

MARKET WATCH

	20-03-2020	% CHANGE
Sensex	29916	5.75
US Dollar	75.20	-0.11
Gold	41705	3.46
Brent oil	27.30	4.28

NIFTY 50

	PRICE	CHANGE
Adani Ports	256.40	-1.95
Asian Paints	1742.95	141.75
Axis Bank	428.15	-0.10
Bajaj Auto	2242.30	75.70
Bajaj Finserv	6233.05	447.55
Bajaj Finance	2951.90	205.80
Bharti Airtel	462.65	17.90
BPL	317.85	17.60
Britannia Ind	2467.80	149.65
Cipla	392.80	18.10
Coal India	132.80	9.25
Dr Reddys Lab	2897.25	273.30
Eicher Motors	15678.45	632.00
GAIL (India)	80.80	11.40
Grasim Ind	529.40	38.35
HCL Tech	444.90	31.45
HDFC	1753.95	136.35
HDFC Bank	882.85	-12.70
HDFC Motocorp	1815.70	103.20
Hindalco	105.50	5.75
Hind Unilever	2051.70	213.40
ICICI Bank	345.70	7.15
IndusInd Bank	440.35	-3.70
Bharti Infratel	148.15	24.10
Infosys	585.20	39.65
Indian Oil Corp	90.60	2.65
ITC	175.50	13.65
JSW Steel	175.75	12.45
Kotak Bank	1262.35	51.50
L&T	864.70	21.60
M&M	322.60	8.40
Maruti Suzuki	5079.20	259.65
Nestle India Ltd.	14145.50	1025.20
NTPC	81.25	2.90
ONGC	72.35	11.30
PowerGrid Corp	157.25	10.10
Reliance Ind	1017.95	100.25
State Bank	209.85	6.20
Shree Cement	18903.65	1172.20
Sun Pharma	365.25	4.85
Tata Motors	77.30	4.35
Tata Steel	297.75	25.90
TCS	1797.45	161.10
Tech Mahindra	576.35	46.35
Titan	904.90	1.40
UltraTech Cement	3573.85	407.80
UPL	300.15	3.40
Vedanta	75.45	6.10
Wipro	179.20	16.85
Zee Entertainment	144.90	3.70

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on March 20

CURRENCY	TT BUY	TT SELL
US Dollar	75.04	75.36
Euro	80.41	80.75
British Pound	88.23	88.62
Japanese Yen (100)	68.17	68.46
Chinese Yuan	10.60	10.65
Swiss Franc	76.32	76.66
Singapore Dollar	51.86	52.09
Canadian Dollar	52.60	52.83
Malaysian Ringgit	17.07	17.15

Source: Indian Bank

Royal Enfield clears BS-IV inventory

SPECIAL CORRESPONDENT CHENNAI

Royal Enfield, a division of Eicher Motors Ltd., has announced that it has cleared all its existing inventory of BS-IV motorcycles across dealerships, thereby becoming fully compliant with the new BS-VI emission regulations.

This has been achieved ahead of the mandated timeline, according to the company.

The company had introduced BS-VI-compliant motorcycles in early January with the Classic 350 dual-channel ABS being its first motorcycle to move to the new emission norm.

Thereafter, the firm has ensured a seamless transition from BS-IV to BS-VI across its entire motorcycle portfolio, as well as across all its dealerships in India, it said in a statement.

Starting March 21, all Royal Enfield stores across India will retail only BS-VI motorcycles, thereby becoming one of the first automotive brands in the country to fully transition to the new emission norm, ahead of time, it said.

Apollo Tyres top brass to take pay cut

YUTHIKA BHARGAVA NEW DELHI

Apollo Tyres on Friday said its leadership team had decided to take a voluntary pay cut due to the impact of COVID-19 on the industry.

While the company's CMD Onkar S. Kanwar and vice-chairman & managing director Neeraj Kanwar will take a 25% reduction in their salary, the senior management will be taking a salary cut of 15% during these 'tough, testing times'.

"This is an incredibly difficult time for our employees and their families. We are in uncharted waters but as 'one family' we will work together and make the necessary sacrifices to steer Apollo Tyres in the right direction, to overcome this period," Mr. Kanwar said.

