

MARKET WATCH

|           | 31-10-2019 | % CHANGE |
|-----------|------------|----------|
| Sensex    | 40,129     | 0.19     |
| US Dollar | 70.92      | -0.03    |
| Gold      | 39,017     | 0.30     |
| Brent oil | 60.15      | -1.67    |

NIFTY 50

|                   | PRICE    | CHANGE |
|-------------------|----------|--------|
| Adani Ports       | 395.80   | -2.30  |
| Asian Paints      | 1809.60  | -11.70 |
| Axis Bank         | 736.35   | -11.05 |
| Bajaj Auto        | 3247.35  | 24.45  |
| Bajaj Finserv     | 8134.35  | 51.95  |
| Bajaj Finance     | 4027.55  | 35.55  |
| Bharti Airtel     | 374.25   | 6.30   |
| BPL               | 526.60   | 1.50   |
| Britannia Ind     | 3266.60  | -23.50 |
| Cipla             | 466.85   | 1.85   |
| Coal India        | 207.55   | 1.30   |
| Dr Reddys Lab     | 2783.20  | 23.30  |
| Eicher Motors     | 22538.10 | 26.60  |
| GAIL (India)      | 137.35   | 3.75   |
| Grasim Ind        | 768.75   | 33.80  |
| HCL Tech          | 1162.75  | 16.00  |
| HDFC              | 2131.90  | 24.45  |
| HDFC Bank         | 1230.35  | -18.00 |
| Hero MotoCorp     | 2704.20  | 19.70  |
| Hindalco          | 187.90   | 0.70   |
| Hind Unilever     | 2175.35  | 5.95   |
| ICICI Bank        | 463.05   | -8.10  |
| Indusind Bank     | 1313.20  | 16.00  |
| Bharti Infratel   | 189.70   | 6.50   |
| Infosys           | 685.60   | 25.00  |
| Indian Oil Corp   | 146.80   | -0.35  |
| ITC               | 257.65   | -1.75  |
| JSW Steel         | 228.00   | -6.40  |
| Kotak Bank        | 1574.50  | -4.40  |
| L&T               | 1473.05  | -1.20  |
| M&M               | 606.45   | -10.10 |
| Maruti Suzuki     | 7559.40  | 2.45   |
| Nestle India Ltd. | 14947.00 | -20.80 |
| NTPC              | 122.40   | 1.45   |
| ONGC              | 141.70   | 1.15   |
| PowerGrid Corp    | 198.35   | -1.60  |
| Reliance Ind      | 1464.35  | -14.75 |
| State Bank        | 312.40   | 22.50  |
| Sun Pharma        | 433.40   | 3.75   |
| Tata Motors       | 177.70   | 5.80   |
| Tata Steel        | 380.55   | -7.45  |
| TCS               | 2269.65  | 16.85  |
| Tech Mahindra     | 739.00   | -15.40 |
| Titan             | 1331.20  | 15.05  |
| UltraTech Cement  | 4143.20  | 20.50  |
| UPL               | 596.45   | 12.30  |
| Vedanta           | 148.35   | -1.75  |
| Wipro             | 259.30   | 4.55   |
| YES Bank          | 70.40    | 13.60  |
| Zee Entertainment | 260.60   | 25.45  |

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 31

| CURRENCY           | TT BUY | TT SELL |
|--------------------|--------|---------|
| US Dollar          | 70.72  | 71.04   |
| Euro               | 78.86  | 79.22   |
| British Pound      | 91.64  | 92.06   |
| Japanese Yen (100) | 65.39  | 65.69   |
| Chinese Yuan       | 10.04  | 10.09   |
| Swiss Franc        | 71.62  | 71.94   |
| Singapore Dollar   | 51.95  | 52.18   |
| Canadian Dollar    | 53.70  | 53.95   |
| Malaysian Ringgit  | 16.92  | 17.01   |

Source: Indian Bank

# Cognizant to lay off up to 7,000 staff

Firm moves to bring growth back on track; annual savings will be \$500-\$550 million: CEO Humphries

**MINI TEJASWI**  
BENGALURU

Cognizant will reduce headcount in a bid to streamline its global operations.

