

MARKET WATCH

	12-04-2019	% CHANGE
Sensex	38,767	0.41
US Dollar	69.17	-0.36
Gold	32,850	-0.51
Brent oil	71.43	0.81

NIFTY 50

	PRICE	CHANGE
Adani Ports	385.65	6.20
Asian Paints	1438.65	15.50
Axis Bank	764.35	12.05
Bajaj Auto	3008.15	14.45
Bajaj Finserv	7536.85	-25.90
Bajaj Finance	3008.80	-39.05
Bharti Airtel	341.95	-4.40
BPLCL	361.15	-0.55
Britannia Ind	2984.30	38.25
Cipla	554.85	10.00
Coal India	240.80	-0.15
Dr Reddys Lab	2807.05	-4.70
Eicher Motors	21361.15	363.00
GAIL (India)	356.75	14.05
Grasim Ind	853.45	4.70
HCL Tech	1083.45	-5.40
HDFC	2024.95	2.15
HDFC Bank	2265.25	7.75
Hero MotoCorp	2639.90	38.80
Hindalco	209.75	-1.55
Hind Unilever	1721.65	11.25
Indiabulls FHL	830.10	-15.70
ICICI Bank	394.60	4.55
IndusInd Bank	1736.80	-3.85
Bharti Infratel	314.65	1.30
Infosys	747.75	5.05
Indian Oil Corp	155.35	-2.60
ITC	305.75	9.35
JSW Steel	286.85	-0.15
Kotak Bank	1343.45	0.25
L&T	1360.90	-17.10
M&M	678.20	5.45
Mauriti Suzuki	7342.85	155.00
NTPC	135.50	0.00
ONGC	157.60	-1.00
PowerGrid Corp	197.05	1.10
Reliance Ind	1343.10	-3.70
State Bank	315.25	0.35
Sun Pharma	465.05	-0.50
Tata Motors	215.95	-2.25
Tata Steel	533.65	-2.05
TCS	2014.50	-5.00
Tech Mahindra	785.35	4.40
Titan	1097.00	-8.05
UltraTech Cement	4166.50	26.35
UPL	925.80	3.25
Vedanta	183.90	2.75
Wipro	283.40	2.10
YES Bank	267.90	-1.15
Zee Entertainment	418.15	7.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on April 12

CURRENCY	TT BUY	TT SELL
US Dollar	68.95	69.27
Euro	77.97	78.34
British Pound	90.28	90.70
Japanese Yen (100)	61.57	61.86
Chinese Yuan	10.28	10.33
Swiss Franc	68.88	69.21
Singapore Dollar	50.92	51.17
Canadian Dollar	51.70	51.94
Malaysian Ringgit	16.75	16.84

Source: Indian Bank

BULLION RATES CHENNAI

April 12 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.3	(40.3)
22 ct gold (1g)	3029	(3043)

Margins fall but Infosys net rises 10.4%

Q4 revenues climb 19.11% year-on-year to ₹21,539 crore; shift to digital helped, says CEO Parekh

SPECIAL CORRESPONDENT
BENGALURU

Tech major Infosys posted a net profit of ₹4,074 crore, beating the market expectation of ₹3,956 crore, during the fourth quarter against ₹3,690 crore a year ago, marking a year-on-year growth of 10.4%.

The company's total revenues for the quarter increased to ₹21,539 crore, from ₹18,083 crore, a 19.11% year-on-year increase. Analysts had earlier predicted revenues at ₹21,465 crore.

The company reported a slight decline in margins to 21.4% in the quarter, as against 24.7% in the same quarter last year.

The company also an-

Keeping pace

Metrics	Q4 FY19	Q4 FY18	Growth (%)
Revenue (₹ cr.)	21,539	18,083	19.11
Net profit (₹ cr.)	4,074	3,690	10.40
EPS (₹)	9.37	8.49	10.36
Dividend (₹)	10.5	10.25	

Digital pricing, use of automation and onshore and offshore mix, and localisation will help us in the new fiscal

SALIL PAREKH, Infosys MD and CEO



nounced its fiscal 2020 revenue guidance in the range of 7.5% -9.5% (in constant currency), and operating margin guidance in the range of 21% -23%.

"We have better levers to drive operational efficiency

in the next fiscal. Digital pricing, use of automation and onshore and offshore mix, and localisation are going to help us in the new fiscal," Infosys MD and CEO Salil Parekh said.

