

As Reliance group shrinks, questions emerge

While Anil Ambani-led group's asset-light strategy is a step in the right direction, it could hurt revenue if the remaining businesses aren't scaled up

AMRITHA PILLAY
Mumbai, 31 October

The Anil Ambani-led Reliance group's asset-sale plan to pare debt gained momentum in the past month as Reliance Communications announced its plans to sell a majority stake in its telecom tower venture and Reliance Infrastructure's divestment of its power transmission assets.

Once completed, the transactions could fetch upwards of ₹13,000 crore, which will be utilised to retire the group's debt that stood at over ₹143,000 crore at the end of the last financial year.

The divestment is a part of the group's mammoth asset monetisation drive which, it hopes, will generate over ₹50,000 crore.

However, the devil lies in the detail, analysts and consultants add, and what is crucial for the group is to complete these deals and unlock the projected cash flows.

The drive began in December 2013 when the group sold its multiplex business to Carnival Cinemas for ₹700 crore. Since then, the group has managed to close deals worth ₹9,622 crore.

Amongst all group companies, the one laden with the heaviest debt is Reliance Communications, or RCom (see *Reducing the burden*).

The sale of its tower business was delayed when talks with Tillman Global Holdings and TPG Asia, announced in December 2015, failed. In October 2016, RCom signed a non-binding agreement to sell 51 per cent in the telecom tower business to Brookfield Infrastructure Group for an upfront cash payment of ₹11,000 crore.

"It is a non-binding agreement and the value being stated is at a premium compared to other recent tower deals, leaving room for some doubt. It is important to see if this deal reaches completion," says an analyst from a domestic brokerage who does not want to be identified.

More measures are in the offing. In September, RCom announced the merger of its wireless assets with those of Aircel into a new entity, which would result in RCom transferring ₹14,000 crore of

debt to this new company.

RCom had also entered into a spectrum-sharing agreement with Mukesh Ambani's Reliance Jio in April. "What we have accomplished is a virtual merger between RJio and RCom," Anil Ambani said at the company's annual general meeting. The deal has resulted in both companies sharing spectrum, network, fibre and towers, which has done away with the need for major capex for RCom.

Revenue concerns

These deals will pare RCom's debt from ₹42,000 crore to ₹17,000 crore. RCom will be left with data centres, optic fibre network, and other telecom infrastructure.

Considering that a large part of the operating profit came from the wireless and telecom tower business, analysts say the remaining businesses would need to scale up to service the rest of the debt comfortably.

RCom's fibre optic network could also be sold and add another ₹7,000-8,000 crore to its coffers.

The next big contributor to the group's indebtedness is Reliance Infrastructure. Its plans to sell road assets to foreign buyers haven't fructified, and now the company plans to divest these assets through an infrastructure investment trusts. The enterprise value of these assets is pegged upwards of ₹8,000 crore.

The sale of RInfra's cement business to Birla Corp for ₹4,800 crore was completed in August.

In November 2015, RInfra agreed to sell a 49 per cent stake for ₹3,500 crore in its electricity generation and distribution business in Mumbai and adjoining areas to Canadian pension fund Public Sector Pension Investment Board. This business will be transferred to a special purpose vehicle that will also take over ₹8,000 crore of RInfra's debt.

The deal is pending closure over clarity on tariff orders. In October, RInfra also announced the sale of three power transmission assets to Adani Power for ₹2,000 crore.

Mergers and acquisitions in India, specifically in capital-intensive sectors like infrastructure, energy and telecom, have historically taken a long time to complete. It is crucial for the group to survive and



Reliance Group Chairman Anil Ambani is looking to generate over ₹50,000 crore through asset sale

grow in the time period that these deals take to fructify, say analysts.

The sunshine sector

Defence is the group's new focus area. RInfra acquired Pipavav Defence, now renamed Reliance Defence and Engineering, in January. RInfra CEO Lalit Jalan had told *Business Standard* in an earlier interview, "Defence will be our growth driver as we strongly believe it is a sunrise sector."

Reliance has 27 industrial licences in defence areas across aerospace, navy and land systems.

The group is also forming partnerships with global defence players. In September, it announced a joint venture with Dassault Aviation of France, the maker of Rafale fighters and Falcon business jets. This JV is expected to be a key player in executing offsets obligations, as a part of India's purchase agreement for 36 Rafale fighter jets valued at €7.87 billion or ₹59,000 crore.

It has also forged partnerships with Rafael of Israel, Antonov of Ukraine, Abu Dhabi Ship Building of UAE and Saab of Sweden.

