

IN BRIEF

eBay to sell ticketing unit StubHub for \$4 billion

eBay will sell its ticketing unit StubHub in an all-cash \$4.05 billion deal to ticket reseller Viagogo, the companies said on Monday, nearly a year after the e-commerce major came under pressure from activist investors to hive off some of its businesses. In January, activist investors Elliott Management Corp and Starboard Value had urged eBay to sell its ticket sales business and eBay Classifieds Group as part of a plan that could double the company's value. Elliott valued StubHub between \$3.5 billion and \$4.5 billion, while eBay Classifieds between \$8 billion and \$12 billion. Following the activist investors' request, eBay made changes to its board of directors in March. It announced a review of its StubHub and eBay Classifieds businesses as part of an agreement with activist investors to avert a proxy contest. **REUTERS**

DLF plans to invest ₹1,500 cr in new commercial project

Realty major DLF's arm will invest around ₹1,500 crore in the next two years in construction of over 3 million sq ft office space in Gurugram, Haryana to tap into growing demand for commercial properties from corporates and co-working players. DLF Cyber City Developers (DCCDL), a joint venture between DLF and Singapore's sovereign wealth fund GIC, has initiated the development of its new mixed-use project 'Downtown' comprising 11 million sq ft of leasing area. DLF has 67 per cent stake in the DCCDL, while GIC has the rest. **PTI**

Godrej Appliances to invest ₹700 crore in capacity expansion

Godrej Appliances on Monday said it will invest ₹700 crore to increase its annual appliance production capacity by 19 lakh units by 2022, taking it up to 65 lakh units per annum. The appliances maker also plans to introduce newer technologies and carry out backward integration. "Godrej Appliances is all set to invest another ₹700 crore by 2022. This latest announcement takes the tally of Godrej Appliances' investment in capacity and technology expansion to ₹1,100 Crore over a period of six years," the Godrej & Boyce Mfg unit said. **PTI**

WhatsApp to invest \$250,000 in start-ups

WhatsApp said it would invest \$250,000 into the start-up ecosystem in India through a partnership with Startup India, taking its total investment in start-ups in India to \$500,000. The Facebook-owned messaging platform will provide 500 start-ups approved by the Department for Promotion of Industry and Internal Trade with \$500 each of Facebook ad credits. **BS REPORTER**

Adani Green Energy CFO Ashish Garg calls it quits

Adani Green Energy on Monday said its CFO Ashish Garg has resigned with immediate effect. In a BSE filing, the company said Garg has tendered his resignation as CFO of the company with effect from November 25, 2019. **PTI**

Uber loses London licence over rider safety

Its app has a vulnerability that allows unauthorised users to pose as drivers by uploading their photos to licensed accounts

AFP/PTI London, 25 November

Uber Technologies lost its licence in London for the second time in less than three years, putting one of its biggest markets outside of the US at risk after the transport regulator said it failed to address safety concerns.

The company's app has a vulnerability that allowed thousands of unauthorised users to pose as Uber drivers by uploading their photos to licensed accounts, Transport for London (TfL) said on Monday. Uber has 21 days to appeal and can continue to operate while a magistrates' court considers the decision.

At least 14,000 trips involved drivers who weren't who the riders thought they were, including some who had revoked licences, the TfL

said. Dismissed and suspended drivers were also able to create an Uber account and carry passengers, it said. Uber had been operating on a two-month licence that runs out on Monday, the latest extension while TfL reviewed changes the firm was making to the way it operates. Uber shares dropped about 5.8 per cent in early trading before US markets opened.

When the company was initially deemed not "fit and proper" to operate in September 2017, a trial didn't take place until the next June, during which Uber was allowed to continue to accept ride requests. Any further appeals could take years longer to resolve.

Uber's rapid growth in London was seen as a success story for the company's expansion outside the US. But the city has since become a battleground



Uber's rapid growth in London was seen as a success story for the company's expansion outside the US **PHOTO: REUTERS**

Many drivers "will now face the distress of facing not only unemployment but also crippling debt as they struggle to meet car lease payments," said James Farrar, chair of the United Private Hire Drivers branch of the IWGB union. "The terrible price of Transport for London's inability to run a stable regulatory regime and Uber's refusal to play by the rules will be paid for by the most vulnerable workforce in London."

