



**Business
continuity amidst
COVID-19 pandemic
Potential SoP**



**June
2021**

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Potential SOPs



The new normal could entail the enforcement of strict guidelines till India does not build herd immunity.

For example, Section 144 could be enforced for six months

The COVID-19 pandemic has led redefined the way of life and business. The economic impact of the crisis continues in India, with the country battling the second wave. Since the phased reopening of the economy in June 2020 after the imposition of the lockdown to curb the exponential spread of the virus, the economy had been recovering well. While, the second wave witnessed some continuity of economic activity, the staggered regional lockdowns impacted operations and supply chains.

With the contagion mutating and staggered peaks of case loads in regions, a new normal is emerging, where people and businesses will have to learn to adapt to the dynamic environment. Indian citizens and industry would have to learn to make the safety protocols a way of life. As more waves are expected and the case load varies from state to state, it is time for the Central Government to consider enforcing standard guidelines of COVID-19 appropriate behaviour.

At the same time, with global markets opening up, India risks losing out on investments and export opportunities. As the industry resumes operations with easing of state-level lockdowns, there is an urgent need to refresh standard operating procedures (SOPs). Similar SOPs were created after the first wave, but now will have to include measures which can deal with any further waves, ensuring continuity of business operations.

Going forward, India needs to balance the safety of both lives and livelihoods.

The emergence of future waves is uncertain, and Indian would have to learn making the safety protocols a way of life and business. As more waves are expected and the case load varies from state to state, it is time for the Central Government to consider enforcing standard guidelines of COVID-19 appropriate behaviour among citizens and SOPs for safeguarding employees and workers.

All protocols including emergency response should be laid out, with periodic sessions to be arranged to review site protocols ensuring social distancing norms. Everyone including workers should be continually informed about the safety guidelines and important updates. Updated social distancing guidelines for workplace, factories and establishments for strict adherence. This should be supported by a comprehensive Information, Education and Communication (IEC) campaign to ensure the same is reinforced.

Business continuity would depend on the strict adherence to SOPs across the value chain, ensuring facilities, vehicles, equipment, materials, etc. are all safe for use by employees.

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COVID-19



Calibrated reopening of economy to avoid sudden crowding of markets and spaces




Allow operations with limited capacity and working-hours, in zones with higher positivity rates




Rebuild a resilient economic structure and enabling regulatory environment




Strengthening healthcare facilities and capacity building for health professionals



Extend policy support to protect employment and business



Accelerated vaccination to reduce the spread of infection



Regain economic activity after containment through seamless supply chains

The efforts being made to contain the rising cases in the second wave and avoid the third wave, would also have to be complemented by measures to support seamless economic activity. Regions with lesser number of cases and low positivity rates can resume most economic activities, as long as crowding is controlled. However, areas with higher number of cases and positivity rate would have to implement restricted hours of operations.

Unhindered operations should be permitted for continuous process manufacturing, essential items, export-oriented units, and construction sites, supported by travel bubbles to avoid infection. Even in this segment, where possible work-from-home practices should be encouraged.

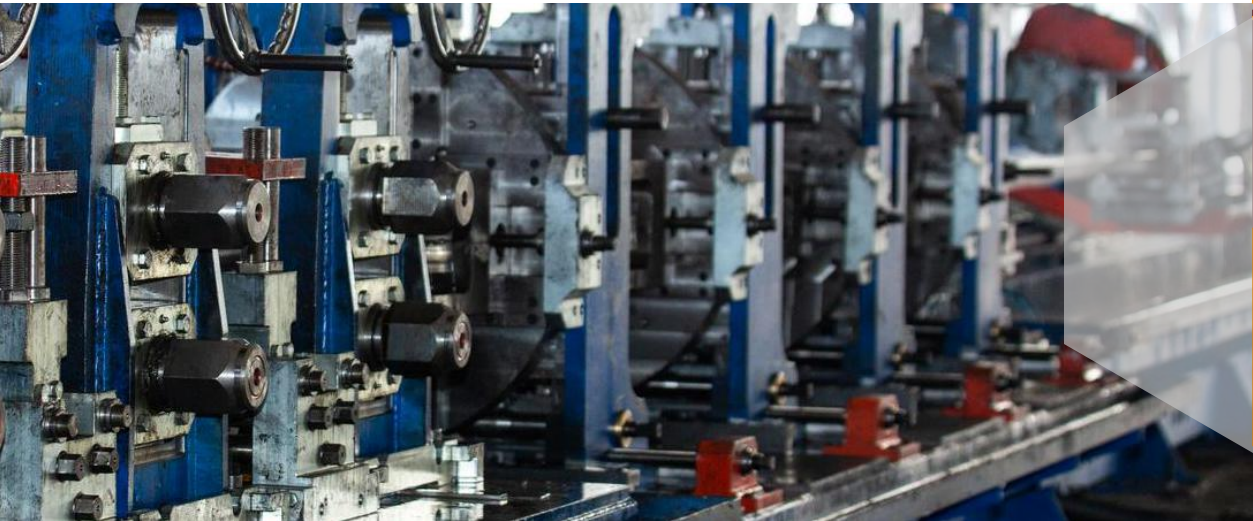
At the same time, close contact services should be allowed in zones with lesser number of cases. To avoid sudden crowding, limited hours of operation should be implemented for retail operations, except essentials. Additionally, lower staff capacity and shifts, with further preventive safety measures, should be implemented.

