

IN BRIEF

Siddhartha Lal named EY Entrepreneur of the Year

Siddhartha Lal, 45, managing director and chief executive officer at Eicher Motors, has been chosen the EY Entrepreneur of the Year Award for 2018. Lal, who has been at company's helm since 2006, has been instrumental in resurrecting the Royal Enfield motorcycle brand in India and establishing it as a global brand icon. Over the years, Royal Enfield has emerged as one of the fastest growing and most profitable motorcycle brands in the country. Wipro chairman Azim Premji was awarded the Lifetime Achievement Award. Lal will now represent India at the EY World Entrepreneur of the Year Award (WE0Y) in Monte Carlo in June 2019. EOY is the only global business award programme in the world and is celebrated across 60 countries. **BS REPORTER**

IndiGo cancels 30 more flights due to pilot shortage

Shortage of pilots continued to hamper budget carrier IndiGo's operations with the airline cancelling as many as 30 flights on Tuesday from across stations and passengers allegedly being forced to buy last minute high fares for its flights, a source said. On Monday also, the Gurugram-headquartered airline had pulled out 32 flights from its network. On the other hand, there was no indication of any probe by the aviation regulator into the cancellation of such large number of flights by the airline since last Saturday. **PTI**

Tata Motors global sales skid 12% in January

Tata Motors on Tuesday posted a 12 per cent fall in global sales, including that of Jaguar Land Rover, at 100,572 units in January this year. The company had sold a total of 114,797 units in the same month last year. Global wholesale of all Tata Motors' CVs and Tata Daewoo range in January 2019 stood at 40,886 units, down 9 per cent from the same month last year, the firm said. **PTI**

Allianz puts \$200 mn in Edelweiss' private debt venture

Allianz Investment Management, part of German insurer Allianz group, has made investment of \$200 million (₹1,420 crore) in the private debt platform of Edelweiss group. The deal comes after the recent liquidity squeeze faced by non-banking finance companies post the IL&FS defaults. **BS REPORTER**

Jhunjunwala invests ₹51 cr in Style Bazaar

Stock market investor Rakesh Jhunjunwala has invested ₹51 crore in Bazaar Style Retail, which operates a chain of stores primarily in east India under the name of Style Bazaar. The company, which has 66 stores across seven states with a total retail area of 6.5 lakh square feet, is looking to double the store count in the next two years. It is expected to close the current financial year with revenues of ₹560 crore. **BS REPORTER**

Boeing appoints Salil Gupte as India head

Boeing has named Salil Gupte as its India head, effective March 18. Gupte succeeds Prat Kumar, who was appointed vice-president and programme manager of Boeing's F-15 fighter aircraft programme in November last year. He will be based in New Delhi and report to Marc Allen, president of Boeing International, the company said. **PTI**

Lohia Group buys Israeli firm with eye on global aerospace

Lohia Group has acquired an Israeli company, Light and Strong, specialising in aerospace and military carbon fibre and glass fibre composite components production, with the aim of becoming a leading supplier for global original equipment manufacturers in the aerospace and defence sector. **PTI**

JK Paper Q3 net profit up 72% to ₹120.26 cr

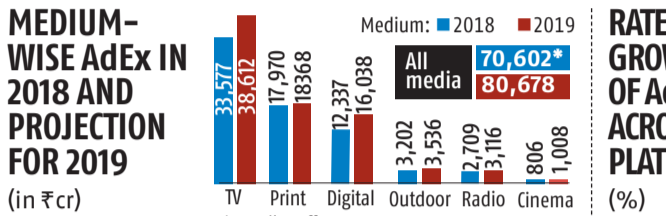
JK Paper on Tuesday reported a 72.26 per cent jump in stand-alone net profit to ₹120.26 crore for the third quarter ended December 2018 on account of improved realisation, better operating parameters and reduced finance cost. **PTI**

Facebook India hires Natasha Jog as poll integrity head

Facebook India has hired former journalist Natasha Jog as its "election integrity head," according to media reports. Jog joins Facebook from NDTV, where she was employed for over 18 years and will lead the social network's government affairs and election integrity efforts, along with two other public policy professionals. **BS REPORTER**

