₹159.50 CLOSE

▶ Bharti Infratel

_290 Stock slips 29% in 5 days as deadline for merger with Indus extends



Top gainer among S&P BSE Sensex index stocks

IN BRIEF

Air India seeks \$819-million **loan for seven Boeing planes**



Air India is looking to raise \$819 million (over ₹5,800 crore) to refinance existing bridge loans availed for six Boeing 787 and one Boeing 777 aircraft. The national carrier is yet to have long term financing facility for six B787 and B777-300ER, according

been invited from banks, financial institutions for refinancing existing bridge loan facility worth \$819 million. At current exchange rate, the amount will be more than ₹5,800 crore. Air India had acquired 27 B787-800 planes and 15 B777-300ER aircraft. Out of them, 21 B787s are on sale and lease back while the remaining six are on short term bridge loans. Among the 15 B777 aircraft, one is on short term bridge loan.

DGCA: Foreign airlines' Indian ops to increase

Foreign airlines' flight operations in India are going to increase by 3.05 per cent this "winter schedule", which starts on October 27 and ends on March 28, 2020, according to the data by the DGCA, released on Wednesday. "The data shows that in last year's winter schedule, foreign airlines operated 2,262 flights per week, which would increase by 3.05 per cent to 2,331 flights per week in this year's winter schedule.' said an official of Directorate General of Civil Aviation.

TVS Motor partners Cadisa in Guatemala, El Salvador

TVS Motor Company has entered into partnership with Cadisa, one of the major business groups across Guatemala and El Salvador as part of strengthening its presence in Central America. Cadisa will facilitate the opening of 15 flagship outlets for TVS Motor Company in a phase-BS REPORTER«

Piramal Ent seeks shareholders' nod

Piramal Enterprises is seeking shareholders' nod to raise ₹1,750 crore from a Canadian investor by issuing compulsorily convertible debentures (CCDs). In a notice for an extraordinary general meeting to be held on November 25 in Mumbai, the company said it required additional funding for various purposes, including general corporate purposes, in view of its future outlook, growth targets and prospects.

JK Tyre Q2 net profit jumps over 3-fold to ₹167.7 crore

Wednesday reported over three-fold jump in consolidated net profit to quarter driven by gains from deferred tax liability. The company had posted a consolidated net profit of last fiscal, JK Tyre & Industries



Amazon, Alibaba, disruptive: Report

Amazon, Apple and Alibaba top the list of companies that tech industry leaders worry most about disrupting their

In a survey of more than 740 technology industry business leaders globally, DJI, Google, Netflix, Airbnb, Microsoft, Facebook, and Baidu round out the Top 10 list.

The disruptors' list complements the fact that tech industry leaders ranked e-commerce platforms first and social networking second as the most disruptive business models over

Among tech business leaders, Google CEO Sundar Pichai topped the list, followed by Tesla and SpaceX CEO Elon Musk. While tech industry millennials cited many of the same visionaries as tech leaders, they also identified Huawei CEO

▶ Graphite India



Q2FY20 PBT down 90 per cent to ₹172 crore;YoY

₹282.55 CLOSE ▼3.47% DOWN*

Indoco Remedies

_______Q2FY20 PBT at ₹10 crore against loss of ₹10 crore in the year-ago quarter

₹183.30 CLOSE ▼ 5.00% DOWN³



Credit-driven sales

consumer durables

areas coming from

from leading banks

finance schemes

were also high in

this Diwali, with

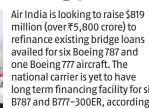
around 70% of

sales in urban

and cashbacks

₹289.95 CLOSE

* OVER PREVIOUS CLOSE



to a tender document. Bids have

3.05% in winter to raise ₹1,750 crore

JKTyre & Industries on ₹167.70 crore in the September ₹45.78 crore in the same period said in a regulatory filing. PTI

Apple are most

business, according to a KPMG report.

the next three years, the report said.

KPMG's study found some divergent views between tech industry millennials and tech industry leaders on the topic of emerging global technology innovation visionaries.

Ren Zhengfei, Xiaomi CEO Lei Jun, and SoftBank CEO Masavoshi Son, it was stated.

Retailers crack the Diwali code Auto sales grow in high double-digits, consumer durables sales up 6-8 per cent in past five days SHALLY SETH MOHILE & ARNAB DUTTA Mumbai/New Delhi, 30 October iwali has brought the muchneeded sparkle to companies

and retailers in an otherwise weak festival season. The crucial Dhanteras to Bhai Dooj period - stretching from Friday to Tuesday - saw automobile retail sales increase by high double digits, while consumer durable sales grew 6-8 per cent over last year, led by metro markets and large-format stores. Credit-driven sales were also high in

consumer durables this Diwali, with around 70 per cent of sales in urban areas coming from finance schemes and cashbacks from players such as HDFC Bank, ICICI Bank, and Kotak Mahindra Bank.

