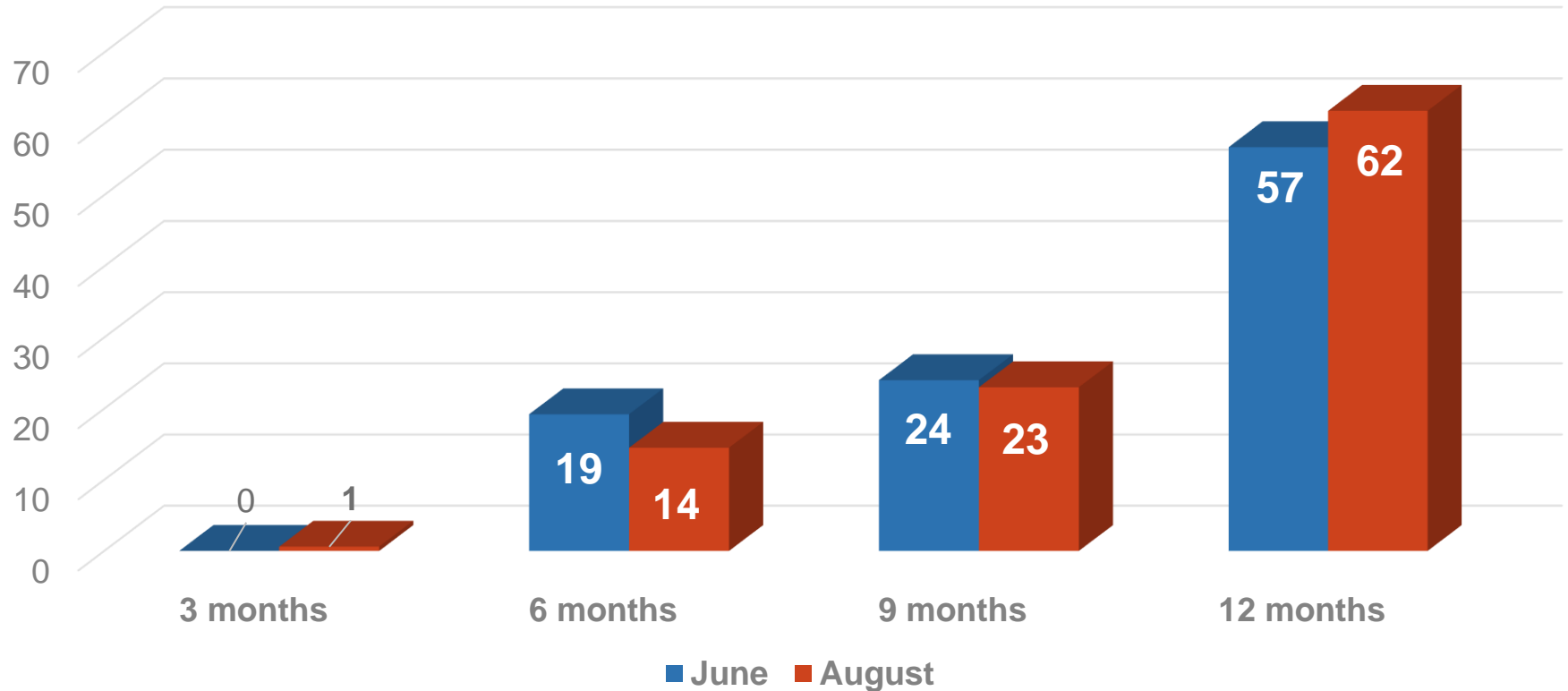




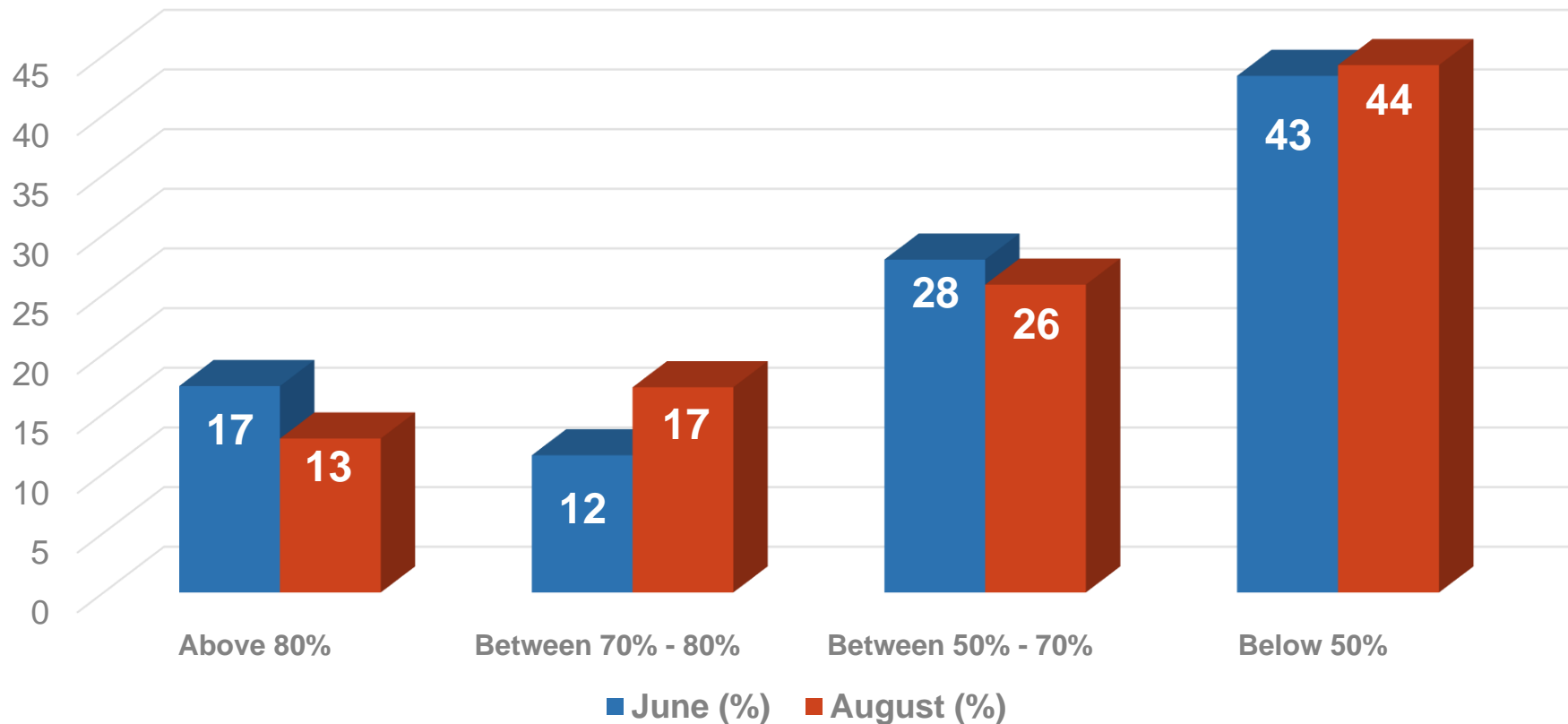
# REBOOTING THE INDIAN ECONOMY

FICCI-DHRUVA ADVISORS SURVEY | AUGUST 2020

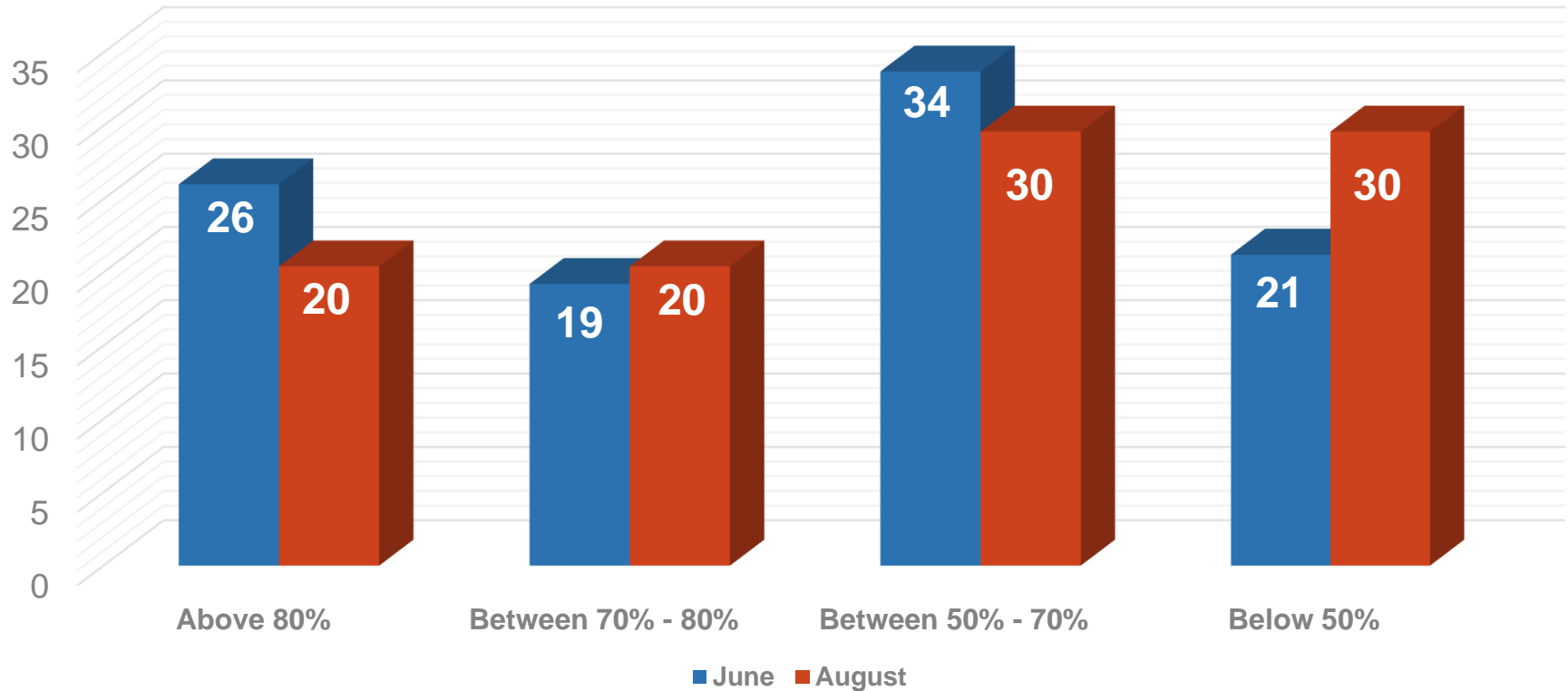
# 1. Post the implementation of the stimulus package and unlocking of the economy, what is the expected time frame for the Indian economy to be back to normalcy? (%)



