

Banks may extend foreign currency loans for exporters

PRESS TRUST OF INDIA NEW DELHI
Commerce and Industry Minister Piyush Goyal on Friday said the Ministry is in talks with banks to see ways to extend foreign currency loans to exporters. Addressing members of the CII here, he said there were ways to resolve the problem of inadequate and expensive credit without putting a significant stress on the exchequer. He said providing subsidies was not a solution to trade-related issues. "Instead, we will work on foreign currency loans and I already have dialogues with bankers to see how we can expand foreign currency loans," he said.

Infosys says Panaya, Skava arms are not for sale

The company is currently in the process of 'growing activities' under these acquisitions, says CEO Parekh

SPECIAL CORRESPONDENT BENGALURU

Tech bellwether Infosys said Panaya and Skava are no more considered assets for sale; instead, they have been put on a growth path. The company said it was currently in the process of 'growing activities' under these acquisitions to see if they can complement the growth of the company's retail, manufacturing and consumer care verticals. In February 2015, Infosys acquired Panaya, an enterprise software management firm based in Israel, in an all-cash deal worth \$200 million. The deal ran into a huge controversy that eventually led its then CEO Vishal Sikka to quit the firm in August 2017, after a public spat with

the co-founders. Responding to shareholders' queries at the company's 38th annual general meeting held here on Saturday, Infosys CEO Salil Parekh said: "Panaya and Skava are not put on sale and we have stated this in our annual report and financial results. We are now looking at how to refocus and repurpose activities within these businesses with a view to growing these acquisitions." **Growing acquisitions** He said Infosys had assigned two senior executives who, in addition to their existing roles, would look at these acquisitions to see how to grow them and combine them with the company's other businesses. "The process has already



Our BPO and BFSI teams say that mortgage platform Stater can help Infosys scale up, says Salil Parekh. *SOMASHEKAR G R N

begun. We expect better results in the short and medium term," said Mr. Parekh. Nandan Nilekani, the company's non-executive chairman, said, "Panaya controversy is a closed chapter for Infosys." Responding to another investor query on why the company was unwilling to make the Panaya investigation report public, Mr. Nilekani said: "The investigation report on Panaya is a confidential document. People

The Panaya controversy is a closed chapter for Infosys
NANDAN NILEKANI
non-executive chairman, Infosys

who were part of the investigation were given assurance of confidentiality before their statements were recorded. The board is comfortable with the decision to keep this confidentiality as it is." **Digital disruption** In his address to shareholders Mr. Nilekani said, "We clearly see that our clients operate in an increasingly complex world disrupted by many digital technologies, and they are looking at us to partner with them in this new era.

"Our work across industries, value chains and geographies give us keen insights into the pattern of changes transforming the fundamental wiring across a diverse set of businesses." Commenting on its M&A focus, the company said it had set up an internal committee that would look at potential acquisitions and also address integration issues around its existing acquisitions. "There is increasing interest from clients for platform-based businesses. The thinking behind the acquisition of ABN AMRO Bank subsidiary Stater was one such. Stater is a mortgage platform. Our BPO and BFSI teams are of the view that such a platform can help us scale up," added Mr. Parekh.

Dr. Reddy's unveils Vitamin K1 injection

SPECIAL CORRESPONDENT HYDERABAD

Dr. Reddy's Laboratories has launched Phytanadione injectable emulsion USP, 10 mg/ml single dose ampoules, a therapeutic equivalent generic version of Vitamin K1 (Phytonadione) in the U.S. The product, indicated in certain coagulation disorders, has been launched with the approval of the U.S. Food and Drug Administration. The Vitamin K1 (Phytonadione) for injectable emulsion USP, 10 mg/ml brand and generic had combined U.S. sales of approximately \$46.6 million MAT for the 12 months ended April 2019, the company said on Saturday, citing IQVIA Health.

