

# Movement of essential goods hit by disruptions

Fewer trucks plying with supplies, demand rising quickly; Ministry order to allow movement not percolating down

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MUMBAI

With the country witnessing largescale disruptions in transportation network and supply chain on account of the COVID-19 spurred lockdown, the logistics sector is likely to face more hardships as current reserves are depleting and manufacturing is yet to pick up.

"The situation does not seem to be improving. Demand for movement of essentials goods is increasing frantically, but supply is not even close to matching it," said Abhishek Gupta, MD, Prakash Parcel Services Ltd. "We are most likely entering a phase where supply will be disrupted very soon. Instructions from the Ministry of Home Affairs to allow trucks to operate has not percolated down yet in many places. Warehouses and factories, to unload trucks, have



Given the shortage of labour, packing material and trucks, officials urge the Centre to resolve this quickly. ■ M. GOVARTHAN

not been asked to open," he said. "The driver count per 100 trucks is now below 15 as compared to 58 before the virus outbreak. Not more than 10% of trucks are running and drivers are finding ways to return home," he said.

"In the short term, there is significant disruption to sup-

ply of all essential commodities and medicines, visible from the depleting stocks at various shops across India," said Pankaj Poddar, CEO, Cosmo Films, which supplies packaging materials to all top FMCG firms. "But there is always inventory lying at various stages, which is getting

consumed. The government has allowed food processing and pharma firms to operate, though they, in turn, are dependent on their raw material and packaging material suppliers. Their suppliers too are dependent on their supply chain," he said.

He said this entire supply chain is broken with shortage of labour, packing material and trucks, and that the Centre must react quickly to this situation. "Or else we may have serious supply shortages by the third or

## COVID-19

fourth week of April," he added. Analysts said if the lockdown persists, the supply chain would be disrupted owing to low capacity utilisation due to lack of labour and restriction on people and material movement, running

down of inventory and profiteering by unscrupulous firms and middlemen since they have the first-hand information on supplies.

Rohit Chaturvedi, CEO, Transport Hub, an IOT-based logistics firm, said, "Even a temporary disruption may be amplified due to middlemen's behaviour. To deal with this, the authorities must identify categories for which supply restriction may matter." He said the authorities have to deploy predictive analytics to forecast demand pattern in the current scenario and identify supply clusters to fulfil demand.

"They should connect consumers with producers directly with the help of technology and take help from e-commerce players like Amazon to understand the demand pattern and use their supply expertise," he said. Some experts have

called for the need of deployment of Artificial Intelligence (AI) and other technologies to deal with the situation.

"Inventories of essentials already in the chain need to be unlocked immediately so while manufacturing and transport (inter-State) get back on track, local inventories with distributors are made available to retailers as required," a report by LogisticsNow said. As transport capacities have been disrupted by stranded trucks, there is likely to be a need for thousands of trained drivers to move essential supplies.

"Options, including the Army Supply Corps, the Railways, Concor, Freight Marketplaces and Freight Intelligence networks, along with large fleet owners / truckers who can provide transport capacity from long haul to last mile will enable an effective response," it said.



N95 and similar masks have seen production rising from 15 lakh a month to about 25 lakh now. ■ S. SUDARSHAN

## Production of masks, coveralls see increase

Sector's investments rise with demand

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With the spread of COVID-19 in the country, demand for protective gear such as masks and coveralls has shot up. These products, now made by a handful of manufacturers, are attracting investments because of increasing demand.

According to government sources, the current production of N95 masks in the country is about 75,000 to one lakh pieces a day and coveralls 5,000.

The production of N95 and other types of similar versions of industrial masks was 10-15 lakh a month and it is now about 25 lakh a month (average). There are limitations in increasing production of these masks as the machinery needs to be imported.

There are 16 main producers of coveralls at present. Some major suppliers are expected to get into production shortly for coveralls and its numbers will increase. Against an annual consumption of 50,000 body coveralls a month before the outbreak, now, the demand is projected at almost one lakh a day. It is estimated that production will scale

up to 50,000 a day in May.

Imports have started and more are in the pipeline and a clear position will be available by next week.