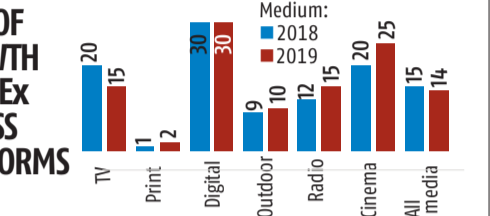
Sports, polls to drive ad spend: Report

Elections and sporting events are expected to add cheer to India's advertising in 2019, according to GroupM's 'This Year Next Year' Report 2019. The report by the global media agency pegs India's advertising expenditure (AdEx) growth at 14 per cent in 2019. FMCG, auto, retail, e-commerce, tech and telecom are expected to contribute to two-thirds of AdEx. Global AdEx grew by 4.3 per cent in 2018 and is expected to grow 3.6 per cent in 2019. India's AdEx is expected to grow at 14 per cent in 2019. It grew 15 per cent in 2018, beating GroupM's estimate of 13 per cent growth, thanks to an exceptional first half. In 2019, 11 per cent of the growth in AdEx is expected to be organic, while an additional 3 per cent is expected to come from special events — elections and sporting events. The elections and sporting events will have an equal contribution to the AdEx. Compared to 2014, the agency expects 5-10 per cent increase in election ad spends this year. Digital once again being the fastest-growing advertising platform grew at 30 per cent, followed by cinema at 25 per cent and television at 15 per cent. India is the 10th largest market in terms of ad spends and the fastest-growing one. USA is the number one country on the list, followed by China and Japan. In terms of contribution to incremental AdEx in 2019, India is at the third place, behind USA and China, but at par with Japan and the UK. (Incremental AdEx refers to the additional expenditure in 2019 over 2018 at the global level and India's contribution to it.) **COMPILED BY URVI MALWANIA**



TOP 10 COUNTRIES BY AdEx

Country	AdEx in 2018 (\$mn)	AdEx in 2019 (\$mn)	YoY growth (%)
US	194,920	199,223	2
China	87,871	92,711	6
Japan	44,049	45,391	3
UK	26,305	27,562	5
Germany	20,343	20,524	1
Brazil	18,593	19,076	3
France	13,541	13,708	1
Australia	11,713	12,232	4
Canada	11,044	11,648	5
India	9,515	10,872	14



Sun Pharma net up fourfold to ₹1,242 cr

Sun Pharmaceutical Industries, which is grappling with corporate governance issues, cleared the air on investor concerns on Tuesday as it beat Street estimates, posting a fourfold rise in net profit in the December quarter to ₹1,241.85 crore from ₹321.57 crore in the corresponding quarter last fiscal year. This came on the back of 16 per cent growth in revenue. The company may also spend more on research and development (R&D) next year owing to clinical trials for new indications of its recently launched product Ilumya and others. Sun Pharma's managing director (MD) Dilip Shanghvi confirmed that the firm received two queries from the Securities and Exchange Board of India (Sebi) on its foreign currency convertible bond (FCCB) issuance in 2004 and for its transactions with Aditya Medisales (AML). Speaking to investors in a **QUARTERLY RESULTS** call, Shanghvi said the firm already responded to these two queries and does not have any update to share. Shanghvi also tried to clear the air about whether AML benefited in the past at the cost of Sun Pharma's minority shareholders. "AML's financials are available in public domain and makes an earnings before interest tax depreciation and amortisation (Ebitda) margin of only 1.4 per cent from Sun Pharma for distributing its products in India. Net margins are less than 0.4 per cent. This actually includes dividend income that it receives for its equity holding in Sun Pharma. So, actually, the net margin is even lower than 0.4 per cent," he added. Given this low margin and the size of Sun Pharma's domestic formulations business, AML had been operating on extremely tight working capital requiring Sun Pharma to fund AML from time to time, the MD said. "I would like to reassure investors that at no point Sun Pharma shareholders have been disadvantaged due to transactions with AML," he added. Last month, the company said its domestic formulations distribution would be transferred from AML, the current distributor and a related party, to a wholly-owned subsidiary of Sun Pharma by the first quarter of the next financial year. Shanghvi on Tuesday reiterated the same, saying that it would be done by Q1FY20. **SHINE JACOB**



