In a seasonally weak quarter characterised by furloughs across multiple industry

verticals, we focussed

4.00

MARKET WATCH

	17-01-2020	% CHANGE
Sensex	41,945	0.03
US Dollar	71.08	-0.21
Gold	40,590	0.08
Brent oil	64.77	0.19

NIFTY 50		
		CHANGE
Adani Ports		
Asian Paints		
Axis Bank		
Bajaj Auto		
Bajaj Finserv	9715.00	92.85
Bajaj Finance	4231.75	11.50
Bharti Airtel	500.05	26.15
BPCL	453.90	7.90
Britannia Ind	3124.45	-25.80
Cipla	480.30	0.05
Coal India		
Dr Reddys Lab	3034.35	96.90
Eicher Motors	21292.20	-244.05
GAIL (India)		
Grasim Ind		
HCL Tech		
HDFC		
HDFC Bank		
Hero MotoCorp		
Hindalco		
Hind Unilever		
ICICI Bank		
IndusInd Bank		
Bharti Infratel		
Infosys		
ndian OilCorp		
ITC	220.05	0.00
ISW Steel	233.33.	4 10
Kotak Bank		
L&T		
M&M		
Maruti Suzuki		
Nestle India Ltd		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS		
Tech Mahindra		
Titan	1188.75	4.15
UltraTech Cement	4486.75	14.40
UPL	589.25	1.15
Vedanta		
Wipro		

Indicative direct rates in rupees a unit except yen at 4 p.m. on January 17 TT BUY TT SELL US Dollar 70.88 British Pound Chinese Yuan ..10.38 Singapore Dollar .52.88

39.25

YES Bank

Forex reserves rise to record high of \$461.21 bn

Malaysian Ringitt

India's foreign exchange reserves rose \$58 million to an all-time high of \$461.21 billion in the week to January 10. according to RBI data, PTI

RIL profit surges 13.5% on retail, telecom

Revenue drops 1.4% as refining, petrochemicals disappoint; to miss March 31 for Aramco deal closure

volatility in energy markets.

Within our O2C chain, down-

stream petrochemicals prof-

itability was impacted by

weak margins across pro-

ducts with subdued demand

EBIT from core business

of refining grew 11.9% to

₹5,657 crore, petrochemicals

EBIT fell 28.5% to ₹5,880

in well-supplied markets."

SPECIAL CORRESPONDENT

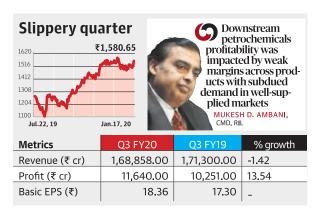
Reliance Industries Limited (RIL) reported a 13.5% growth in its third quarter net profit to ₹11,640 crore, led by growth in consumer driven businesses of retail and telecommunications, even as petrochemicals, the core business, disappointed.

The profit came on a 1.4% drop in revenue to ₹1,68,858 crore due to a fall in revenue from refining and petrochemicals business

Telecommunications and retail contributed 37% of the company's earnings before interest, tax deprciation and amortisation (EBITDA), up from 27% last year.

Refining margins rise

Gross refining margins (GRMs) stood at \$9.2 per barrel compared with GRMs of



\$8.8 per barrel in the yearago period. This commands a 11-year-high premium of \$7.6 per barrel over the regional benchmark, Singapore margins.

Mukesh Ambani, CMD, RIL, said, "The third quarter results for our energy business reflects the weak global economic environment and

crore and oil and gas exploration and production reported a negative EBIT of ₹366 crore. On the consumer front, he said, "We saw consistent same-store sales growth and record footfalls across our stores driven by our compelling proposition of great shopping experience and superior value.

"Jio is expanding network capacity and coverage to keep pace with demand. We are making good progress on the value-unlocking initiatives announced earlier while building on sustainable growth platforms for our shareholders."

On the deal with Saudi Aramco, Srikanth Venkatachari, joint CFO, RIL said, "Talks are on and it's progressing well. It's a large deal and won't happen by the end

Reliance Retail reported a 58% growth in EBIT to ₹2,389 crore while Reliance Jio reported a 63.3% growth in its EBIT to ₹3,857 crore.

