IN BRIEF

Will review regime for foreign call termination charges: Trai

The Telecom Regulatory Authority of India (Trai) on Friday decided to address the issue of interconnection usage charges (IUC) and said it would review the matter through discussions. Trai, in its consultation paper, said it would review the regulatory regime for international call termination charges that were lowered to 30 paise per minute last year. It means that operator A pays operator B international call termination charge of 30 paise per minute if a call from the former's network lands on the latter's network. In an earlier review, Trai had brought down the termination charge for international incoming call to wire line and wireless networks to 30 paise per minute with effect from February 1, 2018. This had marked a 43 per cent reduction in international termination charge (paid by international operators to local networks that receive calls) which had previously been pegged at 53 paise a minute. MEGHA MANCHANDA

Nestlé India's pre-tax profit rises 4% to ₹699 crore

Food and beverages major Nestlé India on Friday reported a 4.2 percent year-on-year (YoY) rise in profit before tax (PBT) for the September quarter (Q2). The firm's PBT grew to ₹699.9 crore during the quarter from ₹617.7 crore. It reported 9.5 per cent growth in net sales, led by a 10.5 per cent rise in domestic business that contributed 90 per cent towards total sales. Suresh Narayanan, chairman and managing director, said higher commodity prices were witnessed during the quarter, particularly in milk and its derivatives. He predicted that the upward trend in commodity prices are likely to continue in the near term future. It said in a regulatory filing that the cost impact was, however, not fully passed on to the consumers. BS REPORTER

PVR forays into Sri Lanka with 9-screen multiplex

Multiplex chain operator PVR on Friday announced foray into Sri Lankan with a nine-screen multiplex at Colombo. The company plans to pump in ₹150 crore in the market to come up with five to six properties over the next three or four years. PVR Joint Managing director Sanjeev Bijli said Sri Lanka was an under-penetrated market dominated by single-screen theatres. "For overseas, focus would remain on Sri Lanka only for the time being. After this first property in collaboration with Shangri La Group, we are finalising another one in Colombo with a local player Odel. This would come up in 12 months," he said. BS REPORTER

Ex-CFO's severance: Infosys submits application to RoC

Infosys on Friday said it, along with some current and former executives, had submitted applications with the Registrar of Companies in the matter related to the severance agreement with former chief financial officer Rajiv Bansal. Infosys said it has applied for compounding "to put this legacy matter to rest". PTI

Haldiram's ₹142-cr bid for Kwality insolvency rejected

Lenders to Kwality have rejected the ₹142-crore bid of Delhi-based Haldiram Snacks, which emerged as the sole bidder to acquire the debt-ridden dairy firm. After rejection of its bid, Haldiram Snacks has revised its offer marginally and also approached the National Company Law Tribunal (NCLT), Delhi with a plea that its latest resolution plan should be considered by the lenders as the offer is higher than the liquidation value. PTI

Tencent buys 10% in Policybazaar, enters Indian market

Tencent Holdings has acquired a minority stake in Policybazaar valuing the Indian online insurance aggregator at $1.5 billion, according to a person familiar with the deal, as it tries to get a foothold in the country's burgeoning insurance sector. The Chinese technology giant bought 10 per cent of Policybazaar, half of Tiger Global Management LLC's stake in the company, the person said. The $150-million deal was signed earlier this week, the person added. BLOOMBERG

Bridgestone set to merge India ops with EMEA biz unit in 2020

Tyre major Bridgestone announced on Friday the merger of its India business with Europe, Middle-East and Africa (EMEA) block from next year, segregating it from the China Asia-Pacific strategic business unit. The move is aimed at unlocking untapped potential in both India and EMEA, the company said. PTI

Rehab woes delay Navi Mumbai airport project

ANEESH PHADNIS & ABHIJIT LELE
Mumbai, 8 November

A delay in shifting nearly 200 affected families around the site of Navi Mumbai airport has impacted the disbursement of loans, slowing down the work.

