

MARKET WATCH

	23-10-2019	% CHANGE
Sensex	39,059	0.24
US Dollar	70.91	0.04
Gold	38,932	0.46
Brent oil	60.23	1.19

NIFTY 50

	PRICE	CHANGE
Adani Ports	396.10	-24.65
Asian Paints	1767.40	-12.80
Axis Bank	714.85	2.10
Bajaj Auto	3162.65	40.35
Bajaj Finserv	8070.95	62.10
Bajaj Finance	4038.35	4.20
Bharti Airtel	360.35	-13.75
BPCL	527.10	-7.00
Britannia Ind	3294.70	46.65
Cipla	454.25	0.35
Coal India	208.80	0.00
Dr Reddys Lab	2826.70	15.95
Eicher Motors	20521.20	542.35
GAIL (India)	128.65	-0.85
Grasim Ind	743.15	-12.90
HCL Tech	1095.15	30.70
HDFC	2142.95	28.05
HDFC Bank	1241.60	2.30
Hero MotoCorp	2712.90	38.25
Hindalco	185.10	-0.65
Hind Unilever	2133.25	5.90
ICICI Bank	455.10	3.95
IndusInd Bank	1332.60	-8.40
Bharti Infratel	259.35	0.55
Infosys	650.60	7.05
Indian Oil Corp	144.50	-1.95
ITC	251.05	2.15
JSW Steel	222.70	3.00
Kotak Bank	1613.65	-15.20
L&T	1431.80	-10.75
M&M	591.85	-3.95
Maruti Suzuki	7440.25	184.00
Nestle India Ltd.	14983.00	-37.00
NTPC	121.05	0.15
ONGC	141.90	-2.35
PowerGrid Corp	206.25	1.20
Reliance Ind	1392.40	-21.75
State Bank	275.45	4.95
Sun Pharma	405.20	-0.25
Tata Motors	132.65	0.90
Tata Steel	356.20	1.70
TCS	2070.10	18.70
Tech Mahindra	726.60	8.95
Titan	1348.65	19.20
UltraTech Cement	4251.30	2.00
UPL	597.00	0.00
Vedanta	146.25	-2.90
Wipro	254.35	0.80
YES Bank	51.20	-0.60
Zee Entertainment	242.10	-8.35

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 23

CURRENCY	TT BUY	TT SELL
US Dollar	70.71	71.03
Euro	78.62	78.99
British Pound	91.01	91.42
Japanese Yen (100)	65.19	65.49
Chinese Yuan	9.99	10.04
Swiss Franc	71.45	71.78
Singapore Dollar	51.87	52.11
Canadian Dollar	54.00	54.25
Malaysian Ringgit	16.88	16.97

BULLION RATES CHENNAI

October 23 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49.1	(49.3)
22 ct gold (1 g)	3667	(3652)

Indian Bank profit surges on other income

Public sector lender keeps non-performing assets under check

SPECIAL CORRESPONDENT CHENNAI

Public sector lender Indian Bank has posted a 139% increase in its standalone net profit for the second quarter ended September 2019 to ₹358.56 crore mainly on account of an increase in other income, said a top official.

“Our robust performance is attributed to focus on business growth and earnings, strict adherence to prudential lending norms coupled with our financial strength, including sustained efforts to keep NPAs under control,” said Padmaja Chunduru, MD and CEO, Indian Bank.

“We excelled in all the parameters apart from net interest margin (NIM) and current account savings account (CASA) deposits. Our focus on all these parameters is paying off. We are on the right trajectory,” she said.

During the quarter, total income grew 18% to ₹6,045

L&T profit rises 13% to ₹2,527 cr.

Engineering major’s order book crosses ₹3 lakh-crore milestone

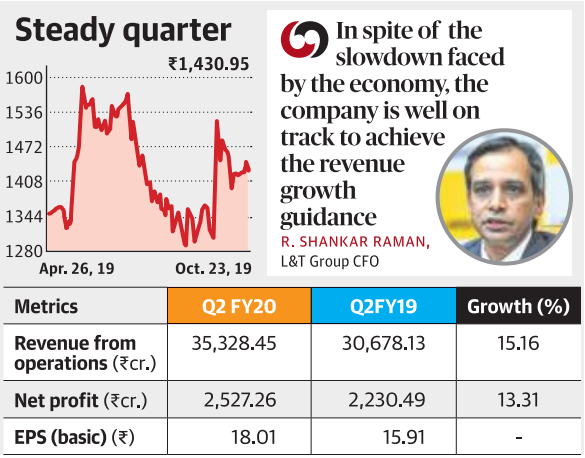
SPECIAL CORRESPONDENT MUMBAI

Engineering and construction major Larsen and Toubro (L&T) reported a 13.3% growth in its second quarter consolidated net profit to ₹2,527.26 crore, including profit from discontinued operations. Excluding discontinued operations, the profit growth would be 10.3% to ₹2,309 crore.

