

**Job Loss & Business Closures  
vs.  
Stability & Prosperity**

**INDIA – POST COVID 19**

# Background

- Most of us Indians are reasonably Selfish and Self-Centered
- Throughout history, this has been the main reason for our Lack of Cohesion (especially towards a common cause) Sub-Par Growth, Development and Widespread Poverty
- Currently, we are undergoing once in a lifetime phenomenon (COVID 19)
- It is in our hands to determine the Final Outcome of this Apocalyptic Event
- 2 Scenarios are possible – Pessimistic vs Optimistic
- Not all of us will subscribe or believe in Scenario 2 and the necessary actions but 70-80% of us would be good enough to get the economy through. Because the power of BELIEF is immense

# Scenario 1 -- Pessimistic

## **JOB LOSS AND BUSINESS CLOSURES**

- India opens after controlling COVID 19 within April 2020
- Gloom and Doom all around
- Micro, Small, Medium and Large Businesses scramble to survive/ stay afloat (including shops and retailers)
- Easiest way out – **Reduce Manpower**
- **Widespread Job Losses / Joblessness**
- Millions of Jobless people (including workers/ helpers) facing Basic Survival and Helplessness (no money for food, clothes, rent, school fees etc.)
- Each jobless person will unconsciously impact the minds and morale of at least 10-30 more people (impacting buying patterns)

# Scenario 1 -- Pessimistic

## **JOB LOSS AND BUSINESS CLOSURES**

- Reduced Buying Power / No Buying Power
- Consumption and Routine Buying goes down Drastically (for Individuals as well as Companies)
- All small and big Businesses suffer due to Demand Depletion
- Economy Suffers even more Dramatically
- This Downward Spiral of Low Consumption and Degrowing Economy will create a Domino Effect leading to More Job Losses/ Further Reduced Consumption /Further Economic Uncertainty and Rapid Increase in Crime Rate
- Businesses become Stressed/ Increased NPAs / Loan Defaults

# Scenario 1 -- Pessimistic

## JOB LOSS AND BUSINESS CLOSURES

- Finally 10% - 30% of all small and big Businesses face Closure
- Simultaneously a lot of individuals like You and Me would not be able to pay our EMIs for personal loans / home loans / car loans etc.
- All this while the Stock Markets would be Swinging Up and Down but primarily Downwards, creating further problems for Most Of Us
- Individual helplessness / Failed Businesses / Stock Market Losses / Loan Pressures will lead the Weak amongst us to want to End their Lives
- And the Country goes into one of the Biggest Recessions ever and takes at least 3 – 5 Years to come back to any sort of Normalcy

# Scenario 1 -- Pessimistic

## SUMMARY

- Job Losses
  - Spread of Pessimism
- Reduced Buying Power
- Reduced Consumption
  - More Job Losses
  - Failed Individuals
  - Failed Businesses
  - Ruined Economy

# Scenario 2 – Optimistic

## **STABILITY AND PROSPERITY**

- India opens after controlling COVID 19 within April 2020
- Everybody Believes that things are as they were before the lockdown on March 22, 2020 – Status Quo
- They treat this Lockdown Period as a Vacation / Time Off with Family
- Positivity to get back to Normalcy all around

# Scenario 2 – Optimistic

## STABILITY AND PROSPERITY

- Micro, Small, Medium and Large Businesses Plan Positively to stabilise and resume Normalcy (including shops and retailers)
- Easiest way out -- Stay Positive and Normal --- **Do Not, Repeat, Do Not Even Think About Reducing Even a Single Person / Manpower**
- No Jobless people (including workers/ helpers) facing Basic Survival and Helplessness
- Buying Power and Morale Intact



# Scenario 2 – Optimistic

## **STABILITY AND PROSPERITY**

- Consumption and Routine Buying remains As It Is ( just as it was on March 22, 2020)
- Small and Big Businesses Open Work with Demand Intact ( just as it was on March 22,2020) – Status Quo ( please refer to slide on Business Community)
- Economy Remains Intact – Status Quo (max stress 1 - 3 months)
- No Downward Spiral or Domino Effect --- Status Quo
- Business Health – Status Quo

