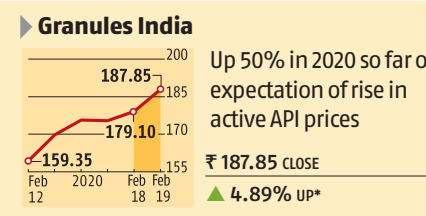
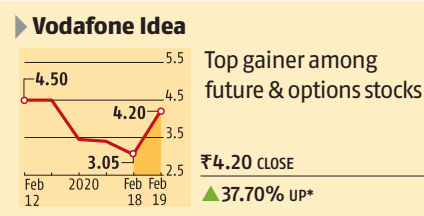
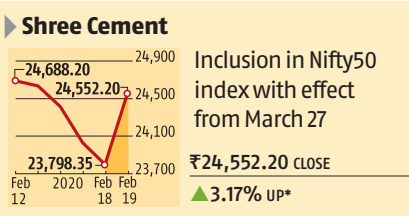
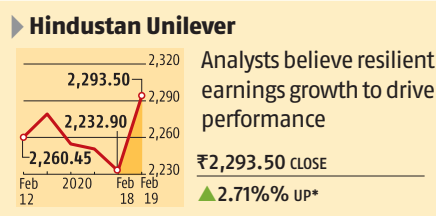
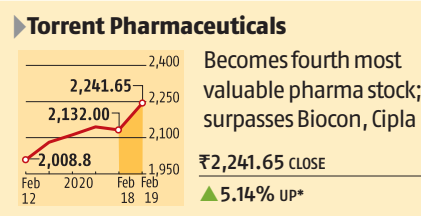


STOCKS IN THE NEWS



CEO'S DANCE VIDEO GOES VIRAL



A video of Dipali Goenka, CEO and joint MD of Welspun India, dancing with employees to the remixed version of *Muqabla* went viral on Wednesday

IN BRIEF

McLeod Russel defaults on payments of ₹1,187 crore

Williamson Magor Group-owned McLeod Russel on Wednesday said it has defaulted on payments of ₹1,187.09 crore till December 31, 2019. According to a regulatory filing, the firm said while its total indebtedness, inclusive of long-term and short-term loans, stands at ₹2,189.85 crore, a default of ₹1,187.09 has been made by the firm. The disclosure follows Sebi tightening its disclosure norms for reporting loan defaults. According to law, any default in repayment of either the principal or the interest amount to lenders borne by listed firms which continues beyond 30 days of the pre-arranged repayment date has to be made public.

First 5G phone in India likely to be priced at ₹50,000

The first 5G-enabled handset in India to be launched by Chinese smartphone maker, Realme, is likely to cost around ₹50,000, a company official said. Realme is set to become the first brand to unveil 5G ready smartphone in India on February 24, he said.

Google-backed Dunzo raises ₹78 cr from Alteria Capital

Google-backed delivery and e-commerce firm Dunzo said it has raised \$11 million (over ₹78 crore) from Alteria Capital. It said Alteria Capital has been a crucial peg in Dunzo's mission to become a profitable local e-commerce company.

Kiran Mazumdar-Shaw is EY Entrepreneur of the Year

Kiran Mazumdar-Shaw, chairperson and managing director of Biocon, was named the EY Entrepreneur of the Year (EoY) 2019. She will represent India at the EY World Entrepreneur of the Year Award in Monte Carlo, Monaco, in June this year. The 21st edition of the EoY awards in India also felicitated industrialist Adi Godrej, chairman of Godrej Group with the Lifetime Achievement Award. Winners in other categories included Tuhin Parikh, senior managing director-real estate, Blackstone India (Transformational Impact Person of the Year); Falguni Nayar, founder & chief execu-

L&T Infotech board evaluates CEO Sanjay Jalona's extension

L&T Infotech's CEO & MD Sanjay Jalona is likely to get another term to lead the IT services firm after his tenure is coming to an end in August. Sources said board of the firm is weighing an extension proposal.

