GOLD	RUPEE	OIL	SILVER
₹41,705	₹76.28	$26.15	₹38,100

Note: Spot gold markets shut due to lockdown in major states. *Indian basket as on March 19, 2020

SENSEX: 31,159.62 ▲ 1265.66 **NIFTY:** 9,111.90 ▲ 363.15 **NIKKEI:** 19,345.77 ▼ 7.47 **HANG SENG:** 24,300.33 ▲ 329.96 **FTSE:** 5,753.82 ▲ 76.09 **DAX:** 10,398.18 ▲ 65.29

*International market data till 1900 IST

COVID-19 EFFECT
PROVIDENT FUND

EPFO processes nearly 1.37 lakh claims, disburses ₹279.65 cr through online facility

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 9

THE EMPLOYEES' Provident Fund Organisation (EPFO) has processed nearly 1.37 lakh claims and disbursed an amount of Rs 279.65 crore since the launch of the online facility to allow withdrawal not exceeding the basic wages and dearness allowances for three months or up to 75 per cent of the amount standing to a member's credit in the EPF account, whichever is less, in the wake of the coronavirus pandemic.

"The system, as it stands today, is processing all applications which are fully KYC compliant within less than 72 hours. Members, who have applied for claims in some other category, can also file claim to fight pandemic and depending upon the KYC compliance condition of each member, every effort is being made to settle claims at the earliest," an EPFO official said.

Many EPFO subscribers had raised the issue of delay in processing of the claims, which officials said are being addressed. "Fully KYC compliant applications are being cleared first automatically," another official of the Organisation said, adding that the rest of the applications are being looked into.

The scheme allowing advance withdrawal was notified on March 27; online facility was launched on March 29

EPFO has relaxed the date of birth correction criteria to ease KYC (know your customer) compliance. It is accepting the date of birth recorded in the Aadhaar card of a subscriber as a proof for rectification of the date of birth in PF records.

Moreover, all cases with variation in date of birth up to three years are now being accepted by EPFO, officials said.

Last month, Finance Minister Nirmala Sitharaman — as part of the government's financial package to counter the COVID-19 outbreak — had announced measures for a section of organised workers by bearing the outgo on contribution of 24 per cent for establishments having up to 100 workers with 90 per cent having income below Rs 15,000 and relaxing withdrawal conditions from EPF accounts.

The scheme allowing advance withdrawal was notified on March 27 and the online facility was launched on March 29.

IIP FOR FEBRUARY EXPANDS TO 4.5% FROM 0.2% A YEAR AGO

Factory output in Feb at 7-month high; subdued growth in Apr-Feb

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 9

FACTORY OUTPUT rose to a seven-month high of 4.5 per cent in February from 0.2 per cent a year ago, aided by a low base effect and pickup in mining and electricity output. Capital goods and consumer durables output continued to contract, indicating weak investment and consumption demand, data released by National Statistical Office (NSO) on Thursday showed.

Cumulatively, the growth of Index of Industrial Production (IIP) remained subdued at 0.9 per cent for the 11 months of April-February, as against 4.0 per cent growth in the year-ago period. The COVID-19 outbreak is expected to adversely impact industrial growth in the coming months.

Manufacturing sector, which carries a weight of 77.63 per cent in the IIP, grew 3.2 per cent in February, gaining from the low base last year. The sector had recorded a contraction of 0.3 per cent in the corresponding period of last year, the data showed.

For April-February, manufacturing sector has grown a meagre 0.6 per cent as against 3.9 per cent growth last year. Capital goods output, a measure of investment demand, has contracted in each of the eleven months this fiscal, declining 9.7 per cent in February compared to 9.3 per cent contraction last year. Cumulatively, capital goods output has contracted by 11.4 per cent in April-February from 4.1 per cent growth last year.

Consumer durables output posted a contraction of 6.4 per cent in February as against a growth of 0.9 per cent a year ago.

