

# Business Standard

**THE MARKETS ON MONDAY**

		Chg#
Sensex	25,981.2	▼ 3,934.7
Nifty	7,610.3	▼ 1,135.2
Nifty futures*	7,603.6	▼ 6.6
Dollar	₹76.3	₹75.2**
Euro	₹81.4	₹80.5**
Brent crude (\$/bbl)**	24.83	25.7**
Gold (10 gm)**	₹40,556.0	₹613.0

\* (April) Discount on Nifty Spot; \*\* Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBA

## EASE ASSET QUALITY NORMS, CUT REPO RATE: ADITYA PURI

Aditya Puri, chief executive of the country's largest private sector lender HDFC Bank, said on Monday the central bank needed to take immediate measures like policy repo rate cut and easing of asset quality norms to cushion shocks in the wake of the spread of coronavirus.



## Chouhan takes oath as MP CM for the 4th time

Shivraj Singh Chouhan on Monday returned as chief minister of Madhya Pradesh for the fourth time, over 15 months after his government was voted out of power. The 61-year-old BJP leader was sworn in by Governor Lalji Tandon at Raj Bhawan in Bhopal at 9 pm. Chouhan was earlier in the day elected leader of the state BJP legislature party at its meeting.

## Centre may push I-T deadline to June-end

In a unprecedented move, the central government is likely to extend the March 31 deadline of paying income taxes by a month, in view of the COVID-19 pandemic, said two officials. If the situation worsens, the deadline may be pushed till June-end, they said.

## No salary reduction for contractual staff: Govt

The central government issued an order on Monday saying that the salaries of the contract workers associated with its offices would not be deducted if they were compelled to stay at home during the coronavirus pandemic. As a measure of social distancing and to contain the spread of the virus, many state governments have announced a lockdown in India.

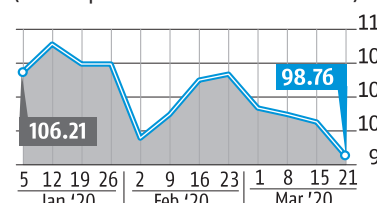
## SC to hold virtual hearing; NCLT shuts all Benches

The Supreme Court on Monday decided to seal the chambers of lawyers in and around its premises and said that only one court would hear "extremely urgent matters" through virtual means. The National Company Law Tribunal, too, closed all the Benches across India till March 31. Urgent matters would be heard by a single-member Bench of NCLT Chennai.

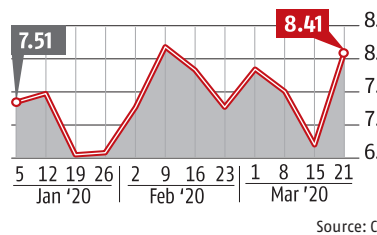
## THE CMIE TRACKER

### CONSUMER SENTIMENTS INDEX

(Base: September - December 2015 = 100)



### UNEMPLOYMENT RATE (%)



Source: CMIE

SHOULD THE STATE COMPENSATE FOR LOCKDOWN? >

## BACK PAGE P14

### SOFTBANK PLANS \$41-BILLION ASSET SALE TO EXPAND BUYBACK, CUT DEBT

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

## COMPANIES P2

### ORDERS SURGED TWOFOLD AFTER VIRUS SPREAD: BIGBASKET CEO



# Bulls locked down, markets gasp

## INDICES CRASH 13%, MAKING INDIA WORST-PERFORMING MARKET IN THE WORLD

## ₹14-TRILLION MARKET CAP WIPED OFF; FINANCIAL STOCKS LEAD THE ROUT

SAMIE MODAK  
Mumbai, 23 March

The Nifty50 index saw its sharpest one-day fall on Monday, crashing 13 per cent, as the virtual shutdown of the economy to contain the spread of coronavirus spooked investors. The selloff was so severe that it shaved off a record ₹14 trillion of market capitalisation. Over the weekend, the Centre and many state governments announced lockdowns, bringing the economy to a grinding halt, as the tally of those infected surged past 450 and the death toll reached nine, raising fears of a community spread.

**THE SMART INVESTOR P8**  
₹1-TRN CLUB SHRINKS 40% IN A MONTH

Market experts said investors were afraid of the unprecedented disruption to business activity pushing the country into a prolonged recession if the outbreak did not stem. The Nifty dropped 1,135 points, or 13 per cent, to close at 7,610, the lowest since April 8, 2016. This was the steepest fall for the index, both in percentage and point terms.

The Sensex dropped 3,935 points, or 13.2 per cent, to end at 25,981, the lowest close since December 26, 2016. Both Nifty Midcap 100 and Smallcap 100 indices fell to near six-year lows. In the opening trade, the Sensex plunged 10 per cent, triggering an hour-long trading halt. On March 13 — when the markets last hit a lower circuit — the index had rebounded 16 per cent on the resumption of trade. However, on Monday, there was little respite as the benchmark indices ended close to the day's lows.