"Categories such as television sets, mobile phones and even appliances, both small and large, did well in the five days between Friday and Tuesday," said Nilesh Gupta, managing partner, Vijay Sales. "HDFC Bank, in particular, was aggressive with cash backs on mobile phones and television sets. The offers were available on both credit and debit cards. This way more consumers



could avail of credit." he said.

While the window for durable sales was down to the Diwali weekend this year, car purchases had a longer lead time, said company executives.

Yet, in the auto market, the last leg, which started with Dhanteras, said Ashish Harsharaj Kale, president, Federation of Auto Dealers' Association (FADA), saw the conversion rate for two-wheelers and passenger vehicles (PVs) improve substantially. According to FADA, the overall sales have

advanced 15-30 per cent for PVs and 10-15 per cent for two-wheeler companies. While this will release some stress in the marketplace for durables and auto makers, the road to recovery, especially in the auto sector, remains long.

Shashank Shrivastava, executive director, sales and marketing at car market leader Maruti Suzuki India, said. "If one compares the festive period this year, which started with Navratra on 29 September and ended

spike was even bigger from Dhanteras to Bhai Dooj and what aided growth was positive sentiment in addition to executive vice-president, Godrej the effort put by all to lure consumers back into showrooms."

sales advanced in single digits during this festive season over last year's, while the Diwali and Dhanteras sales have grown in high double digits.

Vikas Jain, national sales head at Hyundai Motor India, said, "Our retail sales during the onemonth period have seen an increase of 10 per cent over the last year. Within that, the Diwali period

(Dhanteras to Bhai Dooj) was better with an increase of up to 13 per cent."

Jain as well as auto experts attribute the sequential expansion in car sales to ers, especially the large-format retailon-ground events by financiers such ers also picked up. Easy financing as loan melas, aggressive sales offers and discounts by manufacturers and dealers. "Moves like a lower interest with Bhai Dooj on Tuesday, the trend is rate (on car loans) and a waiver of pro-

positive as compared to last year. The cessing fees brought the fence sitters back into the market," he said.

Kamal Nandi, business head and Appliances, is circumspect, "The sale window was down to the last weekend Shrivastava also said Maruti's retail of the festive season and this does put

pressure on the ecosys tem. However, it is still good news that consumers did make their way back to the marketplace, even though this was mostly in larger cities and big stores."

Avneet Marwah, chief executive officer, Super Plastronics (brand licencee for Kodak and Thomson smart TVs), said, "The market

began picking up with the mega online shopping festivals from early October. Later, just ahead of Diwali, offline play options have also increased the average screen sizes: now 40 and 43 inches are the most sold category as it has overtaken 32 inches by volume."

TELECOM TALES

Valuation of Jio's digital business expected to improve, say analysts

hopes that will be able to monetise its stake

in the platforms business at premium val-

uations. An enterprise value of \$65-70 bil-

lion for the platforms entity will imply a

hefty estimate of 1.75 times the net invested

capital, in our estimate," note Somshankar

Sinha and Piyush Nahar, analysts at

RIL's digital businesses, including Jio, at an

ments in start-ups such as pharma software

Bank of America Merrill Lynch values

In 2018-19, RIL made strategic invest-

syGoy. AI learning platform Embibe.

retail solution provider Fynd, logistics plat-

form Grab, AI assistant platform Haptik,

music streaming platform Saavn, deep tech

start-up Tesseract, and vernacular language

platform Reverie. These now get transferred

to the wholly-owned subsidiary.

Jefferies, in a note to investors.

enterprise value of \$64 billion.

ROMITA MAJUMDAR Mumbai, 30 October

Analysts see an upgrade on the way to the estimated valuation of the digital business of Reliance Industries (RIL). So far, it has been valued only on the telecom arm, Jio.

This is a sequel to Friday's announcement from RIL on a structure to make Jio debt-free. This is seen as a move towards a likely listing of the latter's shares.

"In most valuations used by the Street, including ours, Jio is valued mainly as a telecom service provider. No value is ascribed for Jio's suite of apps, digital investments and capabilities like AI, IoT, etc. This exercise aims to correct that positioning. Indeed, some of Jio's apps like TV, music and cinema are among the best in their respective categories," says Vikash Kumar Jain, research analyst at CLSA.

