

MARKET WATCH

	16-03-2020	% CHANGE
Sensex	31,390	-7.96
US Dollar	74.25	-0.61
Gold	41610	1.11
Brent oil	30.40	-11.16

NIFTY 50

	PRICE	CHANGE
Adani Ports	261.40	-31.35
Asian Paints	1683.40	-114.30
Axis Bank	508.60	-60.20
Bajaj Auto	2339.55	-17.55
Bajaj Finserv	7495.60	-246.40
Bajaj Finance	3672.25	-280.30
Bharti Airtel	464.80	-27.05
BPCIL	364.65	-11.40
Britannia Ind	2709.00	-54.60
Cipla	396.40	-29.15
Coal India	143.90	-10.20
Dr Reddys Lab	2826.95	-58.15
Eicher Motors	16493.70	-1178.45
GAIL (India)	78.15	-6.40
Grasim Ind	576.90	-28.05
HCL Tech	450.70	-42.20
HDFC	1841.75	-225.05
HDFC Bank	999.50	-70.30
Hero MotoCorp	1783.50	-100.45
Hindalco	115.65	-11.80
Hind Unilever	1941.90	-91.30
ICICI Bank	402.90	-44.30
IndusInd Bank	664.15	-139.60
Bharti Infratel	209.40	-17.85
Infosys	583.15	-59.20
Indian OilCorp	89.70	-2.55
ITC	147.25	-15.00
JSW Steel	186.00	-28.90
Kotak Bank	1383.70	-86.35
L&T	968.70	-82.75
M&M	391.80	-37.05
Maruti Suzuki	5480.25	-358.35
Nestle India Ltd.	14397.20	-594.60
NTPC	90.80	-7.25
ONGC	60.15	-5.75
PowerGrid Corp	157.95	-9.95
Reliance Ind	1015.70	-89.60
State Bank	223.35	-18.65
Sun Pharma	368.55	-15.65
Tata Motors	82.95	-6.80
Tata Steel	289.60	-37.10
TCS	1696.40	-109.90
Tech Mahindra	603.40	-52.55
Titan	1011.35	-73.00
UltraTech Cement	3518.05	-270.85
UPL	376.80	-34.05
Vedanta	74.85	-9.20
Wipro	179.75	-17.65
YES Bank	37.10	-11.55
Zee Entertainment	166.35	-16.45

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on March 16

CURRENCY	TT BUY	TT SELL
US Dollar	74.07	74.39
Euro	82.78	83.14
British Pound	91.16	91.57
Japanese Yen (100)	70.02	70.33
Chinese Yuan	10.56	10.61
Swiss Franc	78.48	78.83
Singapore Dollar	52.10	52.34
Canadian Dollar	53.21	53.46
Malaysian Ringgit	17.19	17.28

Source: Indian Bank

BULLION RATES CHENNAI

March 16 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.8	(48.9)
22 ct gold (1g)	3943	(4157)

Virus tightens grip, Indian indices at lowest since Sept. 2017

Sensex loses 2,713 points, Nifty plunges 758; over 2,000 stocks decline on BSE

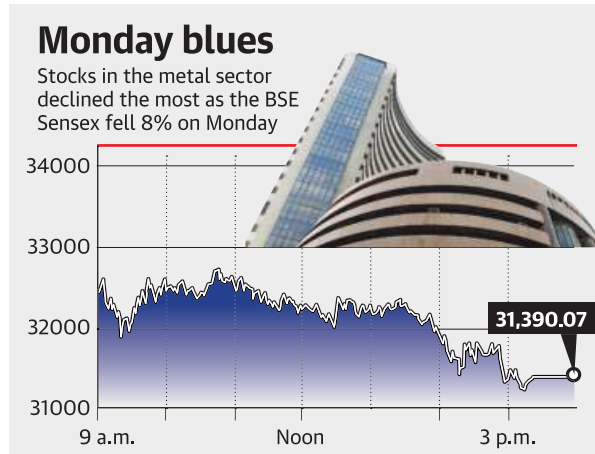
SPECIAL CORRESPONDENT MUMBAI

Global equity markets continued to be in turmoil on Monday on account of the COVID-19 pandemic, even as the Indian benchmarks registered their second biggest single-day fall in absolute points and fell to their lowest level since September 2017.

