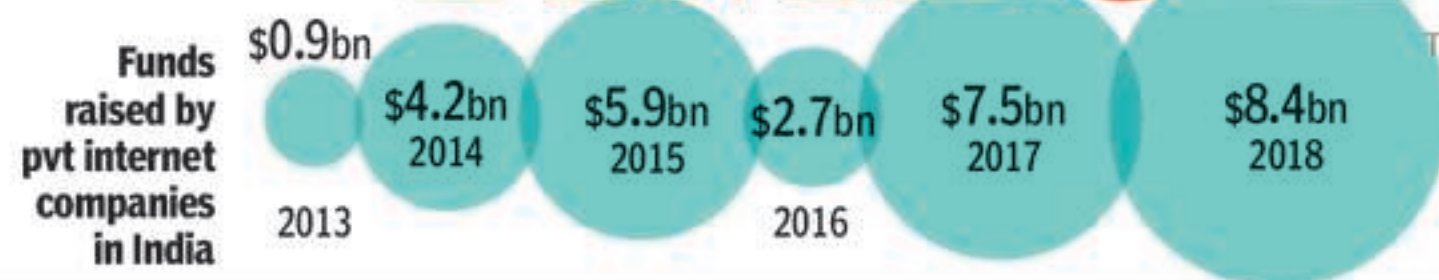


Indian internet eco going strong

Private internet companies continued with their strong fund-raising spree despite new restrictions. In 2018, they raised \$8.4 billion, up from \$7.5 billion in previous year. In 2013, it was a paltry \$0.9 billion

Source: Jefferies, Statista



TIMES BUSINESS

THE TIMES OF INDIA, NEW DELHI | MONDAY, FEBRUARY 25, 2019

Number of Indian internet companies that raised...



3 Mideast funds eye RCap's \$1b stake in asset mgmt co

ADIA, Dubai Firm, QIA Join Race For Rel Nippon Life AMC

TIMES NEWS NETWORK

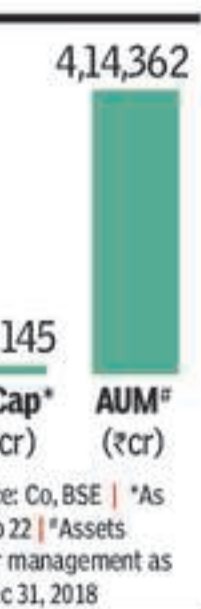
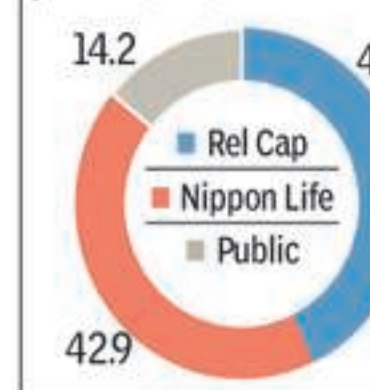
Mumbai: Three Middle East sovereign wealth funds — Abu Dhabi Investment Authority (ADIA), Investment Corporation of Dubai, and Qatar Investment Authority (QIA) — have joined the race to pick up the Anil Ambani group's \$1-billion stake in Reliance Nippon Life Asset Management (AMC), people directly aware of the matter said. Reliance Capital, which has management control, last week offered its stake to Nippon Life after deciding to exit the asset management business.

While Nippon was keen on retaining its holding in the asset manager, it is not certain whether it wants to buy the whole or part of the shares offered. Sources said Nippon might decide against building up a large stake.

At the current market value, the Reliance Capital sha-

VITAL STATS

Reliance Nippon Life Asset Mgmt's shareholding pattern (in %)



Source: Co, BSE | *As of Feb 22 | **Assets under management as on Dec 31, 2018

res are worth more than Rs 5,000 crore, though a control deal would come at a premium. Sources said Reliance has sought a valuation with the IPO price of Rs252 apiece as the benchmark, pushing the deal size to about Rs 7,000 crore, or \$1 billion. Shares of Reliance Nippon Life Asset Management had jumped 6% by close of Friday's trade on the BSE to Rs198 apiece.

