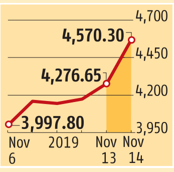
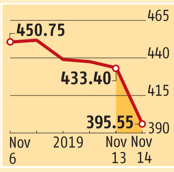
STOCKS IN THE NEWS

VST Industries



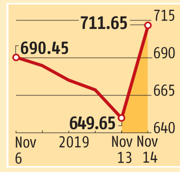
R K Damani bought 270,000 shares representing 1.7% stake via open market
₹4,570.3 CLOSE
▲6.87% UP*

Aurobindo Pharma



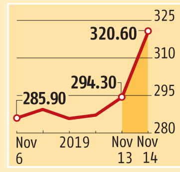
Received Form 483 from USFDA with 14 observations for Hyderabad facility
₹393.55 CLOSE
▼9.19% DOWN*

Muthoot Finance



Second-quarter pre-tax profit jumped 42 per cent YoY to ₹1,116 crore
₹711.65 CLOSE
▲9.54% UP*

Suven Life Sciences



Q2 PBT increased 81 per cent QoQ to ₹100 crore
₹320.60 CLOSE
▲8.94% UP*

Dixon Technologies (India)

Q2 PBT up 96 per cent YoY at ₹48 crore
₹3,267.30 CLOSE
▲8.93 UP*

* OVER PREVIOUS CLOSE

IN BRIEF

CCI go-ahead to Adani's 23.5% stake buy in Mumbai airport

Fair trade regulator Competition Commission of India (CCI) on Thursday approved Adani Properties' acquisition of 23.5 per cent stake in the country's second busiest aerodrome Mumbai International Airport. Adani Properties has acquired the shares from Mauritius based Bid Services Division and ACSA Global. According to the combination notice filed with CCI, the transaction involves acquisition of shares through two separate share purchase agreements. While Adani is buying 13.5 per cent stake in Mumbai International Airport from Bid Services Division, the rest 10 per cent has been acquired from ACSA, as per the notice said.

In a separate tweet, the CCI said it "approves merger of the BNP Paribas Mutual Fund and the Baroda Mutual Fund". PTI

Dr Reddy's enters nutrition segment with diabetes drink

Dr Reddy's Laboratories on Thursday announced it was entering the nutrition segment with the launch of a diabetes nutrition drink — Celevida — in India. It is a first-of-its-kind product under Dr Reddy's nutrition portfolio and clinically proven to help manage blood glucose levels among Indian patients, the company said. BS REPORTER

SC junks eviction proceedings for Fortis' subsidiary

Fortis Healthcare on Thursday said the Supreme Court has passed a judgment in favour of one of the wholly owned subsidiaries of the company, Escort Heart Institute & Research Centre (EHIRCL), thereby quashing eviction proceedings. The Delhi Development Authority had in 2005 terminated the leases executed in favour of EHIRCL with respect to its hospital at Okhla. BS REPORTER

Correction

The headline to a report on the impact of liquidation on Vodafone Idea shareholders, published on November 14, incorrectly mentioned $1.7 trillion, instead of ₹1.7 trn. The error is regretted.

Australia's Musashi forays into India sports nutrition mkt

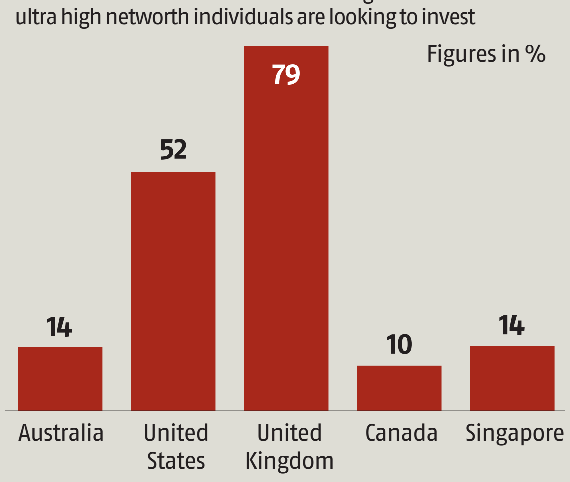
Australian sports nutrition solutions major Musashi on Thursday forayed into the local market. Musashi, that has a 30 per cent share of the sports nutrition market in Australia and New Zealand, aims to capture the fast-growing market in India ahead of the Tokyo Olympic Games next year. The sports nutrition market in India is pegged at ₹1,400 crore and is growing at about 22 per cent a year. It is expected to cross ₹3,500 crore by 2023, according to Euromonitor International. BS REPORTER