After this transfer, Jio's net debt will fall to ₹46,300 crore (including deferred spectrum payment) and its ratio of net debt to FY21/FY22 operating earnings to only 1.5/1.2. This scheme is expected to get regulatory closure within three months. CLSA has a current sum-of-the-parts enterprise value of \$45 billion for the digital arm.

RIL says it intends to transfer the telecom business and other digital initiatives to a wholly-owned subsidiary, while Jio's debt will move to RIL. "The reorganisation will increase standalone liabilities but Reliance

RIL, JIO'S INVESTMENTS

EMBIBE: Al-based education platform; investing \$180 mn over three years; the initial outlay was limited

RADISYS: \$75 mn to acquire and delist the venture. Expected to help in 5G and IOT roll-out

HAPTIK: Al assistant, chatbot. | JIO MUSIC/SAAVN: Notional Reliance has taken a 87% stake and will invest \$100 mn over time

HATHWAY/DEN: Value of holding is 31% lower at ₹48 bn based on current market value

Source: Jefferies estimates and company data RIL has also made significant investments in global tech start-ups such as DEN. Hathway, Eros International, Edcast, Karexpert Technologies, Vakt Holdings, Indiavidual Learning, Radisys Corp, and Kai OS Technologies.

in Saavn ₹18 bn

value ascribed to Jio Music as

₹48 bn. Value of investment

part of Saavn takeover was

EASYGOV: Citizen-centric

software solutions and

Govt to Citizen schemes

There is a lot of talk on Jio transforming itself to a SuperApp around content, e-commerce, and online grocery — something on the lines of WeChat. Today, nothing much is visible on digital revenues but the fact that all digital properties are part of the Jio ecosystem suggests Jio, with its captive subprovider C-Square, citizen SaaS provider scribers of 350 million, stands a chance to monetise these digital services Sharma, head of research at SBICap Securities. He said Jio has a payments bank licence and is likely to launch its enterprise offerings with a focus on MSMEs. This could pit it against Amazon in the cloud computing and alternate network segments.

JioPhone weighs on Airtel's user base

MEGHA MANCHANDA New Delhi, 30 October

Bharti Airtel has said it came $under\,pressure\,with\,the\,launch$ of Reliance Jio's feature phones. Airtel Chief Executive Gopal Vittal said it was impacted with the advent of JioPhone as Airtel's feature phone customers made the shift. "There was pressure," Vittal said in a post-earnings call.

During Dussehra and Diwali, Jio made its phone available at a price of ₹699. against the earlier price of ₹1,500.

Airtel's Chief Financial Officer Badal Bagri said the company's focus on quality customers and prudent tariff tweaks helped improve the average revenue per user (ARPU) in the September quarter. Airtel on Tuesday reported 28 per cent jump in its ARPU at ₹128 for the September quarter, driven mainly by the increased data customer base

The company had posted an ARPU of ₹100 in the corresponding period of the last financial year (2018-19), However, on a sequential basis, the company's ARPU remained flat – from ₹129 in June 2019.

Data usage per customer rose 42.2 per cent year-on-year, to 13,116 megabytes. ARPU is the total revenue of the operator divided by the number of users. Revenue from mobile services was ₹10,811.8 crore in September, up 7.4 per cent from Fitch places **Bharti on 'rating** watch negative'

Fitch Ratings has placed Bharti Airtel's 'BBB-' Long-Term Foreign-Currency Issuer Default Ratingon Rating Watch Negative (RWN). The RWN reflects uncertainty on the amount and timing of unpaid regulatory dues, after the Supreme Court ruled on 24 October in favour of the Department of Telecommunication's definition of AGR. This led to DOT's demand that Bharti shell out unpaid dues on licence fees of\$3 billion. BS REPORTER

od, last financial year. In the June quarter, Airtel's India mobile revenue stood at ₹10,724 crore. Subscriber base grew to 279.43 million in the September quarter, from 276.81 million in the preceding quarter.

Airtel said on Tuesday it had deferred announcing its financial results for the September quarter from October 29 to November 14, as it awaits clarity on the Supreme Court (SC) verdict. It is also approaching the Department of Telecommunications (DoT) to seek clarity on the total amount involved. According to the DoT, Airtel faces a liability including licence fees and spec-

Haven't sought debt recast from lenders; continue to pay dues, clarifies Voda Idea

_3.5

0ct 30

Vodafone Idea on Wednesday said it had not made any request for debt recast to any lender or asked for reworking of payment terms, and said it would continue to pay all its debt as and when it falls due. Vodafone Idea categorically denied and dismissed speculations in certain quarters that nearly ₹40,000 crore of potential statutory dues has compelled the company to explore a debt revamp as "baseless and factually incorrect".