ADIA, with an asset size of over \$800 billion, possibly owns a part of the 14% public shareholding in Reliance Nippon Life Asset Management. But this could not be confirmed immediately. When contacted, a Reliance spokesperson said, "Reliance Nippon Life Asset Management is a flagship business and this is a rare opportunity for any investors to participate and share in the overall growth story of India and its rapidly expanding asset management industry." ADIA, Investment Corporation of Dubai and QIA could not be reached for immediate comments over the weekend.

"Reliance Capital's offer to Nippon Life was made because of the strong ties and goodwill between the two groups. Nippon otherwise has no special rights on Reliance shares. It is for Nippon to make up its mind and respond to the approach," one of the sources cited earlier in the report said. "Nippon is happy with the investment and will certainly hold on to the current stake," the source added.

The Japanese insurer also holds 49% stake in Reliance Nippon Life Insurance JV. Reliance Capital decided to divest the asset management stake as part of a corporate-restructuring exercise aimed at focusing on other opportunities such as health insurance. The deal, because of change in control, would trigger an open offer to public shareholders under markets regulator Sebi's guidelines.

'E-policy should help both customers, entrepreneurs'

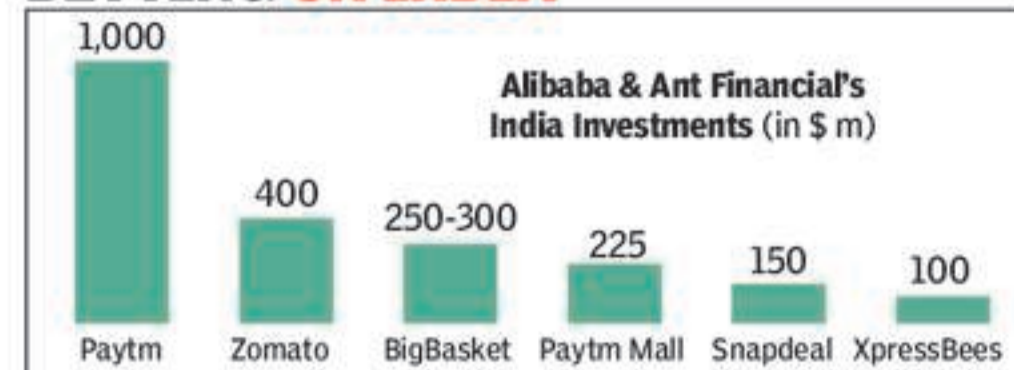
Continue To See India As Strategic Mkt: Alibaba CMO Tung

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New Delhi: India's digital policy should focus on balancing the rights of consumers, while also giving enough room to entrepreneurs to build their business, said a top executive from Chinese e-commerce giant Alibaba. The company, which has invested over \$2 billion in startups like mobile payments player Paytm and food delivery company Zomato, said it continues to see India as a "strategic market" for its globalisation vision.

"India should do what is right for the entrepreneurs — it's the most important thing because they drive innovation, which satisfies the consumer," Chris Tung, chief marketing officer of Alibaba Group, told TOI. "Some companies will put everything with the consumer in the centre, which is not wrong. But we have a balanced view in terms of looking after consumers as well

BETTING ON INDIA



"We respect the data laws in each of the markets that we operate in. That is why we have a data centre in India and don't have an Asia hub to serve the market"

—Chris Tung | CHIEF MARKETING OFFICER, ALIBABA GROUP



as support entrepreneurs to keep the field of innovation growth going." Tung's comments come as the government has pushed for control of cross-border flow of data across its policies — from payments to healthcare to e-commerce. Tung, who was on his maiden visit to India, said that Alibaba will comply with all regulations and already has data centres in

the country. "Whatever is good for India we should comply with," said Tung. According to him, India and China share a lot of things and there's more dialogue between the countries. Tung, who was attending the ET Global Business Summit in the capital, said he was also impressed by Prime Minister Narendra Modi's vision for a \$10-trillion economy with a focus on leveraging tech-

nology and startups. "This is a vision-led market, this is a development process with a clear direction which is encouraging for businesses... While in old economy, building bridges and harbours was the infrastructure for growth, today it is really data, technology, cloud and payments — the infrastructure which will make a big difference," he said.