For the fiscal ended March

2019, Infosys posted a 3.86% year-on-year fall in net profit at ₹15,410 crore as against ₹16,029 crore, a year ago.

The Bengaluru-based company's revenue from operations increased by 17.23% year-on-year to ₹22,675 crore and operating profit stood at ₹18,880 crore, a 10.1% year-on-year growth.

'Multiple dimensions'

Addressing a press conference at the company's Electronic City campus here on Friday, Mr. Parekh said, "We have completed the first year of our transformation journey with strong results on multiple dimensions, including revenue growth, performance of our digital portfo-

lio, large deal wins, and client metrics. This is a reflection of our increased client relevance stemming from our focus on digital, positioning, and long-standing client relationships."

"We have increased client relevance and shifting to digital has benefited us," he said.

During the quarter, Infosys was able to add some seven large global logos to its digital banking platform.

"Our efforts on localisation and reskilling for digital have also started paying dividends," Mr. Parekh added.

Following the announcement of performance numbers, Infosys' shares rose 0.71% to close at ₹748.



Raining perks: (from left) Infosys COO U.B. Pravin Rao, CEO and MD Salil Parekh and CFO Nilanjan Roy. •SOMASHEKAR GRN

Infosys announces pay hike for 85% of India employees

'1%-1.5% increment for U.S. workers'

SPECIAL CORRESPONDENT
BENGALURU

Bengaluru-based tech bellwether Infosys has announced an average pay hike of 6% to a majority of its employees based in India. The company has also decided to give a 1%-1.5% wage increment to its workers in the U.S.

On the sidelines of the company's quarterly performance meet here on Friday, Chief Operating Officer (COO) Pravin Rao said the company had decided to cover 85% of its employees in India under the salary increment plan, effective from April 1. About 2,500 promotions had been rolled out.

High performers would receive differential increments. The company had also decided to pay 85% of variable pay to employees. During the fourth quarter ended March 31, the company experienced an increase in attrition, most of which had happened in the three-to-five-year experience band in India, and among the two- to three-year experience category of employees in the U.S.

Infosys said it was analysing the scenario. The company had taken steps such as mile-stone-based increments, reworked compensation packages and digital training and certification, to bring down attrition.

"Reducing attrition" Mr. Rao said, "We are investing aggressively in people and we expect the attrition to come down in the next few quarters. We are comfortable with the 13-15% attrition level and that gives us flexibility." During the fourth quarter, the company reported a 20.4% (annualised consolidated) attrition against 19.9% in the previous quarter. The company also saw a low employee net addition at 2,622 against 7,762 people in the December quarter. Its utilisation, including trainees, also came down slightly to 78.9% against 79.8% in the December quarter.

Infosys has a total employee strength of 2,28,123. In the last couple of years, it has been actively hiring in the U.S. and Europe as part of its localisation initiative.

TCS sees highest revenue growth in 15 quarters

Q4 profit rises 18% to ₹8,126 crore; digital services contribute 31% of revenue; dividend at ₹18 per share

SPECIAL CORRESPONDENT
MUMBAI

India's largest software exporter, Tata Consultancy Services (TCS), has reported a 17.7% increase in its fourth quarter consolidated net profit to ₹8,126 crore, riding on an 18.5% increase in revenue to ₹38,010 crore.

Digital services contributed 31% to revenue, growing at 46.4% over the same period in the previous year.

"This is the strongest revenue growth that we have had in the last 15 quarters," Rajesh Gopinathan, MD & CEO, TCS

"Our order book is bigger than in the prior three quarters, and the deal pipeline is also robust.

"Despite macro uncertainties ahead, our strong exit positions us very well for the new fiscal," he said commenting on the performance during the quarter.

Going strong

Metrics	Q4 FY19	Q4 FY18	Growth (%)
Revenue (₹ cr.)	38,010	32,075	18.50
Net profit (₹ cr.)	8,126	6,904	17.69
EPS (₹)	21.65	18.04	20.01
Dividend (₹)	18	14.5	

TCS fired on all cylinders to generate this kind of outstanding results. FY20 is the field of falling snow, we will paint the picture and share the results after a year

RAJESH GOPINATHAN, MD & CEO, TCS



The company closed FY19 with 22% growth in yearly profit to ₹31,472 crore and a 19% jump in annual revenues to ₹1,46,463 crore. However, TCS' operating margins for the fourth quarter contracted by 31 basis points to 25.1% as the software major reported an operating income of ₹9,537 crore.

