

# Companies

SATURDAY, MARCH 28, 2020



## TRANSPORT OF ESSENTIAL SUPPLIES

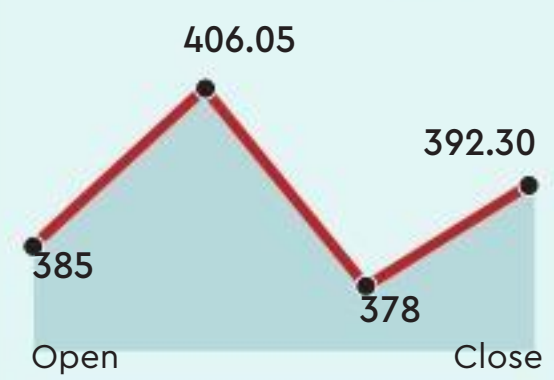
Ajay Singh, CMD, SpiceJet

We have offered our aircraft and crew for any humanitarian mission that the government needs us to fly... We would like to alleviate the suffering of the migrant workers, especially those from Bihar, by flying some flights between Delhi/Mumbai and Patna

## Street Signs

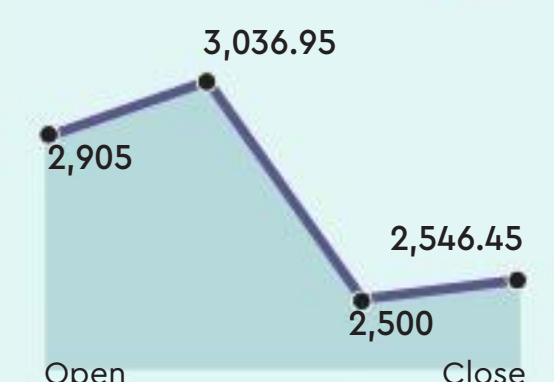
### Aurobindo Pharma

Stock rallies on ANDA approval for its muscle relaxant Tizanidine Hydrochloride **8.55%**



### Bajaj Finance

Stock falls the most on the Sensex after global research firm Bernstein downgrades it to underperform with a target price of ₹1,740 **8.87%**



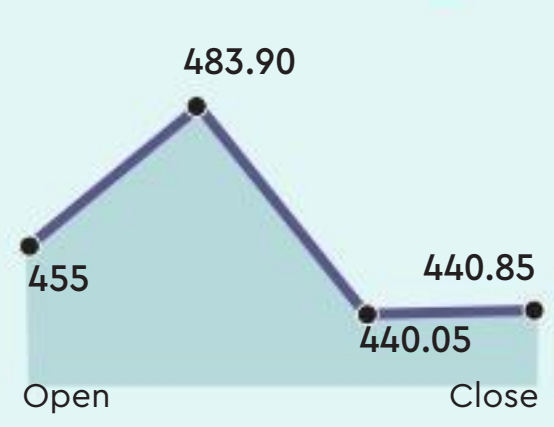
### Bandhan Bank

Share prices advance as the lender replaces Yes Bank in Nifty Bank Index **16.04%**



### HDFC Life Insurance

Stock plunges as JV partner Standard Life offloads five crore shares **7.6%**



## Quick View

### Sunil Duggal to take over as interim Vedanta CEO

MINERVEDANTA on Friday said that chief executive officer S Venkatakrishnan has resigned, effective April 5, due to personal reasons. Sunil Duggal, currently head of Vedanta unit Hindustan Zinc, will take over as interim CEO.

### Covid relief: Abhay Firodia Group earmarks ₹25 cr

THE ABHAY Firodia Group, consisting of Force Motors, Jayahind Industries and Jayahind Montupet, has earmarked ₹25 crore to support Covid-19 relief activities. Abhay Firodia, chairman of the group, said they had earmarked the amount from Force Motors and Jayahind Industries.

### ITC plants making essential items operating partially

AMID THE countrywide lockdown imposed to stop the spread of coronavirus, diversified conglomerate ITC on Friday said its factories manufacturing essential items "are operating partially with limited workforce". Apart from the factories making essential items, the company has suspended operations at its factories and plants. ITC is setting up a contingency fund of ₹150 crore in order to provide relief to the most needy sections of society.

### Sonalika Tractors assures full wages to contractual workers

SONALIKA TRACTORS has assured full wages to its contractual workers, ad hoc staff, apprentices and trainees across plants, businesses and all offices for the tenure of the lockdown in the wake of the Covid-19 outbreak. It has released advance salaries of 20 days for March for employees to help them manage possible exigencies.

## RELIEF TO AUTO SECTOR

# Apex court relaxes deadline for sale of BS-IV vehicles

FE BUREAU  
New Delhi, March 27

**GIVING SOME RELIEF** to the auto industry, the Supreme Court on Friday relaxed the March 31 deadline for the sale of BS-IV vehicles in the country and gave an extension of 10 days to clear 10% of unsold inventory post the end of the lockdown period due to Covid-19.