## 2. What is the current capacity utilisation for your business post unlocking? (%)



### 3. What is the expected capacity utilisation for your business for the next three months? (%)



## 4. Has the unlocking had a positive impact on your company's exports? (%)

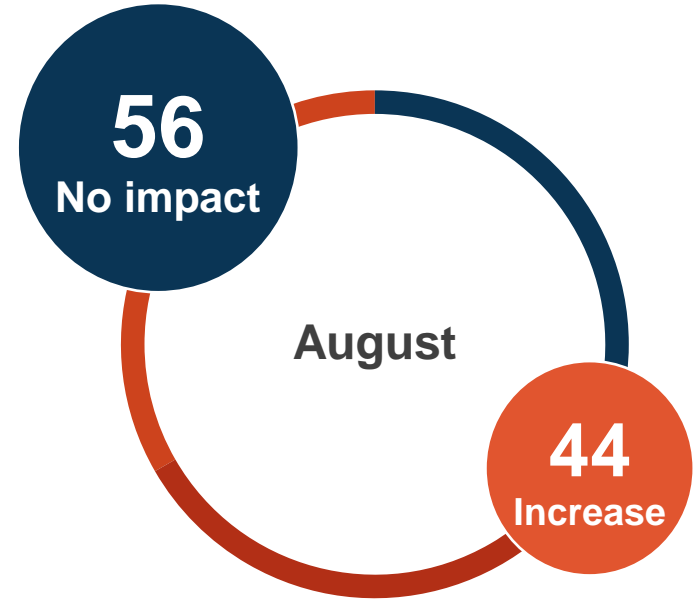
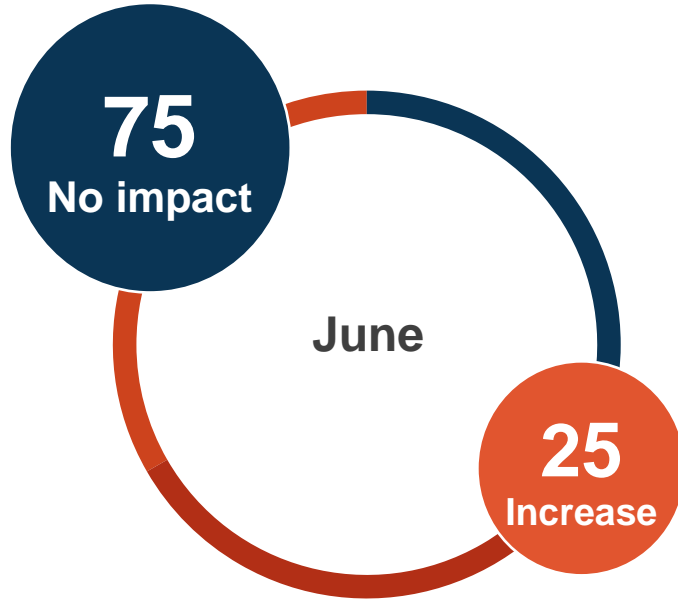
June