In its original decision against Uber two years ago, the TfL said the company failed to do adequate background checks on drivers and report serious criminal offenses. It also took issue with Uber software called "Greyball" that blocked government officials attempts to catch lawbreaking drivers. London Mayor Sadiq Khan defended the regulator's decision at the time.

IL&FS case: NCLT turns heat on CEOs of Axis, StanChart

Threatens non-bailable warrants if they fail to attend Dec 16 hearing

SUBRATA PANDA Mumbai, 25 November

The National Company Law Tribunal (NCLT) on Monday issued notices to the chief executive officers (CEOs) of Axis Bank and Standard Chartered Bank, asking them to personally appear in the contempt proceedings against them for violating the tribunal's order, failing which non-bailable warrants would be issued against them.

The bankers, the NCLT said, failed to appear in the case relating to the IL&FS fraud despite repeated notices from the ministry of corporate affairs (MCA). The matter is scheduled to be heard by the tribunal next on December 16.

The official spokesperson of Axis Bank said, "The bank respects all court/tribunal orders. However, it denies the allegations. Upon receiving the NCLT order, the bank will take appropriate steps."

Similarly, Standard Chartered said, it hasn't received the copy of the order. "Upon reviewing the contents of the order, we will decide the way forward."

Sources, however, said the CEO of Standard Chartered will be present on the next hearing.

The Bench was presided over by Bhaskara Pantula Mohan and Rajesh



Amitabh Chaudhry, CEO, Axis Bank



Zarin Daruwalla, CEO, Standard Chartered

Sharma. Amitabh Chaudhry is the CEO of Axis Bank and Standard Chartered Bank's CEO is Zarin Daruwalla.

The Mumbai Bench of the NCLT, in April this year, issued notices to Chaudhry, Daruwalla, Ramesh Bawa (former managing director and CEO of IL&FS Financial Services) and his wife for violating the tribunal's order. It had also asked them to furnish their replies to the contempt pleas filed against them within two weeks.

In December 2018, the NCLT had passed an order which restrained nine erstwhile directors of the beleaguered Infrastructure Leasing and Financial Services (IL&FS), including Bawa, from disposing of their assets and creating third-party rights on their properties. On January 16, 2019, the National Company Law Appellate Tribunal allowed them to withdraw up to ₹2 lakh a

month from any one of the bank accounts after intimating the NCLT.

However, the MCA alleged that Bawa had transferred ₹3.84 crore from his ICICI Bank account to his daughter Akansha on December 3, 2018, despite being fully aware that a petition was being filed before the NCLT to freeze assets of the directors.

Subsequently, while the hearing for freezing of the assets of IL&FS directors was on, Bawa further transferred ₹1.14 crore from his Axis Bank account.

And, while an order was passed restraining the company's directors from disposing of their assets, Bawa had accessed his lockers in Axis Bank and Standard Chartered.

The government had alleged that the lockers, along with the bank accounts, were operated despite notices by the NCLT to banks and the Indian Banks' Association.

Tata Power set to get power discom licence in Odisha

SHREYA JAI & AMRITHA PILLAY New Delhi/Mumbai, 25 November

Tata Power is set to clinch the power distribution licence in the central Odisha area, making it the third licence for the company after Delhi and Mumbai. Sources said Tata Power's bid has been finalised for the tender floated for distribution and retail supply of electricity in the circles of Bhubaneswar, Cuttack, Paradeep and Dhenkanal.

This is Odisha's second attempt at privatising its power distribution. It already has successful distribution franchisees in different areas of the state.

The state has offered three more regions for private power distribution and 15 divisions under Central Electricity Supply Utility of Odisha (CESU) under different 'distribution franchisee' models.

Odisha's electricity department has four regions - North, South, Central, West and North East.

With this, Odisha will become the first state in the country to completely privatise its power distribution under different models.

Officials said the technical bid of Tata Power has been approved and its financial bid is being evaluated. The bidding was conducted by the Odisha Electricity Regulatory Commission (OERC).

Tata Power, in an emailed response, said, "We have submitted the bids for CESU's public-private partnership (PPP) project. The technical and price bids have been opened. The evaluation process is on. We are yet to hear from the OERC (which had carried out the bidding process) on the outcome of the bids."

