▶ Tata Motors

_____ September global wholesales numbers fall 27% to 89,912 units YoY 0ct 0ct 9 10 ▼3 279/ DOWN

▼3.27% DOWN*

229.40 € 225 1.9 Oct Oct 9 10

▼ 5.00% DOWN

Goa Carbon

_285 Q2 net loss at ₹14 crore _₂₆₅ against loss of ₹1 crore in year-ago quarter

▼5.00% DOWN*

▶ Dewan Housing Finance Corporation ______ Edelweiss Asset

______ Management moves Bombay HC 23.45 21 ₹23.45 CLOSE

Berger Paints India

469.60 Top gainer among S&P 449.803 456 BSE Midcap index stocks

₹469.60 CLOSE

However, a big push is on to

increase it to 50 per cent in three years,

which is far more aggressive than

industry estimates, like the Ficci-EY

projection that it will not be more than

in viewership has been pushed by

In India, however, the huge increase

17.5 per cent by 2021.

IN BRIEF

* OVER PREVIOUS CLOSE

Tata Motors' global wholesales down 27% in Sept to 90K units



Home-grown auto major Tata Motors on Thursday reported a 27 per cent decline in its group global wholesales, including that of Jaguar Land Rover, in September at 89.912 units. Global wholesales of all passenger vehicles in September

were at 61,388 units, down 14 per cent from the year-ago month, Tata Motors said in a regulatory filing. The company said its British arm Jaguar Land Rover registered global wholesales of 53,091 units last month. Jaguar wholesales for the month were 13,800 units. while Land Rover wholesales were 39,291 units, it added. In the commercial vehicles segment, global wholesales of Tata Motors and Tata Daewoo range in September 2019 were at 28,524 units, lower by 45 per cent as compared to the same month a year ago, it said. PTI

Social commerce start-up DealShare raises \$11 million

Social commerce start-up DealShare has announced raising \$11 million in Series A and seed round of funding, led by Matrix Partners India and Falcon Edge Capital. The round also saw participation from partners of DST Global, Omidyar Network India, and few leading angel investors. DealShare sells grocery and household essential products through social virality model. BS REPORTER

Have no plan to hike stake in Indiabulls **Real Estate: Embassy**

Embassy group has no immediate plans to increase its stake in Indiabulls Real Estate from nearly 14 per cent, its CMD Jitu Virwani said. ''There is no plan right now," Virwani said when asked about the firm's plan to raise stake in Indiabulls Real Estate. The firm will remain invested in Indiabulls Real Estate, he said.

Honda gets patent for alerting device in e-motorcycles

Honda Motor Company has received a patent in India for its device that can help electric motorcycles and hybrid vehicles avoid accidents by sending out an alert to pedestrians. The device alerts a person who fails to hear the sound of the approaching vehicle. BS REPORTER

Realty institutional investment to hit



Cumulative institutional investment is set to touch \$50 billion in real estate, a latest study by leading professional services firm in real estate III stated. According to the study, both foreign and domestic institutional investment will grow in the realty sector on the back of conducive policies, relaxation in foreign direct investment norms, and institutionalisation of investments in completed properties in the form of Real Estate Investment Trust. BS REPORTER

USFDA: Documents incomplete in

The US Food and Drug Aurobindo on October 7 said it received seven observations

Haldiram emerges sole bidder



emerged as the sole bidder for acquiring debt-ridden dairy firm Kwality with an offer of around ₹130 said. The lenders are likely to vote on

Shailendra Ajmera, part of multinational consultancy firm EY, has been appointed as the resolution professional to conduct the proceedings, which started in December 2018 following an order of the National Company Law Tribunal (NCLT). Global private equity player KKR had filed insolvency plea against Kwality. In 2016, Kwality had raised ₹300 crore from KKR India Financial Services and got additional commitment of ₹220 crore. The amount was raised to fund its expansion plans and enter into consumer segment. The Committee of Creditors met on Wednesday to take stock of the resolution process and discuss

Disney taking Hotstar to global markets

New Delhi, 10 October

Walt Disney Company, which bought Star India, is taking Hotstar, the country's largest over-the-top (OTT) channel, to global markets.

Hotstar has been launched in three kev markets - the US, Canada, and the UK — and the aim is to reach majority of the 40 million South Asians living abroad. Hotstar, sources said, will concentrate on five markets, which include Singapore and West Asian countries. These have more than 75 per cent of the expatriate South Asian population.

The plan is to attract a vast majority of subscribers in four-five years. Disney, to push Hotstar, has dis-

continued linear television offers on Star TV channels available through cable in most of these countries.

