

Business Standard

THE MARKETS ON TUESDAY		
		Chg#
Sensex	30,579.1	▼ 811.0
Nifty	8,967.1	▼ 230.4
Nifty futures*	8,915.6	▼ 51.4
Dollar	₹74.3	₹74.3**
Euro	₹81.8	₹82.9**
Brent crude (\$/bbl)**	28.3**	27.9**
Gold (10 gm)**	₹39,726.0	₹109.0

* (Mar.) Premium on Nifty Spot; ** Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBJA



COMPANIES P2

IMPORTED LIMITED EDITIONS PUT CARMAKERS' REVENUE IN TOP GEAR

COMPANIES P2

CONSUMER DURABLE FIRMS STARE AT UNCERTAIN FUTURE



PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BANGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

MOODY'S CUTS INDIA'S GROWTH FORECAST TO 5.3% FOR CY20



Moody's Investors Service on Tuesday lowered India's GDP growth forecast for 2020 calendar year to 5.3 per cent, on coronavirus implications on the economy. Moody's had in February projected a 5.4 per cent real GDP growth for India in 2020. This, too, was a downgrade from the earlier forecast of 6.6 per cent. The 5.3 per cent real GDP growth forecast for 2020 compares to 5.3 per cent growth estimate for 2019 and 7.4 per cent achieved in 2018.

Salesforce hires Arundhati Bhattacharya as India CEO

US cloud-based service provider Salesforce.com has hired Arundhati Bhattacharya, one of India's best-known former bankers, as its India chief executive officer, a source told Reuters on Tuesday. Bhattacharya declined to comment, while Salesforce did not immediately respond to a request for comment.

Bill tabled to allow direct overseas listing of firms

The Centre on Tuesday introduced the Companies Amendment Bill 2020 in the Lok Sabha to decriminalise procedural and technical lapses and allow direct listing of securities by Indian companies in permissible foreign jurisdictions. The Bill has also laid down rules for incorporation, registration, amalgamation, and functioning of producer companies, apart from paving the way for the conversion of inter-state cooperatives into producer companies.

COMPANIES P2 PE/VC investments hit 24-month low of \$1.7 bn

PE/VC investments in February 2020 recorded a 24-month low of \$1.7 billion. These were 39 per cent lower than \$2.8 billion recorded in February 2019 and 32 per cent lower compared to January 2020 (\$2.5 billion). The decline in value was mainly on account of fewer large deals (value greater than \$100 million). In terms of volume, number of deals in February 2020 were 21 per cent higher than February 2019.

ECONOMY & PUBLIC AFFAIRS P6 Power gencos, states owe ₹22,770 crore to coal firms

Power generating companies, especially state-owned units, owe a total of ₹22,770 crore to Coal India (CIL), Singareni Collieries (SSCL) and NLC India. Of this, CIL was owed ₹12,423 crore, as on January. SSCL was owed ₹6,286 crore. These dues of generating companies (gencos) to coal mining entities rose 16 per cent in the past year to a four-year high. Among the states, Tamil Nadu and Telangana have the highest share of dues to NLC and SSCL, respectively.

YES Bank looks to recover ₹8,500 crore in next fiscal

Only a third of customers withdrew ₹50K during moratorium: Administrator

SUBRATA PANDA & ABHIJIT LELE
Mumbai, 17 March

YES Bank is hoping to recover about ₹8,500 crore from its loan defaulters, mostly corporate entities, in the coming financial year (which begins April 1), said the bank's administrator on Tuesday. In the December-quarter results, which the bank announced last week, its gross non-performing assets (NPAs) more than doubled to ₹40,709 crore from ₹17,134 crore in September. Addressing the media a day ahead of the lifting of a moratorium on YES Bank's operations, administrator Prashant Kumar said the bank had made adequate preparations for any surge in withdrawal of deposits.

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THE MYSTERY BEHIND YES BANK'S RALLY

"All our ATMs and branches are sufficiently filled with cash and we will not need any external liquidity support. But, if the need comes, we have lines available," he said. He added that only a third of customers have withdrawn the entire amount of ₹50,000 allowed during the moratorium. "We have had higher inflows than outflows in the last few days," Kumar said.

He assured that complete normalcy will be restored. RBI Governor Shaktikanta Das had on Monday assured liquidity support if the need arose. Going forward, the bank will work to move away from dependence on bulk deposits. "Our first priority will be to build a granular deposit base and then we would look to make our loan book 60 per cent retail (individuals and small borrowers) and 40 per cent corporate. Currently, it is 60 per cent corporate and 40 per cent retail," said Kumar. Turn to Page 7



Administrator Prashant Kumar (left) said the bank has had higher inflows than outflows in the last few days

NEAR-TERM PRIORITIES

- Retail deposit mobilisation
- Focus on retail loans
- including MSME
- Quick resolution of stressed assets
- Cost optimisation
- Maintaining digital banking leadership

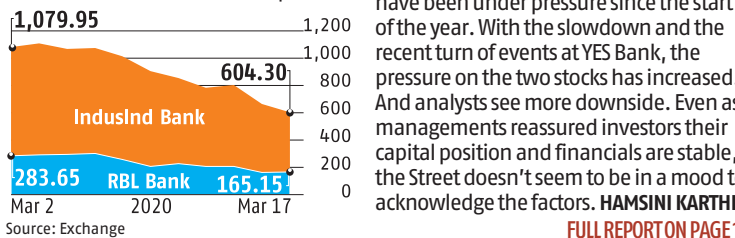
STOCK ZOOMS 58%



INDUSIND & RBL BANK HIT BY RISK AVERSION

Stocks of IndusInd Bank and RBL Bank have been under pressure since the start of the year. With the slowdown and the recent turn of events at YES Bank, the pressure on the two stocks has increased. And analysts see more downside. Even as managements reassured investors their capital position and financials are stable, the Street doesn't seem to be in a mood to acknowledge the factors. HAMSINI KARTHIK
FULL REPORT ON PAGE 10

CONTAGION EFFECT?



