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STRICTLY STREET

The Official Newsletter of AAMDANI

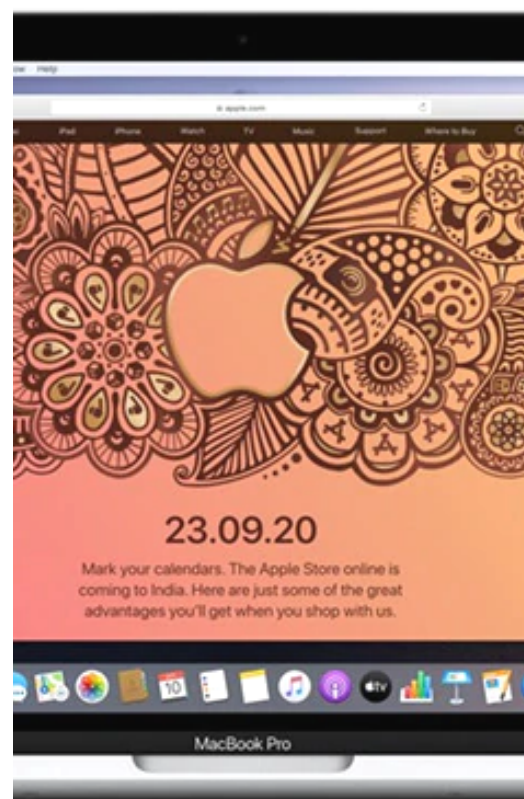


TAKEAWAYS

- News Highlights
- Latest Update on Vodafone
- Vocabulary and Wise Saying

NEWS HIGHLIGHTS

1. Mukesh Ambani's RIL announced on Saturday, 9th September 2020, that it has received Rs 7,500 crore from US private equity firm Silver Lake Partners. Silver Lake Partners has picked up 1.75 per cent stake in its retail arm, Reliance Retail Ventures Ltd (RRVL). This is the second billion-dollar investment by Silver Lake in a Reliance Industries subsidiary after the USD 1.35 billion investment in Jio Platforms announced earlier this year.
2. Sri Lanka Prime Minister Mahinda Rajapaksa sought an additional currency swap facility and deferment of debt payments from India during an online bilateral summit with PM Narendra Modi, Indian officials said. Sri Lanka owes about \$960 million to India and earlier this year India agreed to a \$400 million currency swap facility for Sri Lanka until November 2022.



BIG WIN FOR VODAFONE

Vodafone has won a long-running dispute with the Indian tax authorities which argued that the UK telecoms group should pay almost €3bn in back taxes and penalties related to its 2007 acquisition of a local operator.

It all began in 2007 when the group acquired a majority stake in Hutchison Essar, India's second-largest mobile phone network at the time, for £7.1 bn using a Netherlands-based company to complete the deal. At the time, the Indian tax authorities had termed the structure of the multi-billion dollar transaction as a tax avoidance scheme and had slapped a demand of Rs 20,000 crore, including a penalty. The issue saw litigation, stretching all the way up to the Supreme Court

And in 2012, the Supreme Court of India had quashed the tax demand, ruling on Vodafone's favour. Then, Finance Minister Pranab Mukherjee, moved an amendment bill in the Parliament, which featured retrospective amendments going back to 1962. These amendments, after vetting from the parliament, allowed the tax department to overturn the Supreme Court Judgment in Vodafone's favour and to again raise the Rs 20,000 crore tax bill.

In April 2014, Vodafone International Holdings initiated Arbitration Proceedings under the India - Netherlands Bilateral Investment Treaty. It is under this treaty, that the Permanent Court of Arbitration in Hague had conducted hearings between the two sides

The court recently ruled in favour of Vodafone stating that Vodafone was entitled to fair and equitable treatment due to a bilateral protection treaty between the Netherlands and India. Demands for payments, including interest and penalties, were in breach of that guarantee. Even now, the Indian authorities could opt to challenge the ruling, or amend the law that allowed retrospective payments dating back until the 1960s to be sought.

The dispute had overshadowed Vodafone's growth plans in India and soured attitudes toward foreign investment in the country for a long period of time. Vodafone has since merged its Indian business with rival Idea and written off the value of its operation in the country.

Shares in Vodafone Group, which has pledged not to invest more equity into India, were down 0.7 per cent in lunchtime trading, but shares in Vodafone Idea, its listed Indian mobile network, rose 12 per cent.



In the year 2030.

Financial Services



"If you're not willing to buy my house, put my wife through law school, and adopt my kids, then you must not be serious about helping me invest!"

Test Your Awareness

- Q1)** Tim Cook is the CEO of which company?
- Q2)** Name the Indian company with the highest market capital.
- Q3)** Name the first B-school in the world.
- Q4)** Who is the CEO of Microsoft?
- Q5)** Who is the founder of Paytm?

Wise Saying

The real test is not whether you avoid this failure, because you won't. It's whether you let it harden or shame you into inaction, or whether you learn from it; whether you choose to persevere." – Barack Obama

ADD TO YOUR VOCAB!

HAIRCUT

A haircut is an extremely thin spread between the bid and ask prices of a given stock. It can also refer to a situation in which a stock price gets reduced by a specific percentage for margin trades or other purposes.

PINK SHEET STOCKS

The term "pink sheets" refers most commonly to penny stocks, which are traded at \$5 per share or less. They're also called over-the-counter stocks because that's how they are traded. You won't find them on the Nasdaq or NYSE, or any other major exchange, and they're often smaller companies.



SOURCES

- The Economic Times
- Financial Express
- Financial Times
- Wikipedia