate with control rooms set up by the Centre.

CBI takes custody of Kapil and Dheeraj Wadhawan

FE BUREAU
Mumbai, April 26

Kapil Wadhawan

THE CENTRAL BUREAU of Investigation (CBI) has taken Kapil and Dheeraj Wadhawan, promoters of Dewan Housing Finance Corporation (DHFL), in its custody, Maharashtra home minister Anil Deshmukh tweeted on Sunday. "A CBI team has taken both Kapil and Dheeraj Wadhawan into custody," Deshmukh said in his tweet.

The CBI is investigating the matter pertaining to alleged swindling of money by Yes Bank promoter Rana Kapoor, Wadhawans and others.

Kapil, Dheeraj Wadhawan and 21 others, including their family members, were placed in home quarantine at their property in Mahabaleshwar in Maharashtra by the Satara Police, after they had violated Covid-19 lockdown. It was found that the Wadhawan family had travelled from Khandala in Pune district to the family's farmhouse in Mahabaleshwar violating the lockdown.

Maharashtra home minister on Sunday said the Satara police has handed over Wadhawan brothers to the CBI. "Satara Police has given them all required assistance and escort vehicle with 1+3 guard up to Mumbai on a written request," Deshmukh further said in his tweet. An inquiry had also been initiated against principal secretary of home department Amitabh Gupta for issuing a letter permitting Wadhawans to travel from Khandala to Mahabaleshwar during the lockdown.

The CBI is probing the role of Wadhawan brothers regarding allegations that DHFL received ₹3,700-crore of loan from Yes Bank by paying bribes to erstwhile promoters of the private bank. Wadhawans were also being probed by the Enforcement Directorate in another criminal case linked to late gangster Iqbal Mirchi.

The Reserve Bank of India on November 20, 2019 superseded the DHFL board and appointed R Subramaniakumar as an administrator.

Govt calls 'FORCE' report an 'irresponsible act'

FE BUREAU
New Delhi, April 26

THE 'FORCE' REPORT prepared by some IRS officials was 'ill-conceived', and its circulation to the media through the twitter handle and website of the IRS Association was 'an irresponsible act of few officers', sources in the finance ministry said on Sunday. The report released on Sunday suggested 40% tax on super-rich earning over ₹1 crore and a Covid-19 cess on income above ₹10 lakh, among other measures.

Sources said that neither the IRS Association nor any group of officers mentioned in the said report were ever asked by the government to give any report on the subject. In fact, it was not even part of their duty to prepare such a report.

Therefore, it is prima facie an act of indiscipline and violation of conduct rules, which specifically prohibit officers to go to the media with their personal views on official matters without taking prior sanction or the permission of the government, an official said.

"The concerned officers will have to explain their misconduct. The chairman, CBDT, has been directed to seek explanation from these officers for writing such 'ill-conceived views' in public without having any authority to do so," a senior finance ministry official said.

The report received widespread flak on the social media prompting the IRS Association to tweet: "The paper FORCE by 50 young IRS officers suggesting policy measures had been forwarded by IRSA to CBDT for consideration. It doesn't purport to represent the official views of entire IRS or the IT department."

From the Front Page

Covid combat: Now, states seek forest funds

STILL, RESORTING to CAMPA funds is cost-efficient for Odisha: Investment in G-secs fetches up to 4.5% interest for securities up to 364 days (maximum maturity allowed) whereas the state pays about 6% interest for loans up to one year from the market. So, there is a differential of 1.5 pps.

A finance ministry official said some other state governments have also shown interest in borrowing from their respective state CAMPA funds, but refused to name them.

The CAMPA funds have been transferred to the states over the past few years by the Central CAMPA on the direction of the Supreme Court. Under the Forest (Conservation) Act 1980, the central CAMPA collects money for diversion of forest land for non-forest purposes such as industrial projects.

The fund has to be used for carrying out compensatory afforestation across the country and the idle fund has to be invested in interest bearing instruments, ie, central G-Secs and bank deposits as specified by the SC. However, the court has also delegated the power to the state oversight authorities to take decisions regarding management of funds. Besides central G-secs, there have been instances of state CAMPA funds being invested in state development loans (SDLs) of other states except in SDL of the same state.

The Reserve Bank of India norms don't allow investment of any state funds, including CAMPA funds in any instrument if a state taps the central bank's Ways and Means Advances (WMA), making the funds lie idle without any interest income, the Odisha finance secretary said.

Among the states, Odisha CAMPA fund has the highest surplus amount of ₹5,500 crore. The state wants to borrow 60% from the fund when needed instead of borrowing costly funds from market.

Looking for alternative sources of low-cost funds, at least two states -- Odisha and Maharashtra – are also seeking soft loans from their cash-rich undertakings. Odisha is planning to borrow from Odisha Mineral Bearing Areas Development Corporation, a state government undertaking with which a robust corpus of ₹17,000 crore lying unutilised, to Maharashtra, which is expecting a huge shortfall in revenue receipts in at least the first three months of this fiscal, is also looking at the option of tapping cash surpluses with the state PSUs for additional funds.

Market analysts reckon that the states and the Centre would end up resorting to substantial extra borrowings over and above their budget estimates in FY21, a possibility which is getting priced in the bond auctions already. With many states planning to front-load borrowings in Q1FY21, RBI recently enhanced the WMA for states by 60% (from the level as on March 31) to about ₹51,560 crore for H1FY21 to encourage the states to spread out their borrowings.

Bureaucratic rejig: Tarun Bajaj to be new DEA secy

RAJESH VERMA, currently the special secretary in the agriculture department, will be the new corporate affairs secretary after Injeti Srinivas retires at May end.

Official sources have indicated that the total fiscal intervention could be to the tune of 3-4% of GDP (or ₹6-8 lakh crore). However, the government will come out with several rounds of measures to respond to the evolving situation, instead of declaring one big-bang package. NITI Aayog has projected the need for an even higher fiscal stimulus of ₹10 lakh crore, including income assistance to the poor, equity support to corporate India, absorption of a portion of MSME bad loans and increased health care spending. The government had last announced a ₹1.7-lakh-crore relief package for the poor and the vulnerable on March 26.

According to the official order, the term of health secretary Preeti Sudan has been extended by three months beyond April 30, ostensibly in view of the pandemic.

Sudhanshu Pandey, currently an additional secretary at the commerce ministry, has been appointed new food secretary in place of Ravi Kant. Tarun Kapoor, a 1987-batch IAS officer of Himachal Pradesh cadre who is currently vice-chairman of the Delhi Development Authority, will be the new petroleum secretary.

Consumer affairs secretary Pawan Kumar Agarwal will be the special secretary for logistics in the commerce ministry. Pradip Kumar Tripathi, current a special secretary at DoPT, will be the new steel secretary, while Nagendra Nath Sinha will take over as the new rural development secretary.

Also, Indu Shekhar Chaturvedi has been appointed secretary in the ministry of new & renewable energy (MNRE). The existing MNRE secretary, Anand Kumar, has been appointed the secretary in the ministry of culture, the order further said.

Small firms choose to work from home to save rent

INDEED, AS hundreds of smaller businesses vacate offices and co-working spaces, those in the business of leasing out office space could be in a spot. Rishabh Jain, CEO, Kalpataru Industries, told FE that his company is not able to find tenants for some of its properties that it leases out. The firm has announced a 50% pay cut for all employees and may be "forced" to let go of some if the situation worsens, Jain added.

As firms move to vacate offices, some landlords have been willing to lower rents. Dushyant Sinha, founder of PR firm ICCPL Group, said he had managed to negotiate a 50% reduction in the rent. Moreover, the rents for the branch offices which are housed in co-working spaces in Mumbai and Chandigarh, too, have been halved," Sinha said.

However, if the lockdown is extended, the company may give up the co-working spaces. Given the Indian economy could well contract in 2020-21, following the disruption to the pandemic, even bigger companies may encourage some employees to work from home. For small businesses, there may be no other option.

Raman Singh, co-founder and CRO at CloudConnect Communications, said the firm is readying to work from home through 2020 and will give up the branch offices if the situation does not get better soon. "Nearly 10%-20% of our clients have deferred their payments," Singh said. Ishaan Khosla, co-founder at Gurgaon-based start-up incubator Huddle, said letting go of office will reduce the company's operating costs and allow it more room to negotiate with both clients and employees. "On the whole, working from home will have a net positive impact on the firm's bottom line," Khosla said.

Oil reserves get a leg-up since Mar, yet import bill shrinks in FY20

REFINITIV SAID Indian "refiners were among the first to cash in on the low-price environment", and were "among the first to pick up the extra Middle Eastern (West Asian) barrels".

India's crude import bill may decline by 57% to \$43 billion in FY21 if the Indian basket price remains subdued at around \$25 a barrel through the current fiscal year, in what could give a big relief to the country's current account. The price of the Indian crude oil basket, which stood at an average of \$64 a barrel in January, is now around \$20.

Indian basket has fallen 39% month-on-month in March to \$33.36 a barrel. Even though currently there is very low demand for petroleum products owing to the lockdown to contain the coronavirus outbreak, Indian refiners have picked up more than usual quantities of crude from global markets, apparently to fill up the storage caverns.

Meanwhile, domestic consumption of petroleum products in FY20 remained flat at 213.7 MT as sales of transportation fuels plummeted in March amid the country-wide lockdown.

According to provisional data by the government's petroleum planning and analysis cell, diesel usage dipped 1.1% to 82.6 mt in FY20, while demand for the aviation turbine fuel fell 3.6% to 8 MT in the financial year. Sources said petrol and diesel demand in the first half of March was 60% lower year-on-year. The demand must have plunged further in the second half of the month and remained at the level in April.

However, the additional low-cost imports, experts pointed out, may be used to fill up the country's strategic petroleum reserves. According to sources, about 60% of the 5.3 mt the country's strategic reserve capacity is currently full, and state-owned oil marketing companies (OMCs) are using their procurement channels to take advantage of the current low crude prices to fill it up to the brim by the end of May.

The government had estimated FY20 crude imports at 233 MT, at a cost of \$111.3 billion. However, the projections assumed the average Indian basket crude price at \$66 per barrel between October, 2019 and March, 2020, whereas the actual rate was \$56.7 per barrel.

The country's strategic petroleum reserve facilities are located in Visakhapatnam (1.3 mt), Mangaluru (1.5 mt) and Padur (2.5 mt). As per the consumption pattern of FY18, the storage is estimated to provide for about 9.5 days of crude oil requirement. On March 16, OMCs had stock for another 64.5 days. Crude can be stored in the facilities for as long as 60 years.

Battling the virus: Tax super rich, say IRS officials

JUSTIFYING THE new 40% slab for super-rich, the report said: "Most high-income earners still have the luxury of working from home, and the wealthy can fall back upon their wealth to cope with the temporary shock. In view of several European economists, taxing the wealthy would be the most "progressive fiscal tool as wealth is far more concentrated than income and consumption". However, the report said the levy could be for a limited period and its proceeds can be utilised for a specific projects, whose progress can be monitored by the public.

Further, it said a 4% cess on income above ₹10 lakh per annum would help mobilise ₹15,000–18,000 crore. For the upcoming financial year 2020-21, there is a target of 12% increase in the gross tax revenue at ₹24.2 lakh crore. However, the slowdown in economy coupled with Covid-19 will dent the revenue collections especially in direct taxes, it said.

The IRS Association has sent the report to the Central Board of Direct Taxes (CBDT) which had sought inputs from field formations across the country on economic revival. This report, titled Fiscal Options & Response to Covid-19 epidemic (FORCE) has been prepared by a group of 50 young IRS officials with the senior-most official of the group being from 2014 batch.

The officials also recommended that a Give It Up campaign should be launched on the lines of LPG subsidy scheme, where many well-off people voluntarily surrendered their LPG subsidy benefits. "The tax department can encourage the super rich and those willing, to give up at least one tax subsidy/tax deduction/tax concession for only a year — for example: an individual could voluntarily opt for giving up his/her 80C deduction for a year," it said.

The report has also proposed wide-ranging measures to provide relief to taxpayers to boost consumption, including deferring tax payment for those who have lost jobs, allowing additional deduction from taxable income under Section 80C for interest payment on house or automobile purchase.

For the welfare of MSMEs, the officials have suggested that cash transaction limit be restored to ₹20,000 from ₹10,000 currently. Tax audits for businesses below ₹10-crore turnover be exempted for the current fiscal year, the report said. The current threshold is ₹1 crore. MSMEs with tax liability of less than ₹10 lakh should also allowed to pay the demand next year, the report said, adding that the measure will improve cash flow of nearly a third of small businesses. Further, the report batted for back-loading of advance tax as corporate profits are likely to significantly suffer, at least in the first two quarters of this fiscal. Advance tax schedule should be rationalised to mandate a payment of only 25% of total taxes till September 2020 without payment of interest, it said. Currently, 45% advance tax is required to be deposited by September 15.

Moreover, the government should provide enhanced depreciation for buildings other than those used mainly for residential purposes (currently at 10%) and depreciation rate on plant and machinery (currently at 15%), the report said and added that the step would reduce tax flow and encourage capital expenditure. Relief in late filing fee of TDS returns and late deposit of TDS has also been recommended. To stimulate liquidity for corporates, the option of making interest on late deposit of TDS a tax-deductible expense for FY21 can be explored, it said.

LOCKDOWN DAMPENER

Gold demand on Akshaya Tritiya sinks 95%

Sharp rise in gold prices by over 52% in the last one year is also a dampener

PRESS TRUST OF INDIA
New Delhi, April 26

WITH JEWELLERY SHOPS shut due to the lockdown to control coronavirus, the demand for gold on auspicious Akshaya Tritiya is estimated to plunge by around 95% and only negligible sales happening through digital mode.

Sharp rise in gold prices by over 52% in the last one year is also a dampener.

Industry body for jewellers said that sales would only be 5% compared to last year's Akshaya Tritiya, although Kalyan Jewellers is more optimistic and expected sales to be 10% of the normal demand.

"With a complete shutdown of showrooms during Akshaya Tritiya, which has fallen within the lockdown 2.0, jewellers have gone online or digital to cater to their customers. We are expecting only up to 5% business compared to last year. People still prefer to touch and feel gold jewellery before buying," All India Gems and Jewellery Domestic Council chairman Anantha Padmanaban said here.

He said jewellers all across have come out with innovative offers to attract customers for digital purchases, including locking of prices, gold ownership certificates, among others.

"Any physical delivery or purchase will happen after the lockdown. We expect the industry will gradually limp back to normalcy in May and June. We expect the demand to peak during Diwali," he added.

Akshaya Tritiya, also known as Akha Teej, is an annual spring time festival considered auspicious in many regions (especially in the south and the west) for beginning new ventures, marriages, expensive investments such as in gold.

Sowing of Kharif (summer) crop begins on Akshaya Tritiya in many states. On this day, the construction of chariots for the Ratha Yatra festivities also begins in Puri, Odisha.

This Akshaya Tritiya also taking place when gold was scaling since January, when Covid-19 pandemic began to spread across the world.

Saurabh Gadgil, the CMD of PNG Jewellers, said bookings have been steady throughout the day.

"We are expecting 10-15% business compared to last year. Mostly people are booking small denomination pure gold of 2-3 grams. Jewellers are attracting customers by offers like e-vouchers and e-certificates," he added.

He said jewellers are also offering price-lock as the gold is ruling at around ₹48,000 per 10 grams and will go up further as stocks will dwindle in absence of gold imports.

Kalyan Jewellers CMD T S Kalyanaraman said, the circumstance of this year's Akshaya Tritiya is radically different with as the company's over 140 showrooms across India and the Middle East are closed.

"This year's sales cannot of course be compared to a regular brick and motors showroom sale during Akshaya Tritiya," he said, adding that "in the limited time since the announcement of our Akshaya Tritiya offering and given the current circumstances, we were expecting to clock about 10 per cent of our usual Akshaya Tritiya sales, this year".

Kalyan Jewellers has launched the Gold Ownership Certificate program on the digital platform early last week to attract consumers.

World Gold Council, India, MD Somasundaram PR said there is significant un-satiated investment demand as gold has been the best performing asset class and is poised to continue.

Gold is ruling at around ₹48,000 per 10 grams. In the last one year, gold prices have gained by over 52% compared to Akshaya Tritiya in 2019 (7 May 2019), when the gold price was at ₹31,496 per 10 grams, he said.

Gold is sought after for its role as a safe haven in the current times when anxiety rules high about the scale of economic impact and the recovery path, which is yet uncharted.

"Lockdown, high prices, income worries and postponed weddings have kept consumer demand subdued, almost nonexistent in many towns. Online sales by some large jewellery retailers and digital platforms like SafeGold and MMTC-PAMP have facilitated customary token purchases in urban areas in support of tradition. We believe that this Akshaya Tritiya could spark an innovative trend in retailers' interface with consumers in emerging times - and it will be good for gold, and the broader economy," Somasundaram added.

Suvankar Sen, Executive Director, Senco Gold and Diamonds opined that customers who are under lockdown but at the same time do not want to miss out on purchasing gold or jewellery for the auspicious are not only getting a chance to avail of substantial discounts on gold rates and waivers on making charges but also getting an opportunity to contribute to the COVID-19 relief fund through their purchases.

Retailers witness spike in sale of private labels as supply lines disrupted

PRESS TRUST OF INDIA
New Delhi, April 26

LEADING RETAILERS FUTURE Retail, Walmart and Metro Cash & Carry have witnessed a spike in their private labels as supply lines from other manufacturers are disrupted amid the lockdown. The retailers said their in-house brands in essential categories such as staples and food have witnessed over two-fold jump in sales during the period of lockdown.

The retailers have pushed their private labels to fill the gaps in supply chain due to production shortage and transportation from other manufacturers

The retailers have pushed their private labels to fill the gaps in supply chain due to production shortage and transportation from other manufacturers, and even introduced new products under their private labels during the crisis. Encouraged by the customers response, retailers are also now extending their private labels in categories such as packed foods and beverages, a segment which is largely dominated by the leading FMCG companies.

"Our private label brands have witnessed encouraging growth in the past few weeks and yes we have been able to cater to our customer needs through our own brands. In our own brands, we have the flexibility to launch products and packs based on our target groups," Metro Cash & Carry India MD & CEO Arvind Mediratta said.

It has ramped up capacities in almost all essentials categories ranging from - pulses, flours, rice, oil amongst others, besides other key categories in personal and home care products such as hand wash, sanitiser, and cleaners to ensure availability of stocks at its stores during the lockdown.

"Own brands under categories such as personal care, FMCG processed food, snacking, tea are growing over 100% and grocery like rice, flour, oil over 150%. Furthermore, we have seen our own brands gaining a share by almost over 1%," he added. According to Future Retail, which runs retail brands like Big Bazar and Easy-Day, it has also witnessed a 'significant increase' in sales volume of private labels at its stores after the lockdown.

"We have witnessed this trend in segments such as - staples, grains, snacking and spices," a Future group official said, adding 'there is a significant increase in that'.

On being asked whether the company expects this trend to continue post lockdown, he said it can not be ascertained at this stage but definitely consumers have got a taste of their private labels and may figure in their future shopping list.

Walmart India also pushed its private labels and introduced hand sanitisers under its private label brand Great Value Hand Rub Aqua swiftly to meet the demand for hygiene products, which spiked during the lockdown. "We have ramped up several categories across our private brands to fill any gaps in supply chain arising due to production shortages from manufacturers or transportation of the products to our locations. "In order to ensure that our members can seamlessly procure essential items across categories, we have also ramped up new product development in our private brands segment and fast-tracked commercialisation of products such as sanitisers, liquid washes and bulk packs of staples," said Walmart's India spokesperson.

Gurgaon MNCs may have to work from home till July end: Official

JATIN TAKKAR
Gurgaon, April 26

MNCS, BPOS AND IT enabled services (ITES) in Gurgaon may have to allow their employees to work from home till the end of July, says Gurgaon Metropolitan Development Authority CEO V S Kundu.

Kundu, who is also additional chief secretary of Haryana, added that several real estate projects, including those of DLF, have got the green signal to resume construction but within the norms of social distancing.

Gurgaon, which is part of the National Capital Region, is known as the millennium city and is home to many BPOs, MNCs and technology giants, including Infosys, Genpact, Google and Microsoft.

The Gurgaon district administration had issued an advisory in mid March asking MNCs, BPOs, IT companies, corporates and industries to allow work from home.

"As of now it appears this advisory for work from home will continue till end of July. All those who have offices in Gurgaon should continue to work from home to the extent possible," Kundu said. Kundu, who is in charge of handling the Covid-19 crisis for Gurgaon district, said it is advisable that companies should ensure that as many employees as possible work from home. This might not be possible in the case of industries and the manufacturing sector but should be followed wherever possible, he added.

Kundu said few construction sites at GMDA and NHAI projects have been allowed to resume work within the norms of social distancing. "Construction sites where labourers are already staying on the site or those where labourers stay within walking distance are allowed to resume work while adhering to social distancing norms," he said. Such is the nature of the coronavirus pandemic that no one knows 'when we will go back to previous normal', the GMDA CEO said. "You may have to go to a new normal."

Besides being a corporate hub, Gurgaon is also a hub for the automobile industry.