Clarification

In response to a report, *Abbott India MD Ambati Venu calls it quits* (published on February 19), the firm has clarified that while Venu has resigned as MD of Abbott India, he will continue as its director, and will also take over as vice-president of Abbott's pharmaceutical business in India, which includes the listed Abbott India and the unlisted business, from March 1.

FB makes 2nd bet in Indian start-up space

Leads \$110-million investment round in Unacademy

SAMREEN AHMAD
Bengaluru, 19 February

Making its second bet in the Indian start-up space, social networking giant Facebook has participated in a \$110-million investment round in edtech start-up Unacademy.

The round, which was led by General Atlantic, was also participated by Sequoia India, Nexus Venture Partners, Steadview Capital and Blume Ventures. Flipkart's Chief Executive Officer Kalyan Krishnamurthy and Udaan co-founder Sujeet Kumar also took part in the round, which, according to sources, valued the company between \$400 million and \$500 million.

In June last year, Facebook had invested an undisclosed amount in social commerce platform Meesho, a start-up that connects resellers with customers through channels such as WhatsApp. "Facebook is an ally for India's economic



NEW ARENA

Funds raised by edtech companies in Feb 2020

Byju's	200	(Figures in \$mn)
Unacademy	110	
Vedantu	24	
Classplus	2.5	

growth and social development, and we are excited about India and its rapidly rising internet ecosystem. With this investment in Unacademy, we are reinforcing our commitment to the Indian start-up ecosystem as well as investing in a firm that is transforming learning in India," said Ajit Mohan, vice-president and MD, Facebook India. With the fresh funding,

Unacademy also provided exits to some of its earlier investors, which backed it in early stages. The company had so far raised \$88.5 million in six rounds.

Founded in 2015, the Bengaluru-based start-up provides online lessons and specialised courses to crack various competitive examinations such as UPSC, CAT and JEE. "Our goal from day one has been to democratise education and make quality education accessible to everyone. We do that by bringing the best educators and content on our platform and ensuring it is accessible to everyone across the country," said Gaurav Munjal, co-founder and CEO, Unacademy.

Aurobindo soars 20% on relief from US regulator

Unit IV, accounting for a third of products pending FDA approvals, gets nod

UJJWAL JAUHARI
New Delhi, 19 February

Aurobindo Pharma got a huge relief with its Unit IV, an injectables plant located in Hyderabad, receiving an establishment inspection report (EIR) from the US Food and Drug Administration (FDA). Investors, too, celebrated, with the company's share price surging 20.4 per cent on Wednesday, leading to an increase of ₹5,980 crore in its market value to ₹35,288 crore on the BSE.

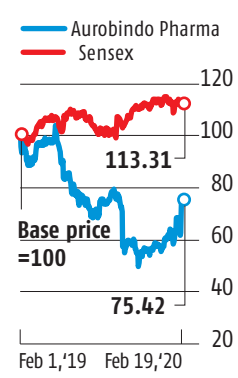
An EIR with voluntary action indicated status means the FDA is not likely to take any action, which could otherwise have hampered drug supplies to the US from this facility. The Street was surprised as analysts were factoring in a much adverse USFDA action on Unit IV.

The facility remains important as it contributes more than 10 per cent to Aurobindo's overall sales and about 20 per cent of the US sales (a majority of injectables supplied to the US market). Further, there were about 46 pending new drug applications (about 30 per cent of 154 pending; see chart) and 50-60 per cent of pending injectable filings from this facility.

Since injectables are complex-to-manufacture limited-competition products, the company also garners higher margins. Hence, any negative regulatory outcome would have impacted the company's earnings by about a fifth and also delayed new product approvals and future growth.



