## MARKET WATCH

| | 15-10-2019 | % CHANGE |
|---|---|---|
| Sensex | 38,506 | 0.76 |
| US Dollar | 71.54 | -0.44 |
| Gold | 39,100 | 0.01 |
| Brent oil | 59.20 | 0.20 |

## NIFTY 50

| | PRICE | CHANGE |
|---|---|---|
| Adani Ports | 413.75 | 6.30 |
| Asian Paints | 1803.10 | 4.40 |
| Axis Bank | 690.05 | 6.55 |
| Bajaj Auto | 3011.95 | 53.90 |
| Bajaj Finserv | 8035.85 | -46.40 |
| Bajaj Finance | 3879.45 | -3.85 |
| Bharti Airtel | 383.65 | -9.90 |
| BPCL | 490.30 | 4.35 |
| Britannia Ind | 3181.10 | 71.45 |
| Cipla | 446.55 | 5.65 |
| Coal India | 191.15 | 1.05 |
| Dr Reddys Lab | 2684.65 | 32.75 |
| Eicher Motors | 19199.10 | 871.15 |
| GAIL (India) | 128.10 | 2.25 |
| Grasim Ind | 703.70 | 5.05 |
| HCL Tech | 1084.50 | -2.30 |
| HDFC | 2013.30 | -1.45 |
| HDFC Bank | 1223.05 | 18.65 |
| Hero MotoCorp | 2675.70 | 66.50 |
| Hindalco | 192.55 | 3.85 |
| Hind Unilever | 2064.40 | 50.15 |
| ICICI Bank | 431.85 | 3.00 |
| IndusInd Bank | 1272.25 | 21.65 |
| Bharti Infratel | 256.95 | -2.50 |
| Infosys | 768.30 | -17.80 |
| Indian OilCorp | 146.45 | 1.70 |
| ITC | 247.60 | 3.50 |
| JSW Steel | 219.65 | -1.80 |
| Kotak Bank | 1615.60 | 30.10 |
| L&T | 1432.25 | 8.30 |
| M&M | 583.40 | 14.75 |
| Maruti Suzuki | 6985.75 | 164.65 |
| Nestle India Ltd. | 14086.80 | -82.20 |
| NTPC | 119.40 | 1.65 |
| ONGC | 138.65 | 3.40 |
| PowerGrid Corp | 201.25 | 2.85 |
| Reliance Ind | 1364.15 | 6.15 |
| State Bank | 258.45 | 3.00 |
| Sun Pharma | 396.80 | 2.15 |
| Tata Motors | 126.95 | -0.90 |
| Tata Steel | 349.20 | 4.35 |
| TCS | 2037.30 | 16.30 |
| Tech Mahindra | 720.50 | -0.25 |
| Titan | 1272.10 | 23.15 |
| UltraTech Cement | 4206.50 | 36.20 |
| UPL | 583.10 | -3.55 |
| Vedanta | 153.50 | 5.70 |
| Wipro | 243.65 | 0.20 |
| YES Bank | 40.60 | 0.50 |
| Zee Entertainment | 250.70 | 7.80 |

## EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 15

| CURRENCY | TT BUY | TT SELL |
|---|---|---|
| US Dollar | 71.34 | 71.66 |
| Euro | 78.51 | 78.86 |
| British Pound | 90.10 | 90.51 |
| Japanese Yen (100) | 65.86 | 66.15 |
| Chinese Yuan | 10.07 | 10.12 |
| Swiss Franc | 71.50 | 71.83 |
| Singapore Dollar | 52.03 | 52.27 |
| Canadian Dollar | 53.92 | 54.17 |
| Malaysian Ringitt | 17.01 | 17.11 |

Source:Indian Bank

## BULLION RATES CHENNAI

October 15 rates in rupees with previous rates in parentheses

| | | |
|---|---|---|
| Retail Silver (1g) | 49.7 | (49.3) |
| 22 ct gold (1 g) | 3678 | (3660) |

# Wipro's net jumps 35.1% in Q2

## Firm sees early signs of recovery in manufacturing and healthcare verticals

SPECIAL CORRESPONDENT
BENGALURU

Wipro has reported a sharp 35.1% jump in its net profit to ₹2,552.6 crore in the second quarter compared to the same period the previous year. On a quarter-on-quarter basis, net profit grew 6.2%.