It has reported 51 Covid-19 cases. Of these, 35 have recovered. It is in the red zone and is the worst affected district along with Nuh, Palwal and Faridabad in Haryana.

The state has reported 289 cases (including 176 who have been cured, discharged or migrated) and three fatalities, according to the Union health ministry on Sunday.

Kundu described the situation in Gurgaon as 'fairly under control' and said there is no evidence of community transmission. Gurgaon has effectively been under lockdown since March 22, two days before Prime Minister Narendra Modi's announcement of a pan-India shutdown to stem the spread of the disease.

— PTI

Trai: No need for fresh directive on prepaid validity

PRESS TRUST OF INDIA
New Delhi, April 26

TRAI HAS DECIDED not to issue any fresh directive to telecom operators on prepaid validity extension for now, as they have offered benefits to low-income users amid the lockdown and indicated it will be open to considering further measures in due course.

Regulatory sources said the operators had responded to queries by the Telecom Regulatory Authority of India (Trai) on the issue, and their replies backed by data were considered by the authority in a detailed review.

Given that companies have complied with Trai's call and announced measures for low-income users to stay connected amid the lockdown, the regulator felt there is no need to come out with specific new instructions for now.

The authority will be keeping a close watch to see how the situation evolves, Trai sources told PTI. The matter will be reviewed again accordingly, they added.

E-mails sent to operators Bharti Airtel, Vodafone Idea and Reliance Jio remained unanswered.

India had decided to extend lockdown restrictions till May 3 to contain the spread of the coronavirus pandemic.

During the first phase of lockdown, telecom operators had announced benefits for low-income prepaid users to help them tide over the ongoing crisis.

Recently, Vodafone Idea announced extension of incoming service for 90 million low-income prepaid customers using feature phones, till May 3. Bharti Airtel also said it is extending validity of 30 million low-income prepaid customers till May 3.

Reliance Jio has announced that every Jio user will continue to receive incoming calls. This will not only benefit low-income users but also those who are unable to recharge during these challenging times.

Infrastructure

MONDAY, APRIL 27, 2020

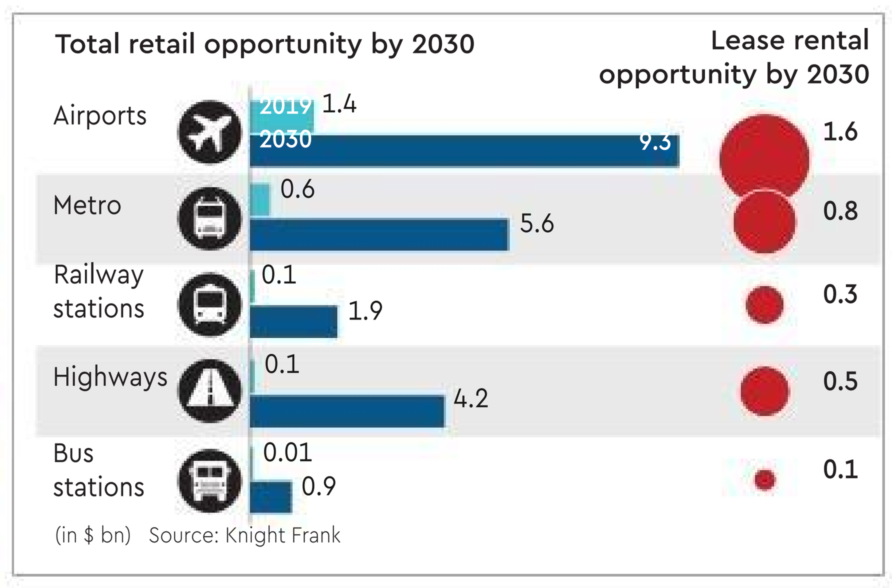
EXPERT VIEW

Railway EXIM container volumes declined by 9% y-y (in tonnage terms) in Mar'20, largely maintaining their market share vs roads y-o-y. Among key commodities, only the rail movement of iron ore showed growth in March (+~6% y-o-y)

—Nomura

TRANSIT RETAIL

A hamper full of opportunities



Retail turnover at India's transit hubs has the potential to grow exponentially in the coming decade, boosting the viability of infrastructure projects in the process

B V MAHALAKSHMI

FOR INDIA THAT is pursuing an ambitious programme to augment its transport infrastructure, including airports, Metro networks and highways, organised transit retail offers a huge opportunity over the coming decade. Being largely confined to the airport sector at present, the size of transit retail is estimated at a mere $2.2 bn, a figure that could grow exponentially with creation of retail infrastructure at transit hubs. Most important, higher revenues from the segment would reduce the dependence of transport projects on passenger tariffs and help many of them achieve viability.

According to Knight Frank India's 'Catch Them Moving', a report on transit retail, the total retail opportunity across transport hubs is estimated to grow to $21.6 bn by 2030, driven by healthy growth in passenger traffic and expansion of infrastructure. The lease rental opportunity is estimated to rise from $1 bn at present to $3.2 bn by 2030. Further, monetisation of transit-oriented retail assets would allow the government to generate $10 billion, opening a revenue stream for future infrastructure creation, the report has outlined.

Says Shishir Baijal, CMD, Knight Frank India, "India is going through an infrastructure revolution. The government's focus on developing transport modes is opening up unprecedented opportunities for the organised retail segment. Creation of retail infrastructure at transport nodes through public private partnership would allow operators and retailers to monetise the potential of guaranteed footfalls."

Says Anuj Puri, chairman, Anarock Property Consultants, "there is immense potential for retailers to tap a large chunk of travellers who inevitably have some wait-period at transit hubs." However, this would require the government building retail infrastructure, which is still at a nascent stage at transit hubs, barring airports. Space utilisation is very important, with a transit hub ensuring visibility for its retail mix. A rental model that makes for a win-win proposition for both retailers and owners is another factor, Puri stresses. Baijal concurs when he says, "transit hubs will have to create space with prominence and visibility, smart revenue models and provide the right product mix."

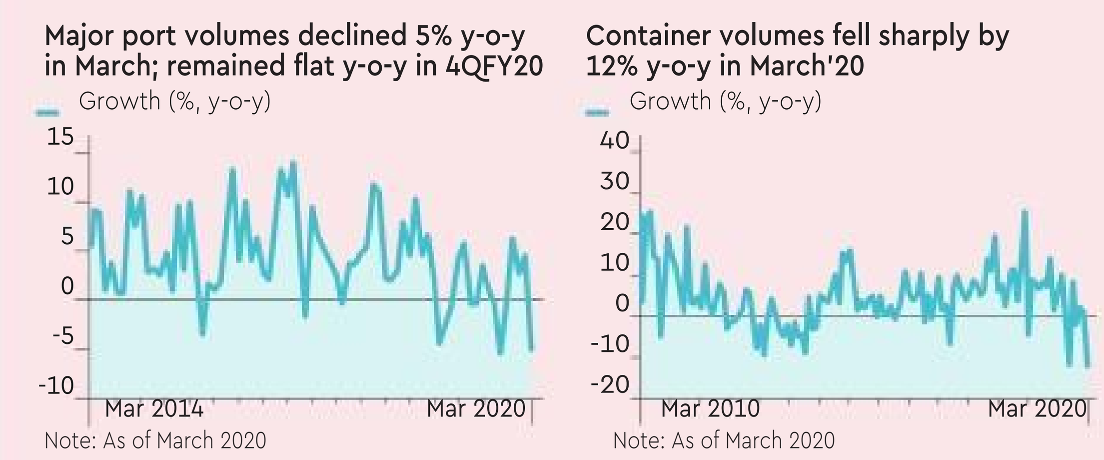
Airports in India are already tapping the segment to boost revenues. Says a spokesperson for the GMR Hyderabad International Airport Ltd (GHIAL), which runs the Hyderabad airport, "the Hyderabad international airport has emerged as an exciting shopping and retail destination. It offers global brands with an exciting range to engage passengers. Once the ongoing airport expansion is over, passengers will have more in store for them."

The growth potential for the business can be gauged from the fact that passenger traffic at the Hyderabad airport grew at a CAGR of around 20% over the FY15-19 period. For projects executed with public money, this can be specially important. "Transport projects involve significant capital expenditure, often requiring budgetary support for development or viability gap funding for PPP projects. Many such projects also find it difficult to sustain operational expenditure, especially in the early phases," says Saurabh Mehrotra, national director - Valuation & Advisory, Knight Frank India. Integrated development of retail and F&B can thus help sustain operations by increasing non-fare box revenues even as they enhance traveller experience, he says.

DATA MONITOR

A modest fall for port volumes in March

Compared to the sharp decline in EXIM trade, major port volumes declined by a modest 5% y-o-y in Mar'20. The decline was led by container volumes which fell sharply by 12% y-o-y (in TEU terms; 9% y-o-y in tonnage terms). Ex-containers, major ports' volumes declined by 3.2% y-o-y in the month.



Source: IPA, Nomura research, Ministry of Railways

Quick View

State-run OMCs may report Q4 inventory losses of ₹33,000 cr

INDIA'S THREE STATE-RUN oil marketing companies (OMCs) — IOCL, HPCL and BPCL — could among themselves report massive inventory — crude and products — losses of around ₹33,000 crore in Q4FY20 because of a precipitous fall in crude prices through the quarter, analysts have said. As retail prices of petroleum products are mapped with international rates, the steep fall of global crude prices in Q4FY20 means that by the time the refiners sold their products after processing crude, retail rates had fallen. While somewhat strong gross refining margins before the lockdown that stunted demand have helped these firms salvage the situation a bit, they could all be in the red in the quarter. Also, the companies might see a plunge in gross refining margins (GRMs) in the April-June period (Q1FY21) because of demand destruction, an analyst said.

Airlines selling tickets despite uncertainty

WHILE THE GOVERNMENT has said no decision had been made on allowing flights after the end of the nation-wide lockdown on May 3, four of the country's top six airlines, which together control 80% of the local market, are selling domestic flight tickets for as soon as the third week of May, searches on their websites have shown. Aviation Minister Hardeep Singh Puri has reiterated that no commercial flights will be allowed to operate until the spread of the coronavirus has been controlled. Market leader IndiGo is selling tickets from June 1, as is Vistara. SpiceJet and GoAir are selling tickets from May 16.

India's crude steel output fell by 14% y-o-y in March

THE COUNTRY'S CRUDE steel output declined by 14% y-o-y to 8.65 million tonne (MT) in March, a report from the World Steel Association has said. India has been observing a nation-wide lockdown since March 25, which has impacted production, demand and supplies of steel. The country had produced 10.04 MT of crude steel during the same month a year ago, the World Steel Association (worldsteel) said in its latest report.

Startups

This startup has created an online database supported by search features that use natural language processing and deep learning to browse millions of law case records

LEGITQUEST

For the rule of law

BANASREE PURKAYASTHA

IF YOU HAVE ever stepped into a lawyer's chamber, you must have noticed the bookshelves lining the walls, stacked with law books, legal journals, law reports, et al. You may have wondered how a lawyer manages to read them all, and how he is able to remember which court gave what decision in a particular case, whether there were other similar cases in other courts at any time, and whether any references could be drawn from those orders. While legal eagles are supposed to not only have a razor-sharp mind but an elephantine memory, effective legal research is considered to be the bedrock of every lawyer's victory in the courts. So much so, that legal brains are now turning to Artificial Intelligence in order to make legal research sharper, faster and easier.

LegitQuest is one such law-tech firm that has assembled a team of tech-savvy engineers, designers and attorneys to create an online database supported by unique search features that use natural language processing and deep learning to browse millions of records and get the most relevant results within seconds. Says Karan Kalia, lawyer turned entrepreneur who spearheaded this venture, "The USP is the intelligent search features that offer results in a more condensed and streamlined form, reducing the time required in studying the judgments and making research easier and swifter. Analysis suggests that LegitQuest users save roughly up to 40% of time in legal research."

> The USP is the intelligent search features that offer results in a more condensed and streamlined form, reducing the time required in studying the judgments and making research easier and swifter
>
> — KARAN KALIA, FOUNDER, LEGITQUEST

Kalia started LegitQuest in 2017 in association with Rohit Shukla and Himanshu Puri. The startup has secured a seed funding of ₹3 crore from internet firm Infoedge India and venture capital fund WaterBridge Ventures. Former Supreme Court judges MB Lokur and AK Sikri are on its national advisory board.

While there are other online databases available for legal research, the differentiating factor offered by LegitQuest is its unique features. For example, iDRAF is a feature which helps users reduce the time in analysing the case law. "It uses deep learning and natural language processing to cull out issues, facts, arguments, reasoning, and the decisions of all judgements of the Supreme Court of India since 1950 along with that of various High Courts," explains Kalia. Existing online platforms also offer such search tools; however the search results provided by them gave the judgment verbatim, which made the work of understanding it difficult and time consuming, he says.

LegitQuest's iDRAF and iGraphics changed this by offering intelligent search results. The iDRAF feature addresses this by segregating the entire judgment into sub sections of issue, decision, reasoning, arguments of petitioner / respondent and facts. This reduces the time required for reading and understanding a judgment. Further, this feature also facilitates users with various other options like foreign cases cited, analysis, interpretation, discussion, statutes, majority concurring and minority dissenting, he adds. Similarly, the iGraphics feature allows researchers to see the treatment of case law condensed in the form of graphics.

Says Rahul Sinha Roy, assistant professor at Llyod Law College, and faculty member of Commonwealth Institute for Justice, Education and Research, who has used LegitQuest for his work: "It helped me find out relevant cases with just one click to reach to the reasoning and decision of the case. A feature like iDRAF has helped me save a lot of time in analysing a case."

LegitQuest's legal research engine is based on the freemium model wherein the legal database is absolutely free for access by anyone. It charges for the value-added features such as iDRAF and iGraphics on a subscription basis. Other legal services such as typing, translation and case filing for lawyers are on transactional basis where the user pays for on-demand service requirements. The startup is monetising the paid features since last two years and started its services vertical last year only.

FINAUREUS TECHNOLOGIES

Leveraging modern tech for sound investments

AlphaNiti is a unique digital platform for investors to invest in both US and Indian markets

FE BUREAU

FINAUREUS TECHNOLOGIES HAS been founded by investment industry stalwarts UR Bhat (Dalton Capital/JP Morgan), Arindam Ghosh (former CEO of Mirae Asset, Fidelity) along with a group of technology, investment and data science entrepreneurs. This Pune-based fintech company's product range includes automated investment products which combines big data analytics, AI and ML with deep insights into investment services to offer disruptive and innovative end-to-end solutions for B2B & B2C segments, across all prominent asset classes.

Recently, Finaureus launched AlphaNiti, an online investment advisory platform under a joint venture partnership with US-based Validea. The joint venture aims to progressively bring Validea's Active Equity and ETF US-centric systematic models as well as Finaureus's own proprietary quant based strategies to Indian investors. AlphaNiti is a unique digital platform which provides the investors the option to invest in both the US market (dollar denominated products) as well as Indian market.

UR Bhat, co-founder, Finaureus, said, "The product AlphaNiti is a step in the right direction and an endeavour to support the Digital India initiatives. The investment advisory platform has a tremendous potential to serve our young and vibrant country through smarter, faster and cost efficient ways."

Through AlphaNiti, the investment advisory division of Finaureus plans to introduce an extensive range of proprietary investment strategies for all prominent asset classes, with initial focus on equity and mutual funds. These diverse range of strategies would not only strive to render high quality investment advice by creating automated intelligent portfolio strategies based on individuals' risk profile but also facilitate periodic and programmed rebalancing thereby endeavouring to maximise alpha at all times. AlphaNiti offers an integrated technology-led approach with the investor as the biggest beneficiary as he can take investment decisions from a range of US and Indian portfolio strategies and also carry out risk profiling, KYC and execution in a seamless manner as online investment goes mainstream.

UR Bhat, co-founder, Finaureus

Globally, the digital revolution has been transforming the investment and wealth management landscape led by technology and Big Data. This paradigm shift from the offline models to online, low cost models will increase penetration and drive scale, achieve consistency in quality of advice and significant efficiency in delivery mechanisms.

Quick View

Collection of toll on NHs resumes, truckers say it's unaffordable

IN LINE WITH government directives, toll collection resumed on National Highways (NHs) across the country last Monday. On March 25, the central government had announced temporary suspension of toll collection to contain the spread of the coronavirus epidemic. While later extending the lockdown from April 14 to May 3, the Centre had allowed waivers from April 20 onwards, as part of which the National Highways Authority of India (NHAI) and highway developers resumed collection at toll plazas on Monday. Highway developer IRB Infrastructure Developers said all its Special Purpose Vehicles (SPVs) "have resumed their toll collection from 00.00 hours today". The All India Motor Transport Congress (AIMTC) has protested against the resumption of toll collection on NHs, saying it would adversely affect rabi crop procurement as over 85% of transporters were cash-starved due to the Covid-19 crisis.

Crude price fall could slash oil import bill by $57 bn

FOR A COUNTRY that depends on imports to meet 85% of its crude oil requirements, the benign prices of the commodity will offer relief to stressed government finances, analysts have said. India's crude import bill may decline by a massive $57 billion or 57% y-o-y in FY21 if the Indian basket price remains subdued at around $25/barrel through the current fiscal year. The price of the Indian crude oil basket, which stood at an average of $64/barrel in January, is now at around $20. Though not immediately and necessarily to the same degree, benign crude prices will over time reflect in the retail prices.

Sterlite Power commissions 765-kV substation in MP

STERLITE POWER ANNOUNCED on Thursday the commissioning of the 765-kilovolt (kV) Khandwa substation in Madhya Pradesh. The substation, a part of the Khargone Transmission Ltd (KTL) project, would help in stepping down high-voltage 1,320-MW power from the Khargone Power Plant and distributing it downstream to 50 million households across Madhya Pradesh, Maharashtra and Gujarat, a company statement said. Sterlite Power has commissioned 5 out of 6 elements of the project so far. It won the ₹1,370-cr KTL project in 2015.

Education

MONDAY, APRIL 27, 2020

SCHOOL-IN-A-BOX

Beas Dev Ralhan, CEO & co-founder, Next Education

Through the Next Learning Platform, our mission is to ensure that academic operations of schools are not hampered. Our 'school-in-a-box' platform allows schools to run a virtual school through tools like NextERP, NextLMS, live lectures, online classes and more.

The crisis no one is talking about

What will happen when schools reopen?

SUMEET MEHTA

BY NOW, EVERYONE is convinced about at least two things:

1. What schools and teachers are able to do, day in and day out, with children is incredible. About 25 crore parents in India have figured out that keeping children productively engaged for a month of confinement is difficult. So, there is a newfound respect for schools and teachers.

2. Schools are not opening in a hurry. The best estimates are they'll open in end-June or early July, by which time children would have been confined to their homes for 100 days. So, parents need to find ways to engage their kids productively.

What no one appears to be talking about are two big issues:

One, what happens to schools and teachers for these three months? Affordable private schools rely almost exclusively on school fee to manage their expenses. While most headlines are garnered by the 15-20,000 high-fee schools that are accused of fee inflation, profiteering and teacher exploitation, there are 4 lakh private schools that charge meagre fees and serve about 10 crore students. These low-fee schools are stuck between a rock and a hard place. Governments, in an attempt to ease the pain on the common man, have decreed that schools cannot charge fees till the lockdown is in effect. They have also said no lay-offs or salary cuts be done. If parents don't pay fees, how do schools pay salaries? There are 40 lakh teachers who go to these 4 lakh schools. And we are staring at a crisis of them losing their jobs or going without salary if parents don't pay fees. There are drivers, bus assistants, cleaners who rely on schools for their monthly wages. Granted, children are not coming to schools, but if schools don't charge transport fee, how will they pay their staff?

Thankfully, there is a way out of this imbroglio. Parents pay schools purportedly for learning. If learning cannot happen in the physical world, schools can deliver learning online and still deserve to be paid tuition fees. From this tuition fee, they can pay salaries to teachers. Schools can remove the cost of fuel and maintenance, and charge a reduced transport fee, and from that pay drivers and cleaners. Basically, we need to keep this cycle—student learning, school fee, staff salaries—going, else there will be negative cascading effects of this shutdown.

Two, what will happen when schools reopen? We are going to return to a new normal of heightened sensitivity towards social distancing and transmission risk. Schools will have to reimagine things on five fronts:

- **Transport:** How do students come to schools? Will parents still send their children in cramped buses where children literally sit on each other's laps? Or will there be social distancing norms and, therefore, higher costs?
- **Entry norms:** Will we have thermal scanners at the entry of schools and hand sanitisers everywhere? What does that do to school operating costs?
- **Uniforms:** Will masks become part of school uniform?
- **Social distancing:** Will the student-to-classroom ratio change? Or will we continue in classrooms where three children sit elbow to elbow on the same bench? If we need to impose social distancing norms in classrooms, what does that do to school timetable and scheduling?
- **Breaks:** How do you even manage the organic, Brownian movement of children during breaks and during entry and exit? How do you handle school assemblies?

As we begin to answer these questions, new ones will emerge; they will require tectonic shifts in how schools operate, and I haven't even begun to talk about how learning in schools will change. Let's save our teachers, our school staff and reimagine school operations in a new world.

