

Companies

WEDNESDAY, FEBRUARY 19, 2020

Quick View



Housing sale bookings of top 9 listed realty companies rise 2%

HOUSING SALES bookings of top 9 listed real estate developers rose 2% to nearly ₹5,800 crore during the third quarter of this fiscal, according to property consultant ANAROCK. Sales bookings of DLF, Sobha, Puravankara, Prestige Estates, Brigade Enterprises, Mahindra Lifespace Developers, Godrej Properties, Oberoi Realty and Kolte Patil have been taken into account.

HCL Tech bags IT deal from NZ's Fonterra Co-operative

IT SERVICES major HCL Technologies on Tuesday said it has bagged a new large contract with New Zealand dairy cooperative, Fonterra to modernise and manage its entire technology infrastructure. The multi-year partnership with HCL Technologies will consolidate Fonterra's technology suppliers and bring together the co-operative's IT infrastructure services under one umbrella, HCL Tech said in a statement.

Kesoram plans to raise up to ₹1,200 crore to cut debt

BK BIRLA Group flagship Kesoram Industries on Tuesday said it is planning to raise up to ₹1,200 crore through equity and quasi equity products to reduce its debt further. The company has already pared debt by around ₹1,000 crore after the demerger of its tyre division into a new entity 'Birla Tyres'. In a stock exchange filing, Kesoram said its board of directors in a meeting approved a fund-raising plan of an amount aggregating up to ₹1,200 crore, by way of debt, issue of equity shares, convertible securities or any other securities, by way of one or more kinds of issue.

Emami Cement buy: Ind-Ra puts Nuvoco rating on watch

INDIA RATINGS and Research has put Nuvoco Vistas Corporation's long-term rating 'Ind AA' under rating watch evolving (RWE), days after the company acquired a 100% stake in Emami Cement. The enterprise value of the acquisition, announced on February 6, is ₹5,500 crore, which includes an equity value of ₹2,300 crore and debt of ₹3,200 crore on Emami Cement's balance sheet.

Fire breaks out at Varroc Lighting's factory in Pune

A FIRE broke out at the Pune factory of Varroc Lighting Systems India on Tuesday. The Varroc plant manufactures lighting systems for four-wheelers. No casualties were reported. The company said it is in the process of ascertaining the actual loss caused by the fire and is taking steps to ensure customer service at the earliest.

Gift searches surge in Feb, Aug, Oct & Dec: Flipkart

FLIPKART ON Tuesday said it has witnessed a spike in gift searches on its platform during the festive months of February, August, October and December. On average, about six million searches on the Flipkart platform are from the books, general merchandise and home categories. With a rapid surge in the number of PIN codes being served, 77% of these searches now come from tier II and tier III cities.

Paytm adds credit and debit processing for Uber

PAYTM ON Tuesday said it has strengthened its partnership with Uber by adding credit & debit processing and will enable users to complete card transactions seamlessly. This partnership will allow Uber to leverage the strength of Paytm's card acquiring capabilities in addition to the existing wallet integration to provide Riders with the best user experience.

Q4FY20

Flipkart leads Walmart's global e-comm sales

FE BUREAU
New Delhi, February 18

WALMART ON TUESDAY announced that Flipkart led its e-commerce sales in the international segment. E-commerce contributed about 12% of total segment sales in the three months ended January 2020. Net sales at Walmart International increased by 2.3% year-on-year (y-o-y) to \$33 billion in Q4FY20, the US-based retailer said in a statement.

Sales for the year to January 2020 stood at \$120.1 billion against \$120.8 billion in FY19, a fall of 0.6%. Operating income in the international segment dropped to \$1.1 billion in Q4FY20 against \$1.2 billion in Q4FY19, a decline of 5.6%. Walmart attributed the fall in operating income to "disruption in Chile".

Walmart's financial calendar runs from February to January. "We experienced softness in some key international markets, as well as in Chile, where unrest led to disruption in the majority of our stores. "Walmex, China and Flipkart all had a solid quarter," Walmart chief financial officer Brett Biggs said.

In May 2018, Walmart announced purchase of a 77% controlling stake in Indian e-commerce major Flipkart in a hefty \$16-billion deal, valuing the e-commerce firm at around \$21 billion.

Flipkart and Amazon jointly hold 80%



of India's e-commerce sector.

"We are excited about what's happening at Flipkart and PhonePe. The Indian market represents a significant opportunity for growth," Walmart president & CEO Doug McMillon had earlier said.

Under Walmart, Flipkart is expanding into the food retail segment — late last year, it registered a firm, Flipkart Farmer-Mart, to undertake the business.

Leveraging Walmart's established network of supply chain, vendors and logistics, the e-commerce firm will be able to get a leg up in the crowded space and ramp up the business quickly, analysts say.