Asked about the fall in

margins and changes in the capital allocation policy, V. Ramakrishnan, CFO, TCS, said, "At this point of time, there are no changes in the capital allocation policy.

"The margins of 26% were not a guidance but our own target and we are close to the lower end. Going forward, on margins, we will stay focused." The TCS board has

recommended a final dividend of ₹18 per equity share.

N Ganapathy Subramaniam, chief operating officer and executive director, said: "It is a very satisfying finish to a year marked by steady growth acceleration and order book expansion every quarter."

Double digit growth

Revenue growth continued to accelerate in BFSI, crossing over into double digits at 11.6% for the quarter. Growth was broad-based, with most verticals showing strong growth.

"Life sciences and healthcare rose 18.2%, energy and utilities 11.3%, communications and media 10%, retail and CPG 9.9% and manufacturing 9.2%.

Sanjiv Bhasin, executive VP-markets and corporate affairs, IIFL, believes that TCS Q4 results were in line with

expectations with a bit of disappointment on the margins' front.

"The tailwinds of currency, U.S. visas and EU performance have turned out to be headwinds for the IT major. Going forward, we would like to see more colour on how digital and cloud services perform," Mr. Bhasin told *The Hindu*.

"TCS Q4 revenue came in line with consensus estimates, while EBIT margin missed the estimates. Net profitability came above consensus estimates," said Paras Bothra, president, equity research, Ashika Stock Broking.

Ajoy Mukherjee, executive VP and global head, human resources, TCS, said, "Variable is 100% for all our employees."

"The average salary hike is 2% for some countries, 4% for some and 6% for some."

Jet suspends international flights till Monday, fleet falls to 11

Bankers seek revised funding plan; fleet size to deplete to 6

SPECIAL CORRESPONDENT
NEW DELHI / MUMBAI

Cash-strapped Jet Airways has suspended its international flights till Monday afternoon, according to Civil Aviation Secretary Pradeep Singh Kharola.

The airline's fleet depleted to a mere 11 aircraft on Friday from 123 in February. This would further dwindle to six over the weekend, the airline informed the senior government official.

The airline has assured the government that it would operate 40 daily flights on Saturday and Sunday. Mr. Kharola said that this was down from about 3,100 flights per week.

The senior government official was addressing the media after a conference call with the Jet management.

The management also met the airline's bankers on Friday and would meet them again on Monday after it was asked to come back with a revised proposal for interim funding. The cancellations come in the backdrop of angry passengers and agitating airport staff.

Meanwhile, in a statement, an airline spokesperson said that Jet was "working to minimise guest inconvenience" using its 24x7 contact centre, guest relations and social media response teams to handle schedule adjustments, in line with defined regulatory



Losing height: Jet was the largest international airline in India till it was hit by the financial crisis. •REUTERS

guidelines, including offering re-accommodation choices or extending applicable refunds. "In parallel, the airline's management and its key stakeholders, including its consortium of lenders, continue to work closely towards resolving the current situation," the spokesperson said.

On Thursday, the airline had announced temporary grounding of its international west-bound operations till Friday morning. Jet was the largest international airline in India till it was hit by the financial crisis.

Lease rental default

The airline had also suspended operations to the entire eastern and northeastern markets as Jet informed the stock exchanges of grounding of 10 more aircraft following lease rental default.

Jet Airways, which oper-

ates in the international sector with a hub in Amsterdam, has had a Boeing 777 on ground at Schiphol airport since Tuesday as a cargo agent had taken possession of it. The aircraft continued to remain grounded as of Friday evening.

Airport Coordination Ltd., which deals with airport slots, disclosed that Etihad was taking over slots allotted to Jet Airways at London's Heathrow Airport.

Over 400 airport staff from the security, customer services and ramp departments in Mumbai came out to the streets demanding a clear line of communication by the management.

"Salaries have been affected. But what is worse is that the management does not communicate anything with us," a member of the Jet Airways Officers and Employees Association said.

SpiceJet to add 16 Boeing 737-800 NGs

SPECIAL CORRESPONDENT
NEW DELHI

Low-cost carrier SpiceJet announced on Friday that it would be inducting 16 Boeing 737-800 NG aircraft, a month after the airline saw its fleet size shrink due to the grounding of Boeing 737 MAX 8 planes globally in the aftermath of the Ethiopian Airlines crash.

"Subject to regulatory approvals, the aircraft would begin joining SpiceJet fleet in the next 10 days," the airline said in a statement.