The author is co-founder & CEO, LEAD School (it runs the largest online school in India with 2 lakh students from over 600 schools). Views are personal

upGrad starts courses at ₹10k

Edtech firm allows learners to start certified Master's degree at ₹10,000; receives more than 50,000 interests

VIKRAM CHAUDHARY

UPGRAD, THE ONLINE higher education platform, has said learners can start a Master's or MBA degree programmes, offered by top 1% universities globally, at a cost of ₹10,000 only. Learners who enrol for this 10k programme can experience the platform for two months, until June 15, and then make a choice to continue or quit. Applications for will close on May 1.

For those who wish to continue achieving the degree will pay the full programme fee, which can go up to ₹4.5 lakh. However, if one discontinues with the programme, on or before June 15, one will still receive a certificate for the modules completed.

The courses one can choose from are:

- Global MBA from Liverpool Business School;
- MBA (Global) from Deakin University;
- Master of Science in Data Science from Liverpool John Moores University; and
- PG Diploma in Data Science from IIIT Bangalore.

"As we operate amidst an uncertain scenario where the pandemic has created larger roadblocks across economies, working professionals have become quite alert about the post-COVID-19 adversities. Times have come when individuals, including students, are thinking to utilise the extra time on hand meaningfully, thereby transforming the lethargy into urgency when it comes to adopting lifelong learning," the edtech major said in a statement.

While launching the initiative, Ronnie Screwvala, co-founder & executive chairman, upGrad, said, "We are taking the front and centre position in taking education online for India. Don't many of us wish when we did our MBA, we had an offer like this? For all working professionals/graduates to make the right choice, they can start the journey for the first two months, and then decide."

Earlier, upGrad had also allowed free access of its tech platform, 'upGrad Live', to all schools, colleges, educational institutions, NGOs and government bodies across the country, so that it can replicate the real-time classroom, and support the knowledge flow that seems to be breaking. It has migrated more than 15 colleges and universities to the digital space, who are using its Live platform.

Additionally, upGrad announced a range of free programmes to motivate working professionals to enhance their existing skillsets and look forward to career growth.

"We strongly believe a lockdown is not a full-stop to learning. While e-learning has received the thrust to become mainstream now, as education practitioners we realise there is a certain segment of the audience who are still submerged in scepticism about the efficiency of its delivery. To aid break the perception barrier, we invite all to experience our learning model for free or at a minimum commitment," added Arjun Mohan, India CEO, upGrad.

COVID-19

A new normal for universities

There will be a gradual shift towards online; the lure of a foreign degree will reduce

PC BISWAL

THE POST-COVID-19 world will be very different for the education sector in general and higher education in particular. This article outlines four possible impacts of Covid-19 on higher education in India.

Shift towards online: April-May is usually lean period for higher educational institutions (HEIs) in India, but the lockdown led to HEIs making a gradual shift towards online education delivery—using platforms such as Zoom and Google Hangouts for meetings and classes, along with Moodle and Google Classroom for providing reading material, conducting assignments and evaluations. It's interesting to note that many HEIs conducted admissions and recruitments through online platforms. Adaptability is the key for HEIs because this shift should be long-term.

Readying workforce: The post-Covid-19 world may witness anti-globalisation measures by some countries. Many have also realised that a China-focused supply chain model is vulnerable. Countries have experienced that dependence on others in sectors like medicine and healthcare could be risky during pandemics. All this may lead to changes in certain industries and businesses. HEIs should be ready to supply workforce to these alternative industries.

Foreign education: The attraction of studying abroad may decline in the near future. In a recent survey by global university ranking body QS, 46% students stated the pandemic has affected their plans to study abroad. Indian students aspiring to study abroad may like to opt for universities in India that provide education with a worldview, cross-cultural perspectives. HEIs in India should be ready with courses that challenge physical mobility of students and promote mobility of minds. The craze for setting up international campuses by Indian HEIs may also decline.

Career choices: The pandemic for sure will have a major impact on career choices of the young generation. No doubt, there would be more demand for medical education, healthcare-related courses, and careers in scientific research. HEIs should be prepared to enhance the capacity of programmes catering to such careers.

The author is professor, MDI, Gurgaon. Views are personal

Next Education's solution for schools

Next Education India has launched Next Learning Platform, a school-in-a-box solution to help remote learning and academic operations of schools. This platform includes NextERP, NextLMS, live lectures, NextAssessment, content access at home and leading state boards' content. To make sure operations of schools don't get hampered due to Covid-19, Next Education is offering a free subscription of Next Learning Platform to its partner schools till April 30, 2020.

FE BUREAU

Science & tech

EAVESDROPPER

App economy needs self-regulation

As our lives come to depend on internet and apps, it is time we try to introduce the concept of accountability

ISHAAN GERA

ZOOM'S METEORIC RISE to become the number one video-calling and -conferencing app has been synonymous to its downfall as the most insecure video service in the world. The company, which saw over 1200% growth in daily active users until last month, has been apologizing every week for one mishap or another. First, it was vulnerabilities in the desktop app, then leaking of account information, and ultimately it was the declaration that the company had placed its servers in China. While Zoom has undoubtedly become the hotbed of activity and an example of how not to go wrong, it is not the only company to do so. Last year, WhatsApp was amidst a controversy, where it was found that the service was not as safe as it touted itself to be. Facebook, as I write this, is wading in another controversy. Reports claim account shave been breached, and information is being sold online on the dark web.

These are not the only ones to have faulty apps and systems. Apps in the garb of providing free or near-free service are ignoring security altogether. No doubt, companies have been spending more on security, but security spends as a percentage of total spends have been low. A significant reason for this lax has been an absence of government standards/regulation on companies' security spending. While companies spent $610 billion in 2019 on advertisements as per Group M, only a fifth, $124 billion, as per Gartner went to security.

Besides, there has been limited scrutiny of apps. While app stores like Apple and Google do run security checks, these are basic and only determine whether an app is infected or not. Companies invariably do not conduct vulnerability tests or independent security audits, resulting in data leakages. Despite the exponential increase in user base,

'Muiderkring' Jan Kruseman (1852)

companies have been paying less to check for vulnerabilities. An analysis of bug bounty programmes-a proxy for the company's investment in security-shows limited payouts by some of the largest enterprises. In 2018, for instance, Google paid out $3.4 million, followed by Microsoft at $2 million, whereas Facebook only shelled $1.1 million. More important, Google's total payout at $15 million has been double that of Facebook.

In contrast, Apple has been mostly silent about such payouts. Indian companies have been worse. Zomato did announce that it has paid over $100,000, Swiggy has no money disclosure on its website. PayTM, which is one of India's leading financial payment firms, has a bug bounty programme that mirrors Facebook, with a minimum payment of ₹500. Flipkart, which is the key e-commerce player, says it does not pay for bug reporting. Amazon also has no bug bounty programme listed on the website.

There is a need to urge such firms to spend more on security and affix a responsibility each time there is a data breach, but if governments try to do so, it will throttle innovation. A better way for such firms is self-regulation.

Although the idea has not worked well in advertising and other areas, there is a possibility that it may work to some extent in the app economy. But, for this, platforms like Google, Apple, Microsoft, Amazon, which have their appstores, will need to come together. Google and Apple just announced a partnership to fight corona, so such a consortium is not beyond imagination. Besides, governments can nudge them to do so. After all, they have been nudged to pay taxes on digital proceeds.

Such a consortium can ensure that each new entrant contributes to a fund as per their ability, which can be determined later on the basis of downloads or revenue. This fund will support initiatives that can run security checks, internal audits and make sure that apps are up to a standard. Those that don't qualify the parameters can stay listed on stores, but with a warning. The best entities to do this would be universities or independent groups that in any case have been doing free third-party audits.

As our lives now come to depend on internet and apps, and more companies will be rolling out products related to health and contact tracing, it is time we try to introduce the concept of accountability in the app economy.

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TECHSPLAINED@FE

Virtually important

ISHAAN GERA

CORONAVIRUS HAS CERTAINLY put the spotlight on video-calling apps and services. As per a report from research firm Kalagato, Houseparty and Zoom have seen a meteoric rise in downloads and daily active users, it is also bringing another technology in vogue. The long-forgotten world of virtual reality is gaining pace. However, it will still be months before the world sees some real innovation, probably years. But the possibility of being locked again has catapulted many into working on this front. The real gains are for the gaming industry, which stands to benefit from this innovation. However, it will be still a few years before we can use the technology to its full potential.

What is virtual reality?

Virtual reality is the presentation of a user interface in 3D. While monitors and TV screens only allow a limited 3D experience, virtual reality can be a 360-degree immersive experience, where computer-generated graphics help create things as close to reality as possible.

How does it work?

Processing of virtual reality is a combination of both hardware and software. The hardware part is used for viewing purposes, while the software can help create the environment. A simple example of this are the games, where a headgear attached with HDMI cables help transfer images from the box. This enables you to play a game of tennis with friends. In some cases, the phone becomes part of the hardware, as the smartphone gets clipped in a VR headgear and project images. But a phone needs to have a 60fps framerate or higher so that the picture is not grainy and over pixelated.

How does it provide a 360-degree view, when human visual field is 120?

The VR glasses use a technology called head-tracking, which changes the field of vision as a person turns head. The technology may not be perfect, as there is latency if the head moves too fast. Still, it does offer an immersive experience. There is also eye-tracking which uses infrared to determine eye movements and helps determine depth in the picture. The motion tracking feature is still in development and will allow a person to walk around in the virtual world.

What are the applications of virtual reality technology?

The gaming industry is betting on VR to transform the industry. Once prices of headsets crash, VR will be implemented on a wider scale. Education is another critical sector. VR will have implications for the events industry and consumer businesses to showcase products.

Techsplained @FE features weekly on Mondays. If you wish to send in queries that you want explained, mail us at ishaan.gera@expressindia.com

Skilling platform sees 30% surge

Upskilling is new normal for employees: IntelliPaat

FE BUREAU

THE COVID-19 pandemic has affected almost every sector, and is leading to a phase of recession in the Indian and global economy. Some people are losing their jobs, many are facing salary cuts, and the rest are living under the fear of uncertainty. In this mayhem, e-learning platforms can help these employees upgrade their professional skills that will not only help them in retaining their jobs, but will also open up doors for new opportunities.

Over the last few weeks it has been seen that Indians are increasingly taking online courses, and platforms such as Coursera, upGrad and Simplilearn are seeing a surge. The online skilling platform IntelliPaat, too, has experienced a surge of 30%. "More than 2,500 new users are registering on the platform every month since the Covid-19 outbreak," it said in a statement. The platform provides more than 150 courses for professionals globally, with over 1,000 trainers onboard. Currently, IntelliPaat operates in about 50 countries.

NEWS BRIEF

Asus starts 'Back to School' campaign

Asus has started 'Back to School' campaign from April 20 to May 31. As part of its tie-up with edtech firm Toppr, students can purchase Asus laptops and pay extra Rs 699 to avail Toppr's Rs 40,000 plan for a year. Arnold Su, business head, Consumer & Gaming PC, System Business Group, Asus India, said, "Our tie-up with Toppr provides an opportunity to students to take part in varied learning curriculum, apart from routine schedule."

PlanetSpark is also offering free classes

PlanetSpark has started live and free online classes for children of police personnel, healthcare staff. Funded by IAN and FIITJEE, this edtech platform caters to kids in grades K8. As many as 1,500 kids of healthcare, police staff are now attending its free classes, said co-founders Kunal Malik and Maneesh Dhooper. "We can cater to up to 1 lakh such kids," they added.

Delhi kid designs a touchless doorbell

Sarthak Jain, a student of Modern School, Shalimar Bagh, Delhi, has designed a doorbell that may help prevent Covid-19 from spreading. Because a doorbell is a medium of transferring virus, Jain designed a touchless doorbell. Using Arduino, the open-source prototyping platform, Jain said his doorbell has sensors that can detect anyone in a 30-50 cm radius and produce a sound without anyone having to touch the button.

FE BUREAU

Opinion

MONDAY, APRIL 27, 2020

CHANGE OF ADDRESS
Congress leader P Chidambaram

"The desire to go back to their home states, to join their families, and to be among their own language-speaking people is an overpowering desire that cannot be suppressed for too long in the name of a lockdown"

Need faster labour reforms if the economy is to thrive

Parliamentary panel's recommendations aren't bold enough, and in some areas, they are even regressive

IN ITS SIX years in office, the NDA government has moved painstakingly slowly on labour reform. The main changes in labour legislation, so far, relate to more safety measures for workers, benefits for women, especially pregnant women and new mothers. Little has been done to make it less onerous for establishments to hire and retrench workers. In fact, some of the recommendations of the parliamentary standing committee on labour, if approved, will make life even harder for companies. On the matter of fixed term employment (FTE), for instance, the committee wants that a minimum and maximum tenure for such employees be specified. Moreover, it recommends that there should be a cap on the number of renewals as it fears employers will manipulate the tenures.

Such provisions, and many more in the report, are stifling. Companies must be allowed to hire as many persons as they want—whether on a permanent basis or for temporary periods—and let go of them if needed. The government doesn't seem to appreciate that even otherwise, at a time of rapid changes in technology and increasing digitisation, there will be fewer employment opportunities. If employers are not allowed to retrench or lay off workers, they will simply stop hiring.

The government has been reluctant to raise the threshold for the number of employees up to which an employer can let go of workers without the permission of the authorities from the current level of 100. It has been content to support states like Andhra Pradesh, Rajasthan, and Uttar Pradesh that have raised the threshold from 100 to 300. The hesitation suggests the government doesn't want to upset the labour unions and workers. The committee has suggested that the threshold be raised to 300 workers in the code so as to avoid duplication and overlap in the legislative procedure. This is an incremental increase; the threshold should have been raised to at least 1,000 to make it meaningful and cover a larger number of units.

If the government is serious about raising the contribution of manufacturing to the GDP to 25%, it needs to be far bolder, and impress upon the unions the need to make labour laws flexible. Merely dropping the corporation tax rate won't be incentive enough for companies, who would increasingly resort to greater automation and mechanisation. Already, one reason India is not able to compete effectively in overseas markets is because the workforce is not as productive as in peer economies, and because wages are high. Given how global trade will shrink in the aftermath of the pandemic, labour rules must be more flexible, else India will lose whatever little share it has.

As the economy shrinks in FY21, with demand for goods and services wilting, manufacturing will slow, causing job losses. Already, the average number of persons employed in FY20, at around 403.8 million, was lower than the 406.1 million in FY17 and the 405.9 million in FY18, according to CMIE's household survey estimates. While daily workers, and those employed in the services sector are among the most likely to lose their livelihoods in the next few months, the absence of purchasing power will compel even top manufacturers to step on the brakes. Unless labour rules are relaxed and workers agree to take pay cuts, it is hard to see businesses hiring.

Arbitrary arbitration

Enforcing global awards is getting more complicated

FOR A COUNTRY that wants to be a global arbitration hub, and which wants to raise its ranking on the contract-enforcement index, the news just keeps getting worse. Some weeks ago, the Supreme Court (SC) asked Devas Multimedia if it was willing to consider waiving off the interest component on the money owed to it—it won a $672 million global arbitration award—by the government space agency ISRO's arm, Antrix Corporation. And, last week, in the case of the government's canalising agency Nafed versus Swiss firm Alimenta SA, the SC said the global arbitration award was not maintainable because Nafed wasn't able to deliver on its contract—to export 5,000 tonnes of groundnuts—because it didn't get government permission to do so, without which, it simply could not export. "The export without permission would have violated the law, thus, enforcement of such award would be violative of the public policy of India", the SC said. Under Section 32 of the Indian Contract Act—and Clause 14 of the agreement between Nafed and Alimenta—the SC said, the contract was rendered unenforceable and, hence, void.

This may well be the correct interpretation, but keep in mind, the original award was given in 1989! And, if violation of 'public policy' is to be used to quash global arbitration awards, how many other awards will become unenforceable? In the Vodafone Plc retrospective tax case that is in front of a global arbitration panel, the retrospective tax was, in every sense, 'public policy' since Parliament had approved the budget which brought in the tax. A similar interpretation can also be given to the Antrix Devas case. In that case, Antrix was to build two satellites for Devas, with 70MHz of spectrum thrown in. This raised a furore since reverberations of the 2G scam could still be felt, and the scam-scarred government was naturally wary. Even though the CAG's report on the deal did not compute a 'loss' figure as it had in the 2G case, the government constituted two committees to examine the issue, and they recommended scrapping the deal; that is why Devas went in for arbitration.

In the Tata-Docomo case, the government's behaviour was odder since it had no financial stake. In this case, when the award went against the Tatas, the government argued that the Tata-Docomo contract itself was illegal as it violated Fema rules, and in that sense, it violated 'public policy'. Fortunately for the Tatas (who wanted to pay the damages!) and Docomo, the judge said the award would be upheld, and if the Tatas paying Docomo meant the group violating Fema, it could pay the penalty for that as well. If investors are to trust the rule of law in India, it is vital that the government recognise that the law applies to it as well and, by extension, to the PSUs it owns. Going by the SC judgment, if 'public policy' is to be allowed as an escape clause, it is unlikely the government will abide by arbitration rulings that go against it.

Dial-A-Doctor

Govt does well to launch eSanjeevani portal for telemedicine, but future success will depend on startup collaborations

THE GOVERNMENT LAUNCHING the eSanjeevani app within a week of allowing telemedicine in the country, to digitally connect patients with government doctors is indeed laudable. Although the app has only registered 260 consultations for over 15 hours since its launch, it can be expected to pick up steam in these times of lockdowns and social distancing. As more governments integrate the service—Himachal Pradesh was latest to do so, on April 21—one can expect traffic to increase. But, the real test for the government will be in expanding the network across rural areas and tier-II towns, where availability of doctors is low.

While the government is learnt to be planning to expand the scope of the app—in certain areas, district administrations are trying to integrate medicine shops as well—it needs to work towards getting Primary Healthcare Centres (PHCs) online. As against the WHO mandated one doctor for 1,000 population, India has only 0.62 doctors per thousand. In rural areas, this ratio worsens, as there is only one functioning PHC for every 64,800 people, and one PHC doctor for every 38,000 people. Once the infrastructure is available in rural areas, it would help people with no smartphones to avail of teleconsultation facilities. The state governments will also need to promote such initiatives—not just eSanjeevani, but others too—if the service is to improve. Only Karnataka and a few other states have been welcoming of startups working in the field of telemedicine or teleradiology. This is the Indian healthcare sector's UPI moment; how well the government fares in this field shall depend on how much support it can provide to upcoming startups to build on the health stack is creating.

FROM PLATE TO PLOUGH

TO BOUNCE BACK FROM THE PANDEMIC QUICKLY, INDIA NEEDS A STIMULUS PACKAGE OF AT LEAST 5% OF GDP THAT FOCUSES ON BROAD-BASED DEVELOPMENT IN LAGGARD EASTERN STATES

Rebooting the economy

ASHOK GULATI
Infosys Chair professor for Agriculture, ICRIER
Views are personal

IN THE CLASSIC Walt Disney Productions, *Winnie the Pooh*, there is a character by the name of Tigger. One of his most famous and oft-repeated quotes is "Life is not about how fast you run or how high you climb, but how well you bounce". In the context of today's economy, which is literally under seize due to the novel coronavirus, it is not about how big your GDP is, or how fast you have been growing; the real challenge is how best, and how quickly, you can bounce back to your normal growth of 7-8% per annum.

The IMF's projections for GDP growth for this year seem to be either in negative or below 2% for almost all major G-20 countries. Within Brics countries, India may do a little better, but still below 2%. This is under an optimistic scenario, and many experts claim that India may also go into negative GDP growth this year, if it does not reboot the economy properly and in time.

The central government, and the Reserve Bank of India (RBI) are doing the heavy weightlifting, trying to remove all roadblocks so that factories and farms can resume operations, albeit in a regulated manner, ensuring the virus is contained. The focus is largely on the supply side, i.e., how to ease restrictions, and how to increase liquidity in the system for resuming production. My humble assessment is that this may not take us far enough as the real problem is collapse in demand. And, that demand may not pick up easily as the virus is likely to stay with us for quite some time, and we may again have lockdowns as and when the viral infection surges. This will surely limit our travels and shopping for non-essentials. However, there is one demand that can easily revive, and that is food.

The NSSO survey of consumption expenditures for 2011-12 revealed that in an average Indian household, about 45% of the expenditure is on food, and almost 60% of the expenditure of the poor is on food. We do not have information about consumption patterns in 2020, but my guess is that an average Indian will still be spending about 35-40% of their expenditure on food; for the poor, this expenditure would be about 50%. And, herein lies the scope to reboot the economy.

We have seen the problems of migrant labourers during the lockdown. They were literally knocked down. The sudden announcement of nationwide lockdown on the night of March 24 gave them no time to go back to their families. They lost their jobs, their incomes, and having spent whatever little savings they had; they were reduced to an almost beggar-like situation, looking at anyone who can feed them. The governments, despite their best efforts, have not been able to redress their problem of hunger. Even civil society could not fully bridge the gap. There is a breach of trust between the state and the migrant labourers which will come out glaringly once the lockdown is lifted. Most of them are likely to rush back to their families in villages, as if they are freed from jail. And ,it will take quite a long time for them to reconcile and come back to cities, if they do it at all. So, the farms and factories, especially MSMEs, in the relatively developed states of western, southern, and north-western India are likely to face labour shortages for many months, maybe years to come. This will lead to more mechanisation of farms and factories in these states. In Punjab, for example, most of the wheat harvesting is already done by harvest combines, and now, even the planting of paddy will be rapidly mechanised.