August



## 5. Has the unlocking had a positive impact on your company's order book? (%)



## 6. Has the unlocking had a positive impact on your company's cashflows? (%)

June

NO IMPACT **79**

INCREASE **21**



August

NO IMPACT **49**

INCREASE **51**

## 7. Has the unlocking had a positive impact on your company's supply chain? (%)

June



Positive  
impact

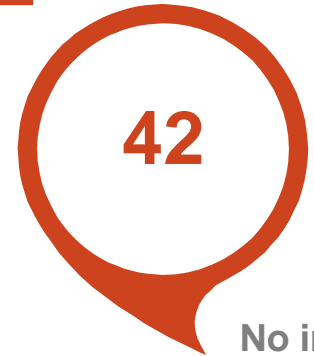


No impact

August



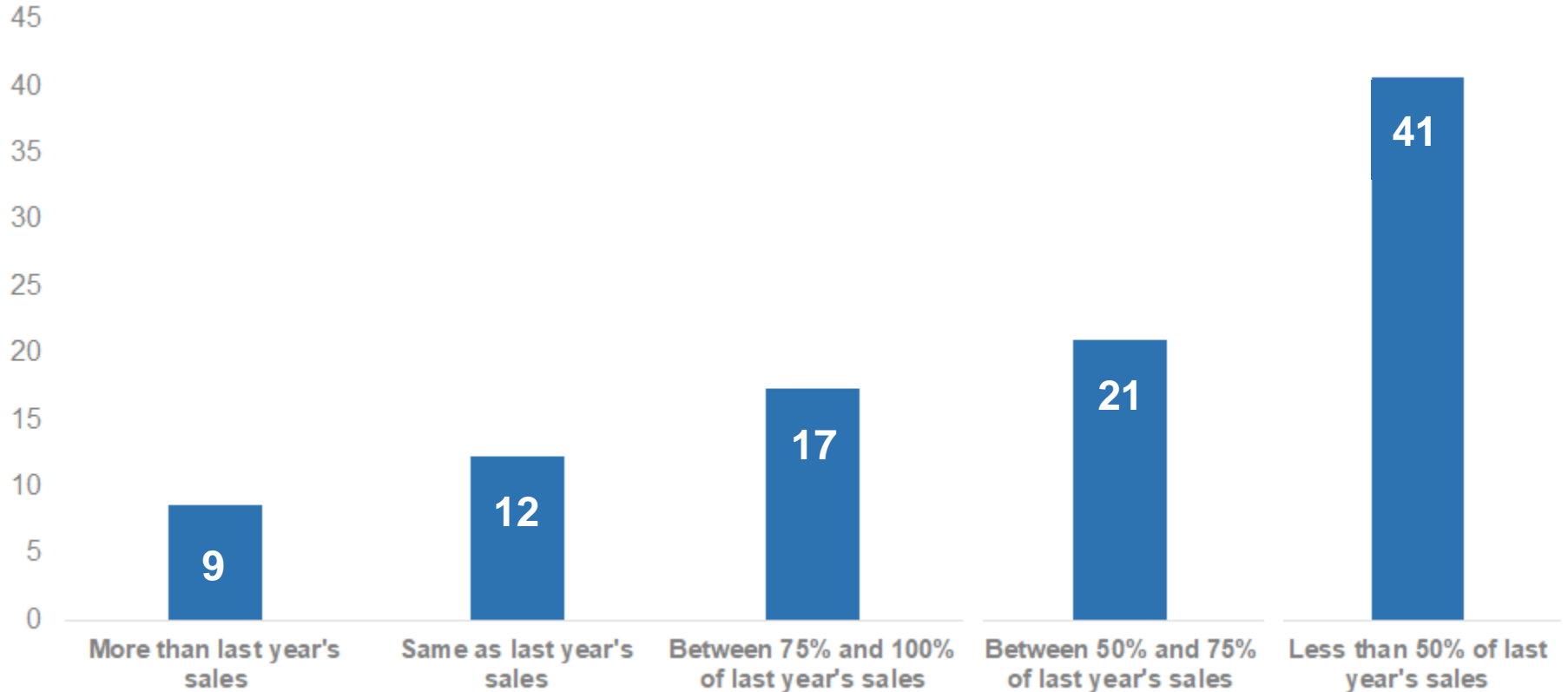
Positive  
impact



No impact



## 8. How does your current sales (August 2020) post unlocking compare with sales in corresponding period of last year (August 2019)?



## 9. Post gradual opening up, how do you see the mergers and acquisition landscape from your company's perspective? (%)

### June

Consider looking at immediately (0-3 months)

6

Consider medium term (3-6 months)

19

Consider long term (6-12 months)

75

### August

Consider looking at immediately (0-3 months)

5

Consider medium term (3-6 months)

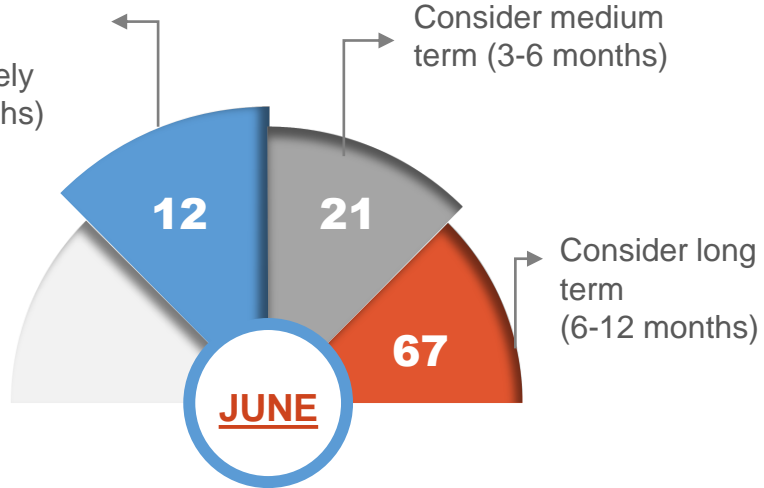
20

Consider long term (6-12 months)

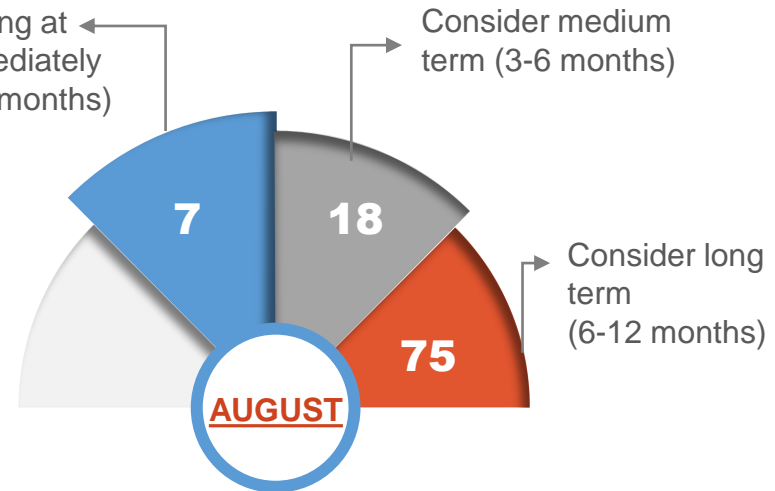
75

# 10 Post gradual opening up, how do you see the impact on FDI, ODI from your company's perspective? (%)

Consider looking at immediately (0-3 months)

