

MARKET WATCH		
	23-03-2020	% CHANGE
Sensex	25981	-13.15
US Dollar	76.20	-1.33
Brent oil	26.00	-4.76

NIFTY 50		
	PRICE	CHANGE
Adani Ports	207.80	-48.60
Asian Paints	1498.45	-244.50
Axis Bank	308.65	-139.50
Bajaj Auto	1835.55	-306.75
Bajaj Finserv	4621.05	-1612.00
Bajaj Finance	2266.15	-685.75
Bharti Airtel	407.35	-55.30
BPL	269.35	-48.50
Britannia Ind	2137.85	-329.95
Cipla	375.25	-17.55
Coal India	127.85	-4.95
Dr Reddys Lab	2768.40	-128.85
Eicher Motors	13705.90	-1972.55
GAIL (India)	78.00	-2.80
Grasim Ind	433.25	-96.15
HCL Tech	417.15	-27.75
HDFC	1520.70	-233.25
HDFC Bank	771.55	-111.30
Hero MotoCorp	1616.00	-199.70
Hindalco	87.90	-17.60
Hind Unilever	1869.70	-182.00
ICICI Bank	284.00	-61.70
IndusInd Bank	336.45	-103.90
Bharti Infratel	143.40	-4.75
Infosys	526.45	-58.75
IndianOilCorp	80.75	-9.85
ITC	154.30	-21.20
JSW Steel	144.40	-31.35
Kotak Bank	1098.25	-164.10
L&T	724.05	-140.65
M&M	293.40	-29.20
Maruti Suzuki	4220.35	-858.85
Nestle India Ltd.	12944.65	-1200.85
NTPC	76.40	-4.85
ONGC	60.40	-11.95
PowerGrid Corp	153.00	-4.25
Reliance Ind	884.05	-133.90
State Bank	181.60	-28.25
Shree Cement	16959.40	-1944.25
Sun Pharma	324.50	-40.75
Tata Motors	66.20	-11.10
Tata Steel	271.15	-26.60
TCS	1669.70	-127.75
Tech Mahindra	487.20	-29.15
Titan	800.95	-103.95
UltraTech Cement	3054.85	-519.00
UPL	254.60	-45.55
Vedanta	62.65	-12.80
Wipro	170.15	-9.05
Zee Entertainment	122.00	-22.90

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on March 23		
CURRENCY	TT BUY	TT SELL
US Dollar	76.00	76.32
Euro	81.11	81.45
British Pound	87.45	87.82
Japanese Yen (100)	68.59	68.88
Chinese Yuan	10.68	10.72
Swiss Franc	76.88	77.22
Singapore Dollar	51.90	52.13
Canadian Dollar	52.47	52.70
Malaysian Ringgit	17.08	17.16

SEBI defers new norms for brokers, MFs

SPECIAL CORRESPONDENT MUMBAI

The Securities and Exchange Board of India (SEBI) has eased certain compliance requirements for brokers and mutual funds as the markets are witnessing extreme volatility due to COVID-19. In a release issued on Monday, the capital markets regulator stated that the penal provision for non-collection or short collection of margins by brokers, which was to be implemented from April 1, will be deferred till April 30. Further, brokers who are currently working from alternative locations have been exempted from the penal provisions for not maintaining call records of orders till March 31. Brokers, many of whom are working from home, would be placed in risk-reduction mode only after 90%, instead of the current 85%, of their capital is utilised for margin requirements. For mutual funds, SEBI has deferred implementation of the new risk management framework for liquid schemes, the revised limits exposure norms for debt funds and the market valuation practice for money market and debt schemes till May 1.

Centre amends law to enable excise duty increase on fuel

Changes made to Finance Bill to raise the levy on petrol, diesel by ₹8 per litre

PRESS TRUST OF INDIA NEW DELHI

The government on Monday amended the law to get enabling powers to raise excise duty on petrol and diesel by ₹8 per litre each in future. Finance Minister Nirmala Sitharaman moved an amendment to the Finance Bill, 2020, to raise the limit up to which the government can raise special excise duty on petrol and diesel to ₹18 per litre and ₹12, respectively.

