



IndiGo promoter row: Bhatia seeks arbitration in UK

PRESS TRUST OF INDIA
New Delhi, 1 October

IndiGo promoters — InterGlobe Enterprises and Rahul Bhatia — have sought arbitration proceedings in London against the backdrop of differences with co-promoter Rakesh Gangwal.

In a filing to the stock exchanges on Tuesday, InterGlobe Aviation said the two entities have submitted a request for arbitration on October 1 to the London Court of International Arbitration.

InterGlobe Aviation is the parent of IndiGo, the country's largest airline in terms of domestic market share.

The request has been submitted under the shareholders' agreement, dated April 23, 2015. The pact was amended on September 17, 2015, the filing said. The agreement was executed between Bhatia's InterGlobe Enterprises Group (IGE Group), Gangwal, the Chinkerpoo Family Trust, Shobha Gangwal — the RG Group — and InterGlobe Aviation.

"This dispute relates to claims of the IGE Group against the RG Group regarding, inter-alia, compliance with the share-



IndiGo promoter
Rahul Bhatia

holders agreement and the articles of the association of the company and damages."

"Under the request for arbitration, no relief has been sought against the company," it said. The company has been named as a respondent as it is a party to the shareholders agreement, the filing added.

Bringing the differences between long-time friends and promoters of IndiGo into open, Gangwal, in July, had sought Sebi's intervention in alleged corporate governance lapses at the company.

The allegations were rejected by Bhatia group.

Shares of the airline declined 1.10 per cent to close at ₹1,870.85 on the BSE on Tuesday.

IN BRIEF

Bajaj Finance market value pips State Bank of India

Bajaj Finance market value has surpassed that of State Bank of India (SBI) following a sharp decline in the latter's share price. At Tuesday's closing price, Bajaj Finance was valued at ₹2.32 trillion, over ₹3,000 crore more than SBI, which is valued at ₹2.28 trillion. Shares of SBI dropped nearly 6 per cent amid a selloff in banking stocks. Currently, Bajaj Finance, which gives consumer loans, is the fifth most-valued domestic financial stock after HDFC Bank, HDFC, Kotak Mahindra Bank and ICICI Bank.

OnePlus clocks ₹500-cr revenue in 2 days of festive sale

Premium smartphone company OnePlus on Tuesday said it has recorded ₹500 crore revenue in two days of festive sale on Amazon.in. "The recently unveiled OnePlus 7T and the OnePlus TV 55Q1 saw tremendous uptake registering the highest-ever sales in the premium smartphone category and the TV category respectively on Amazon.in," a statement said. OnePlus has seen over 100 per cent growth as compared to the previous year, it added.

Insolvency plea against Aban Offshore withdrawn

Central Bank of India, one of the lenders to offshore drilling contractor Aban Offshore, has withdrawn its insolvency application against the company. The National Company Law Tribunal has accordingly dismissed the application, giving liberty for the lender to approach it later. The application against the company was filed by the bank, alleging the company had defaulted around ₹155 crore.

SoftBank looks to acquire 3.28% more in Delhivery

SoftBank Vision Fund is looking at increasing its stake in Delhivery by picking up up to 3.28 per cent stake in the logistics company, a move that will take its holding to over 25 per cent. According to a regulatory document filed with the Competition Commission of India, SVFD, a holding company on behalf of SoftBank Vision Fund LP (SVF), proposes to acquire up to 3.28 per cent of the issued and paid up share capital of Delhivery on a fully diluted basis. In February, CCI had approved SVFD's subscription to compulsorily convertible preference shares amounting to 22.44 per cent of the total shareholding of Delhivery, the document accessed by business intelligence platform, paper.vc, showed. "Accordingly, subsequent to the proposed investment, SVFD will hold up to approximately 25.72 per cent of the issued and paid up share capital of Delhivery on a fully diluted basis," the filing said.

Data of 41% companies was stolen last year

SACHIN P MAMPATTA
Mumbai, 1 October

A significant proportion of Indian firms might have faced data theft issues recently. Around 41 per cent of these companies saw such instances, compared to the global average of 29 per cent, showed a survey by a risk management and consultancy firm, released on Monday.

India's number is higher than other countries such as the United States (26 per cent), the United Kingdom (32 per cent) and Japan (27 per cent). It is also worse than other emerging markets. China had 39 per cent of firms affected by data theft. It was 19 per cent and 16 per cent for Brazil and Russia, respectively.

The survey was released in *Global Fraud and Risk Report 2019*

by risk mitigation firm Kroll. It had commissioned the study from Forrester Consulting, which did an online survey of 588 senior executives. More than half of the respondents had annual revenues of a billion dollars or more. Indian respondents numbered 58, said a spokesperson.