During the quarter, RIL invested ₹1,65,000 crore in Jio Platforms Ltd. (JPL) through optionally convertible preference shares (OCPS) and ₹4,961 crore in equity shares. IPL further acquired RIL's investment of ₹64,450 crore in

When asked for comments, investment adviser S. P. Tulsian told The Hindu, "Barring petrochemicals, [these are] excellent results from Reliance. The consumer-facing businesses are driving the show for the company. I anticipate, by end of this year, RIL will have market capitalisation exceeding ₹13 lakh crore from the ₹10 lakh

TCS net up a tad; BFSI, retail prove a drag

8,118.00

5.00

Interim dividend of ₹5 announced

SPECIAL CORRESPONDENT

Holding steady

Revenue (₹ cr)

Net profit (₹ cr)

Basic & diluted EPS (₹)

Interim dividend per share (₹)

India's largest information technology exporter, Tata Consultancy Services (TCS), reported a marginal 0.16% increase in its third quarter net profit to ₹8,118 crore.

Sales to the banking, financial services and insurance, as well as retail segments were challenging during the seasonally weak quarter, affecting metrics.

Rise in profit was reported on a 6.7% growth in revenue to ₹39,854 crore, aided by currency gains, compared to a year earlier. The operating margin stood at 25%, with the net margin at 20.4% during the quarter.

"We saw the sectoral trends of the first half of the year continue to play out in the third quarter," said TCS MD and CEO Rajesh Gopinathan.

"Our robust order book during the quarter reflects our ability to pitch innovative technology solutions to address the business needs of different stakeholders in [client] enterprises."

When asked about the impact of the NCLAT judgement on the reinstatement of Cyrus Mistry as Tata Sons chairman, he said, "There will be no impact as the mat-

ter was referred to Supreme Court and it ordered a blanket stay." TCS announced an interim dividend of ₹5 per

'Focussed on execution' N. Ganapathy Subramaniam, COO and executive di-

rector, said, "In a seasonally weak quarter characterised by furloughs across multiple industry verticals, we focused on execution, while continuing to invest for future growth. Having onboarded over 30,000 trainees in the first half of the year, we worked on driving up utilisation in Q3 and had good outcomes. Our client metrics were also very good, with additions across most revenue buckets."

Sectorwise, Life Sciences & Healthcare climbed 17.1%, manufacturing rose 9.2% and communications and media increased 9.5%.

Among geographies, Europe rose 15.9%, North America and Asia Pacific climbed 4.1% and 5.7%, respectively, while India grew

TCS shares fell 0.91% to ₹2,218 on the BSE on Friday, valuing the firm at ₹8.32 lakh crore, making it India's second-most valued company after Reliance Industries.

GM to sell Talegaon plant to Great Wall Motors

Offers transition support to employees

LALATENDU MISHRA

In a move to completely pull out of India after a disastrous performance, American automobile major General Motors (GM) has entered into an agreement with China's Great Wall Motors (GWM) to sell its manufacturing facility at Talegaon near Pune for an unspecified amount.

Under a binding term sheet signed on Thursday, the GM India legal entity, which includes the Talegaon facility, will be transferred to GWM.

Liu Xiangshang, V-P, global strategy, Great Wall Motor, said the transaction would underpin the compa-



ny's plan to enter and invest in India.

GM will provide a separation package and transition support for impacted employees, as well as an orderly transition for partners. The transaction is expected to close in the second half of

Piramal Enterprises sells overseas arm for \$950 million

Company's move aimed at unlocking value in future

SPECIAL CORRESPONDENT

Piramal Enterprises Ltd. (PEL) said that PEL DRG Dutch HoldCo BV, its 100% subsidiary and holding company of Decision Resources Group (DRG), has signed an agreement for the sale of DRG to Clarivate Analytics Plc. for \$950 million.

The amount includes \$900 million to be paid on closure of deal and \$50 million payment to be made at the end of 12 months from the date of closing. The transaction is expect-

ed to be completed by end-February 2020.

PEL had initially invested \$650 million in 2012 to ac-

quire DRG out of which \$260 million was infused as equity. The deal has realised 2.3 times its initial equity investment in rupee terms, according to PEL.

