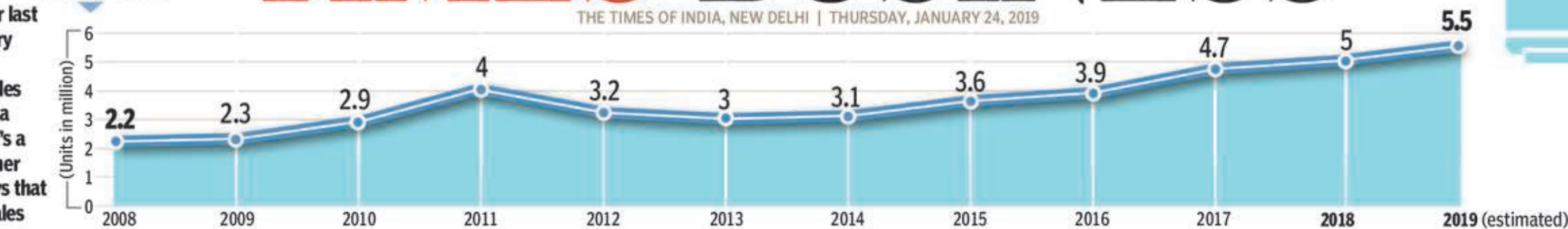


COOLING EFFECT

After a bad summer last year, the AC industry is expected to fare better. Festive AC sales had picked up, despite it being a weak period. While some say it's a low base effect that shows higher numbers, others see hotter days that may translate into increased sales

Number of airconditioners (industry volume)



Source: Crisil/Edelweiss

Cos can no longer hide 'real' owners of stock holdings

Govt Ready With Rules To Lift Veil Of Multi-Layered Firms

Sidhartha@timesgroup.com

New Delhi: The government is ready with rules to lift the corporate veil around multi-layered companies. Shareholders and companies with over 10% stake in a firm will have to disclose the ultimate beneficiaries of shares, especially overseas owners.

The revised rules on significant beneficial ownership, which are expected to be notified by the ministry of corporate affairs over the next few days, will provide separate norms for companies where the beneficial owners are Indian firms and those with overseas entities, sources told TOI.

In case of Indian ownership, the ministry is proposing one-step reporting where only the large shareholders in the company that is one layer above are disclosed. But in case of foreign shareholding of over

TO PREVENT BENAMI POSSESSIONS

- Holdings above 10% in a company to be considered significant beneficial ownership
- Govt has mandated disclosure of all such holdings
- Idea is to find out the ultimate beneficiary, prevent benami holdings
- Move may have implications on entities where foreign shareholders get disproportionate say



10%, the trigger for rules, the ultimate beneficiary located in any jurisdiction will have to be disclosed. So, if a Mauritius-based company, whose parent is based in, say, Cayman Islands, has invested in an Indian entity, it will have to go to the ultimate beneficiary, who may be located in the US or the UK. "In every case where the register has a body corporate

outside India, the onus is on the company to find the beneficial owner," said a source.

Exceptions are being made for overseas funds and private equity (PE) investors. In case of PE players, details of the general partners will have to be disclosed. For funds, the government will only seek the details of key managerial personnel in case the fund is compliant with

the US Foreign Account Tax Compliance Act, or FATCA, and the money is routed via a country that is part of the Financial Action Task Force — the inter-governmental agency against money laundering.

In case of trusts holding shares, the details of the 'karta' will have to be disclosed, while for discretionary trusts, the particulars of all the trustees will have to be shared, the sources said. While the onus of disclosure is on shareholders with over 10% stake, the government is mandating that non-disclosure will make them ineligible for any claims that arise in future.

Last year, MCA had released the rules on significant beneficial ownership but, due to concerns over disclosures related to multi-tier companies and those with overseas holding, the plan was kept in abeyance. Several other countries have similar rules in place.