NCLAT sets aside Dhanuka's plan for Orchid Pharma

The National Company Law Appellate Tribunal (NCLAT) has set aside the approval of the resolution plan of Dhanuka Laboratories for Orchid Pharma. Dhanuka's plan was approved by the NCLT on June 25. The Bench also ordered to remit the matter to NCLT for a decision. The NCLAT order comes on an appeal filed by Accord Life Spec, part of the ₹1,700-crore Accord Group established by former Union minister of state S Jagathrakshakan, whose resolution plan was rejected by the NCLT while approving Dhanuka's plan. BS REPORTER

MORE WEALTHY INDIANS ARE BUYING PROPERTY IN LONDON

The number of Indians buying properties in London increased 11 per cent during the year 2018-19 ended June because of discounted prices, according to a report by property consultant Knight Frank. The main regions of interest are Mayfair, Belgravia, Hyde Park, Marylebone and St John's Wood. The bars below show regions where Indian ultra high networth individuals are looking to invest



Source: The Wealth Report Attitudes Survey 2019

Bansal pumps ₹888 cr into own firm

Since exiting Flipkart last yr, he has invested in start-ups privately and through his investment vehicle BAC Acquisitions

Through BAC (now Navi Technologies), Sachin Bansal made debt investments in a variety of ventures

YUVRAJ MALIK
Bengaluru, 14 November

Billionaire entrepreneur Sachin Bansal has infused more money into his investment vehicle BAC Acquisitions and renamed it Navi Technologies, company filings reveal.

The Flipkart co-founder has invested ₹888.50 crore, approximately $123 million, in Navi Technologies, which was set up as BAC Acquisitions in December 2018.

Documents from the Registrar of Companies sourced through Tofler show Bansal bought 68.3 million shares at ₹130 apiece over two tranches in October. Of these, 11.5 million shares were bought with cash (approximately ₹150 crore), which comes as fresh infusion in the company. The rest were issued against financial securities, according to the documents.

"The funds have been infused in Navi Technologies to enable the company to scout for growth opportunities, organic and inorganic, in the broad financial sector space. With funds in the balance sheet, Navi Technologies will be able to move quickly to capture opportunities as they arise," said a spokesperson of Sachin Bansal, in an emailed response.

This will enable the firm to scout for growth opportunities in the broad financial sector space, said a spokesperson of Sachin Bansal

The development comes close on the heels of Bansal buying a microfinance firm, which he now leads. In September, he announced his second innings as an entrepreneur by buying majority shares in Chaitanya Rural Intermediation Development Services, which runs the microfinance institution, Chaitanya India Fin Credit. The company is 10 years old and headquartered in Bengaluru.

Bansal invested $104 million for over 90 per cent ownership in Chaitanya India, which caters to low-income borrowers for vehicle finance, housing loans, small business loans, and education loans. He is now its chief executive officer.

After exiting Flipkart in May 2018, Bansal has been an active investor in the start-up ecosystem. He set up BAC Acquisitions with his Indian Institute of Technology-Delhi (IIT-D) batchmate Ankit Agarwal to invest in start-ups through a mix of equity and debt. Company filings show Navi Technologies has three directors: Sachin Bansal, Ankit Agarwal, and Shubham Shrivastava.

Through BAC (now Navi Technologies), he made debt investments in a variety of ventures like Vogo, Bounce, and Kisshṭ, and financing firms Altica Capital and Indostar Capital Finance. His biggest bet is Ola, where he committed to invest $100 million in January.

A source said the equity investment is around $25 million, while the rest is structured debt. After Energy, the electric scooter start-up, is another substantial investment where he has put in close to $35 million. He has over a dozen angel investments from his time at Flipkart and beyond.

Bansal, along with Flipkart's other co-founder Binny Bansal, is also an investor in a recently announced endowment fund of IIT-D. The two have committed 50 per cent of ₹250 crore, which is the size of the fund.

