

# Companies

SATURDAY, OCTOBER 12, 2019

## Quick View



### 'Jio's IUC levy to aid EBITDA but benefit may be constrained'

RELIANCE JIO'S DECISION to charge 6 paise per minute for outgoing voice calls to other networks would improve its EBITDA by 15-18% in FY20, assuming that usage patterns remain unchanged and zero termination charge regime is postponed beyond January 1, 2020, India Ratings and Research said on Friday. That said, the telco's actual EBITDA benefit could be muted at 8-10% considering that the additional levy by the Mukesh Ambani-led company could discourage users to call other networks from Jio, possibly leading to lower voice traffic on its network, said a statement by India Ratings and Research (Fitch Group).

### Smytten raises \$1.5 m from Roots Ventures

SMYTTEEN, AN ONLINE consumer sampling platform in the premium lifestyle space, on Friday said it has closed an investment of \$1.5 million (about ₹10.6 crore) in its pre-series A round of funding from Roots Ventures. Smytten was founded by ex-Google executive Swagata Sarangi and ex-Unilever executive Siddhartha Nangia. "The new investment will be used for scaling up new user acquisition, product innovation and building multiple touch points for brand discovery and sampling both, online and offline," a statement said.

### OneOneDay raises \$1.3 m from Chinese investors

ONEONEDAY, A Hong Kong-based company in the ad-tech industry, on Friday said it has raised \$1.3 million (about ₹9.2 crore) in a pre-series A round from Chinese investors. With this funding, OneOneDay aims to scale up its sales operations and sustain the ongoing enhancement of the platform, a statement said. The company anticipates that by the end of 2020, it will reach 10 million users on their app.

### Jaime Ardila made board member of Ola Electric

OLA ELECTRIC MOBILITY on Friday announced the appointment of Jaime Ardila as a member of the company's board of directors. Jaime is a veteran in the automobile industry, having spent 30 years at General Motors, where he held multiple leadership roles across the globe. He currently serves as the chairman of the board for Goldman Sachs BDC, member of the board for Accenture, Nexa Resources and is also the founder of Hawksbill Group, a diversified business and communications consulting firm.

### Bayer G4A partners with Wellthy Therapeutics

CHRONIC DISEASE MANAGEMENT firm Wellthy Therapeutics on Friday said it has partnered with German life sciences group Bayer G4A to improve its product, regulatory and commercialisation capabilities and explore areas of collaboration. As part of the partnership, G4A team will work closely with Wellthy Therapeutics to improve its capabilities while exploring areas of collaboration, Wellthy Therapeutics said in a statement.

### Nissan launches Datsun Go, Go+ with CVT technology

AUTOMAKER NISSAN INDIA on Friday said it has launched automatic version of Datsun GO and GO+ models at ₹5.94 lakh and ₹6.58 lakh, respectively (ex-showroom). The company said the vehicles come with the CVT technology and deliveries of the models will commence from Friday.

### EY launches tech platform in 45 Delhi-NCR schools

IN A BID to address the gender gap in the technology sector, EY on Friday launched a mobile platform to provide an entertaining and gamified science, technology, engineering and mathematics (STEM) learning experience to over 6,000 girls in Delhi-NCR. The platform developed in collaboration with Tribal Planet, EY STEM Tribe, will help girls in 13-18 years age group engage in STEM curriculum and pursue high-growth careers.

## ₹2,397-CRORE FRAUD

# Four-day custody for Singh brothers

Singh brothers and three others — former chairman and MD of Religare Sunil Godhwani, Kavi Arora and Anil Saxena — were arrested for allegedly misappropriating funds

FE BUREAU  
New Delhi, October 11

A DELHI COURT on Friday granted four day custody of former Ranbaxy Laboratories promoters Malvinder Singh and Shivinder Singh alongwith three others to police in the ₹2,397-crore Religare Finvest (RFL) fraud case.

The Singh brothers, and three others — former chairman and managing director of Religare Enterprises (REL) Sunil Godhwani, Kavi Arora and Anil Saxena, who occupied important positions in REL and RFL — were arrested by the Economic Offences Wing (EOW) of Delhi Police for allegedly misappropriating funds of RFL to the tune of ₹2,397 crore.