A Vodafone Idea spokesperson said on Wednesday: "We tinue to pay all our debts as and

VODAFONE IDEA BSE share price (₹) 3.85

have not made any request for debt recast or asked for reworking of payment terms. We con-

2019

0ct 29

when these fall due." Analysts have been red flag-

ging the implications of the Supreme Court ruling for old operators. Jefferies has said adjusted gross revenue ruling is a "major negative" for Vodafone Idea and "raises concerns on balance-sheet solvency".

Credit Suisse has said if the government offers relief measures, the scenario will be "most beneficial" for Vodafone Idea, although even then the company will still require additional equity infusion in the long run.

CARE downgrades firm on long-term bank facilities, NCDs

Vodafone Idea said CARE Ratings has downgraded its rating on 'long-term bank facilities' and nonconvertible debentures', citing the recent court ruling on the AGR issue and extension of deadlines with regard to sale of Indus Tower stake to Bharti Infratel.

the three months ended of around ₹42,000 crore after ₹10.070.4 crore in the same peritrum usage charges.

reigning supreme. With 42,681 units in the five-

month period (May-September 2019), Hyundai

Hyundai officials.

SUVs, not volumes, to lead future charge for Hyundai India

According to the industry data, Hyundai's SUV

Green, shared mobility to be the road ahead, says India head

PAVAN LALL Mumbai, 30 October

Korean carmaker Hyundai Motor India, which has been a steady runner-up to market leader Maruti Suzuki, says volumes — especially in the smaller car segments — won't be its future focus. But sport utility vehicles (SUVs) will lead the future charge. This is a segment the company is funnelling money

to as it sees its market share grow. With a total investment of₹24,000 crore to date and another₹7,000 crore planned for the next five vears. Hyundai fills a consumer vacuum between Maruti Suzuki and premium cars. If last year's performance is any indicator, its strategy is clearly utility vehicle (UV)-driven. The next two years will see at least four more SUVs hit the road, with a combination of variants and a new smaller SUV.

 $Hyundai\,Motor\,India's\,Managing\,Director\,and$

 $Chief \, Executive \, Of ficer \, S\, S\, Kim\, says, \, ``The\, firm's$ vision is to be a lifetime partner in automobiles and beyond," inferring the company will not just look at customers but also at alternative mobility offerings that include taxi aggregator Ola (Hyundai invested ₹2,000 crore in it) and subscription-based mobility firm Revv.

Despite the market losing traction and most original equipment manufacturers seeing volumes decline sharply, Hyundai increased its market share by 1.5 per cent, registering 17.4 per cent market share for the year-to-date 2019 (January-September

sales accounted for 24 per cent of the 524,000 vehicles sold. That's being driven largely by the Venue, Creta, and the Tucson, pushing sales of around 123,000 units. At the same time, Hyundai has sold around 378,000 cars, of which its SUVs account for 32 per cent. Puneet Anand, group head-marketing.

Hyundai, says, "We want to be leaders in three areas: Connected, shared, and green mobility." In other words, cars that are internetlinked, mobility platforms that can be shared by younger drivers,

and electric cars. "We don't want to be seen as a carmaker, but as a maker of future mobility technology." Sector analysts say that being the

choice of

aspirational consumers is the route Hyundai has chosen. "Though Hyundai is not really aiming to overtake Maruti in the volume game, it does plan to be the preferred brand when a

majority of the entry-segment customers upgrade in future, matching aspirations for features, technology, safety, and convenience," says Suraj Ghosh, principal analyst for IHS Markit Powertrain & Compliance Forecasting

Ghosh also says that Maruti's decision to exit from diesel cars after the implementation of Bharat Stage VI regulations will denote cars sold cause further correction in maintaining its market share in the months ahead. This may mean easier sales

growth for others. Also driving the change in market share is the shrinking 'A' segment, where Maruti Suzuki is

Venue is currently the hottest-selling UV in India. In addition, there have been **FORWARD DRIVING** over 300 bookings for the Kona Electric UV, of which, 177 units

NA NA 42,681 CRETA 105,484 120,905 79,070 TUCSON 1,634 1.826 KONA Electric

Total 107,118 | 122,731 | 122,664 *Jan-Dec; **Jan-Sep; Note: Market share as defined for 5-mth period from Jan-Sep and precludes vans and buses; figures

Does that mean the company will pull out from hatchbacks and sedans? Officials say they will retain those vehicles, but the market is increasingly skewed towards SUVs-this is where the

> But if there are two things it could change to help the car business, what would they be?

margins and its focus will be.

have actually been delivered, say

Kim says Hyundai's plans are in place to realise the country's vision of shared, connected, and zeroemission mobility. "Hyundai is well-equipped to deliver on that," he adds.