ON THE RISE



BREAKTHROUGH

Unit IV accounts for most pending drug approvals

Unit-wise ANDA filings as on December 31, 2019

Site	Details	Approvals under review
Unit III	Oral formulations	2
Unit IV	Injectables & ophthalmics	46
Unit VIB	Cephalosporins oral	1
Unit VII (SEZ)	Oral formulations	18
Unit X	Oral formulations	42
Unit XII	Penicillin oral & injectables	-
Aurilife & Aurulife II	Orals & topicals	11
AuroNext	Penem injectables	-
Eugla	Oral & injectable formulations	20
APL Healthcare	Oral formulations	12
Total		154

Analysts at ICICI Securities now expect the company's US injectables segment to grow 22 per cent annually over 2018-19 and 2021-22, driving overall revenue by 17.1 per cent annually during the period.

The firm has been reporting strong growth in key geographies. The US, which is

about half of Aurobindo's sales, had grown by 22 per cent year-on-year (YoY) in the December quarter (23.5 per cent in constant currency terms), driven by injectables, orals, and other drugs. The injectables business reported robust growth of 24 per cent to \$76 million, contributing about a fifth to US revenue.

European revenue, contributing a fourth to overall sales, grew 14.2 per cent YoY (19 per cent in euro terms) in the December quarter. Analysts remain positive on Aurobindo's future prospects, including the US, despite a higher base. Low product concentration (less dependence on a particular product) also provides comfort on the company, which continues to grow on the back of a strong pipeline and the launch of new drugs.

The acquisition of Sandoz's portfolio in the US will further diversify Aurobindo's dermatology segment. The acquisition though has been slightly delayed and is now expected to close by the end of 2019-20 (FY20). It is looked as a major trigger for Aurobindo and is to further boost its earnings.

Analysts at Motilal Oswal Financial Services had already raised their earnings estimates for FY20 and 2020-21 to factor in better traction in existing products in the US and the European Union and their price-to-earnings (P/E) multiple to 9x (from 8x earlier) to include the synergy benefits from Sandoz acquisition and improving prospects in Europe. After the clearance of Unit IV, analysts at ICICI Securities have increased their P/E multiple for the stock to 10x.

Meanwhile, after the resolution of regulatory issues of Unit IV, the firm still requires to resolve USFDA issues related to Unit XI (now under warning letter) and Units VII, I, and IX, which have official action indicated (OAI) status.

DoT still working on final calculation of pending AGR dues

PRESS TRUST OF INDIA
New Delhi, 19 February

The Department of Telecommunications (DoT) is still working on final adjusted gross revenue dues that service providers have to pay as it has detected variation in accounting practices adopted by different circle offices, according to official sources.

The licence finance wing of the DoT on February 3 issued a letter with guidelines to all controller generals of communication accounts to reconcile adjusted gross revenue (AGR) dues and asked them to give 15 days time to operators for the submission of appeals and documents related to deductions they make in the final payment, sources said.

The letter was a follow up to a previous note sent by the licence finance wing on December 4 and a follow-up on December 13 to the circles for re-verification of debit voucher reports (DVR).

"The department has been facing a challenge in carrying out the revised assessments due to various issues related to DVRs. Telecom operators, including Airtel and Vodafone Idea, have challenged many DVRs. Also, circle offices have not adopted uniform practice in accounting. The DoT has asked them to re-verify DVRs at the earliest in the light of Supreme Court judgement," an official source said.

Telecom operators have been submitting two separate audited details of deduction towards interconnection usage charges and roaming fee to the DoT. In one set, deductions have been

Vodafone Idea shares surge over 38%

Vodafone Idea's shares on Wednesday gained 38 per cent amid reports that the government is unlikely to invoke the firm's bank guarantees as of now.

On BSE, the stock gained as much as 48.18 per cent to ₹4.49 intra-day. It closed 38.28 per cent higher at ₹4.19.

On the National Stock Exchange (NSE), the scrip rose 48.33 per cent to touch a high of ₹4.45. Later, after shedding some gains, it settled 40 per cent up at ₹4.20.

The stock has ended the day in green after declining for seven consecutive sessions.