The Ministry of Textiles is taking steps to bring in new manufacturers and is facilitating logistics for supply of the gear. The products are tested by South India Textile Research Association for standards.

S.K. Sundararaman, MD, Shiva Texyarn and chairman, Indian Technical Textile Association, said an approximate estimate of the requirement of coveralls is 20 lakh pieces. Some manufacturers now produce reusable coveralls suits.

"The Class III coveralls recommended was not generally made in India. Now, even for those who are getting into it, there is shortage in availability of fabric and seam sealing facility. We (Shiva Texyarn) started making coveralls a week ago and produce 2,000 pieces a day. In the case of masks too, there were just five N95 suppliers. The existing textile manufacturers are trying to get into these segments now. But, there are challenges such as availability of fabric," he said.

## Assocham for \$120-bn stimulus

RBI rate cut, liquidity infusion only a 'short-term fix,' it says

PRESS TRUST OF INDIA  
NEW DELHI

Industry body Assocham on Thursday urged the government to roll out a \$100-\$120 billion stimulus package to help revive all sectors of the economy, that has been battered by the COVID-19 outbreak and the subsequent nationwide lockdown.

Stressing that the Reserve Bank's decision on key policy rate cut and measures to infuse liquidity could just be seen as a 'quick short-term fix,' Assocham secretary general Deepak Sood said the government would need to do much more.

"This could include the Central government making



Pump priming: Assocham says the package is essential to revive the economy hit by COVID-19. ■ REUTERS

use of the current scenario, wherein the gloom of deflation as well as recession, and lack of any inflation threat in the economy, to put together the stimulus package," said Mr. Sood.

India also stands to gain

about \$50 billion in fuel import bill due to the fall in global crude prices, he said. Assocham said the government may go in for temporary suspension of the Fiscal Responsibility and Budget Management Rules Act.

## Clear renewable energy producers' dues: Centre

Don't delay payments, States told

PRESS TRUST OF INDIA  
NEW DELHI

The Centre has asked States to continue to buy power from renewable energy producers and clear their dues "on a regular basis as was being done prior to the lockdown."

The Ministry of New and Renewable Energy, on April 1, wrote to all States and electricity distribution companies after renewable energy producers complained that some states were curtailing purchase and payment for electricity generated from sources such as solar energy.

In the letter, the Ministry said the power ministry had recently issued instructions providing for a moratorium to distribution companies or discoms for making payments to electricity generating companies in the wake of COVID-19 outbreak and the following nationwide lockdown.

The Ministry, according to the letter reviewed by PTI, directed the discoms to accept invoices and billing through emails and make payments to renewable energy generators as per their power purchasing agreements (PPAs).

## Manufacturing grows slowest in four months

PRESS TRUST OF INDIA  
NEW DELHI

The country's manufacturing sector activity grew at the slowest rate in four months during March, hampered by softer rises in new business as international demand faltered owing to the COVID-19 pandemic, a monthly survey said on Thursday.

The headline seasonally adjusted IHS Markit India Manufacturing Purchasing Managers' Index fell to 51.8 in March, from 54.5 in February, signalling the slow improvement in business conditions since November 2019.

## Motor third party, health renewal dates extended

Policy renewals allowed till April 21

SPECIAL CORRESPONDENT  
HYDERABAD

Motor third party insurance and health insurance policies whose renewal date falls during the lockdown period (March 25 to April 14) can be renewed till April 21.

The Insurance Regulatory and Development Authority of India (IRDAI) shared the details of a notification issued in this regard by the Department of Financial Services with insurers. The regulator said the Centre had permitted motor vehicle TP and health insurance policyholders, whose policies fall due for renewal during the 21 days to make premium payment by April 21.

The relaxation is for those who are unable to make payment towards the renewal in view of the situation as a result of COVID 19. "Insurers shall ensure adeq-

uate arrangements are made for ease of payment of premium by policyholders during the week following the end of the lockdown period (the last date being April 21)," IRDAI said.