CORPORATE RESULTS A MIXED BAG

Vedanta pre-tax profit slips 57%

Lower revenue and one-time impairment charge hit quarter's performance

ADITI DIVEKAR
Mumbai, 14 November

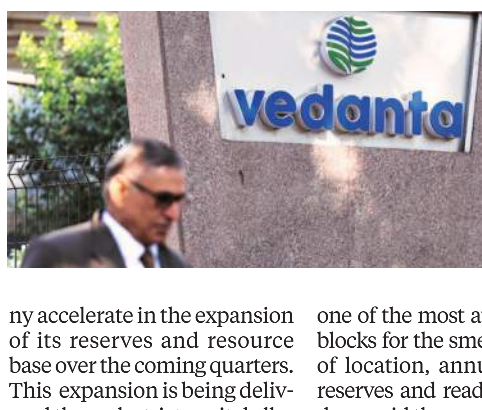
Metals and mining conglomerate Vedanta reported a consolidated pre-tax profit of ₹1,122 crore for its Indian arm in the September quarter, down 57 per cent from the same period last year as lower revenues and a one-time impairment charge hit performance.

Revenue was ₹21,739 crore, down three per cent from a year before, on the back of weak commodity prices, said the company. A net exceptional loss due to the one-time impairment charge stood at ₹422 crore.

The exceptional item was a charge of ₹504 crore relating to impairment at Avanstrate, partially offset by accrual of interest against pending claims at TSPL Sterlite Energy, based on a Supreme Court order, giving a net charge of ₹422 crore, said the company.

However, consolidated profit in the quarter was ₹2,730 crore, up 44 per cent from last year, from a one-time deferred tax benefit of ₹1,891 crore.

"We are at an exciting transition that will see the company accelerate in the expansion of its reserves and resource base over the coming quarters. This expansion is being delivered through strict capital allocation and balance sheet focus aimed at creating value for our stakeholders," went a company statement from Srinivasan Venkatakrishnan, chief executive officer.



PERFORMANCE OVER THE YEARS
Figures in ₹ crore

	Net sales	PBIDT	PBT	Net profit
Sep '16	15,861	6,048	3,040	2,495
Sep '17	21,590	6,775	3,841	2,915
Sep '18	22,432	6,027	2,618	1,343
Sep '19	21,739	4,857	1,122	2,158

Compiled by BS Research Bureau Source: Capitaline

Vedanta was the highest bidder for the Jamkhani coal block in Sundargarh district of Odisha, in the 10th tranche of the captive block auction conducted by the Union ministry. The block is in proximity to the company's Jharsuguda aluminium smelter. Jamkhani is one of the most attractive coal blocks for the smelter in terms of location, annual capacity, reserves and readiness to produce, said the company.

GROSS DEBT REDUCED BY ₹3,279 CRORE, BRINGING THE RATIO OF NET DEBT TO EBITDA DOWN TO 0.9, LOWEST AMONG INDIAN PEERS, SAID VEDANTA

The approved annual capacity of the mine is 2.6 million tonnes (mt), with estimated extractable reserve of 114 mt. Once operational, it will provide fuel security, improve power availability and strengthen the aluminium business, said Vedanta.

The company's aluminium loss widened in the quarter, mainly due to lower global prices and coal shortage, even as the cost of production fell, year-on-year. The company's consolidated Ebitda (earnings before interest, taxes, depreciation and amortisation) declined 15 per cent from the period last year to ₹4,497 crore. Gross debt reduced by ₹3,279 crore, bringing the ratio of net debt to Ebitda down to 0.9, lowest among Indian peers, said Vedanta. Net debt reduced by ₹8,322 crore in the quarter. As on September 30, the total of cash and liquid investments was ₹35,817 crore.

With regard to business-wise performance, ore output at Hindustan Zinc rose 3 per cent year-on-year to 3.6 mt, with strong growth at the Rampura Agucha and Zawar mines. Mined metal production was 219,000 tonnes, up 3 per cent from the June quarter. The final phase of expansion here was completed, enabling 1.2 mt annual capacity, said the firm.

Walmart's sales surge to $30 bn, thanks to Flipkart

PEERZADA ABRAR
Bengaluru, 14 November

Walmart International, the segment which consists of the retail giant's operations outside the US including retail websites, reported solid sales growth in the quarter. This was led by the inclusion of Indian e-commerce firm Flipkart as well as strong sales growth in China and Mexico.

The firm on Thursday posted net sales of $29.2 billion, an increase of 1.3 per cent. "Excluding currency, net sales were $30.2 billion", an increase of 4.8 per cent, it said.

