

MARKET WATCH

	28-02-2020	% CHANGE
Sensex	38297	-3.64
US Dollar	72.21	-0.87
Gold	43358	-0.36
Brent oil	50.49	-1.21

NIFTY 50

	PRICE	CHANGE
Adani Ports	342.20	-11.50
Asian Paints	1797.95	-45.85
Axis Bank	697.30	-38.55
Bajaj Auto	2890.00	-46.60
Bajaj Finserv	9050.75	-357.25
Bajaj Finance	4465.85	-293.95
Bharti Airtel	523.50	-8.15
BPCL	426.35	-17.70
Britannia Ind	2970.20	-55.85
Cipla	402.10	-19.10
Coal India	169.40	-5.70
Dr Reddys Lab	2927.10	-139.95
Eicher Motors	16602.35	-451.05
GAIL (India)	104.40	-2.95
Grasim Ind	687.20	-25.65
HCL Tech	534.35	-38.70
HDFC	2175.75	-96.45
HDFC Bank	1177.65	-21.80
Hero MotoCorp	2051.75	-58.50
Hindalco	155.90	-12.45
Hind Unilever	2174.75	-80.20
ICICI Bank	497.25	-18.10
IndusInd Bank	1104.05	-11.50
Bharti Infratel	214.45	-8.65
Infosys	731.70	-46.15
Indian Oil Corp	105.75	0.10
ITC	197.55	0.00
JSW Steel	235.70	-16.40
Kotak Bank	1620.35	-62.40
L&T	1187.55	-22.80
M&M	457.05	-36.45
Maruti Suzuki	6283.10	-6.70
Nestle India Ltd.	15778.85	-484.90
NTPC	106.55	-2.50
Vedanta	91.95	-1.40
PowerGrid Corp	181.50	-4.95
Reliance Ind	1328.65	-57.60
State Bank	303.00	-18.95
Sun Pharma	372.90	-15.60
Tata Motors	128.95	-16.30
Tata Steel	381.75	-31.05
TCS	2000.15	-105.35
Tech Mahindra	744.40	-64.75
Titan	1254.50	-23.40
UltraTech Cement	4219.60	-102.05
UPL	519.70	-31.15
Vedanta	114.00	-16.55
Wipro	221.45	-10.15
YES Bank	34.60	-2.20
Zee Entertainment	239.30	-5.05

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 28

CURRENCY	TT BUY	TT SELL
US Dollar	71.98	72.30
Euro	79.00	79.25
British Pound	92.61	93.06
Japanese Yen (100)	66.26	66.55
Chinese Yuan	10.30	10.35
Swiss Franc	74.49	74.82
Singapore Dollar	51.60	51.83
Canadian Dollar	53.56	53.80
Malaysian Ringgit	17.06	17.16

Source: Indian Bank

BULLION RATES CHENNAI

February 28 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49	(50.9)
22 ct gold (1g)	4064	(4064)

IN BRIEF



Dr. Reddy's unit under USFDA scanner

HYDERABAD  
Dr. Reddy's Laboratories has been issued a Form 483 with one observation by the U.S. Food and Drug Administration (USFDA) on completion of an inspection of the company's formulations manufacturing plant-3 at Bachupally in Hyderabad. On Thursday, the company had initially, in a filing during the trading hours, said it has received a Form 483 with two observations on completion of the inspection.

India Cements clarifies on share price spurt

CHENNAI  
The India Cements Ltd. (ICE) on Friday told the BSE that in the context of the recent spurt in its share prices, it had no announcement to make. Replying to a query from the BSE on the company's share price movement, ICL said it came to know about the procurement of 2,25,19,602 equity shares, constituting 7.27% of the paid-up equity share capital, under open market purchase on February 25 and 26, via disclosures made by investor Gopikishan S. Damani to the bourses.

2 brokerages penalised for missing client funds

MUMBAI  
The Securities and Exchange Board of India (SEBI) has penalised brokerages Motilal Oswal Financial Services and Nirmal Bang Securities for alleged failure to segregate client securities and further missing such client securities. In two separate orders issued on Friday, the capital market watchdog imposed a monetary penalty of ₹17 lakh and ₹30 lakh on Motilal Oswal Financial Services and Nirmal Bang Securities, respectively.

# Sensex tracks global markets' plunge

Constituents such as Reliance Industries and HDFC slide by more than 4% on black Friday

SPECIAL CORRESPONDENT  
MUMBAI

Indian stocks nosedived on Friday, that saw most equity benchmarks the world over lose heavy ground as concerns on the global impact of COVID-19 outbreak made investors turn cautious towards risky assets such as equities.

The benchmark Sensex lost a whopping 1,448.37 points, or 3.64%, to close at 38,297.29. This was the sixth straight session of losses for the index during which it lost a little over 3,000 points.

