

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.

-Yasuvuki Sawada, chief economist, ADB

# Ouick

OPPI on making, distribution

THE ORGANISATION OF

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.

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

re to PM CARES Fund

set up to fight against the

novel coronavirus pandemic."The prime

- pamile minister has taken proactive measures to break the chain of the COVID-19 infection.We shall make efforts to remain proactively responsive.

remain proactively responsive, all along," Sidbi chairman and

managing director Mohammad Mustafa

Spot power price declines 21%

HEAVERAGE 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.

of drugs

## COMBATING COVID-19



₹17,287 crore to states for their disaster mitigation pro-grammes and as revenue deficit grants. ministry today released a total of ₹17,287.08 crore to different states to enhance their finan-cial resources during the COVID19 crisis. This includes ₹6,195.08 crore on account of 'revenue deficit grant' under 15th Finance Commission rec-'revenue deficit grant unuc. 15th Finance Commission rec-ommendations to 14 states," finance minister Nirmala Sitharaman tweeted. The grants pertain to FY21, the yearforwhich the Commission had come out with an interim

The Centre has released



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

Punjab for April. State governments, which are at the frontline of the war against Covid-19 pandemic, had stepped up pressure on the

gent 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 o'wn 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 light against the protected monthly state GST revenue of ₹63,700 crore for F212, April receipts (for March Transactions) might turn out to ransactions) might turn out to

transactions) might turn out to be around ₹10,000 crore due to the nationwide lockdown, according to per a ballpark

May is unlikely to be any better either.

### Fitch cuts India FY21 Centre releases ₹17,287 cr to states growth forecast to 30-year low of 2%

FITCH RATINGS ON Friday said it has slashed India's growth forecast for the current fiscal to a 30-year low of 2%, from 5.1% projected earlier, as economic recession gripped the global economy following the lockdown due to Covid-19

the lockdown due to Covid-19
pandemic.

"The initial disruptions to
regional manufacturing supply chains from a lockdown in
China as the coronavirus
spread have now broadened to
include local discretionary
spending and exports even as
parts of China return to work.
Fitch now expects a global parts of China return to work. Fitch now expects a global recession this year and recently cut our GDP growth forecast for India to 2% for the fiscal year ending March 2021 after lowering it to 5.1% previously, which would make it the slowest growth in India over the past 30 years,"it said in a statement.

on March 20, Fitch had

On March 20, Fitch had projected India's GDP growth for 2020-21 at 5.196, lower than 5.696 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 consumer spending. mer spending. NBFCs' business borrowers

minited cash buffers, and any material fall in earnings is likely to affect their ability to repay their loans directly, Fitch said in the l in the statement. "The challenges for India's

"The challenges for India's non-bank financial Institu-tions (NBFI) will intensify as local measures to contain the spread of the coronavirus exert pressure on their operating performance and financial profiles. Governmentimposed activity restrictions in India will raise operational complications for the NBFIs, while any escalation in local infections would deal ablowto

while any escalation in local infections would deal a blow infection would deal a blow to economic sentiment.

"These developments threaten to derail the incipient recovery in India's credit environment following the NBFI crisis in 2018-2019, and Fitch has taken negative action on our rated Indian NBFI portfolio in light of these risks," the agency said.

## to 4.07 crore Jan Dhan accounts of poor women

PRESS TRUST OF INDIA New Delhi, April 3

THE CENTRE ON Friday credited the first instalment of ited the first instalment of ₹500 to over four crore Jan ₹500 to over four crore Jan Janaccounts of poorwomen 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

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 ongo-ing 21-day lockdown, finance minister Nirmala Sitharaman had said on March 26 that ex-gratia payment of ₹500 would be credited to women Jan gratia payment of ₹500 would be credited to women Jan Dhan account holders for the next three months, starting from April.