Vedanta expects first OALP output by 2022

The Vedanta group, which won the maximum number of blocks in the first round of oil and gas auctions under Open Acreage Licensing Policy (OALP), said production at the blocks will start by 2022. "We should be able to bring the first oil before 2022," said Sudhir Mathur, chief executive officer at Cairn Oil & Gas, Vedanta's oil and gas subsidiary. The Union government has launched the third round of auctions under OALP, in which 23 blocks were put on bidding for global oil and gas majors on Sunday. Of the 55 blocks that were on offer during the first round, Vedanta has got 41 — while the remaining were shared between Oil India, GAIL (India), Hindustan Oil Exploration Company (HOEC) and Bharat PetroResources. "Our vision is to have 50 per cent of India's total production, hopefully more. To achieve this, we have lined up a very large capital investment programme of \$3.5 billion," he added. The company also submitted bids for the second **SHINE JACOB**



round of discovered small field (DSF-II) auctions. Of the 25 oil and gas contract areas on offer, the Anil Agarwal-led company submitted the maximum number of bids — 21. A total of 39 players participated in the auctions. The 25 contract areas cover 59 discovered oil and gas fields, spread over 3,000 sq km with prospective resource base of over 190 million metric tonne of oil and oil equivalent gas. Regarding the company's aggressive bidding for the current round, Mathur said, "They are not big major movers but it helps us understand India's geology lot better, train or people and bring oil to the country," he added. On the lacklustre response by foreign players for OALP rounds, he said, "It is difficult to put myself in their shoes but I think they find policy consistency a bit of an issue in India as things keep changing. They need much greater freedom. Like, we have always requested the government to allow us to export oil." In 2013, the company had approached the government to get permission for exporting crude oil from its Barmer block in Rajasthan. Agarwal had recently written to Prime Minister Narendra Modi, saying the company is planning to invest \$3-4 billion in the oil and gas sector over the next two years. At present, Vedanta is the largest private sector oil producer in India contributing around 27 per cent to the domestic production.

Hindalco eyes lithium to boost aluminium biz

Hindalco Industries is eyeing lithium in the minor mineral space in order to strengthen its aluminium business. "Lithium is the closest to our (aluminium) business, and in India, there could be some opportunities in this minor mineral. We are watching. If we get an opportunity we will get into this minor mineral," said Satish Pai, managing director of the company. The country's largest aluminium producer has captive bauxite mines in Jharkhand, Chhattisgarh, Maharashtra, and Odisha. Bauxite is raw material needed to make alumina from which aluminium is derived. The company, part of the \$44.3-billion Aditya Birla Group, is looking for the minor mineral via its mining arm, Essel Mining & Industries (EMIL). Currently, Essel Mining is into contract coal and iron ore mining, and operates in 35 countries. "It is Essel Mining, the group's mining arm, which is looking into this," Pai said, without divulging any detail about a timeline. Located in the mineral-rich Barbil-Barajamda belt of Odisha, Essel Mining's calibrated iron ore lump and iron ore fines, with iron content between 62-66 per cent, are considered the best quality in the country. Lithium and manganese are the most common alloys used with aluminium. This is used in the aerospace industry. **THE COMPASS: Hindalco puts up a steady domestic show despite challenges** **PAGE II, 1**

Nayara in talks with Adani, IGL and MGL for gas sales

SHINE JACOB
New Delhi, 12 February

The country's largest private fuel retail company Nayara Energy Ltd (NEL) is in talks with city gas distribution (CGD) majors — Adani Gas Ltd, Indraprastha Gas Ltd (IGL) and Mahanagar Gas Ltd (MGL) — for a pact to sell compressed natural gas (CNG) at their outlets. The company, controlled by Russian state-owned firm Rosneft, will also be shedding the Essar brand name by December this year, replacing it with Nayara Energy. "We are in talks with Adani Gas, IGL and Mahanagar Gas to tie up for selling CNG in geographical areas where they are in operation," a company executive said. The new business plan to sell gas at the outlets comes close on the heels of the lucrative response that the Petroleum and Natural Gas Regulatory Board (PNGRB) got for the 10th round of CGD bidding. About 225 bids were received in respect to all the 50 geographical areas offered under the round. Official said discussions with the CGD companies are in the initial phase. Based on data available with the Petroleum Planning and Analysis Cell (PPAC), the company has 5,033 retail outlets, out of the total 64,050 in



