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Cos see sharp impact on revenues, profits, jobs

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New Delhi: More than 40% of firms expect their stocks to last beyond a month once the lockdown ends — indicating expectations of a demand slowdown in the post-lockdown period, a survey of 200 CEOs across sectors showed. Most firms, about 80%, have claimed that their inventory was lying idle at present.

The survey results showed that a significant majority of the firms expect revenues to fall more than 10% and profits to decline more than 5% in both, the current quarter (April-June 2020) as well as the preceding quarter (January-March 2020). The expectations of this sharp decline in both revenue and profit growth by domestic firms could have a sharp impact on GDP growth.

“The coronavirus outbreak, and the subsequent countrywide lockdown, has deeply

impacted the domestic economy with a majority of the firms expecting a significant decline in their top line and bottom line in the current and previous quarter, demand declining and jobs getting impacted,” said the CII CEOs’ snap poll on the impact of the Covid-19 lockdown on industry.

During the lockdown, a majority of the firms engaging in

**INVENTORY
LYING IDLE**

production of essential products and supply of ancillary goods are facing obstacles in operations. Firms have said that access to manpower and movement of products have emerged as major constraints in essentials trade, be it manufacturing or warehousing and transport or retail sales of these essential commodities. “While the central government has allowed manufacturing, trans-

portation and distribution of essentials, the enforcement at the local level has implemented the lockdown on essential commodities as well as services,” the survey said,

On the jobs front, about 52% of the firms foresee job losses in their respective sectors, resulting from the impact of the Covid-19 outbreak and the ensuing lockdown. While the proportion of jobs that are expected to be cut are quite staggered, a significant proportion of firms (47%) expect less than 15% job loss, while 32% expect to shed 15-30% of jobs, once the lockdown ends.

“The government could announce a fiscal stimulus package for the industry and implement it on a fast-track mode, given that the sudden imposition of the lockdown significantly impacted industry operations,” said Chandrajit Banerjee, director general of industry lobby group CII.