The amendment, along with the Finance Bill, was passed without a debate in the Lok Sabha. The government had on March 14 raised excise duty on petrol and diesel by ₹3 per litre each to raise an additional ₹39,000 crore in revenue annually. This duty



On upswing: The government had on March 14 raised excise duty on petrol and diesel by ₹3 per litre. **■ R.V. MOORTHY**

hike included ₹2 a litre increase in special additional excise duty and ₹1 in road and infrastructure cess. This hike took the special additional excise duty to maximum permissible in law — ₹10 in case of petrol and ₹4 in case of diesel. Now, through an amendment of the Eighth Schedule

of the Finance Act, this limit has been increased to ₹18 per litre in case of petrol and ₹12 in case of diesel. **No hike planned for now** This is an enabling provision and no change in excise duty is being done as of now, an official said. The amendment gives

powers to the government to raise the duty by up to ₹8 per litre in petrol and diesel at any time it wishes. Earlier in the day, the Lok Sabha passed the Finance Bill, 2020, without any discussion as the House curtailed its sittings in the wake of the COVID-19 outbreak. More than 40 amendments were introduced by the government to the Finance Bill, which was moved for consideration and passing, by the Finance Minister. The decision to pass the Bill without any discussion was taken at an all-party meeting convened by Speaker Om Birla. Some amendments moved by the Opposition were negated. The Bill gives effect to the financial proposals of the Central Government for fiscal 2020-21.

Rupee hits a fresh low, breaches 76 per dollar

'Currency may touch 78 to a dollar'

SPECIAL CORRESPONDENT MUMBAI

The rupee hit a fresh low on Monday, breaching the 76-to-a-dollar mark, amid the spread of COVID-19 across the country that has prompted several States to call for a shut down. The rupee opened weaker at 75.69 against the dollar, compared with its previous close of 75.20. The rupee hit the day's low of 76.33 before closing the day at 76.20 a dollar, down 100 paise, or 1.33%, from its previous close. "The pandemic is causing widespread lockdowns, causing the economy to grind to a halt. In such a situation, emerging market currencies are vulnerable due to their dependence on dollar debt. A scramble for dollars would continue as long as the panic lasts," Anindya Banerjee, DVP, Currency Derivatives and Interest Rate Derivatives at Kotak Securities, said. Mr. Banerjee said the RBI would continue to sell dollars aggressively, but that may not stop bleeding by the rupee, which could head to 78-a-dollar levels. "Over the next couple of weeks, there is growing risk of USD-INR inching towards 78 levels on spot. Technically, USD-INR needs to respect the 74.50 level, the previous all-time high, to keep the bullish bias alive," he said.



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RBI advances second tranche of OMO

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India (RBI) has advanced its liquidity infusion plan by purchasing government bonds. The RBI had announced open market operations (OMOs) of ₹30,000 crore in March 2020 — the first tranche was scheduled for March 24 and the second tranche for March 30. "On a review of current liquidity and financial conditions, the Reserve Bank has decided to advance the second tranche of purchase of government securities under OMOs for ₹15,000 crore to March 26, 2020," the RBI said. The RBI also said to tide over any frictional liquidity needs due to COVID-19, it had decided to conduct the variable rate repo auctions for ₹1,00,000 crore in two tranches.

Don't cut down workforce: PM

CII moots cash transfer via DBT to all citizens

SPECIAL CORRESPONDENT NEW DELHI / MUMBAI

Calling COVID-19 an 'unforeseen hurdle' for the Indian economy whose impact will be felt for some time to come, Prime Minister Narendra Modi on Monday urged India Inc. to not cut down jobs despite the negative impact on business. Mr. Modi on Monday interacted with industry representatives from 18 cities across the country via video conference. Those in attendance included Toyota Kirloskar vice chairman and president of industry body CII Vikram Kirloskar, Kotak Mahindra Bank MD & CEO Uday Kotak, Tata Sons chairman N. Chandrasekaran, TVS Motor CMD Venu Srinivasan, founder

and co-chairman Jubilant Bhartia Group Hari S. Bhartia, Apollo Hospitals Joint MD and FICCI president Sangeeta Reddy, and HUL CMD Sanjiv Mehta. Mr. Modi added that the challenge posed by the pandemic is graver than even that posed by the World Wars and "we need to be on constant vigil" to prevent its spread. Mr. Kirloskar said CII members would dedicate their plant facilities to help scale up manufacture and availability of essential goods and equipment needed to deal with the medical emergency. Mr. Kotak said the COVID Rehabilitation Fund would look at the micro and small industry, which would need special handholding and help to rehabilitate their business. All Indian citizens should be given cash in their accounts through the direct benefit transfer, CII said; while those below 25 years could be given a one-time payment of ₹5,000, senior citizens above 65 can be given ₹10,000, it said. CII also said there was an immediate need to enable advances for ways and means for industry across sectors and the government could perhaps explore a moratorium on interest and principal for the next three months. "It may also be important to suspend IBC proceedings while redefining norms for NPAs, as several companies will be unable to meet payment obligations."

HDFC Bank's Aditya Puri calls for rate cut

The MD also seeks relaxation in asset classification in view of COVID-19

SPECIAL CORRESPONDENT MUMBAI

Aditya Puri, the managing director of HDFC Bank, has called for interest rate cuts from the Reserve Bank of India, apart from a relaxation in asset classification for bad loan recognition, to fight the economic losses caused due to the spread of COVID-19. In a teleconference with the media, the chief of the largest private sector lender also allayed concerns over asset quality, particularly of the unsecured portfolio, raised by some analysts, saying most of the lending was to highly-rated entities. "Asset classification, in my view they [RBI] don't have a choice. Again on fiscal stimulus, they don't have a choice," Mr. Puri said.