> A special investment package for the eastern belt of India will go a long way to revive the economy, and augment incomes of returned migrant labourers

But, eastern Uttar Pradesh, Bihar, Jharkhand, West Bengal, and Odisha, from where much of the migrant labour goes to other parts of India, will face a double challenge. In these states, agriculture, with tiny farm holdings, was already saddled with large labour force, engaging almost 45 to 55% of their total labour force. Non-farm income from wages and salaries, through migrant labour, was one important source of their income. This is now severely hit. In all probability, these states' overall per capita incomes in rural areas may shrink, at least in the short run, raising issues of swelling poverty, hunger, and malnutrition. In such a situation, how does one reboot the economy and also take care of a worsening situation on the hunger and malnutrition front?

A special investment package, *a la* USA's Marshall Plan in 1948, for the eastern belt of India to build better infrastructure, agri-markets and godowns, rural housing and primary health centres, schooling, skilling will go a long way to revive the economy, and augment incomes of returned migrant labourers in these states. Rising incomes will generate more demand for food as well as manufactured products, giving a fillip to growth engines of agriculture as well as the MSME sector. Building better supply chains for food, directly from farm to fork, led by the private sector will not only augment export competitiveness of agriculture but also ensure a higher share of farmers in consumers' rupee. This broad-based development in the hitherto laggard region of India will lay down the foundation for the long-term, demand-driven growth of industry in India.

The all India relief package of ₹1.7 lakh crore, announced by the central government earlier, which is about 0.8% of GDP, is too puny to reboot the economy. If India has to bounce back quickly, it needs a much bigger relief-cum-stimulus package, certainly not below 5% of GDP. And, it should focus more on the eastern belt, where the issue is one of survival. Else, I am afraid, all indicators of poverty, hunger, malnutrition, infant mortality, and well-being may suffer. India may get derailed from its course of attaining the Sustainable Development Goals by 2030.

Post-pandemic economics

The new normal will not be very different from the old one. Idealist notions of the State overtaking the Market as the one in charge are unfounded

MEGHNAD DESAI
Prominent economist & Labour peer. *Views are personal*

THERE IS YET a while, perhaps six to nine months, before the world is free of the Covid-19 pandemic. The 1918 Spanish flu had three waves, and killed more people than the First World War did. But, claims are already being made as to how there will be profound changes when the world returns to a new normal. Idealists are hoping that we will all become more socially-minded, more altruistic, and less selfish and materialistic. Others hope that socialism will come back as the major choice ahead for the world; the State, rather than the Market, will be in charge.

These are just visions which those who foresee them were already advocating. The pandemic has given them hope that their dreams would be realised in their lifetime. Others want globalisation back, or climate change tackled, or inequality reduced.

The facts are that almost all countries will suffer from a large output shock—25% at least, but also a demand shock. Keynesian remedies are for where supply is available but demand is not. But, this time, the massive effusions of money by all governments are to sustain incomes lost due to output collapse, and to hold up asset values that have fallen due to the demand shock. Before the shock, the global economy was facing excess savings, and bond yields were negative for good borrowers. All this money will be mopped up. At least there is no financial resource constraint as there is money sloshing around, but there will be losses and gains as people shuffle their portfolios.

But, the new normal, whenever it comes, will not be very different from the old one. This is because people would like to get back to what they had before, whatever it may have been. It is good to admire low air pollution, but not if it requires a total shutdown of the economy. Nor will it be possible to redesign economic life quickly—more working from home, more social distancing—because that would haemorrhage the old normal before lives have been restored. Readjustment after a war has destroyed plants, equipments, and buildings is different; this time, the infrastructure is all ready to be reused.

Yet, across countries, while the virus has had the outcome of moving the State centrestage, to take charge of economy and society, the discussion, remarkably, has been about how badly it has done so. In various ways, governments have failed. They have proved too slow, too unprepared, and incapable of devising income maintenance schemes without excessive red tape. In the rich countries of Europe—Italy, Spain, France, the UK—deaths are already in five figures, hundreds per million inhabitants, and those hospitalised in six figures. (So far, the US has more deaths than any other country, but lower per million than Europe.) The State has proved unequal to the enormous task. A lot of private, voluntary efforts by citizens and charities, often spontaneously offered, has been needed to patch up the inadequacies of the State.

> While the State has moved centrestage, taking charge of economy and society, the discussion has been about how badly it has done so

Take the problem of medical supplies and healthcare facilities. Despite all talk of global supply chains, unprepared governments have not been able to harness available chains quickly enough to relieve shortages. While the UK runs short of protective equipment for its health workers, it orders supplies from Turkey, which is making exports difficult, while British suppliers are shipping stuff abroad. Why was the Indian government caught by surprise when immigrant workers were prone to go back home as they could not work during the lockdown? It is not unknown to politicians when elections are being fought as to where there are vote-banks of Biharis or North-Eastern voters in Delhi or Punjab. But, this knowledge is not transmitted to administrators.

The worst problem has been that every country/society has had to value life in economic terms, but refused to see the choice clearly. Take, for instance, complaints in India that emergency spending plans will breach the deficit targets by a few percentage points. So what? Do you want to save lives or money? The money can be paid back in the future, but the lost lives cannot be brought back. A similar problem was created by the choice between mitigation and suppression as two strategies for tackling the infection. Mitigation relied on 'herd immunity' which was a sort of *laissez faire* solution—liable to lead more deaths, but no economic shutdown—while suppression involves lockdown, which has enormous economic costs, but a lower human cost. Different countries have adopted different strategies. We shall see afterward which was the most efficient in terms of economic loss per life saved. It is not heartless to ask such questions. It is essential to save lives because economic shutdown also costs lives, though not by infection.

As an economist, my surprise has been the uncertainties on the hard science side. People mock economists for disagreeing, or for getting forecasts wrong. But, uncertainties about the nature of the virus, its evolution, ways of testing, devising a vaccine, estimates of lives lost under each scenario have all shown (to me, at least) that faced with an unanticipated shock, natural science does no better than social science. At least the mistakes of economists are not lethal.

LETTERS TO THE EDITOR

Facebook-RJio deal

The acquisition of a 9.99% stake by Facebook in Reliance Industry for ₹43,574 core heralds a new beginning, and could radically alter the country's retail landscape. Synergies created by partnership between the various arms of Reliance, retail and telecom, and Facebook's platforms such as WhatsApp would benefit both companies, besides creating opportunities for businesses of all sizes, especially the millions of small businesses in the retail sector. Their proposed idea, aimed at creating an ecosystem around JioMart, enabling customers to access local kirana stores using WhatsApp, and combining both online and offline retail, will become a game-changer for it could connect millions of local businesses with end consumers, and provide a seamless online transaction experience. The ongoing lockdown has once again reaffirmed the significance of local kirana store. In this context, efforts aimed at connecting local businesses with end customers are an attractive proposition. But, there are concerns over the coming together of two biggies. Given the dominant market position of the two players, concerns over the market structure and its implications for consumer welfare—the concept of net neutrality and data privacy issues—are bound to rise, and need to be addressed with seriousness.

— M Jeyaram, Sholavandan

Lockdown success

The lockdown exercise in India appears to be paying off, with the country maintaining a linear growth of Covid-19 cases over the last month. There were over 1,409 new cases in the country, taking the total number to 21,700. But, the wonderful news is that India's curve shows signs of flattening. People mustn't let their guard down, and must stick to social distancing and other measures to keep the virus at bay.

— NJ Ravi Chander, Bengaluru

●Write to us at feletters@expressindia.com

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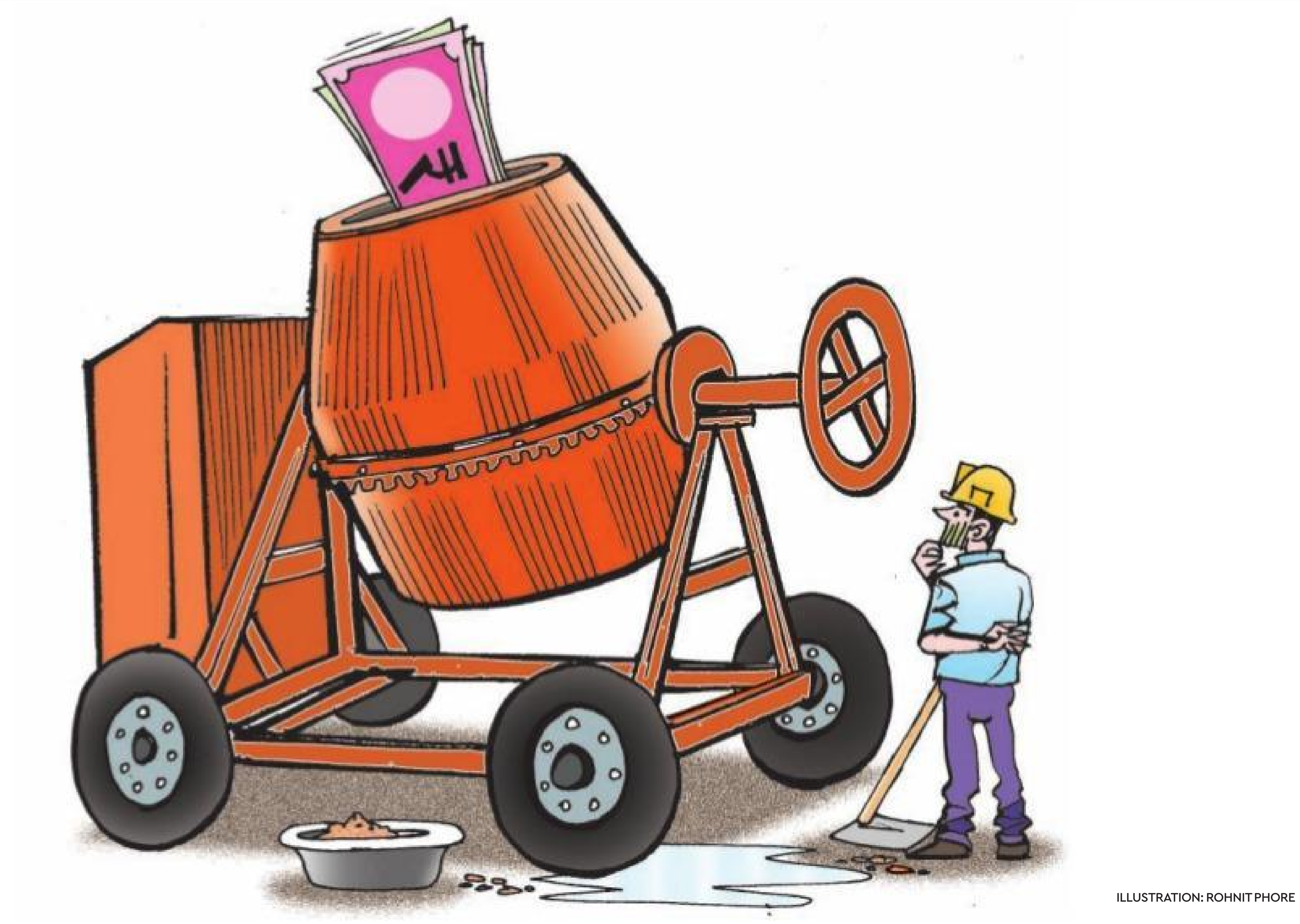


ILLUSTRATION: ROHNIT PHORE

SHAMINDRA NATH ROY & MANISH

Authors are researchers at the Centre for Policy Research, New Delhi. Views are personal

CALL TO ACTION

Institutional challenges to migrants' welfare

Not only has the registration of migrant workers by states been unsatisfactory, but state welfare boards' capacities to offer assistance also varies, hampering daily wage labourers' access to social and food security during the crisis

THE RELIEF PACKAGE announced by the finance minister on March 26 included a direction to all states, presumably an exercise of its power under section 60 of the Building and Other Construction Workers Act, 1996, to use the ₹31,000 crore in funds available with their welfare boards to provide assistance and support to the mostly casual (83.8% as per PLFS 2017-18) workers to protect them against economic disruptions. The labour ministry had previously estimated that about ₹52,000 crore was available with states. But, whatever the amount, this assistance is likely to be constrained in practice by low worker registrations, limited capacity for expenditure, significant variations across states, and issues of interstate migrants. This will affect the ability of central and state governments to ensure wages to migrants, many of them construction workers.

On paper, the welfare framework for construction workers is simple. States collect a cess from construction projects, register construction workers, and design schemes to use the funds collected for their welfare. But states have not been very good at spending this money. The current crisis is an opportunity for them to improve their record, but this will need significant changes in practice.

First, the overall registration of workers—only registered construction workers benefit from the welfare schemes—itself has been unsatisfactory. Figures from the Union Ministry of Labour and Employment show that 3.24 crore workers (estimated at 3.5 crore currently) were registered across the country as of end-2018, which represented about 60% of the construction workforce in India, as per PLFS 2017-18. Much of this progress is recent, after monitoring by the Supreme Court; registration increased by more than 50% between 2015 and 2018. Worryingly, field studies at labour chowks show that many workers remain unaware of this benefit.

But even for the limited subset of registered workers, the benefit would depend on the state in which they are registered, since there is wide variation in the availability of cess funds across states. In 2018, the last year for which a state-wise breakup is officially available, half of the collected cess amount was in just six states—Maharashtra, Karnataka, Delhi, Tamil Nadu, Uttar Pradesh and Madhya Pradesh. Conversely, six states—Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Odisha, Rajasthan and West Bengal—have 54% of the registered workforce, but only 32% of cess funds collected.

Thus, welfare boards in states have differing capacities to offer assistance. For instance, Chhattisgarh's board would go bankrupt if they paid workers even the central minimum daily NREGA wage of ₹202 for the lockdown period, while Maharashtra's would have surplus funds. More importantly, the capacity to spend varies: By 2018, just six states—Uttar Pradesh, Madhya Pradesh, Odisha, Rajasthan, West Bengal and Kerala—accounted for 53% of the cess money utilised. The accompanying graphic shows that very few states are in the ideal upper-right quadrant, with large numbers of registered workers, and a substantial expenditure per worker. Chhattisgarh is one of them, but its construction activity is too low for sufficient cess collection.

Finally, there is the issue of migrant workers, many of who made desperate attempts to walk long distances home after the lockdown, who constitute 42.7% of the urban construction workforce (Census 2001). The accompanying graphic shows that the largest concentration of migrant construction workers is in Maharashtra, Gujarat (low registration and low expenditure), undivided Andhra Pradesh, Haryana (high registration, low expenditure), Chhattisgarh and Madhya Pradesh (high registration, high expenditure).

Many workers walking home told journalists that they had little access to social security at work. This is corroborated by fieldwork from several states showing that boards are reluctant to register migrants, and registration processes are onerous. Thus, it is unclear if migrant workers can access the finance minister's offered benefits in time—before hunger, the virus, or the long trudge to their hometowns gets to them.

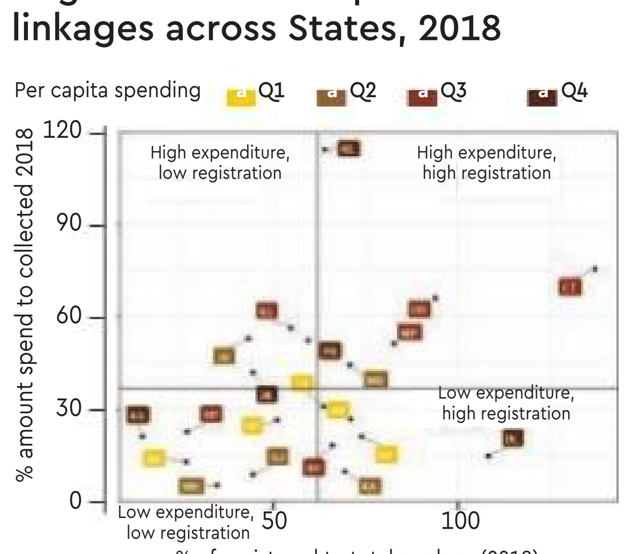
How, then, do we mitigate this problem?

First, the Centre can use the expertise of the Central Building and Other Construction Workers' Advisory Committee to play a proactive role in coordinating amongst states, especially sending and receiving migrants. It can facilitate sharing beneficiary lists and funds between these states, perhaps through interstate MoUs, to be used in combination with ground-level targeting, involving civil society and employers, to ensure that all workers get access to some minimum sustenance for the period of the lockdown. A quick start can be made with high registration states that have a demonstrated capacity to spend.

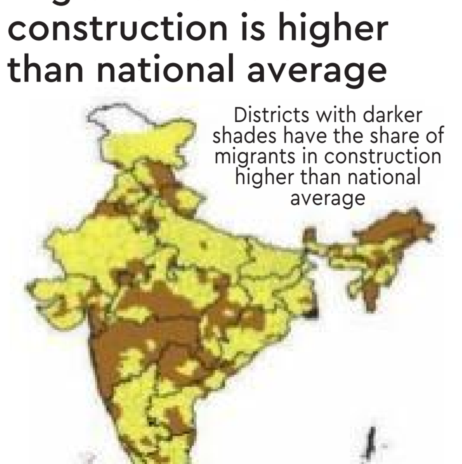
Second, states—labour departments and welfare boards—must do much more to implement the law. Much remains to be done to convey the benefits of registration, and to make it easily accessible. The quarantine camps for migrants are, ironically, an opportunity to disseminate information, and even register such workers.

One can only hope that this crisis, having made their struggle visible, will improve construction workers' lives a little, and shame states into ensuring that any future disaster does not leave them, literally, on the roads.

Registration and expenditure linkages across States, 2018



Districts where share of migrant workers in construction is higher than national average



Source: Authors' calculation from data provided by Ministry of Labour and Employment, GoI, 2018, and Periodic Labour Force Survey, 2017-18. Quartiles of Per-capita Spending in 2018: Q1 (₹1,779-₹2,974), Q2 (₹2,975-₹4,129), Q3 (₹4,130-₹6,536), Q4 (₹6,537-₹12,788) Estimates for AP includes Telangana, the quadrants are divided as per national average

Why is rupee sacrosanct?

JAMAL MECKLAI

The author is CEO, Mecklai Financial. Views are personal

IT IS INCOMPREHENSIBLE to many that the central government has not substantially increased its insulting payout of ₹500 to about 5 lakh migrant workers; it is important to recognise that there are around 400 lakh people who have been destabilised by the lockdown and are fighting hunger, and, in many cases, outright destitution. Support for business, which is obviously secondary at a time like this, has been a little more forthcoming, particularly from RBI, but still remains pretty meagre.

Many analysts—both social and corporate—have been recommending the Centre add another 5-6% of GDP as the minimum additional support, over and above the 0.8% already announced. State governments are also strapped since they, too, are largely out of fiscal space, and the Centre is holding up many dues; thus, NGOs have been picking up some of the slack, but all their efforts, worthy as they are, add up to just a drop in the bucket of need. Rather than depending on 'giving', which is, at the best of times, catch as catch can, what is needed is an institutionalised process to support the people and, of course, develop the nation.

The government doesn't seem to have the skill (or, perhaps, the interest) in creating institutionalised process; nor does it understand that, rather than some kind of *rajah*, it is simply the custodian of the peoples' money and its job is to distribute it in an even-handed fashion, according to need. And the need today is louder than it has been in certainly more than the 21 years that Modi feared we would lose if we did not lock down. He needs to open his heart, such as it is, and the government's wallet to ensure that the dispossessed receive a steady monthly income of at least ₹4,000-5,000 a month for three months, assuming the lockdown does not extend beyond that.

This will certainly push the budget deficit much higher, and it is clear that, like most countries, we will have to suffer continuing high deficits for years to come. In addition to tiding over the current trauma, India needs to invest substantially in health and education (in addition to infrastructure, of course) for the next several years. Contrary to the oft-stated belief that we are too poor to invest in these critical services, the truth is that *we are poor because we haven't invested in health and education over the decades*.

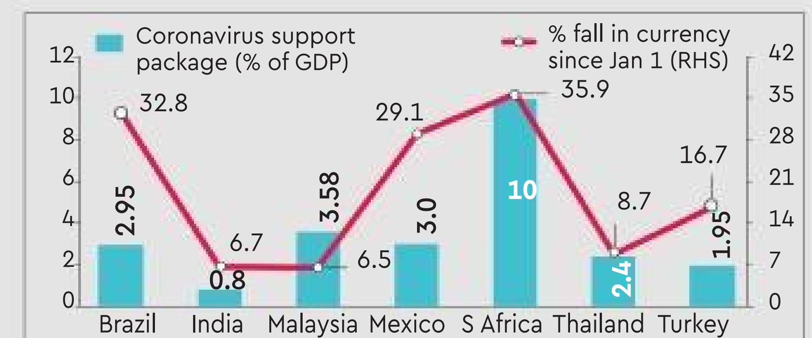
Continuing high deficits will terrorise the rating agencies, which may frighten away portfolio investors, which, in turn, may result in even greater falls in equities and, indeed, the rupee. But that is the price we have to pay for years of heartless profligacy and poor planning and implementation.