Stronger balance sheet Ajay Piramal, chairman, Piramal Group, said, "This transaction demonstrates our continued commitment to create sustained longterm value for all stakeholders. Along with the ongoing equity capital raise in PEL, this transaction not only further strengthens the company's balance sheet but also marks another step towards significantly unlock-

ing value in future."

ics provider in the highly attractive life ecosystem." "Both the companies have a great heritage, built on talented people with deep industry subject matter and technical expertise.

Jerre Stead, executive

chairman and CEO, Clarivate

Analytics, in a statement,

said, "This is a milestone ac-

quisition which doubles the

size of our life sciences busi-

ness, is accretive to our 2020

earnings and sets us up as an

essential, end-to-end, indus-

try-leading data and analyt-

"Together, we look forward to unlocking the tremendous potential of a unified team," he said.

Yes Bank ratings put under review

SPECIAL CORRESPONDENT

Moody's on Friday placed Yes Bank's long-term foreign currency issuer rat ing of B2 under review, with the direction uncertain. The rating agency has downgraded Yes Bank's Baseline Credit Assessment (BCA) and adjusted BCA to

"The placing of Yes Bank's deposit rating of B2 dy's expectation that the cause the viability of the bank absent a large capital Moody's has downgraded

+ Centre sets higher GST mop-up target

Tightens noose around evaders; Revenue Secretary monitoring collections

INDO-ASIAN NEWS SERVICE

With less than three months to go before the current financial year ends, enforcement actions have multiplied and pressure has mounted on revenue officers to augment GST collections in the remaining period of the Directing field officers to

go after fraudsters and nonfilers using data analytics, the Revenue Department has fixed the GST target for January and February at ₹1.15 lakh crore each while the March collection is to be ₹1.25 lakh crore. Official sources said about 40,000 companies had been redflagged for availing excess or fraudulent ITC (input tax credit) and other tax-related wrongful issues, through data analytics. "Field formations have been directed to



for availing excess or fraudulent ITC. • RAMESH SHARMA

conclude ITC recuperation without any overreach but in a stipulated time frame," an official said. There are 1.2 crore GST registrants across India. Sources said GST authorities would look into the mismatch of supply and purchase invoices, mismatch in GSTR-2A

GSTR-3B, failure to file returns and over-invoicing, among others to put the heat on the tax dodgers.

Repaying wrongful ITC While GST authorities will send SMS and emails to all such offenders, taxpayers, who have taken ITC wrong-

amounts equal to the inadmissible credit before punitive action is taken. "Field formations have

fully, can voluntarily repay

been exhorted to put forward special efforts and to initiate actions against wilful tax evaders or those who are using fake invoices or inflated or fake e-way Bills," the official quoted above said. "Principal Chief Commis-

sioners and Chief Commissioners would have to update their efforts put in the field to curb tax evasion and leakages, the action taken on checking fake or huge ITC claims, mismatch in returns filed, etc. on a daily basis," he said. Revenue Secretary Ajay Bhushan Pandey is closely monitoring the revenue mop-up exercise and holding high-level review meetings with top officials to augment GST revenue.

Amazon to create 1 mn new jobs in India by 2025: Bezos

Tech, retail, logistics, manufacturing, content to benefit

SPECIAL CORRESPONDENT MUMBAI

multinational American Amazon has announced plans to create 1 million new jobs in India by 2025 through continued investments in technology, infrastructure and its logistics network, the company said.

It said jobs which will be created both directly and indirectly, will be across industries such as information technology, skill development, content creation, retail, logistics, and manufacturing. This will be in addition to the 7 lakh jobs the company has enabled in India over the last six years.

"We are investing to create a million new jobs here in India over the next



five years," Amazon founder and CEO Jeff Bezos said in a statement. He said that Amazon India would also add 10,000 electric rickshaws to its electric fleet. "We have seen huge contributions from our employees, extraordinary creativity from the small businesses we

customers who shop with us." He had, on Wednesday, said the firm would invest \$1 billion to help bring 10 million traders and micro, small, and medium-sized businesses across India online, enabling \$10 billion in cumulative exports by 2025. Amazon's investments will help create new jobs in

have partnered with, and

great enthusiasm from the

hiring talent to fill roles across Amazon in India, including software development engineering, cloud computing, content creation, and customer support. During his visit to Mum-

bai Mr. Bezos met Hindi film industry actors and industrialists, company officials

caa2 from b3. under review reflects Moo-

bank's standalone viability is getting increasingly challenged by its slowness in raising new capital." Beinjection is in question, the bank's standalone credit profile or its BCA to caa2 from b3," it said.

had earlier guided to a wider

Market is slow, decision cycles are longer, says L&T Tech

'Engineering world has changed rapidly, it's all about digital

Things are now a bit slow in the marketplace. As a result, business decision cycles are getting longer and this environment is likely to continue as most matured economies around the globe are expecting low GDP growth in 2020, cautions Keshab Panda, MD and CEO at L&T Technology Services Limited (LTTS).

