

MARKET WATCH

	12-02-2020	% CHANGE
Sensex	41,566	-0.85
US Dollar	71.34	-0.08
Gold	41,148	-0.31
Brent oil	55.85	2.85

NIFTY 50

	PRICE	CHANGE
Adani Ports	374.10	-0.10
Asian Paints	1893.70	15.60
Axis Bank	755.25	5.30
Bajaj Auto	3146.30	0.85
Bajaj Finserv	9771.85	40.25
Bajaj Finance	4768.70	19.35
Bharti Airtel	539.60	5.30
BPCL	474.75	-6.25
Britannia Ind	3136.80	2.10
Cipla	446.80	-3.80
Coal India	180.30	0.95
Dr Reddys Lab	3195.70	4.50
Eicher Motors	19277.85	268.60
GAAIL (India)	130.35	1.20
Grasim Ind	755.35	-3.95
HCL Tech	614.10	3.45
HDFC	2437.60	2.45
HDFC Bank	1249.00	8.40
Hero MotoCorp	2423.05	26.60
Hindalco	193.65	0.00
Hind Unilever	2260.35	107.70
ICICI Bank	549.30	9.55
IndusInd Bank	1277.40	-15.25
Bharti Infratel	243.35	-5.45
Infosys	781.05	7.50
Indian Oil Corp	115.10	-0.95
ITC	213.05	0.45
JSW Steel	293.70	4.95
Kotak Bank	1714.90	37.45
L&T	1297.30	10.40
M&M	531.00	6.95
Maruti Suzuki	7043.30	9.55
Nestle India Ltd.	16297.70	300.55
ONGC	116.80	-0.05
NTPC	106.70	-0.10
PowerGrid Corp	189.35	-0.15
Reliance Ind	1470.30	17.55
State Bank	320.20	-4.15
Sun Pharma	414.60	-3.95
Tata Motors	170.95	1.20
Tata Steel	447.95	3.85
TCS	2170.75	17.35
Tech Mahindra	821.50	1.55
Titan	1269.00	-1.70
UltraTech Cement	4453.75	-12.70
UPL	573.90	-2.75
Vedanta	141.55	0.80
Wipro	244.45	3.20
YES Bank	35.20	-1.65
Zee Entertainment	232.05	0.75

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 12

CURRENCY	TT BUY	TT SELL
US Dollar	71.13	71.45
Euro	77.62	77.97
British Pound	92.29	92.74
Japanese Yen (100)	64.68	64.99
Chinese Yuan	10.20	10.25
Swiss Franc	72.92	73.29
Singapore Dollar	51.31	51.56
Canadian Dollar	53.59	53.84
Malaysian Ringgit	17.18	17.28

Source: Indian Bank

BULLION RATES CHENNAI

February 12 rates in rupees with previous rates in parentheses

	Rate	Change
Retail Silver (1g)	49.4	(50)
22 ct gold (1g)	3862	(3872)

Inflation climbs, industrial output contracts yet again

Retail inflation climbed to an almost six-year high of 7.59%

SPECIAL CORRESPONDENT NEW DELHI

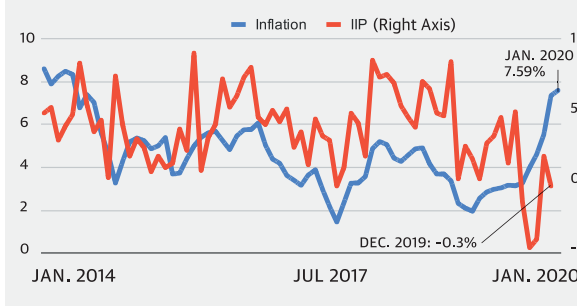
A day after Finance Minister Nirmala Sitharaman listed a recovery in industrial output as one of the "green shoots" in the economy, government data showed industrial production contracted again in December 2019, even as retail inflation surged to an almost six-year high of 7.59%.

This is the highest inflation rate since the NDA government came to power at the Centre in May 2014.

The Index of Industrial Production (IIP) recorded a negative growth of 0.3% in December in comparison to the same month the previous year, according to the National Statistical Office (NSO). The IIP had shown a positive growth of 1.8% in November, after three consecutive months of contraction.

Ups and downs

Consumer price inflation reached a 68-month high in Jan. 2020. On the other hand, the index of industrial production contracted 0.3% in Dec. 2019, largely due to a 1.2% slump in manufacturing



secutive months of contraction. IIP contraction came largely on the back of a 1.2% slump in the manufacturing sector. In fact, 16 out of 23 industry groups in manufacturing saw negative growth. The production of capital goods fell by 18.2% in comparison to the previous year.