Total revenues at Walmart rose to \$141.7 billion in Q4FY20 against \$138.8 billion in the year-ago quarter. Total revenues increased to \$524 billion in FY20 against \$514.4 billion in FY19.

London-based GFG Alliance completes Adhunik, Zion acquisition for ₹425 cr

FE BUREAU
Kolkata, February 18

UK-BASED GFG ALLIANCE — owned by India-born British businessman Sanjeev Gupta and his family — on Tuesday announced the strategic acquisition of the debt-laden Adhunik Metaliks and Zion Steel in a ₹425-crore cash deal under the corporate insolvency resolution process (CIRP). This comes after a prolonged delay in making payments by Liberty House, owned by GFG Alliance, for taking over the two companies.

The transaction marks GFG Alliance's entry into India, one of the world's fastest-growing steel markets, Liberty House said in a statement.

Gupta-led Liberty House had earlier failed to meet several deadlines for the payment under CIRP to acquire steel-maker Adhunik Metaliks, the flagship of Kolkata-based Adhunik Group, and group company Zion Steel after the Kolkata bench of the National Company Law Tribunal (NCLT) in July 2018 approved its resolution plans for acquiring the two bankrupt companies under the Insolvency and Bankruptcy Code (IBC).

Uncertainty continued over the fate of Adhunik Metaliks and Zion as Liberty House had not paid the required upfront cash payment to the lenders by the stipulated deadline.

Following this, the Cuttack bench of NCLT in July 2019 ordered liquidation of the steelmakers after cancelling the resolution plans of the UK-based group.

The National Company Law Appellate Tribunal (NCLAT), however, stayed the liquidation order after Liberty House



The transaction marks Sanjeev Gupta-owned GFG Alliance's entry into India; Liberty House, which is part of the London-based company, had earlier missed several deadlines for the payment under CIRP to acquire the two companies

moved the appellate tribunal against the Cuttack bench's order.

Giving the last opportunity, NCLAT last month had asked Liberty House to deposit by February 14 a sum of ₹380 crore in the account of State Bank of India — the lead bank. NCLAT also asked Liberty to pay costs incurred in the CIRP. Liberty had earlier deposited over ₹50 crore as per the approved resolution plans of the two firms.

After the counsel for SBI submitted before NCLAT that the amount in terms of its order had been paid and the counsel appearing on behalf of the committee of creditors (CoC) also accepted that, the appellate tribunal, in its order dated Feb-

INDIA BOOST

Doug McMillon, president & CEO, Walmart

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ruary 17, said, "In view of the development, the order of liquidation is stayed and the liquidator will function as resolution professional."

"...We allow the resolution professional/liquidator to hand over the records, control etc. to the appellant (successful resolution applicant — Liberty House Group). Parties will also ensure to implement the plan in its letter and spirit," it added.

In a statement GFG Alliance said it would introduce its GREENSTEEL model — combining steel recycling with low carbon and renewable power sources — to revive the steel plants and create a more sustainable, competitive operation serving local markets.

"The immediate focus will be on reviving and restoring the facilities and operations, and once stabilised, the business will begin its integration into Liberty Steel Group. In October 2019, GFG Alliance announced the consolidation of its steel businesses into one global entity — the Liberty Steel Group," the statement added.

Commenting on the acquisition, GFG Alliance executive chairman Gupta said: "It has been a challenging journey to get us to this stage, but we now look forward to starting work in partnership with all stakeholders to revive these plants and bring employment back."

Adhunik Metaliks has an integrated steel plant located near Rourkela in Odisha. The plant has both blast furnace and electric arc furnace steel-making capability with 0.5 million tonne per annum, and a 34 MW captive power plant. Zion has its associated steel-rolling facility.

Hero MotoCorp plans ₹10k-cr investment in next 5-7 years

FE BUREAU
New Delhi, February 18

HERO MOTOCORP HAS lined up an investment of ₹10,000 crore in the next five-seven years towards product development, new manufacturing facilities and network expansion, as part of efforts to hold on to its market leadership position while strengthening its presence overseas.

The fresh investments announcement by the country's largest two-wheeler maker comes at a time when the demand has slumped to a decade low, forcing several manufacturers to revise their annual capex plans. So far this fiscal year (April-January), two-wheeler sales, including that of Hero MotoCorp, have fallen over 16% year-on-year (y-o-y), impacted by the rise in prices on account of new safety and emission norms, hike in insurance premium and costlier loan rates.

Pawan Munjal, chairman at Hero MotoCorp, said over the next five-seven years, the company would aim to create mobility solutions that are relevant to customers across the world.

"The ₹10,000 crore will be utilised towards research and development of alternative mobility solutions, modern and sustainable manufacturing facilities, network expansion and brand building across the globe," Munjal said.