The programming would concen-

languages, movies, and, wherever possible (if it has not sold the rights), sport.

In the US, for instance, Star TV channels were viewed on television by around 200,000 subscribers, but the subscription fee cable operators charged was more than \$25 a month.

Hotstar, on the other hand, is being offered at \$10 a month, an attractive price that has helped the channel to gather more subscribers than television has.

With digital making delivery of content cheaper than through cable or direct-to-home because of the latter's high distribution cost. Hotstar says this is a more cost-effective way to reach ethnic South Asians.

Sources say talks are on as to how Hotstar could leverage Disney's strength in many of these markets, especially when the latter's own OTT



offer, Disney+, is expected to challenge

Netflix, Amazon Prime, and Apple+

across the globe, especially in the US.

Zee5, which is present in more than

190 countries and provides content tai-

Asian diaspora and is planning to have

lored to those markets.

Hotstar will face competition from

SIGN-IN PLANS

■ Targets 40 mn potential south Asian subscribers

■ To offer prices far lower than those for Star channels on television

■ To leverage lower cost of digital distribution of content

■ To offer relevant Hindi and regional content and movies

programmes dubbed in languages like

Malay, Thai, Bahasa, German, and

Russian. However, it does not give its

global subscriber base OTT separately.

300 million, Hotstar is far ahead of its

competitors (Zee5 is its closest com-

With an active subscriber base of

Hotstar's control over premium cricket like the Indian Premier League (IPL). According to industry estimates, Hotstar spent more than ₹4,000 crore,

including the cost of digital rights for cricket, on content in India in 2017. While Disney is pushing to take Hotstar global, it has, on the other

hand, decided not to launch Disney+ or

Hulu, its OTT platforms, in India. Instead, the plan in India is to incor porate their relevant content within It is also going beyond the South petitor, at 76.5 million subscribers), but that of Hotstar, which will remain the its subscription revenue from the chanone-stop OTT channel of the group.

Total subscribers (million)

68.92 I

51.09

54.26

Active subscribers (million)

Mar '19 72.44

Jun '19

Mar '19

Jun '19

\$50 bn in 2019: JLL



Aurobindo's unit

Administration (USFDA) officials, who inspected a manufacturing facility of Aurobindo Pharma, have observed that several documents provided during the inspection were incomplete or inaccurate or potentially misleading. from the US health regulator for its unit-7 formulation plant in Telangana.

for Kwality, offers ₹130 crore

Delhi-based Haldiram group has crore in the insolvency process, sources Haldiram's bid this month, they added.

the valuation report.

Voda Idea needs fresh equity by '21, say lenders

All telecom firms to remain under stress despite hike in tariff

DEV CHATTERJEE

odafone Idea requires a fresh round of equity infusion from its promoters by 2020-21, despite slashing its capital expenditure, given its cash — including proceeds from the Indus stake sale — will last only for the The company had raised ₹25,000 crore

in May this year, via a rights issue in which promoters — Vodafone Plc of the UK and Birla Group — had invested ₹11,000 crore and ₹7,250 crore, respectively, according to their shareholding in the company. The rights issue was priced at ₹12.50 a

share. Since the rights issue has closed, Vodafone Idea's share price has declined by half to ₹6.22, as on Thursday, and bankers said the firm needs more funding to keep its operations going. Vodafone Idea owns 11.5 per cent stake in telecom tower firm Indus Towers, and expects to raise ₹5,000 crore by selling the stake.

The equity route is important, as odafone Idea's debt stood at ₹1.15 trillion as of March 2019, making it difficult to raise fresh debt, said global banking firm Credit Suisse in a report.

A Vodafone Idea spokesperson declined to comment. Lenders said Vodafone Idea was not alone. These companies will find it tough to meet their cost unless they raise tariff significantly or raise fresh debt if they want to participate in the fifth-generation spectrum auction.

As of March this year, Bharti Airtel had a debt of ₹1.06 trillion, while Reliance Jio had a debt of ₹1.12 trillion. The deferred spectrum charges of the sector to the government were another ₹2.95 trillion.

