NIFTY 50		
		CHANGE
Adani Ports		
Asian Paints		
Axis Bank		
Bajaj Auto		
Bajaj Finserv		
Bajaj Finance		
Bharti Airtel		
BPCL		
Britannia Ind		
Cipla		
Coal India		
Dr Reddys Lab		
Eicher Motors	20860.45	328.80
GAIL (India)		
Grasim Ind	737.00.	-19.65
HCL Tech	582.00	3.05
HDFC	2384.10	70.35
HDFC Bank	1240.95	27.45
Hero MotoCorp	2368.15	64.20
Hindalco	209.30	-7.15
Hind Unilever	1915.45	12.00
ICICI Bank	525.70	-13.15
IndusInd Bank		
Bharti Infratel	242.75	-5.40
Infosvs		
Indian OilCorp		
ITC		
JSW Steel		
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		
UltraTech Cement		
UPL		
Vedanta		
Wipro		
YES Bank		
Zee Entertainment	261.50	12.20

Indicative direct rat except yen at 4 p.m.		
CURRENCY	TT BUY	TT SEL
US Dollar	71.73	72.0
Euro	80.33	80.7
British Pound	94.30.	94.7
Japanese Yen (100)	66.32	66.6
Chinese Yuan	10.29.	10.3
Swiss Franc	73.98	74.3
Singapore Dollar	53.16	53.4
Canadian Dollar	55.31	55.5
Malaysian Ringitt	17.48	17.5

<b>BULLION RATE</b>	S CHENNAI	
January 06 rates in rupees with previous rates in parentheses		
Retail Silver (1g) 22 ct gold (1 g)		

#### Resolve your + differences: SC to Tata, Wadia

LEGAL CORRESPONDENT

The Supreme Court asked Tata Sons' chairman emeritus Ratan N. Tata and industrialist Nusli Wadia to amicably settle their differences like "mature leaders of industry."

The court was hearing an appeal filed by Mr. Wadia against a July 2019 Bombay High Court decision, quashing criminal defamation proceedings initiated by a local court, based on his complaint, against Mr. Tata, current Tata Sons chairman N. Chandrasekaran and eight directors

In his petition, Mr. Wadia alleged Mr. Tata and the others had made defamatory statements against him shortly after the removal of Cyrus Mistry as Tata Sons' chairman on October 24, 2016.

Mr. Wadia was removed as an independent director from the boards of Tata firms between December 2016 and February 2017.

# Equities plunge amid global sell-off over West Asia fears

HDFC, RIL and SBI among key losers in Sensex pack; rupee drops 13 paise

SPECIAL CORRESPONDENT

Indian equities lost heavy ground on Monday amid a global sell-off as investors turned jittery due to increasing geopolitical tension in the West Asia region which threatens to push up international price of crude, of which India is one of the biggest importers globally.

The 30-share Sensex lost 787.98 points, or 1.90%, to close at 40,676.63.

As many as 28 constituents of the index ended the day in red, with stocks such as HDFC, HDFC Bank, Reliance Industries, ICICI Bank, State Bank of India and Tata Steel among others shedding more than 2% each on Monday.

#### 1,900 stocks lose

On a broader level, more than 1.900 stocks lost ground on BSE, while less than 600 stocks managed to end on a positive note.

The broader Nifty fell bethe psychological 12,000-mark to close at

41,200 🖁 41,000 40,800 40,600 9.15 a.m

(Sensex in points)

Hang Seng was down nearly

0.80%. Further, most of the

European markets opened

more than 1% lower on

"Global equity markets are

under pressure as a flare-up

of tensions in the Middle

East sent gold to its highest

in almost seven years and oil

near its 4-month peak," said

Prasanna Pathak, fund man-

above \$70 per barrel, fiscal

deficit concern will again ar-

ise. Government could get

"If brent crude sustains

ager, Taurus Mutual Fund.

Monday.

'Oil on peak'

11,993.05, down 233.60 points or 1.91%. The India VIX index, which is looked upon as a barometer of nearterm volatility, jumped over 16% on Monday.

Slippery slope

Meanwhile, the rupee plunged 13 paise to close at 71.93 against the U.S. dollar on Monday - the third straight session of losses during which it has cumulatively lost 71 paise.

The rupee touched a low of 72.11 on Monday.

The fall in the Indian equity markets was in line with most other markets, as Nikkei lost nearly 2%, while

restricted in its spending which could limit economic growth in medium term, while the Reserve Bankof India would be constrained in cutting interest rates," Mr. Pathak added.

Brent crude prices touched nearly \$71 per barrel during the day, while gold moved beyond \$1,590 an ounce on Monday.

