

# Editorial

---

In these unprecedented times, I hope you are staying safe and adapting well. The last couple of months will be remembered in India for more than one reason: the spread of COVID-19, the complete shutdown, the flattening of the economy, the struggle of businesses and individuals to stay afloat, and the start of the unlocking process. The COVID-19 pandemic has affected us both personally and professionally as well as financially and emotionally, forcing us to shift priorities and resources as we respond to the abrupt changes around us. Still, the pandemic cannot flatten our resolve to learn, grow, and contribute today for a better tomorrow.

The June 2020 edition (Volume 6 Issue 1) has four articles, of which the first two discuss the impact of COVID-19. In the *first* article, the author explains how the stringent lockdown measures have given a dual shock to the Indian economy: a decline in demand as well as a fall in supply across several sectors of India's domestic economy. The article mentions the steps taken to enhance the liquidity in the system and emphasizes the need to bring the focus of policy measures to overcome the supply chain disruptions and stimulate the demand. The *second* piece talks about the challenges that banks will face on their key performance, asset quality, and solvency parameters as the economy reels under the impact of the COVID-19 pandemic and witnesses the second wave of corporate bankruptcy and liquidation. The *third* article is an operational guide to covered calls. It covers the key concepts, including accounting and tax treatment, which helps understand and use this option strategy. In the *fourth* piece, the author introduces the idea of degree of total leverage and describes its use to forecast earnings. The article illustrates how to use the information on Income statements to compute contribution and leverage measure and use it to predict profit before taxes.

Aṛtha is undergoing a transition. In April 2020, Prof. Ashok Banerjee stepped down as its Chief Editor. We acknowledge his contribution both as the founding editor and as a prolific author of fifty articles over eight years.

We will celebrate the eight-anniversary of Aṛtha in August 2020. Please send us your article for the anniversary issue (by July 31, 2020), your feedback on this issue, and suggestions for future issues to [artha@iimcal.ac.in](mailto:artha@iimcal.ac.in).

Happy reading!

**Sudhir S. Jaiswall**