"The rural development ministry is releasing the lum sum amounts of ₹500 pe woman to Pradhan Mantri Jan-Dhan Yojana (PMJDY) account holders for April 2020 and the holders for April 2020 and the same have been credited to the designated accounts of indi-vidual banks on April 2, 2020," the ministry said in a state-ment. Officials in the ministry said the amount was already credited to over 4.07 crore women PMIDY account holders. In order to maintain social distancine and orderly with-

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

## Centre credits ₹500 each CPSEs contribute ₹2,500 cr to PM CARES Fund

PRASANTA SAHU

THE CENTRAL PUBLIC sec THE CENTRAL PUBILC sector enterprises (CPSEs) have committed ₹2,500 crore or about two-thirds of their annual corporate social responsibility (CSR) funds to the PM CARES fund. "The CPSEs have already contributed ₹1,500 crore and another ₹1,000 crore will flow to the PM CARES Fund in 3.44 daws" an official told FF

flow to the PM CARES Fund in 3-4 days," an official told FE. Some of the top contributors are - 0 NGC (7 300 crore), IOC (Rs 225 crore) and PFC (7200 crore). The CPSEs spend about ₹3,500 crore annually on CSR activities. The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) was created on March 28 to enable citizen March 28 to enable

March 28 to enable citi-zens/companies to con-tribute to the government's healthcare, containment and

FM donates ₹1 lakh

FINANCE MINISTER NIR FINANCE MINISTER NIR-MALA Sitharaman on Fri-day 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, "livish to donate a sum of Rs 1 lakh to FM CARES. So, please debit ₹1 lakh from

please debit ₹1 lakh fron 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."

relief efforts in the wake of

The Ministry of Corporate Affairs amended the CSR norms on March 29 to count contributions to the PM CARES Fund as part of their expenditure under CSR obligations. With the extent of the

With the extent of the spread of coronavirus pandemic not yet fully known and to prepare for the long haul, Prime Minister Narendra Modi has urged everyone to contribute to the fund.

CPSEs have played very constructive note in addressing the governments' propoor programmes in the past as well.

These entities were esti-

wen. These entities were esti-These entities were estimated to have pumped in over ₹2,000 crore of their CSR kitty in FY19 for the Centre's programme for development of most backward districts in areas such as health, education and nutrition.

After Companies Act was amended in 2013 to mandate in the companies and the companies are as well as the companies and the companies are as the companie

firms to spend 2% of their average profit before tax on CSR, PSUs have ramped up their CSR activities.

#### ADB sees India FY21 GDP slipping to 4%

PRESS TRUST OF INDIA New Delhi, April 3

THE ASIAN DEVELOPMENT

Bank (ADB) on Friday said India's economic growth rate will slip to 4% in the current fiscal on account of the global health emergency created by the Covid-19 pandemic. At the same time, the agency, in its Asian Develop-ment Outlook 2020 said India will stage a strong recovery in the next financial year on back of its sound macroeconomic fundamenmacroeconomic fundamen

The Manila-headquartered agency said the growth rate of the Indian economy is expected to be slow on weak global environment amid continued efforts to contain the novel coronavirus outbreak in the country.

"We face extraordinative strain the interest of Covid-19 is disrupting people's lives and interrupting business and other economic activities around the world," said Masatsugu Asskawa, president of the Asian Development Bank.

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

PRESS TRUST OF INDIA

FALLING REVENUE COLLEC-TIONS 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

Till February, total recepts 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 the overall

decline in the cost of borrow decline in the cost of borrowings on account of the signifi-cant 135-bps cut in the reportate by the Rel I 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 2019 to 6.7% in January 2020, the same for



From the Front Page

the states was steeper - from 8.1% to 7.2%.

8.19/s to 7.296.
The Centre borrowed Rs 7.1
lakh crore in FY2020, up
43.436, while the states borrowed 32.4% over 76.3 lakh
crore they had borrowed in
FY2019, says the Care report.
Expite lower earnings, the
Centre paid back significantly
higher than the states. Total
repayments of the Centre

stood at Rs 2.4 lakh crore in

stood at Rs 2.4 lakh crore in FY2020, 59% higher than a year ago while repayments of the states aggregated ₹1.4 lakh crore, up only 10% over FY2019.