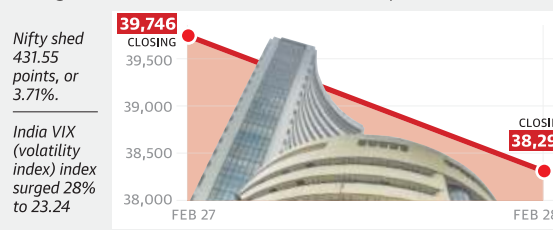
On Friday, Sensex constituents such as Reliance Industries and HDFC lost over 4% in a single day. Overall, more than 2,000 stocks lost ground on the BSE against about 400 gainers.

Meanwhile, the broader Nifty settled at 11,201.75, shedding 431.55 points, or 3.71%. Incidentally, the India VIX index surged almost 28%

## Virus fears

Benchmark Sensex lost 1,448.37 points, or 3.64%. With this, the index has shed over 3,000 points in 6 straight sessions

1,200 stocks lost ground on BSE against about 400 gainers



on Friday to end at 23.24 and was now not very far from its 52-week high of 30.18.

"Indian equity market plunged sharply today hitting the lowest level since mid-October on fears that COVID-19 outbreak may trigger a recession across major economies," said Siddhartha Khemka, head, retail research, Motilal Oswal Financial Services, adding it was

the worst weekly fall since 2009.

Elsewhere in Asia, the benchmarks of South Korea, China, Japan, Australia, Singapore and Thailand all lost more than 3% each. Dow Jones Industrial Average shed 870 points to 25,036 in early Friday trade.

"As COVID-19 spread rapidly around the world, hopes that it would be con-

tained has vanished and markets fear it could turn into a pandemic.

Investors are fearful that it might lead to a global recession as the outbreak is spreading to the world's largest economy – the U.S. as well as Europe which will adversely impact the global supply chains big time and derail economic growth," added Mr. Khemka.

## FPI sell equities

Back in India, foreign portfolio investors (FPIs) sold equities worth nearly ₹1,500 crore, bringing its net flows in the current month at about a paltry ₹1,800 crore. In January, FPIs were net buyers at ₹12,123 crore.

The fall would have been steeper if domestic institutional investors, that include insurance firms and mutual funds, did not step up their buying with net purchases of almost ₹7,700 crore.

## Rupee slips to 6-month low, RBI intervenes

SPECIAL CORRESPONDENT  
MUMBAI

Massive sell-offs in equities on COVID-19 spreading beyond China took a toll on the rupee which slipped to a six-month low during intra-day trade.

The rupee slipped to 72.27 against the dollar – a six month low – prompting the RBI to intervene in the foreign exchange market by selling dollars.

The rupee, which opened weak at 71.93 a dollar, finally ended the day at 72.21, down 0.87% as compared to the previous close. Currency dealers said uncertainty around the actual impact was making investors worried.



Green shoots: Production of electricity grew by 2.8%, official data showed on Friday. \*G.N. RAO

## Core sector grows 2.2% as power output picks up

Crude, natural gas, fertilizers in red

PRESS TRUST OF INDIA  
NEW DELHI

Eight core industries recorded a 2.2% growth in January helped by expansion in the production of coal, refinery products and electricity, official data showed.

The infrastructure sectors had expanded by 1.5% in January 2019.

The production of coal, refinery products and electricity grew by 8%, 1.9% and

2.8% respectively.

Sectors which recorded negative growth during the month under review are crude oil, natural gas, and fertilizers.

During the April-January period, core industries growth slowed down to 0.6% against 4.4% in the year-ago period. The eight core sectors recorded negative growth from August 2019 to November 2019.

## In a first, performance-linked incentive for PSB staff

Bank unions may settle for 15% hike; crucial meet today

SPECIAL CORRESPONDENT  
MUMBAI

The meeting between bank employees unions and the Indian Banks Association (IBA) on wage negotiations scheduled for February 29 is likely to see the United Forum of Bank Unions (UFBU) accepting the IBA's latest offer of a 15% hike. The UFBU is the umbrella body of nine bank unions.

In addition to the wage hike, there will be a performance-linked incentive (PLI) for the bank staff, which will be calculated on the basis of the operating profit of the bank. If a bank posts 15% growth in operating profit, then an employee can earn

as high as 21 days of pay as PLI.

The total cost to the banks due to a wage hike of 15% will be ₹7,898 crore. The wage hike, which will come into retrospective effect from November 1, 2017, will benefit as many as 8,47,399 employees, of whom 3,78,783 are officers and 4,68,676 workmen.

## Wage revision

The wage revision will be implemented across 19 public sector banks, 10 private sector banks and seven foreign banks. The present round of wage negotiations – for the 11<sup>th</sup> bipartite agreement – started in May 2018 when a

2% hike was offered by IBA.