While Shivinder and other three were arrested on Thursday, Malvinder was detained on the intervening night of Thursday and Friday in Ludhiana and was formally arrested on Friday morning after he was brought here by the EOW team.

Chief metropolitan magistrate Deepak Sherawat granted custody of the five accused for four days to the Delhi police, who had otherwise sought for six days. The police told the court that the accused were



Shivinder Singh, his elder brother Malvinder Singh and three other accused were presented in a court in New Delhi on Friday

involved in the alleged cheating, misappropriation and diversion of public money which needs to be tracked. It further said that the accused have to be confronted with other officials to ascertain the role of co-conspirators and the probe into the money trail was at an initial stage.

However, the accused opposed the Delhi police custody plea, saying there was no documentary evidence against them.

Malvinder's counsel said that his client had joined the probe and answered all the questions to the best of his abilities and his custody was not required at all. "I joined the investigation twice in the past. I was in Ludhiana for my daughter's treatment and was arrested yesterday (Thursday) late night," Malvinder said.

However, his brother Shivinder, representing himself, told the judge that he was

himself a victim and was ready to help and join the probe.

Meanwhile, the Delhi High Court reserved its order on the maintainability of Malvinder's plea seeking quashing of the FIR against him for the alleged misappropriation of the RFL funds.

The elder brother told the HC that only the Serious Fraud Investigation Office (SFIO) could have investigated the allegations of fraud and cheating against him and the EOW had no jurisdiction to probe and arrest him.

Senior counsel AM Singhvi, appearing for Malvinder, contended that the SFIO had already initiated the probe in February last year on the directions of the corporate affairs ministry and, therefore, EOW "could not have jumped the gun".

"The Companies Act clearly bars investigation under this law by any other agency

FE BUREAU  
Mumbai, October 11

THE INFRASTRUCTURE SECTOR is not out of the woods yet. The sector saw fresh investments of only around ₹30,000 crore in September, which is the lowest in the financial year 2019-20. Fresh investments in September were down nearly 68% from a year ago.

Investment announcements have declined since June. Between July and September of the financial year 2019-20, fresh investment announcements stood at ₹1.8 lakh crore, which is the lowest compared with the second quarter of the previous two financial years. Of these, the share of fresh investments into roads declined by two percentage points from a year ago to 11%, while share of new investments into railways fell to 2%.

Industry analysts observed that fresh investments into the manufacturing sector saw the steepest decline of ₹38,800 crore from a year ago to ₹3,300 crore. Meanwhile, 37% of new investments announcements in September were in the power and mining sectors, according to a report by a domestic research and advisory firm.

Tender activity also declined. Tenders worth ₹50,000 crore were floated in Sep-

FE BUREAU  
Mumbai, October 11

RETAIL SALES OF Jaguar Land Rover, UK subsidiary of Tata Motors, for the month of September showed signs of recovery and stood at 56,832 units, a slight decrease by 0.5% year-on-year on back of encouraging sales in China and Europe. The company sold a total of 1,28,953 units in the quarter ending September.

The company had reported a 6.7% decrease in sales in August. The sales had increased by 5% in July. Prior to that it declined by 9.6% in June and 12.2% in May, affected by consumer sentiments in China and emission regulations dent on the sales.



in Tier-II and Tier-III cities?

Tier-II cities are extremely important for our growth strategy. We have increased our touch-points from 50 last year to 70 and are planning to reach 100 in the next six to twelve months. We are expanding our network and major part of this expansion will be in tier-II and tier-III cities. Currently we are expanding in Dehradun, Cut-

## ROBUST PERFORMANCE

Salil Parekh, Infosys CEO and MD

Our performance was robust on multiple dimensions — revenue growth, digital growth, operating margins, operational efficiencies, large deal signings and reduction in attrition.

## BASF India gets ₹613-crore tax demand from Karnataka govt

PRESS TRUST OF INDIA  
New Delhi, October 11

SPECIALITY CHEMICAL FIRM BASF India has received a ₹613 crore tax demand from the Karnataka government for 2006-2015 period.

