MARKET WATCH

	08-04-2020	% CHANGE
Sensex	29,894	-0.58
US Dollar	76.34	-0.92
Brent oil	31.94	-3.71

NIFTY 50

	PRICE	CHANGE
Adani Ports	250.85	2.75
Asian Paints	1608.95	-14.85
Axis Bank	391.35	2.50
Bajaj Auto	2241.70	-38.35
Bajaj Finserv	4608.50	-116.40
Bajaj Finance	2332.90	79.55
Bharti Airtel	461.65	-8.55
BPCL	342.30	-8.80
Britannia Ind	2775.55	-58.95
Cipla	512.75	20.50
Coal India	137.35	-2.80
Dr Reddys Lab	3683.00	99.80
Eicher Motors	13158.50	62.45
GAIL (India)	85.55	1.05
Grasim Ind	512.60	-5.95
HCL Tech	463.10	11.95
HDFC	1558.80	3.65
HDFC Bank	888.90	-7.20
Hero MotoCorp	1821.65	52.45
Hindalco	100.85	-3.10
Hind Unilever	2460.85	15.95
ICICI Bank	318.95	-7.15
IndusInd Bank	399.15	15.30
Bharti Infratel	166.40	6.75
Infosys	631.60	-7.40
Indian OilCorp	81.75	-1.25
ITC	178.65	-2.90
JSW Steel	154.60	-3.50
Kotak Bank	1187.65	-10.40
L&T	807.10	5.45
M&M	326.40	5.40
Maruti Suzuki	4698.10	144.45
Nestle India Ltd.	16871.25	-167.40
NTPC	85.20	3.65
ONGC	74.45	1.55
PowerGrid Corp	158.35	0.35
Reliance Ind	1192.15	-13.95
State Bank	183.00	-3.40
Shree Cement	16063.95	-570.60
Sun Pharma	436.70	19.35
Tata Motors	67.60	0.35
Tata Steel	274.75	-1.45
TCS	1705.45	-69.75
Tech Mahindra	558.90	9.05
Titan	913.45	-34.00
UltraTech Cement	3256.45	-23.05
UPL	320.20	-3.45
Vedanta	70.30	3.55
Wipro	192.90	1.00
Zee Entertainment	143.15	2.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on April 08

CURRENCY	TT BUY	TT SELL
US Dollar	76.17	76.49
Euro	82.78	83.16
British Pound	94.02	94.43
Japanese Yen (100)	69.98	70.29
Chinese Yuan	10.78	10.83
Swiss Franc	78.38	78.75
Singapore Dollar	53.36	53.60
Canadian Dollar	54.32	54.57
Malaysian Ringitt	17.51	17.60

Source:Indian Bank

Post lockdown, CII for phased reopening

Says priority must be given to mass employment sectors

SPECIAL CORRESPONDENT
NEW DELHI

Amid talks over over extending the 21-day nationwide lockdown, the Confederation of Indian Industry (CII) has suggested to the government to follow a phased reopening plan with sectors such as manufacturing and construction, that provide mass employment, re-started first.

The CII also sought a fiscal support package for FY21 limited to 2% of the GDP to support the lowest strata and the informal sector and ₹2 lakh crore be transferred to JAM account holders.

The CII, however, also cautioned that it was important to safeguard the macro fundamentals to ensure India did not suffer significant rating downgrades and a potential flight of capital. "Since we are not going to see the end of the crisis soon, the government should not spend all its firepower at once," the CII said.

For lifting the lockdown, the industry body has pitched for a "re-start calendar" across cities and States, based on a dashboard that can monitor curves of various key cities and States. In phase 1, it said sectors where work-from-home is difficult and which provide mass employment could be re-started to protect low-wage employment. They include manufacturing and transport.

In phase 2, which could start 2-3 weeks after phase 1, other sectors could be allowed to start. "The ramp up could be 50% employees to start with, for about three weeks. This could be increased gradually, based on how the curves are progressing in various cities and States."

Truck drivers and migrant workers willing to come back should be facilitated, dhabas on highways petrol/diesel stations and repair shops on highways should be opened, it said, adding logistics service providers must extend insurance cover of about ₹10-15 lakh for a period of three months to the workers and their families.