On August 31, GVK group-led Navi Mumbai International Airport awarded the airport's engineering procurement and construction contract to Larsen & Toubro (L&T).

The group tied up a ₹10,300 crore loan for the project last July. YES Bank is the lead lender for the project. However, two months on, the airport developer is yet to give L&T an authorisation to proceed with the work. The loan disbursement, too, has not happened as the resettlement of the families is yet to be completed.

A senior executive of YES Bank, however, said there is no desire to hold back the funding. "It is just a question of clearances getting signed off," he said.

"If you look at the whole site in Navi Mumbai, there are some tenements that needed to be cleared. That is in the last stage. As soon as that is done, I think funding will start," he said. "We are the lead banker and stay committed to the project," he said and added that the recently announced investment into GVK group's airport business will bring greater liquidity.

The Navi Mumbai airport, an alternative to the congested airport at Mumbai, is being developed in a public-private partnership between GVK and the City and Industrial Development Corporation (CIDCO) of Maharashtra. The project has seen time and cost overruns due to delays in land acquisition and environment ministry approvals.

The first phase project cost is pegged at over ₹14,000 crore and will be funded through equity investment and ₹10,300-crore long-term debt. The airport will have a capacity to handle 10 million passengers annually in the first phase.

The GVK group won the bid to develop the airport in February 2017. The concession agreement between GVK and CIDCO was signed in January 2018. While Maharashtra chief minister Devendra Fadnavis had said the airport would be ready by December 2019, the concession agreement set 2021-end as the project completion deadline.

The Navi Mumbai airport site is spread over 1,160 hectares consisting hillock, river, marshland and 10 villages. While CIDCO has already reclaimed the land and increased the land site to 5.5 metres, L&T will increase it further to eight metres before construction of the runway and other terminal facilities. That work is now stuck for the past couple of months.

A CIDCO spokesperson said the agency cannot comment on questions related to third party. She added that 90 per cent of the rehabilitation and resettlement of affected people has been undertaken by CIDCO. "We have 100 per cent consent of all project affected persons for the project," she added. L&T declined to comment.

While 2,400 families have already been shifted, around 200 from Ulwe and Kombadbhuje villages are still negotiating with CIDCO for better amenities and higher compensation.

CIDCO has offered all affected families developed plots in an area adjoining the airport site and 18 months rent for transit accommodation. An official said discussion was on with villagers and a resolution is expected in 8-10 days.

GVK, too, expects the pending predevelopment work to begin within the next fortnight and the first task will be to cut the hillock and increase the land height to eight metres. "The process of giving authorisation to L&T to start the work is on," a source said.

YET TO TAKE OFF

Feb 2017: GVK group wins bid to develop Navi Mumbai airport

Jan 2018: Concession agreement signed between GVK and CIDCO

Jul 2018: Project finance tied up. YES Bank becomes lead lender for the ₹10,300-crore loan

Aug 2019: Larsen & Toubro awarded the EPC contract to build the airport

Coffee Day sees better working capital flows

In talks with creditors for moratorium in debt repayment

DEBASIS MOHAPATRA
Bengaluru, 8 November

Coffee Day Enterprises (CDEL) is witnessing some improvement in its working capital flows in recent months, indicating early signs of better financial health in the coming quarters, sources in the know said. However, despite its ongoing talks with creditors, the Bengaluru-headquartered firm is yet to get any moratorium from creditors on its repayment obligations.

"Working capital condition has improved as the first tranche of proceeds from sale of Global Village Tech Park has come in," said a person privy to the functioning of the firm. "However, things have not materially changed. It will take time. They (company officials) are in talks for moratorium deals with creditors," the person added. A detailed mail sent to CDEL remained unanswered at the time of going to press.

In September, CDEL decided to sell the Global Village Tech Park to private equity major Blackstone and realty firm Salarpuria Sattva Group for ₹2,700 crore.