In a filing to the BSE, BASF India informed that it has received "demand notices from the Commercial Tax Department, Karnataka aggregating to ₹324.49 crore (including interest & penalty) for the period 2006-2010, 2010-11 (2 months), 2014-15, by treating the stock transfers of its Mangalore Plant as interstate sales to dealers."

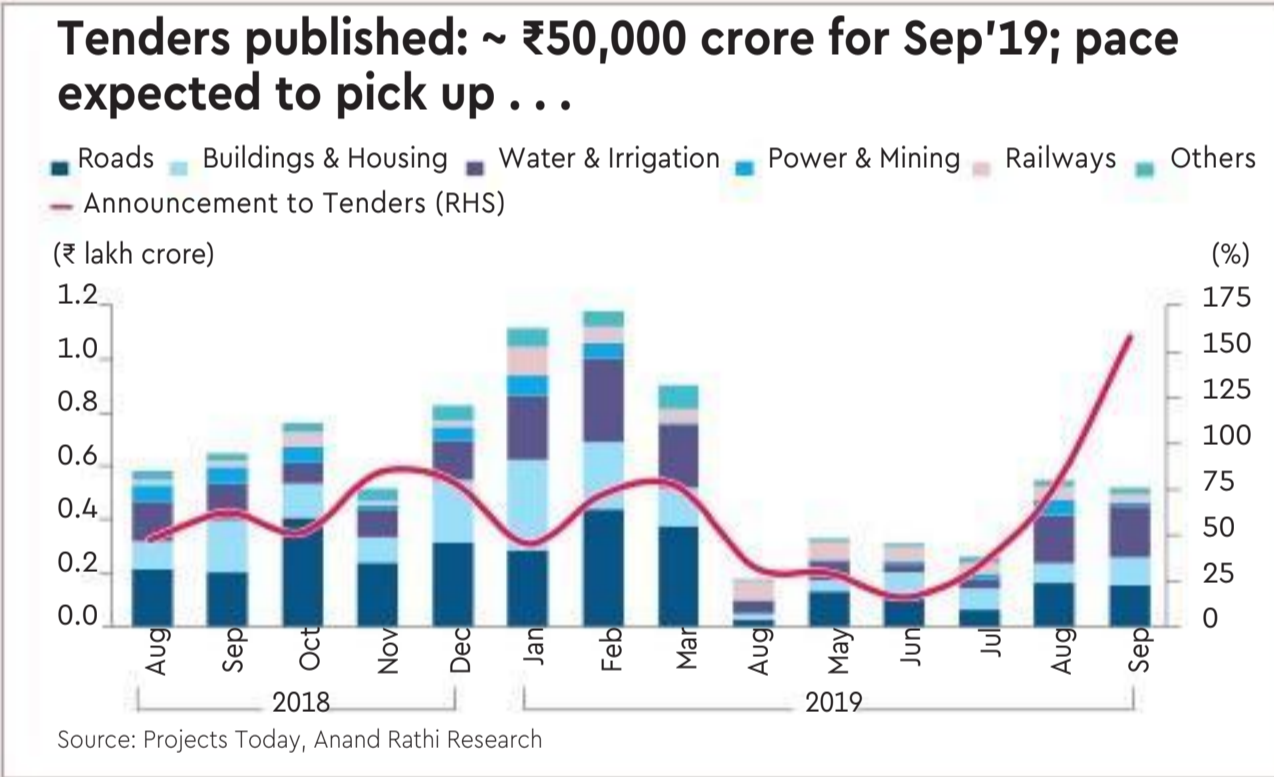
However, recovery of the demand pertaining to the period 2010-11 (2 months) and 2014-15 aggregating to ₹98.81 crore has been stalled by the Karnataka Appellate Tribunal.

"The company has filed an appeal along with an application for grant of stay on recovery of demand pertaining to the period 2006-2010. The company has also filed a writ petition before the Karnataka High Court and has prayed for grant of stay on the demand notices.

BASF India said it has also received notices aggregating to ₹288.43 crore (including interest and penalty) for the period 2010-11 (10 months) and 2011-14 from Commercial Tax Department, Karnataka. The company is in the process of filing its detailed reply / submissions in response to these notices.