The regulator said such policyholders would be required to pay the renewal premium for the entire period of 12 months from the date it was due, by April 21. It directed the insurers to communicate details to the policyholders concerned "immediately, in a manner that is correctly understood by them" as well as inform agents and intermediaries.

When the policy is issued, on receipt of the premium before April 21, "it shall be ensured that the period of cover commences from the date the renewal was due without any break in the policy period."

## Hero Moto, TVS Motor sales fall on virus impact in March

Hero's sales decline 42% from a year earlier

SPECIAL CORRESPONDENT  
NEW DELHI/CHENNAI

Hero MotoCorp, the country's largest two-wheeler maker, sold a total of over 3.34 lakh vehicles in March 2020, of which over 3.16 lakh two-wheelers were sold in the domestic market.

In comparison, the company had sold over 5.8 lakh vehicles in March 2019, of which more than 5.53 lakh two-wheelers were sold in the domestic market.

"In March 2020, the auto industry and the entire global economy faced an unprecedented disruption, owing to the coronavirus. COVID-19 has resulted in interrupted supply chains, halted production and lockdown, leading to no retails," the company said in a statement.



It added that with the virus situation escalating through the month of March, Hero MotoCorp set up a Business Continuity Task Force and rolled out measures to ensure health and safety of its employees and partners.

Hero MotoCorp has also elevated Naveen Chauhan as head of Sales and After Sales. In 2019-20, the company sold over 62.31 lakh un-

its in the domestic market, as against sales of over 76.12 lakh units in the previous year.

Chennai-based TVS Motor said it registered sales of over 1.44 lakh units in March 2020 compared with over 3.25 lakh units in March 2019. It added that domestic two-wheeler sales stood at 94,103 units in March 2020 as against 2,47,694 units in March 2019. The company said it had launched the BS-VI version of its entire portfolio, and there were adequate stocks in the market when it reopened.

"Due to the lockdown, there was a significant loss in production, and also vehicle stock in the factory for both domestic and international markets, which could not be dispatched," it added.

## Bajaj Fin tells customers to write for EMI refund

'Make request within 5 days of debit'

SPECIAL CORRESPONDENT  
MUMBAI

Bajaj Finserv has asked its customers to write within five days from the time their equated monthly instalment (EMI) has been debited, in case the customer wants a refund.

"In the event of the loan EMI having been debited, requests for moratorium should reach BFL no later than 5 days of date of EMI debit from the bank account," Bajaj Finserv said.

"Refund of such EMIs which have got debited from the bank account will be processed in 10 working days from the date of receipt of such requests," it added.

Since most of the EMIs of Bajaj Finserv are processed on the second of every month a lot of customers were unable to apply for a request for a moratorium.

Refund of such EMIs that have been debited from the bank account will be processed in ten working days

The non-banking finance company has also said new loans sanctioned and availed after March 1 will not be eligible for moratorium.

"Non-payment of EMIs for loans sanctioned or availed after March 1, 2020, will lead to tagging of loans as overdue and delinquent and will be reported to credit bureaus as well," the company said.

While offering moratorium, Bajaj Fin has put a condition that to become eligible for moratorium, customers should not have more than two EMIs due in any of their loans.

## Contribution towards COVID-19 relief

Company Name Amount (₹ Crore)

Company Name	Amount (₹ Crore)
ONGC	300
NTPC	257
IOC	225
Power Grid	200
BPCL	175
HPCL	120
LIC of India	105
Petronet LNG	100
Infosys	50
Hero Group	50
GAIL	50
SAIL	30
Oil India	38
Dalmia Bharat	25
Sundaram Finance group	20

DONATIONS LISTED ARE TOWARDS PM-CARES FUND AND OTHER STATE FUNDS (WITH PTI INPUTS)

## Rating downgrades outpace upgrades, says Crisil

Moody's changes banking sector outlook to 'negative'

SPECIAL CORRESPONDENT  
MUMBAI

The impact of a slowing economy has started reflecting in rating actions with downgrades (469) outnumbering upgrades (360) in the second half of fiscal 2020, rating agency Crisil said on Thursday.

As a result, the credit ratio has dropped to 0.77 times compared with 1.21 times in the first half. A ratio below one indicates more downgrades than upgrades.