The tech firm said it hit the mid-point of its guidance and posted a total revenue of ₹15,125.6 crore in the September quarter, a 4% year-on-year increase.

On a quarter-on-quarter basis, the company posted 2.7% growth, against ₹14,716 crore in Q1.

IT and digital transformation services account for more than 90% of Wipro's total businesses.

Abidali Z. Neemuchwala, CEO and MD, said, "We had a good in-quarter execution on both revenues and margins. The overall growth was broad based with 6 out of 7 industry verticals growing on a YoY basis and we signed a large deal in India aligned to our strategy of taking global offerings to India customers." On an organic basis, we believe the growth guidance would be slightly better than our expectations, he said. BFSI, communication and healthcare remained weak during Q2, while consumer and manufacturing business performed well during the quarter. EBIT margin of product business turned to positive during the quarter.

Mr. Neemuchwala further said, "Our revenues grew by 1.1% in constant currency terms, at the mid-point of our guidance range."

"For H1, our growth was 4.8% yoy in constant currency terms."

Jatin Dalal, chief financial officer, said Wipro had delivered operating margins in a tight range after absorbing the impact of two months of wage hike. "Growth remains our priority and we remain invested for growth. We also successfully completed the share buy-back programme in September, which saw strong participation from our investors."

In its outlook for the quarter ending December 31, 2019, Wipro expects revenue from IT services business to be in the range of $2,065 million to $2,106 million. This translates to a sequential growth of 0.8% to 2.8%, said the company.

"We have delivered operating margins of 18.1% in Q2 2020 against 18.4% in Q1 2020 after absorbing incremental impact of wage hike for two months and investing in bench for growth," said Mr. Neemuchwala.

### Robust digital pipeline

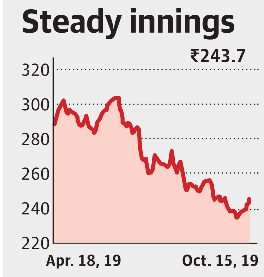
Wipro said, in BFSI it had strong set of offerings and a robust pipeline of digital deals. Growth, however, has decelerated due to softness in spend by banking and capital market clients in some pockets and completion of large digital transformation projects.

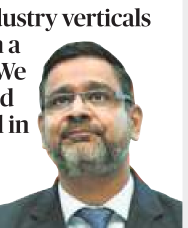
"We see early signs of recovery in both manufacturing and healthcare and have had some good deal wins in digital," the company said.

However, Mr. Neemuchwala added the demand environment remained unchanged for IT spends, though there was an overhang of macro uncertainty in certain sections.

Wipro's said it has been winning digital deals in core markets.

**Steady innings**



Overall growth was broad-based with 6 out of 7 industry verticals growing on a YoY basis. We (also) signed a large deal in India

ABIDALI Z. NEEMUCHWALA
CEO & MD

| METRICS | Q2 FY20 | Q2FY19 | Growth % |
|---|---|---|---|
| Revenue (₹cr.) | 15,126 | 14,541 | 4 |
| Profit (₹cr.) | 2,553 | 1,889 | 35 |
| EPS (in ₹) | 4.3 | 3.2 | - |

# Jio, Bharti spar again on IUC

## Row follows TRAI deciding to review scrapping of charge

YUTHIKA BHARGAVA
NEW DELHI

A fresh war of words has broken out between Reliance Jio and Bharti Airtel over the former charging users for voice calls to other networks following TRAI's decision to review the scrapping of interconnect usage charge from January 2020.

On Tuesday, Mathew Oommen, president, network, global strategy and service development, Reliance Jio, termed TRAI's move as regressive, adding that it will "disincentivise technological progress" and harm consumer interest.