Based on the legal assessment, BASF India said it does not consider these stock transfers as interstate sales and is taking all the necessary legal steps to defend the matter.

# Fresh investments in infra sector in September lowest yet in FY20



tember 2019 compared with ₹60,000 crore worth of tenders floated a year ago. Total tenders worth ₹1.3 lakh crore were floated in the second quarter of 2019. Share of tenders floated for buildings and housing fell by 10 percentage points to 20% in September.

However, project award activity has picked up marginally. According to analysts, it is expected to gain more steam on the back of sharp increase in ordering

commencing by December end. Projects worth nearly ₹20,000 crore were awarded in September. Projects awarded in September, while lower than the 24-month average of ₹30,000 crore, were highest in the last nine-month period. The National Highway Authority of India (NHAI) intends to award projects covering around ₹6,000 km in the current financial year. Of this, projects covering 1,500 km has been awarded so far, the report said.

# JLR sales show recovery, down by 0.5%



The sales were impacted by poor sales in UK and North America. Sales also took a hit in Korea, Middle East and North Africa region.

Sales in China continued on its path of recovery for the third consecutive month and was up by 24.3%. The company had a disappointing last year in China as yearly sales fell by 22% to 1,15,00 units. Sales of new vehicles in China fell down last year, for

the first time in 28 years. However the company showed resilience and the sales increased by 17.4% y-o-y in August 2019. Similarly the sales grew by 40% y-o-y in July 2019. The company has plans to launch 30 new or revamped vehicles in China in the next two years in order to boost sales.

Retail sales of the Range Rover Evoque continued to grow by 54.6%, with sales of the new model just starting in China. Sales were also up for the Range Rover Sport by 17.5% and Jaguar I-PACE. Models with lower year-on-year figures include the Land Rover Discovery Sport with sales of the new mid-cycle refreshed model still ramping up and sales in China only starting later in the year.

# ‘Major part of our expansion will be in Tier-II and Tier-III cities’

Luxury automaker BMW, which currently enjoys a 25% market share in the segment, is expanding its network in Tier II and Tier III cities. The automaker has been gaining market share in the last few quarters. Rudratej Singh, president & CEO, BMW India, tells FE's Shashank Dipankar on how the company is faring in the current environment. Edited excerpts:

How has the luxury car market been performing in the car market?

The luxury car market has been shrinking in excess of 20% plus this year, which is a radical shrinkage. In tough times we have been able to increase our market share which shows that we have been performing better comparatively. Indian corporates are used to cyclical downturn but what has hap-

pened here is for the first time, all the macro-factors have lined up with structural factors. Reforms are in right directions but there is no good time for these decisions but there can be a best bad time for it.

What are the biggest markets for BMW in India right now and how it has been performing in these markets?

Out top seven cities give us the bulk of our volume, in excess of 70%. I do not see any market behaving very differently to each other. The sales performance and growth over this year's performance and the performance of new products which we have launched over the last 10-15 months has been fairly broad based.

What about expansion plans especially

tack, Guwahati and couple of other cities.

What is the current market share of BMW in the luxury car segment?

Currently we own 25% of the market segment which was 16% three years back. Relative to others we are performing in a superlative manner. Every quarter we have actually gained segment market share as a result of our diverse portfolio. We are slowly but surely inching towards market leadership.

Is there a significant impact on luxury car market as are faced by other automobile companies or the luxury car market is immune to such shifts in demand?

Definitely the luxury car market is also affected by such shifts in demands. If the consumer sentiment is down then discre-

tionary spends go down faster. Many of our luxury industry products are wants as much as needs, if not more and therefore those gets compromised first. I also feel that they will bounce back faster as well once the sentiment changes.

What are your plans regarding electric vehicles?

In India our plans depends on two factors — infrastructure buildup, which is flexible charging infrastructure, and consumer demand. If the consumer demands it, we will be ready. The government has given us a direction by announcing the policies, now its time for companies along with government to decide how to take it forward. Once it is done we would be the early adopters of EVs in the premium segment.