Sources said Tata Power

REFORMS READY

- Tata Power's bid almost finalised and will cover four circles in central Odisha under PPP model
- Odisha has also put power distribution of three more areas for sale
- 15 more divisions to be offered under the distribution franchisee model
- Odisha to become first state to completely privatise its power distribution

Delhi Distribution Company Limited (TPDDL), which operates the Delhi power distribution, will implement the project in Odisha.

"This is the first such area under private licence which has a mix of both rural and urban population, which is unique for any private company. The loss in these areas is reported to be as high as 30-35 per cent. This needs to be reduced to accrue tariff benefits for consumers," said an executive of the company. An area under operation covers close to 25 lakh consumers. Since the model of the project is PPP, asset ownership remains with the state government.

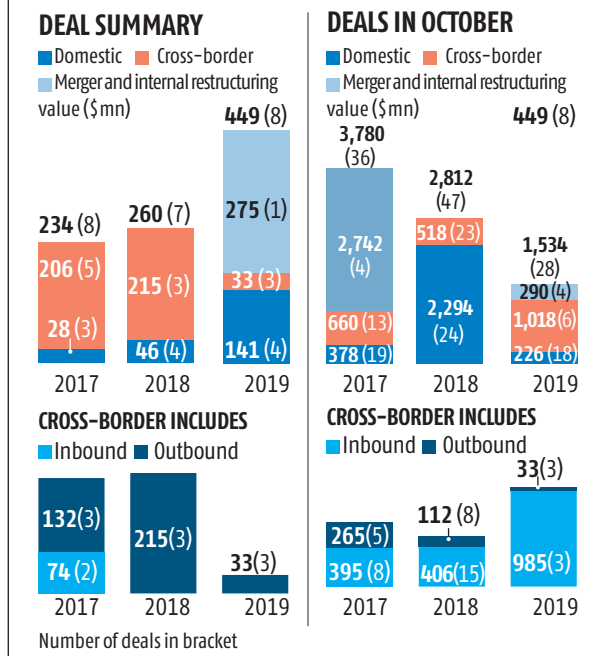
The private player is responsible for maintenance, operation and upgrade of the distribution network and supply of electricity. The proposed targets include reduction of technical as well as commercial losses and power cuts, improvement in the quality of power, infrastructure strengthening and providing affordable electricity. All states have government-owned power distribution companies, most of them being in the red.

M&As IN AUTO SECTOR JUMP 73% IN JANUARY-OCTOBER

Despite the ongoing slowdown in the auto industry, mergers and acquisitions (M&As) in the auto sector have risen 73 per cent to \$449 million, from \$260 million, during January to October 2019. The deals include domestic and cross-border mergers, and internal restructuring. The growth was led by the Mahindra-Ford deal, valued at \$275 million. According to Grant Thornton data, domestic volumes crossed the \$100-million mark for the first time since 2017 to touch \$141 million in 2019, from \$46 million last year, up over 200 per cent year-on-year. Cross-border deals, on the other hand, dropped by 85 per cent to \$33 million in CY19 from \$215 million last year. Pankaj Chopda, director, Grant Thornton India LLP, said the total value of domestic deals in November rose threefold in 2019 from the 2018 figure, even as the deal volume remained constant, indicating improved valuation and high investment potential in the sector.



COMPILED BY T E NARASIMHAN



TOP FOUR DEALS IN 2019

Acquirer	Target	US \$ mn	Deal type	% Stake	Domestic/crossborder
M&M	Ford India	275.00	Merger	N.A.	Merger & Internal Restructuring
Mahindra CE Automotive	Aurangabad Electricals	125.00	Acquisition	100%	Domestic
Minda Inds	Delvis Gmbh	23.06	Acquisition	100%	Outbound
Greaves Cotton	Ampere Vehicles	5.58	Increasing stake to 81.23%	14%	Domestic

Govt moves NCLT over CG Power books

PRESS TRUST OF INDIA Mumbai, 25 November

The corporate affairs ministry on Monday moved the NCLT seeking to reopen and restate the financial statements of CG Power & Industrial Solutions under Section 130 of the Companies Act for FY15 to FY19. Alleging financial irregularities, the CG Power board had

on August 30, 2019 in a midnight drama removed the company promoter Gautam Thapar as the non-executive chairman, a position he had held since July 2006.