The 30-share Sensex lost a whopping 2,713.41 points, or 7.96%, to close at 31,390.07. The Sensex has now lost 10,884 points or nearly 26% from its record high of 42,274 touched in January.

The broader Nifty plunged 757.80 points, or 7.61%, to close at 9,197.40. The India VIX index spiked over 14% on Monday.

This was the second biggest single-day fall for the indices, having recorded their



worst fall on March 12. More importantly, market participants believe that there still exists uncertainty as to whether the markets have reached their bottom given that concerns around the pandemic are far from over.

“The equity market will bottom out once the infection numbers peak and start to recede... and then bottom-fishing opportunities could open up, but that is possible after clarity emerges in the next few months

with respect to an effective cure for the disease or the effectiveness of strong policy actions,” global financial major Credit Suisse said in its latest India strategy report.

Monday saw leading Asian benchmarks such as Nikkei, Hang Seng and Kospi losing heavy ground as the virus outbreak threatens to impact global economic activity.

On the BSE, more than 2,000 stocks declined on Monday, as against only around 411 gainers. Provisional numbers showed that foreign investors were net sellers at ₹3,809 crore on Monday. In the Sensex pack, stocks such as Infosys, Axis Bank, HDFC, Tata Steel, ICI-CI Bank, ITC and IndusInd Bank all lost more than 9% on Monday.

Vodafone Idea pays ₹3,354 cr. in AGR dues

Claims it has paid full principal amount

SPECIAL CORRESPONDENT MUMBAI

Vodafone Idea on Monday paid ₹3,354 crore to the Department of Telecommunications (DoT), amounting to the balance of the principal amount of adjusted gross revenue (AGR) liability, according to its self-assessment of the dues.

On March 6, Vodafone Idea had filed its self-assessment of the AGR liabilities with the DoT, in which the principal amount was determined at ₹6,854 crore for the period from FY2006-07 to FY2018-19. “Thus, the company has paid the full

principal amount of ₹6,854 crore towards AGR dues,” the company said in a filing. The telecom major had paid ₹2,500 crore on February 17 and a further ₹1,000 crore on February 20 towards this liability.

Separately, the Supreme Court earlier on Monday dismissed a petition by the firm challenging the levy of one-time spectrum charges by the government. Vodafone Idea Ltd. has assessed its telecom dues, arising from an October SC order, at ₹21,533 crore, less than half the over ₹50,000 crore the government had estimated.

ED summons Anil in Yes Bank probe

SPECIAL CORRESPONDENT NEW DELHI

The Enforcement Directorate (ED) has summoned for questioning senior officials of five top defaulters in the Yes Bank case.

A senior ED official said they had been summoned between March 17 and March 21. Among those summoned are Reliance Group chief Anil Ambani, Wadhawans of DHFL, Jet Airways' Naresh Goyal, Essel Group's Subhash Chandra and Indiabulls' Sameer Gehlaut.

An Indiabulls spokesman said no summons had been received.

No proposal to ban short selling: exchanges

Deny any such move by regulator SEBI

SPECIAL CORRESPONDENT MUMBAI

The stock exchanges on Monday clarified that the Securities and Exchange Board of India (SEBI) was not considering any proposal regarding a ban on short selling to curb the ongoing volatility and equity sell-off.

The spokespersons for BSE and the National Stock Exchange (NSE) said ‘there is no proposal on ban on short selling with SEBI’, after a media report suggested that the capital markets regulator was considering such a ban among other measures.

Wall St. trades halted for 3rd time in 6 days

REUTERS

S&P 500 companies lost more than \$2 trillion in value in the first few minutes of trading on Monday as investors panicked about the mounting damage from the coronavirus pandemic on the global economy.

