

IN BRIEF

**SMIPL unveils drum brake variant for scooter**

CHENNAI Suzuki Motorcycle India Pvt. Ltd. (SMIPL) has rolled out Access 125 scooter drum brake variant with combined braking system (CBS). Last year, it introduced CBS in the disc brake variant of Access 125. The new scooters would enable the riders to operate both the brakes only by pressing left brake lever. CBS helps keep a good balance between the front and rear brake forces, said Devashish Handa, V-P, sales, marketing and after-sales, SMIPL.

ProConnect acquires Auroma Logistics

CHENNAI ProConnect Supply Chain Solutions Ltd., a third-party logistics (3PL) company and part of Redington Group, has acquired 90% stake in Auroma Logistics Pvt. Ltd. for a cash consideration of ₹45.67 crore. The acquisition would enable ProConnect to expand its supply chain business in consumer durables vertical, resulting in bringing new businesses, said E.H. Kasturi Rangan, director, ProConnect.

Kemin invests \$8 mn in second unit in Chennai

CHENNAI Kemin Industries, a global nutritional ingredient company, has invested \$8 million in its second in Chennai. The current set-up includes a full-fledged manufacturing facility coupled with quality control labs and R&D farms with a small pellet feed mill. The additional facility is a part of a global expansion plan of Kemin, said Chris Nelson, president and CEO, Kemin Industries.

Food inflation may increase to 2% in FY20

**PRESS TRUST OF INDIA
MUMBAI**

Food inflation in the country is likely to go up to 2% in fiscal year 2019-20 from the 0.7% estimated for FY19, a report said on Monday.

It can be noted that low food prices had been one of the prime factors which had aided the RBI to be more accommodative in its rate setting recently.

In its report, foreign brokerage Goldman Sachs attributed the low food prices in the last few months to the prices of cereals and vegetables which had remained low for some time. Deregulation of markets, which saw delisting of vegetables from the Agriculture Produce and Marketing Committee Act in 14 States, had helped keep vegetable prices low, it said.

'Jio-fuelled' competition likely to dent telcos' FY19 revenue: ICRA

With small changes, firms may fare better in FY20, ratings agency says

**SPECIAL CORRESPONDENT
NEW DELHI**

The Indian telecom industry is expected to see a decline in revenue for the third straight year in 2018-19 amid intense competition, while "minor improvements" are expected in the next fiscal with a "modest increase" in pricing, according to ratings agency ICRA.

Pricing pressure

"The launch of services by Rjio [Reliance Jio] marked the beginning of intense price-based competition, which has largely continued. The pricing pressure exerted on the industry manifested in severe deterioration in the financial performance,



Happy new year: ICRA says FY20 can witness the benefits of higher data usage and some pricing discipline. ■ V.V. KRISHNAN

marked by decline in revenue, lower profitability [even losses for some telcos] and low cash generation," it said. However, it pointed out that the trends of last few months have indicated some

recovery with ARPUs (average revenue per user) showing signs of stabilisation. "Industry revenue, which fell by 11% in FY2018 to ₹2.1 lakh crore, is estimated to decline further by 7% in

FY2019. The industry earnings before interest, tax, depreciation and amortisation (EBITDA) is estimated to reduce by 18% in FY2019, following a 21% erosion in FY2018 (₹49,000 crore)," Harsh Jagnani, sector head and vice-president, corporate ratings, ICRA, said.

"FY20 can witness the benefits of higher data usage, and a relatively more consolidated and stable industry structure resulting in some pricing discipline. We expect minor improvements with revenue estimated to grow by 6% and EBITDA by 20% in FY20. However, these come off a lower base and will still be significantly lower than the peak of FY16," he said.

L&T bags smart city orders

Closes in on achieving order forecast of ₹1.7 lakh crore

**SPECIAL CORRESPONDENT
MUMBAI**

Closing in on its target of achieving its order forecast of ₹1.7 lakh crore, engineering and construction major Larsen and Toubro (L&T) has won 'large' orders from clients across India.

As per the company's project classification, the value of contracts were in the "large" category viz. in the range of ₹2,500 crore to ₹5,000 crore.