## Scenario 2 – Optimistic **STABILITY AND PROSPERITY**

- Businesses would be able to Pay their Loans ( in any case RBI has provided Moratorium till May 31, 2020) --- which is great help
- Simultaneously all individuals like You and Me would be able to pay our EMIs for personal loans / home loans /car loans etc. ( in any case RBI has provided Moratorium till May 31, 2020) --- which is great help
- All this while the Stock Markets would be Swinging Up and Down but primarily Downwards, and Most Of Us would be able to deal with it and maybe make some money out of it in the medium to long term

# Scenario 2 – Optimistic

## **STABILITY AND PROSPERITY**

- Individual Sustenance / Sustained Businesses / No Loan Pressures will lead to Status Quo in the economy and lay the Foundation for an Upward Growth Curve at this Apocalyptic Juncture
- The Country Will Stabilise and Resist one of the Biggest Recessions ever and start marching Forward towards Economic Stability and Growth at a time when the Whole World would be Gasping for Breath
- Not all of us will subscribe or believe in Scenario 2 and the necessary actions but 70-80% of us would be good enough to get the economy through

# Scenario 2 -- Optimistic

## SUMMARY

- **No Job Losses**
- Spread of Optimism
- Sustained Buying Power
- Unaffected Consumption
  - Sustained Individuals
  - Sustained Businesses
- Stable and Resilient Economy
- Foundation For Growth (in time of global slowdown)

# DRIVING FACTOR

**DO NOT REDUCE OR  
REMOVE PEOPLE /  
MANPOWER**



**NO JOB LOSSES**

(key factor to Sustain and Stabilise the Economy)

# Government ACTIONS REQUIRED

- So far, our Central and State Governments have done a Commendable job and have been totally Pro-Active and Hands-On in dealing with the COVID 19 and possible Economic Fallouts
- It is imperative that the Prime Minister instructs and guides all the Businessmen to ensure **NO JOB LOSSES** so as to avoid the possible long-drawn economic fall-out instead of only some possible small losses for 1 – 3 months, that too, only in some businesses
- If possible the Government to pass some special Order / Ordinance to ensure that no business is allowed to reduce any manpower or people upto September 2020

# Government ACTIONS REQUIRED

- One of the key ways for the Government to get the ball rolling would be to ensure resumption and speeding-up of work at all the Infrastructure and Construction sites apart from speedily bringing in new projects. Not only contractual employment will improve but also the wheels of the economy like Steel and Cement sectors etc would start rolling
- Urgent Help required by the Automobile Industry wrt BS IV Unsold Stock
- Need to take care and provide Extra Support to EOUs, Aviation, Travel, Hotels, Restaurants, Eateries

# Government ACTIONS REQUIRED

- Please give Clear Directive to all Government / Private Banks and NBFCs to accept and process Each and Every Credit-Worthy Loan Case as it was noticed that since February itself some of the leading NBFCs were not processing even the best of the cases and were practicing extreme caution
- School and all Educational Institution Fees should be deferred by at least one quarter and should be made payable over the next 1 year. Would be great psychological relief
- In case if required to Further Extend Moratorium Support on loans by additional 2 – 3 months



# Banks / NBFCs

## ACTIONS REQUIRED

- Please immediately delay all possible Loan Repayments / EMIs till May 31, 2020 as provided for by RBI. In any case, your Balance Sheets will not be hit as you would be liable to charge interest during this period. This will provide a big relief to the overall sentiment
- Please Do Not Wait for Individuals and Businesses to request for the above
- Do not turn a Blind Eye to Credit-Worthy cases for Current or Fresh Loans / Funds Requirement. Otherwise you would be responsible for Disservice to and bringing Indian Economy to a HALT, followed by Gloom and Doom and obviously your Balance Sheets will be markedly affected by further increase in Distress and NPAs
- Also please pass on the Interest Rate Cuts judiciously and swiftly