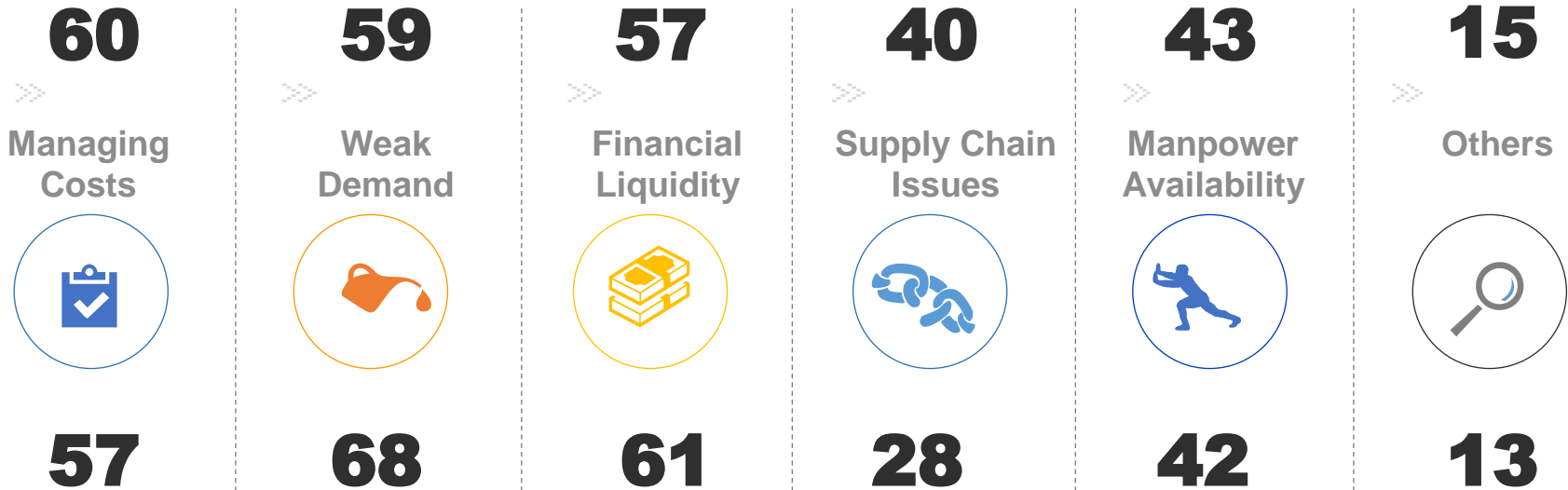


Consider looking at immediately (0-3 months)



# 11. What are the key challenges your company is facing due to the current uncertain economic environment (%): (Multichoice)

## June



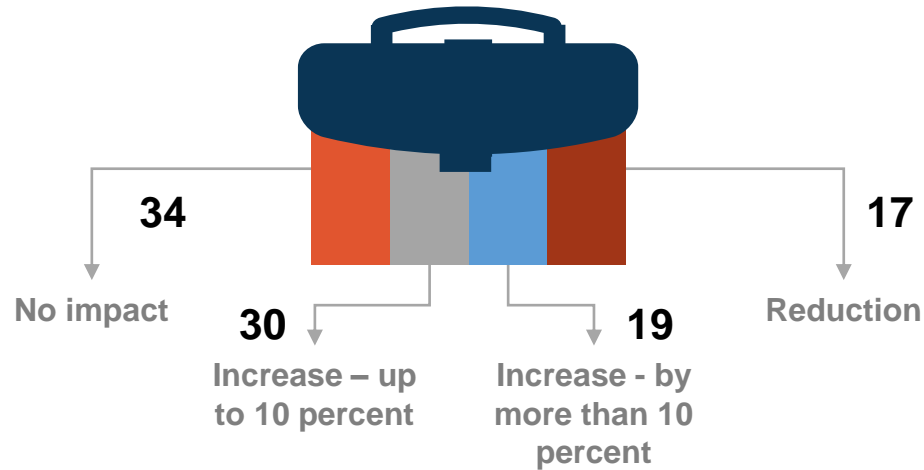
## August

## 11. What are the key challenges your company is facing due to the current uncertain economic environment: Others

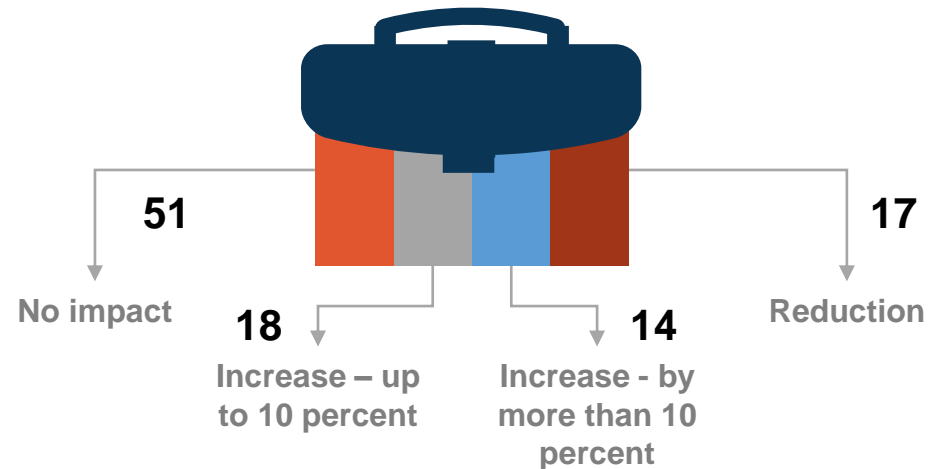
- Movement of manpower and service engineers severely hampered, repair and maintenance compromised and hence unsafe
- Recruitment delayed due to travel restrictions
- Prices of all raw material and packaging material have increased
- Exchange rate fluctuation is adversely affecting businesses
- Insurance sector needs capital for growth. FDI cap in insurance sector should be increased to 74% immediately
- Post lockdown demand has slowed down substantially
- IGST refund on export sale and Income-tax refunds are delayed
- Outstanding dues from Government are not being released
- Banks are not proactive in clearing credit proposals. They are too risk averse. Even genuine businesses are being denied credit lines
- Unclear State Government regulations on travel
- Banks sitting with excessive liquidity, but not transmitting to corporates
- Demand - old projects are getting closed. New projects are not visible

