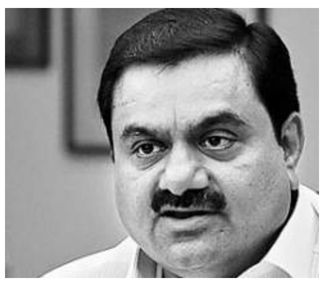
IN BRIEF

Adani Transmission buys back NCDs worth ₹135 crore



Gautam Adani, founder, Adani Group

Adani Transmission on Saturday said it has bought back non-convertible debentures (NCDs) worth ₹135 crore. According to a BSE filing, the NCDs were bought back on November 29 by the firm which is part of the Adani Group headed by Gautam Adani (*pictured*). "The company has bought back 1,350 rated, listed, secured, redeemable, NCDs having face value of ₹10 lakh each. aggregating to ₹135 crore on November 29, 2019," the filing said. PTI

GAIL to supply PNG in Doon to 300,000 households

GAIL Gas will supply PNG to 300,000 households in Dehradun district under the city gas distribution project. GAIL Gas Managing Director V Gautam said work on laying pipelines for the project will begin in a month.
The target is to cover 300,000 households spread over an area of 3,088 square km in the district at a cost of ₹1,500 crore in the next eight years. PTI

Kerala to get its own bank soon as HC clears the way

The Kerala government's long pending dream of setting up its own bank, by merging the district co-operative banks, is set to become a reality with the High Court dismissing a batch of petitions filed against it. Minister for Cooperation Kadakampally Surendran said the setting up of the bank opens up a huge potential for the development of the state. PTI

HCL to increase authorised share capital

HCL Technologies on Saturday said its shareholders have approved proposals to increase authorised share capital and issue bonus shares. The company had sought shareholders' approval on October 26 for increase in authorised share capital and consequent alteration of the memorandum of association. PTI

DPIIT to confer national start-up awards

The Department for Promotion of Industry and Internal Trade (DPIIT) on Saturday said it will give national start-up awards to those entrepreneurs who are developing innovative products. The award will be conferred in 35 areas, classified into 12 broad sectors. A cash prize of ₹5 lakh each will be given to the winning startup in each area. PTI

At Deloitte Tech Fast 50, Bizongo is fastest-growing firm

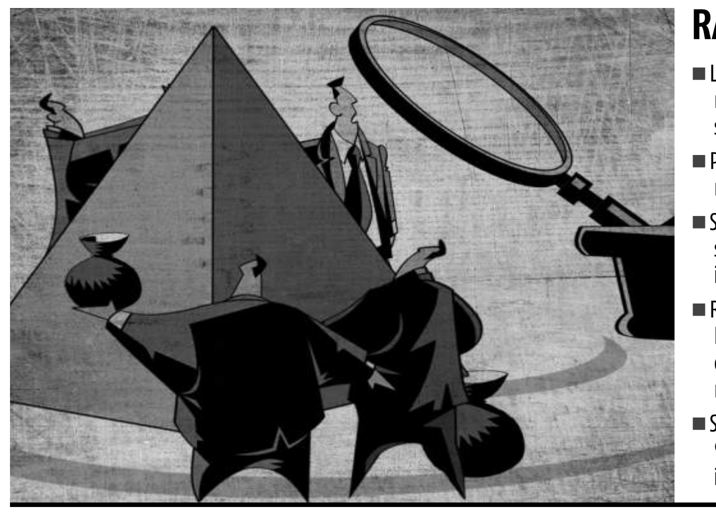
Bizongo , a company that solves packaging design, development, and procurement challenges with a technology-enabled platform, has been declared overall winner of the Deloitte Technology Fast 50 India programme.The programme ranks the fastest growing tech firmsin India based on their percentage revenue growth over the past three financial years. Bizongo had 8,271 per cent growth in revenue over the past 3 years. BS REPORTER

Nivea to expand capacity of its Sanand plant

In order to cater to the growing demand in the country, German skincare brand Nivea is looking to fully expand the capacity of its Sanand plant in Gujarat by 2025. It is currently manufacturing 240 million units a year which is likely to go up by 100 million to 345 million units annually in the next five years. PTI

Promoter holding over 75% in 78 firms

MAYANK PATWARDHAN & SACHIN P MAMPATTA
Mumbai, 30 November



RAISING STAKE

- Listed firms require minimum public shareholding
- Promoters can't own more than 75%
- Sebi rules allow for some exceptions, including for PSUs
- Recently, promoters have pumped in capital into loss-making entities
- Some firms have over 90% promoter stake in some cases
- Of the 78 firms, 48 profit-making companies made over ₹20K crore
- Thirty of these 78 companies were in the red with a total loss of over ₹73,000 crore
- Three government-backed entities top the list of such firms with losses between ₹8,000 crore and ₹15,000 crore

Seventy-eight listed companies had promoter shareholding of over 75 per cent in the September quarter of this financial year.

