MARKET WATCH

	24-10-2019	% CHANGE
Sensex	39,020	-0.10
US Dollar	71.02	-0.16
Gold	38,945	0.19
Brent oil	61.41	1.96

NIFTY 50

	PRICE	CHANGE
Adani Ports	399.15	3.05
Asian Paints	1790.50	23.10
Axis Bank	707.70	-7.15
Bajaj Auto	3167.85	5.20
Bajaj Finserv	8091.00	20.05
Bajaj Finance	4026.15	-12.20
Bharti Airtel	372.35	12.00
BPCL	513.05	-14.05
Britannia Ind	3283.80	-10.90
Cipla	446.85	-7.40
Coal India	205.20	-3.60
Dr Reddys Lab	2825.30	-1.40
Eicher Motors	21032.35	511.15
GAIL (India)	123.85	-4.80
Grasim Ind	705.60	-37.55
HCL Tech	1119.05	23.90
HDFC	2144.95	2.00
HDFC Bank	1236.10	-5.50
Hero MotoCorp	2696.00	-16.90
Hindalco	181.35	-3.75
Hind Unilever	2133.35	0.10
ICICI Bank	454.75	-0.35
IndusInd Bank	1283.00	-49.60
Bharti Infratel	237.55	-21.80
Infosys	635.35	-15.25
Indian OilCorp	141.30	-3.20
ITC	249.05	-2.00
JSW Steel	222.85	0.15
Kotak Bank	1613.20	-0.45
L&T	1432.25	0.45
M&M	581.05	-10.80
Maruti Suzuki	7391.40	-48.85
Nestle India Ltd.	14666.00	-317.00
NTPC	120.20	-0.85
ONGC	140.70	-1.20
PowerGrid Corp	204.10	-2.15
Reliance Ind	1436.45	44.05
State Bank	262.50	-12.95
Sun Pharma	405.95	0.75
Tata Motors	133.50	0.85
Tata Steel	359.90	3.70
TCS	2082.00	11.90
Tech Mahindra	726.35	-0.25
Titan	1374.55	25.90
UltraTech Cement	4311.55	60.25
UPL	597.70	0.70
Vedanta	145.70	-0.55
Wipro	249.60	-4.75
YES Bank	48.30	-2.90
Zee Entertainment	237.70	-4.40

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 24

CURRENCY	TT BUY	TT SELL
US Dollar	70.81	71.13
Euro	78.74	79.10
British Pound	91.33	91.74
Japanese Yen (100)	65.18	65.48
Chinese Yuan	10.01	10.06
Swiss Franc	71.48	71.81
Singapore Dollar	51.96	52.19
Canadian Dollar	54.13	54.38
Malaysian Ringitt	16.91	17.00

Source:Indian Bank

BULLION RATES CHENNAI

October 24 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49	(49.1)
22 ct gold (1 g)	3663	(3667)

IN BRIEF

Audi launches latest model A6 at ₹54 lakh

MUMBAI

Audi has introduced the latest model of Audi A6 in India at ₹54,20,000 ex-showroom India. Balbir Singh Dhillon, Head, Audi India, said, "With the launch of the new Audi A6, we are presenting the eighth generation of the successful full size sedan that was first introduced in 1965 as Audi 100. The new Audi A6 heralds the very best of luxury and technology, while also marking the entry of our first BS-VI compliant model in the country."

India climbs 14 notches in ease of doing business ranking

Moves to 63rd slot from 77 last year, among 190 nations, in World Bank survey

SRIRAM LAKSHMAN
WASHINGTON DC

In the latest ranking for countries in ease of doing business, the World Bank has placed India 63rd out of 190 countries – an improvement of 14 places from its 77th position last year. The country's score improved from 67.3 last year to 71.0 this year, as per The Doing Business 2020 study, released on Thursday.

The indicator measures the performance of countries across 10 different dimensions in the 12-month period ending May 1, 2019.

The 10 areas of study are: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

An 11th area - employing workers - is measured, but not factored into the score. A total of 294 reforms had been enacted by 115 countries, the bank said. The indicator, however, is not necessarily representative of each country. For 11 countries, two cities were selected to construct the indicator - Delhi and Mumbai in the case of India. India also featured, for the third consecutive year, in the list of 10 economies where business climates had improved the most.