The company is locked in a battle with US rival Amazon for dominance in India's online retail market through Flipkart, which it acquired last year in May. "We like the momentum we see in parts of the business. We're excited about what's happening at Flipkart and PhonePe," said Doug McMillon, Walmart's president and chief executive officer, during the third-quarter (Q3) financial year 2020 earnings event.

"Beyond just our current results, the Indian market represents a significant opportunity for growth, and our team of innovators brings local expertise to a market where understanding the flow of everyday life can help us provide products and services that remove friction from the lives of our customers," he said.

McMillon said this year's 'The Big Billion Days' — Flipkart's flagship festive sale — was again a success. "It was great to see record sales in India during the event."

"We're excited about what's happening at Flipkart and PhonePe. The Indian market represents a significant opportunity for growth"
DOUG McMILLON
Walmart President & CEO

Brett Biggs, executive vice-president and chief financial officer of Walmart, said because of calendar shifts, two days of the event affected Q3 net sales this year with the remaining four days to be reported in the fourth quarter. Last year, the entire sales event was reported in Q4 results.

McMillon said the firm continues to see 'tremendous growth' at PhonePe, its digital payments arm. However, Walmart International posted a 46.2 per cent decline in the operating income on a reported basis. "As expected, the inclusion of Flipkart negatively affected operating income," said Walmart referring to the overall operating income of Walmart which declined 5.4 per cent, or 4.1 per cent in constant currency.

Suzlon loss at ₹777 crore

Suzlon Energy on Thursday reported widening of its consolidated net loss to ₹777.52 crore in the quarter ended September 30, 2019. The company reported a net loss of ₹625.76 crore in the corresponding quarter last fiscal, Suzlon Energy said in a BSE filing.

Its revenue from operations fell to ₹803.09 crore during the quarter under review as against ₹1,194.99 crore in the year-ago period.

The company's total expenses were at ₹1,551.16 crore as against ₹1,850.28 crore in the same period of preceding fiscal year. "The sector is witnessing issues on project execution due to some policy issues but there has been some healthy growth in installations over the last year. Wind capacities added in India in H1 2019-20 was at 1,304 Mw as compared to 569 Mw in H1 2018-19," Suzlon Group CEO J P Chalasani said in a separate statement. PTI

ONGC Q2 profit down 36%

State-owned Oil and Natural Gas Corporation (ONGC) on Thursday reported a 36.2 per cent drop in second-quarter net profit as it faced double whammy of fall in oil production and drop in prices.

Net profit in July-September at ₹5,276 crore was 36.2 per cent lower than ₹8,271 crore profit after tax in the same period a year back, the company said in a statement. Revenue fell 10.5 per cent to ₹1.01 trillion. Oil production fell 3.9 per cent to 5.8 million tonnes while gas output fell 1.6 per cent.

The company got $60.33 for every barrel of crude oil it produced and sold, down from $73.07 realisation a year back.

Gas price realisation, however, was up 20 per cent at $3.69 per million British thermal unit, the statement said. PTI

NEWSMAKER: NICK READ, VODAFONE CEO

Why he said what he said

Read has retracted his criticism, but he was pointing out the obvious — the current pricing regime is unsustainable

SURAJEET DAS GUPTA
New Delhi, 14 November

What other top executives in the Indian telecom sector might have said in whispers behind closed doors, Vodafone CEO Nick Read said out loud in public last February, namely that the current pricing regime, caused by the ferocious competition, was unsustainable because everyone was operating below costs.

Read chose a global audience at the Barcelona World Mobile Congress to spell out his criticism of the Indian telecom regulator and how the body's decisions had, over the past two years, adversely all telcos, barring Reliance Jio.

In fact, he was blunt about the dismal prospects of his Indian business even last October when he took over the reins of Vodafone's joint venture with Idea Cellular. So it wasn't a great surprise when in London on Tuesday, Read launched an even sharper attack during a press conference. He said Vodafone Idea was heading into a 'liquidation scenario' unless it received financial relief from the Indian government. He pointed out that the UK company has written off the carrying value of its 45 per cent share in the loss-making joint venture and reiterated that it won't invest anything more in its Indian operations.

Read knows what he is doing. His views are clearly very different from his predecessor, the legendary Vittorio Colao or even from Arun Sarin who brought Vodafone into India. Both believed that Vodafone would eventually reap great benefits from the Indian market and that it was logical to stay invested. Read, under pressure to deliver the goods to shareholders who have been seeing not-so-good numbers, has a different view.