Tung also talked about the increasing importance of content and media for e-commerce to drive engagement among users. "It is the new form, especially short form, of entertainment. Our commerce platform Taobao is content-led... it's like a shopping magazine in a video format," he said, adding that customers spend on average 30 minutes a day on the platform browsing through videos.

Besides investments in companies (see graphic), Alibaba also operates browser UCWeb in India and offers cloud computing services.

US blocking India 5G biz: Huawei

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Barcelona: Huawei global chairman Guo Ping on Sunday alleged that the Trump administration is creating hurdles in the sale of its 5G telecom equipment to India and is sending its top officials to negatively influence the government and corporates against the company.

"The US has used its national power, and Vice-President Mike Pence and secretary of state Mike Pompeo have done a lot of things. I have heard that some officials of the US administration are going to India to persuade them not to use Huawei. What is the motivation behind this?" Ping told TOI a day ahead of the opening of the Mobile World Congress (MWC).

The MWC, an annual platform where some of the

world's top telecom and electronics companies display their latest technology, is increasingly being seen as a platform where the US administration and Huawei officials will come face-to-face after allegations by US President Donald Trump that the Chinese company is a security risk.

The government has so far not made its stand very clear, even though there is speculation that Huawei and fellow Chinese firm ZTE may face difficulties in being eligible for 5G test trials in the country. The department of telecom will kick-start the process soon, and network providers such as Huawei, Ericsson and Nokia are aligning with mobile operators to showcase test cases.

Ping said, "We have had very good operations in the Indian market, and currently we are (preparing for) run-



ning 5G tests." The Huawei chairman said top economies such as China and India should be mindful of the protectionist moves of the US administration which has earlier created hurdles for growing companies from other regions as well. "I

know that in the past, some Japanese, French and South Korean companies have encountered similar situations and Huawei is encountering these situations now. The Indian economy is growing very fast. Who knows, may be one day some Indian companies will be facing a similar situation because they are growing faster than some others."

Huawei India CEO Jay Chen has said that the company is geared up to participate in the government's 5G trials and dismissed the global concerns around security as "politically motivated".

Chen said Huawei is in talks with "almost all" Indian mobile operators for selling its 5G equipment. "We have had demos with Airtel and Reliance Jio. Discussions are also there with Vodafone-Idea and BSNL."

Blackstone, Embassy 'very close' to listing ₹5,000cr REIT

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Bengaluru: Embassy Office Parks is set to list India's first ever real estate investment trust (REIT) on the bourses in the next one month, its chief executive Michael Holland has said.

The REIT is "very close" to raising Rs 5,000 crore (\$700 million) by diluting 20% stake, which values the trust at \$5 billion. "We have received a very positive response, both domestically and internationally, from investors and we will be moving ahead in the next four to six weeks," Holland told TOI. The timing would make it possibly the last big public market fund-raising, ahead of the upcoming general elections.

Embassy Office Parks, co-owned by private equity giant Blackstone and Jitu Virwani's Embassy Group, filed for an REIT in September and was expected to start trading after Diwali, but volatile market conditions made the company adopt a cautious approach.

Blackstone president and chief operating officer Jonathan Gray told TOI last week that the REIT will be a big moment in the country's real estate sector as it opened up liquid investment options in a largely illiquid sector.