"The group seems to be going in

the right direction (with the asset sale). Surely, there is an opportunity in defence. Completion of the current deals will be important that goes without saying, but execution for new businesses is also key," says Harish HV, partner at Grant Thornton.

Shifting focus

The other two businesses — finance and power — look best placed to aid the group's planned debt clean-up and the next leg of strategy.

"Reliance Power is well placed in terms of financial parameters to

REDUCING THE BURDEN

Financials of Anil Ambani group companies (FY16, ₹ cr)

	Total debt	PBIDT
Reliance Communications	47,332	7,419
Reliance Power	34,241	5,199
Reliance Capital *	28,035	4,630
Reliance Infrastructure	25,101	5,518
Reliance Defence	8,306	-113

*Reliance Capital debt includes commercial lending figures
Source: Capitaline; Compiled by BS Research Bureau

Assets sold (₹ crore)

Company	Asset	Date of completion	₹ crore
Reliance Capital	sold 14% stake in asset mgmt	Mar '16	1,200
Reliance Capital	sold 23% in life insurance	Mar '16	2,265
Reliance Capital	sold 9% in asset management	Feb '15	657
Reliance Mediaworks	sold cinema business	Aug '15	700
Reliance Infrastructure	sold cement division	Aug '16	4,800

Company	Asset	Date of announcement	₹ crore
Reliance Infrastructure	49% in distribution business	Nov '15	3,500
RComs	51% in telecom tower business	Oct '16	11,000
RComs*	Spectrum sharing with Jio	Jan '16	8,000
Reliance Infrastructure	Three power transmission assets	Oct '16	2,000

Plans to sell

Company	Asset	Estimated value
Reliance Infrastructure	Roads division	8,500
Reliance Communications	Optic fibre business	8,000
Reliance Capital	general insurance business	4,000

Source: Company announcements, estimates
*Yields from spectrum sharing are estimates, company has not disclosed payments received so far

embark on expansion. The concern is there is no concrete plan on expansion yet," says Anuj Upadhyay, analyst with Emkay Research.

Reliance Capital has already seen a significant amount of activity as it roped in Japan's Nippon in both mutual funds and life insurance businesses. The company raised a little more than ₹4,100 crore through this divestment to Nippon and used the money to bring down the group's overall debt.

Reliance Capital CEO Sam Ghosh plans to look at more options of divestment. "The commercial finance business is growing steadily; we could consider inducting a

private equity investor, any other partner or even a stake sale after 12-18 months. We also intend to gradually exit from all small proprietary equity investments held by the company to lighten the balance sheet," he says.

Bankers and investors are looking at how soon Reliance group will be able to close the deals. "The group's deals are taking a long time. So completion is the key and post completion of planned asset sales, one has to look at whether the group will be left with enough to service the remaining debt," says a consultant with a corporate restructuring firm.

STEEL AUTHORITY OF INDIA LIMITED
No.SAIL/BP/TA/2016
29th October, 2016
EXPRESSION OF INTEREST FOR SELECTION OF AGENCY
Steel Authority of India Limited (SAIL) invites EOI from "Interested Parties" for participation in the selection process for entering into Long Term Agreement for managing Township services, Education facilities and Power Distribution services in SAIL Steel Plant Townships located at Bhilai, Durgapur, Rourkela, Bokaro and Burnpur. Last date for submission of EOI is 1200 hours (Indian Standard Time) on 30th November, 2016. Details relating to eligibility, manner and place of submission of EOI and other information is available at website www.sailtenders.co.in
This announcement is neither a prospectus nor an offer/invitation for sale of equity shares or any securities to any institution/public.
Registered Office: Ispat Bhawan, Lodi Road, New Delhi 110 003
Corporate Identity Number : L27109DL1973G01006454, Website: www.sail.co.in
There's a little bit of SAIL in everybody's life

The Odisha State Cooperative Milk Producers' Federation Ltd.
D-2, Sahid Nagar, Bhubaneswar-7, Ph: (0674) 2546030/2540273/
2540417, Fax: (0674) 2540974 E-mail: omfed@yahoo.com
TENDER NOTICE
OMFED invites Sealed Technical & Commercial offer in separate envelope from reputed Manufacturers / Mill Owners / Traders / Suppliers for supply of Cattle Feed Ingredients i.e. **Calcite Powder, Common Salt, Deoiled Mustard Cake, Deoiled Cotton Seed Cake, Guar Korma & Guar Churni / Sunflower Meal** during the month of Nov'16-Dec'16. The tender shall be received up to **11:00 A.M.** of date, **10.11.2016**. Technical bids will be opened at 11:30 A.M. on the same date at Corporate Office. Interested bidders may visit our website www.omfed.com from time to time for details regarding further addendum, corrigendum etc., if any. It will only appear in the website and not in any other media including news papers.
Manager (MM)

