

Piramal will have to raise ₹3K cr to meet financial commitments

DEV CHATTERJEE
Mumbai, 10 November

The Piramal group will have to raise ₹3,033 crore by March next year to meet its financial commitments at a time when ICRA, a Moody's affiliate, has downgraded group firms AASAN Corporate Solutions and Piramal Realty.

The group needs to pay AASAN Corporate Solutions' debt of ₹1,350 crore and ₹1,683 crore as its contribution for the rights issue announced for Piramal Enterprises Ltd (PEL).

On October 26, group Chairman Ajay Piramal said he would underwrite the entire ₹3,650-crore rights issue.

Apart from the rights issue, PEL is raising ₹1,750 crore by making a preferential allotment of convertible debentures to Caisse de dépôt et placement du Québec (CDPQ) of Canada.

The group has announced it will sell its stake in Shriram group companies by March next year.



ON THIN ICE

- Piramal group needs fund to fund rights, repay old loans'
- Piramal will sell stake in two Shriram group companies
- Rating firm warns of low liquidity with group companies
- High real estate exposure is a concern, says rating firm

The group holds 20 per cent in unlisted Shriram Capital and another 10 per cent in Shriram City Union.

It sold its 10 per cent stake in Shriram Transport for ₹2,300 crore in June this year.

While downgrading its debt instruments on Friday, ICRA said the group would have to sell either more stake in PEL or

assets because the family office entities in the group had combined liquidity of ₹400 crore as of June 30 this year.

A Piramal spokesperson said the promoter family was committed to subscribing to its share of the rights issue.

"The rights issue announcement has been well received by institutional investors.

Moreover, the rights issue is fully underwritten," the official said.

"As far as AASAN Corporate Solutions is concerned, in accordance with industry practice, bonds and debentures are routinely refinanced well before their due date. We are in the advanced stage of refinancing the

debenture amount," the spokesperson said.

While downgrading the ₹350-crore NCD issue of Piramal Realty to "A minus" with a negative outlook, ICRA said the revision was on account of the operating environment owing to tight liquidity in the market.

"Furthermore, the company may need to refinance a significant quantum of debt due for repayment in fiscal 2020 given the limited stand-alone financial strength of the company," it said.

As of March 31 this year, Piramal Realty had a cash and bank balance of ₹37 crore and ICRA said the liquidity available was low compared to the repayment obligations due in the short term.

Piramal Realty was set up in 2010 and has a presence in real estate through subsidiaries /step-down subsidiaries/limited liability partnerships which have projects housed in it or through joint ventures. The company has exited real estate projects.

Over 100 Indian CEOs to visit Davos in January for 50th WEF annual meet

PRESS TRUST OF INDIA
New Delhi, 10 November

Over 100 Indian CEOs, several political leaders and select Bollywood stars, including Deepika Padukone will be in the Swiss ski resort town of Davos in January for the 50th anniversary of the WEF Annual Meeting to discuss what requires to make it a 'cohesive and sustainable world'.

The annual jamboree of the rich and powerful from across the world is expected

to be even a bigger affair this time because it would be its 50th anniversary and there are indications that several top global leaders might be present.

While the official list of public figures would be announced closer to the summit, slated for January 20-24, 2020, speculation is abound that US President Donald Trump as well as Russian President Vladimir Putin both might be there after both of them skipped last year's Davos. Geneva-based WEF has

selected 'Stakeholders for a Cohesive and Sustainable World' as the theme for its 2020 annual meeting, which will bring together 3,000 global leaders.

The WEF has said the 2020 meeting aims to give a concrete meaning to "stakeholder capitalism", assist governments and international institutions in tracking progress towards the Paris Agreement and the Sustainable Development Goals, and facilitate discussions on technology and trade governance.

Post-monsoon pharma market growth slips to 5.1% in October

SOHINI DAS
Mumbai, 10 November

After having one of the best quarters in about a year, domestic pharma market growth slipped to mid-single digits in October as the monsoon extended this year.

According to data from the market research firm AIOCD AWACS, the Indian Pharmaceutical Market (IPM) growth rate slipped to 5.1 per cent to ₹1.22 trillion after an 11.9 per cent growth in September. During the July-September quarter, market clocked 11.5 per cent growth rate buoyed by growth in both volumes and prices.

AIOCD noted, "What appeared to be good times ahead for IPM post the 11.9 per cent growth recorded in September 2019, October market data comes as a surprise, where market growth slipped to 5.1 per cent. The extended monsoon seems to have come to an end. October 2018 had seen a growth of 12.5 per cent."

The drop in growth for the month of October 2019 has been seen across the therapies.

Anti-Infective market showing a growth of 2.9 per cent, cardiac market at 7.9 per cent, gastro-intestinal market at 4.7 per cent, the antidiabetic market at 6.4 per cent and vitamins showing growth of 2.3 per cent. After the monsoons, the acute therapies (that account for 47 per cent of the IPM) grew by 7.9 per cent, while the chronic therapies clocked an 11.5 per cent. The volumes dipped in October (declining by 2.7 per cent) compared to a 3.5 per cent growth in September.

AIOCD said, "The volume growth of (-2.7 per cent) is quite lower than the rolling average of 12 month volume growth of 1.5 per cent." In the past 12 month the average price growth has been 5.1 per cent and new product growth has been 2.5 per cent.