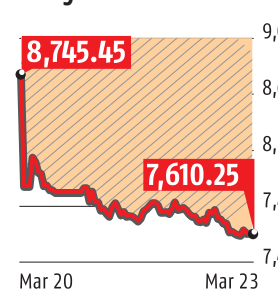
"We believe that this is not yet done with and recovery will take a long time. India was already on a sticky wicket with a slowing economy before the outbreak. Investors are pinning their hopes entirely on monetary and fiscal measures," said Prasanna Pathak, head of equities, Taurus Mutual Fund.

Most global markets also saw sharp declines, but India was the only major market to log a double-digit percentage fall.



PHOTO: KAMLESH PEDNEKAR

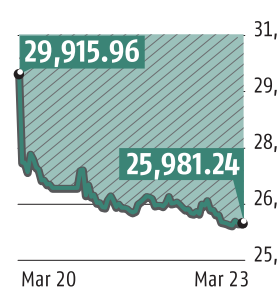
### Nifty50



### Worst-ever fall for Nifty

	Nifty50 (in points)	One-day fall (in %)
Mar 23, 2020	7,610, 1,135	13.0
May 17, 2004	1,389, 194	12.2
Oct 24, 2008	2,584, 359	12.2

### Sensex



### Trading below pre-Modi levels

Company	23 May, '14	23 May, '20	Chg (%)
ONGC	271.67	60.45	-77.7
Coal India	397.55	127.7	-67.9
Sun Pharma	584.7	324	-44.6
NTPC	133.62	76.2	-43.0
SBI	275.53	181.6	-34.1
ITC	228.1	154.4	-32.3
L&T	1,007.74	723.7	-28.2
Axis Bank	372.99	308.35	-17.3
IOC	90.76	80.85	-10.9
Wipro	183.38	170.35	-7.1

188 companies from BSE 500 are trading below their May 2014 prices. This list is the top 10 companies based on current market cap. Source: Capitaline

### India witnesses sharpest decline

Country	Chg 1D (%)#	Chg YTD (%)
India	13.0	37.5
Germany	2.9	34.5
France	2.7	34.1
Britain	3.7	33.7
S. Korea	5.3	32.5
Singapore	7.4	30.7
Japan	2.0	28.6
US	3.8	23.3
Hong Kong	4.9	23.0

# Over Previous Close; As at 11:47 pm IST

# RBI advances OMO date, announces repo of ₹1 trn

ANUP ROY  
Mumbai, 23 March

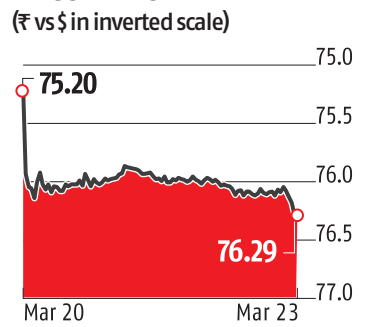
The Reserve Bank of India (RBI) stepped in on Monday to infuse more liquidity into the system by announcing term repo operations of ₹1 trillion in two tranches, even as it advanced a secondary bond-buying plan scheduled next week.

The repo would take care of any frictional liquidity requirements of the banking system, the central bank said. But, at the same time, the central bank's special swap operation to infuse dollar liquidity into the system saw tepid response. With \$2 billion on offer, banks bid for only \$1.53 billion, of which the central bank accepted bids for only \$650 million.

According to currency dealers, this pointed to two possibilities. "One, that the market doesn't need dollar liq-

### RECORD LOW

(₹ vs \$ in inverted scale)



Source: RBI

### RUPEE BREACHES 76 AGAINST DOLLAR

The rupee crossed 76 a dollar for the first time as the stock market tumbled amid a rise in coronavirus cases globally. The rupee closed at 76.20 a dollar, down from its previous close of 75.20 a dollar. In intra-day trade, the rupee touched 76.30 a dollar. Currency dealers said the Reserve Bank of India (RBI) intervened to keep the rupee below 76, but let it fall further as pressure in the markets built up.

Second, the RBI was not ready to offer higher premium for the six-month dollar. The second reason looks more obvious," said a senior currency dealer requesting anonymity. The dollar index, which measures

the greenback's strength against major global currencies, is now at 102, while emerging markets currencies fall rapidly in value against the dollar. The rupee on Monday crossed 76 a dollar.