Unlike Colao, he has hands-on experience of emerging markets and India. Read was CEO of Africa, West Asia and the Asia Pacific Region and also on the board of its Indian subsidiary, Vodafone Essar.

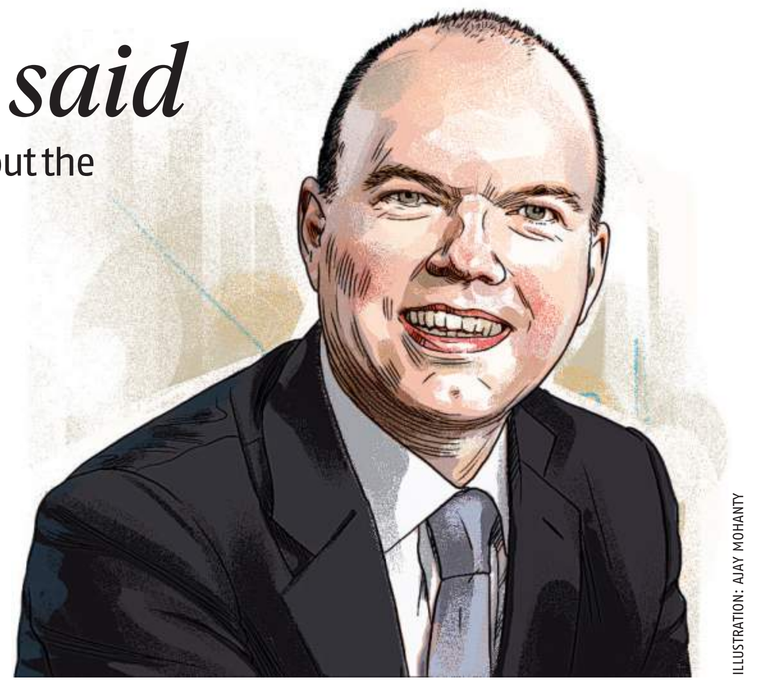


ILLUSTRATION: AJAY MOHANTY

The British telecom major had entered the Indian market by buying out Hutchison Whampoa's 67 per cent stake (Vodafone bought out Indian partner Essar in 2011). As the CFO at Vodafone, working closely with Colao, he had been involved in the company's attempt to take the company public with an IPO in India, which foundered on unfavourable market conditions. His critics say the company missed the bus in its quest for high valuations. But the financial head of the company in 2016 faced an impairment of $6.3 billion in its Indian business primarily to face the onslaught of Reliance Jio. The latter was offering 4G services virtually free, having been given carte blanche by the regulator to do so (which was the gist of his Barcelona statement).

It was Colao who pushed through the idea of a merger with Idea. The plan quickly found traction as both companies realised it was the only way to slow down the Reliance Jio juggernaut. But while Colao used his personal touch and had been pursuing a joint venture with Kumar Mangalam Birla since 2010, it was Read who was flown in to work out the nitty-gritty of the deal, especially as it was facing various regulatory challenges.

The merger between Vodafone and Idea happened in August 2018. The deal had a financial impact. Read, as the CEO, reported a loss for the first six months of FY19 for the UK company. One key reason for the loss was the £3.4-billion loss incurred from the sale of the Indian operations. Those who know Read say that he worked closely with Colao who transformed Vodafone from the owner of a host of networks across the globe (some with minority equity) into an integrated telecom company dominating Europe.

He launched his career after graduating in finance and accounting from Manchester Metropolitan University. He swiftly rose through the ranks to become the CFO of Federal Express Worldwide for Europe, West Asia and Africa.

In 2001, Read joined Vodafone and here, Arun Sarin gave him the big breaks, making him the chief executive of its UK operations in 2006. The post helped him hone his operational skills, unlike Colao who came from a management consultancy background.

Read expanded his operational knowledge as the regional CEO, overseeing the group's telecom business in Africa, the West Asia and Asia Pacific and as director in the Indian subsidiary and in Indus Towers (a joint venture with Airtel and Idea). This brought him closer to understanding the hyper-competitive Indian market.

He has since 'retracted' the remarks he made on Tuesday, saying the media had misrepresented them and re-affirming his 'commitment' to the Indian market.

"The coverage in India has been distorted and I apologise for the impression that the coverage conveys. It doesn't accurately represent my comments," he wrote in a letter to the Prime Minister, Telecom Minister Ravi Shankar Prasad and senior government officials.