During the third quarter earnings announcement, CEO Brian Humphries said, there would be a net employee reduction of 5,000 to 7,000 people. Those identified for lay-offs are in the mid- to senior category and more than half of these will be in India.

Mr. Humphries told *The Hindu*, "The people reduction exercise will be completed by mid 2020. It will cost the company \$150 to \$200 million, however it will also bring in an annualised saving of \$500 to \$550 million."

"The idea is to get the company back on growth track and we hope to hire more after some quarters,"



Severance will cost Cognizant \$150-\$200 million, says CEO Brian Humphries. ■ K. MURALI KUMAR

he added. Earlier, during an investor call, Mr. Humphries said: "In any people-intensive business, cost reduction always involves difficult choices. To free up capacity to invest in growth, the company has made the decision to remove approximately

10,000 to 12,000 mid-to-senior level associates from their current roles in the coming quarters." This would include a net reduction of about 5,000 to 7,000 roles (about 2% of its total headcount) and re-skilling and redeployment of about

5,000 of the total associates impacted.

These numbers exclude another 6,000 jobs that will be impacted by the company's decision to exit a subset of its content moderation business, which involves screening for objectionable or violent content. Exiting this subset would impact its financial performance in the coming year, the firm said.

Cognizant added it would work with partners to help transition these roles to alternative vendors to find suitable outplacement for these 6,000 employees.

On content moderation business, Mr. Humphries said, "We are only exiting a subset of it, as we've determined that this subset is not in line with our strategic vision for the company."

The company also said it

has identified a series of investments that require funding, including hiring 500 client-facing revenue-generating associates over the coming year.

In Q3, Cognizant raked in revenue of \$4.25 billion, a 4.2% (5.1% in constant currency) growth over the corresponding quarter a year ago. However, operating margins declined to 15.7% from 18.3% a year ago.

Net profit stood at \$497 million compared to \$477 million. Digital revenue, growing at 25%, accounted for about 35% of the company's revenue.

On guidance, the firm expects full-year revenue growth of between 4.6% and 4.9%, compared with its earlier guidance of a growth of between 3.9% and 4.9%. (With PTI inputs)



In the tests, Maruti's Ertiga achieved three stars for both adult and child occupant protection.

# WagonR, Santro score poorly in crash tests

Global NCAP gives models 2-stars only

**SPECIAL CORRESPONDENT**  
NEW DELHI

The two popular small cars in India – Maruti Suzuki's WagonR and Hyundai's Santro – scored a low of two stars, while Datsun RediGo got just one star in the latest crash tests conducted by a U.K.-based charity Global NCAP as a part of its 'safer cars for India' initiative.

Maruti Suzuki's multi-purpose vehicle Ertiga received three stars in the test.

"The latest results in our #SaferCarsforIndia crash tests show a mixed safety performance, and disappointingly, there are no five star performers," David Ward, CEO and president of Global NCAP said.

He added that Ertiga achieved a 'credible three stars' for both adult and child occupant protection, but it's obvious that more can and should be done to improve overall protection levels for cars sold in the market.

Mr. Ward said, "The Indian government's crash test standards are clearly helping to eliminate any new zero star cars from the market, and we will continue to work with them to ensure the push of regulatory requirements is compli-

mented by the pull of consumer awareness, encouraging the demand for ever higher levels of safety."

In the sixth edition of the 'safer cars for India' initiative, Global NCAP chose the entry-level version of each model, and as a result Ertiga was the only model which was fitted with at least two airbags as standard. The other models offered only a driver airbag. "The results highlight significant differences in adult occupant protection in cars that meet the latest Indian government vehicle technical regulations," Global NCAP said.

According to the agency, both WagonR and Santro achieved two stars for adult occupant protection and two stars for child occupant protection. Their structures were rated as 'unstable'.

On the other hand, RediGo achieved just one star for adult occupant protection and two stars for child occupant protection. Its structure was also rated 'unstable'.

