



INDIA REPORT

Celebrating 25 years (1995-2020)

*Independent, objective, succinct analysis
Over 1,000 issues since 1995*

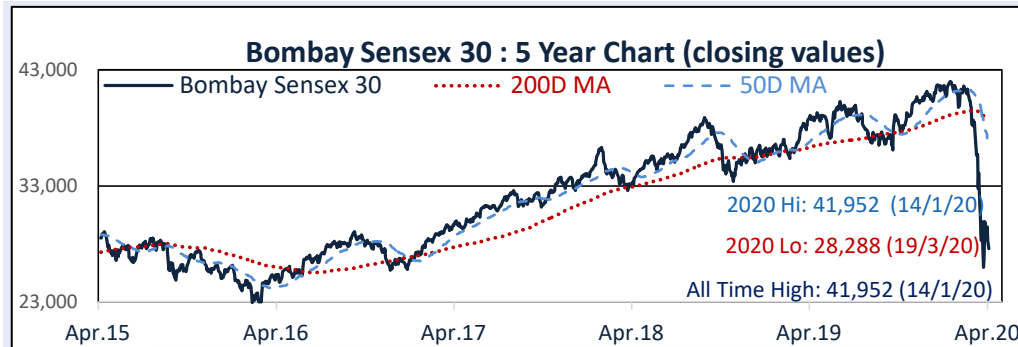


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London, 7 April 2020



Close: 7 Apr	Level	Index Pts Chg- Day	% Chg YTD	PE 2020/21	Avg	5 Year PE High	Low
SENSEX 30	30,067	+2,476	-27.1%	13.6x	21.0x	25.4x	13.5x
NIFTY 50	8,792	+ 708	-27.8%	12.8x	20.9x	24.8x	12.6x

Other Markets: Level & YTD

ASIA: CHINA Shanghai: 2,820 (-8%)

JAPAN Nikkei 225: 18,950 (-20%)

EUROPE: UK FTSE: 5,742 (-24%)

GERMANY DAX: 10,478 (-21%)

USA: Dow Jones: 22,680 (-21%)

GOLD: \$1,652.75 (+9%)

SILVER: \$15.19 (-15%)

BRENT OIL: 19.60 (-72%)

Indian Currency:

INR ₹ / USD \$1= Rs75.60 (-6.0%)

INR ₹ / GBP £1= Rs93.08 (+1.7%)

INR ₹ / EUR €1= Rs82.26 (-2.9%)

⇒ **PM Modi and other top government officials will take a 30% salary cut for one year.** The federal cabinet has approved an ordinance to reduce the salaries of ministers and members of parliament (MPs) by 30% for one year, cabinet minister Prakash Javadekar, Minister of Information and Broadcasting, said at a press meeting on 6 April. He added that the President, Vice-President and state governors have voluntarily agreed to also take the salary cut. This is part of their social responsibility, Javadekar added. **The money will go to the Consolidated Fund of India. An excellent example being set.**

⇒ **All government revenue generated from taxes, asset sales, earnings from state-run companies and other sources go into the Consolidated Fund of India, which was created under Article 266 of the Constitution. No money can be withdrawn from the Consolidated Fund of India without the government securing the approval of the Parliament.**

⇒ **The salary cuts above follow the world's biggest lockdown.** PM Modi's ordered a three-week national lockdown for the country's 1.3 billion people from 25 March to reduce the spread of the coronavirus. Inadequate planning and notice of the lockdown has caused crippling hardship to millions, especially those who live hand-to-mouth and rely on daily earnings. Having no jobs because of the lockdown have left large numbers struggling for food and shelter. **Many migrant labourers from villages whose jobs in cities vanished overnight have been walking back to their homes or crowded bus stations in the hope of finding rare transport, raising fears they will unintentionally spread the virus across India.**

⇒ **India currently has 4,421 cases of Covid-19 and 114 deaths.** It is turning some railway coaches into isolation wards for patients with coronavirus, as authorities scramble to prepare the country's creaky health infrastructure for an expected surge in cases. India's vast network of trains has largely come to a halt with the lockdown. State-owned Indian Railways said in a statement the plan is for each of India's 16 railway zones across the country to convert 10 coaches into such wards every week. "Railways will offer clean, sanitised & hygienic surroundings for the patients to comfortably recover," tweeted railways minister Pivush Goyal. **This will provide badly**

needed relief for hospitals.

⇒ **PM Modi made a rallying appeal to all Indians to show a spirit of national unity to "challenge the darkness" of the coronavirus.** He asked the nation to display solidarity against this darkness by turning off their lights for nine minutes at 9pm on Sunday 5 April and light candles, lamps and flashlights instead. The appeal was an overall success and India's overall power demand plunged as much as 26.6% during the period to 85,799 megawatts, preliminary data released by the national grid operator showed. However, a more detailed analysis revealed that power demand fell as much as 30.6% in India's northern region, compared with a 17.1% fall in the southern region, according to data released by the Ministry of Power. **Modi swept to power in May for a second term with a huge mandate in the general elections held last May, but his party won very few seats in four of five southern states.**

⇒ **The pandemic induced lockdowns in many countries are going to push the global economy into a recession.** India will not escape. The impending recession will be deeper and probably more prolonged than the "Great Recession" during the 2008-09 global financial crisis. Then it was mainly the banking sector that had to be bailed out in many countries. This time around globally all sectors, bar essential ones, have been hit because people have to stay at home to observe social distancing to reduce the spread of the virus. Both demand and supply are being devastated. **How long this recession will last will depend on how fast a vaccine or cure against the virus can be found, how long lockdowns are going to last and in what form social distancing will reappear after periodic relaxations.**