ORIENTAL BANK OF COMMERCE
(A Government of India Undertaking)
Dept. of Information Technology Corporate Office, Gurgaon
TENDER NOTICE
Technically complete and commercially competitive **online** proposals are invited from reputed vendors for **Empanelment for Supply, installation, integration and maintenance of Tablets**. Bid closing date is 22-11-2016 at 15:00 hrs.
Further details and RFP document are available at Bank's website <https://www.obcindia.co.in> and other websites <http://tenders.gov.in>, <https://obc.eproc.in>
Deputy General Manager (IT)

MANAKSIA COATED METALS & INDUSTRIES LIMITED
Regd. Office: Bikaner Building, 3rd Floor,
8/1, Lal Bazar Street, Kolkata-700 001
Corporate Identity Number: U27100WB2010PLC144409
Phone: +91-33-2231 0050; Fax: +91-33-2230 0336
Email: investorrelmcmil@manaksia.com; Website: www.manaksia.com
NOTICE
Notice is hereby given that pursuant to Regulation 47 read with Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, meeting of the Board of Directors of the Company will be held on Wednesday, 9th November, 2016, at the Registered Office of the Company inter-alia to consider, approve and take on record the Un-audited Financial Results (both Standalone and Consolidated) of the Company for the quarter and half year ended 30th September, 2016.
This information is also available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the shares of the Company are listed and is also available on the website of the Company, viz. www.manaksia.com.
For Manaksia Coated Metals & Industries Limited
Ritu Agarwal
Place : Kolkata
Date : 31st October, 2016
(Company Secretary)

AUROBINDO PHARMA LIMITED
(CIN - L24239TG1986PLC015190)
Regd. Office: Plot No.2, Maltrivihar, Amerpet,
Hyderabad - 500 038
Tel No. 040- 23736370 / Fax No. 040 - 23747340
E-mail: info@aurobindo.com / Website : www.aurobindo.com
NOTICE
Pursuant to Regulation 29 read with Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Notice is hereby given that a Meeting of the Board of Directors of the Company will be held on Monday, 14th November 2016 at Hyderabad, to consider, inter alia, the Un-audited Financial Results of the Company for the Second Quarter and Half Year ended 30th September 2016.
This Notice is also available on the website of the Company www.aurobindo.com and on the website of the Stock Exchanges where the shares of the Company are listed viz. www.bseindia.com (Scrip Code: 524804) and www.nseindia.com (Trading Symbol: AUROPHARMA)
The financial results on approval by the Board, will be made available on the website of the Company and can be accessed by using the link <http://www.aurobindo.com/investor-relations/finance/> financial-results and also on the websites of BSE and NSE.
For AUROBINDO PHARMA LIMITED
B ADI REDDY
Place : Hyderabad
Date : 29.10.2016
Company Secretary

ELECTRONICS CORPORATION OF TAMIL NADU LIMITED (ELCOT)
Chennai - 600 035
Tender Notice
INTERNATIONAL COMPETITIVE BIDDING
Invitation to Bid for Rate Contract for supply of 5,00,000 (0.5 Million) nos of Laptop Computers for the year 2016-17

1.	Tender inviting Authority, Designation and Address	The Managing Director, Electronics Corporation of Tamil Nadu Ltd, II Floor, MHU Complex, 692, Anna Salai, Nandanam, Chennai-600 035. Email: md@elcot.in URL: www.elcot.in
2.	A) Name of the Work	Supply and commissioning of 5,00,000 (0.5 Million) nos of Laptop Computers.
	B) Tender Reference	ELCOT/PID/CB/LTC/PVI/2016-17
	C) Place of execution	Throughout the State of Tamil Nadu
3.	Tender documents available place and due date for obtaining tender	On all working days between 11.00 A.M. and 3.00 P.M. up to 05.01.2017 from the Address mentioned in column (1) above. Alternatively, Tender documents can be downloaded free of cost from www.elcot.in and http:// www.tenders.tn.gov.in/
	Cost of Tender Document	INR 1,100/- per Tender Document for direct purchase from ELCOT. The Tender document fee is waived for the downloaded Tender document.
4.	Earnest Money Deposit (EMD)	Rs.20,00,000/- (Rupees Twenty Lakhs only) - Demand Draft or Banker's Cheque.
5.	Due Date, Time and Place of submission of Tender	On 06.01.2017 at 4.00 P.M. at the address mentioned in column (1) above.
6.	Date, Time and Place for opening of the Technical Bids	On 06.01.2017 at 4.30 P.M. at the address mentioned in column (1) above