Sensex breathes easy, surges 5.8% as DIIs inject ₹4,367 crore

Indices mirror global markets, VIX drops 7%; FPIs net sell ₹4,623 crore

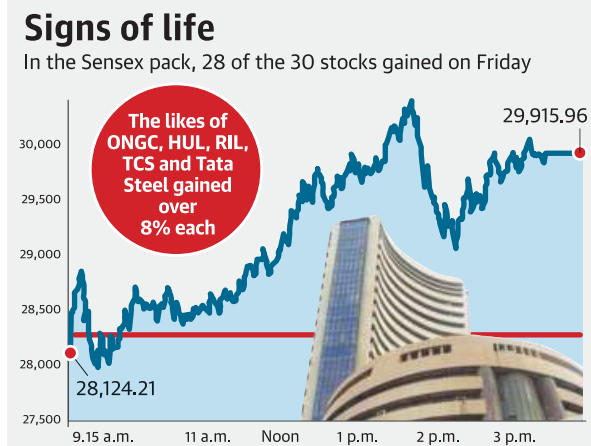
SPECIAL CORRESPONDENT MUMBAI

After four days of continued sell off in the equity markets, Indian benchmarks gained strong ground on Friday amid a global rally in stocks.

The 30-share Sensex gained 1,627.73 points, or 5.75%, to close at 29,915.96. The broader Nifty settled the day at 8,745.45, gaining 482 points, or 5.83%.

This was the first gain for the indices after four consecutive days of losses. The India VIX index, a barometer for volatility, also fell a little over 7% on Friday.

The benchmarks of Hong Kong, South Korea, Taiwan, Indonesia, China, Malaysia, Singapore and Philippines all ended Friday with strong gains. "Indian markets bounced back on the back of



positive global cues," said Gaurav Dua, head, capital market strategy and investments, Sharekhan. "The news flow on COVID-19 continues to be mixed with an exponential jump in new cases in the U.S. though

there is an improving trend in China. Volatility could persist in the near term," he added. While most frontline stocks gained ground on Friday after falling to multi-year lows, many side counters lost ground as well, as a little

over 1,000 stocks declined against 1,426 gainers.

Foreign investors, however, continued their selling activity with net sales pegged at ₹4,623 crore even as their domestic counterparts were net buyers at ₹4,367 crore.

In the Sensex pack, 28 of the 30 stocks gained on Friday with stocks like ONGC, HUL, Reliance Industries, TCS, Tata Steel, Asian Paints, HDFC, Tech Mahindra and ITC all gaining over 8% each.

HDFC Bank lost 1.39% after research firm Bernstein downgraded the stock to 'underperform' citing concerns related to the bank's higher exposure to unsecured consumer credit risk compared with other banks. The research firm cut its target price for the bank from the earlier ₹1,400 to ₹750.

SEBI steps in to tackle volatility

SPECIAL CORRESPONDENT MUMBAI

The Securities and Exchange Board of India has raised the margins in the cash segment while tightening norms for position limits in derivatives, as volatility continues to rise in the stock market.

The aim was to ensure effective risk management and market integrity, a statement said. The market-wide position limit in certain stocks in derivatives has been revised to 50% and the penalty on an entity found to exceed permissible limits has been enhanced to 10 times of the current minimum and five times of the maximum penalty structure.

RBI sets contingency plan in motion

Aim is to protect financial markets

MANOJIT SAHA MUMBAI

The Reserve Bank of India (RBI) has put in motion a contingency plan in the wake of the spread of COVID-19 to ensure that the financial markets continue to function smoothly.

A property in the vicinity of the primary data centre has been identified to host 150 personnel of the RBI and service providers. About 70 support staff were also isolated within the hotel on a continuous basis.

Since information technology infrastructure forms the backbone of most businesses, and especially the financial system, RBI data centres play a crucial role.

About 600 people belonging to third-party service providers are generally deployed at data centres for non-IT and IT services, apart from 60 RBI officials.

"All residents have been asked to be prepared for the separation, while being assured that one can leave the group in case of any family or other emergency," said a source. This plan was implemented from Thursday to ensure continuity of critical services of the RBI.

Similar arrangements have been made at other data centres too to run systems with maximum services whenever there is a need to shift operations from the current location.

Over half of India Inc. catches a cold

Many companies see huge reduction in orders, cash flows, says FICCI survey

SPECIAL CORRESPONDENT NEW DELHI

Over 50% of Indian businesses are seeing marked impact on their operations due to the COVID-19 pandemic, while about 45% companies believe that it could take at least six months for the situation to come under control, according to a study by the Federation of Indian Chambers of Commerce and Industry (FICCI).

