



IN BRIEF

Mercedes rolls out V-Class Elite



Mercedes-Benz MD and CEO Martin Schwenk (second from left) and VST Titanium Motors Managing Director Arun Surendra with the Mercedes-Benz V-Class Elite in Chennai on Thursday. Schwenk said the luxury MPV was priced at ₹1.10 crore (ex-showroom India) and would be sold along with V-Class product range V-Class Expression at ₹68.40 lakh and V-Class Exclusive at ₹81.90 lakh. **BS REPORTER**

Uber's former CEO Kalanick gets \$400 mn for start-up

Travis Kalanick's (pictured) secretive new food start-up took \$400 million of funding from Saudi Arabia's Public Investment Fund (PIF), the *Wall Street Journal* reported, citing people familiar with the matter it didn't identify. The financing valued the ex-Uber Technologies chief executive officer's CloudKitchens at about \$5 billion, according to the report, which said the deal was completed in January. A spokesman from PIF declined to comment. Kalanick, who was ousted in 2017 from the US ride-hailing leader he co-founded after a series of scandals, is betting on so-called dark kitchens becoming a backbone for the rapidly expanding food-delivery market. **BLOOMBERG**

Tea Board open to talks with ITC on trademark issue

The Tea Board of India has appealed to a larger Bench of the high court, after losing a nine-year-old case it had filed against conglomerate on alleged trademark infringement over use of the word 'Darjeeling' for sale of goods at one of the latter's hotels. It is also willing to negotiate for a mutually acceptable way out, it said. **BS REPORTER**

KKR's Asia-focused fund targets record \$15 billion in 2020

KKR & Co is targeting a record \$15 billion for a new Asia-focused buyout fund, three sources said. Buyout groups including Bain Capital, Blackstone, Carlyle, and KKR are increasingly focusing on Asian investments as lower valuations and corporate restructuring throw up new opportunities in key markets. **REUTERS**

Raymond plans to demerge lifestyle biz, merge 2 units

Raymond plans to spin off the lifestyle business into a new company with existing business of branded textile, apparel and garments, according to a statement. Raymond also plans to list the demerged lifestyle operations; each of its shareholders will receive one share of the new entity for every one they currently hold. **BLOOMBERG**

Kumar Mangalam Birla gets ABLF Global Asian Award

Kumar Mangalam Birla, chairman of Aditya Birla Group received the ABLF Global Asian Award in Dubai on Wednesday. The award, backed by the UAE government, honours Birla for being a "powerful individual whose business footprint and commitment to excellence have engaged international interest and attention". **BS REPORTER**

Kurl-on looks to transform into home furnishing firm

Kurl-on is looking at possible acquisitions in order to transform itself into a home furnishing company. A senior official of the Bengaluru-based company on Thursday said it is in talks with a home furnishing and a kitchenware company for acquisition. "Our idea is to convert Kurl-on from a mattress company to a complete home furnishing platform. For this, we are looking at acquisitions," said Sudhakar Pai, chairman and managing director, Kurl-on. The Motilal Oswal-backed firm, which has already entered the sofa segment, is looking at kitchen, bathware, and bedroom furnishing. Kurl-on has also introduced themed mattresses for the wedding season. Kurl-on had acquired US-based Spring Air, which specialises in orthopaedic beds, for an undisclosed amount. **SAMREEN AHMAD**

Interested in IndiGo, not AI: Qatar Air CEO

ARINDAM MAJUMDER
New Delhi, 7 November

Gulf major Qatar Airways is not interested in buying a stake in India's national carrier Air India, which will be up for sale soon. The airline neither sees any synergy with Air India's operations, nor believes that acquiring the airline will help it to boost its operations in India. "No! We are not interested in Air India," Akbar Al Baker, chief executive officer (CEO) of Qatar Airways, replied to a question on the airline's interest in Air India. Al Baker, however, reiterated his interest in buying a stake in IndiGo. "We are only interested in IndiGo," he said to a follow-up question on the airline's interest in inorganic growth opportunities in India. The government is brain-

storming to make the sale of Air India a success after a failed attempt last year. The government this time has decided to sell 100 per cent of the airline and pass on only about half the total debt to the buyer. A team of officials from the civil aviation ministry and the Department of Investment and Public Asset Management (DIPAM), and transaction advisor EY will later this month visit Singapore and then London to drum up investor interest for Air India. Attracted by the Indian market's exponential growth, Al Baker had earlier publicly expressed desire to start an airline out of the country. However, he blamed restrictive rules of India as the reason for not going ahead with his plans. "India has one of the most restrictive markets. It should

CARRIERS SIGN CODESHARING PACT



IndiGo CEO Ronojoy Dutta (left) with Qatar Airways Group Chief Executive Akbar Al Baker in New Delhi on Thursday. PHOTO: DALIP KUMAR

look at further opening the aviation sector in favour of economic growth and to enhance employment," he said. India doesn't permit a foreign airline to hold more than 49 per cent stake in indigenous airlines which is according to the substantial ownership and effective