The orders include those for construction of hospitals, commercial complex and smart city projects.

Hospitals' construction

The buildings and factories business has secured an order from Jharkhand State Building Construction Corporation Limited for the construction of two 500-bed



R. Shankar Raman

hospitals at Jamshedpur and Dumka respectively.

An order had been secured from a leading developer for the construction of a 108-metre tall commercial complex in Hyderabad, said the company in a statement, adding the business had also secured an order from a renowned construction machinery manufacturer for putting up a manufacturing facility in Gujarat.

The water and effluent treatment business had received four orders from the Government of West Bengal.

The business had also secured an EPC order from the Andhra Pradesh Capital Region Development Authority. The company had also secured EPC orders from Faridabad Smart City Limited and Patna Smart City Limited.

The company, with an order inflow of ₹1,52,908 crore in FY18, had given guidance of 10-12% growth in order inflow this year.

L&T's Group CFO R. Shankar Raman told *The Hindu*, "We are on course to achieve our order guidance this fiscal."

L&T shares closed down 1.21% on the BSE to ₹1,377.2 in a weak Mumbai market on Monday.

Hyundai signs wage pact with union

**SPECIAL CORRESPONDENT
CHENNAI**

Hyundai Motor India has concluded a wage settlement pact with the United Union of Hyundai Employees.

The three-year pact would be implemented with effect from April 2018 and remain effective till March 2021, said the firm. As per the agreement, technicians would receive an average salary raise of ₹25,200 per month spread over three years.

Technicians would receive 55% of the increased salary in the first year (₹13,860 per month), 25% in the second year (₹6,300 per month) and 20% in the third year (₹5,040 per month) respectively.

Centre's electrification policy, GST roll-out may help Usha sign off FY19 with sales of 1 cr. fans

'Good industry growth after tax rates slashed to 18%, rise in organised players'

**INDRANI DUTTA
KOLKATA**

Significant improvement in availability of electricity, even in interior pockets, coupled with the roll-out of the Goods and Services Tax (GST), has helped Usha Fans to improve its sales, clocking a growth rate better than that of the industry.

The company expects further boost through innovations like the recently-launched Aero switch, a remote-control device for fans. "These [electrification and GST] have been major growth drivers. We are expecting to close 2018-19 with sales of one crore fans for the first time," Rohit Mathur, president, Electric Fans and



Pumps, Usha International Ltd. told *The Hindu*.

Two lakh a month

The company churns out nearly two lakh fans a month at its two company-owned and three outsourced units. Usha's own fan units are in Hyderabad and Kolkata. The outsourced units are in Ha-

ridwar and Baddi. The company also has a "significant" sourcing facility and a dedicated office in China.

The company has 21% share of the overall organised market for fans. Pointing out that this segment, estimated at 75-80 million units, had expanded after the GST roll-out, Mr. Mathur said earlier while 70% of the market comprised organised players, this had now grown to about 75%.

"The fan industry has witnessed good growth in the last two years, especially since the lowering of the rates from 28% to 18%. We at Usha have passed on the benefits to the end-consumer and prices were lowered in

the range of ₹100 to ₹300 per unit." On how the Centre's 'power-for-all' policy helped boost fan sales, Mr. Mathur said, "It has allowed us deeper penetration in markets in Eastern States like West Bengal, Bihar, Uttar Pradesh and Odisha, where the brand has a strong recall. For Usha, East is the largest market followed by South and North."

Premiumisation and innovation is another focus area for the seven-decade-old company, which is also launching fans for children associating them with characters like Barbie, Dorae-mon, Chhota Bheem. These fans would also come with Aero switches.

IOC-BPRL combine wins oil block in Abu Dhabi

It will invest \$170 mn for exploration

**PRESS TRUST OF INDIA
NEW DELHI**

Indian Oil Corporation (IOC) along with its partner Bharat PetroResources Ltd. (BPRL) have won an oil block in Abu Dhabi, where the two will invest \$170 million.

IOC-BPRL won the block in Abu Dhabi's first-ever competitive bid round.

