

Economy

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Quick View



OPPI on making, distribution of drugs

THE ORGANISATION OF Pharmaceutical Producers of India (OPPI) on Friday said it is engaging with the central and state governments to address the challenges regarding manufacturing, supply chain, and transportation and distribution of medicines in the country.

Sidbi's ₹15 cr to PM CARES Fund

SMALL INDUSTRIES DEVELOPMENT Bank of India (Sidbi) on Friday said it has committed ₹15 crore to PM CARES Fund set up to fight against the novel coronavirus pandemic. "The prime minister has taken proactive measures to break the chain of the COVID-19 infection. We shall make efforts to remain proactively responsive, all along," Sidbi chairman and managing director Mohammad Mustafa said.

Spot power price declines 21%

THE AVERAGE SPOT power price fell over 21% to ₹2.46 per unit in March at the Indian Energy Exchange (IEX), compared with ₹3.12 per unit in the same month last year, due to lower demand during lockdown.

Borrowings of Centre, states up 24.3% & 32.4%, respectively, as of February as revenues disappoint

PREST TRUST OF INDIA Mumbai, April 3

FALLING REVENUE COLLECTIONS and rising expenditure put pressure on government finances in 2019-20, leading to higher market borrowings both by the Centre and the states, according to the data collated by Care Ratings. Borrowings by the Centre rose

24.3% while those by the states jumped 32.4% in 2019-20 over FY2018-19. Till February, total receipts of the Centre grew 6.8%, while its expenditure grew 12.6%, leading to a fiscal deficit of 135.2% of the revised estimate for FY2020. However, from a cost perspective, the year was better because of the overall

decline in the cost of borrowings on account of the significant 135-bps cut in the repo rate by the RBI from 6.5% in January 2019 to 5.15% till February. This has led to a fall in the cost of borrowings for the governments. While the cost of borrowing for the Centre declined from 7.5% in January 2019 to 6.7% in January 2020, the same for



the states was steeper - from 8.1% to 7.2%. The Centre borrowed Rs 7.1 lakh crore in FY2020, up 24.3%, while the states borrowed 32.4% over ₹6.3 lakh crore they had borrowed in FY2019, says the Care report. Despite lower earnings, the Centre paid back significantly higher than the states. Total repayments of the Centre

stood at Rs 2.4 lakh crore in FY2020, 5% higher than a year ago while repayments of the states aggregated ₹1.4 lakh crore, up only 10% over FY2019. Of the total ₹6.3 lakh crore borrowing of the states for FY2020, the top 10 have borrowed ₹4.71 lakh crore or three-fourths of total amount. And as a result, their cost of

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In 3 days, cases double, 28% linked to Tablighi meeting

IN TAMIL Nadu, State Health Secretary Beeta Rajesh said of the 411 cases in the state so far, 364 were linked to the congregation. "A total of 1,200 people who travelled to Delhi in this regard have been tested for Covid-19, 303 people tested negative and the final results are pending," she said. "Our containment zone covers up to 5 km from the potential cases, and a 2 km buffer zone is also being watched regularly by a massive team of health workers," she said.

Across the country, 232 new cases and 12 deaths were reported in the last 24 hours. The death toll is now 56 - more than double the 27 deaths reported till March 30 - while 157 have recovered. The last doubling of positive cases, from 606 to 1251, took five days (March 26-March 31). The epidemic doubling time is an estimate of the speed of spread of a disease and the success of contain-

ment measures. In South Korea (10,062 cases), it took 31 days to double; US (2,45,540 cases) took 6 days, and Italy (1,15,242 cases) took 12 days. Meanwhile, testing has picked up with 8,000 samples being tested in the last 24 hours. The total number of samples tested so far is 66,000. India's daily capacity for testing is about 12,000 samples. ICMR is also finalising guidelines for the use of serological tests.

Mad rush for ventilators, 30,000 lie dysfunctional THE CII, the source said, will coordinate with ventilator manufacturers and service companies and implement its re-operationalisation process. It is learnt that the CII has been asked to prepare a list of critical components required to put them back in use. CII director general Chandrajit Banerjee told The Indian Express: "Ventilators presently in India are manufactured by many manu-

facturers. We have created a coalition between the manufacturers and large companies so that supply can be ramped up. We are also looking at scale and how we can scale things up for manufacturing ventilators. "We are looking at defence, automobile manufacturers, and big companies that can do contract manufacturing and scale up the production level," he said. Sources said officers informed the industry representatives that the government has already placed orders for procuring 50,000 ventilators.