The airline has applied for a no-objection certificate (NoC) to import the aircraft, to the Directorate General of Civil Aviation.

Domestic carriers have seen their combined fleet size drop drastically primarily due to the financial woes of Jet Airways, which forced the airline to ground 112 planes out of the total 123 in its fleet. The airline said the induction of 16 planes would help it bring down cancellations and help in its international and domestic expansion plans as well. "The sudden reduction of aviation capacity has created a challenging environment in the sector. SpiceJet is committed to working closely with the authorities to augment capacity and minimise passenger inconvenience," SpiceJet CMD Ajay Singh said.

Industrial growth declines to 20-month low, inflation up

Costlier food and fuel spur retail inflation to 5-month high

SPECIAL CORRESPONDENT
NEW DELHI

Industrial growth slowed in February to 0.1%, driven by an across-the-board slowdown, especially in key sectors like manufacturing, mining, capital goods, and infrastructure, according to latest official data.

Separate data showed that retail inflation quickened in March to 2.86% from 2.57% in February, driven in large part by the food and fuel sectors.

Growth in the Index of Industrial Production (IIP) slowed in February from 1.44% in January.

Within the Index, the mining and quarrying sector saw growth slowing to 2% from 3.92% over the same period.

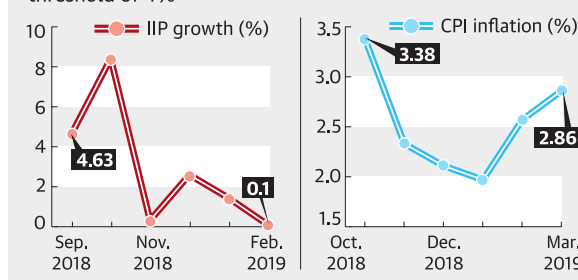
The manufacturing sector saw a contraction of 0.31% in February from 1.05% in January.

"The IIP data broadly indicates the slowing down of the economy, which was reflected in the quarterly GDP data," said D.K. Srivastava, chief policy advisor, EY India. "The outlook should be thought of in terms of stimulating investment demand in the economy through monetary and fiscal measures," he said.

"On the monetary side, steps have been taken through two successive rate cuts by the Reserve Bank of

Speed breaker

An across-the-board slowdown impacted industrial output while inflation, despite quickening, remained within the RBI threshold of 4%



India," Mr. Srivastava added. "On the fiscal side, however, the prospects were limited because both direct and indirect tax revenue collections have shown a shortfall compared to the revised estimates. So, in order to meet the 3.4% fiscal deficit target, it appears the government has gone in for curtailing expenditure in general, and capital expenditure in specific."

Capital goods contract

The capital goods sector continued its contraction in February, contracting 8.84% compared with a contraction of 3.42% in the previous month.

Growth in the infrastructure sector slowed to 2.38% from 6.8%.

The electricity sector was the only sector that saw an acceleration in growth, com-

ing in at 1.18% in February compared with a growth of 0.94%. The consumer non-durables sector also saw growth quickening, to 4.3% from 3.33% over the same period.

CPI inflation

Retail inflation, as measured by the consumer price index (CPI), quickened in March to a five-month high due to a speeding up of inflation in the food and fuel sectors. Inflation in the food and beverages segment of the CPI quickened to 0.66% in March compared with a contraction of 0.07% in February.

"Inflation is still well below the average threshold of 4% and food prices have just turned positive, and vegetable prices are much less negative than the trend," Mr. Srivastava added.

SC rejects Sterlite's plea for access to T.N. plant

PRESS TRUST OF INDIA
NEW DELHI

The Supreme Court on Friday refused to entertain a petition filed by Vedanta group firm Sterlite Copper seeking access to its closed smelter plant in Thoothukudi in Tamil Nadu to carry out maintenance activities.

The firm had also challenged in the apex court the Madras High Court's order, which had declined to give an early hearing to their interim application as well as the main petitions, which relate to the Tamil Nadu State Pollution Control Board (TNPCB's) order to shut down the plant.

"We are not here to control the High Court," a Bench headed by Justice R.F. Nariman said after which the firm withdrew its plea. The plant was ordered to be shut after 13 persons protesting against the alleged pollution caused by the plant, died in police firing in May last year. Vedanta has denied the allegations that its plant caused any pollution. The firm, in its plea in the top court, had said that its "intention was solely to preserve its assets" and for that alone wanted to commence repair and maintenance activities.

It had added that lack of maintenance of assets had resulted in a loss of more than ₹100 crore.