Allowing only 10% of unsold BS-IV inventory within 10 days after the lockdown ends on April 14, a bench led by Justice Arun Mishra, however, barred sale of BS-IV vehicles in Delhi-NCR and said the sold vehicles have to be registered within 10 days of sale.

The apex court observed that it can't keep extending the deadline over coronavirus. "No point extending time for BS IV vehicles, burdening environment further... Let's learn to sacrifice, do something for country's environment, have sympathy," Justice Mishra said, adding that they understand the psychology of businesses and dealers.

The top court has mandated that only BS-VI emission norms-compliant vehicles will be allowed for sale and registration,



The SC, however, barred sale of BS-IV vehicles in Delhi-NCR

beginning April 1.

The Federation of Automobile Dealers' Associations had sought extension of the deadline for the sale and registration of BS-IV-compliant vehicle till May-end. FADA through senior counsel K V Vishwanathan argued that BS-IV stock worth ₹7,000 crore was still unsold.

FADA argued that 15,000 passenger

cars, 12,000 commercial vehicles, 7 lakh two-wheelers are at stake due to the slowdown in the industry and also the drop in footfalls at showrooms due to the Covid-19.

FADA's application came only a month after the apex court had turned down its similar request seeking an extension of the last date for selling BS-IV vehicles. The auto dealers' body had said that unsold BS-IV inventory would lead to financial hardships for the dealers, and "even threaten the existence of their business".

The Supreme Court bench led by Justice Arun Mishra had on February 14 clarified that the deadline for BS-IV vehicles will not be extended by even one day. "You should not have produced BS-IV vehicles after that. Even after filing this application, you have produced these vehicles," the bench said. "We will not give even one day."

The SC in its October 2018 order had banned sale of BS-IV vehicles in the country, saying there cannot be any compromise on the health of citizens which has to take precedence over the "greed" of a few automobile manufacturers who want to stretch the timeline to make a "little more money".

## Supply of essentials: Staff shortage threaten companies' operations

ASMITA DEY  
New Delhi, March 27

**EVEN THOUGH PERMISSION** by the authorities may be in place for unhindered supply of essentials to consumers, a critical shortage of staff on the ground is threatening operations by companies at full capacity and raising concerns of availability of adequate stock to sustain the 21-day lockdown period in the wake of the Covid-19 outbreak.

Retailers Association of India CEO Kumar Rajagopalan said that a considerable proportion of migrant workers have left, some local workers are being stopped from working by the community and hence, there are not enough people on the ground. Movement from warehouses has become intermittent and with no truckers and handlers, transportation of goods has been stalled. Rajagopalan said the central government should designate workers related to supply of necessary goods as 'essential' just like health workers; the association has placed a request to this effect. In the case of online retailers, the situation may be more grim as they usually have a leaner workforce while order backlogs are huge. "There may just be enough supplies to meet the pending orders," Rajagopalan told FE. Although on date, food supplies are enough, the issue of availability of workers needs to be sorted out on a war-footing, he added.

Priya Gold Biscuits director Shekhar Agarwal told FE that all 12 manufacturing units of the company are shut and the firm's current stock may just suffice for 10 days or so. Even if the plants start production, it can only do so at about 60% capacity since a significant percentage of labourers have left. "We have a huge population and it is doubtful if all of them have stocked up enough. There is no certainty that the lockdown will only last for 21 days," Agarwal said. The food processing ministry should come out with clear guidelines for manufacturing units outlining the number of staff to be deployed, elaborating the domain of packaged foods, while it would be helpful if FSSAI advises on sanitation procedures that need to be followed, he added.

Shahrukh Khan, executive director, operations at Dabur, said production is suspended at all units and the firm is awaiting clarity and permissions from the government not just on commencing production but also on movement of workers and smooth functioning of the supply chain, covering incoming raw and packing materials and outgoing finished products. The firm is seeking approvals to start producing essential items like hand sanitisers, hand



There are concerns over availability of adequate stock to sustain the 21-day lockdown period

washes, immunity boosters and Ayurvedic medicines.

Prashant Tandon, co-founder and CEO at online healthcare platform 1mg Technologies, said on the back-end supply of medicines, most distributors are not able to function due to lack of staff. "Distribution markets in cities are mostly shut, particularly in Tier 2 cities like Indore and even if they are open, it is for a shorter duration with large queues to cater to," Tandon told FE.