"Escalating tensions may dent market risk appetite and weigh down on risker assets like global equity markets and commodities like base metals," said Ravindra Rao, head - Commodity Research, Kotak Securities.

"However, it may continue to lend support to safe havens like gold and silver and will also be supportive of crude oil prices amid worries over supply disruption from the region," Mr. Rao added.

Incidentally, foreign portfolio investors (FPIs), who were major buyers of Indian shares in 2019, were net sellers on Monday at a little over ₹100 crore.

#### Services sector activity growth at 5-month high

PRESS TRUST OF INDIA

India's services sector activity gained momentum and touched a five-month high in December, supported by an uptick in new business orders that boosted output as well as employment, a monthly survey showed on Monday.

The IHS Markit India Services Business Activity Index improved from 52.7 in November to 53.3 in December, highlighting the second-strongest rate of increase in output in over a year, after July.

"The news of sustained job creation, robust new order growth and a pick-up in business confidence suggest that expansion can be maintained in the early part of 2020," said Pollyanna de Lima, principal economist at IHS Markit.

Survey members linked the increase in services sector activity growth to better market conditions and new business growth.

Moreover, total sales expanded for the third consecutive month at the end of the year, and at the quickest pace since Octob-

### Tata-Mistry case: NCLAT no to modifying verdict

Did not cast aspersions on RoC, it says

PRESS TRUST OF INDIA

The National Company Law Appellate Tribunal (NCLAT) on Monday dismissed the petition of the Registrar of Companies seeking modification of its judgment in the Tata-Mistry case and said the ruling had not cast any aspersions on the RoC.

"There is no ground to amend judgment dated December 18, 2019," a twomember NCLAT bench said.

On December 18, the tribunal ruled reinstating Cyrus Mistry as the executive chairman of Tata Group and also termed conversion of Tata Sons from a public company to a private one by the RoC 'illegal'.

In its plea, RoC, which functions under the Ministry of Corporate Affairs, had sought to be impleaded as a party in the two petitions and deletion of words 'illegal' and 'with the help of the RoC' used by the NCLAT in its 172-page-long judgment.

Contesting the observations, RoC Mumbai asked the NCLAT to "delete the aspersion made regarding any hurried help accorded by RoC, Mumbai, to Tata Sons except what was statutorily required by RoC Mumbai."

The RoC also said it has acted in 'bonafide manner' in converting the status of Tata Sons as "there was no stay granted by this appellate tribunal on the operation of the judgment dated July 9, 2018 of Mumbai, NCLT at the time when this intimation was filed by Tata Sons Ltd."

#### TCS board meeting

Meanwhile, TCS is yet to announce its board meeting to consider the third quarter results.

The management, however, is relieved that Mr. Mistry has decided not to seek directorship in the company.

Mr. Mistry on Sunday, in in a statement titled 'Not a quest for position or power', said that he would not be pursuing the executive chairmanship of Tata Sons. or the directorship of TCS, Tata Teleservices or Tata Industries in spite of a favourable NCLAT judgment.

(With inputs from Piyush Pandey in Mumbai)

### Stressed urban cooperative banks to face PCA-like curbs

RBI's action includes cancellation of banking licence

SPECIAL CORRESPONDENT

The Reserve Bank of India (RBI) has decided to impose restrictions on urban cooperative banks (UCBs) for deterioration of financial position, in line with the prompt corrective action (PCA) framework that is imposed on commercial banks.

Under this revised Supervisory Action Framework (SAF), UCBs will face restrictions for worsening of three parameters: when net nonperforming assets exceed 6% of net advances, when they incur losses for two consecutive financial years or have accumulated losses on their balance sheets, and if capital adequacy ratio falls below 9%.

Action can be also taken if there are serious governance issues, RBI said.

For breach of such risk thresholds, UCBs will be asked to submit a board-approved action plan to correct the situation like reducing net NPAs below 6%, for restoring the profitability and wiping out the accumulated losses, and increasing capital adequacy ratio to 9% or above within 12 months. The board of the UCB will

be asked to review the progress under the action plan on quarterly/monthly basis and submit the post-review progress report to the RBI. The RBI may also seek a board-approved proposal

for merging the UCB with another bank or converting itself into a credit society if CAR falls below 9%. It can impose restrictions on declaration or payment of divi- the PMC Bank.

dend or donation without prior approval if any one of the risk thresholds is breached. Some of the other curbs include restricting fresh loans and advances carrying risk-weights more than 100% on incurring capital expenditure beyond a specified limit and on expansion of the balance sheet. The RBI said actions such

as imposition of all-inclusive directions under Section 35A of the Banking Regulation Act, 1949, and issue of show-cause notice for cancellation of banking licence may be considered when continued normal functioning of the UCB is no longer considered to be in the interest of its depositors/public.

