Sales in rural markets,

which was earlier

witnessing good

21,813.8

2,015.1

66.7

(14.0)

(31.6)

traction, saw a decline of about 17%

#### MARKET WATCH **26-07-2019** % **CHANGE** 37,883 .....0.14 US Dollar. 35,730

NIFTY 50		
		CHANG
Adani Ports		
Asian Paints		
Axis Bank		
Bajaj Auto		
Bajaj Finserv		
Bajaj Finance		
Bharti Airtel		
BPCL		
Britannia Ind		
Cipla		
Coal India	210.65	1.60
Dr Reddys Lab	2704.95	50.8
Eicher Motors		
GAIL (India)		
Grasim Ind		
HCL Tech		
HDFC		
HDFC Bank		
Hero MotoCorp	2467.30	80.8
Hindalco		
Hind Unilever		
Indiabulls HFL	624.35	12.3
ICICI Bank	415.75.	6.7
IndusInd Bank		
Bharti Infratel		
Infosys		
Indian OilCorp		
ITC		
JSW Steel		
Kotak Bank		
L&T		
M&M		
Maruti Suzuki	5805.65	48.9
NTPC	128.80	-0.9
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS	2109.05	18.8
Tech Mahindra		
Titan	1106.40	15.9
UltraTech Cement		
UPL		
Vedanta		
Wipro		
YES Bank		
Zee Entertainment	403.90	11.9

Indicative direct rat except yen at 4 p.m.		
CURRENCY	TT BUY	TT SELI
US Dollar	68.70.	69.02
Euro	76.55	76.91
British Pound	85.39	85.79
Japanese Yen (100)	63.22	63.52
Chinese Yuan	9.99	10.04
Swiss Franc	69.23	69.59
Singapore Dollar	50.20.	50.44
Canadian Dollar	52.12	52.36
Malaysian Ringitt	16.66	16.76

BULLION RATES CHENNAI	1
July 26 rates in rupees with previou	5

Retail Silver (1g)...

U.S. economic growth

the second quarter as a

surge in consumer spending

blunted some of the drag

from declining exports and

a smaller inventory build,

which could further allay

concerns about the econo-

The fairly upbeat report

from the Commerce Depart-

ment on Friday will proba-

bly not deter the Federal Re-

serve from cutting interest

rates next Wednesday for

the first time in a decade, gi-

ven rising risks to the econo-

my's outlook, especially

from a trade war between

the United States and China.

Despite the better-than-ex-

pected GDP reading, busi-

**Investment contracts** 

REUTERS

my's health.

+ U.S. economy slows less

than expected in Q2

Consumer spend blunts export drag

# PNB back in the black in Q1

The public sector lender clocks ₹1,018.63 crore profit on lower provisions

SPECIAL CORRESPONDENT NEW DELHI

The Punjab National Bank (PNB) on Friday reported a profit of ₹1,018.63 crore for the quarter ended June 30 owing in large part to a reduction in provisions.

The public sector bank had reported a loss of ₹940 crore in the corresponding quarter of last year.

The bank's total income stood at ₹15,161.74 crore in the first quarter of the financial year 2019-20, up from ₹15,072.41 crore earned in Q1 of the previous fiscal. Provisions and contingencies accounted for ₹2,462.8 crore,, drastically lower than the ₹5,134.71 crore in the same quarter of 2018-19.

Despite posting a profit this quarter, the bank's asset quality further deteriorated

**Despite posting Good tidings** a profit in Q1, the bank's asset quality further on a sequential 16.5% in Q1 as gross NPA ratio against 15.5% in Metrics Q1 FY19 Growth % Total income (₹cr.) 15,161.7 15,072.4 0.6 Net profit (₹cr.) 1,018.6 (940.0)EPS (₹) 2.2 Gross NPA(%) 16.4 18.2 Net NPA(%) 7.1 10.6

on a sequential basis.

The gross NPA ratio increased to 16.49% in Q1 compared with 15.5% in the fourth quarter of the previous financial year. The gross NPA ratio was 18.26% in the first quarter of 2018-19.

The net NPA ratio stood at 7.17% in Q1 of 2019-20, up from 6.56% in the preceding quarter. It stood at 10.58% in Q1 of last year.

"Bank has reported one loan account in the power and steel sector under the

'Borrowal Fraud' category to the Reserve Bank of India during the second quarter of the current financial year involving an amount of ₹3,760.62 crore outstanding as on June 30, 2019," the bank said in a statement.