This list comprises Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India and Nigeria. The report called India's reform efforts "particularly commendable" given the country's size. The country's improved ranking was on the back of four reforms: starting a business, dealing with construction permits, trading across borders and resolving insolvency.

As a case in point, the report said there were improvements in the efficiency of acquiring building permits. Building a warehouse, for example, cost 4% of the warehouse value compared to 5.7% in the preceding year. Imports and exports became easier with a single electronic platform for trade stakeholders, among other things. The 'resolving insolvency' indicator, however, was mixed: the report noted that reorganisation proceedings had been promoted in practice, a positive for the indicator, but resolving insolvency had also been made harder because dissenting creditors would receive less under reorganisation than under liquidation.

Additionally, the report noted that the 'Make in India' programme and the government's attention to the Ease of Doing Business indicator were a means to demonstrate 'tangible progress'. The report also noted the government's goal of making it to the top 50 list by 2020.

"Governments can foster market-oriented development and broad-based growth by creating rules that help businesses launch, hire, and expand," World Bank Group President David Malpass said in a statement released on Wednesday.

Progress card * Ranking

As of May	2019	2018	As of May	2019	2018
New Zealand	1	1	Norway	9	7
Singapore	2	2	Sweden	10	12
Hong Kong	3	4	India	63	77
Denmark	4	3	China	31	46
S. Korea	5	5	Russia	28	31
U.S.	6	8	Brazil	124	109
Georgia	7	6	Vietnam	70	69
U.K.	8	9	Philippines	95	124

Maruti Suzuki's quarterly profit plunges 39%, steepest in 8 years

Fall in demand, higher sales promotion expenses attributed

SPECIAL CORRESPONDENT
NEW DELHI

Amid a severe demand slowdown, Maruti Suzuki India's consolidated net profit declined nearly 39% to ₹1,391 crore in the quarter ended September 2019, the steepest quarterly fall in 8 years.

The country's largest carmaker sold about 3.38 lakh vehicles in the quarter, 30% less than in the same quarter last year. Of this, the domestic market accounted for sales of about 3.12 lakh vehicles, a decline of 31.4% year-on-year.

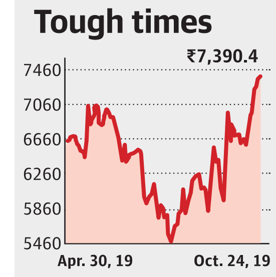
Net sales during the quarter declined 25% to ₹16,123 crore from ₹21,553 crore in the July-September 2018 period. Prior to this, the highest decline the firm had seen in its net profit was 56% in July-September of 2011.

"The results need to be viewed in the context of an exceptionally weak demand environment. This year, the automobile industry has seen a significant decline in sales... one of the main factors is increase in the cost of acquisition of the car with new safety regulation and emissions norms being implemented at the same time, increase in vehicle insurance cost and hike in road taxes in many States," Maruti Suzuki India Chairman R.C. Bhargava said.

He added that along with these, the lower availability of finance and increased down payment requirement have affected the affordability for customers to own cars. Net profit has also been impacted by higher sales promotion and depreciation expenses. He noted that sales in the festive season have picked up and compared to the previous festive season the growth this year may either be flat or marginally positive. However, he added this did not mean that "we are out of the woods and there is a revival."

To a query on its EV launch, Mr. Bhargava said it would not happen next year as announced, mainly due to lack of infrastructure and government support for four-wheeler EVs.

Tough times



This year, the automobile industry has seen a significant decline in sales

R C BHARGAVA, chairma, Maruti Suzuki India

Metrics	Q2 FY20	Q2 FY19
Revenue from operations (₹cr.)	16,997.90	22,443.90
Profit (₹cr.)	1,391.10	2,280.20
Earning per share (basic, ₹)	46.05	75.48

U.S. agency begins probe into plaints against Infosys

Firm says it will cooperate with SEC

SPECIAL CORRESPONDENT
BENGALURU

The U.S. Securities and Exchange Commission, an independent agency of the U.S. federal government, has begun its probe into the whistleblower complaints against the top brass of tech major Infosys.

It may be recalled that a whistleblower letter on October 21 raised multiple concerns about ethical standards of the Infosys top management.