The move comes in the wake of the recent crisis at

# Oil tops \$70 as Iran, Trump trade threats

West Asia accounts for almost half of the world's crude production

REUTERS

Oil prices jumped by about 1% on Monday, pushing Brent above \$70 a barrel, as rhetoric from the United States, Iran and Iraq fanned tensions in West Asia after a U.S. air strike killed a top Iranian military commander.

Brent crude futures soared to a high of \$70.74 a barrel and was at \$69.36 by 8.30 p.m., up 76 cents from Friday's settlement.

U.S. West Texas Intermediate crude was up 54 cents at \$63.59 a barrel after touching \$64.72, its highest since April.

The gains extended Friday's more-than-3% advance after a U.S. air strike in Iraq killed Iranian military commander Qassem Soleimani, heightening concerns about an escalation in conflict in West Asia and a possible im pact on oil supplies.



Iran, oil prices may increase further. • AI

The region accounts for nearly half of the world's oil production, with a fifth of the world's oil shipments passing through the Strait of Hormuz.

More sanctions on Iraq U.S. President Trump on Sunday threaon Iraq, the second-largest producer in the Organization of the Petroleum Exporting Countries (OPEC), if U.S. troops were forced to withdraw from the country.

Baghdad earlier called on U.S. and other foreign troops to leave Iraq.

Mr. Trump also said that tened to impose sanctions the United States would retaliate against Iran if Tehran were to strike back after the killing. "The situation brings lots

of uncertainty and geopolitical tea-leaf reading on reactions. While the closure of the Strait of Hormuz remains a very unlikely event, the deterioration in Iraq bears supply risks," said Norbert Rucker, head of economics at Swiss bank Julius Baer.

"Geopolitics tend to be a temporary force on oil markets and we believe this time is no different. We raise our near-term forecast to \$65 per barrel and maintain a neutral view".

The Economist Intelligence Unit raised its firstquarter projection for Brent by \$5 to \$70 a barrel, assessing that Iran is likely to want to avoid open conflict. Elsewhere, bad weather shut all four oil export terminals in eastern Libya on Sunday

RBI buys, sells

₹10,000 crore

securities each

In the third special open

market operation (OMO) in

as many weeks, the Re-

serve Bank of India (RBI)

bought ₹10,000 crore of

three long-term securities

while selling a similar

amount of three short-

The RBI had announced

simultaneous purchase

and sale of government securities under OMOs for

₹10,000 crore each, last

week. Though the RBI of-

fered to sell four securities

in the auction, it accepted

PRESS TRUST OF INDIA

MUMBAI

term bonds.

## Godrej expects demand recovery this quarter

Pins hopes on monsoon, govt. stimulus; mixed demand seen across geographies

SPECIAL CORRESPONDENT

Godrej Consumer Products Ltd., which was impacted by the slowdown in the market in the third quarter ended December 2019, is looking for gradual improvement in demand in the current quarter due to good monsoon and government stimuli, the company said.

It said during the quarter, it witnessed relatively mixed demand across some of its geographies of operations.

"In India, despite weak demand conditions, we continued our marginally higher than mid single-digit volume growth trend during the quarter. The uplift in volume growth was led by gradual recovery in household insecticides, new product launches, effective marketing camand tactical consumer offers," the company said in a filing with the stock exchanges, weeks ahead of the announcement of its Q3 results.

It said the sales value growth also mirrored the trend of past few quarters' sales value growth. "In Indonesia, we recorded close to high single-digit constant

currency sales growths, amid an improving demand environment in home and personal care space. The growths are driven by new product launches and gradual expansion of general trade distribution," it said.

#### Trend reversal

"In GAUM (Godrej Africa, USA, Middle East), we saw good recovery with higher than mid single-digit constant currency sales growth, thus reversing the trend of the past few quarters. The performance was driven by improved performance in

South Africa and Rest of Africa and Middle East cluster."

The company said it continued to drive scale up of wet hair care and the relaunch of Darling brand in dry hair category along with expansion in distribution to deliver sales growth for the year.

It said the performance in Latin America was expected to be strong in constant currency terms. "However, in INR terms, due to currency depreciation in Argentina, we expect the performance to be muted. Performance in SAARC countries was robust," it added.