The Securities and Exchange Board of India (Sebi) requires listed companies to maintain maximum promoter shareholding of 75 per cent. They have, however, been given additional time in the event of new listings and for other reasons such as being backed by the government.

Government firms have an extended deadline to meet minimum public shareholding norms.

The 78 firms had a cumulative loss of ₹52,790.1 crore in the last financial year ended March 2019 (FY19). The 48 profit-making companies made ₹20,370.2 crore, while 30 of these were in the red with a total loss of ₹73,160.8 crore.Three government-backed entities — IDBI Bank, Punjab National Bank and Allahabad Bank — top the list of such firms with losses between ₹8,000 crore and ₹15,000 crore for FY19.

Some of the rise in stake is because of promoters pumping in additional capital to loss-making firms.

Amit Khurana, head of equities at brokerage firm Dolat Capital Markets, suggested that there has been little evidence of promoters looking to increase their stake except for some distressed firms.

He believes that promoters in general may be willing to put in more money in companies after there is more evidence of turnaround in the economy.

"If the economy bottoms out in the next few quarters... a lot of promoters may say, 'okay, let me raise my stake'," he said.Gross domestic product grew at 4.5 per cent in the September quarter, showed data released on Friday, the slowest since 2013.

Analyst commentary suggested that a return to higher growth may take some more time.

A lack of demand and a reluctance to make fresh investments amid idling existing capacity are said to be some reasons hindering a quick recovery.

Exceptions aside, the regulations can call for stringent action in case of non-compliance with minimum public shareholding.

The regulator has proposed various strictures including fines.

"The recognised stock exchange shall intimate the depositories to freeze the entire shareholding of the promoter and promoter group in such listed entity till the date of compliance by such entity.... The promoters, promoter group and directors of the listed entity shall not hold any new position as director in any other listed entity till the date of compliance by such entity," an October 2017 circular had said.

It increases the fine and actions against promoters if non-compliance is for a period of a year or more.

"The actions specified in this circular are without prejudice to the power of Sebi to take action under the securities laws for violation of the minimum public shareholding requirements," it said.

'We're bullish on India, but not pushing global sales, says Panerai global CEO

"WE DON'T NEED INDIA TO PUSH GLOBAL SALES, WHICH ALLOWS US TO DEVELOP THIS MARKET AT OUR OWN RHYTHM AND THAT IS WHAT IS WORKING FOR US"

Richemont Group-owned Officine Panerai has bucked the downtrend impacting most watch-makers in recent times, with growth in annual sales and plans to expand its presence in the subcontinent to more locations. Panerai's global CEO, **JEAN-MARC PONTROUÉ**, who took charge of the brand in 2018, tells **Pavan Lall** that the growth is due to its sweet spot in pricing, distribution alignment and new product range that includes two recently-launched limited-edition watches dedicated to former Indian Cricket Team captain M S Dhoni, who joined as brand ambassador last year. Edited excerpts:

Q&A
JEAN-MARC PONTROUÉ
Global CEO, Panerai

You're launching new watches today dedicated to former Indian cricket team captain M S Dhoni, complete with illustrations of him along with his vest number and image on the case-backs. This is a first for Panerai in India. What is the reasoning behind this move?

M S Dhoni is an individual who is understated, has his own mind and was a natural fit for the brand given his sports background. Also, when you shake Dhoni's hand you know he's a sportsman. It also helps that he wore Panerai even before we signed him on last year. Did we intend to dive into cricket as a watch brand and will we jump into it in Australia and New Zealand and England? No.

Your sales are growing at almost 40 per cent a year from what I hear. What are the key drivers?