Reliance Jio had earlier said that it had been "compelled" to recover interconnection usage charges (IUC) of 6 paise per minute from customers. However, Bharti Airtel MD and CEO for India and South Asia Gopal Vittal on Tuesday said IUC had nothing to do with tariff.

IUC has nothing to do with tariff. It is a clearing house meant to do with cost of carrying calls. It is a bilateral thing between carriers. Over the last 20 years , IUC has always been absorbed in the cost of doing business," Mr. Vittal said. He, however, added that the tariffs in the sector are "unsustainable" and need to rise.

IUC is levied by an operator for completing incoming calls from other networks. TRAI had earlier said that IUC will be brought down to zero from January 1, 2020, but has now released a consultation paper to see if there is a need to revise the implementation date.

Mr. Oommen said that the delay in implementation of zero IUC will act as an incentive for other telcos to stay away from new and more efficient technologies, adding that any regulatory intervention at this stage that envisages continuance of IUC will benefit the incumbents.

"Starting a fresh consultation process just three months before the date to implement the decision is an incentivisation programme to continue to keep 400 million customers on 2G networks without digital connectivity," he said, stressing the concept of point of interconnect and IUC is related to 2G technology and hence, obsolete.

"Today, people talk about duress in the industry...why do you want to manage three different networks – 2G, 3G and 4G – as an operator. Why not the world of convergence have a single network? Why are we talking about points of interconnect in 2020...it is 2G technology."

Reliance Jio earlier said it was "compelled" to recover IUC charges of 6 paise per minute from customers. • K.K.MUSTAFAH

# Wipro hires 9,000 freshers from campuses across the globe

## IT company stops the practice of hiring just in time

SPECIAL CORRESPONDENT
BENGALURU

Wipro said it has hired 9,000 freshers from campuses across the globe in the last two quarters, 1.5% more than the number it hired in the first half of last fiscal.

Wipro's chief human resources officer Saurab Govil said the company had stopped the practice of hiring just in time and moved on to much more planned hiring and training.

"There is a huge shortage of billable talent for digital transformation engagements. We are clearly on a growth mode. So, we are getting a ready bench of people to build capabilities and manage our future growth."

"We will also promote 5,000 junior level people in the December quarter and there may be additional pay hikes as well," he said.

"We are currently aggressively hiring freshers with the intent of how can we train them and pool them for our current requirements, especially in the growth areas. This is not just here but across the globe in the U.S. and Europe. [As much as] 68% localisation is happening there in our biggest markets. In other markets also it's going up," said Mr. Govil.

As per Mr. Govil, Wipro's focus would be on building cadre for digital capabilities.

Laying out the skills the firm was looking at, COO B.M. Bhanumurthy said the precious element for cadre building was that it is built across the pyramid.

"We continue to build people who are capable of doing design, architecture, programme management, project management, so on. We are building for the entire pyramid for executing programmes of this nature, especially digital programmes. These are the subject matter experts," said Mr. Bhanumurthy.


# 'Use consumer data only after clear nod'

## Telcos are subjected to very strong regulatory oversight, says Bharti's Vittal

SPECIAL CORRESPONDENT
NEW DELHI

Bharti Airtel MD and CEO for India and South Asia Gopal Vittal on Tuesday stressed that all firms, including service provider, operators and device makers, should use consumer data available with them only after users' 'explicit permission.'

Speaking at the India Mobile Congress 2019, Mr. Vittal said, "I think it is incumbent upon all of us, representing the industry, whether it's the operator or the application provider or the device company to be very respectful of the data that we possess and to be explicit about the permissions that you seek from customers in order to use."

He noted that telcos are "blessed" with an incredible amount of data. "We have significant strengths, we've got, you know, the data of the customer in terms of who they call, where are they calling, how long are they speaking, what messages they are receiving, what content are they browsing. So, we have a credible repository of data."