Revival drive: The CII wants a fiscal support package limited to 2% of GDP to support lowest strata of society. • PTI

COVID-19

To get back migrant workers, the CII suggested a COVID-19 insurance scheme for which three months for which part cost could be borne by the government and part by the industry, besides an aggressive 'messaging' campaign.

On the economic front, the CII said it expects GDP growth for the current fiscal to be no more than about 2% with a downward bias.

"India should brace itself for what may be a long haul to overcome the public health crisis and the economic crisis precipitated by the corona pandemic," the industry body said.

Higher credit limit

On relief for businesses, the CII said rather than the government giving direct subsidies to industry, enterprises should be supported through banks via enhanced credit limits for working capital, additional working capital limits – equivalent to April-June wage bill of the borrowers, backed by a government guarantee at 4-5% with a refinance guarantee from the RBI. Additional reconstruction term loans can be given to MSMEs and stressed sectors.

"Our estimates are the economy would need a credit expansion of 14-15%. Therefore, we would request the RBI to extend support to the industry," it said. There is also a need to pre-empt failure in the banking sector, it said.

While the steps announced by the RBI Governor on March 27, adequately addresses the potential liquidity issues that will arise in the system, it is eminently possible that the pain would soon manifest in terms of capital and solvency in the system."

Stating the economy cannot afford a bank collapse, the CII proposed the government set up a fund of ₹30,000 crore "that could be used by banks that meet certain criteria and under specified conditions."

Govt. caps spending amid cash crunch

However, departments deemed crucial in fight against virus will not be affected

PRISCILLA JEBARAJ
NEW DELHI

With the Centre expecting an extreme cash crunch due to the COVID-19 crisis, most Central government departments have been asked to cut their first quarter expenditure to 15-20% of the year's budget estimates (BE).

Departments considered crucial to dealing with the pandemic and the resultant lockdown will not be affected by these restrictions, including Health, Pharma and Ayush, Agriculture, Rural Development and Textiles, Food and Consumer Affairs, as well as Civil Aviation and Railways. Transfers to States will also not be reduced.

However, several development sector Ministries including those dealing with education, tribal welfare, women and children, social justice and labour have been asked to restrict expenditure to 15% of BE.

Human Resources is among the Ministries told to cut expenditure.

"Existing guidelines for expenditure control have been reviewed. Keeping in view the present situation arising out of the COVID-19 and the consequential lockdown, it is expected that the cash position of government may be stressed in Q1 (April to June 2020). Considering this, it is essential to regulate the government expenditure and to fix the Quarterly Expenditure Plan (QEP) / Monthly Expenditure Plan (MEP) of specific Ministries/Departments," said the circular issued by the Finance Ministry on Wednesday.

"Any deviation from this guideline would require prior approval from Ministry of Finance," it added. Large expenditures are already subject to the expenditure control guidelines of August 2017 which says prior permission is required for any single payment above ₹5,000 crore.

The economic slowdown had already spurred the Finance Ministry to cap spending in the last quarter of 2019-20 (January-March 2020) to 25% of BE, from the earlier 33%.

The circular lists 17 key demands for grants and appropriations that will not be affected by the restrictions.

Another 31 departments have been asked to restrict expenditure to 20% of BE. This includes the Cabinet, the Houses of Parliament and Police. The Ministries of Home, External Affairs and some departments of Defence and Finance are also included in this category, as are transfers to union territories, including Delhi.

The largest category of 52 departments have been told to restrict quarterly expenditure to 15% of BE.

Pending tax refunds of ₹18,000 cr. to be released

Move to offer relief to taxpayers

SPECIAL CORRESPONDENT
NEW DELHI

Pending income tax, GST and customs refunds amounting to ₹18,000 crore are to be released immediately to provide relief to 14 lakh taxpayers and one lakh businesses.

The Centre has decided to immediately release tax refunds to the tune of ₹18,000 crore, in a bid to provide relief to individual taxpayers as well as businesses struggling with the COVID-19 pandemic and lockdown situation.

On Wednesday, the Finance Ministry announced that all pending income-tax refunds up to ₹5 lakh would be released immediately by the Income Tax department. This would benefit about 14 lakh taxpayers, according to an official statement by the Ministry.

All pending refunds for GST and customs will also be issued, benefiting around one lakh business entities, including Medium and Small Enterprises. The total refund granted will be approximately ₹18,000 crore, the Finance Ministry said in the statement.

All pending refunds for GST and customs will also be issued, benefiting about one lakh business entities.