The National Company Law Tribunal (NCLT) directed the ministry to issue notices to market regulator Sebi, the income tax department and Thapar to file reply within a week and also asked the ministry to file the rejoinder a week later.

The tribunal has posted the matter for more hearing to December 16. The company said an investigation instituted by its board

had found major governance and financial lapses, including some assets being provided as collateral and the money from the loans siphoned off by "identified company personnel, both current and past, including certain non-executive directors."

His removal as chairman was so dramatic that the circular decision of the board was conveyed to Thapar in an email at 0300 hrs on August 30.

Ola rides into India's hinterland for bike service

PEERZADA ABRAR Bengaluru, 25 November

At a time when metropolitan cities are considered to be large markets for the cab industry, Ola Bike, the micro-mobility service of the ride-hailing firm, is quietly tapping India's hinterland.

It is offering this service in small towns and cities as it is witnessing huge demand for its bike taxis.

Currently, Ola provides bike services in 200 cities and towns. The SoftBank-backed company said 80 per cent of these markets are small towns, with a population of less than 1 million. Around four out of every 10 Ola Bike trips are taken in small towns. Ola, which competes with US rival Uber, said the growth for its bike category had increased steadily from 20 per cent to 40 per cent in the past six months.

Ola said it aims to increase the number of bike-partners by three times to over one million by next year. Most of them would come from small towns and cities. "Ola Bike is helping build sustainable livelihoods for the fast-growing network of close to 300,000 bike partners from cities and towns, creating opportunities like never before for the youth of the nation," said Arun Srinivas, chief sales and marketing officer, at Ola. "Ola has revolutionised mobility in India

with unique offerings across cabs and auto-rickshaws and we are excited to bring the same experience through Ola Bike."

While auto-rickshaws catered for a section of the demand, the gap of affordable transport for single commuters is still huge. Ola said it is introducing a tailor-made solution to address the specific mobility needs of people in smaller towns through Ola Bike.

According to the company, Ola Bike on an average, is 30 per cent faster and 50 per cent more cost-effective than four-wheelers for distances between 6 and 8 kilometres.

For instance, Kota, a small town in Rajasthan, is a hotspot for coaching centres and home to thousands of students. Most of these students cannot afford to hail a cab or an auto-rickshaw. The company said Ola Bike, on the other hand, costs 50 per cent less, is available round-the-clock and offers a hassle-free experience, leading to many of the city's residents using a mobility platform

for the first time in their lives.

Ola Bike, which was first launched in 2016, is now accessed by over 150 million users across 200 cities and towns. Ola said it has plans to expand three times of its current scale and grow deeper into India's hinterland.

Most of this new growth is expected to come from the smallest towns and even villages, where the only mode of transport is state-run buses.

States such as UP, Bihar, Rajasthan, Gujarat, Punjab, Haryana, Telangana and Andhra Pradesh have come out with regulation for bike taxis, considering the service enables livelihood opportunities apart from building mobility.

Others such as Tamil Nadu, West Bengal and Odisha are working towards bringing bike taxis under the ambit of the law. However, states like Karnataka and Maharashtra

consider it to be illegal. In March this year, the Karnataka government banned the services of Ola for six months in the state, after the state transport department found that the firm was operating bike taxis.

Another start-up, Rapido — which runs a bike taxi platform — had also come under the radar of the Karnataka transport department.

This year, transport officials seized hundreds of bike taxis that were being operated by various aggregators, as part of a drive against running bike taxis illegally.

Officials pretending to be customers had booked bike taxis through the aggregator platforms and caught the two-wheeler owners. Most of them were unaware that they were violating the law and faced action.

India is the world's largest two-wheeler market. Nearly 63,000 two-wheelers are sold in the country every day, and half the households in big cities and developed rural areas own two-wheelers, according to industry sources. Two-wheelers constitute 72.4 per cent of registered vehicles on the road and are a preferred mode of transport to and from work for about one in three Indians.



VROOM TIME

- 80% of these markets are smaller towns, with a population of less than 1 million
- Growth for this category has increased from 20 per cent to 40 per cent in the past six months
- 4 of every 10 Ola Bike trips are taken in a small town
- Ola Bike is present in 200 cities and towns