SBI weighs NCLT route for recovery of loans from Jet

New Delhi: To recover its loans from Jet Airways, state-run lender SBI is considering moving the NCLT to initiate insolvency proceedings against Jet as it feels the airline is running out of funds for operations. The move comes even as shareholders of the debt-laden carrier approved a debt restructure plan converting loan into shares, among other proposals, during the EGM on Thursday. The

New e-comm policy to help regulate domestic players

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New Delhi: The government will regulate the business of domestic e-commerce players only after a new policy is in place as it will help create a level-playing field with companies such as Flipkart and Amazon that have overseas investors.

Amid concerns that domestic players do not have to comply with regulations such as mandatory sourcing from a larger pool of buyers, the government has expressed its inability to put in place regulations, at least immediately. "We first need to put in place regulations for the sector to provide a legal backing," an officer told TOI. Currently, only FDI rules have been notified.

On Saturday, the department for promotion of indus-

try and internal trade released a draft e-commerce policy for public comment, which is seen to be the basis for regulation of all players, both domestic and foreign. Amazon and Flipkart have been protesting the government's recent regulations, which mandated sourcing from more players as the two entities were seen to be

AUDIT ON ANVIL?

running an inventory-based trading model instead of operating a marketplace. Sources said that in the coming days, the government is also going to stipulate statutory audit under the Foreign Exchange Management Act to ensure that compliance of the rules is audited. "This will help plug misuse," said an officer.

The draft e-commerce policy explicitly said that FDI is

only permitted in marketplaces. "An e-commerce platform, in which foreign investment has been made, therefore, cannot exercise ownership or control over the inventory sold on its platform," it said, while adding that these platforms should not adopt practices that favour only a select set of sellers.

"FDI policy mandates fair and non-discriminatory treatment of all the stakeholders, including MSMEs and startups, operating on a marketplace... It is important to ensure that the letter as well as the spirit of the policy is met," the draft said.

With the model code of conduct due to kick in early next month, the e-commerce policy is only expected to be in place after a new government takes office after the general elections.

Govt following China's stand on data, say industry players

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Bengaluru: The new draft policy for e-commerce is trying to mimic a China-like stand over its citizen's data and shows signs of protectionism in the domestic market, senior industry executives have said. It limits cross-border flow of data, gives the government more access to it and also calls for creating a "data authority" to share information in public interest.

This has spooked industry executives. An Amazon executive, on the condition of anonymity, said the new draft is adding another layer of regulatory restrictions that try to control the flow of data, like China, after it was forced to store payments data only in India last year. This time, Amazon's core e-commerce business will also witness complications on overall compliance.

PROTECTIONISM

have access to all such data stored abroad shall be complied with immediately," the draft mentions, among other proposals over data storage and its usage.

Policy executives and lawyers TOI spoke to also highlight a consistency in all government policies in the last one year that shows the Centre wants to have access

to data when needed and these rules will complement that effort.

"The government is making it clear that here is the rule and you are welcome if you play by the rules. Somewhere the tech industry is also beginning to feel that the free run they had across the globe is coming under watch," says Rameesh Kailasam, CEO of Indiatech, a lobby group for domestic internet companies.

Rahul Matthan, partner at Trilegal, said blind localisation of platform regulations is not ideal. "If you look at other countries, the focus is on transparency and explainability, which itself can put some restrictions on foreign players. But here, it looks like their focus is to destroy the ability of large entities to operate and that will apply to foreign as well as large domestic players," he said.

HOW DO YOU WANT TO CAST YOUR LOST VOTE?

What is the best way to enable voting for those who can't be physically present to vote where they are registered?

SMS TOILV <Your Option> and send it to 58888

- 1 Proxy Voting (allowing a person authorised by you to vote on your behalf).
- 2 Online/Mobile Voting (vote on mobile phone or any device online with OTP authentication/Aadhaar linking).
- 3 Postal Voting (allowing you to vote by posting marked ballot paper, as is now done for armed forces).
- 4 Voting Centres (similar to exam centres) in each city where voters registered elsewhere in the country can cast their vote.
- 5 Extending the voting period (from a single day) and allowing voters to cast their vote over a week or fortnight.
- 6 Your suggestions.

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CHANGE Begins Here

#LostVotes