Aditya Puri

Banks have to classify a loan as sub-standard if repayment is due for more than 90 days and there is a demand from the industry to extend the default date to 180 days. "Total unsecured portfolio is 16%, 6% is cards and 10% is personal loan. 75% of personal loan is to top-tier clients. So, there is no reason

to be worried," Mr. Puri said. On the small and medium enterprises portfolio, he said 80% of the bank's exposure was covered by additional securities. **'Granular portfolio'** "NPA here is in the 2% range, maximum. It is a granular portfolio where we have 85% self-funding, which means 85% of the people we have lent to are self-funded. It comes across reasonably tough credit standards," he said. He said the bank had recently tightened internal norms for credit appraisal. "You have to look at the cash flow, you have to see if certain people have the ability to bear the strain. That we have [done] a month-and-a-half ago. Our existing portfolio is showing no strain. Rejections rates are higher [after norms were tightened]," he said. He also said the bank had an excess liquidity of \$5 billion which was benefiting the bank as it was deployed in government securities where yields were softening. He also said about 40% of the bank staff were isolated due to the spread of COVID-19, including the senior management. With Mr. Puri retiring from the bank in October this year, the bank has started to look for his successor and has appointed a search committee. Mr. Puri said the names were ready and the search committee would announce them shortly.

Auto firms halt on COVID-19

Jobs and salaries will be protected, the firms say

SPECIAL CORRESPONDENT NEW DELHI

With many districts under a lockdown across the country amid efforts to stop the spread of COVID-19, automobile and auto component makers are temporarily shutting down their manufacturing plants. Industry bodies for the sector — Society of Indian Automobile Manufacturers (SIAM) and Auto Component Manufacturers Association of India (ACMA) — have issued statements, requesting members to consider plant shutdown for a limited period so that workers are not exposed to the virus. **Work from home** On Monday, TVS Motor said it would halt all manufacturing operations at its plants in India and Indonesia till further notice. "All relevant employees have already been provided with work-from-home facility," the company said, assuring it will protect jobs and salar-



Kia Motors has temporarily suspended operations at its Andhra Pradesh plant. **■ R.V. PRASAD**

COVID-19

ies. Kia Motors also temporarily suspended operations at its Andhra Pradesh plant. General Motors, too, has suspended production at its Talegaon facility in Maharashtra till March 31. India Yamaha Motor has suspended operations at its plants in Tamil Nadu, U.P. and Haryana till March 31. Renault India said it has temporarily suspended production at its alliance manufacturing facility, Renault Nissan Automotive India Private Ltd. (RNAIPL) in Chennai. Rockman Industries, the auto-components arm of the Hero Group, has suspended all operations at its seven facilities till March 31. "All Rockman employees, contractual and permanent, will be retained, the company said in a statement. On Sunday, automakers including Maruti Suzuki, Hyundai Motor, Honda Cars, Hero MotoCorp, Fiat Chrysler Automobiles and Honda Motorcycle & Scooter India (HMSI) had announced temporary plant closures.

Grace period for renewal premium

SPECIAL CORRESPONDENT HYDERABAD

Insurance regulator IRDAI has told life insurers to enhance the grace period, for their customers, to pay renewal premiums by an additional 30 days in view of the disruption likely from the COVID-19 necessitated lockdown in many States. "In case of life insurance policies, insurers have been asked to enhance the grace period by additional 30 days if desired by the policyholders. "In case of health insurance policies, the insurers may condone the delay in renewal up to 30 days without deeming such condonation as a break in policy," the Insurance Regulatory and Development Authority of India (IRDAI) said. IRDAI also said insurers could hold board meetings, due till June 30, through video-conferencing or other audio-visual means.

Murugappa Group firms, Ramco, India Cements down shutters

Companies, banks tweak operations as curbs take effect

SPECIAL CORRESPONDENT CHENNAI

To ensure the safety and well-being of staff and stakeholders in the backdrop of COVID-19 scare, several firms in the city have announced the temporary suspension of manufacturing activities while extending 'work-from-home' facility. Murugappa Group firms — Tube Investments of India Ltd. (TII), Cholamandalam Investment and Finance Company Ltd. and Carborundum Universal Ltd. — suspended operations across units to comply with the directives of the Union and the State governments and the local authorities. "The duration of disruption/suspension of the company's manufacturing operations is not foreseeable at present and would depend on an improvement in the situation and on further directions to be received from