IndiGo net plunges 75%, to expand global biz

TIMES NEWS NETWORK

New Delhi: High fuel prices and currency depreciation have led IndiGo's net profit slumping to Rs191 crore in the quarter ended December 31, 2018,

down 75% from Rs762 crore in the same period last fiscal. However, the low-cost carrier (LCC) has flown back into the black as it had reported a loss of Rs 652 crore in Q2 — its first quarterly loss since listing over three years ago. The airline's scrip closed at Rs 1,108, down 0.9%, on the BSE on Wednesday.

IndiGo, which has a "strong balance sheet with a total cash of Rs 14,136 crore, including free cash of Rs 4,618 crore", reported a total income of Rs 8,229 crore in Q3, up 28% from Rs 6,409 crore in the same quarter in the previous fiscal.

IndiGo's co-founder and interim CEO Rahul Bhatia said the airline posted profit in a continued difficult environment and has grown its fleet by one aircraft a week to increase capacity by 33% in the December quarter. "Very few airlines around the world have the operational resilience to absorb such rapid growth and I want to thank all our employees for being up for this challenge. We find the markets we serve are responding very positively to this new capacity," he said.

This Q3 "we reported a profit margin of 2.4%. Though we have seen a reduction in fuel prices during the quarter compared to previous quarter, on a year-over-year basis, fuel prices are still 31% higher and the rupee is weaker by 11%."

More Indians talk despite data surge

Voice Calls Jump 70% In 2 Yrs Due To Cheaper Plans | Poor Connectivity For VoIP An Issue

Sindhu.Hariharan@timesgroup.com

Chennai: At a time when users worldwide are getting on the data bandwagon and ditching voice calls for services such as WhatsApp, Indians continue their strong bond with phone calls.

Voice calls have seen a spike of almost 70% in the past two years, according to telecom regulator TRAI's data. The average time spent on voice calls by a subscriber each month has increased steadily the quarter ended September 2016 to the September 2018 quarter (see graphic). Interestingly, consumers seem to be chatting away at the expense of the telecom operators. The average revenue each minute for telcos from voice calls has dipped in the same period.

Industry watchers TOI spoke to say a combination of cost-effectiveness and the Indian penchant for verbal communication has resulted in voice calls holding their ground in the country amid dwindling relevance globally. Further, with data itself not as strong and flawless as is needed for VoIP (Voice over Internet Protocol) calls, smartphone owners say they often rely on regular calls for a better experience.

"It is mainly a function of Indian consumer behaviour. People are used to the convenience of dialling a call, and a growing number of users are getting into the voice mode with the hindrance of cost also going away," Faisal Kawoosa, founder of tech and

telecom consulting firm techARC, said. He added that, with over 500 million feature phones in the Indian market, we cannot write off voice services in India yet.

The feature phone market is also growing. According to IDC, vendors in India shipped a total of 56 million feature phones in the fourth quarter of 2017, making it "the highest-ever shipments" in a single quarter; at

Jigar Doshi, co-founder, Komparify.com, a comparison platform for mobile plans, says telcos making voice calls free has driven high adoption, making the operators re-look at the plans structure. "We have started seeing terms such as 'not for commercial usage' appearing prominently on plan descriptions in recent times," Doshi says.

On the flipside, observers

HOW MUCH IS YOUR USAGE WORTH

Report period (quarterly)	Average voice usage per user, per month (in minutes)	Avg voice revenue/min (₹)
Sept '16	366	0.48
Dec '16	360	0.44
Mar '17	405	0.31
Jun '17	428	0.27
Sept '17	437	0.23
Dec '17	495	0.19
Mar '18	584	0.16
Jun '18	608	0.14
Sept '18	627	0.12

Note: Voice usage relates to GSM services

Source: TRAI

a time when smartphone sales itself have been either flat or declining. Research firm Counterpoint notes that India accounted for almost 43% of the global feature phone shipments in the quarter on the back of devices by Reliance Industries' Jio.

The socio-economic situation in India is also driving preference for voice calls. A recent survey by Pew Research Centre found that, despite the push for digital, only 25% of Indian adults use the internet or own a smartphone, compared with 96% in South Korea and 89% in the US.

believe low prices of voice calls are also contributing to poor quality of call services and the infamous call drops.