The electricity sector also contracted marginally. The mining sector, on the other hand, saw growth of 5.4%. NSO's Consumer Price Index (CPI) data showed retail

inflation had surged from 7.35% in December 2019 to 7.59% in January 2020, mostly due to costlier food items.

The last time the inflation rate were higher than this was in May 2014, when retail inflation stood at 8.33%.

Food inflation lower

Food inflation for January 2020 was 13.63%, slightly lower than the previous month's rate of 14.19%.

Vegetables remained costly, showing a 50% inflation rate, despite the recovery in onion prices. The high prices of proteins – pulses, meat, fish and eggs – also contributed to the high rate of food inflation. This is the fourth straight month that retail inflation has crossed the Reserve Bank of India's medium term target of 4%.

Direct tax Bill to include DRTs in ambit

PRESS TRUST OF INDIA NEW DELHI

The Union Cabinet on Wednesday approved changes in the 'Direct Tax Vivad se Vishwas Bill, 2020' with a view to increase its scope to cover litigation pending in various debt recovery tribunals (DRTs). The Bill was introduced in the Lok Sabha earlier this month with the aim of reducing litigation related to direct taxes.

It was proposed to cover tax disputes pending at the level of commissioner (appeals), Income Tax Appellate Tribunals, high courts and the Supreme Court.

Briefing reporters here, Union Minister Prakash Javadekar said it had been decided to cover disputes pending in DRTs also. He said cases involving over ₹9 lakh crore of direct taxes were pending across various fora.

Three PSU insurers to get ₹2,500 crore from govt.

Cabinet okays capital infusion

SPECIAL CORRESPONDENT NEW DELHI

The Centre will pump in a capital of ₹2,500 crore into three public sector insurance companies viz. Oriental Insurance Company Limited (OICL), National Insurance Company Limited (NICL) and United India Insurance Company Limited (UIICL).

The Union Cabinet gave its in-principle approval for the capital infusion at its meeting on Wednesday. It decided to allow an immediate release of ₹2,500 crore "in light of the critical financial position and breach of regulatory solvency requirements" of the three PSU insurers, according to an official statement.

The Union Budget, presented on February 1, had set aside ₹6,950 crore for the recapitalisation of the three companies. The Bud-

The three insurers are to be merged into a single insurance entity and then listed

get documents said that the provision was to maintain the requisite minimum solvency ratio by the companies, adding that partial Budgetary support had been provided in the Revised Estimates of 2019-20 through ₹2,500 crore in the first batch of supplementary demands for grants, and provision for further capital infusion was included.

"The provision is met from the National Investment Fund," it said. These PSUs are scheduled to be merged into a single insurance company and then listed, as announced by then Finance Minister Arun Jaitley in the 2018-19 Budget.

DRL buys select generics from Wockhardt for ₹1,850 crore

Deal covers 62 brands, manufacturing plant in Himachal

SPECIAL CORRESPONDENT HYDERABAD

Pharma major Dr. Reddy's Laboratories is acquiring select divisions of Wockhardt's branded generics business in India and a few other international territories of Nepal, Sri Lanka, Bhutan and Maldives for ₹1,850 crore (\$260 million).

Besides a portfolio of 62 brands in multiple therapy areas, the transaction involves transfer of Wockhardt's related sales and marketing teams and manufacturing plant in Baddi, Himachal Pradesh with all employees to Dr. Reddy's.

The business undertaking is being transferred on a



G.V. Prasad.

slump-sale basis. The transaction is expected to be closed in the first quarter of 2020-21, Dr. Reddy's said.

Co-chairman and MD of Dr. Reddy's G.V. Prasad said India was an important market for the company and the acquisition would help in

considerably scaling-up its domestic business. "The acquired portfolio shall enhance Dr. Reddy's presence in the high-growth therapy areas with market leading brands such as Practin, Zedex, Bro-zedex, Tryptomer and Biovac. We believe the portfolio holds a lot of potential and will get an impetus under Dr. Reddy's," he said.

Wockhardt, whose board of directors approved the sale, said the business being transferred reported a revenue from operation of about ₹377 crore, or about 15% of the consolidated revenue of nine months ended December 2019.

'Bank the unbanked to achieve \$5-trn goal'

More lenders must figure among top 100 global banks, says the President

SPECIAL CORRESPONDENT PUNE

To achieve the goal of a \$5-trillion economy, commercial banks will need to focus on those who are still deprived of formal finance and the country will need more than just one bank in the top 100 global banks, said President Ram Nath Kovind said.