For Ertiga, the structure was rated as 'borderline unstable' performance which can and should be improved, according to Global NCAP.

# Yes Bank surges 24% on \$1.2 bn investment offer

Lender needs funds to spur growth

**SPECIAL CORRESPONDENT**  
MUMBAI

Private sector lender Yes Bank on Thursday informed the stock exchanges that it had received a binding offer from a global investor for an equity investment worth \$1.2 billion in the bank – a development which bolstered its stock price by 24% to ₹70.45.

**Fresh equity issue**

"The bank would like to inform that it has now received a binding offer from a global investor for an investment of \$1.2 billion in the bank through fresh issuance of equity shares, subject to regulatory approvals/conditions as well as bank's board



and shareholders approvals," the bank said in a filing with the exchanges.

If the deal sails through, it will address the lender's near-term equity capital requirement, needed to fund growth.

# RBI creates new verticals for supervision and regulation

Departments with specialised cadre to go live from today

**MANOJIT SAHA**  
MUMBAI

Two new departments, with specialised cadre on supervision and regulation within the Reserve Bank of India, will start functioning from November 1, indicating the changes in the central bank's approach to these two crucial issues of the financial system that has dominated public discourse in recent times.

These departments have been created by merging the respective supervision and regulation departments on banks, non-banks and cooperative banks. For example, the departments of banking

supervision, non-banking supervision and cooperative bank supervision will come under the new vertical-department of supervision. The same will happen for the three regulatory departments.

The senior-most chief general manager of the department of banking supervision, Jayant Dash, will be CGM-in-charge of the department of supervision. Similarly, the senior-most CGM of the department of bank regulation, Saurav Sinha, will be the CGM in-charge of the department of regulation.

Executive director Lily

Vadera will remain in-charge of department of regulation. She was handling all the three regulatory departments so far.

The executive director (ED) looking after banking supervision, Uma Shankar, retired on October 31. The executive director of non-banking and cooperative bank supervision is Rabi Mishra. It is to be seen if the department of supervision will have only one ED in-charge. Central bank sources indicated that there could be more than one executive director for the department of supervision, given the scope of the work.

# Vodafone Idea shares plummet to 52-week low

Parent firm denies reports on exit

**PIYUSH PANDEY**  
MUMBAI

The shares of Vodafone Idea tanked on Thursday to hit the 52-week low of ₹31.31 in a firm Mumbai market on Thursday, after news reports of Vodafone exiting from India following mounting losses and of the telco conveying to its lenders that it won't be able to honour commitments for long.

When asked for comments, Vodafone Group spokesperson, in an e-mail reply to *The Hindu*, said, "Vodafone is aware of the unfounded and baseless rumours circulating that we have decided to exit the market. We would like to categorically state that this is not true and is malicious. Vodafone is actively engaging with Government and we are fully supportive of our local management."

Vodafone Idea shares fell 2.1% to ₹3.89, valuing com-



pany at ₹11,178 crore, or at one-tenth of its debt.

In a clarification sought by the exchanges, Vodafone Idea said, "As regards exit of India operations by Vodafone Group, we wish to inform you that the company is not aware about anything on the subject as it pertains to Vodafone Group and hence cannot comment on the same." On the debt recast plan, the firm said, "We categorically deny and dismiss this as baseless and factually incorrect."

# U.S. Fed cuts rates, signals it is on 'hold'

**REUTERS**  
WASHINGTON

The Federal Reserve cut interest rates for the third time this year to help sustain U.S. growth despite a slowdown in other parts of the world, but signalled no further reductions ahead unless the economy takes a turn for the worse.

"We believe that monetary policy is in a good place," Fed Chair Jerome Powell said in a news conference after the U.S. central bank announced its decision to cut its key overnight lending rate by a quarter of a percentage point to a target range of between 1.5% and 1.75%.

"We took this step to help keep the economy strong in the face of global developments and to provide some insurance against ongoing risks," he said. The rate cut was widely anticipated by financial markets.