The NSE saw an exchange of more than 100 crore shares of Vodafone Idea, and over 14 crore units were traded on the BSE.

claimed by telecom operators on a paid basis while on an accrual basis on the other.

"DoT noticed that many controllers of communication accounts have been cherry picking the figures claimed by telecom operators in their final DVRs. In some cases, DoT guidelines regarding deduction verification issued in 2014, 2015 and 2016 have not been followed. There have been cases where one CCA has allowed one kind of deduction and another has disallowed," the source said.

Suzuki Motorcycle on road to beat slump, hopes to log double-digit growth

Expects to end FY21 with a 7.5% increase in sales on volume ramp-up of BS-VI compliant models

SHALLY SETH MOHILE
Mumbai, 19 February

Suzuki Motorcycle India, the two-wheeler arm of Suzuki Motor Company, is eyeing double-digit growth in sales during the financial year 2020-21.

It expects to end the ongoing financial year with a 7.5 per cent increase in sales over last year, said the company's top officials.

The growth will come from volume ramp up of newly introduced BS-VI compliant scooter models such as the Burgman Street and Access Gixxer series of motorcycles as well as greater focus on motorcycles, they said.

Though on a low base, it comes at a time when rest of the two-wheeler makers are staring at a fall in sales. They do not expect volumes

to pick up for another three quarters, that is, before the festive season.

Unlike most peers at rival two-wheeler companies, Koichi Hirao, managing director at Suzuki Motorcycle India, is confident of the road ahead. And for a reason - after years of struggle in a highly-competitive market, dominated by four companies, things have started looking up for Suzuki. Amid one of the most prolonged slowdowns facing the automobile market in India, Suzuki Motorcycle has seen a consistent gain in market share and volumes since the last three years.

Its share in the segment has inched up to 3.88 per cent in the first 10 months of financial year 2019-20 from 1.90 per cent in FY16. Volumes in the same period have grown to 592,646 units from 313,000 units. Hirao attributes the success to

the change in tack in terms of products and network strategy.

"We attribute this success to the connect with buyers we have managed to establish," Hirao told Business Standard on the sidelines of the Auto Expo in Greater Noida earlier this month.

His company was the lone two-wheeler maker in the mass segment to participate in the show. The slowdown pains forced others, including market leader Hero MotoCorp, to give the show a miss. A strategic call three years ago to vacate the mass commuter motorcycle market (110 cc) and instead focus on the so-called performance segment (150 cc and above) also helped.

"We realised, globally, we are known for performance products. Hence, we will rather focus on that

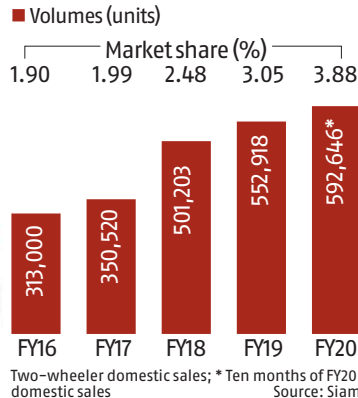


and moved out of the commuter segment," said Hirao. The turnaround efforts gathered momentum after launch of the new generation Access scooter.

An exit from the commuter segment meant the company no longer needed to have a very strong presence in rural and semi-urban markets. Hence, it reworked network

IN TOP GEAR

Sales have been growing steadily



2016 and close to 70 per cent of sales now come from the urban markets, he said.

Meanwhile, Suzuki is looking to reduce dependence on scooters and sees the ratio between scooters to motorcycles settle at 80:20 in the next one year from the current 90:10.

Though Suzuki Motorcycle has a long distance to cover to catch up with bigger rivals, including TVS and Bajaj, the consistent increase in volumes has given it a lot of confidence.

The overall two-wheeler market, in the first 10 months of the current financial year, has contracted to 1.5 million units from 1.8 million units in the corresponding period.

"We were not on the growth path earlier. We have seen double-digit growth in the last three years. Most of the growth in the months ahead will come from the Gixxer series - 150 and 250," said Handa.