"India has become one of the largest economies in the world. Banks have been a constant part of India's growth saga. As India aims to become a \$5-trillion economy, the banking sector has to start preparing for the next big leap. This mainly involves "banking with the unbanked" and "securing the unsecured," he said in a speech at the National Institute of Banking Manage-



President Ram Nath Kovind and RBI Governor Shaktikanta Das during an event in Pune on Wednesday. • JIGNESE MISTRY

ment. He also said India's future journey will be greatly helped if banks exhibit deeper reach and become more efficient.

"Given the growing size of our economy, we should aim to have more than just one name in the world's top 100

banks," he added.

Last month, the economic survey said at least eight banks were needed, which are large enough to belong to the top 100 banks globally, for India to become a \$5-trillion economy. At present, only State Bank of India is

among the top 100 global banks. He pointed out the success of the 'Pradhan Mantri Jan Dhan Yojana' and said almost 35 crore bank accounts had been opened under this scheme. "This number is larger than the population of all countries except ours and China's," he said.

Mr. Kovind added that banks needed to take proactive measures to bring greater gender parity in ownership of financial assets. "As part of social responsibility, banks can adopt certain geographical areas for increasing financial awareness among women." He said the proposal to hike deposit insurance coverage from ₹1 lakh to ₹5 lakh was a positive step towards assuring savers.

City Union Bank profit rises 8% on higher total income

Private sector lender to add 35 branches by end of March

SPECIAL CORRESPONDENT CHENNAI

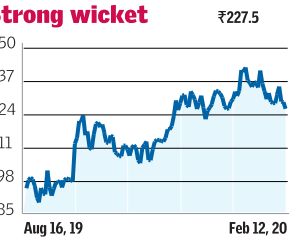
City Union Bank Ltd. (CUB) has posted a 8% growth in its standalone net profit for the third quarter ended December 2019 to ₹192 crore on a reasonable growth in total income and lower tax expense.

Net interest income rose 2% to ₹427 crore and other income 19% to ₹142 crore. Net interest margin stood at 3.96%. The capital adequacy ratio was 15.41%.

Provision coverage ratio stood at 65%. Provisions for the period were ₹116 crore.

NPA ratios rise

Total business grew 11% to ₹73,640 crore while CASA deposits increased 10% to ₹9,294 crore which was 23%



of the total deposits.

During the period under review, gross non-performing assets (NPAs) grew to 3.5%, totalling ₹1,185 crore from 2.91% and net NPAs to 1.95%, totalling ₹649 crore, from 1.74%.

"Slippage during the quarter was ₹230 crore. Recovery was ₹127 crore and write-off was ₹52 crore.

"The biggest slippage of ₹70 crore related to a paper company while the rest are

IT-BPM grows 7.7% to \$191 bn, says Nasscom

SPECIAL CORRESPONDENT MUMBAI

The National Association of Software and Services Companies (Nasscom) has announced that the IT-BPM sector's revenue grew 7.7% year-on-year to \$191 billion in FY2020.

Nasscom also said that the IT services sector garnered the highest revenue of \$97 billion (growth of 6.7%), followed by e-commerce which stood at \$54 billion (growth of 25.6%).

The sector generated exports of over \$147 billion in revenue in FY2020, growing at 8.1%.

Keshav Murugesh, chairman, Nasscom, said, "The IT-BPM industry continues to be a key catalyst for India's overall growth."

Coronavirus threat: Tata Motors eyes alternative supply chain

To mitigate possible impact of situation arising out of nCov

YUTHIKA BHARGAVA NEW DELHI

Even as Tata Motors does not expect any immediate disruption in production due to the closure of a large number of factories in China following the outbreak of coronavirus, the home-grown automaker is looking for alternative supply chains to mitigate any possible impact of the situation, a senior company official said.

"Currently, our teams are working on actually mapping of the supply chains, right up to the raw material. And more often than not, you'll find that supply chains of different parts, at times, cross through China... there are a few parts which are de-



Girish Wagh

pendent on that. But people are now focussing on trying to get alternative supply streams activated, so that the impact is minimised," Girish Wagh, president, Commercial Vehicles Business Unit, Tata Motors, told The Hindu.

Pharma body seeks data on China imports

N. RAVI KUMAR HYDERABAD

The Pharmaceuticals Export Promotion Council of India has begun reaching out to drugmakers, seeking details of active pharmaceutical ingredients (APIs), key starting materials (KSMs) and intermediates they import from China as part of a preparedness plan India wants to ready, following the coronavirus outbreak.

The information would enable the government to address the situation, in the event of the deadly virus continuing to impact supplies for a longer term, in the best possible manner, according to the council.