The industry group 'Manufacture of basic metals' recorded the highest growth of 18.2 per cent, followed by 8.0 per cent in 'Manufacture of chemicals and chemical products' and in 'Manufacture of other non-metallic mineral products'. 'Manufacture of motor vehicles, trailers and semi-trailers' recorded the highest contraction of 15.6 per cent, followed by (-)14.8 per cent in 'Manufacture of computer, electronic and optical products' and (-)9.9 per cent in 'Manufacture of fabricated metal products, except machinery and equipment'.

Economists said the shutdown is likely to reverse the growth trend of industrial output. "Going forward, we will see a reversal of trend in March due to the shutdown and the March-end phenomenon of companies pushing production to meet targets will not hold. For the year, production could be in range of 1-1.5 per cent at best," Madan Sabnavis, chief economist, CARE Ratings said.

Rajani Sinha, chief economist, Knight Frank India, said, "There is not much to cheer from this data as IIP growth is likely to sharply fall going forward ... Even after the lockdown is lifted, demand for consumer discretionary items will take time to recover given the poor consumer sentiments in midst of job losses and pay cuts. Capital goods demand will also remain weak as businesses will be wary of capex in these uncertain times."

INDUSTRIAL GROWTH TO BE HIT

■ The expansion in February was due to a low base effect and pickup in mining and electricity output; COVID-19 is likely to hit industrial growth in coming months

Sensex jumps 1,266 pts on hopes of stimulus, virus cases peaking out

ENS ECONOMIC BUREAU
MUMBAI, APRIL 9

STOCK MARKETS on Thursday gained another 4 per cent, amid expectations of more stimulus measures and reports of COVID-19 infections peaking and coming down in the near future. The Sensex rallied by 1,265.66 points, or 4.23 per cent, to 31,159.62 and the 50-share Nifty increased by 363.15 points, or 4.15 per cent, to 9,111.90. With this gain, the Sensex has recovered 12.93 per cent, or 3,668 points, during the week.

Vinod Nair, head of research, Geojit Financial Services, said Indian markets, in sync with global markets, were up again on expectations of infection peaking out and more stimulus measures to be announced.

"On the back of positive global cues, the market rose on spirited all-round buying. Automobiles, financials and pharmaceuticals led the charge despite profit booking witnessed during the session. Today's trade saw even consumer discretionary and consumer durables stage a comeback ahead of expectations of a stimulus to help MSME weather the pandemic," said S Ranganathan, head of Research at LKP Securities.

Indian indices jumped higher during the week taking significant cues from its global peers, mainly from the US bourses.

"Confidence returned with reduction in the number of daily COVID cases in some countries. Sentiments are changing from ultra-pessimistic to mildly pessimistic, which is driving markets higher. However, one must not forget the trillions of dollars of economic stimulus packages in the US, Japan and other economies that have boosted confidence to a large extent," said Jimeet Modi, founder and CEO, Samco Securities.

According to analysts, once the lockdown is lifted, markets will take note of the ground reality and react accordingly as the aftereffects of the lockdown will emerge only then.

Meanwhile, the rupee fell to a new intra-day low against the US dollar despite strong traction in domestic equity markets.

It opened at 76.09 before sliding to a record low of 76.55 against the dollar. However, the domestic unit pulled back to finish at 76.28 as against its previous close of 76.34.

EXPLAINED

Recent uptrend may be short-term

MARKETS ARE keenly awaiting another stimulus to revive the economy battered by COVID-19. There are expectations that worst affected sectors and MSMEs may get some relief in the package to be announced by the government.

While the Sensex has shot up by over 3,500 points this week, analysts say the uptrend seems to be a short-term bear market rally and may not be sustainable.