If the government were to follow FICCI's recommendations and put out a package of 5-6% of GDP, with a focus on both the poor and the MSME sector, it is possible that the rupee may decline to, say, 85 or 90. (The accompanying table shows that several other emerging economies have already delivered significantly larger support to their people than we have and are living with much sharper declines in their currencies; 85 to the dollar would render the rupee's decline at 19%, a bit more than Turkey but much less than Brazil, Mexico and South Africa.)

This would, of course, have its own impact on import costs and inflation, and loan repayments. Interest rates would rise and the equity market would shiver even more. On the other hand, it would make exports much more competitive, which would immeasurably assist in accelerating FDI, which is apparently searching for a new home (from China).

Since we are largely self-sufficient in foodgrains and most food items, the poor would be better off, which needs to be the number one priority. Equally, following up with meaningful investments in education and health could create a virtuous cycle, with healthier and better-trained employees, without which the Prime Minister's now-near-defunct Make-in-India initiative would remain just another flashcard programme.

We need a changed government that uses our hearts as the starting point and our brains as the structuring/planning/implementing tool—we have to start building this *now*.



While markets obviously do their own thing and different markets have different degrees of convertibility, the correlation between these two sets of numbers is a high 62%

The 40-70 rule of decision-making

Leaders should take a decision when they have 40-70% of the information required for taking that decision

VIDYA HATTANGADI

The author is a management thinker and blogger

OUR ABILITY TO become great marketers, managers, leaders and entrepreneurs centres on the fact that we are able to make confident, well-informed decisions on a regular and consistent basis. Timely decisions are pivotal for a business, and from designing a new product to sorting out accounting issues, our day-to-day routine works are developed with decisions. We cannot envision successful leaders standing around appearing unclear and uncertain. Instead, we see them as people who are able to quickly arrive at decisions and communicate goals to others.

Tim Cook is the CEO of the most valuable company in the world, Apple. He took over Apple after the company's founder, Steve Jobs, succumbed to cancer in 2011. Cook has helped navigate Apple through the transition after Jobs's death as well as developing new product lines and opening Apple retail stores even in China. He has also led a very public battle against the FBI and their demand that Apple creates a backdoor for users' iPhones. The iPhone was locked with a four-digit passcode that the FBI had been unable to crack. The FBI wanted Apple to create a special version of iOS (operating system used by Apple) that would accept an unlimited combination of passwords electronically, until the right one was found. The new iOS could be side-loaded onto the iPhone, leaving the data intact. Cook was convinced that a new unlocked version of iOS would be very dangerous. It could be misused, leaked or stolen, and in worst situation it could never be retrieved. It could potentially undermine the security of hundreds of millions of Apple users.

Research has shown that the best leaders are the ones who are able to take big decisions often, as well as taking those decisions with a resulting positive outcome. Anyone can make choices quickly, but to do so with efficacy is the key.

CEOs such as Cook don't do a whole lot of the steady, hard labour. Instead, they're the ones directing the flow of traffic. They take the big decisions, which then filter down to the rest of the staff. The results can have enormous impacts down the line, making it even more important that the decisions they take are correct and with good outcomes.

The 40-70 rule: Every decision that we take is determined by a variety of factors such as our confidence, our knowledge, our experience, and our willingness to call the shots. The threshold for all of these pieces coming together to help in the creation of a decision is where things can get blurry. The former head of US military forces and former secretary of state Colin Powell is credited with the 40-70 rule of decision-making. Powell is a well-known and respected strategist and leader. His leadership theories are a subject of study by many scholars and practised by many of his admirers in the military and in public and private sectors too.

Colin Powell is credited with the 40-70 rule of decision-making

His 40-70 rule says that leaders should be taking decisions when they have between 40-70% of the information required for taking a decision. According to him, when you take a decision with less than 40% information, then you are shooting from the hip, which literally means to speak or act quickly based on first impressions, without carefully studying the background information.

It is always better to wait until you have more than 70% of the information, and you have studied it deeply. When decisions are taken based on scanty information, they sound indecisive and overwhelmed, and you stand to risk the productivity of the entire organisation.

The 40-70 rule is a two-way approach to decision-making. First is analysing your percentage of accuracy. To get a better understanding of where you fall in the 40-70 range, Powell introduced the formula 'P = 40 to 70'. Here, 'P' stands for the probability of success and the numbers indicate the percentage of information acquired. While this can be hard to judge, you will need to estimate where you think you fall in this range based on what information you have.

The second part is: trust your gut feeling. When you reach that sweet spot between 40% and 70%, then it's up to your intuition to take the right decision. This is where most effective leaders are born, because it's not just about the facts, it is also about the leader's gut instinct. And those with an instinct pointing them in the right direction are the ones who will lead their organisation to success.

It is said that Henry Ford used to take intuitive decisions. When he faced falling demand for his cars and high worker turnover in 1914, he did something that probably made other barons of industry go pale: he doubled his employees' wages. It appeared to be crazy. Well, within a year, turnover dropped by a factor of more than 20, while productivity nearly doubled, and demand for Ford cars boomed because Ford's own workers could now afford the product they were making. Wasn't that a smart decision?

The consequences of the 40-70 rule: Just as there are consequences for every action, there are also long-reaching consequences for business operation. In fact, this is what spurns the idea of the upper limits of the 40-70 rule. When you initiate a decision falling outside the parameters of 40-70%, it can result in taking a decision that may have been correct but that doesn't fully address the situation because you simply didn't think about the far-reaching consequences of your decision. Taking good decisions requires balancing the seemingly opposing forces of emotion and rationality.

eFE

MONDAY, APRIL 27, 2020

WORKING SMARTLY

Satya Nadella, CEO, Microsoft

Amidst the uncertainty of these extraordinary times, we're seeing organisations around the world adapt and innovate. We're proud to support them, providing the platforms and tools to help teams work together, even while working apart.

SQUEEZE ON PURSES

Cash flows run dry for startups

Even as tech startups and SMBs wait for relief measures from the government as revenues fall in the wake of the lockdown, they need to modify their business models to sustain themselves in the post-pandemic period

SRINATH SRINIVASAN

Styleworks founder Sparsh Khandelwal (L) & MoveInSync co-founder and CEO Deepesh Agarwal

THE ECONOMIC TURMOIL following the Covid-19 crisis has impacted tech startups operating across a range of segments, with many of them apprehending empty warchests in the days ahead. Co-working space startups, logistics and supply chain tech startups as well as e-commerce companies seem to have taken the hardest hits. "We can expect 50% of this revenue to be shaved off by the time the lockdown is over," says Gaurav Hazra, senior director and head – India Market Development, Nasscom.

With people working from home, empty co-working spaces are becoming the norm. "We have incurred a loss of ₹4-4.5 crore for April and May, due to delay in closing deals and also because our customers are now asking for a cut in the pricing," says Sparsh Khandelwal, founder, Styleworks, a coworking space aggregator. Khandelwal has a seat count of 40,000-50,000 seats. Styleworks also operates in the corporate events space which has taken a severe hit.

"By March 20, over 52% of the total workforce we used to ferry were working from home, and this fell to a 99% level by March 24, when the lockdown was announced," says Deepesh Agarwal, cofounder and CEO of MoveInSync. The company transports over 350,000 employees everyday across the country to their workplaces. Agarwal has been spending time with fleet owners and drivers to support them. They have fixed costs and low reserves.

A lot of SMBs and retail outlets are also affected and in turn, the businesses serving them. "Top e-commerce players moved to only essential services when the lockdown began. Post that, SMBs in the market moved only to essentials. Our merchant devices imports from China got disrupted. When the lockdown is lifted, we expect a surge in transactions for a few days. We have to deal with the surge while managing a lot of backlog," says Byas Nambisan, CEO, Ezetap, which provides digital payment solutions and services to merchants, connecting with banks and customers. "A number of deal closures are really delayed now," he adds.

One of the largest players in offline-to-online retail space is MagicPin which monitors close to 400,000 retail businesses on its platform. "In last week of March, there was a 90% decline in all discretionary categories in the retail space. A week before, we saw a surge in grocery and essentials category but it came down after that." explains Anshoo Sharma, co-founder & CEO, MagicPin.

A big concern that is starting to build up is their depleting cash reserves. Aman Gupta, co-founder, boAt, a homegrown consumer electronics startup, says, "Our inventories with e-commerce players will last for 15 days if deliveries begin. Our imports from China are stopped. We don't intend to fire anyone now but our cash reserves may come down in a couple of months to the point of total disruption in operations."

Siddarth Pai, founding partner, 3One4 Capital, says, "The days of easy money is over as of now. The days of discounts and cashbacks are gone and subsidies that were given to customers will also go out." According to him, companies in attention economy—media, content, edtech, health care (telemedicine) and in productivity applications will gain the most post this crisis.

This is true as ed-tech startups that rely on content primarily have gained a lot during the lockdown. For instance, Byju's saw a 150% increase in traffic on its learning app after it allowed free access in March 2020. KopyKitab, another edtech startup, reported 200% increase in sales in the last week of March and first week of April. In the telemedicine space, DocOnline, a healthcare platform, has seen twice the demand as in the last week of March compared to the beginning of the month. On an average, 20,000 people consult on the platform.

The question of "what next" looms large. Entrepreneurs hope that the government will give a stimulus to SMBs, small retail businesses and the whole ecosystem. Pai believes that startups that are surviving today – in deliveries, telemedicine, productivity tools, stock broking and media/content businesses, have great scope and should work their way up the value chain by offering more features and solutions. He also expects that a financial stimulus package from the government for the SMBs and the startup ecosystem will ensure cash flow.

Nasscom's Hazra says that companies should try modifying their business models to sustain during the tough times. He is a part of the team that has recommended relief measures to the government on areas like taxation, cash liquidity, ease of doing business and measures to reduce job losses.

BEYOND COVID-19

Finding the optimistic within the pandemic

Chandrahas Panigrahi

HAVE WE THOUGHT what businesses will look like when we reach the other side of the pandemic? How will life post-Covid-19 look like? How will our performance change, given the high degree of uncertainty right now? How will this turn into a post-crisis consumption-based economy and corporate business models? By taking preemptive steps now, you can put your business in a more secure position to stay strong and recover faster. Here are a few key strategies to help your business regain from Covid-19.

Resilience: Building resilience gives companies a competitive edge

The integrity of an organisation and its leadership team is directly enhanced by its resilience. Companies should pursue to evolve their product offerings and operational infrastructures to drive growth to depend on a resilient foundation, allowing resources to be focused on conversion, rather than mitigating risk. There are two types of strategies here. One is a market-competing strategy that focuses on beating rivals in existing markets that we think of as a 'red ocean strategy'. The other is a market-creating strategy that focuses on generating new markets which we think of as a 'blue ocean strategy'.

First, to create growth resilience, blue-ocean market-creating moves stand out. They not only unlock a growth edge when economic conditions are favorable, but also generate resilient growth in the face of business cycle downturns and unfavorable economic conditions. Second, don't wait for growth to slow to make market-creation a strategic priority. Act now. Third, ensure that your market-creating efforts are a core component of your corporate strategy and not siloed into a function, effectively a sideshow. Lastly, remember technology itself doesn't create markets. What creates new markets is the use of technology. Don't wait for fiscal policy adjustments or fiscal stimulus to propel your growth. The good news is you need not be trash on the roaring ocean of the business cycle, rising and falling with the fluctuations of the market.

Return: Reconsider business system

Returning businesses to operational condition after a terrible shutdown is extremely challenging. Also, there is no doubt that we are in the middle of the supply chain disruptions that will have global consequences for many months regardless of the time required to bring the coronavirus disease under control. The lowest point in the chain will define the success or otherwise of a return to rehiring, training, and attaining previous levels of workforce productivity. Leaders must reconsider their entire business system and plan for committee actions in order to return their business to effective production at pace and at scale.

Resolve: Embrace new technology for alternative sales channels

This pandemic shock will create a discontinuous shift in the predilections and expectations of individuals as employees and consumers. These shifts will impact how we live, how we work, and how we use technology. Visibly, the online world of contactless commerce could be augmented in ways that reshape consumer behaviour forever. Opportunities to push the blanket of technology adoption will be enhanced by rapid learning about what it takes to drive productivity when delivery is unavailable. The result will be a stronger sense of what makes business more resilient to shocks, more productive, and better able to deliver.

It is, of course, a more difficult landscape for brands to navigate, but it's something that we all need to face together. The challenges are substantial, and we're all hoping that there might be some ray of hope. But if that isn't the case, then we need to work within the limitations of the new environment and consider that in how we look to adjust and stay afloat in these trying times.

The writer is CMO and consumer business head, Acer India

Tech Bytes

Make your home a smart office

THE OUTBREAK OF the Covid-19 pandemic has triggered both demand and supply side challenges for enterprises across India. With most of the businesses moving their operations to a work from home mode, Tata Tele Business Services (TTBS) is offering 'Work from Home' solutions that empower these enterprises with advanced, end-to-end connectivity solutions with secure access, collaboration and back-office operations. Sai Pratyush, Group product head – IoT, Cloud and SaaS, Tata Teleservices said, "As working from home becomes the new normal, our customers want solutions that enable employees to connect securely from their homes and collaborate effectively with their colleagues who are also working remotely. We will continue to focus on bringing to market, innovative solutions that would help our customers address this new normal."

Some of these solutions include Hosted IVR, which allows enterprises to quickly set up distributed call center and enable agents to work from home, Audio and Web conferencing solutions which enable collaboration across employees, partners and customers, International Bridging Services that allow business to remain globally connected and Secure Document and Data Management solutions that address security concerns arising out of a distributed and remote working environment. TTBS has leveraged its expertise and experience in the telecom sector to address the surge in customer demand for reliable connectivity and access to applications.

Career Point launches new learning app

KOTA-BASED CAREER Point, a leading medical and IIT entrance examinations coaching institute, has announced the launch of 'eCareerPoint', an online learning app, to keep the mind of students ticking during the lockdown. The app offers courses on engineering, medical entrance and K12 competitive examinations. The classes of new academic session 2020-21 for NEET, JEE which commenced from April 15 is also available on this new app. The app features live interactive classes, online test series, doubt removal, video lectures, live seminars and eBooks etc. Pramod Maheshwari, MD & CEO, Career Point said, "From virtual classes by Kota's experienced and renowned faculty members through video calls and access to study material, e-books and mock tests, we are going extra mile to make online learning easy and interactive like class room sessions."

Gadgets

MI BLUETOOTH SPEAKER & EARPHONES

Enjoy your music anytime, anywhere

Xiaomi's new audio devices sound great and are perfect for folks on a budget

SUDHIR CHOWDHARY

WHEN IT COMES to features and overall user experience, mobile phones from Xiaomi are a distinct notch above others, a trait that the Chinese device maker is extending across its other product categories; smart TV segment is one instance where the company has made rapid strides in recent months. Of late, Xiaomi is focusing aggressively on the audio front. Recently, the company has debuted its Mi Outdoor Bluetooth Speaker enabled with voice assistant. It has also introduced new Mi Dual Driver In-Ear Earphones. We got both the affordable products for review purpose, let us see how they perform.

Mi Outdoor Bluetooth speaker (₹1,399)

The Mi Outdoor speaker is pretty handy, compact and portable, and promises to offer a great audio experience. It comes equipped with a 5W power output that delivers clear, rich vocals and punchy bass. To enable a wide spectrum of sound frequencies, the speaker features a passive radiator and a diaphragm made of Canadian long fibre pulp vibration film. The passive radiator enhances low frequencies while the diaphragm acts as a perfect damping system delivering natural and clear sound by restraining vibration.

Ideal for personal use, the speaker lets you command and access your favourite voice assistant (Google Assistant, Alexa or Siri) with a simple touch of a button. Bluetooth 5.0 lets the users stream music effortlessly. Featuring a one key function, the speaker enables users to answer or end calls with one touch.

The palm-sized Mi Outdoor Bluetooth speaker boasts of a premium look and is specially designed for an ultra-mobile lifestyle. A full charge of the 2000mAh battery can provide upto 20 hours of music playback (at 80% volume). The IPX5 rating along with anti-skid edge grip design ensures that you leave your worries of accidental splashes and spills behind.

At my end, I synced the Black colour Mi Outdoor Bluetooth speaker with my mobile device. Sound emitted fairly good; there is no distortion, it plays pretty good even at high volume. I reckon that this speaker is specially built for the young music enthusiast who wants the best of technology and quality.

Mi Dual Driver In-Ear Earphones (₹799)

The Mi Dual-Driver In-Ear earphones come equipped with 10mm and 8mm dynamic drivers delivering rich bass and crisp treble. Designed for an immersive sound experience, it ensures minimal sound distortion while offering extra bass, sparkling trebles and clear mids.

Appearance-wise, the earphones look elegant and are also built to last. The outer shell of the earphone features an elegant carbon look for effortless style. The anodised aluminium cavity perfected with a zircon sandblasting procedure makes the earphones lightweight, scratch-proof and fingerprint resistant. The earphones also feature soft anti-slip earplugs that perfectly fit the contour of your ears offering exceptional comfort.

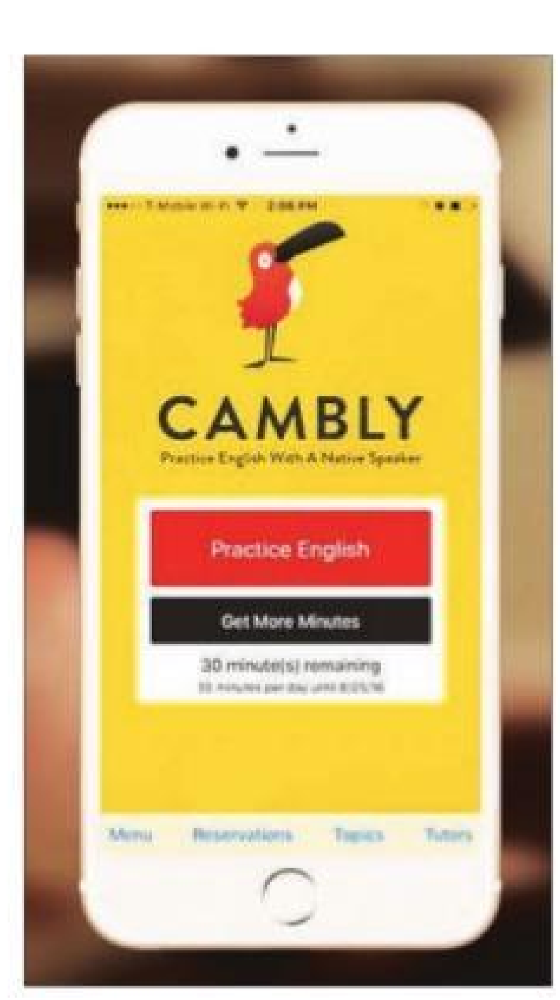
Mi Dual Driver In-Ear earphones come with the convenience of a 3-button operation and supports voice assistants. The magnetic earbuds ensure that storing the earphones is simpler, and the tangle-free braided cable enhances the tensile resistance and durability of the wire, thus increasing the lifespan of the product.

APP REVIEW

Now speak in English without fear

Cambly gives you instant access to native English speakers over video chat, so you can learn and gain confidence

SUDHIR CHOWDHARY



IT'S LOCKDOWN TIME and most people are indoors – quite frankly, there is ample amount of time at hand. Instead of watching endless YouTube videos, how about sprucing up your English language and speaking capabilities? Especially for school and college students, even for those who are low on confidence when it comes to conversing in English. After all, English is a global language and the preferred one for all business communication. For many, it's an aspirational language as it unlocks opportunities which help them advance their life and career. The market for the English language alone is over 1.5 billion people worldwide.

There's a new and interesting English learning app, Cambly, to help you overcome the fears mentioned above. The app has over 5 million subscribers and is available for download on iOS and Android devices. The subscription plans are flexible and start from ₹1,549 per month.

Basically, Cambly gives you instant access to native English speakers over video chat, so you can learn and gain confidence. Launched in 2019 in India, Cambly is used by students from over 130 countries with some of the biggest markets being Middle East, China, Brazil, Turkey, Japan and Korea.

How to use the app: Open the app. Select your favourite tutor and that's it, you can start practising your English speaking skills anytime and anywhere. Cambly provides its users with a free trial, plus a relaxed, bias-free and fun learning environment. This is mainly because of the quality of tutors. Cambly is selective in admitting tutors to the platform. The tutors also make sure that students are at ease and provide constructive feedback. It does not only impart knowledge but also helps in cultural exchange between the tutor and the student.

In India, Cambly sees strong demand from people employed in the workforce, English teachers and people preparing for IELTS examination majorly from Tier 2 and 3 cities.