# Bajaj Auto, TVS Motor settle patent dispute

Friction was around tech in TVS Flame

**SPECIAL CORRESPONDENT**  
MUMBAI

TVS Motor Company and Bajaj Auto have entered into an agreement to amicably settle a decade-old dispute relating to alleged infringement of Bajaj's Patent No.195904, defamation suit against Bajaj Auto by TVS Motor and other related proceedings filed against each other in various courts.

The cases were pending before the Madras High Court, Bombay High Court, the Intellectual Property Appellate Board (IPAB), Chennai and courts in Sri Lanka and Mexico.

In a filing with stock exchanges, Bajaj Auto and TVS Motor Company, in similar statements, said, "Both TVS Motor and Bajaj Auto have mutually agreed to withdraw the pending proceedings and release each other from all liabilities, claims,

demands and actions in respect of the pending proceedings."

None of them is required to pay any compensation or penalty to the other as part of the settlement. There will be no impact on the financial position of Bajaj Auto due to the pact, they said.

A decade back, Bajaj Auto had filed a case to restrain TVS Motors from selling its two-wheeler TVS Flame in the market as it believed that TVS Motor had infringed its patent on DTS-i (Digital Twin Spark Plug ignition) in this bike. Bajaj Auto had claimed that TVS Flame's CCVTi technology was a copy of its DTS-i technology. TVS had denied Bajaj's allegation and filed a ₹250-crore defamation case against Bajaj.

Bajaj Auto shares rose 0.79% to ₹3,246.75 while TVS Motor's fell 2.13% to ₹484.40 on the BSE.

# Indices up for fifth straight day

'Attractive yields, bearish outlook for oil drive markets'

**SPECIAL CORRESPONDENT**  
MUMBAI

Positive momentum continued in the equity markets, with benchmark indices closing with gains for the fifth consecutive day. The BSE Sensex also touched its all-time high of 40,392.22 points before correcting to close at 40,129.05, up 77 points or 0.19%, on Thursday.

The top gainers in the Sensex pack included Yes Bank up 24.3%, SBI (7.69%), Infosys (3.79%), Tata Motors (3.4%) and Bharti Airtel (1.63%).

The NSE Nifty also closed higher at 11,877.45, up 33.35 points or 0.28%.

"Along expected lines, the benchmark indices are inching upwards on attractive equity yields, in a falling interest rate environment. A bearish outlook for oil and commodities in general, monsoon onslaught at its fag-end and government's intent on less government in-



business, are offering strength to Indian equities," said Amar Ambani, head of research, Institutional Equities, Yes Securities.

"However, we still opine that the broader market is in a consolidation phase that began in 2018 and may likely last till mid-2020. Our one-year target for Nifty is placed at 12,330," he added.

Manav Chopra, head of research, Equity, Indiabulls Ventures, said, "Index has been trending hard for the past few sessions. Market breadth has been the focal point as mid and small caps

join the party. We continue with our bullish stance and believe index is headed for new highs soon. 11,600 is the immediate downside support."

Commenting on the market Sanjiv Bhasin, director, IIFL Securities said, "We are in a bull market. The economy is coming back on track and we are clearly overdone on consumption pessimism. The cut in tax rate is also boosting market sentiment. And with its ambitious disinvestment plan, the government has set the cat among the pigeons."

Naveen Kulkarni, head of research, Reliance Securities, said the market is clearly in a 'positive set-up', with the festive season seeing improved demand and corporate tax cut providing the much-needed earnings boost. "Considering there is likely sequential movement and earnings visibility, we believe market will continue to trend upwards," he said.

# Jio writes to Centre, objects to relief sought by Bharti, Vodafone

'Both operators have financial capacity to clear dues'

**SPECIAL CORRESPONDENT**  
NEW DELHI

The tussle between Reliance Jio, Bharti Airtel and Vodafone Idea has now reached the government's doorstep.

In a letter to Telecom Minister Ravi Shankar Prasad, Reliance Jio has strongly objected to the relief sought by the other two players, stating both Bharti Airtel and Vodafone Idea had the financial capacity to clear their liabilities to the government.