However, the IBA kept increasing the offer and in the last meeting a 15% hike was offered finally along with the performance-linked incentive.

While there was demand for five working days a week from a section of the unions, the government is said to be against the move.

The officers' association had demanded a 20% pay hike and it is not clear if they would stick to the demand or settle for 15%. The bank unions has called a three-day strike from March 11-13, and an indefinite strike from April 1, mainly over their demand for wage revision.

## Farmers' not to be hurt by govt. move to cut crop cover premium: Bhutani

Lack of long-term, consistent data reason for unsustainable premiums, he says

SPECIAL CORRESPONDENT  
NEW DELHI

The Centre's move to reduce its subsidy share in the case of high premium crops under its flagship agricultural insurance scheme will not increase the cost to farmers, said Pradhan Mantri Fasal Bima Yojana (PMFBY) CEO Ashish Kumar Bhutani. However, it should spur States to take steps to ensure that premiums are reduced, he added. "Farmers share of premium under PMFBY is not going to change under any circumstances," said Dr. Bhutani at *The Hindu Business Line's* Agri Summit on Friday. The scheme, which



has so far been mandatory for farmers with crop loans, is becoming optional from April and is expected to see a 30% drop in enrolment. In such a scenario, Dr. Bhutani was at pains to reassure farmers that they could continue to avail comprehensive protection at the existing

low premium rate: 2% for kharif and 1.5% for rabi crops.

## Clarifies on cap

However, he clarified the Centre had capped its subsidy for premium rates up to 30% for unirrigated crops and 25% for irrigated areas and crops.

This means that so long as the premium for a crop in a particular district is below the cut-off figure of 30%, the Centre will equally split the subsidy burden with the State. If the premium is above 30%, the State will have to pay the entire additional amount, he said.

"When you have a premium rate of 60%, that should not be called insurance. We should be finding other ways to help farmers manage risk in such cases," he said, listing the lack of long-term, structured and consistent data as the main reason for unsustainable premiums.

States should take steps to ensure that such data is made available or be prepared to bear the extra cost, said Dr. Bhutani. The other reason for high premiums may be that the crop is simply not viable in that area, in which case also insurance schemes are unsustainable, he added.

## No decision yet on relief to telecom firms

'Providing staggered payment option will depend on amount of dues cleared'

SPECIAL CORRESPONDENT  
NEW DELHI

The Digital Communications Commission, the highest decision-making body at the Department of Telecom, on Friday, failed to reach any decision on relief for the telecom sector that is reeling under pressure to pay their adjusted gross revenue related dues.

Following the meeting, which lasted for about two hours, a source confirmed that the telecom department sought more details required for reconciliation of AGR data. "The DCC will meet again soon," the source said.

Another telecom ministry official, however, stressed that the focus of the meeting was on implementation of PPP model for the Bharat Net project.

The DCC, whose mem-



Tough times: Vodafone Idea has paid only ₹3,500 crore of the estimated dues of ₹53,000 crore. \*AFP

bers include the Secretaries of the Ministries of Finance, Commerce, and Electronics and IT, besides top telecom ministry officials and the CEO of NITI Aayog, was scheduled to meet on Friday to discuss relief measures for the telecom companies.

One of the options being mulled by the government is allowing staggered payments for statutory dues.

However, according to sources, the relief for companies will depend on the amount of dues cleared by them, especially for Vodafone Idea, which has paid only ₹3,500 crore of the estimated dues of ₹53,000 crore.

The DCC's failure to arrive at a decision will hit Vodafone Idea the most, as the operator had written to the

Telecom Secretary earlier this week expressing its inability to make the payments without government support.

"At this point, we do not have the financial strength to pay the balance, self-assessed principal, interest, penalty and interest of penalty," the company had said, while seeking that the floor price for data be increased to ₹35/GB and that for voice calls be fixed at 6 paisa/minute.

Industry body COAI had also sent an SOS to the government seeking measures on a 'priority basis' to facilitate reduction of financial stress in the industry, including extension of loans at lower rates to cover AGR liabilities and immediate implementation of floor prices for telecom tariff.

## FM says 'steadiness' in economy is a good sign

She reacts to the 4.7% GDP growth

PRESS TRUST OF INDIA  
MUMBAI

Finance Minister Nirmala Sitharaman on Friday said the "steadiness" in the economy is a good sign, soon after the official data showed the December quarter GDP growth at 4.7%.

Speaking at an event, Ms. Sitharaman made it clear that she was not expecting a jump in the number either.

India's economic growth slowed to 4.7% in October-December 2019, according to official data.

The Gross Domestic Product (GDP) growth was registered at 5.6% in the corresponding quarter of 2018-19, as per the data released by the National Statistical Office (NSO).