Part of the investment would also be used in the company's foray into electric vehicles, an area where it has lagged compared to rivals Bajaj Auto and TVS Motors, which recently launched its first electric two-wheelers. Hero MotoCorp, which has a market share of around 36%, aims to become a carbon neutral company by 2030, and would also make suitable investments in its facilities towards that. While competitors have put in place a clear road map as far as electric vehicles are concerned, Hero had so far remained silent on its plans.

The investments announcement at



Hero MotoCorp chairman and managing director Pawan Munjal unveils Hero Xtreme 160R at an event in Jaipur on Tuesday

one go has happened for the first time since Hero's separation from its partner Honda Motor Corp in 2010. Post the separation, the company has invested \$600 million towards research and development unit, including setting up a facility near Jaipur, and spending another \$1 billion towards product and new factories globally. Honda MotoCorp now operates with its local unit Honda Motorcycle & Scooter India (HMSI), which is the second-largest manufacturer by market share.

Since 2011, Hero MotoCorp has increased the number of factories from three to six by 2020. A new facility at Chittoor in Andhra Pradesh has also been built and production is likely to commence soon. The company has two factories outside India — one each in Bangladesh and Colombia.

As auto sales across segments — passenger vehicle, two-wheelers and com-

mercial vehicles — have started falling since the second half of 2018 impacting revenues, manufacturers like Maruti Suzuki, Tata Motors, Mahindra and Ashok Leyland have deferred their capital expenditure as capacity utilisation fell sharply, obviating the need for more capacity creation. Hero had also cut down down its capex by ₹300 crore for FY20 while also deferring part of the expansion plans at the Chittoor plant.

Hero's revenue from operations fell 11% y-o-y during the quarter ended December 2019, hit by a 14.3% decline in volumes. Profits, however, increased 14.5% y-o-y at ₹880 crore, largely driven by sharp fall in tax cost and lower commodity prices.

The company on Tuesday showcased three products with BS-VI engines — Glamour 125, Passion Pro 110 and Xtreme 160R.

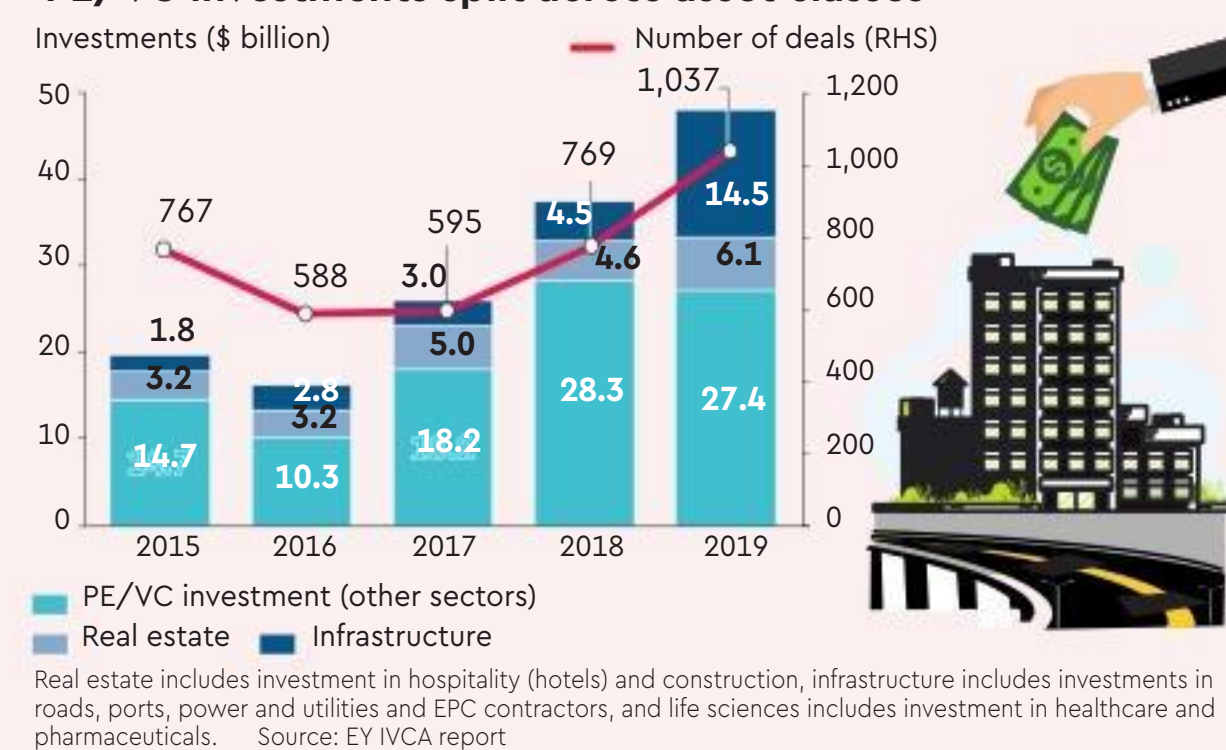
Infra sector boost

FE BUREAU

PE/VC investments at all-time high in 2019

Indian private equity/venture capital (PE/VC) investments have recorded an all-time high of \$48 billion in 2019. This is the third consecutive year that the PE/VC sector has outperformed. In terms of value, PE/VC investments increased by 28% compared with 2018, while the deal volume increased by 35%. This growth was primarily driven by a significant increase in investments in the infrastructure sector, which grew over three times compared with 2018.

