

## Revenue to fall over 10%, profit over 5%: India Inc

BY ET BUREAU | APR 08, 2020,

New Delhi: Most Indian companies have said revenue and profits will be impacted significantly in the aftermath of Covid-19, according to an industry poll.

The cross-industry poll of company chiefs revealed that a majority of firms expect revenues to decline by over 10 per cent and net profits by over 5 per cent in the last quarter of the previous fiscal year and the first quarter of the ongoing one, data from the poll of nearly 200 company top executives conducted by the Confederation of Indian Industry (CII) showed.

The consensus for the decline in these figures in the final quarter of the previous financial year was at about half of all firms, while it grew to nearly two-thirds of all firms for the first quarter of the ongoing fiscal year.

Around 52 per cent of CEOs across sectors foresee job losses ranging from under 15 per cent to more than 30 per cent in their respective sectors, according to the poll.

About 80 per cent of firms had inventory lying idle, and over 40 per cent expect their stocks to last beyond a month once the lockdown ends. This is indicative of an expected demand slowdown even postlockdown, the CII said.

For firms involved in production, warehousing and distribution of essential goods and manpower came up as the two major hurdles.

India Inc is also pressing for a stimulus package. In view of the adverse industry expectations, "the government could announce a fiscal stimulus for the industry and implement it on fast track mode, given that the sudden imposition of the lockdown has significantly impacted industry operations and the uncertainty of a recovery threatens substantial loss of livelihoods going forward", said Chandrajit Banerjee, Director-General, CII. The PHD Chamber of Commerce and Industry has asked the government to abolish long-term capital gains tax and tax on buyback of shares.

The Federation of Indian Chambers of Commerce and Industry has pitched for additional liquidity for non-banking finance companies.

The industry body also sought one-time loan restructuring in the wake of long-term impact of the lockdown on businesses.