"IOC and BPRL, a subsidiary of Bharat Petroleum Corporation Ltd. (BPCL), acting jointly as a consortium through Urja Bharat Pte Ltd. have been awarded 100% stake in the Abu Dhabi Onshore Block 1 Concession," it said in a regulatory filing.

The concession has been awarded by the Supreme Pe-

Onshore Block 1 covers an area of 6,162 square kilometres

roleum Council, on behalf of the Abu Dhabi government, where the Indian consortium participated through a special purpose vehicle, Urja Bharat Pte Ltd. IOC and BPRL hold 50% each in Urja Bharat Pte. Ltd. "The Indian consortium will invest \$170 million for the exploration activities," it said. The concession award is for 35 years.

"Onshore Block 1 covers an area of 6,162 square kilometre around Ruwais field and includes already discovered but undeveloped fields," the filing said.

Kalpataru to buy 85% in Swedish firm for \$24 mn

Firm to expand in Nordic countries

**SPECIAL CORRESPONDENT
MUMBAI**

Kalpataru Power Transmission Limited (KPTL), an EPC player in the power and infrastructure contracting sector, through its wholly owned subsidiary in Sweden viz. Kalpataru Power Transmission Sweden AB has signed definitive agreement to acquire 85% equity stake in Linjemontage i Grastorp AB for an enterprise value of \$24 million.

Commenting on the acquisition, Mr. Sanjay Dalmia, executive director, KPTL said, "This acquisition has been carried out on grounds of strategic fit both to capture local market opportunity and to help us in expanding our presence in Nordic countries. This strategic acquisition will also help KPTL with greater ac-



cess to technology and EPC capability to take turnkey projects in Nordic countries and Europe.

Linjemontage i Grastorp AB specialises in power supply solutions and services for electricity networks up to voltage range of 400 kv.

The company earned a revenue of about SEK 700 million (about \$75 million) in 2018.

DLF to raise more than ₹3,000 crore

**PRESS TRUST OF INDIA
NEW DELHI**

Realty major DLF on Monday launched its QIP offer to raise over ₹3,000 crore by selling 17.3 crore equity shares to qualified institutional investors.

With an aim to become a debt-free company, DLF had last year announced plans to issue up to 17.3 crore shares through qualified institutional placement (QIP) to raise funds and pre-pay loans.

According to a regulatory filing, DLF had launched its QIP on Monday and the floor price had been fixed at ₹193.01 per equity share.

The company said that at its discretion it may offer a discount of up to 5% on the floor price in the QIP.

DLF's shares closed at ₹189.40 on the BSE, down 3.49%.

U.S.-China trade war poses the biggest risk to global stability, says IMF official

'Fiscal stabilisation needed to respond to economic shocks in Europe'

**REUTERS
LISBON**

The U.S.-China trade war poses the biggest risk to global stability and fiscal stabilisation is needed to respond to economic shocks in Europe, IMF First Deputy Managing Director David Lipton said on Monday.

"Obviously, this is not a matter for Europe alone. The United States needs to get its fiscal house in order as well. U.S.-China trade tensions pose the largest risk to global stability," Mr. Lipton said at a conference here.

The trade dispute, which began eight months ago, had affected the flow of billions of dollars of goods between the biggest and second-biggest economies in the world. Mr. Lipton said he be-



Locking horns: The trade dispute has hit the flow of billions of dollars of goods between the two nations. ■ AP

lieved fiscal stabilisation capacity must be at the heart of risk reduction in Europe, describing it as crucial to "respond to macroeconomic shocks and improve the fiscal-monetary policy mix." "In its absence, the Euro

area will remain over-reliant on monetary policy for stabilisation and too much of the burden of crisis response will fall on individual countries, with their ability to respond depending on each country's fiscal space."

Mr. Lipton said Britain's planned exit from the EU was also breeding uncertainty in Europe and beyond.

Deceleration in Europe

Regarding Europe's recent economic deceleration, he said each EU member state should "strengthen their defences ahead of a potential downturn," including those countries that have not addressed "glaring vulnerabilities," notably Italy.

"A serious recession could be very damaging for these countries, because they will be shown to be ill-prepared," he said. "Their weaknesses could present a serious setback for Europe's goal of convergence of standards of living, productivity, [and] of national well-being."