Over the near to medium term, credit quality trends would be driven by the ability of companies to rebound from the near-standstill demand situation, it said.

"We foresee India Inc's credit quality deteriorating in the near-term. Our study



of 35 sectors, both from manufacturing and services, however, shows sharp variation in resilience in a post-Covid-19 landscape," Gurpreet Chhatwal, president, Crisil Ratings, said.

On non-banking finance firms, Crisil said the liabilities side could pose challenges for companies with

high share of capital market borrowings.

This is because no moratorium has been announced so far for capital market borrowings (such as bonds and commercial paper) and repayments on these will have to be made on time, during a period when collections would be impacted significantly.

Separately, Moody's Investors Service has changed the country's banking sector outlook to 'negative' as the virus outbreak and bank default prospects add to risks.

"A sharp decline in economic activity and a rise in unemployment will lead to a deterioration of household and corporate finances, which will result in increases in delinquencies," it said.

## Aurobindo, Novartis call off \$1-bn Sandoz deal

Transaction could not get U.S. FTC nod

SPECIAL CORRESPONDENT  
HYDERABAD

Aurobindo Pharma and Novartis have called off their almost \$1 billion deal pertaining to U.S. generic oral solids and dermatology businesses of Sandoz.

"This decision was taken as approval from the U.S. Federal Trade Commission for the transaction was not obtained within the anticipated timelines," Aurobindo Pharma and Novartis said.

As part of the proposed transaction, for which a definitive agreement was announced in September 2018, Aurobindo was to acquire commercial operations and three manufacturing facilities in the U.S. from Sandoz Inc., a Novartis division. While announcing the mutual agreement with Aurobindo to terminate the



pact, Novartis said Sandoz will continue to operate its oral solids and dermatology business as part of the Sandoz U.S. business.

Novartis agreed to sell select portions of its Sandoz U.S. portfolio, specifically the Sandoz U.S. dermatology business and generic U.S. oral solids portfolio to Aurobindo Pharma USA Inc., for \$900 million in cash plus \$100 million of potential earn-outs.

## TAFE's free tractor rental plan for ryots

SPECIAL CORRESPONDENT  
CHENNAI

TAFE has announced a free tractor rental scheme through its JFarm Services platform on the Uzhavan App. The scheme will be available for 90 days, starting April 1, across 30 districts of Tamil Nadu.

Under this, TAFE would offer more than 4,400 of its Massey Ferguson and Eicher tractors and 10,500 implements on a free-of-cost rental basis.

"The rabi season is crucial to the farmers of Tamil Nadu. At this crucial juncture, TAFE seeks to support small and marginal farmers to tide over the crisis caused by COVID-19 by offering free rental services of Massey Ferguson and Eicher tractors," said Mallika Srinivasan, CMD of the company.

## TV viewership up 37% in first week of lockdown

News consumption sees 298% growth

SPECIAL CORRESPONDENT  
MUMBAI

Television viewership has seen a sharp increase of 37% from March 21 to 27 as compared to the pre-lockdown period from January 11 to 31.

The TV consumption data for the first week of the lockdown was released by BARC India-Nielsen on Thursday.

The sharp increase is on account of people staying at home during the lockdown and watching news and movies, as per the findings.

This period witnessed the highest-ever TV viewing at 1.20 trillion minutes. And 622 million new viewers were found watching TV for 4 hours 40 minutes daily.

While news saw a growth of 298%, business news grew 180% in viewership. Infotainment clocked a

growth of 63%, while movies saw 56% growth in viewership. This is against the 3% growth in general entertainment content (GEC) viewing.

"There has been a huge change in momentum. This is the good time for advertisers to build brands, especially food and beverage brands, on television," said Sunil Lulla, CEO, BARC India. The week witnessed the return of the 1986 produced Ramayan, which garnered a viewership of 51 million on Saturday and Sunday.

"The re-tecast of Ramayan garnered the highest ever rating to a Hindi GEC show since 2015," he said. These was also a significant rise in smartphone content consumption across geographies, socio-economic classes and age groups.