Despite increasing adoption, Hemant Joshi, partner for technology, media and telecommunications at Deloitte India, says it is "very unlikely that voice services could be monetised by the operators", given the fierce competition in the sector. Kawoosa adds revenue from data, too, is still a distant dream for telcos. "The data growth is artificial in a way, as it is not priced at what it deserves due to hyper competition."

Probe corp governance at Sun Pharma: Advisory cos

Rupali.Mukherjee@timesgroup.com

Mumbai: Sun Pharma's lengthy clarification to allay investor fears on January 22 has given rise to more concerns, with shareholder advisory firms seeking an independent enquiry into allegations of "questionable" corporate governance practices. They feel that the company's board should address the larger issue.

"The environment today is far more focused on long-term value, and that needs to be the concentration of its management, promoters, and the board. Sun Pharma's board has failed to control the narrative. It needs to rethink its corporate governance structures," says a note by Institutional Investor Advisory Services (IIAS). "We would like to see Sun Pharma's independent directors institute an independent investigation into the whistleblower allegations," according to Hetal Dalal, COO of IIAS.

The company's clarification has clearly established that a major part of the complaint by the whistleblower is true, noted J N Gupta, MD of Stakeholders Empowerment Services. "There is a need for investors to probe deeper and ask questions even though things may seem fine," he told TOI.

When contacted, a Sun Pharma spokesperson said, "We are not aware about any shareholder proxy firms seeking an independent enquiry. In our last investors' call on December 3, 2018, our investors expressed some concerns regarding certain business arrangements and we addressed these. If still there are any concerns, we are happy to understand those and are committed to address them in the most transparent manner."

Blackstone, Xander eye Siddhartha's office park

Avik Das & Bobby Kurian | TNN

Bengaluru: Private equity giant Blackstone Group, also one of the world's most influential real estate investors, is in talks to acquire Coffee Day founder V G Siddhartha's 4.4-million-sqft tenanted office park in a deal estimated at about Rs 2,200 crore, people directly aware of the matter said.

The park, Global Village, located on a 110-acre campus, counts Mindtree, Accenture and Mphasis among its clients. It has the potential to add another 5-6 million sqft of office space as only 45 acres has been used for development till now. Another US-based investor

Xander has also initiated discussions for a potential buyout of the park owned by Tanglin Developments, a Coffee Day company.

Siddhartha's talks to sell the office park comes at a time when he, as the largest shareholder in Mindtree, is expected to trigger an M&A deal for the mid-tier IT services company, which is opposed by its

four founders. Incidentally, Mindtree occupies 1.2 million sqft in Global Village, located off Mysore Road, where its corporate HQ is also based.

Siddhartha wants to monetise the non-core investments of his diversified group to pare debt and ease liquidity pressures. Several Indi-

an businesses have come under cash flow strain after last autumn's NBFC crisis, which dried up financing options. One of the sources cautioned that the office park sale might slow down if Siddhartha strikes an exit deal from Mindtree soon.

Notwithstanding lower rentals currently, Blackstone is interested in the park because of its potential as a large hub for back-office clients paying relatively cheaper rentals, sources said. Global Village fetches average rentals of Rs 40-50 per sqft because of its location outside Bengaluru's IT corridors. An acquirer of the park is expected to look at rejigging rentals, especially in the wake of the upcoming metro rail connectivity.

Tata Motors launches Harrier SUV on JLR platform at ₹12.7L

TIMES NEWS NETWORK

Mumbai: In an aggressive bid to carve out a slice of India's fast-growing mid-sized SUV segment, Tata Motors on Wednesday rolled out the

- JLR's dwindling sales won't hit TaMo turnaround, P 20
- Maruti's new WagonR to cost ₹4.2L, P 24

Harrier, priced aggressively in the Rs 12.7 lakh and Rs 16.3 lakh range, ex-Mumbai.