In an exclusive chat with The Hindu, Mr. Panda, however, said, "The reality is that the engineering world has changed rapidly and today it's all about digital, automated reality and virtual reality.'

And, therefore, it was important for manufacturers and factories globally to keep their operational costs down, increase up-time, en-



sure better energy utilisation, enhance productivity and push up profitability. "Technology is the only thing that will help them achieve all these at one go," he said.

Hiring freshers overseas Mr. Panda said his company had taken a conscious decision to hire freshers from

campuses in the U.S., Europe and Israel.

"There are areas where data can't go out of the customer country, especially in aerospace and defence projects. We will hire local employees for such projects," he said. LTTS plans to hire over 200 freshers in the quarter ending March. Foreign employees now account for 29% of the company's total strength of 16,787.

On LTTS' Q3 performance, he said, "We had strong performance in three segments - transportation, plant engineering, and medical devices that are each growing in excess of 20% year-on-year. Digital and leading-edge technologies the growth driver for ER&D, contributed to 41% of Q3 revenues and grew by 29%."

Vodafone Idea tanks 39%, Bharti Airtel gains 4%

Moratorium on AGR dues expected

SPECIAL CORRESPONDENT

Shares of Vodafone Idea tanked over 39% on Friday to ₹3.66, while those of Bharti Airtel gained over 4% to touch its 52-week high of ₹498.65 in a firm Mumbai market on Friday.

This comes after the Supreme Court on Thursday rejected telcos' review plea to reconsider its decision on the adjusted gross revenue (AGR) which may force them to cough up to ₹1.3 lakh crore.

Vodafone Idea has AGR dues of about ₹44,000 crore, while Bharti Airtel has AGR dues of about ₹34,000 crore.

Telcos can still file a curative petition in the apex court, though it is done only to cure gross miscarriage of justice, and analysts see very low chance of success

With no relief on dues

from SC, Jefferies Equity Research expects either the SC or government to provide relief in terms of payment options. "We expect a moratori-

um on AGR dues for two years and staggered payments post that, over a period of time, aiding cash flows. This will be similar to the spectrum dues. We build this in our base case," Jefferies said in a research note. According to Jefferies,

even with the reliefs, AGR dues are a drag on Vodafone and would affect operations. "The price increases are positive, but given [the] high leverage, we expect the 4G rollout to be lower than peers, with VodaIdea losing market share. We retain U/P," the report said.

HCL Tech net up 13%, IT major betters revenue guidance

Revenue for FY20 to grow 16.5%-17% in constant currency

SPECIAL CORRESPONDENT NEW DELHI

HCL Technologies on Friday posted a 13% increase in its consolidated net profit at ₹2,944 crore for the quarter ended December 2019, while revising upwards its revenue growth forecast on the back of optimism on demand environment.

The company, which had registered a net profit of ₹2,605 crore in the October-December 2018 quarter as per Indian Accounting Standards, said its revenue from operations grew 15.5% to ₹18,135 crore from ₹15,699 crore in the year-ago period.

"... this quarter we have crossed an annualised run rate of \$10 billion. Our pipeline stands at an all-time forecast of 15%-17% earlier. high, we are expecting a higher conversion of this pi-



peline to booking in this quarter," HCL Technologies president and CEO C. Vijayakumar said.

The company said it now expects revenue for the current fiscal to grow in the range of 16.5%-17% in constant currency as against a

"At the year-to-date mark, we are at about 17.8%. We



at our pipeline. Our pipeline is at historic peak so I am very optimistic about the overall demand environment."

HCL Technologies' board has declared a dividend of ₹2 per share. The company added 11,502 employees (gross) during the quarter to take its total head count to 1,49,173 at the end of the December 2019 quarter. Attrition on the last 12-month basis stood at 16.8%