A database would help working towards alternatives, according to a Pharmexcil statement.

Ashok Leyland net profit slides as M&HCV sales drop

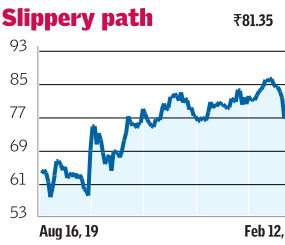
Firm to focus on cash flows, conservation of resources

SPECIAL CORRESPONDENT CHENNAI

Ashok Leyland, the flagship firm of the Hinduja Group, reported a 92.71% fall in its standalone net profit for the third quarter ended December 2019 to ₹27.75 crore on account of a decline in sales of medium and heavy commercial vehicles (M&HCV).

Revenue from operations dipped 36.51% to ₹4,015.65 crore. "The M&HCV sector continued to witness a decline in volume of 39%. Ashok Leyland also witnessed a volume drop this quarter," said Vipin Sondhi, MD & CEO, Ashok Leyland.

"Despite this, we have been able to achieve earnings before interest, tax, depreciation and amortisation of 5.6%," he said.



sizeable reduction in costs. We are also focussing on cash flows and conserving resources for future growth initiatives," said Gopal Mahadevan, whole-time director and CFO, Ashok Leyland.

Net profit included an exceptional item of ₹1.69 crore relating to discontinued products of light commercial vehicle division against ₹5.13 crore for the corresponding period. Another exceptional item of ₹48 lakh during Q3 of FY20 pertained to a voluntary retirement scheme.

"We continue our productivity and cost-reduction programmes started earlier in the year. These initiatives have helped us achieve a

I-T dept. to share taxpayer data with SEBI

PRESS TRUST OF INDIA NEW DELHI

The Income Tax Department will share all taxpayers' data like PAN information with SEBI in order to help the capital markets regulator in its probe against various entities, including those involved in 'stock market manipulation', an official order said.

The Central Board of Direct Taxes (CBDT), which frames policy for the tax department, had issued an order in this context on February 10 under Section 138 (I) of the IT Act. The sharing of information will be under three broad heads: request-based exchange of data, suo motu and automatic. The two organisations are expected to ink a Memorandum of Understanding soon to implement the decision.

Yes Bank to delay earnings announcement

SPECIAL CORRESPONDENT MUMBAI

Private sector lender Yes Bank has delayed its Q3 earnings announcement, citing the capital raising process, which needs its 'fullest attention.'

The bank said it will announce the earnings on or before March 14, 2020, which exceeds the 45-day period from the end of the relevant quarter as stipulated by SEBI. Yes Bank said it had received non-binding expressions of interest from several prominent investors. "These include J.C. Flowers & Co. LLC; Tilden Park Capital Management LP; OHA (U.K.) LLP (part of Oak Hill Advisors); Silver Point Capital," it said.

After consecutive losses, IOB set to make profit in fourth quarter

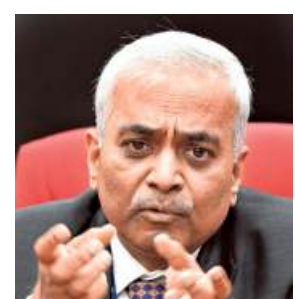
Slippages mainly due to corporate sector: Karnam Sekar

SPECIAL CORRESPONDENT PUNE

State-run Indian Overseas Bank, which has been making losses for almost half-a-decade due to climbing bad loans, is set to make profit in the January-March period, as slippages are expected to come down, said Managing Director and Chief Executive Officer Karnam Sekar.

"Slippages will be less in Q4. We will be in clear net profit from this quarter. This, after being in red for almost four-and-a-half years," Mr. Sekar said on the sidelines on an event at the National Institute of Bank Management here.

"Our slippages have been mainly due to the corporate



Karnam Sekar

sector. That is more or less addressed. I don't see any corporate accounts which are likely to slip. We have not taken any exposure in the last four-five years. So, the corporate sector problems which have been there, have been addressed," he said. The Chennai-based lender's net loss for the October-December quarter widened to ₹6,075 crore on higher provisioning for non-performing assets (NPAs) and investments.

"In December, we made higher provisions and therefore we incurred a huge loss," he said. IOB had a gross NPA ratio of 17.12% as at end December, while net NPA ratio was at 5.81%. He also expected the lender to come out of RBI's prompt corrective action framework since net NPA ratio has fallen below 6%.

Mr. Sekar added that the bank expected ₹1,000 crore recovery in Q4 and said the bank did not have any immediate capital requirement.