# Business Community

## **ACTIONS REQUIRED**

The below points go for all Micro, Small, Medium and Large Businesses including Shops and Retailers:

- Businesses would open in Status Quo Position and there would be no Material Losses as such apart from Salaries paid to Employees.
- Please ensure not to Cancel or Reduce any Orders or Schedules of Suppliers as they stood on March 22, 2020
- DO NOT Worry about the Demand as the Situation would Open in Status Quo position
- 'No Job Losses' would be the Main Driver to ensure Normalcy ASAP

# Business Community

## ACTIONS REQUIRED

- Please Ensure No Manpower Removal / Reduction under any circumstances as the Businesses would Normalise max within 1 – 3 months
- Remember At this juncture If You Remove any Employee, he will Not get a job anywhere soon and there cannot be any Worse Disservice to Humanity
- All Creditors i.e Payments Due within the lockdown period should be cleared with a delay equivalent to the period of lockdown (say 21 days) or a Firm, Reasonable Date for Clearance of dues to be provided and adhered to
- For example, If a payment was due on March 27,2020, now the new due date would be  $\text{march } 27 + 21 \text{ days} = \text{April } 17, 2020$

# Business Community

## **ACTIONS REQUIRED**

- Please Remember that you also have to collect money from others , so the whole Business Fraternity will have to maintain basic Ethics and Reasonability to ensure continuity of cash flows
- Please Do not try to Stash Money for your Cash Flow as you would end up spoiling the Cash Flows of your Suppliers / Creditors
- Please Continuously Follow-up for your Receivables and impress upon the Other Party the importance of maintaining cash flows and keeping the economy running

# Business Community

## **ACTIONS REQUIRED**

- Unfortunately, the Automobile Industry including Commercial Vehicles were to Migrate to BS VI emission norms from April 1, 2020 onwards and currently would be stuck with BS IV inventory. Complete Automobile Industry through their respective associations need to urgently urge the Government to allow Sale of BS IV Vehicles for at least 1 or 2 more Quarters to ensure Stock Liquidation. Surely, the Government will Oblige
- Yes, Aviation, Travel and Hospitality Industry ( including Restaurants and Eateries) might have to suffer a little longer as the scale of disruption has been unprecedented

# Business Community

## ACTIONS REQUIRED

- Export Oriented Companies will also have to be a little patient, till such time their export markets / countries come out of the pandemic. In any case, most of the developed countries put together are planning to spend \$5Trillion to come out of this mess ASAP. Further the Government is already working on providing support to export oriented companies
- In case after 1 – 2 Months of Operation your businesses do not Break-Even or suffer Losses **still DO NOT Remove / Reduce Manpower**. Repeat, DO NOT. But....

# Business Community

## ACTIONS REQUIRED

- But take Refuge by **Reducing Salaries Temporarily** (only for the duration during which your business is suffering) by the same Percentage as you would have reduced the Number of People (Eg: If you need to reduce 20-30% people, then don't reduce no. of people but reduce 20-30% salary of every person working in your company)
- The Sentiment and Morale of the Staff and Workforce is of utmost importance at such junctures and surely all employees would understand the genuineness of temporary salary reduction
- The above will help the businesses glide through possible 1 – 3 months of Pain

# Business Community

## ACTIONS REQUIRED

- Most Small and Big businesses have made Money and Profits over the Years and sacrificing 2 – 3 months of profits or suffering some Losses at this juncture would only make you Healthier and Stronger in the Medium to Long Term as the Economy and the Buying Power would be Sustained due to **JOB SECURITY** throughout the country
- In any case, the Government has helped us by providing a Moratorium on Loans till May 31, 2020 and regulatory help has been provided



# Imperatives for Business Community

- No Job Losses / No Man-Power Reduction
- Due Payments to be made with a lag of 21 days  
(lockdown period)
- Do Not reduce the Demand by cancelling Orders /  
Schedules for supply of Goods / Material
- Reduce Salaries temporarily if Need Be but not People
- Ensure High Sentiment and Morale amongst all your  
people