By the end of July, the group's aggregate debt stood at ₹4,970 crore, of which Tanglin Developments' liabilities stood at ₹1,622 crore, while its flagship coffee retailing arm Coffee Day Global's total debt was at ₹1,097 crore.

"Repayment obligations have come down for the company as the payment received from the sale of Global Village Tech Park has been used to pare some debt. Also, invocation of pledged shares by creditors have extinguished some amount of liabilities," the second person said.

According to regulatory filings, promoters' holding in CDEL, comprising Coffee Day Group founding chairman late VG Siddhartha, his wife Malavika Hegde, Devadarshini Info Technologies, Coffee Day Consolidations, and Sivan Securities, has seen a sharp fall of around 28 per cent to touch 25.35-per cent level at the end of September quarter. This was majorly due to liquidation of pledged shares by the lenders during this quarter.

Overseas corporate bodies such as NLS Mauritius LLC held the maximum 10.61 per cent stake in the company, followed by KKR Mauritius PE Investments II with 6.07 per cent, during this period. Similarly, Marina West (Singapore) and Marina III (Singapore) were the remaining two overseas corporate investors with 4.63 per cent and 1.04 per cent stakes, respectively.

Experts said despite such sharp dilution of promoter's stake, private equity investors are not looking at a change in the management structure. "Promoters are very much in charge. The brand image has not suffered for these things," said Naresh Malhotra, serial entrepreneur and former chief executive officer of Café Coffee Day (CCD).

Even brand strategists are of the opinion that the valuation of CCD remained robust despite the recent events that have arisen post demise of Siddhartha. "One of the most valuable assets in this case is the CCD brand name itself, apart from the tangible assets. If you put a value to it, that is humongous. So, I don't think, any buyer will try to tamper with the branding," said Harish Bijoor, brand strategist and founder of Harish Bijoor Consults Inc.

The company, which has taken permission to delay its results announcement, will declare its first quarter earnings on November 13. Sources said CDEL board was likely to induct new members in the next board meet, as two director positions are lying vacant.

Meanwhile, Sical Logistics, a part of Coffee Day Group, said liquidity challenges arose on account of demise of its promoter V G Siddhartha impacted the financial results of the September quarter. The company has reported a loss before tax of ₹43.19 crore in Q2, as against a profit of ₹7.77 crore before tax during the same quarter last year.

With inputs from Gireesh Babu

IN A NUTSHELL

- After deferring results, CDEL will announce its Q1 earnings on November 13
- Its flagship coffee retailing arm Coffee Day Global's total debt stood at ₹1,097 crore
- Promoters' holding reduced sharply to 25.35% in Q2, from 53% earlier
- Despite invocation of pledged shares, experts see no change in management structure
- Brand has not suffered despite recent developments; experts say valuation remains strong

Chinese banks sue Anil Ambani for $680-million loan

BLOOMBERG
London, 8 November

Three Chinese banks are suing the brother of Asia's richest man in a London court for failing to pay back $680 million in defaulted loans.

The Mumbai branch of Industrial & Commercial Bank of China, China Development Bank and the Export-Import Bank of China agreed to loan $925.2 million to Anil Ambani's Reliance Communications (RCom) in 2012 on condition that he provide a personal guarantee, ICBC's lawyer Bankim Thanki told the court. Some repayments were made by the wireless carrier but in February 2017, it defaulted on its payment obligations.

The embattled Indian tycoon says while he agreed to give a non-binding "personal comfort letter," he never gave a guarantee tied to his personal assets - an "extraordinary potential personal liability". He's the brother of Mukesh Ambani, who's worth $56 billion and is the wealthiest man in Asia and 14th richest in the world. Anil, on the other hand, has seen his personal fortune dwindle over recent years, losing his billionaire status.

ICBC "failed and continues to fail, to distinguish between Anil on the one hand, and the company to whom the loans were being extended...on the other," his lawyer Robert Howe said in a court filing.