ICMR asks pvt labs to test COVID-19 samples for free

Diagnostic companies don't think it's possible

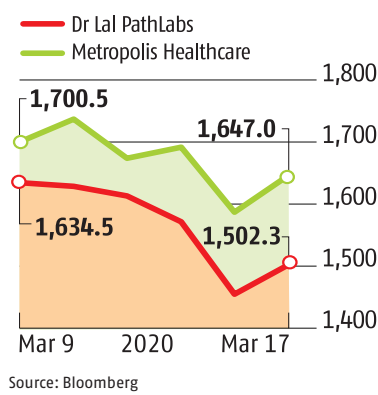
SOHINI DAS
Mumbai, 17 March

The government on Tuesday opened testing of coronavirus cases to private sector diagnostic laboratories in a move that's expected to improve screening. Pricing has not been finalised, but the Indian Council of Medical Research (ICMR) has said it would appeal to the private chains to conduct tests at "no cost" to the consumer.

According to officials, the price of the test could range between ₹9,000 and ₹12,000, depending on the type and quality of kit being used. "If reagent is available at ₹3,000, the cost of test is ₹9,000 without any margins," said a private player. Meanwhile, the shares of top diagnostic chains in the country shot up amidst volatile market conditions. The stock of Dr Lal PathLabs ended the day at ₹1,500 a piece, up 3 per cent, while Metropolis Healthcare rose 2.4 per cent. (see chart).

ICMR, the apex body for formulation, coordination and promotion of biomedical research, said it would activate 51

STOCK MOVEMENT



Have you been quarantined? PM's speeches will give you company

SUBHOMOY BHATTACHARJEE
New Delhi, 17 March

Those in quarantine in government facilities will soon get some reading material to keep them company. One of these will be a collection of speeches of Prime Minister Narendra Modi. "We regularly distribute the copies of these speeches to various dignitaries, as well as to schools and colleges on various occasions," said a source aware of the development. The source said these could also be distributed at all the quarantine centres across the country.

The number of people in quarantine in India to prevent the spread of COVID-19, the respiratory disease caused by the novel coronavirus, is rising continually. All international passengers coming to India are being screened at airports. Those who display symptoms like fever, cough, shortness of breath plus with a history of travel to or residence in countries reporting local transmission of COVID-19 are being compulsorily quarantined. Also those



Thermal screening of visitors being conducted in the wake of the deadly coronavirus, at the entrance of Parliament House

with any acute respiratory illness and who have been in contact with a person who has tested positive for COVID-19 are being sent to quarantine for 14 days.

The quarantine centres in various states offer varying standards of facilities. Besides the standard bed and blankets, the patients get food, water

bottles and toiletries. So far there was no supply of any reading material.

Every PM's speech has been published over the years by the government. Modi's speeches are published likewise. In addition, his monthly radio broadcasts Mann Ki Baat are made available on the websites of All India Radio.

Choppy day of trade: Markets reverse all gains in closing hour

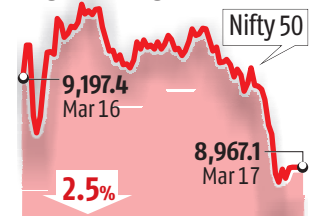
Nifty falls below 9,000 after dropping 10% in two days

SUNDAR SETHURAMAN
Mumbai, 17 March

Little respite seems to be in sight for the markets as overseas investors continue to aggressively sell amid fears of a global recession. The benchmark Nifty index on Tuesday ended below the 9,000-mark for the first time in nearly three years, while the Sensex managed to hold on to 30,000. In the last two sessions, the Nifty has dropped nearly 1,000 points, or 10 per cent, while the Sensex has lost 3,500 points, weighed down by an ₹8,000-crore pullout for foreign portfolio investors (FPIs) in two days.

On Tuesday, it appeared that the markets would get a breather as the benchmark indices opened sharply higher. In an extremely choppy day of trade, the Sensex climbed as much as 658 points, only to reverse all gains and more in the last hour of trade. At one point, the Sensex was down 996 points over its previous close of 31,390. The Sensex finally settled at 30,579, down 811 points, or 2.6 per cent. The Nifty, on the other hand, fell 230 points, or 2.5 per cent, to end the session at 8,967, the lowest close since May 2017.

DOWN TO EARTH



NIFTY TOP 5

GAINERS		
YES Bank	58.7	58.1
Eicher Motors	17,061.1	3.4
Hero Motocorp	1,841.2	3.2
HUL	2,004.1	3.2
Asian Paints	1,731.60	2.9
LOSERS		
Zee Ent	133.1	-20.0
IndusInd Bank	604.2	-9.0
ICICI Bank	367.3	-8.9
Bharti Infratel	194.4	-7.2
UPL	350.9	-6.9

* Change over previous day's close
Source: Exchange

MORGAN STANLEY, GOLDMAN SACHS SAY GLOBAL RECESSION UNDER WAY

Goldman Sachs and Morgan Stanley economists joined the rush on Wall Street to declare that the coronavirus has triggered a global recession. Morgan Stanley's team, led by Chetan Ahya, said a worldwide recession is now its "base case", with growth expected to fall to 0.9 per cent this year. At Goldman Sachs, Jan Hatzius and colleagues predict a weakening of growth to 1.25 per cent. S&P Global added its voice to the chorus with a report expecting growth would range 1 per cent to 1.5 per cent. Both Morgan Stanley and Goldman anticipate a rebound in the second half. BLOOMBERG