On Wednesday, Jio passed on the interconnection usage charges of 6 paise a minute to its customers, thus raising the prospect of a tariff hike by the sector and



(in ₹ trillion) Vodafone Idea 1.15 1.12 Reliance Jio **Bharti Airtel** 1.06 Total Deferred spectrum 2.95

liabilities ource: Annual repor

cheering shareholders of telecom firms. "We expect Vodafone Idea's leverage (net debt to earnings before interest, taxes, depreciation, and amortisation/Ebitda) to decline to 10.5x by 2021-22 (FY22) after the expected price hike, but it will still be higher than the globally acceptable levels of less than 4x said Credit Suisse

Analysts said the financial health of the sector is fast deteriorating as the free cash flow generation remained negative for the sector in the past four years. This led to high leverage for the mobile operators, but the investments in the sector are likely to remain high, given the capacity requirements with surging data growth.

Bharti Airtel and Idea's return on capital employed ratios are also down in the past five years and the companies are yet to recover their cost of capital. Credit Suisse said it does not see Airtel and Vodafone Idea earning cost of capital in the next five vears. Analysts expect pressure on earnings to continue over the next two years, but expect strong recovery in Airtel and Vodafone Idea's Ebitda from FY22, led by an improvement in mobile tariff.

Tata Sky ahead of Dish TV in new DTH pecking order WHAT HAS CHANGED

Mumbai, 10 October

The television tariff order that came into effect earlier this year has not only altered life for all stakeholders, but has also upended the pecking order in some segments, notably in the direct-to-home (DTH) market.

Data from the Telecom Regulatory Authority of India (Trai), which monitors the broadcasting as well as telecommunications market in the country, shows that Tata Sky has taken the lead over Dish TV in the DTH segment for the June quarter.

This is the first time, say analysts, that Dish TV has been dislodged from its No.1 position, which it has held for years. Tata Sky now has a share of 32 per cent to Dish TV's 31 per cent, data shows. This is a jump of seven percentage points over the March quarter, when Tata Sky had a share of 25 per cent. Dish TV, on the other hand, had a share of 40 per cent in the March quarter, implying a drop of nine percentage points.

Mails sent to the companies elicited no response till the time of going to press. But Abneesh Roy, executive vice-president, research (institutional equities), Edelweiss, said Tata Sky was better prepared in handling the shift. "The profile of consumers also varies for Dish TV and Tata Sky. The latter is positioned as a premium service and has more consumers in tier-I and tier-II markets. Dish TV, in contrast, has 60-70 per cent of its consumers in tier-III



MARKET SHARE (%)



Tata Sky Dish TV Airtel DTH Sun Direct

■ Reliance

and -IV markets. Given the rural slowdown, subscriber additions have been muted for Dish TV over the past few quarters. Tata Sky, on the other hand, has continued to add subscribers despite the new tariff order leading to churn in both cable and DTH segments." Total subscriber base for the

DTH market in the June quarter stood at 68.92 million versus 72.44 million in the March quarter. But the number of active users within this base has risen in the June quarter to 54.26 million versus 51.09 million in the March quarter. By active users the reference here is to an average of paying users on day 7, 14, 21, and 28 of a month. The DTH market itself is und

going consolidation as players' tackle competition from over-the-top (OTT) players as well as Reliance Jio, which last month launched its fibre-to-the-home (FTTH) service. Speculation remains that Airtel DTH may buy out Dish TV, though no announcement has been made so far by the two players.

Sources say Tata Sky and Dish TV had to change in the wake of the new tariff order, tying up with OTT players such as Hotstar, Amazon Prime, Eros Now, and Zee5 and launching hybrid set-top boxes that offers content from multiple platforms. Tata Sky has also launched Tata Sky Binge that offers subscribers access to a library of 5,000 movie titles

US sanctions Gupta family over corruption

PRESS TRUST OF INDIA Washington, 10 October

The US on Thursday announced sanctions against South Africa's Indian-origin Gupta family for running a "significant corruption network" that leveraged its political connections to engage in bribery, capture government contracts, and misappropriate state assets.

Among those specifically named in the US Treasury Department's designation include

Gupta, and their associate Salim Essa for their involvement in corruption in South Africa.

The Gupta family has relocated to Dubai amid corruption charges against them in South Africa. Ajay is the family patriarch who

formulated the family's corrupt business strategies and controlled its finances. Atul is known to have overseen the Gupta family's outreach to corrupt government official. Rajesh cultivated important Africa, the Treasury said.

Ajay Gupta, Atul Gupta, Rajesh relationships with the sons of South African politicians and led efforts to pursue business and relationships in a South African province where corruption was rampant, the Treasury said. Salim Essa has materially assisted, sponsored, or provided support in the corruption network, it alleged.

