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**GOOGLE TURNS TO AI IN SEARCH** OF BETTER RESULTS **BEZOS MAY LOSE RICHEST MAN** TAG AS AMAZON NET FALLS ► P20 **P20** 

# **Divine intervention for SBI in** Q2 but the devil's in the detail



Net profit at ₹3,012 cr is up nearly threefold, performance is still not enough to dispel gloom Ajay Piramal-led Piramal Enterprises expects the rights

## Piramal says he will underwrite full ₹3.650 cr rights offering

issue to be completed by Feb.

Deborshi Chaki & Swaraj Singh Dhanjal

jay Piramal will underwrite the entire rights issue of ₹3,650 crore that his flagship company, Piramal Enterprises Ltd, announced on Friday, the billionaire businessman said in an interaction with *Mint*. On Friday, Piramal Enter-

prises said it will raise a total of ₹5,400 crore through a mix of rights issue of ₹3.650 crore and preferential allotment of convertible instruments to Canadian pension fund manager Caisse de dépôt et placement du Québec (CDPQ),

In 2017, CDPQ had participated as the anchor investor during Piramal Enterprises' qualified institutional placement, investing \$175 million out of the total issue size of \$750 million. Additionally,

**TURN TO PAGE 21** 

# **BJP strikes deal with** JJP, all set to return to power in Haryana

24 PAGES

#### Gyan Varma & Anuja

NEW DELHI

he Bharatiya Janata Party (BJP) is set to return to power in Haryana.

BJP president Amit Shah of a majority. late on Friday evening said his party will enter into a coalition said JJP would join hands with with Dushvant Chautala-led any political party that agreed Jannayak Janta Party (JJP). to a common minimum pro-The newly formed alliance is gramme. "Whether it is the likely to stake claim to form the Congress or the BJP, if our supgovernment on Saturday. According to the agreement

BJP's Manohar Lal Khattar will continue to be chief minister while the deputy chief minister will be from JJP. "Accepting the mandate by the people of Hary-

ana, leaders of both parties have decided that BJP-JJP will form the government together in Haryana. CM will be from BJP and deputy CM will be from JJP," Shah said.

The alliance is in line with the "spirit" of people's mandate, Shah told a press conference held jointly with Chautala. The two were also joined by Khattar, who said both parties had worked together in the past. Chautala said his party believed the alliance was nec-

#### **TURN TO PAGE 21**

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### **CURBED ENTHUSIASM**

he September quarter earnings of the country's largest lender. State Bank of India, brought much-needed cheer to an otherwise gloomy banking sector. Net profit at ₹3,012 crore was up by nearly three times from the year-ago period. The 7.3% gain in the stock on Thursday was justified with profit comfortably beating estimates When the bank's chairman Rajnish Kumar sought divine intervention in the June quarter-"every morning I am

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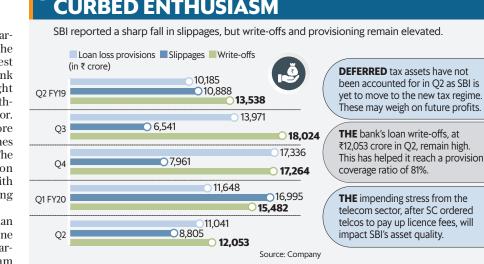
looking at the sky and praying to God" is how he put it-SBI's balance sheet had been hit by a surge in fresh slippages. Three months later, these slippages have halved and the pile of dud loans is down to 7.19% of its loan book.

Clearly, this sharp reduction in stressed loans has given confidence to Kumar to commit to the worst-case scenario of a 2% slippage ratio for FY20. Kumar was hopeful that the ratio will be lower.

We expect gross slippages in a not-so- good scenario to not exceed 2%. We believe

**DON'T MISS** 

Tata Sons to infuse ₹6.500 cr



loan growth belies the broad that the current run rate of narrative of a consumption ₹8,000 crore slippages per quarter in a ₹23 lakh crore loan book is normal," said economy Kumar. The other

boost was an over-17% growth in core income, propelled by an 18% growth in retail loans.

loans.

MARK TC MARKET

Even if Indian companies are not borrowing, consumers, it seems, are still willing to fund their purchases through

equity in Tata Motors See Page 21 | increased scrutiny See Page 20 | Lutyens' Delhi

Highly pledged stocks to face

demand slowdown in the But no banker leaves everything to God and, as they say, the devil is in the details. Here are

three: First, SBI is yet to move to a lower tax regime after the corporate tax cut. What this means is that the bank is yet to account for deferred tax assets which will weigh on profits of Indeed, SBI's strong retail the future quarters. Further,

telcos to pay up licence fees, will NAVEEN KUMAR SAINI/MINT the lender had to use all the

gains it got from the stake sale of SBI life Insurance towards provisions. Part of it went towards the

beleaguered Dewan Housing Finance Corp. Ltd. to which the bank has an exposure of ₹7,000 crore. More than 60% went toward a power borrower due to a failed resolution.

Second, SBI's loan writeoffs are still high. For the September quarter, the bank wrote off ₹12.053 crore worth of bad loans, a bit lower than

₹16,000 in the previous quarter. Write-offs helped SBI to reach a provision coverage ratio of 81%. Had it not written off loans, its provision coverage ratio would be an unimpressive 62%. Write-offs still drive the reduction in SBI's bad loan pile.