KEY FEATURES

- Cambly is super easy to use. With just one click, a subscriber can start having their lessons
- All lessons are conducted one on one over video and can be done anytime
- All tutors are native English speakers, that is, those whose first language is English
- Students have the ability to review the session video from their profile after the end of each class
- Students can practise their English language speaking skills 24/7, anytime and anywhere
- Students self-select their proficiency and goal at the time of signing up

Investor

MONDAY, APRIL 27, 2020

EXPERT VIEW

Lacklustre Q4FY20 volumes indicate a bleak FY21 for Tata Steel. However, we also expect TSL to benefit the most from demand recovery due to focus on value-added products

—Edelweiss

TATA STEEL RATING: BUY

Covid-19 woes marred operating performance

While pressure on volumes and realisation is expected in near term, company will gain most from demand revival; 'Buy' maintained

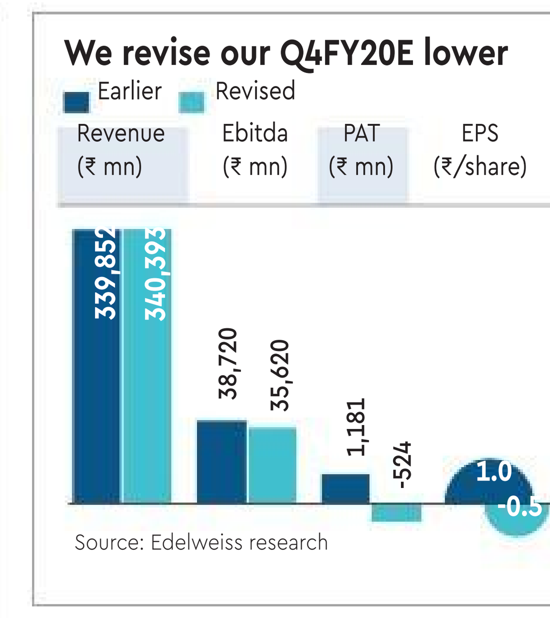
TATA STEEL'S (TSL'S) Q4FY20 operating performance was marred by COVID-19 woes. Key highlights: i) Domestic volume fell 15-19% across business segments, though Tata Steel Europe (TSE) fared better; ii) inventory build-up evident; and iii) possible uptick in exports volume (fetching lower realisation) is likely to impact profitability. Going ahead, we expect sustained near-term pressure on volumes and realisations owing to lockdown woes and progressively lower export prices, respectively. Maintain **Buy** with TP of ₹335, implying 7.0x June 2021E EBITDA.

Volume dip in profitable domestic operations a concern

TSL's Q4FY20 operating performance was tepid. Domestic volumes at standalone operations (down 18% YoY to 2.91mt) and Tata Steel BSL (down 15%YoY at 0.98mt) came 6% and 5%, respectively, lower compared to our estimates. However, TSE volume (down 8% YoY to 2.37mt) was 9% ahead of our estimate. Key highlights: 1) Low capacity utilisation at steel-making facilities and suspension of operations at downstream facilities; 2) possible inventory build-up of 0.4-0.5mt in Q4FY20 at standalone operations; and 3) relative outperformance of TSE possibly due to lower imports from China, resulting in higher market share for local players. Taking cognisance of Q4FY20E volumes, we revise our Q4FY20E EBITDA down 9% to ₹35.6 bn.

Further challenges on horizon

We see performance worsening in



H1FY20 led by: 1) demand dip in domestic market; 2) lower exports realisation (down 25% compared to Q4FY20); and 3) sustained weakness in domestic prices owing to destocking. Furthermore, we expect TSE to make loss at operating level in FY21. We expect recovery only by Q4FY21.

Outlook: Near-term concerns weigh

Lacklustre Q4FY20 volumes indicate a bleak FY21 for TSL. However, we also expect TSL to benefit the most from demand recovery due to focus on value-added products. We maintain 'BUY/SO' with TP of ₹335/share. The stock is trading at 6.8x FY22E EBITDA.

EDELWEISS

PHARMACEUTICALS

Outlook for earnings to now drive re-rating

Covid-19 related gains are largely priced in; Aurobindo, Biocon are top picks; Torrent downgraded to 'Hold'

THE BSE HEALTHCARE Index has rallied 28.3% in the last month versus the BSE Sensex at +9.4%. The rally was led by the market rotation into defensive sectors like pharma as well as by recent FDA actions to ensure availability of critical medicines during the COVID-19 pandemic (e.g., FDA's expedited approval for Cipla's albuterol inhaler and allowing Ipca Lab to supply hydroxychloroquine sulfate).

Further re-rating to be driven by earnings upgrades

The rolling 12-month forward PE valuation for the sector has moved up by 40% from recent lows in March 2020 and it currently trades at c1 standard deviation above the 5-year mean. With stock prices having run up by 15-55% in the last one month for most coverage names, we believe benefits from COVID-19-related supplies are largely priced in. Further sector re-rating and upside for stocks from now on will be driven by an improved outlook for earnings growth, in our view.

Meanwhile, challenges such as slower-than-expected monetisation of specialty

brands and differentiated generics, high competition, FDA overhangs at plants, etc. remain for the US market. We think benefits of expedited FDA approvals and regulatory leniency at plants would not extend to non-COVID-19 products. In addition, benefits of INR depreciation will be largely nullified by weaker emerging market currencies. In the long term, we believe there is a risk of higher costs if the US mandates generic companies to shift manufacturing to the US.

We remain selective amid a broader volatility

We prefer names with clear earnings growth drivers such as scope for significant scale-up in focused segments (e.g. Biocon), and cost competitiveness (e.g., Aurobindo), both rated Buy. We revise estimates for all the names in our coverage in line with the current outlook and update the INR/USD rate to 76.66 (current sport rate, earlier 70). We revise our TPs for all names. While we like the structurally strong and cash-generating business model of Torrent Pharma, we believe the c24% rally in the last month factors in its earnings growth visibility. Hence, we downgrade it to Hold from Buy.

We prefer names with clear earnings growth drivers such as scope for scale-up in focused segments (e.g. Biocon), and cost competitiveness (e.g., Aurobindo)

Q4FY20 earnings preview

We expect an improvement in US base sales to continue for most names in 4Q, except ones with pending FDA issues. Q4 is seasonally a weak quarter for India formulations business; however, a few companies can maintain the growth momentum. We expect a good quarter for Biocon, Dr Reddy's, Lupin and Sun; India-heavy names like Alkem will likely see a soft quarter.

HSBC

HSBC India Pharma coverage valuation summary

Company	Rating	TP (₹)	Up/down side (%)	CAGR FY20-22e
Alembic	Buy	715	15.8	-4.4%
Alkem	Hold	2,500	-6.7	15.3%
Aurobindo	Buy	600	10.6	2.1%
Biocon	Buy	390	9.8	44.7%
Cadila	Hold	310	-7.1	17.9%
Cipla	Hold	560	-6.4	17.3%
Divi's Lab	Hold	2,070	-11.2	19.3%
Dr Reddy's	Buy	4,160	5.9	26.2%
Glenmark	Buy	360	14.5	16.6%
Ipca Lab	Buy	1,740	16.2	26.7%
Lupin	Hold	740	-10.0	49.7%
Sun Pharma	Hold	450	-1.6%	16.5%
Torrent Pharma	Hold	2,230	-0.7%	25.4%

Source: Refinitiv DataStream, HSBC estimates.
*Based on closing price of 17 April, 2020

ACC RATING: BUY

Ebitda beat estimates due to lower costs

CY20e Ebitda cut by 7% to factor in Covid-19; valuation is attractive; 'Buy' retained

ACC'S Q1CY20 EBITDA increased 10% YoY to ₹5.9 bn, above our/consensus estimates, mainly led by lower than expected raw material and power & fuel costs. Cement realisation increased 1.5% QoQ while volumes including clinker sales declined 11% YoY to 6.74mnte – both broadly in line with our estimates. Total cost/te declined by 3.4% YoY owing to sharp movement in inventories. Accordingly, blended EBITDA/te increased 24% YoY to ₹870/te. ACC's expansion projects may get delayed on likely contraction in FY21 demand, in our view.

Factoring in the higher impact of COVID-19 lockdown, we reduce our CY20E EBITDA by 7% while broadly maintaining our CY21E estimates. Maintain **Buy** with the target price unchanged at ₹1,520/share based on 9x Mar'22E EV/E.

Revenues declined by 11% YoY to ₹34.3 bn: Grey cement realisation increased 1.5% QoQ/declined by 1.6% YoY to ₹4,576/te. Volumes including clinker declined 11% YoY to 6.74mnte owing to COVID-19 lockdown from 24th Mar'20. ACC has resumed operations at various plants w.e.f. 20th Apr'20 in a phased manner. Management expects overall demand to contract in FY21.

Blended EBITDA/te increased by a sharp 24% YoY to ₹870/te: Cement EBITDA increased 11% YoY to ₹5.4 bn with cement EBITDA/te also increasing 24% YoY to ₹798/te. Cement cost/te declined by 5% YoY/4% QoQ to ₹3,881/te. Raw material (ex-inventory movement) cost/te declined by 16% YoY on optimisation of source mix and better supply chain management. Power & fuel cost/te increased 4% YoY due to lower sales volumes. PAT increased 31% YoY to ₹3.2 bn (I-Sec: ₹2.9 bn).

We factor in 1.8% volume CAGR over CY19-CY21E and expect EBITDA to increase marginally to ₹853/te by CY21E from ₹835/te in CY19. ACC had net cash of ₹46 bn as of Dec'19 and is likely to generate OCF/incur capex of ₹35 bn over CY20-CY21E. Valuation at 6.5x CY21E EV/E is attractive, in our view.

ICICI SECURITIES

Earnings revision

	CY20E		CY21E	
(₹ m)	Revised	% chg	Revised	% chg
Revenue	1,37,733	(5.2)	1,63,604	(1.4)
Ebitda	20,457	(6.5)	26,294	0.0
PAT	11,474	(8.7)	15,356	(1.2)

Source: Company data, I-Sec research

Personal Finance

EMBEDDED VALUE

Plan for the year with insurance as first step

Kamalji Sahay

Now is the time to assess where you are in relation to financial goals, tax planning & cash inflows

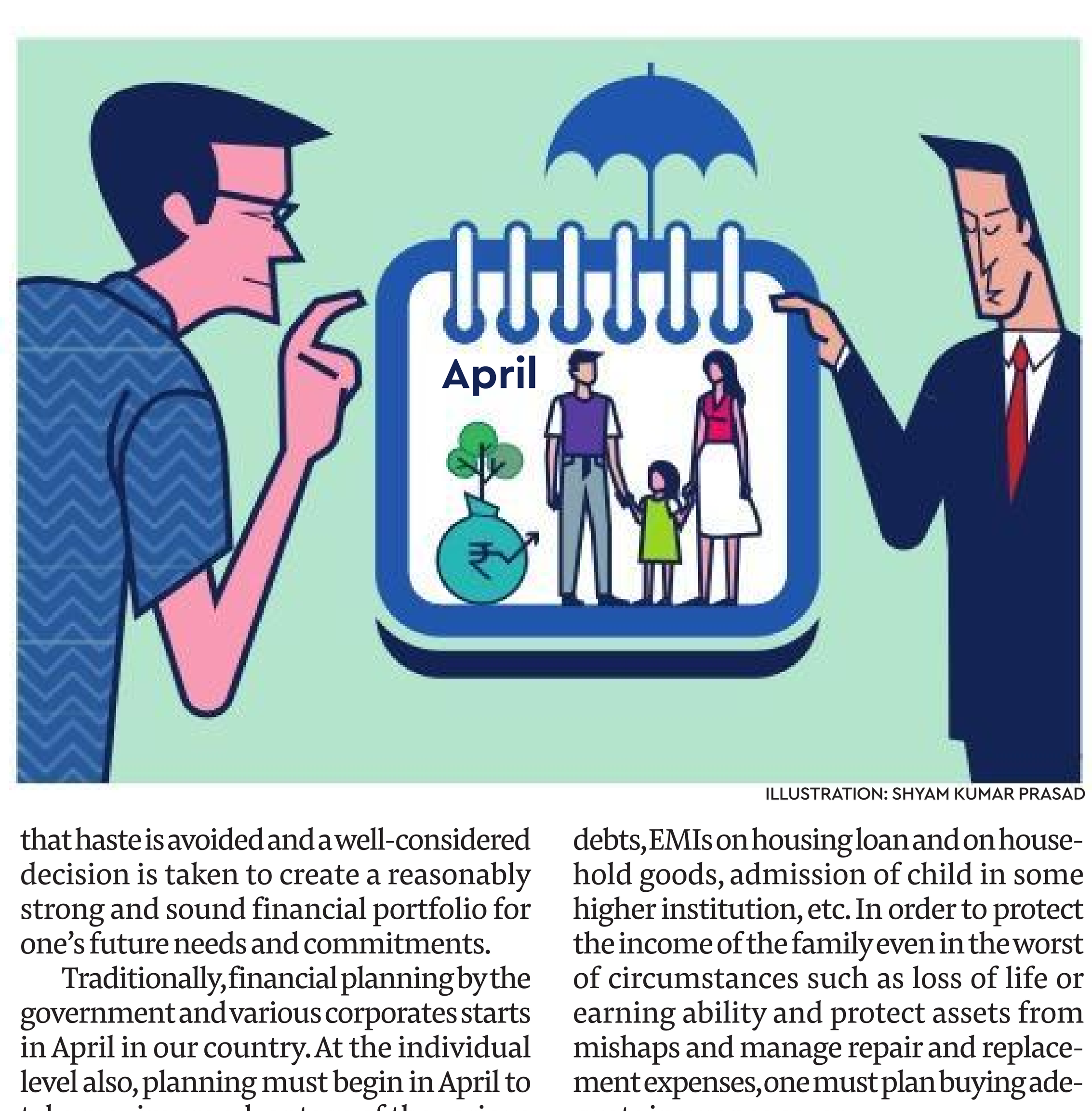


ILLUSTRATION: SHYAM KUMAR PRASAD

GENERALLY, PEOPLE START thinking about investment as well as insurance during the last quarter of the financial year. For the purpose of investment, the cardinal principle is "sooner the better" because an investment or saving has the tendency to grow every day.

Time is one of the inputs to the magic of compounding, the mechanism that makes investment or the savings grow rapidly. Similarly, life insurance or any other insurance for that matter protects the buyer against the risk of unexpected adverse episodes which necessitates financial support either to the policyholder or to the dependants of the policyholder.

Start planning early

Preparation for a prosperous and secured tomorrow should begin at the commencement of the financial year so that haste is avoided and a well-considered decision is taken to create a reasonably strong and sound financial portfolio for one's future needs and commitments.

Traditionally, financial planning by the government and various corporates starts in April in our country. At the individual level also, planning must begin in April to take maximum advantage of the various savings avenues and opportunities fto make it most tax-efficient. April is the right time to assess where a person is in relation to his financial goals and tax planning. In April, one should review financial commitments and likely cash inflow during the year. This should include review of all debts, EMIs on housing loan and on household goods, admission of child in some higher institution, etc. In order to protect the income of the family even in the worst of circumstances such as loss of life or earning ability and protect assets from mishaps and manage repair and replacement expenses, one must plan buying adequate insurance cover.

Opportunities and offerings

Most people keep postponing financial planning till the last quarter of each financial year and more often than not, they end up with regrets, because of hasty decisions that turn out to be wrong. Matured financial planning demands 360-degree view of the opportunities and offerings in the market and matching them with one's requirements. At the same time one needs to understand tax benefits or tax implications in respect of each amount invested and even on the periodic or terminal withdrawals or proceeds.

Financial planning at the beginning of the year puts your finances under your firm control and gives the advantage of first mover in a market that gets cluttered by products that may look attractive but may not be the right for your needs. In financial matters there is not much scope for using the reset button, hence one must take the right decision and a well-considered one every time one buys a policy or any financial instrument.

Life insurance is often recommended as the first among all financial instruments as it creates a large umbrella of safety for the family of the policyholder with the payment of the very first instalment of premium. The cash value of the endowment policy comes handy in meeting short-term requirement of money. The policy accumulates wealth without any tax liability during the accumulation phase as well as at the time of collecting the maturity value. Certain policies take care of cash requirement in case of critical illness as well as during the tough time that follows permanent disability. All these conditions must be fully understood before one signs cheque for the first instalment.

The writer is former MD & CEO, SUD Life

Stick to time in markets vs timing the markets

The longer you stay in the markets, the more you are likely to earn returns by letting the magic of compounding work for you

YOUR MONEY

SUSMIT PATODIA

ILLUSTRATION: SHYAM KUMAR PRASAD

DOWN MARKETS ARE very tough to handle primarily because of two factors that stress us: We think things are going to get worse, and secondly, we feel a sense of loss of control.

To these you add the third that we are subject to in this lockdown: very few avenues to let off steam. The three together are a potent force to ensure that most of our decision making is taking place when we are stressed, which leads to more short-term frame of reference during the decision-making process. This is what causes a lot of us to bail out nearly almost always at the wrong time.

Money in the markets

This brings us to the next aspect which is how do we make money in the markets. There are two ways to make money in the markets from a timing perspective. First, we always sell at the top and re-buy at the bottom. Second is to remain invested and not worry about the timing. This is what you would have often heard from most successful long term investors as it is not about timing but spending time in the markets.

The first way involves two extremely tough decisions to be made and both have to be right for us to make money. The second one involves no decision making but a lot of stomach to digest the quotation loss. Most of us want to try the first way of timing as the upside is huge if we get it right and more importantly, it involves a lot of decision-making. In tough times like these, we love decision making because the more decisions we make, the more in control we feel. Here is where the data is interesting and gives key insights into why fewer the decisions we make the more we are likely to make money in the markets.

Time in markets

Nifty in the last 30 years (10,900 days) has returned a CAGR of 12.2% which gives us a return of 31 times. Data show that bulk of equity returns are made in just a few days. If you missed just 30 out of the 10,900 days, your returns came down from 31 times to just three times. The near impossible part is to figure out which are those days, hence spending time is important as these days can happen when you least expect them to.

Next, 60% of the best 30 days of returns actually happened in bear markets which if we try to time are most likely to be missed. The logical next question is why does this happen. The famous Anthony Bolton (one of Fidelity's greatest fund managers) said: "The most money in equity markets is made when things go from bad to less bad." That is the most lucid answer to the question. So, stick to time in markets vs timing the markets.

Equities are the only investments that allow you to earn return on returns. The second advice is that compounding is a mathematical truth. The longer you stay, the more you are likely to earn returns by letting the magic of compounding work for you.

The writer is associate director & fund manager, PMS, Motilal Oswal AMC

BrandWagon

MONDAY, APRIL 27, 2020

NUMEROLOGY

Consumers are more open to information including ads:
- **31%:** Before going to sleep
- **17.5%:** Taking a break from work
- **16%:** In the bathroom

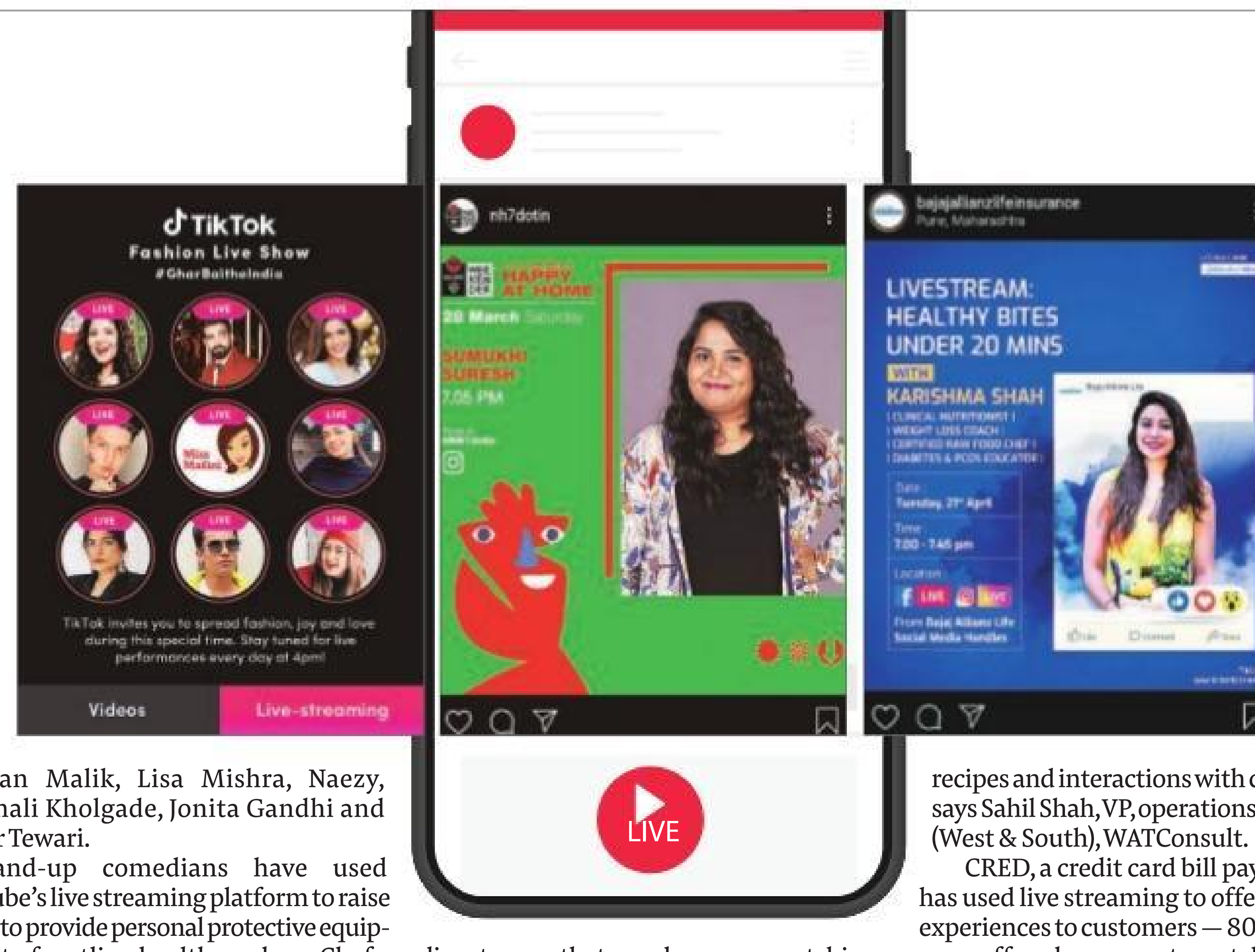
— Taboola

DIGITAL

The show must go online

The live streaming feature on social media platforms is seeing a huge uptake during the lockdown

VENKATA SUSMITA BISWAS



THE ENTERTAINMENT SCENE in the country is changing to make up for the cancellation of events and large gatherings amid the lockdown. Live streaming of music concerts, stand-up comedy shows, poetry readings, fitness training, cookery shows and plays on social media is now an emerging trend. Brands have hopped on the bandwagon and tied up with celebrities and influencers to create live shows and branded content.