The rise in profit came on a 15% increase in revenue to ₹35,328.45 crore of which 34% came from international operations.

The company won new orders worth ₹48,292 crore at the group level during the quarter, registering a 20% growth. International orders stood at ₹16,675 crore and constituted 35% of the total order inflows.

“With the surge in order



intake, the company crossed the ₹3 lakh-crore order book milestone with the consolidated order book at ₹3,03,222 crore as at September 30, 2019 and with international orders constituting 22% of the total order book,” the company said in a

statement. “In spite of the slowdown faced by the economy, the company is well on track to achieve the revenue growth guidance,” said L&T Group CFO R. Shankar Raman. The company has given revenue growth guidance of 12-15%

‘Revival of stalled projects will kick-start growth’

Such a move by the government will create more than one lakh jobs, says L&T

SPECIAL CORRESPONDENT MUMBAI

Engineering and construction major Larsen and Toubro (L&T) said that if the government is able to revive stalled projects, it will kick-start growth and create over one lakh jobs.

There have been various delays in the government in awarding big contracts, that can kick-start the economy and revive growth.

Asked about the reported delays in the government awarding major contracts, L&T’s MD & CEO S.N. Subrahmanyan told *The Hindu*, “It’s not moving as fast as it should. There are various reasons. The government has got a lot of feedback on many of the projects that are not being taken up due to is-



Economy can be revived and jobs created only if stalled works are taken up, says R. Shankar Raman. ■ B. JOTHI RAMALINGAM

sues such as right of way and public interest litigation The government is trying to re-arrange them to see that all issues are sorted out before they are offered for bidding. [The] system works like that, so it’s not correct to blame the government for every-

thing.” EPC orders in roads have dried up compared with the last year.

“Last year also, the orders came in the second quarter. NHAI also has budgetary allocations. NHAI will have to find ways to get the money,” said Mr. Subrahmanyan.

for FY20. L&T’s infrastructure segment secured orders worth ₹15,669 crore, during the quarter, lower by 33% compared to the previous year on account of bid deferrals and delays in finalisation of orders where the company believes it is well placed.

L&T reported a deferred tax gain of ₹201 crore in Q2FY20.

Corporate tax rate cut

On the recent tax cuts for corporates by the Centre, S. N. Subrahmanyan, MD & CEO, L&T, said, “About 9% of the money stays with the corporates, so the corporates can choose to pay to their shareholders or use [the money] as capex for augmentation of resources.”

“In the long term, its a great and bold step by the government,” he added.

L&T is looking at getting ₹15,000 crore of the ₹1 lakh crore worth of road projects to be awarded by the government this year.

L&T Group CFO R. Shankar Raman said the economy can be revived and jobs created only if government revives stalled projects.

‘Lots of halted projects’

“There are lots of projects which have been halted midway. They just need to be put back on track. My guess is at least 1 lakh people will get employment if you are able to release these projects, which are held back for some reason or other. Second, the government has to prioritise the allocation of funds to projects, contractors and vendors to get the

SEBI starts probing Infosys, seeks share trading data

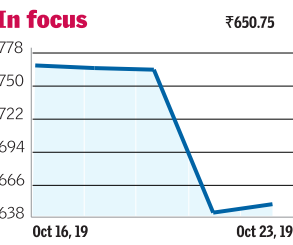
Independent directors may also come under scanner

PRESS TRUST OF INDIA NEW DELHI

Markets regulator SEBI has begun a probe into alleged non-disclosure of price-sensitive information by the Infosys management and also corporate governance lapses in the wake of serious allegations levelled by a whistleblower, while also examining possible insider trading in the company’s securities.

Sources said SEBI had already asked the bourses to collate trading data of Infosys’ shares as well as about derivative positions, while details are being sought about alleged non-disclosure of key information.

The regulator may also summon the company’s top management and others,



ceipt of the whistleblower complaint.