Logistics and distributions should be allowed seamlessly across state lines, except in containment zones with high positivity rates. Social gatherings should be permitted with restricted access to number of people.

Considering the third wave is expected to impact children, educational institutions should continue to be closed, with focus on online classes.

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The industry is making all efforts to adhere to requisite safety guidelines to safeguard its employees.

The struggling MSME segment would need fiscal support to ensure safety measures are not compromised on.

Mandatory thermal scanning of everyone entering and exiting the work place to be done

Maintaining social distance and allowing only the designated members into work areas

Before resuming the work on site, mandatory medical check-up to be arranged for all workers, allowing only medically fit workers to be deployed at site

Provision for hand wash & sanitizer (touch free recommended) will be made at all entry and exit points and common areas. Sufficient quantities of all the items should be available

Medical assistance should be arranged for unfit workers, and medical check-up should be arranged every month

All areas in the premises including the following shall be disinfected completely using user friendly disinfectant mediums:

Arrangement of necessary isolation facility for infected employees and their families

- Entrance Gate of Building, Office, etc.
- Meeting room, Conference halls/Open areas available/ Verandah/ Entrance Gate of Site, Bunkers, Pota Cabins, Building, etc.
- Equipment
- Washroom, Toilet, Sink etc.
- Walls/ All other surfaces

Workmen displaying symptoms would be segregated and tested. Allowed to re-join only after submission of 'Negative' certificate

Staggered timings at Canteen and portioning to ensure minimal contact

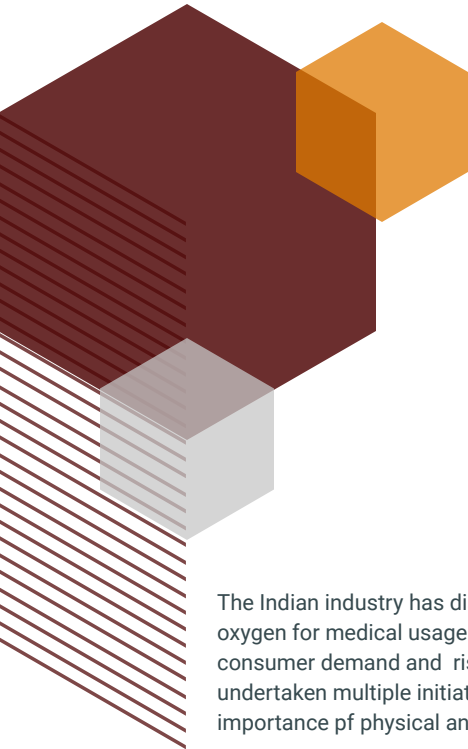
Constant tracking of fresh cases and curtailing non-essential movement of men and material

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Close contact industries in India are implementing stricter measures to ensure employee safety.

Hospitality chains, real estate developers are adopting measures across their value chain to drive safety of workers.



Adherence to Work-From-Home practice where feasible, leveraging virtual platforms for collaboration

Support vaccination of all the eligible individuals including the casual labourers

Transport arrangements should be made with social distancing for all employees

All vehicles and machinery entering the premise should be mandatorily disinfected

Workplace vaccination drive, with the help of district administration and private hospitals

In-house doctors' counselling sessions to be provided, along with mental health programs

Run awareness campaign to reinforce COVID-19 appropriate behaviour

Promote awareness of post-COVID recovery protocol, among workers and their families

The Indian industry has displayed its commitment towards national priorities, with many industries willingly diverting oxygen for medical usage. Companies across sectors, while bearing the brunt of disrupted supply chains, lower consumer demand and rising input prices, have kept employee safety and well-being at their core. India Inc. has undertaken multiple initiatives to support their employees and the society at large. The pandemic has brought forth the importance of physical and mental well-being and employers have prioritised these areas of support.