the country. The other big private players, Reliance Industries, has 1,400 outlets and Shell has 144. Nayara is also working on expansion of its retail outlets by adding another 2,700 outlets. "We are looking to have over 7,500 outlets in the next one and a half years," said the executive quoted above. Russian state oil giant Rosneft holds a 49.13 per cent stake in Nayara. The other major shareholders in Nayara Energy include Trafifigura Group with 24.5 per cent, United Capital Partners with 24.5 per cent and Essar Group with 2 per cent stake. Rosneft and its partners had bought Essar Oil for a whopping \$12.9 billion in 2017. Though the company was later renamed Nayara Energy, it continued to operate retail outlets under the Essar brand name. "We wanted to continue with the brand name till people start identifying Nayara. By December, Essar branding will be replaced by Nayara Energy in all our 5,033 outlets," he added. The company operates a 20 million tonne a year oil refinery at Vadinar in Gujarat. Nayara had earlier announced a \$850-million expansion plan for its Vadinar refinery, marking its foray into the petrochemical business. The company will set up a polypropylene plant with an annual capacity of 450,000 tonnes. The tie-up with CGD majors will mark its foray into gas sales as Adani was one of the aggressive bidders in the ninth round of the bidding. The 10th round of CGD is expected to cover 124 districts across 14 states, spanning 18 per cent of the country's geographical area and 24 per cent of its population.

How a 27-yr-old CEO built a \$1-bn start-up

YOOLIM LEE
12 February

Zilingo Pte's path to becoming a fashion platform with a valuation around \$1 billion began in December 2014 when Ankita Bose, then an analyst at Sequoia India, chatted with a neighbour at a house party in Bengaluru. Bose, then 23, and Dhruv Kapoor, a 24-year-old software engineer at gaming studio Kiwi, quickly realised they had complementary skills and similar ambitions to build their own start-up. Four months later, they had quit their jobs, and each had put in their \$30,000 in savings to found Zilingo, an online platform that allows small merchants in Southeast Asia to build scale. On Tuesday, the Singapore-based company said it raised \$226 million from investors including Sequoia Capital and Temasek Holdings Pte. The latest financing valued Zilingo at \$970 million, according to people familiar with the matter, who asked not to be named



because the information is private. That makes 27-year-old Bose among the youngest female chief executives to lead a start-up of the size in Asia. Female founders remain rare in the global startup world. Of the 239 venture capital-backed startups around the world worth at least \$1 billion, only 23 have a female founder, according to data from Pitchbook in May last year. "We were a bunch of twenty-somethings with nothing

except this dream and we decided to chase it," Bose said. **Shopping online** Bose is now part of a group of founders in Southeast Asia who are capitalising on the region's rapid adoption of smartphones and rising incomes. Online shopping in the region reached \$23 billion in 2018, according to a report by Google and Temasek. It's expected to exceed \$100 billion by 2025. Zilingo posted revenue of \$1.8 million (\$1.3 million) in the year ended on March 31, 2017, up from about \$843,000 since its inception though March 2016, according to the company's most recent filing with Singapore regulators. Revenue grew 12 times in the year ended March 2018 and fourfold in the April to January period, according to the company. Kapoor holds the title of chief technology officer. The company started off by helping small merchants sell to consumers, and has since expanded

into new areas. As the founders dealt with thousands of small sellers, they realised that many lacked access to technology, capital and economies of scale. So they expanded, developing software and other tools to allow vendors to access factories from Bangladesh to Vietnam and also help with cross-border shipping and inventory management. Since 2018, Zilingo has also worked with financial technology firms to provide working capital to small sellers so they can buy raw materials to produce goods. Listings are provided for free with the company charging a commission of between 10 per cent and 20 per cent on orders. **Fashion site** Some of Bose's early inspiration came from a visit to Bangkok's popular Chatuchak market, which features more than 15,000 booths selling goods from across Thailand. She realised the sellers didn't have sufficient opportunities to expand. **BLOOMBERG**