On the impact of CO-



Nirmala Sitharaman

VID-19 on the economy, she said there was no need to immediately press the "panic button" but admitted that it may get challenging if the issues prolong for another two or three weeks, citing her conversations with the industry players over the last few days.

## RBI okays IndusInd CEO appointment

SPECIAL CORRESPONDENT  
MUMBAI

The Reserve Bank of India (RBI) has approved the appointment of Sumant Kathpalia as MD & CEO of the IndusInd Bank for three years with effect from March 24, 2020.

"The bank has received a communication from the RBI today, approving the appointment of Mr. Sumant Kathpalia, who currently heads the bank's Consumer Banking business, as its managing director and CEO for three years, with effect from March 24, 2020," the bank said in a filing with the exchanges.

Mr. Kathpalia will replace Ramesh Sobti, the current MD & CEO, as he attains the age of 70.

## We have given a boost to kirana units: METRO

Sales have surged by up to 50%: CEO

MINI TEJASWI  
BANGALURU

METRO Cash & Carry India, owned by multinational wholesale chain Metro AG, says it has championed the cause of kirana modernisation and digitalisation in India and subsequently, these exercises have led to a spike in kirana sales by up to 50%.

The German wholesaler currently has a client base of over 30 lakh businesses, 10 lakh kirana stores and several thousands of hoteliers and restaurant owners in India. Interestingly, over eight lakh of these kirana stores are under METRO's smart programme, wherein they get assistance for expansion, refurbishing, modernisation and digitalisation.

Arvind Mediratta, CEO and MD, METRO Cash & Car-

ry India told *The Hindu* that: "The remodelling and digitalisation of kiranas has resulted in a substantial spike in sales for them, up to 50%, and this has rekindled spirit and boosted the morale of thousands of kirana owners who were facing serious survival crisis in this country."

METRO is looking at kirana sector as a growth channel. It witnessed the space growing by 2.5 times, even when the entire SME space was doing its worst, just after GST introduction, he said.

"The big issue is market environment has changed. Survival has become the biggest challenge for most small stores. We advise them how to be smart, sell and be successful," he said

## Chinese ban on shipments via sea hits auto sector

Air mode not suitable for transporting components

SPECIAL CORRESPONDENT  
CHENNAI

The Chinese government's move to suspend shipments by sea from March 1, in the wake of the pandemic COVID-19, will further affect the Indian automotive component and forging industries badly, according to a top industry official.

"China accounts for 27% of India's automotive component imports," S. Muralishankar, president, Association of Indian Forging Industry (AIFI), said.

"China is one of the leading suppliers of automotive components in India, and the slowing supply of components manufactured in China would cause further shortage," he added. Stating that the Chinese govern-

## Indian OEMs are unable to plan production beyond the inventory in hand

S. MURALISHANKAR,  
president, AIFI

ment had decided to suspend shipments by sea from March 1 until further notice and would allow shipments by air, he said this mode was not suitable for auto components and forging industries. "Indian original equipment manufacturers (OEMs) are unable to plan production beyond the inventory in hand. We have decided to bring some of the shipments by air. However, we have to bear the additional cost," he said.

Besides, Indian OEMs had

planned to reduce their production for February and March due to non-receipt of components and on account of the impending change over to BS-VI emission norms from April 1, 2020.

According to Mr. Muralishankar, international customers have also sought delayed delivery of shipments as cargo liners are behind schedule.

The government has also issued a notification mandating decontamination of containers at ports prior to their release to Customs. However, the guidelines had not been notified, and therefore it was not possible for the importers to clear consignments that had already reached Indian shores on time, he said.

## Emirates SkyCargo to create a hub in Dubai

Exporters can enjoy better facilities

LALATENDU MISHRA  
MUMBAI

Emirates SkyCargo, the air cargo division of Emirates Airlines, is creating a multi-modal hub in Dubai for efficient handling of cargo across its network and Indian exporters can benefit from this, according to a top executive.

"India is probably the most important market for us since we started flying into the country in the 1980s. We have been growing in India at an average of 10% for last five years and there is vast potential for growth."

"This year, we are creating a multi-modal hub in Dubai which will have better facilities and Indian exporters can benefit out of this," said Dennis Lister, vice-president, Cargo Commercial De-

partment and UAE Sales, Emirates SkyCargo, in an interview.

"We are working with some key pharmaceutical companies from India and freight forwarders as to how they can use Dubai as a multi-modal hub from India," he added.

## Pharma exports

In 2019, Emirates SkyCargo transported 2,50,000 tonnes of cargo in and out of India out of which 1,80,000 tonnes were exports, mainly pharmaceutical products, perishables like fruits, vegetables, flowers and garments.