Leaks of internal information and reputational damage due to third-party relationships were among the other key incidents that significantly affected organisations in the past year, it said. But companies may have become more careful.

"The country has recently been the setting for numerous high-profile data incidents, increasing organisations' awareness of and emphasis on cybersecurity. This may be one reason respondents in India are more likely than the global average to say their cybersecurity systems



INDIA WORST HIT

Countries affected by data theft (%)

Russia	16
Brazil	19
Sub-Saharan Africa	21
United States	26
Japan	27
United Kingdom	32
China	39
India	41

Source: Kroll

are effective (88 percent vs 81 percent globally)," said the report.

The report also noted that around a third of Indian businesses experienced fraud last year. Internal parties accounted for a greater proportion (33 per cent) of such frauds than external ones (31 per cent).

Tarun Bhatia, head of South Asia and managing director in the business intelligence and investigations practice of Kroll.

Corporate leaders also see geopolitical issues as a key risk. Seventy-one per cent of Indian organisations are said to have been affected by tariffs and trade wars. This is greater than the global average of 54 per cent. Restrictions on foreign investments and newly imposed sanctions are also said to have affected companies. Foreign investment restrictions hit 62 per cent of the firms. Sanctions affected 66 per cent of firms.

Companies see multiple potential risks over the next five years. This includes a significant financial crisis, climate change and a 'break-down' of intergovernmental mechanisms for dispute resolution, free trade, combating corruption...

Car sales continue to skid

However, numbers month over month show pick-up after festive offers

ARINDAM MAJUMDER
New Delhi, 1 October

The latest automobile sales numbers for September show that the decline continued when compared with the corresponding period last year. In fact, the country's largest carmaker Maruti Suzuki witnessed a 32.7 per cent fall in sales — the worst in the firm's history. It could sell 1,22,640 units in September against 1,62,290 units last year same time.

But, there may be a silver lining in the form of a month-on-month pickup in sales after the recent round of discounts and offers from auto majors. Industry executives were hopeful that the recent rise in buyer enquiries would translate into sales as Diwali draws closer.

"Growth in the market is driven by first-time buyers, and to attract this segment of customers, we have introduced a host of special schemes including low down-payment, aggressive interest rates and easy EMI. We expect a positive festive season and improving trends from here on," Sanjay Bhan, head of sales, after-sales & parts, at Hero MotoCorp said.

Number crunchers and analysts are focused on the data released on Tuesday. Sales of mini cars, comprising Alto and WagonR, stood at



SALES FIGURES

Companies	Sep '18	Sep '19	YoY change (%)	Aug '19	Sep '19	Mom change (%)
Tata Motors	64,598	32,376	-49.88	7,316	32,376	342.54
Hyundai	62,757	57,705	-8.05	38,205	57,705	51.04
Hero MotoCorp	769,138	612,204	-20.4	543,406	612,204	12.66
Maruti Suzuki	162,290	122,640	-24.43	106,413	122,640	15.25
Toyota	13,078	10,911	-16.57	11,544	10,911	-5.48
M&M	55,022	43,343	-21.23	48,321	43,343	-10.3

Source: Companies

20,805 units as compared to 34,971 units in the same month last year, down 42.6 per cent. Similarly, the compact segment, including models such as Swift, Celerio, Ignis, Baleno, and Dzire fell 22.7 per cent at 57,179 units against 74,011 cars last year in the corresponding period.

Against the backdrop of a severe slowdown and battered sales numbers, the month on month data is a source of optimism for the industry. Compared to August, vehicle sales increased by 15.25 per cent on the back of discounts. Maruti led the market in offering heavy discounts and incentives for buyers and dealers. "Along with the availability of liquid-

ity improving, we had taken efforts to bring down the ownership cost for vehicle. The consumer footfall has certainly increased and we hope that sentiment will change as festive season proceeds," Shashank Srivastava, executive director, marketing and sales at Maruti Suzuki, said.

The Maruti management has kept its fingers crossed on the festive season demand and has stopped pushing any new stock to the dealership, so that the inventory level stays at a comfortable level of maximum 35 days. "We are optimistic, but have to wait and watch how the festival season pans out," Kenichi Ayukawa, CEO of Maruti Suzuki, said recently.

Mumbai-based Tata Motors' sales in the domestic market too dropped in September, by as much as 49.68 per cent, compared to the same period last year. However, sales quadrupled month-on-month in September. The company had managed to sell just 7,316 units in August.

Mayank Pareek, president, passenger vehicles business unit at Tata Motors, said customers were responding well to the company's offers. "Towards the end of the month, there was an encouraging response in terms of customer footfall as reflected in more retail sales, as compared to August. However, the industry continued to decline," he said.