## 12. What is the impact on your company's finance costs post implementation of the stimulus package? (%)

June



August



# 13. In your view, has the Guaranteed Emergency Credit Line Scheme (GECLS) had a beneficial impact on businesses? (%)

June

79

NO

21

YES



August

60

NO

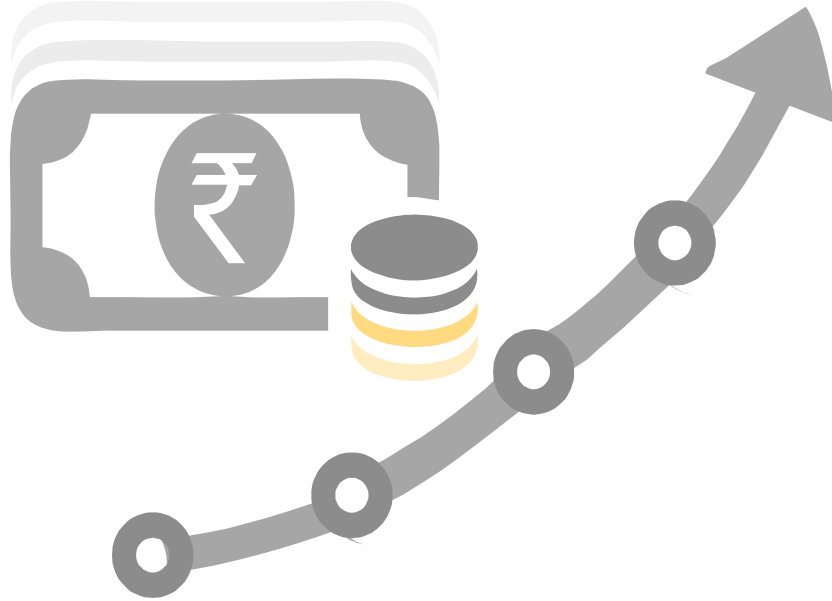
40

YES

14. Will the changes (e.g. increase in loan amount) made in the GECLS make the scheme more effective? (%)

**55**

YES



**45**

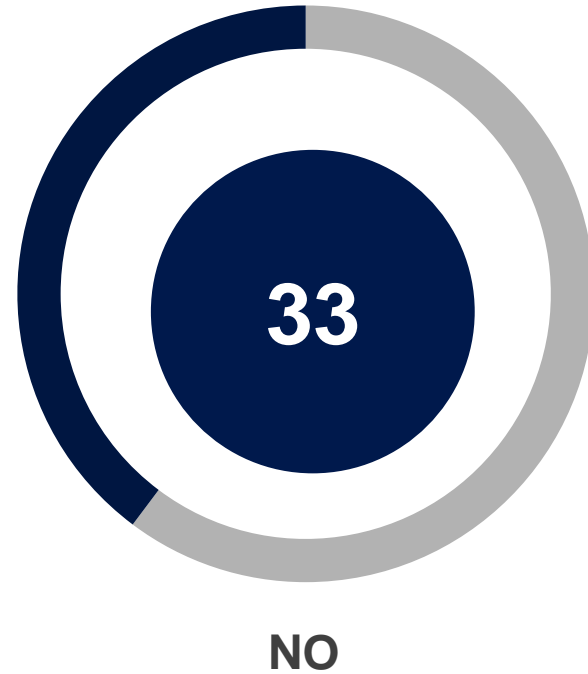
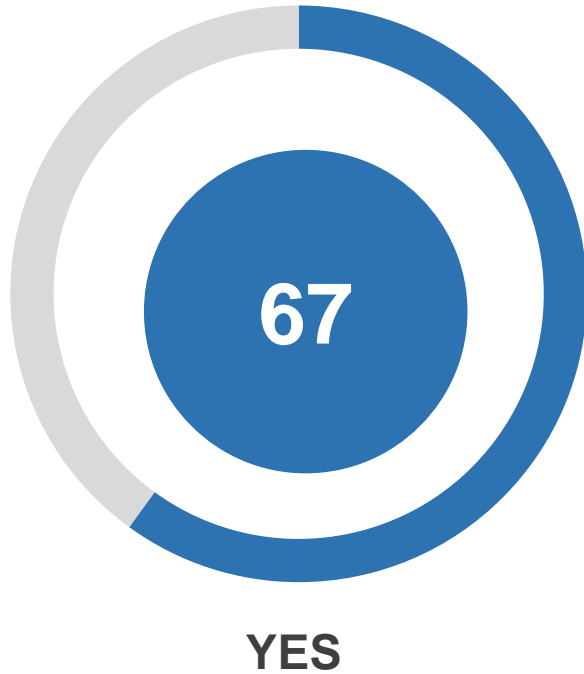
NO



## 14. Suggestions on GECLS for further improving the same

- Under the scheme, some amount should be sanctioned based on pending order position or projected sales
- Allow moratorium for 2 years on principal and interest repayments
- Loans under GECLS should also be offered to first time borrowers as well
- Eligibility should be on the basis of sanctioned limits not based on utilised limits
- Separate credit line should be provided against the Government receivables
- Banks to be advised not to ask for using the new loan to clear old dues, not to add extraordinary conditions
- Bank should not insist on personal guarantees for these GECLS loans
- The limit of outstanding credit exposure as on 1 March 2020 should be removed. It should also be extended to capacities under implementation, which have been impacted by the pandemic in terms of cost overruns and delays
- There is a need to further increase the amount that can be availed under the GECLS
- Interest rates on GECLS loans should be further rationalised