"A significant 53% of Indian businesses indicate the marked impact of the coronavirus pandemic on business operations even at early stages," the survey, which saw participation from 317 companies between March 15-19, 2020, said. Almost three-fourth of the businesses indicated big reductions



The work-from-home proposition is posing implementation challenges for some sectors, the survey says. ■ REUTERS

in orders. "Of these, almost 50% indicated a 20% and more decrease in the orders," it said.

Likewise, almost 80% of companies reported a decrease in cash flow, with more than 40% respondents reporting a fall of 20% or more in cash flows. Asked about the expected time for

normalcy to return, 45.21% respondents said it would take six months, while 42.47% expected it in three months. The survey added that nearly 30% organisations have put in place work-from-home policies for their employees.

However, it added that for some sectors, including ma-

ufacturing units, banking and IT, the work-from-home proposition is posing implementation challenges. "A combination of monetary, fiscal and financial market measures is needed to help the businesses and people cope with the crisis," it said.

Among other things, it suggested that the cost of funds be brought down through reduction in policy rates, increase credit limits for all regular banking accounts by 25% across the board and bring in flexibility in the banking system to reschedule payment terms without the need for provisioning. It added that the government should not pare down its capital spending plans despite any shortfall in tax collections.

Egg, broiler prices slump as virus fears take heavy toll on sector

Ex-farm broiler price at all-time low of ₹10-15 per kg; maize, which goes into poultryfeed, also sees fortunes plummet

LALATENDU MISHRA M. SOUNDARIYA PREETHA MUMBAI / COIMBATORE

Chicken prices have crashed from ₹90 a kg last month to ₹20 in Mumbai, as retail buyers are staying away from consuming poultry for fear of the COVID-19 disease.

Despite several awareness campaigns to demolish misconceptions that poultry had



The broiler sector in Tamil Nadu has suffered a loss of close to ₹600 crore in the past month, says R. Lakshmanan of Shanthi Feeds. ■ R.M. RAJARATHINAM

something to do with the dreaded virus, people are still steering clear of chicken.

Poultry companies listed on the exchanges, such as Venky's (India) Ltd and Simran Farms Ltd (SFL) are likely to report lower revenues this quarter as business has suffered. "Poultry prices are at all time low. Ex-farm broiler price is ₹10-15 per kg (cost of

production is ₹75 per kg) and egg prices are ₹1.5 per egg ex-farm (cost of production is ₹3.50 per egg).

Due to reduction in chicken and egg production, feed demand and prices are coming down on daily basis. The price of the main raw material, like corn and soyabean

meal, have dropped more than 10% over the last 2 weeks," said a spokesperson for Godrej Agrovet Ltd.

As per a previous estimate, the poultry trade in Maharashtra was losing more than ₹10 crore a day due to lack of appetite for chicken. "Though there is no direct

link between chicken and the virus, people will stay away from poultry as long as the fear is there. It will impact poultry firms like Venky's and SFL and any other company linked to this business. In this quarter, their revenues will be lower and the trend has been reflected in

their share prices on account of this direct impact," said Ambareesh Baliga, independent equity analyst.

Poultry farmers are bearing the brunt due to the price crash. "The business has collapsed. Now, prices have crashed to ₹20 a kg. Earlier, I used to sell 150 birds day, now it has come down to a dozen," said Salim Momin, a poultry dealer from Lalbaug, Mumbai.

In Tamil Nadu, which produces nearly one crore broiler chicken a week, the industry is badly hit.

"The broiler sector in the State has suffered nearly ₹600 crore loss in the last one month," said R. Lakshmanan, MD of Shanthi Feeds and president of Broiler Coordination Committee.

He told *The Hindu* that the farmgate price for broiler in Tamil Nadu was fixed at ₹15-

₹20 a kg on Thursday and ₹25-₹30 a kg on Friday. "The prices went to almost nil level and are reviving for the last two days. Retail off-take is improving now," he said.

The poultry sector has appealed to the Centre for restructuring of bank loans, moratorium for a year and interest subvention support. "We fear the industry will lose sustainability if there is no support from the government," Mr. Lakshmanan said.

Prices of eggs have also seen a decline.