# cut in rates, levies

DoT holds meeting with stakeholders

NEW DELHI

Ahead of the Budget 2020-21, the telecom industry on

cussed at a meeting between the Department of Teand stakeholders on Monday. "We have heard their [industry's] demands and have given time to send in written recommendations till Tuesday. We will then review and forward them to the Finance Ministry for consideration in the upcoming Budget," a senior DoT official said after the meeting that lasted for about one-and-a

The pre-Budget meeting was chaired by Telecom Secretary Anshu Prakash and attended by representatives of Bharti Airtel, Vodafone Idea and Reliance Jio, besides industry associations such as Cellular Operators Association of India and Tower and Infrastructure Providers Association.

#### **Reduction in USO** The official added that the



fund of accumulated input tax credit. "They have also sought creation of a dedicated fund to be used by purchaser of telecom equipment to help promote Make in India," the official said.

"We have requested the government to facilitate funding at lower rate of interest to telecom companies to reduce the overall cost of capital and mobilise cheaper funds. Telecom industry is capital-intensive... this will help us plough more funds into network upgradation, maintenance and expansion," an industry representative said after the

meeting. Other industry representative added that the government had been requested to set up a working group with stakeholders from the DoT, regulator TRAI and industry that will work on preparing guidelines for adopting the principle of input line credit. The industry also pitched that telecom towers be included in the definition of plant and machinery for

bids for three bonds. Shivalik, first UCB to convert into SFB

SPECIAL CORRESPONDENT

Shivalik Mercantile Co-operative Bank Limited has become the first urban cooperative bank (UCB) that has been granted 'inprinciple' permission to convert into a small finance bank by the Reserve

The move comes after the RBI had announced a scheme on voluntary transition of UCB into a SFB on September 27, 2018.

Bank of India (RBI).

The 'in-principle' approval will be valid for 18 months, within which Shivalik Mercantile Co-operative Bank had to comply with the norms of a SFB.

## IT firms may report muted Q3 growth

TCS likely to report its weakest QoQ growth, says analysts

PIYUSH PANDEY

Indian information technology (IT) firms are likely to start new year with a muted growth, when they announce their third quarter results following to a seasonally-weak quarter and continued challenges in the the banking, financial services and insurance (BSFI) and retail verticals.

**Tata Consultancy Services** (TCS), Infosys, HCL Technologies, Wipro and Tech Mahindra are likely to report a tepid revenue growth in constant currency (cc) terms on a sequential basis with improved operating margins due to weaker currency and optimisation measures, according to analysts.



revenue growth in constant currency terms. • REUTERS

"We expect 0.7-3% Q-o-Q cc growth across top tier IT services companies in seasonally weak 3Q with Tech Mahindra leading helped by a ramp up of AT&T deal. We expect a slight sequential margin expansion in most cases with Infosys leading at

over 50bps," said Jefferies TCS is expected to report

its weakest Q-o-Q cc growth among top tier IT companies at 0.7% (1.4% in U.S. dollar growth) due to weakness in BFSI and client specific headwinds in retail, accord-

fosys, it expects 0.8% Q-o-Q cc growth (1.1% U.S. dollar) in 3Q, meaning that YoY cc growth will fall just below 10% for the first time in five quarters. "In a seasonally soft quar-

ing to Jefferies, while for In-

ter, higher-than-usual furloughs and caution in key verticals (BFSI, retail) will create further overhang on growth, in our view," Motilal Oswal wrote in a note. According to Motilal Os-

wal, major currencies like pound, euro and Australian dollar appreciated (approximately 2%-7%) sequentially, resulting in a cross-currency tailwind of 20-150 basis points (bps). Only NIIT Tech should face a cross-currency headwinds of 110 bps.

### Karur Vysya Bank MD Seshadri quits

SPECIAL CORRESPONDENT CHENNAI

Private sector lender Karur Vysya Bank Ltd.'s Managing Director (MD) and Chief Executive Officer (CEO) P.R. Seshadri has resigned citing personal reasons.

The board accepted his resignation on January 4. He will be relieved from service on March 31, 2020 as per his request, KVB said in a regulatory filing. Following the retire-

ment of his predecessor K. Venkatraman on August 31, 2017, the board co-opted Mr. Seshadri as an additional director and appointed him as the MD and CEO of the bank for a period of three years.

# Telecom firms want

SPECIAL CORRESPONDENT

Monday asked the government to facilitate funding for firms at a lower rate of interest, while also pushing for reduction in various levies and taxes to help the debt-ridden sector. The demands were dis-

half hours.

industry representatives reiterated the earlier demand for reduction in universal service obligation (USO) fund to 3% and licence fee to 1% as well as re-

input tax credit.