15. In your view, will the one-time loan restructuring scheme have a beneficial impact on businesses? (%)



## 15. Suggestions on the one-time loan restructuring scheme

- Standard accounts not in default for more than 60 days as on 1 March 2020 be eligible for restructuring
- Support should be made available for restructured accounts which have already been classified as NPAs. The provisioning should not be impacted, but the benefit of restructuring should be made available
- Wherever dues / receivables are pending from a Government entity, either the Government should release the funds against the bank guarantee which will be part of the restructuring programme, if not, then the Government should guarantee the release of these funds so that special dispensation is available
- The lenders also do an internal credit rating and if they are satisfied with internal rating and agree with 75% by value and 60% by numbers norm, it implies that they are satisfied with the economic feasibility of restructuring. The external credit rating should not have a negative bearing on such cases of restructuring
- Circular should also include relief measures like extension of date of commencement of commercial operation, shifting of repayment schedule, etc. for projects under implementation
- The lender should support the NBFCs at least to the extent of loans restructured by the latter
- Hospitality, tourism, retail, healthcare, real estate and aviation sectors need a special package

16. In your view, are adequate credit facilities from banks available for businesses? (%)

**37**

YES

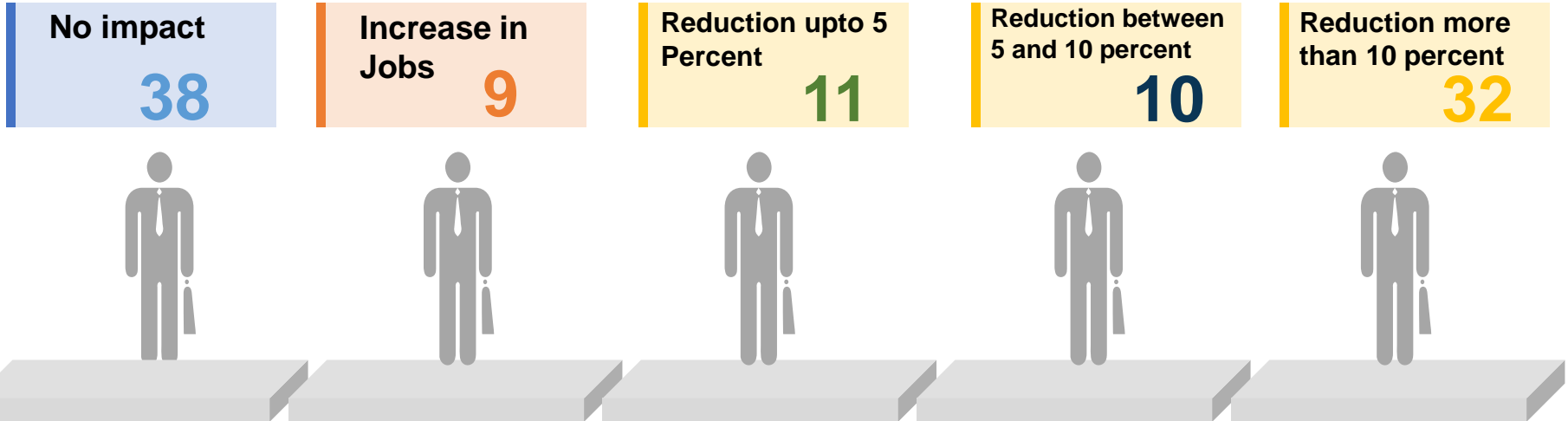


**63**

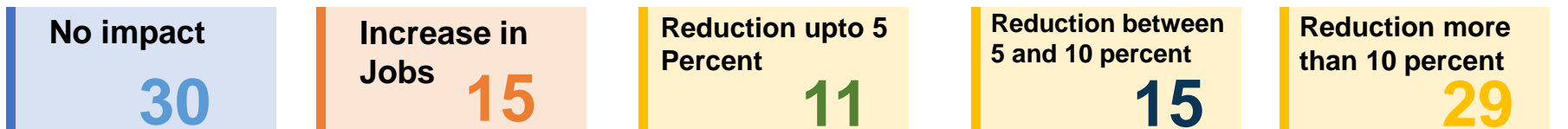
NO

17. What is the impact on job creation/loss from your company's perspective post implementation of the stimulus package and unlocking of the economy? (%)

June



August



18. Would your company be still considering salary reductions post implementation of the stimulus package and unlocking of the economy? (%)



