

IN BRIEF

Amul Dairy to acquire Punjab plant of Heritage Foods



Gujarat Cooperative Milk Marketing Federation (GCMMF)'s Amul Dairy is set to acquire Heritage Foods' dairy plant in Punjab for ₹21.2 crore. "Heritage Foods' board of directors on Friday approved the sale of 'all tangible assets' of the dairy plant at Bhambri village of Fatehgarh Sahib district in Punjab," the company said in its exchange filings. The move is part of its business rationalisation in northern India. The board approved the sale to Anand-based Kaira District Milk Producers Union (Amul Dairy), the flagship dairy under GCMMF. On its part, GCMMF is evaluating the acquisition proposal. The company's Board is likely to take a call soon. VINAY UMARI

Affle to acquire Mediasmart in ₹41 crore deal

Affle on Friday said it will acquire Spanish firm Mediasmart in a €5.12 million (₹40.87 crore) deal. Mediasmart provides advertisers, trading desks and agencies an integrated mobile advertising platform. Its proximity marketing solutions allow it to deliver location targeted campaigns with real time footfall tracking and offline attribution. PTI

DataCore to launch 2nd-largest R&D centre in Bengaluru

DataCore announced it will be setting up its second largest global R&D centre in Bengaluru. DataCore plans to drive major global R&D efforts out of the Bengaluru centre which will cater to clients across the US and EMEA (Europe, Middle East, and Africa) for now. PTI

Thomas Cook India board approves share buyback



Thomas Cook India on Friday said its board has approved a share buyback programme for a total consideration of up to ₹150 crore. The board of directors of the company at its meeting held on Friday approved buyback of around 2.60 crore fully paid up equity shares of ₹1 each at a price of ₹57.5 per share, Thomas Cook India said in a regulatory filing. PTI

Japanese retailer UNIQLO to open 3rd store in Delhi-NCR



Japanese apparel retailer UNIQLO, which will launch its third store in the city on Saturday, looks to establish itself in the Delhi NCR market before expanding to other regions and tapping into the online retail channel, a top company official said on Friday. The company entered the Indian market in October last year. PTI

Shriram Transport plans to raise funds via debt securities

Shriram Transport Finance Company on Friday said that its planning to raise funds through the issuance of debt securities. "The company is considering raising of funds through various options of borrowings including by way of issue of debt securities in onshore/offshore market by public issue and/or private placement basis and commercial papers," the company said. PTI

Suzlon set to get ₹400-cr infusion

ABHIJIT LELE
Mumbai, 28 February

The promoters and associates of Suzlon Energy will infuse up to ₹400 crore as equity into the troubled renewable energy company, through various securities as part of the proposed restructuring plan.

The entities pumping in money include Tanti Holdings Pvt (promoter), Shangkhi Finance and associates.

The board of directors, in a late night meeting on Thursday, approved a proposal for restructuring debt of the company and its certain identified subsidiaries, the company said in its filing with the BSE. Suzlon's stock closed 5.9 per cent lower at ₹2.69 per share on the BSE on Friday.

Under the debt recast plan, the Tulusi Tanti-controlled entity will issue securities — shares, convertible bonds and warrants — to 17 lenders for converting part of the debt into equity. Some of the lenders include State Bank of India, Axis Bank, Bank of Baroda, ICICI Bank, IDBI Bank and YES Bank. The Pune-based entity will also dispose of some of its investment, assets

and also dilute stake in some of the units in line with the approved plan. However, the company did not specify the assets it would sell to reduce stake.

The board also gave nod to a proposal to appoint Sameer Shah, a chartered accountant, as independent director of the company for a five-year term, commencing February 27, 2020. His appointment is subject to regularisation by the shareholders at the next annual general meeting.

On issuing securities to lenders, the company said it will give one billion shares of ₹2 each. It will also issue 0.41 million secured optionally convertible debentures of ₹1 lakh each and 500 million warrants of ₹1 each.

Lenders and the company have hammered a restructuring plan under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019. They had inked an inter-creditor agreement (ICA) on July 1, 2019, and the standstill period under this expired on January 7, 2020. Lenders are in the process of executing the amendment agreement for extending the period under the ICA till April 30.



POWER UP

■ Promoters to infuse equity up to ₹400 cr	■ Lenders to convert part of debt into equity	■ Plan to divest and sell certain assets	■ Enabling resolution to issue ₹1,000 cr extra equity	■ CRISIL assigns "RP4" rating to plan with moderate risk
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Its auditors, in a review report, said the company is facing a severe liquidity stress. Consequently, there is material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern.

The directors also gave nod to amending the Articles of Association, increase in authorised

share capital and alteration of the Capital Clause of the Memorandum, it added.

They have also cleared the enabling resolution to issue equity shares/equity-linked instruments to an extent of ₹1,000 crore. This step is to facilitate the company to issue securities at an appropriate time should that be required.