# Individuals – You & Me

## **ACTIONS REQUIRED**

- Please DO NOT fall for any ‘End of The World’ theories or Pessimism
- “When the Going Gets Tough, The Tough Get Going”
- Remain Positive and spread Positivity and Righteousness
- Take Care of People Around You and Dependent on You (if you are an employer, do not remove anybody)
- Just Forget this Lockdown Period as a Family Vacation and view the opening with Status Quo position

# Individuals – You & Me

## **ACTIONS REQUIRED**

- Your jobs will be intact and RBI has taken care of your Loans and EMIs for the period of disruption and upto 31<sup>st</sup> May, 2020
- Most Importantly We All are the **Demand Creators**, hence Do Not cut down on your **Routine Expenditures and Buying Plans** (including household goods, ACs, refrigerators, TVs, Cell Phones etc and also bikes, cars or houses) Surely you would be getting really good deals on Automobiles and Houses. But remember these deals might last only 1 – 3 months so take advantage

# Individuals – You & Me

## ACTIONS REQUIRED

- Remember, If the Businesses will **Support Us by not Cutting Our Jobs**, SO it becomes our Prime Responsibility **to keep the Demand Intact for the Businesses to remain Viable and Healthy**
- If you are an employee DO NOT let your employer remove anybody from employment. Explain the temporary nature of this disruption to your employer and that things will improve in 1 – 3 months

# Imperatives for Individuals

- Remain Positive and spread Positivity
  - Ensure that there are no Job Losses
    - Do Not Reduce Consumption
- Buy and Spend as you would have before March 22, 2020

# Stock Markets

- Will keep swinging Up and Down till such time as a handful of people / companies / FPIs adept in the Art of Financial Markets wish for it to
- This will hardly affect any jobs, small or big businesses
- In any case over a period of 6 months to 1 year, the stock market will come back to normal levels (proven by historical data)

# Opportunity

If We are able to Glide through the coming 1 – 3 months Post Lockdown as per Scenario 2 with **JOINT / CONCERTED** efforts of all the stakeholders i.e **Individuals, Businesses, Banks and The Government of India** as mentioned in earlier slides then:

- Our Economy would Stabilise rather than Contracting or going into Recession
- There would be Happy People around rather than Helpless and Desperate ones
- India is already emerging as Next Potential Manufacturing Hub of the World (owing to 60% lower labour cost as compared to China and 25% corporate income tax)

# Opportunity

- The Whole World is desisting China post COVID 19 and sooner or later China will be isolated just like Iran or North Korea ( already Class Action Suits filed in the US against China ) and this would be India's opportunity to **SHINE** at the World Stage
- In the short term, low oil prices will provide the necessary cushion/leverage to the Government to provide extra spending or concessions wherever required
- Stable Economy, with world in turmoil, would attract Unprecedented Wave of Global Money and FDI's which will lead us towards Prosperity



# STABILITY AND PROSPERITY

**‘Only the Prepared get Opportunities’**

Hence it is of utmost importance that All of Us Stakeholders

**BELIEVE, DECIDE AND PLEDGE**

to make a Joint effort as elaborated throughout to ensure

**STABILITY AND PROSPERITY**

(Not all of us will subscribe or believe in Scenario 2 and the necessary actions  
but 70-80% of us would be good enough to get the economy through)

# Belief System

Please Note that **we will have to BELIEVE** in the **SUCCESS** of Scenario 2 – **STABILITY** and **PROSPERITY** as:

**BELIEF** leads to **MOTIVATION**

**MOTIVATION** leads to **POSITIVE THOUGHTS**

**POSITIVE THOUGHTS** lead to **POSITIVE ACTIONS**

&

**POSITIVE ACTIONS** lead to **DESIRED RESULTS**

And Remember

*Night is Darkest Before Dawn*

&

*Luck Favours The Brave*