Stayin' live

The Bacardi NH7 Weekender was among the trendsetters of live streaming on social media. Under its IG Live music festival, Instagram launched *Live in your Living Room* on March 29, featuring artistes Armaan Malik, Lisa Mishra, Naezy, Shalmali Kholgade, Jonita Gandhi and Ankur Tewari.

Stand-up comedians have used YouTube's live streaming platform to raise funds to provide personal protective equipment to frontline health workers. Chefs, fashion bloggers, ed-tech brands and singers have begun streaming content, contests and challenges live on TikTok.

OTT apps are taking to it, too. *Sunburn @Home* is being streamed live on Zee5, in addition to other social media platforms. The organisers of Sunburn have managed to rope in a few brand sponsorships for the live stream.

The growth in time spent on social media (up by 36%, at 38 minutes per day per user, as per a report from BARC India and Nielsen) is reflected in the number of live streams that people are now watching.

There has been a multifold increase in the viewership of TikTok live videos, too. Sample this: Awez Darbar, a TikTok influencer who managed to get 1,200 views on live videos at the beginning of the lockdown, clocked nine lakh views for a recent live show.

Social media analysts say that consumers are looking for ways to deal with the lockdown. "Therefore, brands are attempting subtle brand integrations in live content. The themes are mainly fitness, beauty and self-care, music, food recipes and interactions with celebrities," says Sahil Shah, VP, operations and media (West & South), WATConsult.

CRED, a credit card bill payment app, has used live streaming to offer premium experiences to customers — 80 of its users were offered coupons to watch an exclusive concert by musician Ankur Tewari. Then there's Asian Paints, which took song requests from users and got singers like Shaan and Shankar Mahadevan to perform live on Instagram.

Some brands are offering consumers tips and support. "Our marketing efforts have followed eyeballs to social media platforms. We chose to stream content that people are looking for, such as fitness sessions and financial advice, through our social media handles," says Chandramohan Mehra, CMO, Bajaj Allianz Life.

The popularity of live streaming has prompted social media platforms to adapt. For instance, Instagram has rolled out a feature that allows live content to be streamed on desktops. "We're also testing a way to save live videos to Instagram TV, so they stick around longer than the 24-hour limit in Stories," informs Manish Chopra, director and head of partnerships, Facebook India. Meanwhile, TikTok's live feature, which was tucked away on the app, has found a prime spot at the top of the Discover section.

Free for all

Despite live streaming drawing a full house, there has been little monetisation so far. "For the moment, most are following a freemium model for live streaming. Some events are being organised on a 'pay as you wish' model, which lets people contribute any amount they wish to the artiste or cause," says Roshan Abbas, MD, Geometry Encompass.

For now, almost all the events showcased on BookMyShow are free to view live. Albert Almeida, COO, live entertainment, BookMyShow, says, "If there is a new normal resulting in fewer numbers at live venues, we will have to look for models that meet the changing needs of the consumer, while addressing the commerce side of the entertainment business."

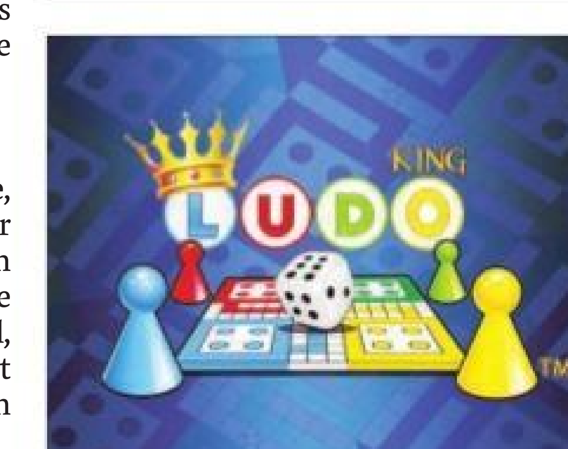
Paytm Insider has begun charging a fee from those who want to tune into shows streamed live. The shows streaming via Zoom.us are priced at ₹299-499.

Experts believe that people may opt to stay away from large gatherings even after the lockdown, and, hence, social media platforms will need to find ways to monetise the live stream format. "Social media and ticketing platforms need to set up the backend infrastructure to charge viewers to pay for content," says Shah.

GAMING

Scoring high

Mobile gaming sees rapid growth since the lockdown



DEVIKA SINGH

THE MOBILE GAMING industry has recorded a new high score since the lockdown, which has been effective from March 24. According to a report by InMobi, usage of mobile gaming apps has grown by 110% since then. Gaming app Ludo King claims its daily active users have gone up to 50 million, from 15 million when the lockdown started; while Paytm First Games has seen its userbase more than double; and multi-gaming app WinZO Games is seeing a 30% growth in traffic every day.

It should be noted that even before the lockdown, online gaming has been on a growth trajectory in India. As per a recent FICCI-EY report, the industry was worth ₹4,600 crore in 2018, and is estimated to reach ₹18,700 crore by 2022, growing at a CAGR of 43%. The current situation, of course, gives the industry a fillip.

Game on

Although gaming apps are typically popular among the young demographic (18-35), highly skewed towards men, the lockdown has seen consumers across age groups playing.

"In the last four weeks, we have seen that 16% of the users on our platform are above 35; while the percentage of women users has risen from less than 10% to 14% now," says Sudhanshu Gupta, COO, Paytm First Games.

WinZO, meanwhile, has seen a 40% increase in the number of women players on its app. The time being spent on these apps has gone up, with players playing even during the day, unlike before. "Earlier, the average time being spent on our app by a user was 35 minutes, but it has gone up to 45 minutes now," says Vikash Jaiswal, founder and director of Gametion Technologies, which owns the Ludo King app.

Ludo King claims its daily active users have gone up to 50 million, from 15 million when the lockdown started; Paytm First Games has seen its userbase more than double

Gaming platforms are leveraging this surge in usage by adding more games. WinZO Games, for example, has tied up with Tencent Games to introduce PUBG on its app. "Our target audience comes from tier II-V cities, but in recent weeks, we have witnessed increased interest from tier I cities, too. Therefore, we have introduced games such as PUBG and 8 Ball Pool to provide relevant content for this new set of audience," says Saumya Singh Rathore, co-founder, WinZO Games.

Paytm First Games, which was expecting an uptake in fantasy cricket games during the IPL, has had to restrategise, since the cricketing event has been cancelled. "Our in-house developers and gaming partners quickly developed cooking games, pool games, ludo, etc. We see about 2-2.5 lakh people play Ludo on our platform every day," adds Gupta.

Looking ahead

The buzz around gaming may fizzle out as the lockdown period gets over, but, experts say, it will be a win for these mobile gaming apps. "Even if the number of users coming to these apps see a drop of 30-40% after the lockdown ends, it will still be much higher — almost double — than earlier," says Ajay Gupta, partner – digital transformation, Kearney.

In the short term, monetisation remains a challenge for these apps as most brands have downscaled advertising. Paytm First Games has seen a drop of 30-40% in effective cost per mille or eCPM. But in-app purchases, which are the transactions made by users while playing either to buy tickets or bonus points, have gone up. Paytm First Games has seen a growth of 60% in its in-app purchases, WinZO has witnessed a 20% surge, while Ludo King has seen a 25% jump.

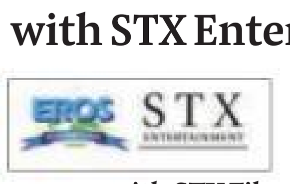
To continue growing, Gupta says, these apps will have to strengthen their ad networks, get into product partnerships or co-branding, and not stick to one method of generating revenue.

In The News

IPL 2020 suspended till further notice

THE BCCI HAS announced that IPL 2020 will be suspended till further notice owing to the health and safety concerns in the wake of the Covid-19 pandemic. In a statement, Jay Shah, secretary, BCCI, said "the franchise owners, broadcaster, sponsors and all the stakeholders acknowledge that the IPL 2020 season will only commence when it is safe and appropriate to do so". The 13th edition of IPL was to start on March 29 and end on May 24, and then was initially pushed to April 15.

Eros International merges with STX Entertainment



EROS INTERNATIONAL HAS entered into a merger with STX Filmworks, a global media company. The combined company, to be called Eros STX Global Corporation, will have a pipeline of 40 feature-length films and more than 100 original episodic content in 2020, which will be distributed across platforms globally.

DAN India launches OTT planner

THE DATA SCIENCES division of Dentsu Aegis Network (DAN) India has launched DMC Video+, short for Dentsu Marketing Cloud Video+. This tool aims to provide an agnostic approach towards planning and buying on OTT platforms.

Snapdeal partners with Hungama Play

E-COMMERCE MARKETPLACE SNAPDEAL has partnered with Hungama Play, a video on demand platform, to offer a video streaming service to its users. This gives Snapdeal users access to short-format content, movies, TV shows and short films across genres in more than 15 languages.

Rudratej Singh, BMW's India head, passes away

RUDRATEJ SINGH, PRESIDENT and CEO of BMW Group India, passed away on April 20, 2020. Singh, 46, had joined BMW in August, 2019. Arlindo Teixeira, chief financial officer, BMW Group India, has been appointed as the interim president.

Mohit Ahuja joins Mirum

MIRUM HAS BROUGHT on board Mohit Ahuja as director of brand strategy & client services. He joins from 82.5 Communications, where he spent close to eight years.

Motobahn

INTERVIEW: DEEPAK JAIN, President, Automotive Component Manufacturers Association of India

It's an opportunity to make India the auto components factory of the world

In 2018-19, the turnover of the Indian auto components sector was ₹3,95,902 crore ($57 billion), its contribution to GDP 2.3% and to manufacturing GDP 25%. The sector also exported components worth ₹1,06,048 crore ($15.16 billion), primarily to North America and Europe. But its exports, as compared to global auto trade, are still less than 1.5%. The Covid-19 crisis presents an opportunity for the Indian auto components sector to become the factory of the world, believes Deepak Jain, President, Automotive Component Manufacturers Association of India (ACMA). In an interview with FE's **Vikram Chaudhary,** *he adds this is also the time to focus on deep localisation, to have better training facilities, and putting people first. Excerpts:*

We used to say people are our best assets, but at the end of the day products used to take precedence. Now, we are talking about quality of people; it's an opportunity to invest in them

While we argue about 'deep localisation' of the Indian auto components sector, is it really possible in a globalised, interconnected world?

The Indian automotive industry traditionally has had high levels of localisation, but with changes in technology (the transition from BS4 to BS6) there was not enough time (to continue with those levels). During BS4, we had local content of about 95%. With BS6 coming in, a lot of systems had to be imported from global counterparts, because testing and validation for localised components may not have been possible in a short period of time. With time, we will have deep localisation; it means localisation of not just products and components, but also in terms of design and engineering content, including the processes and so on.

In which all ways do you expect the automotive components supply chain to change once the economy gets back to normal?

Earlier, there were certain constraints to localisation—some parts come only from one region. China has the lead because it's the factory of the world. But after Covid-19, there will be a focus on self-sufficiency; many countries are advocating making in their own country. I believe there will be a fast-tracking towards deep localisation post the stabilisation of Covid-19.

In addition, we will have to readjust the supply chain as a one-plus-one concept; for example, if earlier there was only one source globally for certain components (maybe because of economies of scale or competitive advantage), now there has to be an alternative. Herein lies an opportunity for India; we can play a bigger role in the global auto sector.

What about the availability of trained workforce in India?

We are working with the ASDC (Automotive Skills Development Council); ACMA has also launched a centre of excellence in imparting training in areas such as mechatronics, design engineering systems, etc. We need to fast-track this. As a components sector, we have to think how we can leverage the export opportunity that is now emerging (because of the one-plus-one concept I earlier talked about).

Many OEMs are running their own training centres...

Yes, and all will need to step up the tempo. It's not only about the quantum, but also the quality of training that we need to focus on; we need to relook at the training ecosystem for better collaborations, it need not be company-specific but industry-specific, and we have to rope in the academia.

What is meant by de-risking of the Indian auto components sector? Does it imply reducing dependence on China, or reducing dependence on imports in general?

It means that whatever we are importing right now, we should try and make in India (wherever we are competitive). One must understand why companies went to a particular region for supply and components—it was not out of love but because of the 'competitiveness' of that region. India will have to see this as an opportunity, and auto is a prime sector where we can become competitive both in terms of cost and quality.

How do you see ease of doing business for tier-2 and tier-3 suppliers in India?

Ease of doing business is work in process; I hope with more support coming from the government, it will become better. For smaller suppliers, the real challenge today is financial capability—because they don't have the scale to withstand this kind of economic aftermath (Covid-19). Hence, I think, everyone is waiting for a stimulus.

Is a stimulus definitely needed?

An urgent stimulus is needed. For example, if a patient is in an ICU, he needs much more than medicines. The whole industry needs urgent intervention by the government.

What opportunities do you see in the current crisis?

One, we have seen companies across sectors coming together and communicating; we need to keep up the tempo of this collaboration, going forward.

Two, health is getting due importance. We used to say people are our best assets, but at the end of the day the product used to take precedence. Now, we are talking about quality of people, and so this is a massive opportunity of investing in people.

Three, cash is not just king, it is the emperor today; those entities that have had a strong focus on cash flows will emerge winners in this scenario.

Four, at the front-end, there will be a new way of approaching and acquiring new customers, and so this is an opportunity for the whole industry to become asset-light.

Five, people might get more into private ownership of vehicles, so this is the right time for the government to rethink certain taxations and get the scrappage policy to incentivise consumption—in order to get the customer confidence back. That is the only way the economy will actually work.

Lastly, this is an opportunity for the Indian components sector to become the factory of the world—we already score high on quality, as proven by the fact that 65% of our exports are to high-quality product markets such as North America and Europe—but we need to work with the government to ensure we have the right benefits. We need a completely different approach to see that the export opportunities are captured—to become large-scale component makers who are very competitive.

The Chinese auto components sector may be returning to normal. Is ACMA observing it closely, and can it learn something from them?

The biggest learning is that China takes automotive sector almost like an essential service; even the US declared auto sales as an essential service recently. It is difficult for the auto sector to go through a stop-start-stop cycle—it has a massive multiplier effect on the ecosystem, so it is important there is continuous sustainability. Even when China found Covid-19 cases going up, it did not let the sector stop.

International

MONDAY, APRIL 27, 2020

EMERGING FROM CRISIS

Angela Merkel, German chancellor

Germany is in a relatively strong economic position, and therefore there are countries that are also concerned that they could emerge from this crisis weakened

CORONA CRISIS

Germany flips on smartphone contact tracing, backs Apple and Google

Most EU nations have chosen short-range Bluetooth 'handshakes' between devices as best approach, but have differed over whether to log such contacts on a central server or on individual devices

DOUGLAS BUSVINE
Berlin, April 26

GERMANY CHANGED COURSE on Sunday over which type of smartphone technology it wanted to use to trace coronavirus infections, backing an approach supported by Apple and Google along with a growing number of other European countries.

Chancellery Minister Helge Braun and Health Minister Jens Spahn told the *Welt am Sonntag* newspaper that Berlin would adopt a 'decentralised' approach to digital contact tracing, in so doing abandoning a home-grown alternative.

Nations are rushing to develop apps to assess at scale the risk of catching COVID-19, where the chain of infection is proving hard to break because the flu-like disease can be spread by those showing no symptoms.

In Europe, most countries have chosen short-range Bluetooth 'handshakes' between devices as the best approach, but have differed over whether to log such contacts on a central server or on individual devices.

Germany as recently as Friday backed an initiative called Pan-European Privacy-Preserving Proximity Tracing (PEPP-PT), whose centralised approach was criticised by hundreds of scientists in an open letter last Monday as opening the way to state surveillance.

"We will back a decentralised architecture that will only store contacts on devices. That is good for trust," Braun told ARD public television in an interview.

Although Bluetooth-based smartphone contact tracing is an untested technology and early results in countries like Singapore are modest, its development is already redefining the relationship between the state and individual. It would work by assessing the closeness and length of contact between people and, should a person test positive for Covid-19, tell recent contacts to call a doctor, get tested or self-isolate.

One of the members of PEPP-PT, Germany's Fraunhofer HHI research institute, was told on Saturday that it was being taken off the project, correspondence seen by *Reuters* showed.

"The project will be handed over and others will be able to make use of the results we have achieved so far to build a decentralised solution," Fraunhofer HHI head Thomas Wiegand said in a message to colleagues.

Germany's change of tack would bring its approach into line with that taken by Apple and Alphabet's Google, which said this month they would develop new tools to support decentralised contact tracing.

Importantly, Apple's iPhone would under the proposed setup only work properly with decentralised protocols such as DP-3T, which has been developed by a Swiss-led team and has been backed by Switzerland, Austria and Estonia. Health authorities are keen to get insights into the spread of infection and make use of digital contact tracing to support existing teams that work phones and knock on doors to warn those at risk. **—REUTERS**

MAPPING THE VIRUS

Global cases
2.8 million

Deaths exceed
202,846

UK'S JOHNSON 'RARING TO GO' BUT FACES LOT OF OF PROBLEMS

British Prime Minister Boris Johnson will come under immediate pressure to set out a plan to ease the Covid-19 lockdown when he returns to work on Monday after a three-week interruption due to a bad case of Covid-19. Johnson, who spent a week in hospital in early April including three nights in intensive care, is "raring to go" as he prepares to return from his country residence to his Downing Street office in London, a source said on Sunday.

In his absence, the government has faced growing criticism over complaints from staff in hospitals and care homes that they have received insufficient supplies of protective kit, and over levels of coronavirus testing that are well below its target.

Britain at 'dangerous' stage, no lockdown exit strategy in sight

UK's stand-in leader resisted pressure on Sunday to explain how the government plans to ease the Covid-19 lockdown that has been in place for a month, warning that hasty action could result in a second peak of infections. Foreign Secretary Dominic Raab has been deputising for Prime Minister Boris Johnson for three weeks, since he was taken to hospital with a serious case of Covid-19. **—REUTERS**

China eases curbs on exports of some virus care equipment

REUTERS
Beijing, April 26

CHINA IS DROPPING a requirement that a number of key virus care products get domestic regulatory approval before export, as long as they are approved in the importing countries, the commerce ministry said on Saturday.

China had been stipulating such extra approval at home since the end of March after several European countries complained that Chinese-made test kits were inaccurate, in effect hampering many firms' efforts to supply global efforts against the coronavirus pandemic.

The new ruling applies to products such as coronavirus tests, medical masks, protective suits, infrared thermometers and ventilators.

Products with overseas approval or registration, after relevant verification by a trade group authorized by the commerce ministry, will be allowed for export, Li Xinqian, an official at China's commerce ministry, said on Sunday during a media briefing. Zhang Shuwen, the CEO of Liming Bioproducts, a biotech firm offering coronavirus tests targeting the overseas market, said he believes the new rule is a "wise" revision to the previous one.

'ALL COVID PATIENTS IN WUHAN HAVE NOW BEEN DISCHARGED'

The Chinese city of Wuhan, where the global coronavirus pandemic began, now has no remaining cases in its hospitals, a health official told reporters on Sunday.

"The latest news is that by April 26, the number of new coronavirus patients in Wuhan was at zero, thanks to the joint efforts of Wuhan and medical staff from around the country," National Health Commission spokesman Mi Feng said at a briefing. **—REUTERS**

US airlines receive extra $9.5 bn in payroll support: US Treasury

JONATHAN LANDAY & DAVID SHEPARDSON
Washington, April 26

THE US TREASURY Department said on Saturday it has released $9.5 billion in additional funds from the Payroll Support Program to U.S. air carriers, bringing to $12.4 billion the total provided to the airline sector hit hard by the coronavirus pandemic.

In total, the government has disbursed grant funds to 10 major airlines and 83 smaller carriers.

Congress approved $25 billion in grants for payroll assistance for passenger airlines. Treasury required major airlines receiving more than $100 million in assistance to repay 30% in low-interest loans over 10 years and issue warrants equal to 10% of the loan amount.