'Half a billion more people face poverty due to virus'

Around half a billion people could be pushed into poverty as a result of the economic fallout from the coronavirus pandemic, an Oxfam report said

● **RESCUE PACKAGE FOR POOR COUNTRIES:** World leaders need to agree on an economic rescue package to keep poor countries and poor communities afloat

● **6%-8%:** percentage of global population that could be forced into poverty as governments shut down entire sectors of their economies to manage the spread of the virus

MEASURES RECOMMENDED:

■ **$1 trillion:** Worth of debt payments of developing countries due in 2020, which needs to be cancelled

■ **$500 million:** Increase in overseas aid

■ **$1 trillion:** Value of special drawing right at IMF that needs to be created

URGENT ACTION NEEDED FROM RICHER COUNTRIES: Unless richer countries step up their efforts to help the developing world, the fight against poverty could be set back by a decade and by as much as 30 years in some areas

Source: Oxfam/PTI

EXEMPTION ON BASIC CUSTOMS DUTY TO BE AVAILABLE UP TO SEPTEMBER 30: FINANCE MINISTRY

Import of COVID-19 preventive products to get duty exemption

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 9

THE GOVERNMENT has exempted import of ventilators, face masks, surgical masks, PPE, COVID-19 test kits and inputs for manufacturing these items from levy of basic customs duty and health cess. The exemption from import duty would be applicable till September 30, the Finance Ministry said in a statement.

"In the context of COVID-19 situation, considering the immediate requirement of ventilators and other items, the Central Government has granted exemption from Basic Customs Duty and Health cess, on the import of the following goods, with immediate effect: ventilators, face masks, surgical masks, personal protection equipment (PPE), COVID-19 test kits, inputs for manufacture of the above items. This basic customs duty exemption shall be available up to 30th September, 2020," the statement said.

However, certain sections of the country's medical devices industry feel the move may not be as beneficial as the government hopes it to be. "If the companies intending to import products like ventilators are headquartered in a country which needs these products more because they have a higher number of serious cases and deaths, how much India will be able to import will remain a question mark," said an industry executive, requesting anonymity.

"In the US already, there is a huge demand for products like ventilators. Manufacturing is also shut in Ireland, and Germany doesn't seem far off. Would these companies be able to make enough to send to India as well?" the person said. "The duty reduction on components might help though," the executive added.

"How does this import duty juggling make a difference if the government is the one buying the ventilators? The government levies the duties and gets the same back, whether it is zero per cent or 15 per cent. For PPEs and other items, it may help the public. India is publicly admitting that our 'Make in India' that was hyped so much for many years hasn't yielded any result and we have to import critical goods, be it during normal days or during a crisis," said Vishwaprasad Alva, managing director, Skanray.

"AiMeD strongly protests this. This is a repeat mistake that has led to India already becoming so import dependent on medical devices. The weakness of the Indian medical system is well known to all ... Had the Indian medical device industry been more stronger and robust and well-protected, the manufacturers of masks and PPE kits would have been more modernised, more automated and better placed to ramp up capacities," said Rajiv Nath, forum coordinator, Association of Indian Medical Devices Industry (AiMeD).

At present, the basic customs duty on some of the medical devices such as ventilators is 7.5 per cent. Meanwhile, an empowered group of the government has been trying to help domestic manufacturers of PPEs and masks to boost their production. The companies are attempting to boost their capacity from 1.10 lakh to 1.35 lakh units per day, said a senior government official close to the development.

"The requirement is more, so the government has also been arranging for imports. It is coming from different countries, wherever there is availability," the official said.

India has long been dependent on imports for most of its medical devices. For instance, the average demand for ventilators in India is around 8,000 pieces a year. Of this, only 10 per cent is manufactured and supplied in the country. With the number of COVID-19 cases rising, the country might need anywhere between 1.10 lakh-2.20 lakh ventilators by May 15, in the worst case scenario, according to an analysis by think tank Brookings India.

Lockdown, global trade dislocation to hit Indian economy: RBI report

ENS ECONOMIC BUREAU
MUMBAI, APRIL 9

THE RESERVE Bank of India (RBI) has warned that the coronavirus (COVID-19) pandemic would impact economic activity in India directly due to lockdowns and through second round effects operating through global trade and growth.

"While efforts are being mounted on a war footing to arrest its spread, COVID-19 would impact economic activity in India directly through domestic lockdown," the RBI said in its 'Monetary Policy Report-April 2020'. Though it forecast retail inflation to decline to 2.4 per cent by the fourth quarter of 2020-21, the central bank refused to make any estimate on the GDP growth in the wake of "highly fluid circumstances". Many global rating agencies and banks have downgraded India's GDP growth to below two per cent.

