

Daily News Monitor: 30 March 2020

1. Industry calls for extended financial year due to coronavirus pandemic

Source: Business Standard ([Link](#))

Auditors and industry bodies have called for extending the financial year 2019-20 by three months, till the end of June, amid the coronavirus (Covid-19) pandemic. Industry representatives recently met officials of the Ministry of Corporate Affairs, seeking among other things, an extension of the financial year on grounds that “any financial statement prepared for April 2019 to March 2020, will not give a true and fair view as it does not represent one complete business cycle of the entity”. The Confederation of Indian Industry (CII) told the ministry: “With the current backdrop of coronavirus, the entire economy is getting stagnated for at least a couple of quarters, which are a kind of missing quarters for corporates.” The auditors cited issues such as physical verifications of inventories, fixed assets, balance confirmations, fair-value measurements, and going-concern assessments, which are difficult to carry out under the present circumstances.

2. Seal border to stop migrant workers: Centre issues advisory to states

Source: Business Standard ([Link](#))

Fearing a renewed surge of coronavirus (Covid-19) cases by the movement of migrant labour, a panicky central government cracked down hard on state administrations across India, including some run by the Bharatiya Janata Party, for allowing migrants to move across cities and highways and ordered that not only should labour stay where it was, but that the administration must take steps to ensure its well-being in situ. The massive exodus of migrant labour from industrial and commercial centres like Noida, Ghaziabad, Thiruvananthapuram, Mumbai, Bengaluru, Hyderabad, and Kolkata had caused chaos on 28 March, leading to fears that long queues of people jostling and pushing could lead to a surge in cases.

3. Covid-19: Govt allows transportation of all essential, non-essential goods

Source: Business Standard ([Link](#))

The Union Home Ministry on 29 March allowed the transportation of all essential and non-essential goods in the country and the use of the State Disaster Response Fund (SDRF) to provide shelter to migrant workers and the homeless stranded due to the lockdown imposed to combat Covid-19. Union Home Secretary Ajay Bhalla wrote to chief secretaries of all states and Union territories, asking them to ensure that relief camps were set up for homeless people, including migrant labourers, to provide them shelter and food. “I would also like to inform that

the central government has also allowed use of SDRF for homeless people, including migrant labourers, stranded due to lockdown measures, and sheltered in the relief camps and other places for providing them food etc., for the containment of spread of Covid-19 virus in the country,” the letter read.

4. India to grow fastest among G20 economies despite Coronavirus; these countries to be worst-hit

Source: Financial Express ([Link0](#))

Even as the Indian economy is likely to be battered by the Coronavirus pandemic this year, it is still likely to be better off than all other G20 countries. The Economist Intelligence Unit (EIU) in its post-Covid-19-outbreak revised growth forecast for G20 countries in 2020 downgraded projected FY21 GDP growth of India to 2.1 per cent from 6 per cent before the outbreak. While this looked like a free fall but when compared to other G20 countries, India's growth projection stood on the top while others are set to dive deep into recession except for two other countries – China and Indonesia. Rating agencies have also cut India's growth forecast in their projections. While Moody's Investor Service cut the forecast from 5.3 per cent to 2.5 per cent for 2020, Fitch Ratings had slashed the growth from 5.6 per cent to 5.1 per cent for FY21, PTI reported. On the other hand, UBS Securities expected the GDP to grow by 4 per cent in FY21 down from 5.1 per cent forecast.

5. Delivery roadblocks: E-commerce players grapple with increased demand and more

Source: Financial Express ([Link0](#))

India's e-commerce marketplaces started recording a surge in orders much before the lockdown was announced. According to a report by RedSeer, the gross merchandise value (GMV) for groceries across e-commerce platforms went up by 110-115% in February 2020, while the beauty and personal care segment saw a surge of 120-130% driven by the demand for sanitisers and hygiene products. BigBasket, for instance, saw its traffic and revenue double, while its average value went up by 15-20% in early March; meanwhile Milkbasket saw a surge of 50-60% in orders during this time. However, rising demand, limited supply and the complete lockdown implementation by the government for 21 days starting March 25 has hit these companies. Flipkart had to suspend its operations for a day, only to resume later, while Amazon has been prioritising deliveries of essential products.