"The account was already under NPA category since financial year 2016 and provision amounting to ₹1,880.44 crore was held in the account as at June 30, 2019," the bank added. "This is a consortium advance of 33 lenders which is near resolution stage under NCLT."

The remaining provision in the fraud account will be done by the bank in terms of the extant RBI guidelines, it

The bank also generated fresh business of ₹80,000 crore in the quarter.

#### Yes Bank picks up 18.55% in Cox & Kings

SPECIAL CORRESPONDENT

Yes Bank has acquired 18.55% stake in travel and tour operator Cox & Kings invoking pledged shares, the lender informed the exchanges.

The bank acquired 32,750,139 shares of nominal value ₹5 each comprising 18.55% of the post-issue, fully paid-up share capital. The bank has also acquired 30% of Ezeego One Travel & Tours by invoking pledged shares.

Cox & Kings had earlier defaulted on commercial paper payment. Mean-Yes Bank stock while, closed 9.64% higher on the BSE to ₹96.10 after reports of the bank planning to raise \$ 1.2 billion to boost

revenue per user (ARPU)

was up 2.8% at ₹108 for the

June quarter. Vodafone Idea

lags behind Reliance Jio

which posted net profit of

₹891 crore on revenue of

Another rival Bharti Airtel

"We are well on track to

will announce its results on

deliver our synergy targets

by Q1FY21. We expect these

factors to increasingly con-

tribute to our financial per-

formance going forward,"

the BSE declined 4.84% to

close at ₹9.25 in a firm Mum-

bai market on Friday, valu-

company

Vodafone Idea shares on

Mr. Sharma added.

₹26,580.24 crore.

₹11.679 crore.

August 1, 2019.

### Maruti profit skids 32% as sales slow down

18,738.8

1,376.8

45.6

Firm to shift to 100% rupee royalty

PRESS TRUST OF INDIA NEW DELHI

Metrics

EPS (₹)

Revenue from

operations (₹cr.)

Net profit (₹cr.)

Challenging quarter

₹5,805.55

The country's largest carmaker Maruti Suzuki India (MSI) on Friday reported a 31.67% decline in consolidated net profit to ₹1,376.8 crore for the first quarter ended June 30, on account of lower sales volume and depreciation

expenses. The company, which posted a net profit of ₹2,015.1 crore in April-June period 2018-19, said in the next three years it will completely shift to paying royalty to parent Suzuki Motor Corp. in rupees instead of

It said revenue from the sale of products during the first quarter of this fiscal stood at ₹18,738.8 crore compared with ₹21,813.8 crore earlier, down 14%.

**Higher depreciation** 

Depreciation and amortisation expenses during the first quarter stood at ₹919 crore compared with ₹720.3 crore in the year-ago period.

The company sold a total of 4,02,594 vehicles during the quarter, lower by 17.9% from the year-ago period. Sales in the domestic market stood at 3,74,481 units, down 19.3%. Exports stood

MSI CFO Ajay Seth said during the first quarter, the company was also affected by the ongoing slowdown in the domestic automobile industry.

"It was the fourth consecutive quarter of decline in volumes (for the industry). During the quarter, passenger vehicles (PV) sales of the industry declined 18%. The company was also impacted by the demand weakness and domestic sales declined by 19.3%," Mr. Seth told analysts.

He, however, said the current situation was a cyclical phenomenon and MSI continued to believe in the longterm potential of the market.

Elaborating, MSI senior executive director (marketing and sales) R. S. Kalsi said the rural market, which was earlier witnessing good traction, was also under a lot of pressure and saw decline of around 17%.

Commenting on royalty payment to parent Suzuki, Mr. Seth said at present royalty on almost 45% of the models are now being paid in rupee and the remaining 55% will also transition fully from yen to rupee in the next three years.

### over overseas bond issue Yields on 10-year benchmark up 2bps

Yields rise on doubts

SPECIAL CORRESPONDENT

Bond yields have started inching up following speculation that the government may shelve its plan to raise funds through an overseas sovereign bond issue.

The yield on 10-year government benchmark bond closed 2 bps higher on Friday to 6.53% after climbing 7 bps on Thursday.

Media reports suggested that the Prime Minister's office had asked the Finance Ministry for wider consultation before taking such a

During her maiden Budget speech, Finance Minister Nirmala Sitharaman said India would look to issue overseas foreign currency

ness investment contracted

for the first time in more

than three years and hous-

straight quarter. Fed Chair-

man Jerome Powell, early

this month, flagged business

investment and housing as

areas of weakness in the

economy. But robust con-

sumer spending, together

with a strong labour market,

further diminish expecta-

tions of a 50 basis point rate

cut and could raise doubts

about further monetary pol-

increased at a 2.1% annual-

ised rate in the second quar-

ter, the government said.