Residents of various cities FE spoke to gave mixed responses. A resident of Howrah said there was no shortage in supply of vegetables but grocery shops are soon running out of stock and supplies of fresh stock is slow. A resident of Hyderabad's Hitec City said there is scarcity of water cans in kirana stores but there is a smooth availability of essentials. A resident of Chennai's Kumar Nagar said only two grocery shops were opened as of March 27 evening. "They have enough stock but if people rush to buy, it will get empty in an hour," the person said. A resident of Mumbai's Tilak Nagar said there was no panic on the ground. Shelves are not filled to capacity but emergency supplies are available. The person, however, noted that wholesalers complained of unavailability of delivery staff. A South Delhi resident said branded products like a Surf Excel or that of an Amul are not available while stores in the area had scattered supplies.

Albinder Dhindsa, co-founder and CEO at Grofers in a statement, however, said that nearly 90% of the company's warehouses are operational and 50% of delivery partners with relevant permissions have been deployed.

BigBasket said it is operating in all cities except Visakhapatnam.

## Auto components industry seeks govt support

PRESS TRUST OF INDIA  
New Delhi, March 27

**AUTO COMPONENTS INDUSTRY** body ACMA on Friday said it is taking a hit of around ₹1,200 crore per day due to the lockdown owing to the coronavirus pandemic, and urged the government to come up with a financial package, including relaxation in borrowing norms, in order to survive the current situation.

Terming the current situation as unprecedented, the Automotive Component Manufacturers Association (ACMA) said its member companies despite facing challenging times are taking all possible steps to safeguard the interests of their respective workforce.

**The Automotive Component Manufacturers Association urged the government to come up with a financial package, including relaxation in borrowing norms**

"The auto component industry stands by the government in this hour of challenge. However, with complete stoppage of production in the vehicle industry and scarcity of working capital, the situation in the component manufacturing units, including the tier-2s and tier-3s has become quite acute, threatening their survival," ACMA president Deepak Jain said in a statement.

## Online sales come to a halt amid lockdown

ASMITA DEY  
New Delhi, March 27

**ONLINE SALES, THE** only recourse for retailers to stay afloat after the coronavirus pandemic hit brick-and-mortar businesses, have come to a halt after the imposition of a 21-day country-wide lockdown to curb transmission of the virus.

FabAlley & Indya co-founders Tanvi Malik and Shivani Poddar said prior to the lockdown, the firm's online website registered regular orders and customer traffic. However, with warehouses and tailoring units currently shut, the firm is not accepting online orders till April 14. Recovery will only start happening post the first quarter of the new financial year starting April 1, they said. "We are trying to check inventory losses by slowing production for the spring-summer season and halting further expansions," Malik and Poddar added.

Alisha Malik, vice-president, e-commerce and marketing at Metro Brands, which houses brands like Metro Shoes and Mochi, said the company is planning for at least two quarters of lower revenues. "The recovery may not be a quick bounce back. We are maintaining a tight grip on our cash flows to ensure we stay afloat," Malik said. Grant of relief on rentals will be a breather for the sector, Malik said.

## Dr Reddy's Laboratories gets nod for borrowing plan of up ₹2,000 crore

FE BUREAU  
Hyderabad, March 27

**AS PART OF** fund-raising plans, Dr Reddy's Laboratories (DRL) has received approval for its borrowing plan of up to an aggregate amount of ₹2,000 crore in one or more tranches.

"The board of directors of the company, at their meeting held on March 27, 2020, have approved borrowings by the company, either through issuance of commercial papers, debentures, bonds and/or through bank credit lines, term loans including external commercial borrowings, as the company may deem fit, up to an aggregate amount of ₹2,000 crore, in one or more tranches," the company said in a filing.

Further, the board of directors have also approved sale of the contract development and manufacturing organisation (CDMO) division of the Custom Pharmaceutical Services (CPS) business of the company, to a wholly-owned step-down subsidiary, Auri-gene Pharmaceutical Services (APSL), on a slump sale basis, for a consideration of \$72 million.

## GoAir offers its aircraft, crew, airport staff for emergency services

**GOAIR ON FRIDAY** said it has offered the government its aircraft, crew and airport staff to carry out emergency services and repatriation of citizens, two days after another low-cost carrier IndiGo made a similar offer.

Currently, while there is a ban on international and domestic passenger flights in the country, all-cargo flights can operate as usual, according to aviation regulator DGCA. However, the Directorate General of Civil Aviation (DGCA) is yet to give permission to airlines to conduct flights using their commercial passenger aircraft with just cargo in their belly. **PTI**

## DLF to pay salaries to workers, daily wagers till April 14

FE BUREAU  
New Delhi, March 27

**DLF ON FRIDAY** announced that it will pay salaries till April 14 to all its workers and daily wagers working directly with the company or indirectly through contractors. The real estate firm will also make available masks, sanitisers, examination gloves, medicine supplies, etc for the poor.