Medianta CMD Dr Naresh Trehan, who was present in the meeting, has been asked to prepare an online training module and host webinars for information on operating and maintaining of ventilators, sources said. Highlighting the constraints in domestic manufacturing of PPEs, industry representatives are learnt to have demanded import duty exemptions on items such as hi-tech nano-membranes (fabric form) and hot-air-seam sealing machines that are required for manufacturing

PPEs in the country. Domestic manufacturers at present import such items. It is learnt that issue of augmenting the supply of Covid-19 diagnostic kits was also discussed. "Key industry leaders highlighted that the requirement of 16 lakh testing kits by June 2020 is a low number," a source said. Representatives of industry are also learnt to have drawn the government's attention towards difficulties in import of components required for manufacturing of diagnostic kits domestically.

The group on coordinating with private sector, NGOs and international organisations headed by Kant comprises eight members: principal scientific advisor Dr Vijayaraghavan, NDMA member Kamal Kishore, CBIC member Sandeep Mohan Bhatnagar, additional secretary (home) Anil Malik, joint secretary in PMO Gopal Baglay and deputy secretary, Cabinet secretary, Tina Soni. The group has held at least five meetings since it was constituted on March 29, and the latest in the series were two

separate meetings with representatives of industry associations NASSCOM and FICCI on Friday. After Friday's meeting, NITI Aayog's Twitter handle posted, quoting Kant, "Supply chain challenges faced in the short term for health products are being actively addressed by the government. In the long term, sourcing of components can only be addressed by reducing the dependence on imports and fostering Make in India."

No environment assessment needed for bulk drugs, APIs UNDERLYING THAT the ministry "deems it necessary to expedite the prior Environmental Clearances to the project or activities in respect of bulk drugs and intermediates," the notification said that drug production and availability "to reduce the impact of the Novel Corona Virus (COVID-19) are to be ensured" as part of a "comprehensive and robust system" to handle the outbreak.

NSA against Tablighi members for harassing UP hospital staff

THEY ARE among the thousands who gathered at a religious congregation at the organisation's New Delhi headquarter, now being seen as a coronavirus hotspot. In a sharp reaction, Uttar Pradesh chief minister Yogi Adityanath called those involved in the incident "enemies of humanity."

"They will neither accept the law nor follow arrangements. Whatever they did with women health workers is a heinous crime," he said on Friday. "The NSA is being invoked against them. We will not leave them," he said, according to a government statement in Lucknow. The NSA allows preventive detention up to 12 months without a charge if the authorities are satisfied that the person is a threat to the national security or law and order. The Ghaziabad police said the Jamaat members were booked for indulging in ugly acts and passing lewd remarks

against the women staff members at the hospital. A case was registered against them at the GT Road Kotwali on receiving a complaint from the chief medical officer. Senior Superintendent of Police Kalanidhi Nath said the stringent action will be taken against them. In the complaint, a nurse has alleged that the coronavirus suspects were roaming without trousers in the hospital. They sang vulgar songs and made ugly gestures, the nurse alleged, adding that they were not taking their medicines. "They were also not following social distancing norms, she said. Police have registered the case under Sections 269, 270, 271, 294 and 354 of the Indian Penal Code, the NSP said. The sections relate to sexual harassment and actions which spread disease. Over 150 members of the Jamaat have been quarantined at different hospitals in Ghaziabad.

Investors stay in risk-off mode HDFC BANK, which enjoys the

highest weightage of 10.4% in the Nifty50 declined another 2.3% on Friday, taking this year's plunge to 36%. With the intensified selling in shares of banks and NBFCs, the weightage of financial services in the Nifty50 has also declined by 5.4% to 36.5%. **Corona lockdown saw 60-70% fall in visits to shops, movies: Google** IN THE US, where state responses have varied greatly, and in Australia, where good weather initially prompted many people to go the beach before social distancing measures were ratcheted up, the drops were less steep at under 50%. In contrast, in Japan and Sweden, where authorities have not imposed harsh restrictions, visits to retail and recreation sites fell by roughly only a quarter. While in South Korea, which has successfully contained a large outbreak through aggressive testing and contact tracing, the decline was just 19%.

REUTERS

EXPERT VIEW

The Covid-19 pandemic jeopardizes global growth and India's recovery. But India's macroeconomic fundamentals remain sound, and we expect the economy to recover strongly in the next fiscal year.