January-March quarter.

gest run in history.

Gross domestic product

The economy grew at an

The economy has ex-

panded for 10 years, the lon-

unrevised 3.1% pace in the

icy easing this year.

sovereign bonds.

Going ahead, the bond yields will take a cue from the Reserve Bank of India's (RBI) next monetary policy review scheduled for the first week of August.

The market is expecting

another 25 bps cut by the RBI in August as inflation continues to be soft and there is a need to boost growth. "We continue to expect the RBI MPC to cut rates by 25bps on August 7, pause with inflation going up temporarily on base effects/drought and cut by 25bps in the March quarter again as inflation abates," Bank of America Merrill Lynch said in a note to its clients, adding July inflation

is expected to be at 3%.

SPECIAL CORRESPONDENT

Reserve Bank of India Gover-

nor Shaktikanta Das has

called for well-calibrated

policies by monetary and fis-

cal authorities in the back-

drop of slowing global

Speaking at the release of

Monetary

'India's Relations with the

Fund', authored by V. Srini-

vas, Mr. Das said, "It is im-

portant in the backdrop of

slowing global growth that

policies of monetary and fis-

cal authorities are well-cali-

brated, so that they support

growth without further

build-up of leverage and as-

batch, Mr. Srinivas served as

Advisor to the Executive Di-

A civil servant of the 1989

set price bubbles."

growth.

International

### Vodafone Idea first quarter loss at ₹4.873.9 crore

Telco posted a loss of ₹4,881.9 crore in Q4 of 2018-19

SPECIAL CORRESPONDENT

Vodafone Idea reported a net loss of ₹4873.9 crore for the first quarter. This follows a loss of ₹4,881.9 crore posted during the fourth quarter of 2018-19.

June quarter results are the third full-quarter results for Vodafone Idea, post completion of the merger of Vodafone India with Idea Cellular on August 31 last year. The loss was reported on

revenues of ₹11,270 crore and EBITDA of ₹3,650 crore with EBITDA margin of

Balesh Sharma, CEO, Vodafone Idea Ltd., said, "We are delivering on our stated strategy although the bene-

by monetary, fiscal authorities

Das for calibrated policies



top line. As we continue to integrate our networks, our customers' data experience is significantly improving in most services areas and we now lead the league tables on data download speeds in Delhi, West Bengal and

The company's average

### JSW Steel plans to raise ₹17,000 crore

To meet capex among other needs

SPECIAL CORRESPONDENT

ISW Steel is planning to crore by way of redeemable non-convertible debentures in the domestic market and non-convertible, senior unsecured fixed rate bonds in the international market.

The company plans to raise ₹10,000 crore in the domestic market largely to replace short-term loans, meet long-term working capital requirements, capital expenditure and for general corporate purposes.

From the international market, ISW Steel plans to raise \$1 billion to meet its capital expenditure and repayment of outstanding loans to the company and general corporate purposes in the case of issuance from overseas subsidiaries.



"The Board has also authorised the Finance Committee of Directors to decide on all matters relating to the aforesaid proposed issuance, including finalisation and approval of the detailed terms and conditions of issue and the type and number of bonds to be issued," the company said in a statement. JSW Steel net profit for the first quarter fell by over 56.9% to ₹1008 crore due to fall in sales due to subdued steel demand.

# SPECIAL CORRESPONDENT

profitability

Mindtree to focus on

acceleration Revenue backed by a strong deal pipeline, pricing improv ment, control on cost and and better governance would be the drivers that would improve profitability of Mindtree in 2020 over FY19, said S.N. Subrahmanyan, MD & CEO, L&T.

During a conference call on Friday, Mr. Subrahmanyan, who is also a director of Mindtree, said: "The new change augurs well for Mindtree. Our focus is on operational excellence."

The new CEO will be appointed on August 1 and he would collaborate with Mindtree leadership to strengthen the growth momentum, he said. L&T was in a position to protect Mindtree from growth challenges, he added.

### 'Indian telecom sector will create 3,00,000 jobs in next 18 months'

Rural market will see a majority of these positions: Aruna

MINI TEJASWI BENGALURU

India's telecom sector will create up to 3,00,000 jobs in the next 18 months and a majority of these positions will come up in rural areas of the country, Telecom Secretary and Telecom Commission chairman Aruna Sundararajan said.

The sector has already created over 1,00,000 jobs since the introduction of the National Digital Communications Policy-2018 (NDCP), she said.

