IN BRIEF

NIIT shareholders approve ₹337 cr buyback programme

NIIT Technologies on Saturday said shareholders have approved its over ₹337.4 crore buyback plan "by requisite majority". In a regulatory filing, the company said its Board at a meeting on December 23, 2019 approved the proposal of buyback of up to 19,56,290 fully paid equity shares of a face value of ₹10 each at a price of up to ₹1,725 per share. The buyback proposal through the tender offer route, aggregated up to ₹337.46 crore. "We wish to inform you that the shareholders of the company have approved the special resolution for the...matter by requisite majority on February 13, 2020 through e-voting and postal ballots process...," it said. PTI

Saks, Louis Vuitton, Gucci sued over alleged no-hire pacts

Saks, Gucci, Louis Vuitton and other luxury retailers were accused in a lawsuit of agreeing to not hire sales clerks from each others' stores in violation of US antitrust law. The firms conspired to enter into "no-hire agreements", according to the complaint filed on Friday in federal court in Brooklyn, New York. BLOOMBERG

FADA asks vehicle makers to shift completely to BS-VI

The Federation of Automobile Dealers Associations (FADA) on Saturday asked automobile makers to shift wholesale dispatches to BS-VI compliant vehicles only, with the Supreme Court refusing its request to extend deadline for sale and registration of BS-IV vehicles beyond April 1, 2020. PTI

Sushma to invest ₹325 cr on new project in Mohali

Realty firm Sushma on will invest ₹325 crore to develop a mixed-use commercial project in Mohali to tap rising demand of office and retail spaces from corporates and co-working players. The firm will develop 1.2 million sq ft area in this 7-acre commercial project Sushma Pristine on airport road in Mohali, its Executive Director Prateek Mittal said. PTI

Ansal Properties posts ₹13 cr profit for Dec quarter

Crisis-hit realty firm Ansal Properties has reported a consolidated net profit of ₹13.46 crore for the quarter ended December (Q3). The firm had posted a net loss of ₹28.31 crore in the year-ago period. Its total income rose to ₹284.82 crore in the Q3 of the current financial year from ₹154.15 crore in the year-ago period, the firm said. PTI

Britannia, Nestlé draw up divergent strategies

Bengaluru company is scaling down initiatives & Gurugram firm is aggressive

VIVEAT SUSAN PINTO
Mumbai, 15 February

Two of the country's top food companies — Nestlé and Britannia — have taken contrasting positions. While the Bengaluru-based Britannia Industries is scaling down launches, Nestlé India has no plans to do so, saying it will continue to maintain its pace on that front.

On an average, Nestlé has been launching two products a month across categories such as chocolates and confectionary (KitKat), prepared dishes (Maggi), beverages (Nescafe) and milk-based products.

"We have brought innovations and launches into the market in the December quarter and will continue to do so across our brands," said Suresh Narayanan, chairman and managing director (MD), Nestlé India.

Britannia's MD Varun Berry, however, is cautious on launches, saying consumers experiment less during a slowdown. "Croissants and salty snacks, which are new launches, are in the test market phase currently. We haven't moved beyond that because these are not probably the times to take these projects nationally," he said in an investor call this week.

"When the economy is a little slow, consumers tend to go back to their favourite brand. That gives them more comfort and they are not as experimentative as they would be in good times," he said.

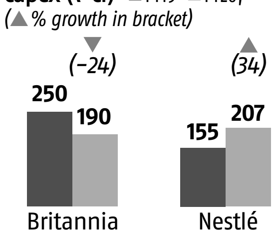
The maker of Good Day cookies and Marie Gold biscuits has also reduced capital expenditure for FY20 by 24 per cent over the previous year to around ₹190 crore. Last year, its capex was around ₹250 crore.

Much of the capex for FY20, Berry said, would go into enhancing its Ranjangaon plant in Pune and the rest would be utilised to improve the back-end information technology system. The company, he said, would not add new plants for now, choosing to extract more from its existing capacities.

Nestlé, on the other hand, plans to increase capital expenditure by 34 per cent for 2020, taking it to ₹207 crore from ₹155 crore in the previous year, sector experts said. The company follows a January-December accounting year.

TALE OF TWO COMPANIES

Capex (₹ cr) ■ FY19 ■ FY20; (▲ % growth in bracket)



PACE OF NEW LAUNCHES

Britannia:	Nestlé:
None for now; focus on existing brands	Two per month; run rate will continue

Nestlé follows a Jan-Dec accounting year
Source: Company/Analysts

While much of this will go into adding new lines in its existing units, Nestlé is also setting up its ninth Maggi plant in India at Sanand in Gujarat.

This plant, coming up at an initial investment of ₹700 crore, will be ready in the next two years and would be a "significant step" in increasing Nestle's manufacturing footprint in the country.

Narayanan said he remains bullish about the Indian market despite near-term challenges such as input cost pressures and weak consumer sentiment.