Greaves to boost EV output

Earmarks ₹75 crore towards capital expenditure

N. ANAND CHENNAI

Greaves Cotton Ltd., a diversified engineering company, is evaluating the process of more than doubling the output of Ampere electric bikes, besides setting apart ₹75 crore towards capital expenditure, said a top official. "Ever since the strategic acquisition of the Coimbatore-based Ampere Vehicles in August 2018, the market share has grown to double-digits and the exclusive sales outlets from nearly 70 to 120," said Nagesh Basavanahalli, managing director and chief executive officer, Greaves Cotton Ltd. "Currently, we are producing 1,800 bikes and plans are on to ramp it up to 5,000 units per month during this fiscal. We have already



Nagesh Basavanahalli

planned for it and as the market demand increases, we will be ready to support it," he said. For the time being, Ampere bikes would be manufactured at the Coimbatore facility and the production line had been structured to make 5,000 bikes per month. When the demand picks up, the company

would evaluate other production facilities, he said.

Increase of three times Asserting that the sales of EVs had seen a three times increase over the last year, he said the firm's phase II strategy called for making Ampere 'India's most preferred EV bike brand' revolving around greater design efficiencies and building a local network of suppliers. Talking about 325 Greaves Retail outlets, which offer a combination of sales, service and spare parts for two-wheelers, Ampere electric bikes and e-rickshaws, multi-brand servicing and spare parts, he said that the group was adding 15 to 20 outlets every month. The outlets would be set up by franchisees.

Gelato machine maker Valmar enters India

Ties up with Swedinox for marketing

SPECIAL CORRESPONDENT CHENNAI

European gelato and ice cream machine manufacturer Valmar has entered into an exclusive marketing tie-up with city-based Swedinox Impex to sell the former's equipment in India, said a top official. "To start with, we have imported about 10 machines each costing about ₹10 lakh each," said Abdul Rahim, chairman, Swedinox. "As we are the official importer of this equipment, we have already received about 80 enquiries," he said. Claiming that the Indian ice cream and frozen dessert market was about ₹140 billion and growing, he said

initially, it would target hotels, restaurants and cafes in Chennai. "The market is expected to touch ₹238 billion by 2023," he said. "We have also discussed the possibility of setting up an ice cream machine manufacturing unit in Chennai, and the partners are ready to give their technology, but we are waiting for the sales volume to pick up," he said. Besides, Swedinox is also planning to enter the residential sector by joining hands with another ice cream machine maker. While Valmar machines can make 3.5 kg of ice cream in each attempt, those for residential use can prepare 750 grams of ice cream, he said.

Tea Association seeks curbs on extension of tea-growing areas

Aims to bring about demand-supply balance

SPECIAL CORRESPONDENT KOLKATA

Tea Association of India (TAI) wants State governments to restrict new lands being brought under tea cultivation for at least five years, in order to bring a balance in tea demand and supply. Pointing out that the economic sustainability of the organised tea plantation sector was in jeopardy due to shrunken margins on account of a mismatch between production costs and tea prices, TAI said that the livelihood of over five million people, directly and indirectly employed in this sector, was threatened.



The TAI release noted that between 2008 and 2018, tea prices increased by about 4.8% CAGR whereas wage costs, which comprise about 65% of total production cost, increased by over 10% CAGR. Other input expenses have risen by over 7% CAGR.

According to TAI, prices have not risen due to the rapid increase in tea supply, especially from the small tea growers (STG) segment. In 2018, this segment accounted for a 48% share in India's output of 1,338 million kg against 20% in 2003. This rapid growth of the small grower sector has led to the emergence of a dual business model, with completely different costs of production, and one in which most of the organised plantations are faced with selling teas below their cost of production. This is mainly because the STG segment is not governed by the same laws as the large estates are.