⇒ **A public charitable trust under the name of Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund has been set up for India's war against Covid-19.** This fund also accepts the smallest of donations, as a result of which a large number of people can contribute. Donations to this fund will be exempted from Indian income tax under section 80(G). If interested, kindly directly get details from www.pmindia.gov.in **Lalcap's role is purely humanitarian in raising awareness globally to the Indian diaspora, at the request of PM Modi's office.**



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EXCHANGE RATE OF THE INDIAN RUPEE VIS-A-VIS US\$, GB£, DM/EURO & JAPANESE YEN FINANCIAL YEAR TO 31 MARCH : ANNUAL AVERAGE & FINANCIAL YEAR END RATES

Source: Reserve Bank of India (Central Bank)

Year	US Dollar		Pound Sterling		Deutsche Mark/Euro		Japanese Yen	
	Average	End-year	Average	End-year	Average	End-year	Average	End-year
1987-88	12.9658	13.0318	22.0872	24.3510	7.4004	7.8070	9.4100	10.3000
1988-89	14.4817	15.6630	25.5959	26.3990	8.0494	8.2590	11.3000	11.8000
1989-90	16.6492	17.3248	26.9179	28.3010	9.0922	10.1670	11.6600	11.0000
1990-91	17.9428	19.6429	33.1930	34.0500	11.4351	11.4270	12.7900	13.9000
1991-92	24.4737	31.2256	42.5151	53.6913	14.6248	18.3501	18.4400	23.2800
1992-93	30.6488	31.2354	51.6858	46.6200	19.5877	19.2864	24.5900	26.9900
1993-94	31.3655	31.3725	47.2064	46.5200	18.7403	18.7575	29.1100	35.5200
1994-95	31.3986	31.4950	48.8211	50.5650	20.2017	22.3600	31.6341	35.2888
1995-96	33.4498	34.3500	52.3526	52.4300	23.3993	23.3038	34.8425	32.2975
1996-97	35.4999	35.9150	56.3646	58.6938	22.9244	21.3863	31.5879	28.9463
1997-98	37.1648	39.4950	61.0240	66.1638	20.9613	21.3350	30.2990	29.7813
1998-99	42.0706	42.4350	69.5505	68.3588	24.1792	23.2863	33.1341	35.3263
1999-00	43.3327	43.6050	69.8510	69.5100	44.7909	41.7975	39.0606	41.4825
2000-01	45.6844	46.6400	67.5522	66.5788	41.4832	41.0113	41.4052	37.4338
2001-02	47.6919	48.8000	68.3189	69.5863	42.1811	42.6438	38.1790	36.8063
2002-03	48.3953	47.5050	74.8193	74.9225	48.0901	51.4925	39.7363	39.8925
2003-04	45.9516	43.4450	77.7389	79.6813	53.9896	53.1725	40.7077	41.6725
2004-05	44.9315	43.7550	82.8644	82.1125	56.5523	56.5863	41.8046	40.8075
2005-06	44.2735	44.6050	79.0472	77.7963	53.9124	54.1875	39.1438	38.0188
2006-07	45.2849	43.5950	85.7274	85.5938	58.1110	58.1513	38.7975	37.0338
2007-08	40.2410	39.9850	80.8016	79.5138	56.9906	63.0963	35.2896	40.0650
2008-09	45.9170	50.9450	78.4485	72.8575	65.1345	67.4713	46.0521	51.8900
2009-10	47.4166	45.1350	75.8861	68.0188	67.0843	60.5913	51.1261	48.4338
2010-11	45.5768	44.6450	70.8853	71.9163	60.2181	63.2350	53.2963	54.0175
2011-12	47.9229	51.1600	76.3912	81.7975	65.8939	68.3550	60.7484	62.4250
2012-13	54.4091	54.3893	85.9713	82.3209	70.0693	69.5438	65.8530	57.7600
2013-14	60.5019	60.0998	96.3058	99.8498	81.1745	82.5765	60.4026	58.8300
2014-15	61.1436	62.5908	98.5731	92.4591	77.5209	67.5104	55.8266	52.1100
2015-16	N/A	66.3329	N/A	95.0882	N/A	75.0955	N/A	59.0600
2016-17	N/A	64.8386	N/A	80.8797	N/A	69.2476	N/A	57.9600
2017-18	N/A	65.0441	N/A	92.2846	N/A	80.6222	N/A	61.5400
2018-19	N/A	69.1713	N/A	90.4756	N/A	77.7024	N/A	62.52
2019-20	N/A	75.3859	N/A	93.0760	N/A	83.0496	N/A	69.65

In the 5 years to 31 March 2020 the Rupee has depreciated 20% against the US\$, 1% against the GB£ and 23% against the Euro.

Note: 1. Exchange rate for JPY is per 100 Yen. 2. The YE rate for 1998-99 pertains to March 26, 1999 of Deutsche Mark rate. 3. Data from 1971 to 1991-92 based on official exchange rates. 4. Data from 1992-93 onwards based on FEDAI (Foreign Exchange Dealers' Association of India) indicative rates. 5. Data from 1971 to 1972-73 for the DM and the JPY Yen are cross rates with the US Dollar. 6. The Euro replaced the Deutsche Mark w.e.f. January 1, 1999.



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