6. PMO sets up high-level panels to deal with situation post lockdown; restore normalcy

Source: The Hindu, Business Line ([Link](#))

The Prime Minister's Office (PMO) on 29 March constituted ten different high-level committees to suggest measures to ramp up healthcare, put the economy back on track and reduce the misery of people as quickly as possible post 21-day lockdown imposed to contain the coronavirus pandemic. These committees looking after various aspects will work under the overall guidance of P K Mishra, Principal Secretary to the Prime Minister, sources said. The initiative is being viewed as pro-active step by the government to deal with multiple challenges, which the outbreak of pandemic COVID-19 has posed and made the country deal with an emergency situation, they said, adding these groups will also work on the strategy for restoring normalcy in their respective sectors, including healthcare, in the shortest possible time frame.

7. Sorry, but hard decisions needed: PM Modi on coronavirus lockdown

Source: Business Standard ([Link](#))

Prime Minister Narendra Modi on 29 March apologised twice for the 21-day national lockdown having inconvenienced people, but said tough decisions were needed to “nip the disease in the bud”. He appealed to the people to maintain social distancing and not violate the lockdown by coming out of their homes. In his Mann ki Baat address, Modi said people might wonder why the PM “has put everyone in such trouble”, but stressed that there was no option but a lockdown to fight the contagion in a country with a population of 1.3 billion. He said the battle was between life and death, given what countries the world over were experiencing, and that is why such strong measures had been taken. Modi said he extended heartfelt apologies to all Indians and said he strongly felt from the core of his heart that the people would forgive him because he had to take certain decisions which may have caused hardship to the people. The PM did not specifically mention the countless migrants, who, over the past five days, had queued up to hail buses.

8. Govt identifies Covid ‘hotspots,’ plans cluster containment

Source: The Economic Times ([Link](#))

The Centre is identifying emerging “hotspots” of Covid-19 infection and employing a rigorous cluster containment strategy which involves demarcating an area of 3 kilometre radius around epicentre, a buffer zone of additional 5 kilometre radius and ensuring all quarantine protocols are followed in New Delhi. The health ministry is studying data and identifying probable hotspots of Covid-19 which need to be better monitored so that the infection does not spread. Joint secretary (health) Lav Agarwal said. Secretary (health) Preeti Sudan took a meeting with

state health secretaries on 29 March and took stock of isolation and quarantine facilities. The Centre has directed the states that there should not be any cohorting of infected patients with non -Covid patients.

9. Finance Minister, RBI meeting on Tuesday to decide first-half borrowing plan for FY21

Source: The Economic Times ([Link](#))

The Finance Ministry and RBI will hold a meeting on 31 March to decide on government's borrowing plan for the first half of 2020-21 amid the lockdown to contain the spread of coronavirus. According to sources, the government would resort to front-load its borrowing plan to deal with the challenges posed by COVID-19 on the economy. The meeting between the Finance Ministry and Reserve Bank of India (RBI) will be held through video conferencing for the first time as there is lockdown across the country, the sources said. As per the Budget, the government plans to borrow Rs 5.36 lakh crore from the market in 2020-21, higher than the Rs 4.99 lakh crore estimated for the current financial year ending March 2020. The gross borrowing would be Rs 7.8 lakh crore for the next financial year as compared to Rs 7.1 lakh crore estimated for the current financial year.

10. 10 state-run banks to merge on April 1, says RBI

Source: The Hindustan Times ([Link](#))

The schemes for the merger of ten state-run banks into four lenders are coming into force from April 1, according to the Reserve Bank of India. The banking regulator in separate releases announced that the branches of merging banks will operate as of the banks in which these have been amalgamated. The government on March 4 had notified the amalgamation schemes for 10 state owned banks into four as part of its consolidation plan to create bigger size stronger banks in the public sector. Bank officers' unions, however, earlier this week wrote to the prime minister seeking to defer the merger schemes of lenders due to the lockdown triggered by coronavirus outbreak. Finance Minister Nirmala Sitharaman on Thursday had clarified that the mega bank consolidation plan was very much on track and would take effect from April 1 despite the onslaught of coronavirus pandemic throwing the country out of gear.