1.	Eligibility Criteria: Please refer to the Tender Document.
2.	Two Bid System (i.e.) Stage – I – Technical Bid; Stage-2 Price Bid opening.
3.	Tenders received after due Date and Time will be summarily rejected.
4.	Contact Phone Nos. 91-44-65512300,24333085 & 65512323 Ext.221 & 332
	E-Mail : itc1@elcot.in; md@elcot.in; URL: www.elcot.in

MANAGING DIRECTOR
ELCOT, CHENNAI - 600 035.
DIPR/4222/TENDER/2016

TENDER CARE

OHPC gets it's new Director (Finance)



Sri Pravakar Mohanty has joined as Director (finance) of Orissa Hydro Power Corporation Limited from 25.10.2016. Prior to this he was Director (finance) of Neelachal Ispat Nigam Limited. Before this he has served successfully in IDCOL from 1984 - 2014 in important positions. Sri Mohanty is a graduate in commerce from Utkal University and L.L.B degree holder from M.S Law college. He has experience of 32 years in Finance Management. He was the first C.A to be nominated as the President of ICAI in 2005 - 06.

NINL conducts Health Check-up Camp



A total of 238 people were benefitted at a Health Check-up Camp organized on October 27, 2016 by Neelachal Ispat Nigam Limited (NINL) at Sarangpur village near Kalinganagar Industrial Complex in Odisha's Jaipur district. At the camp, the villagers were given consultancy from doctors and were distributed medicines free of cost. Dr. M.A. Khan, Asst. Chief Medical Officer, First-aid-NINL, led the medical team in the camp. The MMTC-promoted company conducted the camp at its peripheral village as part of its CSR activity.

ICAI News



Seminar on "GST-Recent Developments and Transitional Provisions" Organised by the Institute of Cost Accountants of India-Bhubaneswar Chapter on 23.10.16 (Sunday).

UCO Bank news



UCO bank jaipur road celebrating home loan campaign in which processing fee waiver is available till 31st dec 2016. Manager Laxmi dhar Panda urged local people to avail the best puja opportunity.

Commercial Feature



Training Programme on "RTI ACT 2005" at HRD, B.C.C.L

NRL MD receives CSIR recognition for successful commercialization of Wax De-oiling technology

Council of Scientific & Industrial Research (CSIR) –the apex R&D organization in the country has acknowledged the contribution of NRL MD Mr. P.Padmanabhan in successful commercialization of Wax De-oiling technology in NRL's Wax plant, developed indigenously by CSIR-IIP. The



CSIR Technology award for Physical Sciences including Engineering 2016 was handed over by Dr. Harsh Vardhan, Hon'ble Union Minister for Science, Technology & Earth Science to CSIR-IIP (Indian Institute of Petroleum), Dehradun for development of the aforesaid Wax de-oiling Technology along with EIL and NRL for setting up the wax de-oiling plant, its operation and successful commercialization at a function to mark 75 years of CSIR held at Vigyan Bhawan, New Delhi. NRL's 50,000 Metric Tonnes (MT) Wax Plant commissioned in March 2015 at a cost of Rs. 676 crores is the country's largest Wax producing unit. With this, the Company has emerged as the largest manufacturer and marketer of Wax in the country.

Project of Sea Hawk Quality Circle team of Coke Ovens department leads to substantial savings for RSP



The project undertaken by the Sea Hawk Quality Circle team of Coke Ovens Department has led to substantial financial savings for the plant. The members of the Quality Circle comprising Mr. Jhasaketan Mishra, Mr. Manoj Kumar Gharai, Mr. Raj Kishore Sahu, Mr. Rabindra Kumar Bishoiy and Mr. Dhrubesh Kumar Behera all Senior Operatives of Coke Ovens Department have implemented a project titled "Minimising Variation in Moisture Content in Coal Blend and Air Pollution in Coal Handling Plant". Mr. Kumar Behera, DGM (Coke Oven) is the Facilitator of the Quality Circle. For this project the Sea Hawk Team became the joint winners of prestigious J P Dash Memorial Trophy at the chapter level QCPI competition held on 9th& 10th September at Rourkela Club.It is to be noted that the Coal Handling Plant of RSP was experiencing unwanted variation in coal ash as well as moisture content due to improper mixing and moisturization. The team decided to minimize variation in moisture content and further reduce air pollution by providing a moisture control system in the blending and crushing area. After implementation of the project variation in input coal moisture and coke micum have been minimized. This job has led to a substantial annual savings of about Rs.64 lakhs.