# Domestic flights grounded

ARINDAM MAJUMDER  
New Delhi, 23 March

To strengthen the nationwide lockdown to stop the spread of coronavirus, India has banned air travel from Wednesday. The prohibition will stay till midnight, March 31. The move is the latest in a round of steps, including banning bus and railway travel, the government has taken.

This is the first time India has effected a total shutdown of air transport. The United States did it after the terror attack on the World Trade Centre on September 11, 2001. The World Health Organization (WHO) has declared corona virus a pandemic. The government used a clause in the Aircraft Act, 1934, to suspend air travel. "Operations of domestic



Commercial flights will cease operations from Tuesday midnight until March 31

PHOTO: DALIP KUMAR

scheduled commercial airlines shall cease with effective from the midnight of 11:59 PM on 24 March. Airlines have to plan operations so as to land at their destination before 11:59 PM on 24 March (sic)," a notification by the Directorate General of Civil Aviation sent to airlines said. Sources aware of the devel-

opment said there was much deliberation between different arms of the government on this. "Airlines themselves were curtailing flights. So we kept waiting. But by the end of the day a decision was taken to ban as the spread was increasing," said a government official.

# Modi connects with India Inc as factories, offices shut down

Business leaders ask govt to let go of fiscal target, seek stimulus, direct cash transfer

SUBHAYAN CHAKRABORTY  
New Delhi, 23 March

Top India Inc representatives, in an unusual video-conference meeting with Prime Minister Narendra Modi on Monday, sought a fiscal stimulus for industry to battle the coronavirus crisis that has forced factories and offices to shut down indefinitely. The business leaders, including Hindustan Unilever Chairman and Managing Director Sanjeev Mehta, TVS Chairman Venu Srinivasan, and Piramal group Chairman Ajay Piramal, also told the PM that monetary incentives must be given to the vulnerable sections.

Modi had called the virtual meeting to discuss possible solutions to the rapidly declining industrial production after the government decided to shut down around 80 coronavirus-hit districts, with further plans to introduce similar steps for other major urban centres.

Federation of Indian Chambers of Commerce & Industry (Ficci) President

Sangita Reddy, as well as her counterpart in the Confederation of Indian Industry (CII) Vikram Kirloskar, attended the meeting, along with other members. They were united in the idea of direct cash benefit transfers to the economically vulnerable population.

Both industry bodies have called for cash transfers of ₹5,000 each to workers and those earning below ₹5 lakh as well as a one-time payment of ₹10,000 for senior citizens. The PM was keen on knowing the details of the proposed cash transfer which may boost the stagnating consumer demand, multiple people present in the meeting said.

Overall, industry has sought relaxed loan provisions and measures to boost liquidity. "All borrowers should be given a three-month moratorium on all loans and all repayment obligations should be suspended for this period. The CII also emphasised that there is an immediate need to facilitate and enable advances for ways and means for industry across sectors and the government could perhaps explore options of a moratorium on interest and principal for the

next three months," Kirloskar said. He added the government's priority should be on 'flattening the curve' or reducing the number of new infections as soon as possible. The CII has also called for dollar-liquidity swap as India is in a comfortable position as far as its dollar reserves are concerned.

Similarly, Ficci has suggested that the government must take a 200-basis point hit to the fiscal deficit target, which can bring about ₹4 trillion worth of liquidity in the system. "No further accounts should be considered as non-performing assets from March 16 onwards, while the payment of standard loans should be deferred by two quarters. Aside from bank loans, liquidity should also be maintained for commercial papers and corporate bonds," Reddy said. Ficci has also argued that no new cases should be opened under the Insolvency and Bankruptcy Code at the National Company Law Tribunal for companies affected by coronavirus.

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With inputs from Dev Chatterjee



### WHAT PM SAID

- Maintain production lines of essential commodities and ensure there is no hoarding, as well as black marketing
- The impact of the pandemic on the economy will be felt for some time
- India Inc to allow employees to work from home and companies won't cut down their workforce

### BIZ WISH LIST

- Rate cut of 50 to 100 basis points to boost lending and liquidity
- Dollar-liquidity swap since dollar reserves remain comfortable
- A moratorium on interest and principal for the next three months
- Deferment of payment of standard loans and interests by 2 quarters.
- All EMIs should be back-ended and deferred

### INSIDE

**A struggle to keep production going**  
Manufacturing in India has come to a near standstill, with companies in various sectors — such as cement, steel, FMCG and electronics — shutting down many of their plants amid the coronavirus pandemic. At some plants, only a fraction of workforce is on duty

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INDIA REPORTS AT LEAST 468 CASES; DEATH TOLL CLIMBS TO 9

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INTERNET SPEED MAY SLOW DOWN ON HIGH TRAFFIC

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COVID-19 CONTRIBUTION ELIGIBLE TO BE COUNTED AS CSR ACTIVITY