Trading on the three main U.S. stock indices was halted for 15 minutes at the open, the third such pause in six days, as the benchmark index plunged 8% and triggered an automatic cut-out.

A sharp cut in interest rates by the Federal Reserve to near-zero only added to the alarm, while traders worried that the pandemic was paralysing supply chains and squeezing company finances.

Apple, Amazon and Microsoft together lost nearly \$300 billion in market value. Wall Street's fear gauge jumped 13 points to 70.83.

RBI's focus on liquidity is correct

Rate cut is an option for another day

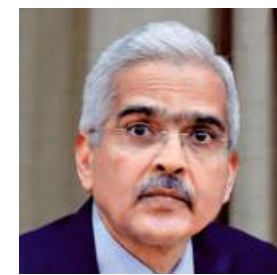
RAGHUVIR SRINIVASAN

The messaging from the press conference of RBI Governor Shaktikanta Das is loud and clear: the central bank has an armoury of weapons and it will not hesitate to deploy them to mitigate the impact of COVID-19 on the economy. The two steps that Mr. Das has outlined now – forex swap and a second long-term repo operation (LTRO) of ₹1 lakh crore – are aimed at supporting liquidity in the market. Market rates may incidentally fall as the LTRO is at the repo rate of 5.15%.

The focus on liquidity is the right thing to do at this point in time. A rate cut, while being a short-term sentiment booster, is not going to help in alleviating the situation as seen by the experience in the U.S., where the Federal Reserve has taken the funds rate to zero, but the markets remain unimpressed.

NEWS ANALYSIS

The situation is clearly an evolving one and prudent action requires that the central bank keep its powder dry simply because we may not have seen the worst yet in terms of the virus impact, both in human and economic terms. In fact, in economic terms, this is just the start of what's likely to be a long period of instability and falling growth in the global economy. The falling indices and currencies are only a manifestation of the first order impact. The second, and more severe one, will come when major economies either slow down sharply or tip into recession. The disruption caused to commerce, trade and travel already is so immense that



Shaktikanta Das

the effects on the world economy will be felt for the rest of this calendar year. The effect will multiply if the virus infection curve does not flatten over the next 2-3 weeks.

India cannot remain insulated from global economic turbulence and economic growth is sure to slow down in the coming quarters. In such a situation, it is sensible to hold on to the rate cut option for use at a more challenging time, which is bound to follow. With headline inflation and core inflation – both CPI and WPI – trending south, food prices reducing and fuel prices falling (despite the government appropriating some of the benefit in the form of higher excise duty), the environment is indeed favourable for a rate cut, if the monetary policy committee were to decide on one.

The question is one of timing. The RBI Governor would surely want elbow room in the monetary policy space and not find himself in the position of the Fed or the central banks of other developed countries, where rates have been beaten down to zero or close to zero, leaving no space for action. The focus will be on the next meeting of the monetary policy committee in the first week of April, unless if the situation deteriorates so badly that the RBI is forced to act urgently.

Hyundai Motor India rolls out all-new Creta

SUV prices start at ₹9.90 lakh

SPECIAL CORRESPONDENT CHENNAI

South Korean carmaker Hyundai Motor India Ltd. (HMIL) rolled out its sport utility vehicle (SUV) the all-new Creta in New Delhi on Monday.

Addressing a gathering, the company's managing director and chief executive officer, S.S. Kim said the new variant would be available throughout the country from Monday at one price, starting at ₹9.90 lakh for the base model and going up to ₹17.20 lakh for the top-end model. According to him, the ‘all new Creta’ comes with five new powertrain options and in 10 colours, including a two-tone options. It comes with an advanced BlueLink that offers over 50 connectivity features, giving freedom to remotely start engine for auto



as well as manual transmission.