Airlines must not cut pay or jobs through Sept. 30 as a condition of the grants and are barred from buying back stock or paying dividends and face restrictions on executive compensation.

SkyWest Chief Executive Chip Childs told employees on Friday the airline expects to receive $438 million from Treasury in payroll assistance.

"There is still much about the future and recovery that remains uncertain, and there is a very real possibility that we could be a smaller airline by the end of the year," he wrote in a email seen by Reuters.

The four largest U.S. carriers are receiving $19.2 billion in total out of the $25 billion - American Airlines Group Inc, Delta Air Lines Inc, United Airlines Holdings Inc and Southwest Airlines Co.

Treasury is awarding major carriers 50% of the grant funds initially and then releasing the remainder through July. **—REUTERS**

Merkel says common EU funds important to overcome crisis

EUROPEAN UNION COUNTRIES must stick together to manage the economic fallout of the outbreak and Germany will make larger financial contributions to EU coffers than previously expected, Chancellor Angela Merkel said on Saturday.

Germany will only do well in the long run if Europe is also doing well, Merkel said. Europe's biggest economy can't be be strong industrially and maintain high employment if peers see their output collapse, she said.

"Germany is in a relatively strong economic position, and therefore there are countries that are also concerned that they could emerge from this crisis weakened," Merkel said in her weekly podcast. "That is why common funds, with which we take care of our common economy, are of such great importance."

The EU needs a stimulus program as the immediate crisis phases out because "the economic damage will be great," she said. The EU budget will play a key role in financing reconstruction efforts and "Germany, too, will have to commit itself to much more" than previously planned, the chancellor said. EU leaders discussed rebuilding plans during a videoconference on Thursday and endorsed a short-term €540-billion ($584 billion) plan. They still failed to make much progress on the longer-term recovery program with member states split on how to spread the financial burdens. **—BLOOMBERG**

Quick View

Tesla calling back some workers next week

TESLA IS CALLING some workers back to its lone US vehicle-assembly plant starting next week, before San Francisco Bay area stay-home orders are scheduled to expire. Supervisors told some staff in the paint and stamping operations of the factory in Fremont, California, to report to the facility on April 29.

Daimler says China biz picks up again: Report

MERCEDES-BENZ MAKER DAIMLER has seen business stabilise in China after the country ended Covid lockdowns, a senior manager at the German carmaker told a newspaper on Sunday. "In China alone, we sold around 50,000 vehicles again in March. That makes us confident," said Markus Schaefer, managing board member for production.

White House considering replacing HHS chief Azar

PRESIDENT DONALD TRUMP'S administration is considering replacing its secretary of Health and Human Services, Alex Azar, because of early missteps in the handling of the Covid-19 pandemic, the Wall Street Journal and Politico reported on Saturday.

Gates' foundation to focus solely on virus

LUCCA DE PAOLI
London, April 26

BILLIONAIRE BILL GATES'S foundation will focus all of its resources on fighting the coronavirus, according to the Financial Times.

The philanthropist and founder of Microsoft Corp. said that the Bill & Melinda Gates Foundation, with an endowment exceeding $40 billion, will give "total attention" to the pandemic that has killed more than 200,000 and is roiling economies around the world, he said in an interview with the newspaper.

"You're going to have economies with greatly reduced activity levels for years," Gates said. The pandemic could cost the global economy "tens of trillions of dollars," he said in the interview.

The foundation has contributed $250 million to help counter the coronavirus and is re-purposing units dedicated to fighting other diseases to join in the battle against the pandemic.

"We've taken an organization that was focused on HIV and malaria and polio eradication, and almost entirely shifted it to work on this," he told the FT.

Gates also defended the World Health Organization against accusations from U.S. President Donald Trump that the body had mishandled the virus response.

"WHO is clearly very, very important and should actually get extra support to perform their role during this epidemic," Gates said. He said he doesn't believe Trump will follow through on his threat to withdraw funding for the WHO. **—BLOOMBERG**

Italy to reopen some businesses early this week

REUTERS
Milan, April 26

ITALY, THE FIRST European country to be hard-hit by the coronavirus, will allow some businesses to reopen as soon as this week while aiming to reopen manufacturing and construction from May 4, Prime Minister Giuseppe Conte said.

Conte gave the most detailed outline yet of plans to reopen the economy, in a newspaper interview published on Sunday ahead of the government's roadmap out of lockdown, which he said would be released no later than early this week.

Italy, hit hard by the virus weeks before other major Western countries, has been forced to serve as a model for how to fight it. It is being closely watched around the world as it takes its early steps to chart a path out of a strict lockdown it imposed in early March.

Deutsche Bank refuses to give US senators information on recent Trump dealings

REUTERS
Frankfurt, April 26

DEUTSCHE BANK HAS declined a request by prominent US senators to provide information about the German lender's recent business dealings with U.S. President Donald Trump and his family, according to a letter this week seen by Reuters.

Four Democratic senators, led by Elizabeth Warren, earlier this month demanded details from Deutsche Bank Chief Executive Christian Sewing about the bank's interaction this year with Trump and his family's companies. The bank is one of the largest creditors for Trump's hotels, golf courses and other properties, according to filings. The senators are concerned the bank may be giving the family preferential treatment on loan repayments in the wake of the coronavirus outbreak as Deutsche Bank itself remains under probe by the U.S. Department of Justice. Deutsche's counsel rejected the senators' request on privacy grounds, according to the letter dated April 21 seen by *Reuters*.

"We hope that you will understand Deutsche Bank's need to respect the legal, as well as contractual, boundaries that exist with respect to such confidential information," the bank's law firm, Akin Gump, wrote.

Senator Chris Van Hollen, one of the three senators who authored the original letter along with Warren, said on Saturday that Deutsche's response was "inadequate and unresponsive". Deutsche Bank declined to comment.

Satellite imagery finds train likely belonging to Kim Jong Un amid health rumours

HYUNG-JIN KIM
Seoul, April 26

A TRAIN LIKELY belonging to North Korean leader Kim Jong Un has been parked at his compound on the country's east coast since last week, satellite imagery showed, amid speculation about his health that has been caused, in part, by a long period out of the public eye.

The satellite photos released by 38 North, a website specializing in North Korea studies, don't say anything about Kim's potential health problems, and they echo South Korean government intelligence that Kim is staying outside of the capital, Pyongyang. Seoul has also repeatedly indicated there have been no unusual signs that could indicate health problems for Kim.

That hasn't stopped growing unconfirmed media reports about Kim's health that have emerged since he missed the April 15 commemoration of the 108th birthday of his grandfather. Kim Jong Un is the third generation of his family to rule North Korea, and he hadn't missed the April 15 event, one of the year's most important for the North. Kim's health is of crucial importance because of worries that the serious illness or death of a leader venerated with near godlike passion by millions of North Koreans could cause instability in the impoverished, nuclear-armed country.

Experts in South Korea downplayed speculation that Kim is seriously ill. They also said North Korea won't likely face an immediate turmoil even if Kim is incapacitated or dies because someone else like his influential sister Kim Yo Jong will quickly step in, though the prospect for the North's long-term political future would be unclear. **—AP**

From the Front Page

PM-CMs meeting today: Migrants, more easing, financial support on table

LESS THAN a week back, Chhattisgarh chief minister Bhupesh Baghel, too, had written to the Prime Minister, seeking permission to let sweet shops, vehicle and electronic showrooms, repair shops, and retail activities commence operations. He had also demanded funds to the tune of ₹30,000 crore to support poor and needy families with no means of income.

State government sources in Maharashtra said chief minister Uddhav Thackeray is likely to demand arrangement of special trains to transport migrant workers to their home states. They said the state has initiated preliminary preparations for transportation of migrants by buses if trains were not permitted.

In another meeting with chief secretaries of all states, Cabinet secretary Rajiv Gauba reviewed the preparedness of states. "A presentation was made outlining the projected scale of the challenge at hand, especially with the sense in mind that the current stringent lockdown cannot possibly go on for an indefinite period because of the intense economic costs that it comes with," said an official present in the meeting.

On Sunday, the country registered the highest daily increase of 1,945 cases. As on date, there are 26,917 positive cases in the country. The number of deaths touched 826, with 47 in the last 24 hours. A total of 5,913 people have recovered from the disease.

Making a summary projection, the Central government told states the country would touch 63,000 Covid-19 cases by May 15 and 2.74 crore cases by August 15, at a doubling rate of 10-12 days. "By June end we could be headed for one lakh cases a day, according to the projection," a source who was part of the meeting said.

"The idea was to tell the states what they need to be prepared for. Health is a state subject and all the real work is being done by the states. That is why there was also talk about devolution of responsibilities to the district administration or even the city level for better decentralised care of patients so that the tertiary care facilities are not overwhelmed," said another person who was part of the meeting. Meanwhile, Union minister for health and family welfare Harsh Vardhan, who visited the AIIMS trauma centre, urged people to "observe the lockdown 2.0 in letter and spirit and to treat it as an effective intervention to cut down spread of Covid-19". He said the situation was improving with hotspot districts moving towards being non-hotspot districts.

Delhi's plasma donors: 'Want to save lives..., corona sees no religion'

CHIEF MINISTER Arvind Kejriwal, who has in the past appealed to those who recover from coronavirus to come forward and become plasma donors, on Sunday said the pandemic is a reminder of the futility of religious barriers among people, and that plasma therapy works irrespective of the religion of the donor and the patient. Kejriwal said a patient who was in a serious condition till Saturday night at LNJP Hospital is showing signs of recovery after undergoing the therapy. Previously, six more patients had undergone plasma therapy in Delhi government hospitals as part of clinical trials that, authorities said, were considerably successful.

"It occurred to me that tomorrow, the life of a Hindu patient, who is in a serious condition, might be saved due to a Muslim's plasma. Or a Muslim patient's life will perhaps be saved due to the plasma of a Hindu. The almighty did not put up walls between us. Ye dharam, wo dharam, kisi prakar ki khai nahi paida ki, ye toh humne banayi hai (This religion, that religion, God did not create these divisions, we made them)," Kejriwal said.

"Corona affects both Hindus and Muslims. And the plasma of our body saves lives irrespective of religion. Then why have we created these walls? We should at least learn from the pandemic. If we work together, irrespective of religious differences, no force can defeat this country. But if we keep fighting among ourselves, there is no hope," Kejriwal said on Sunday.

Tabrez, a resident of Jehangirpuri who was among the first 20 people to test positive for Covid-19 in Delhi, too said he wanted to "spread love and brotherhood among people". "The process is easy. Doctors conduct a series of tests before taking out the plasma. The entire process took around two hours. Doctors told me that two patients have been administered my plasma and they are recovering. One of them has been shifted out of the ICU," he said.

Foodgrain stocks hit all-time-high of 73.85 mt in April

THE PRADHAN Mantri Garib Kalyan Yojana (PMGKY) relief package, announced on March 27 to alleviate the distress of people most affected by the nationwide lockdown, may help whittle down some of the excess foodgrain stocks. The NFSA currently entitles three-fourths of all rural and half of all urban households to 5 kg of wheat or rice per person per month at ₹2 per kg and ₹3 per kg, respectively. Under the new package, an extra 5 kg of wheat/rice is being given per person per month, free of cost, for a three-month period from April to June 2020. An additional 12.14 mt of wheat and rice has been allocated for this purpose.

Meanwhile, the total storage capacity available with FCI and state agencies has been assessed at 75.85 mt as on December 31, 2019. That includes 62.64 mt of covered godown space, with the remaining 13.20 mt being open storage in cover-and-plinth structures. With procurement of the new wheat crop taking off, the challenges of stocking will only go up in coming weeks. The only "relief" may come from PMGKY.

Telangana leaves no stone unturned to counter coronavirus

The Telangana government led by Chief Minister K Chandrashekhar Rao has initiated several measures to contain the coronavirus epidemic in the state including preventive and curative steps. The state government has been continuously monitoring and assessing the situation and issuing necessary guidelines from time to time to the administration at all levels, besides keeping the central government infrormed of the developments.

As soon as the outbreak happened, Telangana's dedicated scientists, medical professionals, specialists in the field of virology, and officials concerned did remarkable research and spadework and came up with many valid observations. Perhaps, Telangana was the first state to identify that a major factor for the spread of the virus is the travel history, that is foreign travel which saw people who had gone abroad returning with corona infection, albeit unknowingly.

Besides, Telangana was the first state to constitute a special task force team all over the state to identify those who had returned to the state from abroad after March 1, 2020, and also identify people within the state with whom these foreign returnees had interacted. A total of 25,937 persons were under surveillance while undergoing home quarantine by 5,746 teams. Identification and isolation of Markaz returnees has also been successfully handled.

As part of cost-cutting to meet the urgent needs of the people, the government has imposed a cut in the salaries of public servants, right from the Chief Minister down to an attendant, in the range of 75-10%.

Further, the Telangana government was the first to request Prime Minister Narendra Modi to ban the arrival and departure of international flights, to prevent people from abroad, some of whom might be carrying the virus, from entering the country. Telangana state was also the first to talk about the sealing of interstate borders and a ban on public transport, both intrastate and interstate.

LEADING FROM THE FRONT : K. Chandrashekhar Rao, Chief Minister, Telangana

Before the outbreak of the corona epidemic, innovative programmes like Palle Pragati (Village Progress) and Pattana Pragati (Urban Development) were organised in which the people, public represen-tatives, and officials were involved to make their villages, towns, and cities clean and green. In the case of a major pandemic, the most affected are the poor, the marginalised and migrant workers. Besides providing 12 kg of rice per person and Rs 1,500 in cash, the state government ensured that no one in the state including the migrant workers, marginalised groups, orphans, the elderly and and the destitute faced starvation.

In a major relief to over 3.5 lakh migrant labourers in Telangana state who would have wanted to go back to their native places, Chief Minister KCR announced 12 kg of free rice, shelter, medical aid and Rs 500 per person to help them tide over the crisis.

Government employees including those from the Medicine and Health, Electricity, Waterworks, Sanitation, and Police departments, paramedics, hospital watch and ward staff, Ministers, officials, elected represen-tatives, self-help groups, farmers, Rythu Bandhu Samithi teams and a host of other agencies are working round the clock to check and put an end to the coronavirus spread.

From roadside kirana shops to vegetable vendors to other small-time traders, all are allowed to conduct their business within the restrictions imposed under the total lockdown. The chief minister has appealed to the people to once again rise to the occasion, as they did during the Sakala Janula Samme -- a total lockdown imposed as part of the statehood movement.

CITIZEN HEROES
(Some of the contributions to the CM Relief Fund)

Megha Engineering & Infrastructure Ltd made a donation of Rs 5 crore to CM Relief Fund.

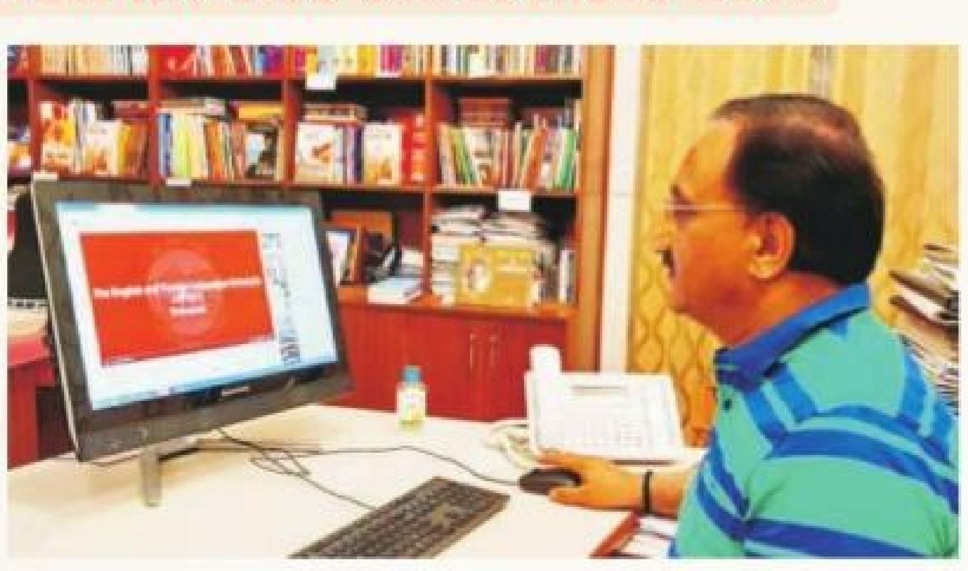
Sri EN Murthy and the management of The ICFAI Society donating Rs One crore towards Telangana CM Relief Fund.

NSPIRA Management Services Pvt Ltd donated Rs. One crore to the Telangana CM Relief Fund.

Sri Chaitanya Educational Institutions Director Sri Y Sridhar handed over a cheque of Rs One crore cheque to the Chief Minister.

Natco Pharma Limited donated PPE Kits, medicines & equipments worth Rs 4 crore to Telangana Govt.

From the Vice Chancellor's Desk



Greetings from The English and Foreign Languages University, a prestigious Central University which was established with the objective to disseminate and advance knowledge by providing instructional, research and extension facilities in the teaching of English and Foreign Languages and Literatures in India; and take appropriate measures for inter-disciplinary studies and research in Literary and Cultural Studies. This is a University with a deep commitment to students and society that goes beyond academics.

When I assumed the office of Vice Chancellor of this University in 2017, I brought with me considerable experience as a teacher and an administrator. And I have had a burning zeal to give back something to society. Through the University Social Responsibility (USR), which was introduced in EFLU in 2017, we have been reaching out to society in different ways.

Under USR, free online Open Educational Resources in English, Sanskrit, Hindi, Russian, German, French, Arabic, Spanish, Italian, Japanese, Korean, Chinese, and Persian have been developed for those interested in learning the basics of these languages. EnglishPro, a free mobile app is ready for launch to help those at the SSC/Class X level improve their pronunciation and knowledge of standard Indian English.

The University has produced thirteen short films on preventive measures to contain the COVID-19 pandemic in Hindi, English, Telugu, Arabic, Chinese, German, French, Japanese, Korean and Spanish and these are available now after being launched by Human Resources Development Minister Dr Ramesh Pokhriyal Nishank. For, if a picture is worth a thousand words, a film, even a short one, should be much more impactful. The Youtube link is: https://www.youtube.com/channel/UC7v70i0uGVOHRfiQ0Jb4Dzg/videos.

More recently, the University created the EFLU-University Social Responsibility Endowment Fund (EFLU-USREF). With an initial fund that saw contributions by our staff and myself, the University strengthened the hands of the government in a humble way in spreading awareness on COVID-19 through jingles on FM Radio, Hyderabad.

In the longer term, as the Vice Chancellor, I have focused on creating a more conducive atmosphere for academics. New schemes to make the University a hub of academics are underway in materials production, books and other areas.

Internationally, we have initiated collaborations with renowned institutions across the world for academic exchanges. These will soon bear fruit for mutual benefit.

The physical health of the students is a high priority for us and we have established gymnasia for every section of our students. A massive refurbishment and extension of the infrastructure of the University has been launched that will broaden and streamline its activities. I am confident that we will add a new dimension to all these fields to make the EFLU a major player in education, and an engine of innovation, especially in literature and language teaching and learning.

While we are happy with our accomplishments, we are aware of our present and future challenges, and we are geared for them. I am confident that with our experience, innovation, and commitment, we will be able to discharge our duties and responsibilities without any compromise, and to the fullest.

The EFLU has been serving the nation academically since 1958. I am proud that the University has expanded its vision to include social responsibility and it will continue to serve the nation in ways that are in accordance with our mandate, fulfilling its responsibilities towards society and the government.

PROF. E. SURESH KUMAR
Vice Chancellor,
English and Foreign Languages University,
Hyderabad

Annadatta: Serve the needy, feed the poor

BROTHERS FOR BUN

During the lockdown period, the first and foremost need of the people is hygienic food. The Annapurna meals programme of the Telangana government is serving free lunch and dinner to the poor and needy, especially migrant and daily wage workers, in these testing times. From just 40,000 meals a day earlier, the Telangana government's Annapurna meals programme has been scaled up three-fold and is currently serving close to 1.5 lakh meals a day in the Greater Hyderabad Municipal Corporation (GHMC) limits.

During these testing times, these Annapurna canteens equipped with food packs, generally containing khichdi, pulihora, sambar rice, etc, are serving steaming hot food on the doorstep of the needy and the poor, especially daily wage and migrant workers, who cannot make it to the regular Annapurna canteen kiosks. Every day, the mobile Annapurna canteens distribute nearly 10,000 meals for lunch and almost the same number for dinner, said an official from GHMC.

Project Bun:

WhatsApp is the most sought-after messaging app. It is also perhaps the most abused and misused platform.

However, 'Brothers for Fun', a WhatsApp chat group set up by some of the members of the Freemasons community in Telangana in 2014, has come up with a novel idea. The group comprising 220 members from different walks of society initiated 'Project Bun', an initiative to distribute 500 buns and bananas, to begin with, for breakfast to GHMC sweepers and workers, migrant labourers, slum and street dwellers. From 'Brothers for Fun' it rechristened itself 'Brothers for Bun'. Buns and Bananas are distributed every morning and the response has been overwhelming, with scores of people coming forward to contribute to the cause, shared Madan Mohal Lal, G. Maddulete and D. Ramchandram, Assistant Regional Grand Masters of Freemasons of Telangana.