**Court order**

A recent Supreme Court order had upheld the Department of Telecom's (DoT) calculation on adjusted gross revenue (AGR). As a result, telecom operators have to

pay the government more than ₹90,000 crore. While Bharti Airtel's will have to pay ₹42,000 crore, Vodafone Idea's liabilities stand at ₹40,000 crore.

Reliance Jio's letter comes a day after the latest entrant to the sector wrote to the Cellular Operators Association of India (COAI), accusing it of dispatching a late-night communique to the government without waiting for its comments.

"We submit that COAI's intent of using this as an opportunity to seek non-enforcement of the Supreme Court judgment and asking for relief is strongly objected to by RJIL (Reliance Jio Infocomm Ltd.)."

"These operators have the capacity and enough monetisation possibilities to comfortably pay government dues," it said in the letter to Mr. Prasad.

Stating that Reliance Jio strongly disagreed with COAI submission that in the absence of immediate relief by government, the telecom sector would collapse and there would be unprecedented crisis in the sector, it said "...COAI has used threatening and blackmailing tone with the government by referring to possible job loss, QoS loss and loss of investments in the sector... We request the government to strongly rebuff such suggestions and insinuations."

# Tube Investments net rises 58%

Revenue for quarter was lower by 18% at ₹1,113 crore, mainly on contraction in the auto industry.

**SPECIAL CORRESPONDENT**  
CHENNAI

Tube Investments of India Ltd. posted a 58% increase in its standalone net profit for the second quarter ended September 2019 to ₹90 crore.

Revenue for the quarter was lower by 18% at ₹1,113 crore, mainly on contraction in the auto industry. Metal Formed Products division's revenue rose while that of Cycle and Accessories and Engineering was down.

Engineering division reported a revenue of ₹554 crore (₹772 crore). Cycles and Accessories Division revenue dropped 31%, primarily on contraction in trade market and exit from institutional business.

# Paid 97% of GST refunds due to MSMEs, says FinMin

₹10,490 cr. payments made, says Ministry in status report

**SPECIAL CORRESPONDENT**  
CHENNAI

As much as 97% of GST refunds due to MSMEs (Micro, Small and Medium Enterprises) as of August 23 has been paid by the government, according to the Finance Ministry.

In a status report on the implementation of measures announced by Finance Minister Nirmala Sitharaman in August and September, the Finance Ministry said that of the ₹10,841 crore pending refunds as of August 23, ₹10,490 crore has been paid as of October 24.

The report said that of the ₹70,000 crore upfront liquidity recapitalisation pro-

posed to banks, ₹60,314 crore had been infused into banks in September through recapitalisation bonds, including ₹4,557 crore in IDBI Bank.

Public sector banks have accorded sanction to purchase ₹21,580 crore of pooled assets of NBFCs, a measure that was promised by the Finance Minister in her announcement made on August 23. On the subject of co-origination of loans by banks with NBFCs, the Finance Ministry said that as of October 16, eight banks had a total of 16 tie-ups in place with NBFCs/HFCs.

The Department of Expenditure issued a circular

on September 17 lifting the ban on purchase of new vehicles by Ministries and government Departments. A vehicle scrappage policy has also been formulated and circulated for comments of stakeholders/general public by November 15.

The Finance Ministry issued an ordinance on September 20 amending the Income Tax Act to provide relief from enhanced surcharge on capital gains to all investors. On the issue of angel tax, the Central Board of Direct Taxes has issued a consolidated circular for assessment of start-ups and a Start-up Cell had been constituted, as promised.

# ShopClues to merge with Qoo10

Online shopping site ShopClues has decided to merge its business with Singapore-based Qoo10 in a stock deal on Friday.

Qoo10 is an e-commerce platform that has operations across south east Asia and helps small and medium enterprises to reach marketplaces across Singapore, Indonesia, Malaysia, China and Hong Kong.

With this development, over 7,00,000 SME and micro-merchants of ShopClues would be able to access global markets through Qoo10. The board of directors and major shareholders of both the companies okayed the deal, said a company release.