Of the total ₹6.33 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

borrowing is also lower. The market borrowings of all states have recorded sub-stantial double-digit growth stantial double-digit growth barring an exception of FY2018 when the growth was 9.7%. However, it is important to note that all states had borrowed ₹81,523 crore in Q1, which is significantly lower than the indicative calendar.

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

IN TAMIL Nadu. State Health IN TAMIL Nadu, State Health Secretary Beela Rajesh said of the 411 cases in the states of ar, 364 were linked to the congregation. "A total of 1,200 people who travelled to Delbi in this regard have been tested for Covid-19, 303 people tested negative and the final results are pending," she said.

"Our containment zone

"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

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 reported till March 30 - while 157 have recovered. The last doubling of posi-

The last doubling of posi-tive cases, from 606 to 1251, took five days (March 26-March 31). The epidemic dou-bling 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

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 the re-operationalisation process

It is learnt that the CII has

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 Chan-drajit Banerjee told The Indian Express: "Ventilators presently in India are manu-factured by small manufac-

turers. We have created a coalition between the manufactures 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, and the manufacture was the manufacture of the companies of t

automobile manufactures, and big companies that can do contract manufacturing and scale up the production level," he said.

he said.
Sources said officers informed the industry representatives that the government has already placed orders for procuring 50,000 ventilators. Medanta CMD Dr Naresh

Trehan, who was present in the meeting, has been asked 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 con-straints in domestic manufac-

turing of PPEs, industry repre sentatives 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

PPEsin 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 current estimate of 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.

cally.

The group on coordinating with private sector, NGOs and international organisations headed by Kant comprises six other members: principal sci-entific advisor Dr Vija-yaraghavan, NDMA member Kamal Kishore, CBIC member Sandeep Mohan Bhatnagar, additional secretary (home) Anil Malik, joint secretary in

Anii Malik, joint secretary in PMO Gopal Baglay and deputy secretary, Cabinet secretariat, 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 repre-

separate meetings wintrepre-sentatives of industry associa-tions 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 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

drugs, APIs
UNDERLINING THAT the
ministry deems it necessary
to expedite the prior Environmental Clearances to the
projects or activities in
respect of bulk drugs and
intermediates," the notification said that drug production said that drug production said wailability "to
reduce the impact of the
Novel Corona Virus (COVID19) are to be ensured" as part
of a "comprehensive and
robust system" to handle the
outbreak.

#### NSA against Tabligh members for harassing UP hospital staff

THEY ARE among the thousands who attended a religious congregation at the organisa-tion's New Delhi headquarter,

tion's New Delhi headquarter, now being seen as a coron-avirus hotspot. In a sharp reaction, Uttar Pradesh chief minister Yogi Adityanath called those involved in the incident "ene-mies of humanity". "They will neither accept the law nor follow arrange-ments Whatwartheaddighth

the law nor follow arrange-ments. Whatever they did with women health workers is a heinous crime," he said on Fri-day. "The NSA is being invoked against them. We will not leave them," he said, according to a government statement in Luc-know.

tnem, ne said, according to a government statement in Luc-know.

The NSA allows preventive detention up to 12 months without a charge (the author-tites 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.

officer.
Senior Superintendent of
Police Kalanithi Naithani said
stringent action will be taken
against them.
In the complaint, a nurse
has alleged that the coronavirus suspects were onming
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,

ing social distancing norms,

said. Police have registered the ronce have registered under case under Sections 269, 270, 271, 294 and 354 of the Indian Penal Code, the SSP said. The sections relate to sex-ual harassment and actions which spread disease.

which spread disease.

Over 150 members of the Jamaat have been quarantined at different hospitals in Ghazi-

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, tak-ing 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