The sanctions announcement demonstrates the US government's commitment to supporting the rule of law and accountability in South

'Luxury auto segment is down by over 20%'



BMW Group India sells 11 car models, mini cars, and Motorrad motorcycles. RUDRATEJ SINGH, the fifth president and chief executive, tells Pavan Lall that sales in the next three months will decide the fate of the luxury and premium car segment for the next couple years. Edited excerpts:

Given the overall guidance on the economy, how do you see the year ending for what is categorised as the luxury auto segment?

Overall as we see it, the segment has shrunk by between 20 per cent and 25 per cent. Last year, we sold a little over 10,000 BMW cars. We have a manufacturing capacity of around 14,000 units annually but expect to see volumes down by over 20 per cent this year.

You have launched new 3-Series, a new SUV. How is it driving sales momentum, despite the structural and regulatory changes that are impacting the industry on a wholesale basis? We will see headwinds in Diwali

but the

 $next three\,months\,will\,be\,more$ decisive if the trend continues. It will go on to determine how sales and overall performance for our sector will perform in the next couple of years to come. The bottom line is it's now up to the OEM to create demand.

> Today a new BMW is almost 50 per cent more expensive than what it was six or seven years ago. So how do you expect to get new customers? Almost 50 per cent of what a consumer is paying is going towards taxes. The other point is there are two

> > categories

of customers -- the deeply awarepurist who is all aware of global trends and understands quality at aDNA level. The other is the firsttime customer who is more on the aspirational side and we see accounting for a larger consumer bucket. That is the group we aretargeting. Getting more people is key to our expansion.

Do think discounting cars will drive market share?

On a segment level, BMW is doing well and we don't see benefits in commoditising luxury for the industry. We are really in the business of making people feel good about themselves. In India, however, celebrating success or milestones is looked upon with scepticism and that's a cultural nuance that will hopefully change with time. In small ways it is happening.

MG Motor gears up for first e-SUV launch

SHALLY SETH MOHILE Mumbai, 10 October

MG (Morris Garage) Motor India is gearing up to launch its first electric SUV in India by the end of this calendar year. It has also re-opened bookings for its flagship brand, the MG Hector. It will commence a second production shift next month and will hire close to 500 people for this.

"We will be launching the electric SUV, the MG eZS, by December," said Gaurav Gupta, chief commercial officer for customer experience and marketing. The five-seater went on sale in Britain last month. The positioning of this maiden electric

vehicle (EV) offering, said Gupta, would be

consistent with the company's overall positioning in the Indian market. 'We are working with everyone in the EV eco-system, including the charging infrastructure firm and battery maker, to ensure a seamless experience to cus-

tomers," Gupta said. The model will be pitted against the Hyundai Kona in India. The EV offering is one among the four new SUVs that MG plans to launch over two vears as it seeks to bolster presence in a market where it is a late entrant. Gupta said the company was confident the eZS would be "catalyst of change" in the nascent EV market.

MG is going ahead despite a lack of clarity on the government's EV policy and other inconsistencies, said Gupta. Citing an instance, he said

THE ROAD AHEAD

- To launch MG eZS by December
- The 5-seater e-SUV went on sale in the UK in September
- MG to commence second production
- Receives bookings of 8,000 units since reopening of the bookings

some states have waived registration charges on

EVs but others have not. A few states issue a green number plate but not others. Also, there is a gap between what is announced and what is actually

that are more aspirational and address issues relat ing to charging infrastructure and range.

For instance, Mahindra & Mahindra announced last month that it would launch an allelectric XUV300, followed by a Mahindra-badged electric version of the Ford Aspire, likely to launch in 2021. Similarly, addressing varied price points, Tata Motors plans to drive in a new range of EVs, including a small SUV, among a host of other offerings in the months ahead.

Meanwhile, encouraged by demand for the Hector, MG reopened bookings for the model on September 29. It plans to commence an additional second shift at the factory. The

British brand, with a Chinese parent, has retailed over 6,000 units since its launch in June and has an order book of 1,8000 to 19,000 units. In the eight days since it restarted bookings, it has got orders for 8,000 units, said Gupta. 'The momentum has been reassuring. It puts a lot of responsibility as a company on us," he said.

On Thursday, MG opened a showroom, which it terms a 'brand experience store' in South Mumbai. This is the second one, the first being in Gurugram (Gurgaon).

Both the showrooms share the overall look and feel of the carmaker's futuristic customer approach and British heritage. It now has a total of six centres in Mumbai and 120 across India. Encouraged by government incentives, The aim is to boost this to 250 centres across

automakers have been announcing plans for EVs India by the end of this year.

implemented, he said.