

Transporters suffer ₹1k cr a day losses due to fresh restrictions, lockdowns

PTI ■ MUMBAI

Truckers' body AIMTC on Wednesday said the transporters are suffering losses of around ₹1,000 crore per day due to the fresh restrictions and weekly lockdowns in some of the states, and these losses spike further if certain relief measures are not taken by the government to mitigate the situation.

On April 12 when restrictions were imposed in Maharashtra, the research unit of the All India Motor Transport Congress (AIMTC) had assessed daily loss of about ₹315 crore per day, AIMTC said in a statement.

According to fresh assessment, the daily losses to the transport industry have mounted to about ₹1,000 crore per day, which are rising further with intensity and duration of the pandemic-induced lockdowns and curbs, it said.

It sought proactive steps from the govt such as on moratorium on equated-monthly instalment (EMI) payments, tax and insurance waiver and

extension in e-way bill validity to avoid imminent financial crisis in the industry.

The lockdown and night curfew has been extended to other states, due to rising number of COVID-19 cases, has disrupted the business and financial delinquencies have hit micro loans, MSME and commercial vehicles' financing segment, it said.

"This is going to further deepen the crisis," the AIMTC said. The intensity and duration of lockdowns and curbs will further hit the sector badly. Therefore, immediate, prudent and proactive steps must be taken by the govt to avoid another crisis in the offing, before it is too late, it warned in the statement. States such as Delhi, Punjab, Rajasthan, Uttar Pradesh, Madhya Pradesh, Karnataka and others have also imposed strict restrictions on the movement of non-essential goods, which has resulted in demand for vehicles going down by about 50% and the subsequent increase in idle capacity, said the statement.

"If the situation worsens

attracting fresh lockdowns and restrictions, then this loss will further augment leading to financial crises in the industry and excessive loss of livelihood," said the AIMTC.

AIMTC said its research unit predicted deterioration of financial situation among various sectors, including transportation sector, where payments are not forthcoming. This is due to low consumption, and demand manufacturers too are not realising their proceeds.

This is going to augment bad loans and default of statutory compliance like taxes, insurance, fees and other statutory compliances like TCS, GSTR returns and TDS, among others, it said.

"We have no resources at the back-end as all payments are stuck. We could foresee worsening of the situation in the very near future. More than 20 crore people associated with the transport sector are forced under greater pressure and multi-fold challenges, leading to untold mental anxiety and financial distress," said the statement.