Budget: realty sector wants govt. to tackle NBFC crisis

SPECIAL CORRESPONDENT MUMBAI

The real estate sector wants the Budget to spur growth and provide a solution to the NBFC liquidity crisis. Developers and experts said the government must accord high importance to infrastructure growth, which will provide impetus to real estate. "India needs a stable political and investment climate supported by growth-oriented Union Budget 2019. Realty sector needs strong demand through economic activities, including continued infrastructure development, and easy availability of capital," said Sanjay Dutt, MD and CEO, Tata Realty and Infrastructure Ltd. and Tata Housing Development Company. The Centre should implement specific initiatives to complement and accelerate growth through policy changes. "Overall, we are confident that this Budget would provide the right traction to the industry and prepare it to lead at the global front," he said. Farshid Cooper, MD, Spenta Corporation, said: "We look forward to a swift solution to the NBFC liquidity crisis and intervention from the RBI to stabilise the banking sector. Further, we expect progressive and sustainable tax laws, which will make compliance easy." He said additionally, there should be a stringent focus on affordable housing and unwavering support of all stakeholders to ensure the mission 'Housing for All' regains momentum. Shishir Baijal, CMD, Knight Frank India, said, "Last few Budgets have taken steps to stimulate affordable housing demand. But conversion of latent demand to actual sales have remained slow."

INTERVIEW | M. MURALI

'Realty in consolidation mode'

Big role for affordable housing: Shriram Properties' CMD

LALATENDU MISHRA

Shriram Properties Ltd., the real estate arm of the Shriram Group, is planning to tap the capital market to raise resources as well as to provide exit to private equity investors who have invested in the company. In an interview, M. Murali, CMD, Shriram Properties, elaborates on the company's plans and on the real estate sector. Excerpts:

How is Shriram Properties different from other players?
■ What I follow is the direction and vision of our founder Mr. Thyagarajan. He always says that passion should be on while your emotions should be off in business. So, we keep away emotion and continue to hold on to our passion towards growing the business. If there is a defective product you can rectify it, but if there is a defective title you cannot rectify it. Therefore, right from day one we were very clear that we will not give any defective title to our clients. Cash flows from all the projects are closely monitored and we have never deviated from that. In the other areas also we have maintained our stance very clearly; for instance, we will focus on middle-level and affordable housing segment and we will not deviate from that. The entire organisation is built with this philosophy. So everything is based on this and helps us to stay firm.

What is the total debt?
■ Gross borrowings, as on March 31, 2019, were ₹8,380.89 million

What are your future plans?
■ We have completed 25 projects as on November 30, 2018. We have 31 projects in our pipeline with a saleable area of 54.87 mil-

lion square feet (msf) of DRHP (draft red herring prospectus) date. We have completed one commercial project (2.03 msf), have nil ongoing commercial projects, and have three upcoming commercial developments (4.35 msf).

What is the outlook for the industry?
■ Overall, the industry is going through a phase of consolidation. What happened to NBFCs in early 2000 is exactly what is happening in the real estate sector now. In the last two years, we have seen price erosion, a lot of people have moved out of the business, which is forcing the industry into a big consolidation today. In my opinion, there will be no more than 100 players left in the industry. In the next 10 years, mid and affordable housing will play a major role not only for the real estate sector but also for the economy.

You have been growing at 30%; what is the average industry growth?
■ The industry had grown at around 8-10%. Not only that, all the big players who are stabilised today have the potential to grow at 30% CAGR.

How much exposure do you



'Housing for all' is a great mission and it needs to be done

have to the commercial space?
■ We have a small bit of commercial [space]. We have delivered 2.5 msf of office space. At present 2 msf is the commercial real estate is under construction. **For growing at 30%, one needs a lot of capital...**
■ Capital is not a cause for concern today. People are sitting with tonnes of money for India and Indian real estate. This is because global investors think of India as a destination where they can park their funds. Capital availability is plenty, but this money can be taken over by only 20 players.

With the Budget coming up, what is your recommendation to the government?
■ 'Housing for all' is a great mission and it needs to be done. There are statistics that say housing started in the 1970's in a big way. A little later, public housing started. However, compared with the growth achieved by public housing, we have not done 10% of that so far. But the money spent as a nation is 10-20 times in the last 40-45 years. However, if we think that 'Housing for all' can be delivered only by government departments we are making a mistake. To achieve that goal, the government might have to set up a different Ministry altogether like the Singapore model.

Where are real estate prices headed?
■ I expect land prices to remain stable. On the finished products, the prices will go up, because the demand-supply gap is widening.