The new car is loaded with features such as tri-beam LED headlamps, voice-enabled smart panoramic sunroof, 26.03 cm HD infotainment, premium interiors, drive mode select, traction control modes, Bose premium sound system, paddle shifters and electric parking brake with auto hold, according to the company officials.

Damanis buy more stake in India Cements

SPECIAL CORRESPONDENT CHENNAI

Radhakrishnan Damani has raised his stake in The India Cements Ltd. (ICL) by 4.02 percentage points to 16%.

Mr. Damani, along with Gopikishan Damani and Shrikantadevi R. Damani and Derive Investments (partners – Mr. Gopikishan Damani and Mr. Radhakrishnan Damani) originally held 4.71% equity stake in ICL. This became enhanced to 11.98% by the end of February 2020 following purchases made by the Damanis.

In a regulatory filing on Monday, Mr. Radhakrishnan Damani said that he, along with his associates, purchased 1,24,57,180 shares of ICL through open market deals in the BSE and NSE respectively on various dates from February 27 to March 16.

SBI Cards drops almost 10% on BSE listing

Virus erases sheen from the stock

SPECIAL CORRESPONDENT MUMBAI

Shares of SBI Cards and Payment Services made a tepid debut on the bourses on Monday and closed below their issue price amid over-all negative sentiment due to COVID-19 pandemic.

On BSE, the shares opened at ₹658, much lower than the issue price of ₹755, before touching an intraday high of ₹755. The shares settled for the day at ₹683.20, a fall of 9.5% compared with its issue price.

At Monday's closing price, the market capitalisation of the company was pegged at nearly ₹64,150 crore.

On the National Stock Exchange (NSE), the shares opened at ₹661 before closing at ₹678 with nearly 6.1 crore shares being traded.

The subdued listing would prove to be a dam-

pener for many investors especially since the public issue of the company saw strong subscription from all categories of investors.

The initial public offer of SBI Cards and Payment Services, which closed for bidding on March 5, was subscribed 22.45 times.

Retail investors

The segment reserved for retail investors was subscribed 2.5 times while that for high net worth individuals was subscribed more than 45 times.

The segment reserved for institutional investors was subscribed a little over 57 times with bids received for nearly 139 crore equity shares.

SBI Cards is the second-largest credit card issuer in the country with a market share of 18% on the back of almost 10 million cards.

Most airlines may fly into bankruptcy on COVID-19: CAPA

Govt., industry must act in tandem to avoid catastrophe

LALATENDU MISHRA

As of now, 145 countries have been affected by COVID-19 and most airlines in the world will go bankrupt by the end of May 2020 on account of restrictions being put in place to prevent the spread of the virus, said Centre for Aviation (CAPA), a leading aviation consulting group, in a report.

It said co-ordinated government and industry action is now needed “if a catastrophe is to be avoided.”

“As the impact of COVID-19 and multiple government travel reactions sweep through our world, many airlines have probably already been driven into technical bankruptcy, or are at least substantially in breach of debt covenants. Cash reserves are running down quickly as fleets are ground-



Ground reality: As fleets are grounded, cash reserves are running down quickly. ■ G.P. SAMPATH KUMAR

ed and what flights there are, operate much less than half full,” CAPA said. “Forward bookings are far outweighed by cancellations and each time there is a new government recommendation, it is to discourage flying.

“Demand is drying up in ways that are completely unprecedented. Normality is not yet on the horizon,” it

added. Commenting on the Indian scenario Kapil Kaul, CEO and director, CAPA South Asia, said, “Depending on the extent of the spread of COVID-19 in India, the impact on Indian airlines with weaker balance sheets will be severe.

“More important, raising funds, if required, may be very challenging,” he said.

SIAM moves SC on deadline for BS-IV vehicles

SPECIAL CORRESPONDENT NEW DELHI

The Society of Indian Automobile Manufacturers on Monday said it has approached the Supreme Court seeking directions to ensure that sale and registration of BS-IV complaint is allowed till March 31, 2020.