the Central and the respective State Governments and other authorities in this regard, said TII said. India Cements halted its operations in Tamil Nadu, Andhra Pradesh, Telangana, Rajasthan and Maharashtra. Ramco Cements suspended work at its grinding unit in West Bengal. For other units, Ramco said, it would follow the orders issued by respective State governments. TTK Healthcare said that the field operations of the company have been fully/partially closed. The compa-

ny had already moved over to work-from-home policy for all its office employees/field staff, it said. As an interim measure, Sundaram Clayton suspended its operations at all its manufacturing facilities and offices for two days from Monday. Further steps would be taken after reviewing the situation, it said. Meanwhile, Indian Bank and Lakshmi Vilas Bank asked customers to use digital medium to do bill payments or fund transfers and avoid coming to branches for now. Indian Bank has also tied-up with hospitals to provide immediate medical facility to its staffers who show any symptoms. Weekly/daily collections of several microfinance institutions in India are likely to be severely impacted as some States had clamped Section 144 till March 31, sources said.

Ashok Leyland to buy lower stake in finance arm

To acquire 6.99%, versus 19% earlier

SPECIAL CORRESPONDENT CHENNAI

Commercial vehicle manufacturer Ashok Leyland Ltd. (ALL) said it had scaled down the quantum of buy-back of shares of its subsidiary, Hinduja Leyland Finance Ltd. (HLFL), to 6.99% from the earlier 19%, following feedback from minority shareholders. In absolute terms, it works out to ₹390.49 crore, compared with the earlier proposal of ₹1,200 crore. It represents the stake of investors Everfin Holdings and Hinduja Group (which had purchased the initial tranch-

es of HLFL shares from Everfin). Earlier, ALL's board had given its approval to acquire up to 19% of equity shares of HLFL from existing shareholders in tranches over a 12-month period for a total consideration of ₹1,200 crore, subject to necessary approvals. It would have resulted in ALL raising its stake from 61.82% to 80.82%. Now, it has been revised to buying, both directly and indirectly, the residual 6.99% stake at a price of ₹119 per share. The transaction is expected to be completed by July 31, 2020.

Virus set to ground all planes

About 650 aircraft to rest in hangars after restrictions

LALATENDU MISHRA MUMBAI

The unprecedented action taken by the Ministry of Civil Aviation to suspend all domestic flight operations from midnight Tuesday to combat COVID-19 will ground the entire fleet of Indian airlines estimated at 650 aircraft. While most part of this fleet has already been grounded since Sunday night when all international operations were shut down, the suspension of domestic operations from 23.59 hrs of Tuesday will bring commercial aviation in India to a grinding halt. Foreign airlines have been banned from flying into India since

Sunday. Possibly, this is the first time the aircraft will be grounded for several days, possibly weeks. This has been necessitated in the interest of public health and after repeated appeal from States to prevent the spread of COVID-19 across the country, said experts. "To my knowledge, this will be the first time that the whole commercial aviation will come to a stand still. Around three decades back, when Indian Airlines pilots went on strike, the entire domestic fleet was grounded because Indian Airlines was the only domestic airline then. However, internation-

al airlines were operating," said Jitender Bhargava, former executive director, Air India. "This is unprecedented but essential," he said. Kapil Kaul, CEO and director, CAPA Advisory, said "The government clearly sees heightened risks related to the COVID-19 virus and is determined to take unprecedented action to slow its transmission. This is the right decision in the prevailing circumstances." According to Mr. Bhargava, the airlines would emerge stronger if they use this opportunity to think of long-term viability and sustainable operations.

IDFC First Bank CEO sells ₹93 crore worth shares

Retains stake of 0.88% in the firm

SPECIAL CORRESPONDENT MUMBAI

IDFC First Bank MD & CEO V Vaidyanathan has sold shares worth ₹58 crore on March 19 and another ₹35 crore worth shares on March 20 to close an ESOP loan. "I would like to inform that I still hold 4,23,47,144 shares (0.88%) after yesterday's sale," Mr. Vaidyanathan informed the bank's compliance officer. The statement was shared by the bank with exchanges on Friday. "The prices of the stock have come down recently due to the COVID-19-related developments in stock markets across all sectors, including all banks which resulted in a margin call, and at this stage, I decided to sell the stock to entirely square off the ESOP loans. With the sale of ₹35 crore expected today, my loans against shares will be NIL," he said.

Priority sector classification for NBFCs too

SPECIAL CORRESPONDENT MUMBAI

The RBI has decided to extend priority sector classification for bank loans to NBFCs for on-lending for FY2020-21. Existing loans disbursed under the on-lending model will continue to be classified under priority sector till the date of repayment or maturity. Bank loans to NBFCs for on-lending would be eligible for classification as priority sector up to March 31, 2020. Credit to NBFCs and HFCs for on-lending will be allowed up to an overall 5% of the bank's total priority sector lending.