Renault unveils updated Kwid

French automaker Renault on Tuesday launched an updated version of its entry-level car Kwid in India, priced between ₹2.83 lakh and ₹4.84 lakh (ex-showroom, Delhi). The model comes with both 0.8L and 1.0L powertrains with manual and automated transmission options. The 0.8L variants are priced between ₹2.83 lakh and ₹4.13 lakh, while the 1.0L rims are tagged between ₹4.33 lakh and ₹4.84 lakh.

Ashok Leyland CV sales drop 69%

Ashok Leyland has reported a 69 per cent fall in domestic medium and heavy commercial vehicles (M&HCV) sales during September to 4,035 units, from 13,056 units a year ago. M&HCV trucks sales dropped by 74 per cent to 3,131 units from 11,837 units, while bus sales dropped by 26 per cent to 904 units from 1,219 units. Light commercial vehicle sales dropped by 24 per cent to 3,816 units, from 5,022 units.

Business conditions bad: Toyota Kirloskar

With the automobile industry yet to look up from its downturn, Toyota Kirloskar Motor (TKM) has said its own business condition is becoming "critical". It has announced no production for four days at its factory in Karnataka, due to market conditions. There will be no production at plants I and II on October 3, 4, 5 and 9. "The future of TKM is very challenging," said the company in a general communication to all workers, requesting all to understand the "criticality" of the situation.

Trailblazer Merc gears up to sell cars online

PAVAN LALL
Mumbai, 1 October

For the first time in the country's luxury car industry, Mercedes-Benz will set up a directly-run online platform that will cater to the entire gamut of used cars, new cars and collectibles for customers.

The company will start to sell used cars (October 2019) and new cars (from January 2020) on a new website, through a partnership with American online seller Roadster Inc.

Officials say the idea is to make ordering a car "as easy as ordering a book online."

In addition to the internet channel that will work with dealers for delivery, owners of Mercs made between 2007 and 2018 can also get their cars hooked on to the cloud — with the purchase of a recently-released adapter device that operates on bluetooth through their phones and syncs with the cloud — which Mercedes-Benz retains.

These offerings will be part of a three-phase programme that will be introduced in a phased manner

starting November and include more futuristic AI-driven add-ons specific to different cars that are launched.

Is the lead up to the connected car akin to a mobile phone on wheels? Martin Schwenk (pictured), Mercedes-Benz India's managing director and chief executive officer (CEO) says that is one interpretation but everything will be executed in accordance with data privacy laws and governance.

Presently, all of Mercedes-Benz's connected features in use worldwide are in compliance with European General Data Protection Regulation laws.

While several companies do offer degrees of internet connectivity via the cloud and to an owners' mobile, the depths of features vary according to the carmaker concerned. So, another manufacturer may inform an owner about an accident with its latest SUV but Mercedes-Benz will go to the point of letting the owner know how many people were in the car, Schwenk says.

With the adapter Mercedes-Benz is selling, owners will have access to



at least 14 different services that include vehicle diagnostics, refuelling updates, roadside breakdown management, online appointment bookings and more. The company's digital push for phase 1 (Mercedes Me Adapter) and phase 2 (Mercedes Me Connect) and phase 3 (MBUX/Hey Mercedes) will roll out in the next six months and offer features such as remote retrieval of vehicle status, parked vehicle locator and a virtual assistant

(Hey Mercedes).

Mercedes-Benz India manufactures passenger luxury cars in Chakan, near Pune, at a factory which was set up in 2009, and the site also plays a key role in production for the company's network in Brazil, Indonesia, Malaysia, Thailand and Vietnam.

In India, the company sells cars across 94 outlets in 47 cities. Mercedes-Benz has led luxury car sales in India over the last four years,

PLUGGING IN

PHASE 1	PHASE 2
MERCEDES ME ADAPTER (15th November)	MERCEDES ME CONNECT
▪ Vehicle conditions	▪ Remote unlocking
▪ Roadside breakdown	▪ Parked vehicle locator
▪ Refuelling list	▪ Valet Protect
▪ Online appointments	▪ Speed alert
	▪ Send-destination-2-car
PHASE 3	
MERCEDES-BENZ USER EXPERIENCE (MBUX)/HEY MERCEDES	
▪ Virtual assistant	

Source: Company

staying ahead of BMW India, Audi India and Jaguar with total sales of 15,538 units in 2018.

"If and when luxury car stores don't have the traction they have had in the past, then an e-commerce channel is an enabler that could enhance awareness and bring in more customers, says Lalit Choudhari, managing director of Infinity Cars." He said the hybrid model was becoming more accepted worldwide.