Even the MSMEs continue to display a lot of resilience and are making ample efforts to survive the stress with minimal disruption to the workforce. To augment such efforts, the Indian Government should focus on standardisation of minimum safety measures needed across industries, to avoid misinterpretation across states and sectors. This would have to be followed by stringent adherence and monitoring mechanisms to reduce the chances of infection. At the same time, the Government would have to provide fiscal support for the stressed segments, ensuring no compromise on safety measures.



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Economic activity in India picked up since Jan 2021, signalling it was well on the road to recovery before a new wave of coronavirus infections derailed progress. However, what looked like a permanent drop in economic throughput during the first wave was clearly proved wrong. In April, the world economic outlook from the IMF envisaged an economic recovery in India, with growth projected around 12.5% in the fiscal year 2021 and 2022. However, the second wave in other countries and from our uptick during the period between the two waves shows the downturn could mean only a temporary deferral of revenues and profits for the corporates.

We will find that the household balance sheets drove the pent-up demand on careful examination of the first wave. While the low-income households were the most affected, the upper-middle and the high-income households were left with the bulk of savings and responded to the post lockdown period with a phenomenon experts call "the revenge spending". This has by far helped the low-income households as well get back on their feet. However, they would want to keep six months to one year worth of expenditure in reserves from the low-income household perspective, thereby pulling consumption to the balance.

Surprisingly, the rate at which the NPA in Bank's balance sheet grew is less than what was anticipated during the first wave. The sectors such as travel & tourism, hotels & restaurants, salons, and beauty parlours continue to be high-risk lending areas. The banks and NBFCs are very cautious in booking their revenue forecasts from those sectors. Although there could be restructuring effects that deferred NPAs to 2022, it has allowed the organizations to survive and fight back.

The overall economy's recovery, which was dependent on government spending, pushed to Q3 and Q4 as the government employees being the frontline workers, are affected in large numbers, and they are still learning to be efficient in working from home. Once the Government is back to its full strength, a sudden surge in spending and sectors such as construction, infrastructure, mining, consulting, etc., if prepared for the ramp-up.

In the last year, the two pillars of the Indian economy have been Pharma & healthcare and IT. While IT stands to gain from the much-anticipated strong economic rebound in the west, it is a concentrated sector and does not contribute to

more than the 8-12% range but will continue to be a champion in the long term. This is not true for the pharma & healthcare sector, though, as it's a one-time push of certain drug and vaccine manufacturing that is driving the demand. However, in the short term, the Pharma and healthcare will continue to be strong by themselves and drive the demand in other sectors.

It has been more evident that the recovery is going to be K shaped. While one arm of the economy will cash-in on COVID as an opportunity, the other arm will plummet. Which arm do we end up with and how to move from the lower arm to the upper arm depends on how organizations react to these learnings. At the expense of cost efficiencies, resilience in the supply chain will be built, but it is critical to avoid redundancy. Finding this sweet spot while balancing resilience and redundancy will be critical for long-term profitability. Another crucial factor for recovery is innovation - products, services, business models, transactional models have to evolve and adapt to new normal. For example, sectors like entertainment, restaurants are bound to be in the lower arm, but those that adapt and improve delivery through OTT platforms and delivery aggregators will thrive and may even move to the other arm quickly.

The five pillars on the road to recovery are 1. Reducing the spread of infection (aggressive vaccination drive) 2. Strengthening treatment capacity 3. Protect employment and business 4. Quickly regain economic activity after containment 5. Rebuild a resilient economic structure.

A lot of SMEs and Industries in the stressed sector are struggling to pay Loan dues and with no prejudice on the Financial institutions who have borne the general moratorium period, the state-owned Financial Institutions should take over the loan from current lenders based on Sectoral stress, Repayment merit of the business and extend the moratorium period. Government aid to lower the liquidity crunch by Trade credit insurance for business-to-business transactions for companies with uncollected dues from customers and having legitimate invoices that are struck due to COVID impact reasons.

Although the COVID has left deep uncertainties in the Indian economy, the recovery post-second wave will be strong, and there should be no surprise if India still ends 2021 with double-digit growth.



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