Rupee falls 70 paise as virus cases spike sharply

Crude price increase adds to pressure

SPECIAL CORRESPONDENT
MUMBAI

The rupee declined 70 paisa against the dollar on Wednesday following a sharp rise in the number of COVID-19 cases in the country, which could prompt the government to delay the lifting of nationwide lockdown.

The rupee, which opened at 75.83 a dollar, as compared to its previous close of 75.64, depreciated further and went close to its all-time low of 76.38, touching the day's low of 76.36.

Dollar index impact

The rupee ended the day at 76.34 a dollar, down 70 paisa, or 0.92%, than its previous close. The rise in crude prices and strengthening of the dollar index also added pressure on the rupee.

The Reserve Bank of India (RBI) reduced the timing of market hours for call money market, government securities market and currency market. These have been functioning between 10 a.m. and 2 p.m. since April 7. The shortened market hours will continue till April 17. The decision was taken to avoid undue volatility in the markets caused by thin volumes due to the nationwide lockdown.

Groupe PSA defers India launch of SUV

SPECIAL CORRESPONDENT
CHENNAI

Groupe PSA in India has revised the time frame for the commercial launch of its debut vehicle, Citroen C5 Aircross SUV, to the first quarter of 2021.

A year ago, the company's top management had announced in Chennai the launch of its maiden Sport Utility Vehicle (SUV) manufactured at its Thiruvallur plant by end-2020. Now, it has been rescheduled to January-March 2021, while ensuring industrial readiness.

The second largest carmaker in Europe said it was working in close coordination with new dealer partners, while ensuring industrial readiness. The deferral was aimed to move the commercial launch to a more positive economic activity period where consumer sentiment is upbeat, it said in a statement.

Groupe PSA said it would maintain the timeline and investment for the C-Cubed programme, under which the first vehicle designed, developed and made in India would be launched in 2021.

Defer appointments till MD takes charge, HDFC Bank told

Jagdishan, Zaveri were inducted to the board in November

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) has asked HDFC Bank to hold on to board-level appointments till a new managing director and chief executive officer takes charge.

The communication comes after the private sector lender inducted Sashidhar Jagdishan and Bhavesh Zaveri into the board of the bank in November last. These appointments were subject to the RBI's approval.

"We are now in receipt of a communication dated April 7, 2020 from Reserve Bank of India stating that since these are important positions in the bank, the bank is advised to examine and submit the proposal after a new MD and CEO assumes charge later this year," HDFC Bank said in a notification to the exchanges.

"The bank shall accordingly ensure compliance with Reserve Bank's instruction," it added.

HDFC Bank also said that Mr. Jagdishan and Mr. Zaveri would continue as additional directors on the board of the bank till the ensuing Annual General Meeting, citing relevant provisions of the Companies Act, 2013.

While Mr. Jagdishan heads functions such as finance and human resources, Mr. Zaveri heads operations, information technology and cash management functions.

Aditya Puri, the managing director of the bank, will hang up his boots after a 26-year stint at the helm of the largest private sector lender of the country, on October 26, 2020.

MCLR cut

Separately, HDFC Bank has also decided to reduce the benchmark lending rate or the marginal cost of fund-based lending rate (MCLR) by 20 bps across all tenors. With this cut, the one-year MCLR will be 7.95% with effect from March 7.

The move comes after Reserve Bank of India (RBI) reduced the repo rate by 75 bps in the last week of March.

Sensex sees worst monthly fall in 11 years

Across 5 trading sessions, more than 1,000 stocks hit 52-week lows in one session

ASHISH RUKHAIYAR
MUMBAI

The equity markets may well be going through one of the most volatile phases ever, but the magnitude of stock specific fall has never been this intense in any of the previous bear cycles.

In March, when the Sensex had its worst monthly fall in over 11 years – it fell little over 23% – there were at least five trading sessions when more than 1,000 stocks hit their 52-week lows in a single session.

Further, as per BSE data, more than 1,300 companies –nearly 59% of the total number of entities traded - saw their shares hit their 52-week low on March 13, which was the most volatile session ever for the benchmark that traded in a range of 5,400 points on that day. Incidentally, it was also the day when the Nifty hit its lower circuit breaker of 10% –the first time ever in 12 years. Similarly, on March 24, when the Sensex touched its own 52-week low of 25,638.90, as many as 1,133 stocks touched their respective such lows.