No

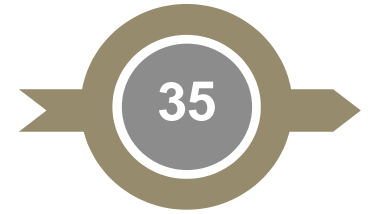


Yes - upto 5 percent

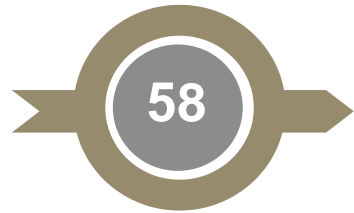
June



Yes - between 5 and 10 percent



Yes - more than 10 percent

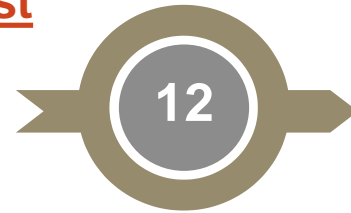


No



Yes - upto 5 percent

August

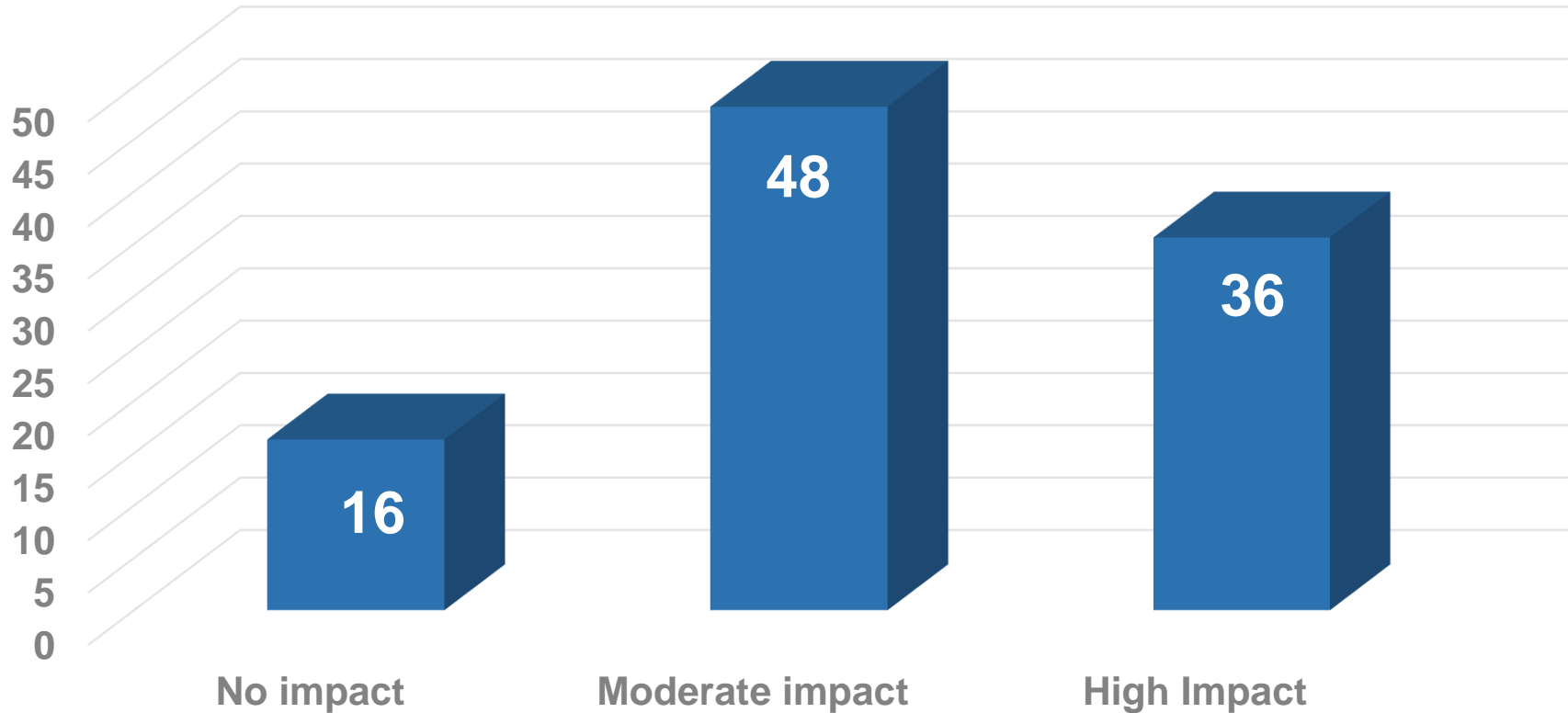


Yes - between 5 and 10 percent



Yes - more than 10 percent

19. With some states continuing to impose lockdowns (weekend lockdowns, 10-day lockdowns, etc), what has been the impact on your business? (%)



## 20. What further measures, reforms should be undertaken by the Government to facilitate demand creation?

- Additional cash transfers for migrant workers, poor and farmers
- Reduce GST rates on a temporary basis or consider deferral in payment of GST dues
- Increase Government procurement
- Part funding of wages as has been done in other parts of the world to ensure employment is sustained
- Lower cost of land acquisition, lower operation cost in terms of energy cost
- Continue to maintain surplus liquidity in the market. Low interest and easy EMI option should be made available to customers
- Increase testing availability and allow those who are in lower risk segments to move with greater freedom
- Greater emphasis can be given to promote agri-exports as this will give a boost to rural economy and demand
- Front-end infrastructure projects in the Government / PPP sector
- Lowering Income-tax rates and widening Income-tax slabs may be considered as it may leave more money in the hands of individuals and lead to discretionary spend
- A uniform policy for entry of tourists across different states to be worked out
- Need to build confidence amongst people through better healthcare facilities and infrastructure



A conceptual image showing a hand pointing to an upward-trending line graph. The graph has a black line that fluctuates and then trends upwards, ending in an arrowhead. A red line segment is highlighted, with a hand's index finger pointing to one of its data points. The background is a light blue and white bokeh with a network of glowing blue lines and dots. The text 'THANK YOU' is overlaid at the bottom in a bold, blue, sans-serif font.

**THANK YOU**