"As a first measure, DLF will give salaries to all workers and daily wagers working directly with DLF, or indirectly through its active contractors. This is being done via a Direct Beneficiary Transfer system into the Bank Accounts of the workers (to the maximum extent possible) to provide immediate funds to tide over this life-threatening crisis," the firm said.

The company will also make available all hygiene and sanitation supplements like masks, sanitisers, examination gloves and medicine supplies for the poor as called for by administrative and municipal authorities in 25 cities where the company operates.

"We in DLF also feel that each Indian

**The real estate firm will also make available masks, sanitisers, examination gloves, medicine supplies, etc for the poor**

entity must whole-heartedly contribute in this national movement and challenge for India to emerge victorious, faced as we are with new hardships on the people of India and businesses together. DLF is fully committed to working with administrations in all the geographies that we operate in at present," DLF chairman KP Singh said.

The company said it is also helping residents at its condominiums. During the lockdown, the company's dedicated staff have been posted in the condominiums in addition to staff from its facility management agencies, for the purpose of operating all services. Special arrangements have been made for their round-the-clock presence, with food and lodging provided by DLF. Allowances have also been given to these staff members for buying provisions for their families while they are away on duty.



Arijit Mazumdar, CEO and co-founder at Begaluru-based online store Northmist, said sales are down by at least 40%. On a regular day, the company has almost 4,000 people visiting its website and it sells nearly 150 T-shirts. "We cannot completely shut down as the losses will be insurmountable. But the lockdown has brought everything to a screeching halt. No courier partners are working," Mazumdar said.

Prashant Bhatia, brand custodian at Cambridge (primarily offline), said if the current lockdown persists through the summer, the company will be looking at price reduction to clear inventory and make way for festive stocks. Vikash Pachariwal, co-founder at Raisin, said the firm will not be processing online orders until the situation eases. The firm will use promotions to push sales both online and offline once the lockdown period ends.

Home appliances company Won-

derchef's MD Ravi Saxena, said business would get affected for a couple of months more or beyond. "There is absolutely a case to allow e-commerce and logistics services to operate beyond the domain of essential goods. Even at the peak of its lockdown, China kept all e-commerce operations open," Saxena said.

Make-up brand Colorbar said online sales are completely shut for them and no transactions have taken place since March 22. Harkirat Singh, MD at Aero Club that operates retail brand Woodland, said although the firm is accepting online orders, those shall be processed only when business reopens. Madame executive director Akhil Jain said he expected regular footfalls at the stores to resume only in May. The negative cash flow will certainly affect the winter season as well.

New Delhi-based ethnic wear retail brand Odhni (which has an e-commerce website but play is predominantly offline) said it is not going to cut down on staff salary and hence there is a concern on how the fixed cost will be met.

Mayank Jain, managing partner at New Delhi-based Greenways Sarees, said their strategy initially was to push online sales to 80% of its total business against 20% earlier. But now online sales are dead due to non-availability of logistics support.

## FB launches Messenger Chatbot to share coronavirus info

PRESS TRUST OF INDIA  
New Delhi, Mar 27

**FACEBOOK HAS LAUNCHED** a Messenger Chatbot to share information about coronavirus, as part of efforts to help people access authentic information about the pandemic, and counter fake news.

"Together with the Ministry of Health and MyGov, Facebook has facilitated Corona Helpdesk Chatbot on Messenger to raise awareness, provide authentic and accurate information and bust fake news about coronavirus.

"Facebook users can start accessing the Corona Helpdesk Chatbot and reach out to the Ministry of Health for authentic news, official updates, precautionary measures and emergency helpline numbers through this chatbot," a Facebook statement said on Friday. The chatbot comes with English and Hindi language capabilities.

To contact the chatbot, users can go to the Facebook page on MyGov Corona Hub and then start a chat by typing "Get Started", which will prompt them to either type in a query or choose from a list of frequently asked questions.

## Special, cargo flights dot Indian airspace

PRESS TRUST OF INDIA  
New Delhi, March 27

**INDIAN AIRSPACE MIGHT** not be buzzing now but special flights are dotting the sky, with various overseas carriers operating services to ferry foreign nationals stranded in India in the wake of the coronavirus outbreak. Besides, flights are being operated on domestic routes carrying cargo, including medical equipment, to various places. In the last few days, at least half-a-dozen special flights have been operated by carriers from various countries, including Japan and Russia, from the Indira Gandhi International Airport (IGIA) here, according to an airport official.

As India is under a 21-day lockdown to

**Various overseas carriers are operating services to ferry foreign nationals stranded in India in the wake of the coronavirus outbreak**

curb the spreading of coronavirus infections, domestic and international flights have been suspended till April 14. Only cargo flights and those approved by aviation watchdog DGCA are allowed to operate in the country.

At least half-a-dozen special flights have been operated by carriers from various countries to ferry back foreign nationals from here since March 24, the Delhi airport official said.