On Thursday, ratings agency CRISIL said it saw milk prices stabilising after back-to-back hikes that have made the commodity dearer by ₹4-5 per litre over the past nine months.

"In FY21, milk production is expected to pick up, given the abundant water in reservoirs and the expectation of a normal monsoon. That should arrest any further rise in milk procurement and retail prices," the ratings agency said.

Wheat prices have also been falling over the last one month, data from the National Commodity Exchange shows, after rising consistently between April and December 2019. It now stands at ₹2,200 per quintal, down 6.6 per cent from last month.

Airbus 'deeply regrets' US tariff hike on its planes imported from Europe

European aerospace giant Airbus said on Saturday it "deeply regrets" Washington's move to increase tariffs on its planes imported into the US from Europe.

Friday's decision to hike tariffs to 15 per cent from March 18 "further escalates trade tensions between the US and the EU", the company said in a statement.

This creates "more instability for US airlines that are already suffering from a shortage of aircraft".

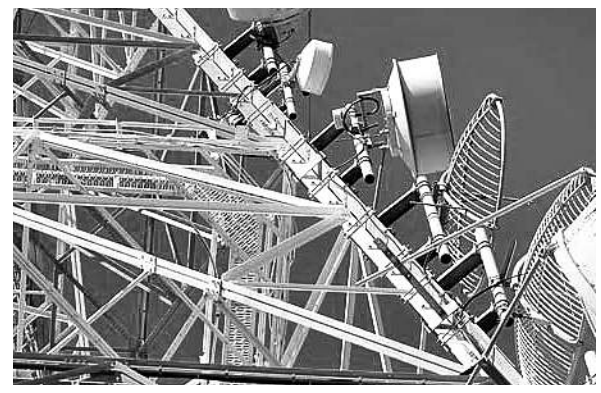
The duties have been at 10 per cent since October, when Washington slapped tariffs on $7.5 billion of European products.

Airbus said the latest decision also "ignores the many submissions made by US airlines, highlighting the fact that they — and the US flying public — will ultimately have to pay these tariffs".

The office of the United States Trade Representative made the tariff announcement just days after President Donald Trump said it was time to talk "very seriously" about a trade deal with the European Union.

Washington imposed punitive taxes on the $7.5 billion in European products after the World Trade Organization (WTO) gave the US a green light to take retaliatory trade measures against the EU over its subsidies to Airbus. AFP/PTI

AGR DUES PAYMENT DELAY



DoT weighing penal action against telcos

PRESS TRUST OF INDIA
New Delhi, 15 February

The telecom department is considering penal action against telecom operators for failing to pay in time the adjusted gross revenue (AGR) dues as directed by the Supreme Court, according to an official.

The Department of Telecommunications (DoT) is likely to wait till Monday evening for the payment before sending out the next set of notices with updated penalty and other punitive action in accordance with the licence norms, the official told *PTI*. "The DoT has sent five notices to telecom operators with reminders and penalty provisions on October 31, November 13, December 2, January 20 and now on February 14. Telecom operators are bound to pay as per the Supreme Court (SC) order, and the department never gave them any extension. Now, telecom operators are saying they will pay a sizable amount by Monday, but action will be taken against them for every delay," the official said.

The DoT had issued stringent order to telecom operators to pay by Friday midnight after facing the ire of the SC for not taking any action to recover dues and passing an order to not take any coercive action against the defaulters. However, none of the companies made the payment on February 14.

The DoT official said the order was issued for internal processes to avoid any complication as the matter was sub-judice. "DoT did not pass any order to telecom operators. Telecom operators filed a modification plea before (the) SC. The apex court after admitting the plea and just before the last date of payment listed the matter for a later date. This left DoT with no room to seek any clarification from the court. Hence, the department passed an internal order to avoid complication and any chance of contempt to the court proceedings," the person said.

Non-telco PSUs told to pay up

JYOTI MUKUL
New Delhi, 15 February

Even as the road for public sector companies that hold telecom licence primarily for their own network use is unclear, a letter by the telecom department, issued following Friday's Supreme Court (SC) order, has been sent to them as well. Some firms like Oil India (OIL) are expected to restart the legal process soon.

And, any outgo from these firms could not only wipe out their surplus, but create distress in other sectors also. The department of telecommunications (DoT) on Friday asked the telecom service providers and licencees to make payment in accordance with the SC's ruling. It had earlier slapped a demand notice on Oil India, seeking ₹48,000 crore on account of adjusted gross revenue (AGR) dues.

OIL's notices are for 2007-08 to 2018-19, and the ₹48,000 crore includes licence fee, penalties and interest. OIL had taken up the matter with the DoT and the ministry of petroleum and natural gas along with other affected central public sector enterprises, and added that the AGR does not apply to non-telecom companies. OIL and other PSUs had filed clarificatory/modificatory petition before the SC. These firms own and operate telecom networks, but they do not provide telecom services.