PE/VC investments split across asset classes



SAT gives Sebi time till March 10 to pass final order in CG Power matter

PRESS TRUST OF INDIA
New Delhi, February 18

THE SECURITIES APPELLATE Tribunal (SAT) on Tuesday granted Sebi time till March 10 to pass the final order in the matter related to CG Power and Industrial Solutions where former chairman Gautam Thapar and other entities were barred from the securities market.

While giving more time, the tribunal also clarified that the regulator can rely only upon documents that are also made available to all the entities for passing the confirmatory order.

Apart from Thapar, Avantha Holdings as well as CG Power's former chief financial

officer VR Venkatesh and two former directors — Madhav Acharya and B Hariharan — were barred from the securities market.

In an interim order passed in September 2019, Sebi barred these entities for alleged misstatement of the company's accounts and diversion of funds.

The entities had moved the tribunal against Sebi's order. The tribunal, in its order passed in October 2019, upheld the order and directed Sebi to pass a confirmatory order within four weeks from the date of conclusion of hearings. Sebi concluded the hearings on January 15.

Against this backdrop, the regulator sought an extension of time for passing the final order.

HURUN RICH LIST

Kalanithi Maran TN's richest; Zoho's Radha, Sekar take next 2 spots

FE BUREAU
Chennai, February 18

WITH A NET worth of ₹19,100 crore, media baron Kalanithi Maran of Sun TV Network has topped the Tamil Nadu state list of IIFL Wealth Hurun India Rich List 2019.

Maran was ranked 43rd on the pan-India IIFL Wealth Hurun India Rich List 2019, released in September.

Sun TV Network operates satellite television channels in Tamil, Telugu, Kannada and Malayalam, airs FM stations across India and owns the SunRisers Hyderabad cricket franchise of IPL. On the state list, Maran was followed by Vembu Radha (₹9,900 crore) and Vembu Sekar (₹7,300 crore), of privately held Zoho, in the second and third place, respectively.

Hurun Report India and IIFL Wealth released an analysis of the richest Tamil-

Tamil Nadu's richest 10

1	Kalanithi Maran (Sun TV Network)	₹19,100 cr
2	Vembu Radha (Zoho)	₹9,900 cr
3	Vembu Sekar (Zoho)	₹7,300 cr
4	Sadayandi Moopanan & family (Pothis)	₹7,100 cr
5	RG Chandramogan (Hatsun Agro Products)	₹7,000 cr
6	CK Ranganathan (CavinKare)	₹5,300 cr
6	A Krishnamoorthy (Amalgamations)	₹4,500 cr
8	Sita Venkataramani (Amalgamations)	₹4,500 cr
9	GSK Velu (Trivitron Healthcare)	₹3,100 cr
10	TT Raghunathan (TTK Prestige)	₹3,100 cr

Source: Hurun Research Institute; IIFL Wealth Hurun India Rich List 2019

ians from the 2019 rich list on Tuesday. Five individuals on the national list hailed from Tamil Nadu, while the cumulative wealth of resident Tamilians stood at ₹1,38,400 crore.

The number of billionaires (in terms of dollars) from the state rose from one to five. Zoho, Pothis and Hatsun Agro contributed new billionaires to Tamil Nadu, according to the report.

The Amalgamations Group contributed the highest number of individuals — six — from a single organisation in the state. Chennai was the preferred choice of residence for 62% of the individuals from TN featured on the list. Seven women from the state featured on the list.

The cumulative wealth of Tamilians on the list registered a 3% increase against last year.

With a wealth of ₹7,100 crore, Sadayandi Moopanan and family of Pothis

ranked fourth in the state and 125th overall. On the list, 34 hail from Chennai, 12 from Coimbatore, four from Tirupur, and three from Salem.

In terms of number of individuals on the list, textile accounts for 16% of the richest in TN, followed by automobile and auto components, the report added.

In the pan-India edition of IIFL Wealth Hurun India Rich List 2019, 953 individuals across 41 industries were featured. Cumulative wealth for this year showed an increase of 2% compared with last year while average wealth showed a decline of 11%. Around 344 individuals or more than a third of this year's list witnessed wealth reduction and another 112 failed to meet the cut-off of ₹1,000 crore — that is almost half of last year's list. The number of individuals on the list, however, has grown by 181% since the Hurun India Rich List 2016.