—Yasuyuki Sawada, chief economist, ADB

COMBATING COVID-19

Centre releases ₹17,287 cr to states

FE BUREAU New Delhi, April 3

ADAY AFTER many chief ministers flagged lack of resources at their disposal to fight the coronavirus outbreak in a video conference with Prime Minister Narendra Modi, the Centre on Friday released ₹17,287 crore to states for their disaster mitigation programmes and as revenue deficit grants.

"The finance ministry today released a total of ₹17,287 crore to different states to enhance their financial resources during the COVID-19 crisis. This includes ₹6,195.08 crore on account of 'revenue deficit grant' under 15th Finance Commission recommendations to 14 states," finance minister Nirmala Sitharaman tweeted. The grants pertain to FY21, the year for which the Commission had come out with an interim report. The Centre has released

Centre credits ₹500 each to 4.07 crore Jan Dhan accounts of poor women

PREST TRUST OF INDIA New Delhi, April 3

THE CENTRE ON Friday credited the first instalment of ₹500 to over four crore Jan Dhan accounts of poor women as part of a relief package in view of the lockdown due to the coronavirus outbreak, the rural development ministry said. The amount is being released by the ministry and will be credited to more than 20.39 crore Jan Dhan accounts of women by the end of the first week of April, officials said.

Announcing the Pradhan Mantri Garib Kalyan Yojana (PMGKY) in view of the ongoing 21-day lockdown, finance minister Nirmala Sitharaman had said on March 26 that extra payment of ₹500 would be credited to women Jan Dhan account holders for the next three months, starting from April.



Workers of an NGO distributing relief materials in Hyderabad on Friday

₹11,092 crore as the first instalment in FY21 to State Disaster Response Mitigation Fund of 28 states. The revenue deficit grants are for states such as Andhra Pradesh, West Bengal, Tamil Nadu, Kerala and

CPSEs contribute ₹2,500 cr to PM CARES Fund

PRASANTA SAHU New Delhi, April 3

THE RURAL development ministry is releasing the lump sum amounts of ₹500 per woman to Pradhan Mantri Jan Dhan Yojana (PMJDY) account holders for April 2020 and the same have been credited to the designated accounts of individual banks on April 2, 2020," the ministry said in a statement. Officials in the ministry said the amount was already credited to over 4.07 crore women PMJDY account holders.

In order to maintain social distancing and orderly withdrawal of money by the beneficiaries, the ministry said the government has prepared a schedule of payment withdrawal from banks on the basis of the last digit of the accounts. Officials also said many of these account holders are also entitled to monthly pensions and other benefits for the poor.

Punjab for April. State governments, which are at the frontline of the war against Covid-19 pandemic, had stepped up pressure on the Centre for more generous financial support on a contin-

uing basis. In the meeting with Modi on Thursday, most states are learnt to have demanded that the FRBM limit be raised for FY21, with some states even suggesting that fiscal deficit of up to 5% of the state

GDP be tolerated, against the mandated 3% ceiling. The move comes as most states are acutely cash-starved, with many including Maharashtra, Telangana and Odisha, being forced to defer even salary payments. States' own tax revenues are seriously undermined due to the economic slump, and the delayed release, if not denial, of funds due to them by the Centre under assorted heads has aggravated the situation. On top of all these, states are bound to witness an unprecedented decline in tax revenue in April, the crucial month in the fight against the pandemic. As against the projected monthly state GST revenue of ₹63,700 crore for FY21, April receipts (for March transactions) might turn out to be around ₹10,000 crore due to the nationwide lockdown, according to per a ballpark estimate. May is unlikely to be any better either.

On March 20, Fitch had projected India's GDP growth for 2020-21 at 5.1%, lower than 5.6% estimated in December 2019. Fitch also said micro, small and medium-sized enterprises and the services segment are likely to be among the most affected amid reduced consumption spending. NBFC's business borrowers

FM donates ₹1 lakh

FINANCE MINISTER NIRMALA Sitharaman on Friday donated ₹1 lakh from her salary to PM CARES Fund that has been set up to raise money for combating Covid-19 pandemic. In an instruction given to her bank branch, she said, "I wish to donate a sum of Rs 1 lakh to PM CARES. So, please debit ₹1 lakh from my account and credit the same to the PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund."

From the Front Page

relief efforts in the wake of the coronavirus outbreak. The Ministry of Corporate Affairs amended the CSR norms on March 29 to count contributions to the PM

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