Anil was chairman of RCom, which fell into administration earlier this year. His wider telecommunications-to-infrastructure empire Reliance Group has continued to struggle under a mountain of debt. As of July, four of its biggest units, excluding the phone company, had about ₹93,900 crore ($13.2 billion) of debt, *Bloomberg* reported in September.

Anil was caught up in a similar case earlier this year, when India's Supreme Court threatened him with prison after RCom failed to pay to pay 550 crore to Ericsson AB's Indian unit. The judges gave him a month to find the funds, and his brother, Mukesh, stepped in to make the payment.

According to a court filing, Anil went to Beijing in the winter of 2011 to negotiate the loan with ICBC's former Chairman Jiang Jianqing directly. The lenders sought a share pledge before granting the loans, but the legal dispute centers on whether Anil or one of his associates went on to provide a personal guarantee as security.

Hasit Shukla, Reliance's commercial and treasury head, signed a personal guarantee on Anil's behalf by power of attorney when the loan was set up seven years ago, Thanki said. But Anil didn't give Shukla the authority to sign for him, making the guarantee non-binding, his lawyer Robert Howe said in written submissions. "Anil's position is that the claim made by ICBC in relation to his alleged personal guarantee for loans to RCOM is without merit," a spokesman for the tycoon said in an email.

Industrial & Commercial Bank is the sole claimant in the London case, and is representing itself and the other two lenders. "This is a straightforward debt claim to recover outstanding loans made to RCOM in good faith, and secured by a personal guarantee given by Anil Ambani," the banks said in a statement.

In Thursday's court hearing, ICBC's lawyers asked Judge David Waksman for an early ruling or a conditional order requiring Ambani to pay into court the unpaid sum and interest under the facility agreement. Ambani has declined to give any evidence of his wealth, they said.

Anil Ambani said while he agreed to give a non-binding "personal comfort letter", he never gave a guarantee tied to his personal assets

WhatsApp launches Catalog feature to make e-com debut

NEHA ALAWADHI
New Delhi, 8 November

Taking the first serious step towards getting into e-commerce, WhatsApp on Thursday launched its Catalog feature for its business app, which will give small businesses a store front to showcase products.

Catalog is a mobile storefront for businesses to display and share goods or products they are selling, for people to easily browse and discover them.

Previously, businesses had to send photos of products one at a time and provide information repeatedly. Now, customers will be able to see their full catalogue within WhatsApp. This makes business owners look more professional and keeps customers engaged in the chat without having to visit a website.

"What we've heard from small businesses that have tested the Catalog feature is how it's helping them create a mobile storefront. For example, the owner of SareeVenue.com told us that the feature has helped customers learn about different colours available, know the prices, and view what the business offers. Similarly, Cupcakes by Isa, a sweet shop in Brazil, told us she can now post all her product information on WhatsApp without redirecting customers to her website. In fact, she's considering not even having a website anymore," said Amrit Pal, product manager at WhatsApp.

Small and niche businesses, and merchants are seen as the next wave of business users by tech majors such as Google and Facebook, and have put their weight behind building product features that make it easier for them to promote their businesses through online platforms.

In September, Google announced the launch of the Spot platform on its Pay app, which would allow businesses to create a store front directly within the Google Pay app. This was with a view to further support the growth of digital payments. Therefore, if a user wants to order food from a popular restaurant, the restaurant will be able to set up a menu that can be viewed within the Google Pay app.

As part of the early access programme, Google Pay users will already be able to use Spot of popular services such as UrbanClap, Goibibo, MakeMyTrip, RedBus, Eat.Fit and Oven Story.

The only piece missing for WhatsApp in the Catalog feature is payments. Its WhatsApp Pay feature, which has been in the beta phase for 1 million users since February last year, awaits regulatory approval.