India's air traffic growth up 1.6% in Sept, says IATA

India's air traffic increased by just 1.6 per cent in September, compared to 4.5 per cent in August, global airlines body IATA said on Thursday, adding the pace of growth has 'slowed significantly' throughout 2019. On Thursday, Qatar Airways signed a codeshare pact with IndiGo, which will help bridge some of the challenges it is facing due to lack of seats. As part of the agreement, Qatar Airways will place its code on IndiGo flights between Doha and Delhi, Mumbai and Hyderabad, starting Thursday. This is the second codeshare agreement for IndiGo after it signed one with Turkish Airlines earlier this year. **PTI**

India has suffered as the country has been reluctant towards increasing flying rights to the Gulf nation. Qatar had asked for an increase in the weekly quota to 66,374 seats, up from 24,292 at present. The country has also sought the government's permission to land its aircraft in seven additional cities, apart from the current 14. On Thursday, Qatar Airways signed a codeshare pact with IndiGo, which will help bridge some of the challenges it is facing due to lack of seats. As part of the agreement, Qatar Airways will place its code on IndiGo flights between Doha and Delhi, Mumbai and Hyderabad, starting Thursday. This is the second codeshare agreement for IndiGo after it signed one with Turkish Airlines earlier this year.

Cognizant to hire 23,000 in India amid global job cuts

GIREESH BABU
Chennai, 7 November

Cognizant, the global information technology services entity, will hire around 23,000 people from tech institutions in the country during calendar year 2020, excluding its campus hiring for business process outsourcing (BPO) operations. Ramkumar Ramamoorthy, chairman and managing director at Cognizant India, said this is in the backdrop of an earlier announcement of global job cuts, of around 7,000 jobs in the middle to senior levels. The firm is also closing its content moderation business, which would affect another 6,000 jobs. Speaking at the 18th edition of *CII Connect 2019*, an international conference and exhibition on information and communication technology, he said India has two strengths — technology and talent, which is good in science, technology, engineering, and mathematics. Contrary to the belief of a lack of readily deployable talent, it was available in abundance. "We are probably one of the biggest beneficiaries of the technology talent. From 2014



IT firms to shed 5-10% of mid-level workforce, says ex-CFO of Infosys

Information technology (IT) companies in the country have no choice but to lay off at least 5-10 per cent of their middle-level staff to ward off margin pressure and become more agile, industry veteran V Balakrishnan said on Thursday. The middle-layer

engineering, in calendar year 2020. This does not include the several thousands that we will hire for our BPO business from the campuses." The company has made around 15,000 offers at a little over 80 engineering campuses so far, he said. The quality of engineering talent in the country, especially with digital capabilities, is increasing and the company's ability to hire in larger numbers has gone up, he added. Compared to last year, campus talent hire is going up by 30 per cent. It has also increased the pay to recognise the premium skills, from about ₹3.38 lakh to about ₹4 lakh at the entry level. On the earlier global job cut announcement, he told reporters: "We will continue to hire in large numbers, both from campuses and the lateral market. Some of the announcements we have made (on job cuts) is probably a small portion, maybe about 1 per cent. We have close to about 290,000 employees globally and we may need to see it in that context." Staff attrition is at a slightly higher level of 23-24 per cent in recent quarters, said Ramamoorthy.

Dues may swell to ₹3 trillion on SC's AGR order

PRESS TRUST OF INDIA
New Delhi, 7 November

The communications ministry has started examining whether the Supreme Court's (SC's) ruling on definition of telecom revenue may apply to any company that utilises radiowaves and has a telecom licence, throwing up the possibility of statutory dues swelling beyond ₹3 trillion, according to a source. A Department of Telecommunications (DoT) official privy to the development said instructions have gone to the licensing wing to carefully examine the implication of the apex court's recent ruling for all such companies. DoT will take a week or so to arrive at a definitive conclusion on the matter, the source added. The SC last month upheld the government's way of calculating telecom revenue, on which licence fee and spectrum usage charges are computed. According to the initial calculations, access players like Airtel, Vodafone Idea and other telecom operators may have to pay the government a whopping ₹1.42 trillion within three months. Bharti Airtel faces a liability of around ₹42,000 crore after including licence fees and spectrum usage charges, while Vodafone Idea may have to pay about ₹40,000 crore. Reliance Jio may have to pay around ₹14 crore. The remaining liability is with state-owned BSNL/MTNL and some of the shut/bankrupt firms. DoT is now applying its mind to whether the apex court order also impacts any other company which uses spectrum or has a licence. Discussions are going beyond the scope of four-five pure-play telecom access providers. "As we dwell deeper, the



issue of larger implications of the SC order is coming up for other firms," the source said. These may even include other category of licences or companies utilising radiowaves in oil and gas, power and even railway sectors, the source said, adding that the question before the telecom department is whether the statutory dues have to be calculated on the overall revenue. The matter has, however, not been placed before the newly-constituted committee of secretaries, as the telecom department first needs to arrive at a final view on the matter, the source added. Back-of-the-envelope calculations show that if indeed the impact of the SC judgment on adjusted gross revenue goes beyond pure-play telecom access firms, the statutory dues may climb beyond ₹3 trillion, the source added.