The Harrier, born of Tata Motors' JLR-assisted platform Omega, targets Hyundai Creta's price band — Rs 10-15.6 lakh — but is significantly priced lower compared to the XUV500 and Jeep

HOW THEY STACK UP

SUVs	Price (₹ lakh)
TATA HARRIER	12.7
MAHINDRA XUV500	12.7
JEEP COMPASS	16.5



All prices ex-Mumbai for diesel variants

Compass diesel.

It is competitive compared to the newly launched Nissan Kicks as well.

Powered by a 2-litre, 4-cylinder multi-jet engine, which also sits under the Jeep Compass hood, and built on the same architecture as the Land Rover Discovery

Sport, the Harrier is Tata Motors' bid to change its brand perception. "Harrier will serve a particular purpose — it will elevate the brand perception from value to premium and enhance the customer expectation," said Guenter Butschek, MD & CEO, Tata Motors.

Sequoia kicks off startup accelerator

Digbijay.Mishra@timesgroup.com

Bengaluru: Sequoia Capital India, the largest venture capital firm operating in the country, is launching a startup accelerator and incubation programme called Surge where it will pick up 10-20 early stage startups twice every year and invest \$1.5 million in each of them at the start of the programme. The new initiative, where Sequoia is likely to invest over \$100 million over the next four-five years, said two people familiar with the development.

Sequoia's push, which is perhaps the largest such programme launched in India, is likely to shake up the sluggish early stage financing market and further spur entrepreneurial activity, according to experts tracking the space. The programme will target startups both in India and Southeast Asia across sectors like consumer internet, deep tech,

SEED 'SURGE'

Average size of seed/angel round (in \$ m)



- Founders in India spend more than 25% time raising angel, seed and up to a series A

Source: CB Insights, Sequoia

enterprise software, healthcare technology, fintech, crypto or direct-to-consumer brands.

"The trigger is the realisation that India is doing so well and the tech ecosystem is exploding. On the other hand, we ran a bunch of founders' surveys and found they are underserved," said Shailendra Singh, MD at Sequoia Capital India. He added that unlike other accelerator programmes, which take startups from

zero to seed funding, Surge will take them from seed to series A. "This programme will work independent of Sequoia and that is why we have a separate brand. We will also have a different team for it."

Each batch will last for about 16 weeks and will also see the firm bring top entrepreneurs from its portfolio like hospitality major Oyo's Ritesh Agarwal, restaurant discovery and food delivery company Zomato's Deepinder Goyal, Indonesian ride hailing major Go-Jek's Nadiem Makrim and software player Freshworks' Girish Mathrubutham as mentors for these startups. Besides, startups will also have access to an advanced management programme (AMP) by Sequoia's US unit, which is known as an early backer of companies like Google, PayPal and WhatsApp.

At the end of the programme, Sequoia also plans to have an investor week for these startups where it will invite other

venture capital firms.

Sequoia has had some success in backing startups at the idea stage in the past like payments player Prizm (acquired by Hitachi) and Citrus (bought by PayU) besides SCIO Health (acquired by EXLSERVICE). Over the last 10 years, it has done 91 early stage investments, which is expected to increase with the Surge programme.

The development comes at a time when angel and seed-stage funding has been on a steady decline falling to 150 as of September 2018 from 450 as of September 2017. According to a study from Bain and Indian Private Equity and Venture Capital Association (IPEVA), this has been due to both the issue of 'angel tax' and fall in startup formation, which has started to pick up now. India added 1,200 new technology startups in 2018 compared with 1,000 last year; software lobby group Nasscom had said in a report on the startup ecosystem in October.

YES BANK

is pleased to announce the successful closure of the maiden NFO of YES Liquid Fund by

YES MUTUAL FUND

YES Asset Management (India) Limited, a wholly owned subsidiary of YES BANK Limited, is the Investment Manager of YES Mutual Fund

For any queries, please contact through 1800 3000 3060 (Toll free) | 022-40827666 | clientservices@yesamc.in | www.yesamc.in

YES Liquid Fund - An Open-Ended Liquid Scheme

This product is suitable for investors who are seeking:

- Regular income over short term
- Investment in money market and debt instruments

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

RISKOMETER

Low Moderate High

Low Moderate High

Investors understand that their principal will be at low risk