Biovet to invest ₹200 cr. in animal vaccines

Veterinary vaccine maker eyes enhancing output by 300 million doses

MINI TEJASWI BENGALURU

Dairy farmers in India incur an average annual loss of ₹21,000 to ₹25,000 a year per head of cattle affected by the highly contagious foot and mouth disease (FMD). FMD brings the milk production in cattle, buffaloes and sheep down by 80% and the animal's life deteriorates, making it a burden on the farmer. With India having the largest cattle population in the world, it requires over a 1,000 million doses of FMD vaccine but only half of it is currently made available. Malur (Karnataka)-based veterinary vaccine research and development firm Biovet currently supplies over 200 million doses while its target is to raise the vaccine production by another 300 million doses. The production facility



The country has a huge vaccine shortage and hence its cattle are not in good health, says Dr. Ella. *PRAKASH HASSAN

would also churn out 100 million doses of Brucella vaccine per year. Buoyed by the Centre's emphasis on animal health, giving greater push to control and eradicate FMD and Brucellosis in cattle, Biovet has decided to invest ₹200 crore to expand its FMD and Brucellosis vaccine manufac-

turing facilities in Karnataka. As per Dr. Ella, founder-promoter of Biovet, dairy farmers in the country incur an annual economic loss to the tune of ₹25,000 crore because of FMD and related restriction on the export of milk, dairy and other animal products. The estimated losses per

Foot and mouth disease reduces milk production in cattle, buffaloes and sheep by 80%

infected animal because of FMD is ₹2,023 for sheep, ₹3,046 for the goat and ₹2,830 for the pig. The country currently has a huge vaccine shortage and therefore all its cattle are not in good health. Cattle health has a direct impact on human health as well as Indians consume a lot of dairy and meat products. "The animal health situation in the country is expected to improve with the government recently deciding to have an exclusive ministry for animal husbandry. A sum of ₹13,343 crore has been earmarked for control and eradication of diseases with a special focus on FMD and Brucellosis," added Dr. Ella.

Logistics sector seeks tax sops

Calls for fiscal incentives for digitisation, skill building

LALATENDU MISHRA MUMBAI

The logistics sector is looking for rationalisation of taxes in the forthcoming Budget besides fiscal incentives for in-depth adoption of digitisation and skill building in the sector. "The input credit norms for warehouse construction and operations needs to be relooked at. Currently, there is an accumulation of input tax that leads to high incidence of tax on warehousing services," said Rajesh Jaggi, managing partner, real estate at Everstone Group. He said since warehousing and logistics are gearing up for an in-depth adoption of digital technologies, the government should incentivise the adoption of various technologies in the sector, which would help in effective packaging and material handling, besides improving

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RAJESH JAGGI
managing partner, real estate, Everstone Group

efficiency. Mr. Jaggi said any announcement on the roll-out of the National Logistics Policy that entails an Integrated National Logistics Action Plan, would serve as an optimised master plan to define logistics' priorities across various Ministries, including Road Transport Highways and Shipping. This would be a positive for the sector, he said. **'Top of agenda'** Experts said the logistics industry, with its potential for empowering economic growth, should be on the top

of the agenda for the new government. "Efficient logistics will not only provide better and cheaper mobility but also deliver quick and substantial employment opportunities to semi-skilled and skilled job seekers. The sector can also provide critical mass to make India a superpower in artificial intelligence," said Rohit Chaturvedi, CEO, TransportHub. "In my view, a tax credit for technology spends can go a long way in encouraging the industry for faster adoption of technology. In addition, there should be a specific training budget through Skill India to train the workforce for future jobs in the industry," he said. As per a JLL India report in 2019, the logistics and warehousing sector would absorb about 38 million square feet of space.

Amazon to offer drones for surveillance

REUTERS
Amazon.com Inc. is exploring using drones not just to deliver packages but also to provide surveillance as a service to its customers, according to a patent granted by the United States Patent and Trademark Office. The delivery drones can be used to record video of consented user's property to gather data that can be analysed to look out for, say for example, a broken window, or a fire or if a garage door was left open during the day, the patent described. The surveillance function of the drone can be limited through geofencing, a technology used to draw a virtual boundary around the property under surveillance. Any image that the drone captures outside the geo-fence would be removed.