In a BSE filing on Thursday, Infosys said, "The company has been in touch with the Securities and Exchange Commission (SEC) regarding the anonymous whistleblower complaints and has learnt that the SEC has initiated an investigation into this matter." The company further said it would cooperate with the SEC's investigation. Meanwhile, SEBI has sought additional information from Infosys on the complaints. "The company will provide the information as per SEBI's request. The company is also aware of a securities class action lawsuit that has been filed against the company in federal court in the United States based on the generalised allegations in the anonymous complaints. The company intends to defend itself vigorously in such a lawsuit," it said in the filing.

To a query from BSE on non-disclosure of the complaints, Infosys said, "Consistent with company's practice and whistleblower policy, complaints are presented to the audit committee of the board and thoroughly reviewed and appropriately dealt with. While dealing with these complaints, the company evaluates the requirements of various regulations including disclosures under Regulation 30 of SEBI (LODR) Regulations, 2015, as amended LODR Regulations."

'Final straw for already distressed telecom sector'

SC order will affect fund-raising capacity of telcos: industry

SPECIAL CORRESPONDENT
NEW DELHI / MUMBAI

Terming the Supreme Court judgement over calculation of adjusted gross revenues as the last straw in contributing to the financial distress of the telecom sector, the industry and analysts on Thursday said the move will negatively affect the fund raising capacity of telcos, impacting broadband and network expansion in the country, along with the government's flagship Digital India initiative.

With the SC ruling in favour of the government, telecom companies will need to pay up about ₹92,000 crore in dues to the government.

The order will dampen the sentiment of telecom operators and, raising funds for broadband, network expansion and Digital India will hit a significant roadblock, Prashant Singhal,

Emerging Markets, Technology, Media and Telecom leader at EY said. He added that the impact will not be limited to operators but will have a domino effect on the larger digital value chain.

Rajan S. Mathews, Director General at industry body COAI, said it remains to be seen whether the industry will be able to recover from this setback. He added that the taxes and levies in the Indian telecom sector, ranging from 29% to 32%, are one of the highest globally.

"The sector is already reeling under a daunting debt of about ₹4 lakh crore. The telecom EBITDA continues to contract, while the interest expense of the Industry continues to increase," he said.

Vodafone Idea, whose shares tanked 23.26%, said the judgment had 'significant damaging implications' for the industry. The firm said it would study the ruling to determine next steps. "If there are technical or procedural grounds for doing so, this could include a Review Application," it added.

An Airtel spokesperson said, "Of the 15 old operators impacted by the order, only two private operators remain today. The Centre must review the impact of this decision and find ways to mitigate the financial burden on an already stressed sector."

SEBI probes Bharat Financial, IndusInd Bank

Disclosure 'lapses' come under lens

ASHISH RUKHAIYAR
MUMBAI

The Securities and Exchange Board of India (SEBI) is probing Bharat Financial Inclusion (BFI) and IndusInd Bank for alleged disclosure lapses and insider trading violations.

According to persons aware of the development, the probe was initiated after the chairman of Bharat Financial made statements regarding the merger of the micro finance institution (MFI) with IndusInd Bank even before the approval of the National Company Law Tribunal (NCLT) was formally received.

On April 24, BFI chairman P.H. Ravikumar, during a media interaction, confirmed the merger of BFI with IndusInd Bank even though NCLT had reserved its order after hearing the matter on April 23.

While the micro finance institution clarified to the NCLT and made various submissions after which the merger got the go-ahead from the tribunal, the SEBI probe is looking into alleged lapses in terms of the disclosures that were required to be made by both the listed entities to stock exchanges in the light of the statements made by Mr. Ravikumar.

"SEBI is looking at whether the companies made any effort to clarify to the exchanges and investors as there was no clarification given to the stock exchanges. Also, was the top management of the companies apprised of the matter and if 'yes', then why no steps were taken to provide a clarification immediately," said a person familiar with the probe. The scope of SEBI's probe extended to IndusInd Bank as well, as the MFI was merging into the listed private sector banking entity.

E-mail queries sent to SEBI, IndusInd Bank and BFI remained unanswered till the time of going to press.

ITC post-tax profit rises 36% in Q2

Paperboard, hotels boost revenue

SPECIAL CORRESPONDENT
KOLKATA

ITC closed the second quarter with a 36% rise in its standalone post-tax profit to ₹4,023.1 crore. Operational revenue rose to ₹11,871.5 crore from the ₹11,502.8 crore a year ago.

Its FMCG-Others segment revenue rose by about 6.5% on a comparable basis amidst slowdown in the FMCG industry in urban and rural markets.