In an exclusive interaction with The Hindu, Ms. Sundararajan said: "As the investment in the sector starts to increase, jobs are expected to be created at a rapid pace. With roll out of services, including Wi-Fi services, in rural areas gaining



momentum, it is estimated that over 50% of these jobs will be created in rural India." The Telecom Ministry had earlier said that the new framework (NDCP) would draw investments worth \$100 billion into the country's telecom industry in five years. "Since then, a total investment of around \$16 billion has already been announced by the private sector companies and government via USOF [Universal Service Obligation Fund], with a rough split of 65% and 35% respectively. This investment is currently in different phases of infusion into the sector," she said. On the achievability of the

government's job target in telecom when most other sectors are talking about jobless growth, she said it [jobless growth] was happening in sectors where the physical infra creation requirement was low.

"This has never been the case with telecom sector. Almost 95% of the investment in the telecom sector goes into infrastructure creation and jobs creation will be a natural outcome of this investment," she asserted.



Shaktikanta Das

rector for India at the IMF during 2003-06.

Emphasising on the need for prudent policies that are critical to growth, Mr. Das said, "Globally, we need to focus on policy space, judiciously use it, and simultaneously undertake structural reforms to improve productivity, innovation and job creation." He said soluficult to come by as the global economy seemed to be moving into a new and unsettling phase in an environment of stressed trade negotiations, rising geopolitical confrontation, and limited policy space and high debt levels in several economies. He said the general go-

vernment debt of advanced economies as a group had surpassed 100% GDP and fiscal space too was constrained in many of the advanced economies.

"The global order today faces several challenges that will test the skills of the international organisations as well as those of national monetary and fiscal authorities," Mr. Das said.

# Mining firm Vedanta's first quarter profit slides 12%

debt at Cairn India Holding

Revenue also lower on account of fall in commodity prices, says company

SPECIAL CORRESPONDENT

Mining giant Vedanta saw its Q1 attributable net profit fall 12% to ₹1,351 crore, the company announced on Friday.

The company had registered an attributable net profit of ₹1,533 crore in the same quarter of the previous

"Revenue in Q1 FY2020 was at ₹21,167 crore, lower 4% y-o-y, primarily due to lower commodity prices partially offset by higher aluminium sales, volume addition from ESL [Electrosteel Steels Ltd.], commencement of Gamsberg mine and currency depreciation," the said in company statement.

The company said that its EBITDA for Q1 of the current financial year stood at ₹5,188 crore, lower by 20% compared to the same quarter of 2018-19, mainly due to lower



offset by easing of input commodity inflation, rupee depreciation and volume addition from the ESL acquisition.

The EBITDA margin during the quarter was at 27% compared to 34% in Q1 of the previous year.

"Gross debt was at ₹59,517 crore on June 30, 2019, lower by ₹6,708 crore as compared to March 31, 2019," the company said. "This was mainly due to repayment of

Limited (CIHL), Vedanta Limited Standalone and temporary borrowings at Zinc India." The company's net debt stood at ₹28,743 crore on June 30, 2019, higher by ₹1,787 crore compared to its level on March 31, 2019, primarily due to working capital unwinding and regrouping of lease liability to borrowing due to INDAS 116 implementation, the company added.

"Our businesses stayed resilient in a quarter with low commodity prices and uncertain market environment and we continued to ramp up across the key verticals, zinc and oil and gas," Srinivasan Venkatakrishnan, CEO of Vedanta said. "Silver is outperforming as we climb up the ranks among

the top global silver producers. The company's aluminium business is steadily moving towards its target cost, Mr. Venkatakrishnan added. The company also an-

nounced that Cairn India Holdings Limited, an overseas subsidiary of Vedanta, and Volcan Investments Limited had agreed to unwind entirely the structured investment entered between them in December 2018 ahead of the original schedule.

"With this, Volcan will exercise the early exchange option available to it on July 26, 2019 and consequent to this the full exchange of its two issues of mandatory exchangeable bonds secured by shares in Anglo American plc, will settle on August 12, 2019," Vedanta said. "The share price of Anglo American has close to doubled, since Volcan invested, delivering attractive gains to all investors.'

#### Sells stake in Anglo **American**

PIYUSH PANDEY MUMBAI

Agarwal-led Vedanta Limited has sold its stake in Anglo American with superior gains, giving rest to speculation that the mining baron will launch a bid to acquire the global miner.

However, the sale, with a net gain of over \$100 million, couldn't enable the firm to improve its profitability as net profit for the first quarter fell 12% to ₹1,351