Today we have our own stores and move our own cases. We have a strong international presence which was not the case 20 years ago. The Luminor and Submersible watches are driving our sales forward and its not just the entry-level price point that is working (₹3.5 lakh to ₹5 lakh). We don't need India to push global sales, which allows us to develop this market at our own rhythm and that is what is working for us.

What are your expansion plans for India, store wise?

We have three exclusive dedicated stores and sell through ten points of sale, including Kapoor Watches, Art of Time and Ethos Watches. We can't commit when we will open our next (lot of) stores but we are looking at Bengaluru and Hyderabad. What I can tell you is that globally the plan is to go for store expansion. We have 150 stores worldwide and are planning to add another 30 in the next two years.

Have you broken even?

We can't disclose numbers, but what I can say is that not only have we broken even but we are profitable — not just at a company level but also at every store.

Will Panerai ever be moving into the same league as Rolex, which is to say become like a portfolio asset that appreciates with time?

Out of the 700-odd watch brands out there there are just two with whom that happens -- Patek Phillipe and Rolex. That's it. We have had older watches perform well and beat expectations at watch auctions and if you find a "Bronzo" (Submersible model in Bronze) it will be around 50 per cent higher than the new ones. So, of course, not all our models hold value like that, but you see it happen occasionally.

Any surprises in the market here?

We had someone in our boutique tell us that 25 per cent of sales are coming from ladies watches and that is surprising because we haven't done anything to try and push that market, like launching watches with diamonds or anything.

Ujjivan SFB raises ₹304 cr ahead of its IPO this mnth

ABHIJIT LELE
Mumbai, 30 November

Private sector lender Ujjivan Small Finance Bank (USFB) has mopped up ₹303.75 crore from anchor investors ahead of its initial public offering (IPO), which starts on December 2.

The bank wants to raise ₹750 crore to bolster its Tier-I capital.

It has fixed a band of ₹36-37 per share for the IPO. The allocation of 82.1 million shares at ₹37 apiece to 18 anchor investors has been finalised, the bank said in a statement on Saturday.

The Government of Singapore, the Monetary Authority of Singapore, CX Partners Fund, Aberdeen, HDFC Life Insurance Company, Bajaj Allianz Life Insurance Company, Sundaram Mutual Fund, Goldman Sachs India, and ICICI Prudential participated in the bidding.

The bank caters to the unbanked urban poor and young middle class customers.

RBL Bank to raise ₹826-cr equity

NIDHI RAI
Mumbai, 30 November

Private sector lender RBL Bank is raising ₹825.79 crore in equity capital from five investors by issuing shares through preferential allotment. The investors are Bajaj Finance, East Bridge Capital Master Fund I, FEG Mauritius FPI, Ward Ferry Management-controlled hedge fund WF Asian Reconnaissance Fund, and Asia-focused stock hedge fund Ishana Capital.

The bank's board has agreed to allot 24.24 million shares at ₹340.7 a piece on a private-placement basis in accordance with the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

On July 9, RBL Bank told shareholders at its annual general meeting that it would raise equity capital not exceeding ₹3,500 crore.As on September 30, the bank's capital adequacy ratio had slipped from 13.7 per cent to 12.3 per cent in the same period a year ago. In the second quarter (Q2) of 2019-20 (FY20), the asset quality of the bank also worsened as its gross non-performing loans spiked 95 per cent to ₹1,539 crore from ₹789.21 crore in the same period a year ago.

The bank's gross bad loan ratio nearly doubled to 2.6 per cent from 1.38 per cent during the period and its profit also slipped 73 per cent to ₹54 crore. The bank's provisions and contingencies rose 281.8 per cent to ₹533.3 crore in Q2FY20 over Q2FY19. The provision coverage ratio was 58.45 per cent in Q2FY20 as against 69.45 per cent in Q2FY19.

The bank had said, "Given the difficult corporate credit environment, the bank faced challenges in a few corporate accounts. As a matter of prudence, the bank took higher-than-required provision on these accounts, impacting our bottom line."

The bank's stock came under pressure because of this. It tanked from a 52-week high of ₹716.4 in May this year to a 52-week low of ₹230.55 on October 23. Its stock closed 1.9 per cent lower at ₹373.8 per share on Friday.

The bank informed the stock exchanges that it had appointed Ranjana Agarwal additional and independent director on its board from Saturday, for five years, subject to shareholder approval.