An ITC statement said that the operating environment challenges also included a crunch in market liquidity and disruptions due to floods in several parts of the country. The revenue rise was driven mainly by paperboard, hotels and FMCG-Others.

The cigarette business continued to be under pressure. The company also mentioned that it has exercised the option permitted under relevant tax laws to get benefits under the government's 'Make in India' initiative.

Accordingly, the deferred tax liabilities (net) as at March 2019, arising mainly on account of ITC's continued focus on MII investments across sectors and the estimate of tax expense for the year ending March 31, 2020, have been re-measured.

Tax expense for current quarter and six months ended September 30 includes a ₹340-crore credit

Consequently, tax expense for the current quarter and six months ended September 30, 2019 include a ₹340-crore credit.

ITC's official spokesman said the conglomerate's progressive investment in India topped ₹14,000 crore, mainly in the food processing and the hotels sectors.

The hotels business delivered 'good' results in its top and bottom line in the recently commissioned hotels. Performance was muted in other properties, amid sluggish demand environment.

Abneesh Roy, research analyst and executive VP, institutional equity research, Edelweiss Securities, said sales were in line with estimates while post-tax profit was ahead of estimates on account of tax reversal.

Wipro to rejig Aramusk portfolio

SPECIAL CORRESPONDENT
KOLKATA

Wipro Consumer Care & Lighting (WCC&L) is planning to rejig its Aramusk portfolio to extend it to more formats, Anil Chugh, chief executive, Consumer Care Business - India said.

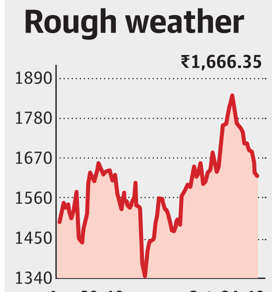
WCC&L is an arm of Wipro Enterprises (P) Ltd., and is in the business of personal care and lighting products. Its personal care product portfolio includes soaps, handwashes, deos, bodylotion, talcum and homecare products.

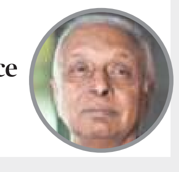
The brands include Santoor, Chandrika, Aramusk and Safi, besides the iconic Yardley brand. Sales revenue stood at $1.03 billion in 2018-19, with international business accounting for 54% of the revenue.

Mr. Chugh said that he was hopeful of a revival in volume growth by the fourth quarter of fiscal 2020. He based his optimism on a bountiful rabi crop harvest after a good monsoon. "However, this is also linked with certain government interventions like a MSP hike for rice and paddy," he said, adding that the rural market accounted for half of WCC&L's business.

On rejig of Aramusk portfolio, he said it would be made a male-grooming brand from the soap and deo portfolio now.

Rough weather





The losses were accentuated by forex losses on operating lease liabilities and re-assessment of accrual estimates for future maintenance cost

RONOJOY DUTTA
CEO, IndiGo

Metrics	Q2 FY20	Q2 FY19
Revenue from operations (₹cr.)	8,105.19	6,185.31
Loss (₹cr.)	1,061.99	651.54

IndiGo loss widens to ₹1,062 cr. on higher costs

Airline's revenue rises 31% to ₹8,105 cr.

SPECIAL CORRESPONDENT
NEW DELHI

IndiGo reported its highest-ever loss of ₹1,062 crore due to mounting costs from lease liabilities, maintenance of its older aircraft and lower aircraft utilisation because of a delay by the government in re-allocating Jet Airways' domestic and airport slots and foreign traffic rights.

Tipping point

The 'softening' of the market in the quarter beginning October despite Dussehra and Diwali is a "tipping point" and is likely to lead to a flat growth year-on-year for the airline, its CEO Ronojoy Dutta said during an analyst's conference call.

The loss in the quarter-ended September is the highest for the airline and is worse than its quarterly loss recorded same time last year which was due to an increase in fuel cost and rupee depreciation.

"While our revenue performance was much better during the quarter, the losses were accentuated by forex losses on operating lease liabilities created under IND AS 116 and re-assessment of accrual estimates for future maintenance cost," he said.

The low-cost carrier's revenue from operations of ₹8,105 crore was 31% more than the third quarter of last year while total expenses of ₹9,571 crore was an increase of 27.6%.

There is also a downward revision in IndiGo's forecast for an increase in capacity, i.e new aircraft joining the fleet, from 30% to 25% for this fiscal.