Third, SBI still has to face a large line of insolvency cases in courts. The high level of provisioning done by the lender should give some comfort to investors. The lender said three accounts were in the final stages of resolution, with an expected recovery of 62%. The impending stress from the telecom sector, after the Supreme Court ordered telcos to pay up licence fees will also have an impact on SBI's asset

quality. Kumar's comment on the likely impact was noncommittal.

In short, SBI's September performance brings cheer to investors, but is not enough to dispel the gloom on the economy.

With some prayers answered, Kumar has to get down to the business of getting the cheques overdue from troubled marquee borrowers. Most of all, SBI will have to find a resolution for DHFL to save its ₹7.000 crore.

IndiGo faces delay in delivery

See Page 20 of long-haul planes See Page 20

MUMBAI

amounting to ₹1.750 crore.

port is needed for improvement of Harvana we will be between the two parties, the | happy," Chautala told report-**BJP's Manohar Lal** 

> Khattar will continue to be chief minister while the deputy chief minister will be from JJP

cratic Alliance (NDA) got a clear majority, the BJP was yet to reach common ground on a power-sharing formula

capital.

ers in the national

Meanwhile, in

Maharashtra, a

day after the

National Demo-

essary for stability in Haryana.

return to power in the state.

With 10 MLAs, JJP's support

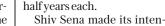
will bolster the tally of the saffron party which fell six short

Earlier in the day, Chautala

The move is significant as it clears the decks for the BJP's

with long-time ally Shiv Sena. The BJP wants Devendra Fadnavis to continue as chief minister for a full second term. However, Shiv Sena wants to shift the alliance dynamics in its favour with a 50:50 formula this time around, where the

two parties will share the chief ministership for two-and-a-





#### Jubilant Life Sciences Limited

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Ahmedabad firm to redesign

#### Extract of Consolidated Unaudited Results for the Quarter and Half year ended 30 September 2019

Extract of Consolidated Unaudited Results for the Quarter and Half year ended 30 September 2019 (₹ in Lakhs)						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30 September	September 30 June 30 Septeml		er 30 September 30 September		31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	2019	2019	2018	2019	2018	2019
Total revenue from operations	226593	218186	226949	444779	434814	911082
Net Profit before tax, exceptional and extraordinary items	29223	26903	31026	56126	61851	118404
Net Profit before tax (after exceptional and extraordinary items)	29223	26903	30181	56126	58818	90381
Net Profit after tax, exceptional and extraordinary items	24939	18498	20977	43437	41014	57701
Total comprehensive income after tax (comprising profit for the period after tax and other comprehensive income after tax)	27320	23203	35071	50523	56473	56323
Earnings per share of ₹ 1 each (Not annualized)						
Basic (₹)	15.66	11.61	13.50	27.27	26.50	36.86
Diluted (₹)	15.66	11.61	13.50	27.27	26.50	36.86
Equity share capital	1593	1593	1558	1593	1558	1593
Reserves (excluding revaluation reserve)				521437	458349	479299
Net Worth				523030	454477	480902
Paid-up debt capital				428900	301970	420300
Capital Redemption Reserve				3984	3984	3984
Debenture Redemption Reserve				13008	7492	13008
Debt Equity Ratio				0.65	0.76	0.73
Debt Service Coverage Ratio				6.41	6.65	8.07
Interest Service Coverage Ratio				6.41	6.65	8.07

The Company has opted to publish consolidated results for the year ending 31 March 2020. The standalone unaudited results are available 1. under Investors section of our website at www.jubl.com and under Financial Results at Corporates section of www.nseindia.com and www.bseindia.com. Key standalone financial information of the Company is as under: (₹ in Lakhs)

	Quarter Ended			Half Year Ended		Year Ended
Particulars	30 September	30 June	30 September	30 September	30 September	31 March
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	2019	2019	2018	2019	2018	2019
Total revenue from operations	75754	78982	88727	154736	171391	343861
Profit before tax	10620	4732	9121	15352	12466	18343
Net profit after tax	14307	3226	7961	17533	10349	14763

Items referred in sub clauses (a), (b), (d) and (e) of the regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, 2. have been disclosed in detailed format of the consolidated unaudited results for the quarter and half year ended 30 September 2019 filed with BSE Limited and The National Stock Exchange of India Limited and can be accessed under Financial Results at Corporates section of www.nseindia.com and www.bseindia.com

- The above consolidated unaudited results were, subjected to limited review by the Statutory Auditors of the Company, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25 October 2019.
- The above is an extract of the detailed format of the consolidated unaudited results for the quarter and half year ended 30 September 2019 filed with the Stock Exchanges under Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format for the consolidated unaudited results for the quarter and half year ended 30 September 2019 is available under Investors section of our website at www.jubl.com and under Financial Results at Corporates section of www.nseindia.com and www.bseindia.com.

For Jubilant Life Sciences Limited

Place	:	Noida
Date	:	25 October, 2019

Hari S. Bhartia Co-Chairman & Managing Director