According to the auditors' observations in the filing with the BSE, the company continued to incur losses during the current period, primarily due to lower volumes, finance costs, provision for impairment and negative net worth of ₹9,407 crore as on December 31, 2019.

The net current liabilities in the standalone financial results were ₹11,581 crore.

The company defaulted on repayment of loans (including foreign currency convertible bonds (FCCBs) of ₹1,263 crore) and interest aggregating to ₹7,682 crore, as on December 31, 2019.

It also defaulted in making payments to most of the trade creditors out of the total outstanding of ₹1,149 crore as on December 31, 2019.

Some creditors have issued notices to the company under the Insolvency and Bankruptcy Code and few have filed insolvency proceedings against the company with the National Company Law Tribunal (NCLT).

During the quarter ended December 31, 2019, one of the lenders had recalled outstanding borrowings amounting to ₹597 crore (as on December 31, 2019) from the company.

Price hike on BS-VI will not hurt consumers, says IOC

AMRITHA PILLAY
Mumbai, 28 February

State-run Indian Oil Corporation (IOC) on Friday said the company would meet the April deadline for introducing BS-VI emission norms.

Company executives, including Chairman Sanjiv Singh, said they expected the matter of price hike for the cleaner fuel to be settled before the roll-out.

The three public-sector oil companies — IndianOil, Bharat Petroleum Corporation (BPCL), and Hindustan Petroleum Corporation (HPCL) — have spent ₹35,000 crore on refinery upgrade for BS-VI. IndianOil has spent around ₹17,000 crore.

"If the industry has spent so much, we presume there should be some consideration for this... let me assure you the price increase will not pinch (the retail consumers)," said Singh.

At present, all of IndianOil refineries are supplying BS-VI fuels and its terminals and depots have switched to the cleaner version of the fuel. In



FUEL NETWORK

27,702	125	9
Retail outlets (including Kisan Seva Kendra ROs)	Terminals and depots	Operating refineries

Source: Company annual report 2019

terms of retail outlets, Singh said states such as Maharashtra and Rajasthan had moved to BS-VI. The country's largest fuel retailer had last year introduced higher-grade fuels in the National Capital Region, one of the world's most polluted regions.

Singh pointed out diesel and petrol prices would be benchmarked to Euro VI instead of the current Euro

IV, with effect from April 1. "The international prices for Euro IV and Euro VI are marginally different, but it does not take care of the capital expenditure," Singh added.

The differential, he added, is currently a couple of cents and will allow for variable delta in pricing.

BPCL is looking for a price increase of 70 paise to ₹1.30 a litre hike on account of the

upgrade while IndianOil is seeking 50 paise-₹1 a litre.

Upgrade to BS-VI is part of India's attempt to curb vehicular pollution.

Part of this effort, starting April this year, is allowing vehicles compliant with only BS-VI to be sold and registered in the country. Oil companies are expected to make BS-VI fuel available to ensure a smooth transition to these new norms.

Commenting on the company's petrochemicals business, Singh said he expected petrochemicals to contribute around 30 per cent to profit in the next five years.

In FY19, petrochemicals contributed roughly 16 per cent to profit before tax (PBT).

Singh said the company was exploring battery manufacturing based on India's liquefied petroleum gas (LPG) model, where the cylinders are owned by the companies.

IndianOil and Phinergy of Israel signed a joint venture in February to produce metal air batteries.

It is also in discussion with leading auto companies for field trials for this.

Patent office rejects Google's application for wearables

GIRESH BABU
Chennai, 28 February

The Indian Patent Office on Thursday rejected Google's application on wearable electronic devices, observing that it lacks inventive steps and the use and method by which it is to be performed is not fully described in complete specification.

The company, in its patent specification, said that the invention comprises of electronic devices provided in shoes or ankle bracelets.

The patent application for 'System and method for wear-

able electronic devices', filed in 2007, mentions various wearable models including a shoe that can communicate data to the user, electronic communication devices attached to clothes, wireless ear pieces and ankle bracelets that can transmit updated information from the body to the user. The drawings the company submitted to the patent office also show the design of a shoe that can be a wearable electronic device.

The device mounted on the shoe includes a display to show time, caller ID information, temperature, and pulse rate, and such wearables are



expected to provide functions not present in existing devices such as cellular phones, and personal digital assistants, according to the application.

The wearable device has

features like calendar information, satellite navigation receiver, motion sensing unit, camera, vibrator, temperature sensor, humidity sensor and air pressure sensor, among others.