P. Selvaraj, zonal chairman of the National Egg Coordination Committee, Namakkal, said egg prices had slumped to ₹1.25 each (farm gate price). "We fixed the price at ₹2 an egg. The actual price at which it is sold by farms is ₹1.25," he said. The normal farmgate price at this time of the year used to

be ₹3.50-₹3.60. Tamil Nadu produces nearly three crore eggs daily. Eggs are also supplied to Kerala, Bengaluru and in winter, to north India as well. With the virus impact, "there is a daily loss of nearly ₹7.5 crore," he said. Farmers have reduced production from 3.5 crore eggs to 3 crore. They have stock worth ₹15 crore, he said.

Prices of maize that goes into making poultry feed has reduced significantly.

Grain merchant Devendra Vora, proprietor, Friendship Brokers, APMC Market, Navi Mumbai, said maize prices have been falling over the last 2-3 months.

"Since demand for poultry feed has come down, maize prices have suffered. Due to the coronavirus effect, prices have fallen to ₹1,500-₹1,600 per 100 kg from ₹1,900 in January."

Struck by COVID-19, tourism industry seeks bailout

About 38 mn may lose jobs as sector stares at bankruptcy

SPECIAL CORRESPONDENT CHENNAI

The Federation of Associations in Indian Tourism & Hospitality (FAITH) has sought the immediate intervention of the Prime Minister as the industry was in dire straits and stared at the prospect of unemployment of 38 million people and bankruptcy due to COVID-19.

In a letter addressed to the Prime Minister, copies of which were released to the media, FAITH president Naku Anand said as a result of the pandemic, about 38 million people would lose jobs. The effect of job losses is being felt and lay-offs have already started.

With declining revenue, almost all tourism companies are running out of working capital

"With declining revenue, almost all tourism businesses are running out of working capital. However, with the responsibility of staff and payment of their salaries, advance tax, PF, ESIC, GST, excise and other State levies, bank guarantees and security deposits, this industry needs your support now more than ever," he said in the letter signed by 14 top leaders of the tourism and hospitality sector. FAITH also sought a com-

plete GST tax holiday for 12 months. "With almost nil revenue, there is hardly going to be any GST collection," it said.

It sought a 12-month moratorium on interest payments on loans and working capital from financial institutions; doubling of working capital limits; deferment of statutory dues for 12 months and creation of a separate fund among others.

A large percentage of the total tourism business activity in India, worth an estimated \$28 billion in foreign exchange and upwards of ₹2 lakh crore in domestic tourism activity, would be at an economic risk throughout the year, FAITH pointed out

Tata Sons tells staff to work from home

SPECIAL CORRESPONDENT MUMBAI

Tata Sons chairman N Chandrasekaran has announced that all the employees of the Tata Group will work from home and assured full payment to temporary workers and daily wage earners for March and April 2020.

The announcement comes amid the outbreak of COVID-19. "At the Tata Group, we have asked all of our companies to exercise extreme caution. The health and safety of our employees, their families and our suppliers, vendors and our larger ecosystem is of paramount importance.

"Our companies have largely enabled a 'work from home' (WFH) environment," said a statement from Tata Sons.

HDFC Bank sees lower spends by credit card customers

Card metrics for March show slump, says UBS report

SPECIAL CORRESPONDENT MUMBAI

Private sector lender HDFC Bank, the largest issuer of credit cards in the country, is witnessing reduced credit card spending in March after a steady January and February.

'Healthy in Jan.-Feb.'

"Credit card spends remained healthy in January-February 2020 but have reduced in March. [The] management is currently tightening the underwriting standards for the bank," UBS Securities wrote in a note to its clients after a conference call with the HDFC Bank management.

"People have shifted to online spending; and food

delivery and online spending have increased. But in the case of a complete lockdown, the management expects a decline in customer spending," the report noted.

The spread of COVID-19 is impacting consumer demand with some States contemplating a complete lockdown.

The Maharashtra government announced on Friday that all shops, private establishments and offices in Mumbai Metropolitan Region, Pune, Pimpri-Chinchwad and Nagpur will be closed from midnight till March 31, with the exception of banks, essential services and shops selling essential commodities.

The HDFC Bank manage-

ment has said that the trends in unsecured retail asset quality are stable as 80% of the unsecured loans are to salaried employees.

The bank said the SME portfolio is well diversified – geographically and industry wise – and the bank does not expect significant impact on the asset quality.

"[About] 70-75% of SME loans are secured. The bank also has accounts of promoters and employees that helps the bank in tracking the health of SMEs. The bank has low exposure to airlines. It has limited exposure to restaurants and hospitality business but believes the situation is too early to comment upon," the report said.