Arcelor wants to sack 5,000: Italian PM

AFP/PTI
Rome, 7 November

Steel giant ArcelorMittal pulled out of an agreement to buy struggling Italian firm Ilva because of production concerns, Italy's prime minister has said, warning the company wants to cut 5,000 jobs at one of its plants. The world's biggest steelmaker on Monday retreated from its plan to buy the steel producer, blaming a decision by Rome to not grant it immunity from prosecution over the

heavily polluting Taranto plant. The announcement caused shockwaves in Italy where the deal was expected to safeguard thousands of jobs. But the country's Prime Minister Giuseppe Conte on Wednesday said the decision was instead over production targets. "The real reason for their withdrawal is that their investments are not profitable and they are demanding now that 5,000 jobs are cut. It's unacceptable," he said, after meeting with

QUARTERLY RESULT

Consolidated statement (\$ mn)	Q3 2019	Q3 2018
Sales	16,639	16,639
Operating income	297	297
Ebitda	1,063	1,063
Ebitda margin (%)	6.4	6.4
Income before taxes	-354	-354
Net loss	-539	-539

Source: Company

ArcelorMittal's management. If the steel giant goes ahead with its plan to pull out of the plant, the government "will not

stay inert", he added. The prime minister hopes that following the discussion, ArcelorMittal will return to the negotiating table "with acceptable and tenable proposals". ArcelorMittal began leasing the plant — with an obligation to buy it — last November, and had plans to invest €2.4 billion (\$2.7 billion) to revive it, including €1.2 billion to curb pollution by 2024. The steel giant was given a period of legal immunity to bring the site up to environmental standards.

Flipkart, Amazon look out! Soon, public may get access to GeM

SUBHAYAN CHAKRABORTY
New Delhi, 7 November

In a move set to bring the government in direct competition with e-marketplaces like Flipkart and Amazon, the Government e-Marketplace (GeM) portal will soon be opened up to private buyers. The official procurement portal is currently restricted to government departments, but will soon allow private entities to place bulk purchases. It will subsequently be broadened to small-ticket buying as well, GeM Chief Executive Officer Tallen Kumar said. Government contractors will also get access to the portal, he added. A Cabinet note to this effect has been floated, officials said. E-marketplaces have been under pressure to disclose their seller lists and tax details, after domestic trader bodies continued to blame them for flouting foreign direct investment rules and push deep discounts. The portal is also being linked with public sector banks (PSBs) to facilitate



payment and cut down on incidences of delayed payments — a major complaint of small businesses. Seven PSBs have been linked with GeM, while six more are in line, said officials. This will reduce the average time taken to receive payments from the current 23 days to 10 days.

Online vs offline
GeM officials also defended the portal on the issue of government departments continuing to buy offline. Last month, Finance Minister Nirmala Sitharaman said the ministry was looking into ₹91,000 crore worth of purchases done by government and

GeM: THE STORY SO FAR

₹36,952 crore
Total procurement through GeM

2,636,046	58,101
Total orders made on GeM	Including MSME sellers
39,968	3,413
Total number of registered buyers	Start-up sellers
295,046	1,434,155
Total number of registered sellers	Products and services on offer

Source: Government e-Marketplace

public sector undertakings (PSUs) outside the GeM system. While of this, ₹60,000 crore of purchases have been carried out by PSUs, officials stress that the government's General Financing Rules (GFR), 2017, mandate that all public procurement be routed through the portal.

"It is not our mandate to haul up government bodies for not using the portal. That responsibility lies with respective ministries and state governments. We have helped spread awareness about GeM and promise to look into every technical difficulty that buyers may face on the portal," a senior official said. The data shows 119,000 government buyers have been trained on GeM, while 24,281 vendors have also received training. About 220 PSUs have already registered on the portal. Officials expect 100 others to sign up soon. To help buyers, the government is also pushing the GeM Organizational Transformation Team initiative, which will assist buyers in streamlining their buying process in an efficient manner, reducing cost and time. **Options galore**
However, the GFR, 2017, also allows procuring bodies to bypass GeM if any product or service is not available on the portal. However, GeM officials say that may be a redundant excuse. As of

October, the portal showcased 1.43 million separate products and services, almost 120,000 of which were added in the preceding month alone. GeM already has 295,000 sellers and service providers, a figure higher than the 100,000 sellers that Flipkart claims to have, on its official website. GeM officials say the portal may soon cross Amazon India's reported seller count of 400,000. More than 13,500 sellers were added to the portal in September itself, official data showed. Plans are afoot to start assessing the credit ratings of sellers. An online vendor assessment system launched through the Quality Council of India aims at bringing in a more transparent and quicker process. Original equipment manufacturers will be assessed first and thereafter other vendors and service providers will also be assessed, officials said. Sellers will also be able to choose their own areas of delivery, while buyers can choose through pincode filtering. Named 'direct purchase', this is set to reduce chances of non-delivery.