He, however, added in their business model, there is check and balance as it is predicated on subscription of services, rather than actually exploiting the data. "We've been subjected to very strong regulatory oversight. We've been subjected to very strong laws of the land in terms of how we use the data, and we use it only for our own purposes, for our internal marketing and so on and so forth. And I think that, in a way, it a good thing.

### Clear understanding

"So, wherever you're going to use the data, obviously, it must come with very explicit permissions...very clear understanding of how the data is going to be used which over time will become increasingly important as more and more people become sensitive to this.

"I think people have become extremely sensitive in Europe, as you know, in parts of India this will only grow."

In his address, Ajit Mohan, MD, Facebook India, said the Internet evolved in the last 15 or 20 years without a lot of operating rules, including on data and privacy.

### New rules of net

"I think we are quite vocal now that we encourage the articulation of what the new rules of the internet should be.

"I think this conversation is very real in the company. And I think in the last couple of years, we have fundamentally transformed ourselves as a company..."

Headded that privacy influenced how the company, which had recently been embroiled in controversy over misuse of user data, thinks about and rolls out products.

Gopal Vittal

# Flipkart to expand food retail vertical

SPECIAL CORRESPONDENT
NEW DELHI

Walmart-owned e-commerce giant Flipkart on Tuesday said it plans set up a new entity, Flipkart Farmermart, to expand operations in food retail sector as it looks to compete with rival Amazon in the segment.

"In line with the Government of India's FDI policy, which allows 100% foreign direct investment in food retail for food produced and manufactured in India, Flipkart is applying for appropriate licences from the government," Kalyan Krishnamurthy, CEO, Flipkart Group said in a statement.

While the company did not comment on the investments planned for the new venture, according to sources Flipkart has earmarked an initial investment of about ₹2,000 crore for the business. The investments will largely go into supply chain, storage and logistics.

Amazon had received government's nod for its $500 million investment proposal for retailing of food products in India in 2017.

# India's exports decline 6.57% in September

## Trade deficit at 7-month low of $10.86 bn

PRESS TRUST OF INDIA
NEW DELHI

India's exports remained in the negative zone for the second consecutive month in September contracting by 6.57% to $26 billion mainly due to significant dip in shipments of petroleum, engineering, gems and jewellery and leather products.

Imports, too, declined by 13.85% to $36.89 billion in September, narrowing the trade deficit to a seven-month low of $10.86 billion, according to the government data released on Tuesday.

Gold imports plunged 62.49% to $1.36 billion in the month.

The trade deficit stood at $14.95 billion in September 2018. Out of the 30 key sectors, as many as 22 segments showed negative growth in exports during the month under review.

India's outbound shipments have remained subdued so far this year. It may have a bearing on the overall economic growth, which fell to over six-year low of 5% in the first quarter of the current fiscal.

Cumulatively, during April-September 2019, exports fell 2.39% to $159.57 billion while imports contracted by 7% to $243.28 billion. Trade deficit narrowed to $83.7 billion against $98.15 billion in April-September 2018-19.

# SBI sees sharp decline in working capital loans

## Home, auto loans showing growth, but corporate sector utilisation low, says Rajnish Kumar

SPECIAL CORRESPONDENT
MUMBAI

Banks in India are facing sharp decline in demand for loans despite interest rates falling by 135 bps between February and now.

Referring to working capital limits drawn by large and mid-sized Indian companies, Rajnish Kumar, chairman, State Bank of India, the country's largest lender, said only 31% of the sanctioned limits are utilised by those companies.

He said while term loans like home and auto loans were showing growth, it was the corporate sector where demand had substantially slowed down.

"The fact is, on year-on-year basis there is a growth in term loans, 15% growth. So, this means there is a loan to housing sector, vehicles, anything which is payable over a period of time. [But] there is a sharp decline in the sanctioned working capital limits," Mr. Kumar said at an event organised by Bloomberg.

According to latest data released by Reserve Bank of India, credit growth has fallen to single digit during the fortnight ended September 27, for the first time in the current financial year.