The move follows circulars from some State governments setting a cut-off date ranging between February 29 and March 25, 2020, for accepting registration applications for BS-IV-compliant vehicles. “SIAM has filed an application in the Supreme Court seeking directions for ensuring that sale and/or registration of BS-IV vehicles is allowed till the cut-off date of March 31, 2020,” the industry body's president Rajan Wadhwa said.

RBI tells banks to assess impact of COVID-19

Asset quality, liquidity to be studied

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India has asked financial institutions to assess the impact on their asset quality, liquidity and other parameters due to spread of the COVID-19.

While announcing operational and business continuity measures in the wake of the spread of the deadly virus, RBI said, “supervised entities should also assess the impact on their balance sheet, asset quality, liquidity, etc. arising out of potential scenarios such as further spread of COVID-19 in India and its effect on the economy, contagion from wider disruption in the global economy and the global financial system, etc.” Banks have also been

asked to encourage their customers to use digital banking facilities as far as possible.

These entities have been asked to take immediate contingency measures to manage the risks following the impact assessment.

The banking regulator said banks and financial institutions will have to devise strategy and monitoring mechanisms concerning the spread of the disease within the organisation, and should make timely interventions for preventing further spread in case of detection of infected employees, including travel plans and quarantine requirements, as well as avoiding spread of panic among staff.

Gateway buys stake in TVS arm

SPECIAL CORRESPONDENT CHENNAI

Singapore-based private equity firm Gateway Partners has acquired a minority stake in a TVS Group company, TVS Supply Chain Solutions (TVS SCS), for \$100 million.

This investment involves both primary portion and secondary element. The deal is the second largest private equity investment in TVS SCS after CDPOQ – one of North America's largest pension fund managers – which had invested \$155 million in TVS SCS in 2016, said the company in a statement.

Gateway Partners is co-founded by former Standard Chartered Plc. banker V. Shankar.

Coffee Day says exact amount of missing funds not yet known

Only probe report can give the details, says spokesperson

MINI TEJASWI

BENGALURU

Coffee Day Enterprises on Monday said the investigation initiated by its board after the death of founder V.G. Siddhartha will be concluded and the report released latest by the end of March.

According to a media report, at least \$270 million was missing from the company's accounts.

“It is true that some amount is missing, but the actual figure is different, which will be known soon once the report is released,” a top company official told *The Hindu*.

According to a spokesperson, the promoter family and management are fully cooperating with the investi-

gation but are oblivious to its outcome as their priority is to keep the business running in a challenging environment and meet all stakeholder commitments, including 30,000 jobs associated with the group.

Not involved in business To a query on the ‘missing funds,’ he said, “The promoter family was not involved in the business at the time of founder V.G. Siddhartha's unfortunate demise. They stepped in assume responsibility of the large and diversified business on the fifth day of the tragedy, while still being in a state of shock.”

He further said Coffee Day Enterprises team was working towards bringing down

group level debt to manageable level by divesting non-core enterprises.

The months-long probe, following the alleged suicide of Mr. Siddhartha in July last year, examined the financial transactions of the coffee chain and its dealings with dozens of private companies owned by the entrepreneur, according to the report.

“Coffee Day continues to be the largest home-grown F&B brand in the country. Our aim is to save employment and preserve this iconic Indian brand.

“We continue discussions with potential financial and strategic investors to partner in the brand's next phase of growth,” the spokesperson added.

Bajaj Auto unveils BS-VI three-wheelers

SPECIAL CORRESPONDENT NEW DELHI

Bajaj Auto on Monday announced the launch of their BS VI range of three-wheeler commercial vehicles across its three-wheeler brands – RE, Maxima and Maxima Cargo.

“This is the widest range of commercial three-wheelers now available in BS VI technology. Bajaj Auto has transitioned to BS VI version for the entire three-wheeler range,” the company said in a statement.

Samardeep Subandh, joint president, Bajaj Auto-Intracity Business Unit, said, “The introduction of these models completes the transition of our entire product range to BS VI emission norms ahead of time.”