

Headline Stocks of 2011

The year 2011 was a disappointing year for markets with lot of events taking place that drove the investors closer or farther from the stocks. From the 2G Scam to Kingfisher debt recast plan, there was a lot of buzz created in the markets.

Year 2011 was not so good for the Indian Markets with lot of negative news creating pressure and dragging stocks lower. Investors completely lost interest and as a result of the same, major stocks witnessed selling pressure.

Here take a look at major stocks that remained in the limelight throughout the year due to news-specific actions.

- GTL, GTL Infrastructure
- SKS Microfinance
- Pipavav Defence and Offshore Engineering
- Reliance Industries
- DB Realty
- Sun TV
- Kingfisher Airlines (KFA)
- Maruti Suzuki India
- Oil & Natural Gas Corporation (ONGC)

Major headline stocks of 2011

GTL fell 91% and GTL Infrastructure fell 78% in the year 2011.

Nobody knew what triggered the collapse in the share prices of GTL and group company GTL Infra in June. The company's weakening fundamentals was the starting point. But that alone could not have brought down the GTL stock by 62% in a single trading. It was very likely that the promoters would have pledged a big chunk of shares outside of what was officially disclosed to the stock exchanges. Both companies' balance sheets look as though they were in a train collision. Negotiations with lenders are on.

SKS Microfinance fell 85% in the year 2011.

Hailed as a blue-chip in the making when it listed in August last year, the microfinance lender turned out to be a riches-to-rags story for its shareholders. Since Andhra Pradesh was its largest market, the state government's curbs on the microfinance industry wrecked SKS's bottomline. Complicating matters for SKS was the power struggle within the board which eventually culminated in the ouster of founder and chairman, Vikram Akula.

Pipavav Defence and Offshore Engineering fell 23% in the year 2011 (formerly Pipavav Shipyard).

Pipavav Defence issued 1.05 preferential warrants to high-profile proprietary investor Rakesh Jhunjhunwala just a few days before announcing a joint venture with state-owned Mazgaon Dock for building warships and submarines. Pipavav's business rivals shot a letter to the Defence Ministry questioning Pipavav's track record and execution skills. Stock market players alleged that Pipavav had roped in Jhunjhunwala to improve the stock's perception among the investor community and boost its valuation.

Reliance Industries Limited (RIL) fell 30% in the year 2011.

Reliance Industries was accused of inflating its expenses for developing the KGD6 block, something that would delay the government's payoff from the block as it is entitled to its share of profits only after Reliance recovers the development costs. Already, output at the gas block has plunged and RIL's rivals allege that the company is waiting for global gas prices to move up before ramping up production. The RIL stock has also been weighed down by the ongoing probe into alleged insider trading in Reliance Petroleum shares.

DB Realty fell 75% and Reliance Communications fell 50% in the year 2011.

Both stocks fell following the arrest of key company executives for alleged involvement in the 2G telecom scam.

Sun TV Network fell 47% in the year 2011.

Allegations that the company had benefited from Dayanadhi Maran's largesse when he was telecom minister (Dayanidhi is the brother of Sun group promoter Kalanithi Maran) triggered a sell-off in the stock. Sun TV is alleged to have uploaded data using illegally provided ISD connections. To make matters worse for Sun, the AIADMK—arch rival of DMK of which Dayanidhi Maran is a member — came to power in the state. This undermined Sun group's hold on the film industry and its near monopolistic position in the cable TV business.

Kingfisher Airlines (KFA) fell 69% in the year 2011.

It has been a bad year for aviation companies in general, because of high crude oil prices and fierce competition. UB group chairman Vijay Mallya claims the media exaggerated the problems with his airliner, but the fact is Kingfisher has suffered more than its private sector peers. It is struggling to pay its daily fuel bills, has lost many pilots and has cut down on the number of flights.

Maruti Suzuki India fell 32% in the year 2011.

Maruti made the maximum headlines this year, thanks to persistent labour problems at its Manesar plant. The periodic strikes hit production in a year when car sales were anyway slowing down because of high interest rates and costly fuel. The company finally resolved the issue but it could be a while before sentiment for the stock improves.

Oil & Natural Gas Corporation (ONGC) in the year 2011.

ONGC follow-on public offer (FPO), through which the government planned to sell 5% of its stake in ONGC, was deferred again and again. The FPO was originally planned in the 2010-11 fiscal. The reasons for deferment were - the company did not have an adequate number of independent directors on its board to meet market regulator SEBI's listing norms and also due to adverse market conditions. Following the FPO, the government's stake in ONGC will come down to 69.14% from the current 74.14%.

The company also faced royalty issues. The completion of Cairn-Vedanta deal also got delayed as ONGC, which partners Cairn India in its crown jewel Rajasthan oilfields as well as seven other properties, demanded sharing of royalty it pays before the deal was cleared. ONGC, being the licensee of the Rajasthan block, pays 20% royalty on not just its 30% share of production, but also on the 70% share of Cairn India. It wanted this payment to be treated like other project costs and taxes and recouped from revenues earned from oil sales, a demand opposed by Cairn India.

Company Name	31-12-2010	28-12-2011	% changes
Sks Microfinance	643.85	95.1	-85.23
GTL	416.85	38.8	-90.69
GTL Infra	42.75	9.34	-78.15
Pipavav	86.4	66.35	-23.21
RIL	1058.25	738.55	-30.21
D B Realty	195.6	48.1	-75.41
Rcom	145.1	71.85	-50.48
Sun TV	525.85	280.85	-46.59
Maruti	1420.6	959.4	-32.47
Kingfisher Airlines	66.2	20.55	-68.96