One of the objections raised by the patent office was that the claims lack inventive step as required under the Indian Patent Act, as the claims of the apparel being used as personal devices to transmit data and display them on a personal device, was already known as per the available documents. The claims relating to transmitting and receiving calls on a portable device worn the wrist are also known. There has also been lack of proper specification and disclosure as required by the Act, the patents office said. In the order, the assistant controller of patents and

designs, said that the specification should "disclose the best method of performing the invention", for which the applicant can claim protection.

The description should be sufficient to enable a person "possessing average skill and average knowledge" to work the invention and obtain the results claimed for the invention, the order read.

"Still the invention and its operation or use and the method by which it is to be performed is not fully and particularly described in the complete specification," the assistant controller held.

Total gets 37.4% in Adani Gas for ₹5,152 crore



AMRITHA PILLAY & SHINE JACOB
Mumbai/New Delhi, 28 February

French energy giant Total on Friday acquired 37.4 per cent stake in Gautam Adani-led Adani Gas, in a bulk deal worth ₹5,152 crore.

Through the deal, Total Holdings SAS bought a stake from several Adani Group companies — including Adani Tradeline, Afro Asia Trade and Investments, S B Adani Family Trust, Universal Trade and Investments and Worldwide Emerging Market Holding.

In October last year, Total had announced its plans to buy Adani Group's stake in Adani Gas through a mix of open offer and purchase from promoters. It was only on February 21 this year that the deal got the approval of the Petroleum and Natural Gas Regulatory Board (PNGRB).

The downstream regulator had raised doubts and issued a show cause notice, given there were restrictions in the restructuring of city gas distribution (CGD) companies within five years of the licence being granted. The nod to

PNGRB was given considering the importance of foreign participation in the CGD segment, and the need to expand the country's network.

Total had said late last year that CGD was a natural extension of the plans of both partners to invest in infrastructure and assets worth over \$1 billion, which included Liquefied Natural Gas (LNG) infrastructure, as well as the marketing and fuel retail business.

Adani Group has city gas network operational in five cities, and has 84 compressed natural gas (CNG) stations in these areas. It is also in the process of setting up a network in 14 other geographical areas (GA). It has eight operational Gas in a joint venture with Indian Oil Corporation (IOC), while 11 are in the implementation stage.

Adani Gas is also planning to set up 1,500 fuel stations, offering top-of-the-line products in the coming years. The expanded partnership will develop regasification terminals, including Dhamra LNG, on the east coast of India.

Instagram woos influencers to boost biz on platform

AVISHEK RAKSHIT
Kolkata, 28 February

Facebook-owned Instagram is stepping up its presence across India by roping in more content creators and empowering influencers on its platform. It feels it can boost commerce on the platform in this way.

During the fourth quarter (Q4) earnings call, Facebook Chief Executive Officer Mark Zuckerberg said that commerce and payments were key focus areas for the company and its goal was to make sure every small business has the same opportunity and access to sophisticated tools that only big firms have had access to historically.

To further its presence, Instagram has rolled out the Born On Instagram initiative, which helps influencers and users on its platforms better leverage the app



Instagram has rolled out the 'Born On Instagram' initiative, which helps influencers and users on its platforms better leverage the app

and hone their storytelling capabilities. The programme is being rolled out in 15 cities across the country.

Asked if the aim was to promote of commerce and brand sales by leveraging the platform, Manish Chopra, head of partnerships at Facebook India, said, "For us, these influencers

and content creators are like micro-entrepreneurs whom we can mentor. Brands can connect with them via the platform. Brands can also advertise on Instagram and get loyal users".

Zuckerberg, in the call, noted that Pura Vida — a jewelry company based in San Diego — ran ads on Facebook and Instagram for

a 50 per cent discount, and sold more than 300,000 bracelets within nine days.

Instagram Stories is another front that Facebook is bullish on. As of December 2019, Stories had 4 million advertisers globally, double the number from December 2018.

The platform claimed that Bombas, a sock and apparel company, used Instagram Stories to show people wearing their socks while ice skating and gift wrapping, which resulted in a 60 per cent increase in purchases from people under the age of 35.

In Q4, the total consolidated number of ad impressions served across Facebook's services increased by 31 per cent, while the average price per ad decreased by 5 per cent. Impressions growth was driven primarily by Facebook News Feed, Instagram Stories, and Instagram Feed.

According to Dave Wehner,

Facebook's chief financial officer, the year-on-year decline in average price per ad was primarily driven by the ongoing mix shift towards ads on Instagram Stories and in geographies that monetise at lower rates.

Last year, Instagram rolled out Branded Content Ads, which allow advertisers to reach out to audiences.

In the call, Zuckerberg had said that on the payments front, Facebook was focusing on different places with different products.

"For things like Instagram, and even a lot of what we're doing on Facebook, it's a lot more developed countries; for WhatsApp, it's the biggest countries on WhatsApp. So that's countries like India and Mexico and Brazil and Indonesia, which will make up a large part of the community on WhatsApp," Zuckerberg said.