BSE’s query

Meanwhile, BSE on Wednesday asked Infosys to explain why it did not make a disclosure about a whistleblower complaint which alleged that the company’s top executives were following “un-ethical practices” to shore up profits through irregular accounting ways.

On Tuesday, Infosys chairman Nandan Nilekani said the whistleblower complaint dated September 20 had been placed before the audit committee on October 10.

After the 16% plunge on Tuesday, the scrip gained over 1% on Wednesday on the BSE and the NSE.

Cabinet eases norms for firms to set up fuel outlets

‘Move to encourage private investments’

SPECIAL CORRESPONDENT NEW DELHI

The Cabinet has approved a new policy wherein retail outlets for fuel can be set up by non-oil companies. The requirements to set up these outlets have also been relaxed, according to an official announcement on Wednesday.

The rules and guidelines governing the granting of authorisation to market transportation fuels was reviewed by an expert committee, which submitted its report to the government earlier this year.

“The existing policy for granting authorisation to market transportation fuels had not undergone any

changes for the last 17 years since 2002,” the government said in a release. “It has now been revised to bring it in line with the changing market dynamics and with a view to encouraging investment from private players, including foreign players, in this sector.”

According to the new rules, non-oil companies can also invest in the retail sector, regardless of whether they have prior investments in the oil and gas sector.

Further, the entities seeking authorisation will need a minimum net worth of ₹250 crore vis-à-vis the current requirement of ₹2,000 crore of prior investments in the sector.

RCap delays repayment of NCDs

SPECIAL CORRESPONDENT MUMBAI

Reliance Capital has yet again delayed servicing of interest and principal on non-convertible debentures which fell due on October 22, the company informed the exchanges.

Reliance Capital said after CARE Rating downgraded the debt to default grade, the rating action “initiated acceleration of various facilities by certain lenders and consequential demands for immediate payment of amounts that were otherwise due and payable in a phased manner over the next 8 years till March 2028, as per the original terms of lending.”

“It is expected that the debt servicing of the company in relation to the accelerated amounts and otherwise will be delayed,” Reliance Capital said.

Bajaj Auto Q2 net rises 22%

Profit includes writeback post corporate tax reduction

SPECIAL CORRESPONDENT MUMBAI

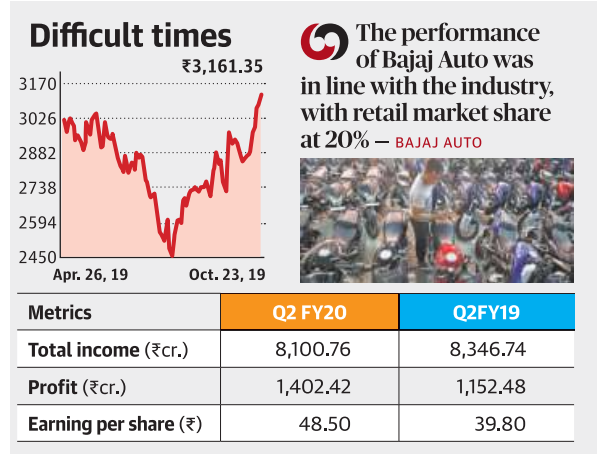
Bajaj Auto Ltd. reported a standalone net profit of ₹1,402 crore for the second quarter ended September 30, 2019, compared to ₹1,152 crore for the same period last year, a 22% increase.

The net profit includes a ₹182-crore tax writeback as a result of the recent reduction in corporate tax. Consolidated net profit was at ₹1,523 crore.

However, the company reported lower turnover of ₹8,101 crore as compared to ₹8,347 crore in the same period last year, down 3%.

During the quarter, the company sold 11,73,591 units as compared to 13,39,444 units, down 12%. Motorcycle sales and commercial vehicle (CV) sales were down 25% and 4% respectively. However, exports rose 2%.

“Q2 was a difficult quarter for the domestic motorcycle



industry. In retail terms, the decline was 14% [in billing terms, the decline was 21%] as against Q2 FY19,” the company said.

“The performance of Bajaj Auto was in line with the industry with retail market share at 20%,” it added. During the quarter, the company sold 1,07,000 units of commercial vehicles with a mar-

ket share at 59.4%. International business contributed to 41% of the net sales. The company recorded sales of over 5.44,000 units for the second quarter of this fiscal, ie FY20.

Motorcycle sales grew by 7% over same period last year, to nearly 4,63,000 units. Africa sales recorded a growth of 16% over Q2 FY19.