"Second round effects would operate through a severe slowdown in global trade and growth. More immediately, spillovers are being transmitted through finance and confidence channels to domestic financial markets," the RBI report said. These effects and their interactions would inevitably accentuate the growth slowdown, which started in Q1 of 2018-19 and continued through the first half of 2019-20, it added.

According to the RBI, the global macroeconomic outlook is overcast with the COVID-19 pandemic, with massive dislocations in global production, supply chains, trade and tourism. Financial markets across the world are experiencing extreme volatility; global commodity prices, especially of crude oil, have declined sharply, it said.

"The impact of COVID-19 on inflation is ambiguous, with a possible decline in food prices likely to be offset by potential cost-push increases in prices of non-food items due to supply disruptions," it said. Taking into account initial conditions, signals from forward-looking surveys and estimates from time series and structural models, CPI inflation is tentatively projected to ease from 4.8 per cent in Q1 of 2020-21 to 4.4 per cent in Q2, 2.7 per cent in Q3 and 2.4 per cent in Q4, the RBI said.

At Mumbai airport, thousands of tonnes of unclaimed cargo in the open

KHUSHBOO NARAYAN
MUMBAI, APRIL 9

The Mumbai airport is currently accommodating 4,500 metric tonnes of goods. *Express photo*

THE NATIONWIDE lockdown due to COVID-19 pandemic has created a capacity crunch at the country's largest cargo terminal at Mumbai International Airport. It currently is being forced to accommodate imported cargo fifty per cent more than its carrying capacity, as importers have not picked up their goods since March 23, sources told *The Indian Express*.

The airport — which has India's largest cold chain storage and a capacity to store about 3,000 metric tonnes of imported goods — is currently accommodating 4,500 metric tonnes of goods, some of which are even lying out in the open next to the aircraft due to space crunch. "The sheds at Sahar Aircargo complex are overflowing," said an official.

The situation prompted Mumbai International Airport Ltd (MIAL) to issue a circular on Tuesday, urging importers and customs brokers to swiftly approach the air cargo complex with documents and collect the cargo immediately after the arrival of the cargo flight. Earlier, importers were allowed to start the collection process only after they received a location number of their shipment after its arrival.

"Due to less clearance and huge storage of import cargo, it will not be possible to assign location to all landed shipments, hence please don't wait for locations/binning updation in the system, kindly process for the delivery at the earliest," said the MIAL circular. The imported goods that are lying unclaimed include essential pharma and agriculture cargo and non-essential automobile, engineering and electronic goods among others, said sources.

Both the airport authorities and customs officials said the imported goods have completely clogged the air cargo complex. The problem is compounding as on an average, 4-5 frieghters have been operating at the airport with average daily imports of 250 tonnes.

"The customs is functioning 24/7 and engaging with stakeholders proactively to clear the consignments at the earliest. But it is proving to be a difficult task. While customs officers are able to reach the place of work with relative ease, the same is not true of other stakeholders, particularly the contract labour, some of whom may have been migrant and left the city," said Vijay Singh Chauhan, commissioner of customs, Air Cargo Complex.

While the Centre has waived 50 per cent of demurrage charge on exim consignments and the customs is allowing importers to shift cargo to warehouses without paying duties, importers are not keen on moving the goods from the airport. They have cited various reasons including lack of workers, transport and low demand, for delay in collection of imported goods, said sources.

"Perhaps the biggest challenge relates to refrigerated cargo, with only limited storage space and high possibility of spoilage. Most of the imports relate to pharmaceutical companies. Customs is trying to reach out to the importers, offering them all assistance, is taking delivery of the imported materials and even in warehousing," said Chauhan.

Reserve Bank puts on hold two key HDFC Bank appointments

ENS ECONOMIC BUREAU
MUMBAI, APRIL 9

THE RESERVE Bank of India (RBI) has put on hold the appointment of Sashidhar Jagdishan and Bhavesh Zaveri as additional directors and executive directors of HDFC Bank, triggering speculation about the successor to Aditya Puri who is scheduled to retire as MD and CEO in October.