"Last year, our growth was negative – ₹13,000 crore. But this year, there is a sharper decline," the SBI chairman said, adding that the utilisation of the credit lines which the bank had already committed was very low, particularly for large and mid corporates. "Their utilisation is currently averaging around 31%. For SME working capital utilization is around 70%," Mr. Kumar explained.

The Reserve Bank of India has reduced the repo rate by 135 bps since February to boost economic activity and loan demand. However, the first quarter of the current financial year saw GDP growth rate slowing down to 5%, the slowest in 25 quarters.

Mr. Kumar said write-offs in the current financial year were 'fairly high', which was also impacting the credit growth figures.

He also said that law enforcement agencies should restrict to attaching personal assets while investigating a promoter and keep off the company which is under insolvency process.

"Any action which ED or any other central authority has to take, they can take with the existing promoters and attach their personal assets leaving their companies away," he said, adding that the agencies should follow this rule especially in case of companies which were undergoing bankruptcy process.


Write-offs in the current financial year were fairly high, impacting credit growth figures. • GP SAMPATH KUMAR

# Ratan Tata looks to invest in more start-ups

## Says he stayed away from the idea while in the Group to avoid conflict of interest

SPECIAL CORRESPONDENT
MUMBAI

Ratan Tata, chairman Emeritus of Tata Sons, said he would continue to invest in innovative start-ups in the coming years.

In an exclusive fireside chat session hosted by Sudhir Sethi, chairman of Chiratae Ventures, on the topic 'India - A Thriving Entrepreneurial Ecosystem', here on Thursday, Mr. Tata said "I would like to see my presence grow in the sector based on the funds that can be deployed. But the excitement of being in the new areas, participating in something that has not been done is the most exciting and absorbing thing. This is something I am looking forward to in the coming years."

He said though he was interested in investing in start-ups while working in the Tata Group, he stayed away to avoid conflict of interest.

But after retirement he looked at investing in start-ups based on his perception rather than numbers while choosing the companies and entrepreneurs he invested in.

He said he took great personal risk while investing in start-ups and added that contrary to common perception, he had no deep pockets and invested his own money in start-ups he found worthy.

Asked which sector he would prefer to invest, Mr. Tata said "On the technology side many breakthrough are happening which is not confirmed to any one sector. There is opportunity in health care, medical treatment, online space and manufacturing."

Speaking about the sector he said, "I am glad that it is growing and becoming so prominent. Now, more and more big companies will recognise that there is another way to do something and that something might be the better way to do cheaper and most cost effective way...... it is a great thing for India."

**Money wise:** Mr. Ratan Tata said he had no deep pockets and invested his money in start-ups he found worthy. • PTI

# LIC beats private firms in premiums

## The insurer reported first-year premium of ₹89,980.2 crore

SPECIAL CORRESPONDENT
MUMBAI

State-run insurer Life Insurance Corporation of India (LIC) has registered a 41.74% growth in first-year premium collection for the April-September period of the current financial year, outperforming the combined growth rate of all private sector life insurance players put together.

According to latest data released by the insurance regulator, LIC reported first-year premium of ₹89,980.2 crore, while private sector insurers' new premium collection grew by 20.88% to ₹35,777.89 crore during the April-September period.

Overall, the insurance industry logged 35.11% growth in premium collection to ₹1.26 lakh crore.

At the end of September, LIC had market share of 71.55% as compared to 68.20% a year ago, while the private sector markets share was 28.45% as compared to 31.80%. HDFC Life, which collected ₹8,007.2 crore first-year premium, had the highest market share with 6.37%, followed by SBI Life with 6.21% market share, and ICICI Prudential Life with 4.1% market share.

A report by Kotak Securities said individual annualised premium equivalent APE declined 3% on year in September as compared to 11-27% on year growth in April-August 2019.

APE refers to 100% of regular premiums and 10% of single premiums collected.

"Overall APE was up 3% y-o-y on the back of stronger group business. ICICI Prudential Life's APE declined for the third month, albeit at a lower pace," the report said.