DHFL to draft response to KPMG report

SPECIAL CORRESPONDENT MUMBAI

The board of cash strapped mortgage lender Dewan Housing Finance Corporation has asked the company to prepare a response to the findings of a draft forensic audit report prepared by KPMG and share it with the banks.

Union Bank of India, the lead banker of the consortium, had appointed KPMG to prepare the report.

“The board has directed the company to review the aforesaid key observations [of KPMG report] and also present a detailed response to the said key observations before the audit committee. The board also directed the company to share the responses with the lenders,” DHFL said in a stock exchange filing.

JSW Steel net rises on deferred tax reversals

Net up 21% despite 18% fall in revenue

SPECIAL CORRESPONDENT MUMBAI

JSW Steel has reported a 21% increase in its second quarter consolidated net profit to ₹2,536 crore due to deferred tax reversals during the quarter.

The rise in profit came despite an 18% fall in revenue to ₹17,572 crore due to a 9% fall in steel sales to 3.56 million tonnes.

Deferred tax writeback

“Two subsidiaries of the company — JSW Colour Coated and JSW Industrial Gases — have moved to the new tax regime of 25% and enabled a deferred tax writeback of ₹1,976 crore during the quarter,” MVS Seshagiri Rao, Joint MD and Group CFO, JSW Steel, said.

The company has decid-

ed to continue with its existing minimum alternate tax (MAT) regime and reverse its deferred tax provisions over the coming quarters instead of switching to the new corporate income tax structure that the government introduced from this fiscal. Operating EBITDA during the quarter fell 44% to ₹2,731 crore while margin was down 720 bps at 15.5%.

Given the sharp fall in demand and weak sentiments, the company has cut its planned capital expenditure by ₹4,700 crore for this fiscal to ₹11,000 crore from ₹15,700 crore.

“In light of the prevailing market conditions, the company has recalibrated the capital expenditure plan of FY2020,” the company said in a statement.

HCL-T ups revenue growth forecast

Net profit rises 6.9% to ₹2,711 crore in September quarter

SPECIAL CORRESPONDENT NEW DELHI

HCL Technologies on Wednesday posted a 6.9% rise in its consolidated net profit to ₹2,711 crore for the quarter ended September 2019, while raising its revenue growth forecast to 15-17% for the ongoing fiscal on the back of a strong deal pipeline.

Net profit stood at ₹2,534 crore in the year-ago period, as per the Indian Accounting Standards (IndAS).

Revenue from operations grew 18% to ₹17,527 crore during the July-September 2019 period, from ₹14,860 crore in the year-ago period. In dollar terms, the net profit grew 5.5% to \$376.2 million for the quarter under review, while the revenue rose 18.4% to \$2.48 billion, as per the U.S. Generally Accepted Accounting Principles



HCL signed 15 transformational deals led by IT and Business Services, CEO Vijayakumar said. ■ RAMESH SHARMA

(GAAP). On constant currency basis, the revenue grew 20.5% year-on-year and 6% sequentially.

For the full fiscal, HCL Technologies has raised its revenue growth outlook to 15-17% for 2019-20 from its previous forecast of 14-16% in constant currency terms.

“Our growth, both organic and as well as total

growth, both are at top-end from an industry perspective,” president and CEO C. Vijayakumar said. He added that the demand continues to be strong in Europe and North America. “HCL signed 15 transformational deals in Q2 led by IT and Business Services across verticals. Deal pipeline continues to be strong,” he added.

Hero MotoCorp net profit declines 10%

Company reports 21% fall in unit sales

SPECIAL CORRESPONDENT NEW DELHI

Hero MotoCorp, the country’s largest two-wheeler maker, on Wednesday posted 10% decline in its consolidated net profit to ₹883.78 crore in the second quarter ended September, as against a net profit of ₹981.99 crore in the year ago quarter.

Revenue from operations during the July-September quarter stood at ₹7,660.60 crore, a decline of 16.44% from ₹9,168.24 crore in the year-ago period. During the quarter under review, the company sold 16,91,420 vehicles. This is nearly 21% less than the 21,34,051 vehicles sold in same period last year. However, sales in the ongoing festive season had been steady so far.



Pawan Munjal

“Growth of the industry is driven by first-time customers. We have therefore, aggressively pursued this segment of customers through various innovative financing options, both in terms of affordability and convenience. This has helped us to expand our customer base,” Sanjay Bhan, head — Sales, After-sales and Parts, Hero MotoCorp.