Catalog is a mobile storefront for businesses to display and share goods or products they are selling, for people to easily browse and discover them

Users logging out of Twitter as Mastodon checks in

NEHA ALAWADHI
New Delhi, 8 November

If you are on Twitter, chances are you would have seen #Mastodon trending on the microblogging platform on Friday. If you were wondering what it is, the simple answer is that it is an alternative to Twitter.

Earlier this week, several Twitter users began migrating to the social networking platform after a protest that began with Supreme Court lawyer Sanjay Hegde's Twitter account suspension, and moved on to a larger conversation about Twitter's policies being allegedly anti-Dalit and certain castes and religion.

While it may be trending, Mastodon is a tad more complex than Twitter, but is built on a completely free and open source code, and is not owned by any single entity or person.

Mastodon is not a single website like Twitter. There is also no single app that you can download to sign up on mastodon. Examples are Tusky for Mastodon, Subway Tooter, Tootle and so on. The whole concept works on what are called "instances". So in order to create an account on Mastodon, you will have to first find an instance, for example mastodon.social, imastodon.net or mastodon.xyz.

Once you find that, there is a pretty standard account creation process that then verifies you using the email address that you provide.

The look and feel is pretty similar to Twitter, except that it takes some time to find your way about.

The equivalent of a tweet is called a toot on Mastodon, a retweet is called a boost, one can "favourite" toots (like Twitter had, before it converted favourites to "likes"). The number of characters per toot is 500, as against Twitter's 280 character limit.

Eugen, the developer of mastodon.social tooted on Friday that 12,900 people joined the mastodon.social instance this week.

There is also no concept of verifying users, so "everyone is equal" is a big theme at Mastodon. There is also the concept of "local" and "federated" timelines. Which means broadly, that even if you have an account on the mastodon.social people on another instance may be able to find you and see your posts. Reporting bad content is also easier and better managed because every instance has a separate admin and a moderation team, along with its own code of conduct.

While users have had issues with how Twitter deals with misinformation and hate speech, this is probably the first time there has been a concerted effort to move away from the platform in India.

"There's been a lot of discussion this week about Twitter's perceived bias in India. To be clear, whether it's the development of policies, product features, or enforcement of our Rules, we are impartial and do not take action based upon any ideology or political viewpoint," Twitter India tweeted on Thursday.

It further said that Twitter's public verification process is closed, but public figures are verified on a case-to-case basis. A Twitter user however, pointed out that even though Mastodon has been hailed for being open source, which means its code can be seen and modified by anyone, it has also been misused by some elements.

A report by VOX-Pol, a research network, from September this year talks about how the "so-called Islamic State (ISIS) supporters have experimented with Mastodon. Increasingly terrorists and violent extremists are building their own software applications and much of this depends on re-using existing code and software that was originally developed under the open-source model and published for everyone to re-use and modify".

Similarly, developers of Gab, an "alt-right" social media platform, took the source code of Mastodon against the wishes of the Mastodon community and built a platform which has been joined by extremists who were banned from other platforms. Gab's role came to light in the 2018 Pittsburgh synagogue shooting where the accused Robert Gregory Bowers shot 11 people and injured seven. Bowers had posted anti-Semitic comments on Gab. In essence, it is too soon to tell if Mastodon will be able to reach the kind of user base that Twitter or other social media platforms have, and also if it will be able to maintain the same level of freedoms as it currently claims to support.

TOOT FOR TWEET

WHAT IS MASTODON?
It's is a tad more complex than Twitter, but is built on a completely free and open source code, and is not owned by any single entity or person

WHY IS IT IN NEWS?
Twitter users are migrating to Mastodon after a protest that began with Supreme Court lawyer Sanjay Hegde's Twitter account suspension

HOW DOES IT WORK?
To create an account, one has to first find an instance, for example mastodon.social, imastodon.net or mastodon.xyz. There is a standard process that verifies you using the email address that you provide

The equivalent of a tweet is called a toot on Mastodon, a retweet is called a boost, one can "favourite" toots

Reports say Mastodon has **2 mn** users