In March, investor confidence was at its lowest in many years due to COVID-19, economic impact and record FPI selling. • AP

Underlying weakness

Market participants believed that the trend only showed that there was a huge underlying weakness in the market even as the benchmarks have gained significantly in some of the recent trading sessions – the Sensex has gained nearly 17% from its lows touched last month.

"In March, investor confidence was at its lowest in many years due to coronavirus pandemic and its potential global economic impact, massive surge in VIX and an all-time record high selling by foreign Investors," said a head of a domestic brokerage.

Record run matters little

"In fact, even during the record run in January, the mood was not so upbeat as only few stocks outside the benchmarks touched new highs. That says a lot about the current trend," he added.

This is corroborated by the fact that only 126 stocks touched their 52-week high on January 20 when the Sensex touched its all-time intraday high of 42273.87.

Even on some of the trading sessions prior to January 20, the number of stocks hitting their respective 52-week high ranged only between 100 and 140.

DoT urged to have BSNL, MTNL clear vendor dues

Telcos owe about ₹20,000 crore: COAI

SPECIAL CORRESPONDENT
NEW DELHI

Telecom and network equipment manufacturers have sought immediate intervention by the Department of Telecom to instruct public sector telecom firms BSNL and MTNL to clear their outstanding dues of about ₹20,000 crore.

In a letter to Telecom Secretary Anshu Prakash, industry body COAI, whose members include Nokia, Huawei, Ericsson, ZTE, Sterlite, Cisco and Qualcomm, among others, said, "Our members have been supporting various PSUs in delivering uninterrupted services, despite non-payment of their huge pending dues."

"However, the situation has become highly critical now with total outstanding dues from these PSUs amounting to approx. ₹20,000 crore which has been pending for long," Rajan Mathews, DG at COAI, said in the letter dated April 8. He said this was adding to critical financial woes of the telecom and network equipment companies.

IRDAI permits insurers to grant three months' moratorium on term loans

This will apply to instalments falling due between March 1 and May 31

SPECIAL CORRESPONDENT
HYDERABAD

The Insurance Regulatory and Development Authority of India (IRDAI) has permitted insurers to grant a moratorium of three months on repayment of term loans sanctioned by them.

The decision follows representations from industry associations to the regulator, seeking moratorium on repayment of term loans sanctioned by insurers in the context of COVID-19 outbreak.

Considering the cash flow problems faced by the borrowers and in line with the recent directions of the RBI on moratorium on term loans, insurers are permitted to grant a moratorium of three months towards payment of instalments falling due between March 1 and May 31, IRDAI said.

Rescheduling of payments will not qualify as a default for the reporting of NPAs. • GETTYIMAGES/ISTOCK

The repayment schedule for such loans and also the residual tenor will be shifted across the board by three months subsequent to the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during such moratorium period, HOD - Investments of IRDAI S.N. Jayasimhan said in a circular to all insurers.

Directing insurers to frame board-approved policies to extend the moratorium to all eligible borrowers, IRDAI said the asset classification of term loans that are granted the relief should be determined on the basis of revised due dates and revised repayment schedule. The rescheduling of payments, including interest, will not qualify as a default for the purpose of reporting of non-performing assets (NPAs).

Concurrent auditors in their reports for the quarter ending June 2020 shall confirm that the insurers had complied with the Board Approved policy in granting moratorium, IRDAI said.

Centre seeks suggestions to revive textile industry

Panels to advise on resuming production

SPECIAL CORRESPONDENT
COIMBATORE

Union Textiles Minister Smriti Irani on Wednesday constituted four committees to come up with suggestions on how the textile and clothing industry could be revived post the COVID-19 crisis. The committees, with representation from the industry and the Ministry, will come out with suggestions in a week.

A textile association head, who participated in the video call with the Minister, said the committees would explore how industries could re-start production in a phased manner, the financial needs of the sector, promoting Indian brands, and how exporters could tap the potential in the global market once the crisis is over.

The Union Ministry of MSMEs has also sought suggestions from the industry on how MSME associations could ensure social distancing and other safety norms when the units reopen after the lockdown period.

The Coimbatore District Small Industries Association said that the units would restart production only when the Central and State governments gave the nod and did not prefer phased re-opening as there was the risk of the virus spreading. The government should provide fitness certificates to all workers so that they can return to work.