"We are now in receipt of a communication dated April 7, 2020 from the RBI stating that since these are important positions in the bank, the bank is advised to examine and submit the proposal after a new MD and CEO assumes charge later this year," HDFC Bank said in a stock exchange filing. "The bank should accordingly ensure compliance with Reserve Bank's instruction," the RBI advised the bank.

"... the bank is advised to examine and submit the proposal after a new MD and CEO assumes charge later this year"

HDFC BANK

The RBI move, which came over four months after HDFC Bank submitted the names for clearance, has led to speculation that the successor could be an internal candidate. Both Jagdishan and Zaveri are said to be in the reckoning for the top post at the bank.

HDFC Bank recently constituted a search panel to find the successor to Puri. Puri, who built the private lender from scratch since its inception in 1994 and made it the second largest lender with over Rs 9 lakh crore assets, is the country's highest paid banker and is retiring on October 26.

"Jagdishan and Zaveri will continue as Additional Directors on the board of the bank till the ensuing annual general meeting, in terms of the relevant provisions of Companies Act, 2013," the filing said. The bank had intimated the RBI about the appointment of Jagdishan and Zaveri as additional directors and executive directors on November 28, 2019.

'Worst fallout since Great Depression'

United Nations: The pandemic sweeping the world will turn global economic growth "sharply negative" in 2020, triggering the worst fallout since the 1930s Great Depression, with only a partial recovery seen in 2021, International Monetary Fund Managing Director Kristalina Georgieva said, painting a far bleaker picture of the social and economic impact of the new coronavirus. **REUTERS**

US Fed rolls out new $2.3-tn virus rescue plan

REUTERS
WASHINGTON, APRIL 9

THE US Federal Reserve on Thursday rolled out a broad, $2.3 trillion effort to bolster local governments and small and mid-sized businesses in its latest move to keep the US economy intact as the country battles the coronavirus pandemic. The US central bank said it would work through banks to offer four-year loans to companies of up to 10,000 employees and directly buy the bonds of states and more populous counties and cities to help them respond to the health crisis.

Fed Chair Jerome Powell said the central bank's role had now broadened beyond its usual focus on keeping markets "liquid" and functional, to helping the US get the economic and financial space it needs to fix a dire emergency.

Incentives for India INX staff amid lockdown

AVINASH NAIR
AHMEDABAD, APRIL 9

DESPITE A 60 per cent dip in trading volumes, India International Exchange (India INX) — the country's first international exchange at GIFT City, Gandhinagar — is planning to incentivise staff members during the annual appraisal cycle, for the risk some of them are taking to come to office during the lockdown to keep the exchange and the data centre functional.

"We have reduced our staff attending office in such a way that only a bare minimum of 3-4 persons ... come to the office in one shift," said V Balasubramaniam, MD and CEO, India INX.

FY21 growth likely to be 4.8%: UN report

United Nations: India's GDP growth for the current fiscal is expected to slow down to 4.8 per cent, a UN report has said, warning that COVID-19 is expected to result in significant adverse economic impacts globally.

India's GDP growth for the fiscal year 2019-2020 was estimated at 5 per cent and is forecast to slow down to 4.8 per cent for the current fiscal 2020-21. **PTI**

BRIEFLY

BoB cuts MCLR by 0.15% across tenors

New Delhi: State-owned Bank of Baroda on Thursday announced to cut marginal cost of funds based lending rate by 0.15 per cent across all tenors, which will bring down cost of consumer loans. **PTI**

Google told to pay copyright fees in France

Paris: France's competition regulator said Thursday Google must start paying media groups for displaying their content, ordering it to begin negotiations after refusing for months to comply with Europe's new digital copyright law. **AFP**

Aurobindo Pharma donates ₹10 cr

New Delhi: Aurobindo Pharma Limited said it has donated an amount of Rs 10 crore to the PM-CARES fund, "to strengthen India's resolve to fight against the menace of COVID-19." **ENS**