


IN BRIEF

CG Power seeks shareholders' nod to borrow up to ₹5,000 cr

 Fraud-hit CG Power and Industrial Solutions has sought shareholders' nod to borrow up to ₹5,000 crore to meet working capital and other business needs as it looks to spring back from the worst crisis in its history. CG Power has called an annual general meeting of shareholders on December 14 where the resolution for borrowing will be put to vote. In a notice to shareholders, the firm said its current borrowing as of March 31, 2019 is ₹2,455.3 crore (fund based including short term loans) and ₹1,380 crore (non-fund based). "Keeping in view the existing borrowing and additional fund requirements and given the current financial condition of the company, it is in urgent need of both long-term capital and working capital and towards this, the management of the company is in the process of identifying potential sources of capital," it said. **PTI**

NTT India sets \$1 bn revenue target in 2 yrs



Japanese technology major NTT has set a target of crossing the \$1 billion revenue target in the next two years from its India operations. This means the company that has been growing at an average of 18 per cent in top line income for the past eight years will have to ensure a better run rate in revenue growth, a top official has said. Currently, the overall India revenue of the company, which announced an integration of all businesses into a single entity recently, is over ₹5,000 crore (over \$700 million), according to the official. **PTI**

US-based Hines to invest \$500 mn in new projects

US-based realty firm Hines plans to invest \$500 million in India to develop new commercial and housing projects as it sees great opportunities for growth despite slowdown in the property market, a top company official said. Hines is a global real estate investment firm with a presence in 219 cities across 23 countries. It entered India in 2006 and has so far invested \$400 million equity for the development of six projects, of which two are already completed. **PTI**

US-based start-up expands in India, Southeast Asia

India's building control and energy efficiency market is estimated to touch \$2 billion a year with a compound annual growth rate (CAGR) of 12 per cent over the next three years, according to buildings technology start-up 75F. The US-based building intelligence solutions provider is opening office in Delhi soon, its fourth office in India. Currently, the firm has an engineering, product development and sales hub in Bengaluru, as well as sales and support services offices in Chennai and Mumbai. **PTI**

373 infra projects show cost overrun of ₹3.89 trillion

As many as 373 infrastructure projects, each worth ₹150 crore or more, are hit by cost overruns of around ₹3.89 trillion owing to delays and other reasons, according to a report. The Ministry of Statistics and Programme Implementation monitors infrastructure projects worth ₹150 crore and above. Of such 1,634 projects, 373 projects reported cost overruns and 552 projects time escalation. **PTI**

Average customer unlikely to pay for outgoing calls: Jio

Reliance Jio has claimed that it is offering five times more free outgoing calls limit on other networks than an average customer requires and they are unlikely to pay for the calls. The Mukesh Ambani-led telecom operator said its new plan are offering up to 25 per cent more value than of rivals. Reaction from Jio came after Airtel and Vodafone Idea removed cap on outgoing calls limit outside their network with effect from December 6. "Entitlement for off-net calls in Jio's 'All in One Plans' is more than five times of what an average customer uses as per industry data and consequently, an average Jio customer is unlikely to have to ever pay for off net calls. **PTI**

Zomato looks to turn profitable by end-2020



Online restaurant guide and food ordering platform Zomato is looking to be a profitable company by the end of 2020, a top company official said. "In a year's time, we should be a profitable company. We have been able to reduce our cash burn by around 70 per cent from what it was seven months ago," Zomato founder and CEO Deepinder Goyal. The company's current cash burn is \$15 million per month, he added. Earlier in October, Zomato had said it has witnessed over threefold jump in revenue to \$205 million (around ₹1,458 crore) for April-September 2019 from \$63 million (around ₹448 crore) in the same period a year ago. **PTI**

Infy attrition check: 100% pay hike for 'power programmers'

Firm offering special quarterly skill-based bonus to high performers; attrition rate at present above 20%

BIBHU RANJAN MISHRA & SAMREEN AHMAD
Bengaluru, 8 December

With the attrition rate continuing well above 20 per cent, one of the highest in the segment, Infosys is on a drive to reimagine the way it engages with employees starting from the time of recruitment itself. The Bengaluru-based company is using digital technologies in order to simplify recruitment, provide faster career track to employees, and incentivise people with top skills.

The firm, for example, has started a programme to fast-track career growth of freshers by identifying them early. Under this programme, the company is picking top 5 per cent of performers after the end of the training period and these candidates are given preference over others while evaluating them for next promotion.

Digital Tag, another programme it has launched, looks at identifying people with digital readiness, and incentivise them for their skills and proficiency. An employee can earn 'Digital Tag' based on his or her proficiency in any of the 32 digital skills and four niche skills the company has identified after going through training programmes,



CATCHING THEM YOUNG

- 'Digital Tag' initiative to identify employees with digital skills
- Doubling recruitment of from IITs, other top engg colleges
- Doubling number of 'power programmers' or top coders
- Top 5% of freshers being offered faster career progression

project works, and internal certification programmes. Ever since it was introduced two quarters ago, Infosys is offering special quarterly skill-based bonus to these employees whose number stand around 2,000, according to Krish Shankar, executive vice-president and group head of human resources, Infosys.

"Over the past 2-3 years, we have reimagined many of our internal

processes," said Shankar. "We operate in a fast-paced and dynamic industry. There has been a rise in the number of automation and agile projects. New technologies are now coming in. Hence, the process of managing and training talent is also changing."

The company is looking at doubling the number of recruits from tier-I engineering colleges such as IITs and NITs to

'We should bounce back by April quarter'

Wipro Consumer Care & Lighting (WCCL), the consumer care arm of the Azim Premji-led Wipro Group, which recently entered the South Africa market, saw its international business posting best-ever growth in the first half (H1) of FY20. WCCL's Chief executive officer (CEO) **VINEET AGRAWAL** tells Samreen Ahmad that the domestic market is on the path of recovery and a positive upturn will be visible in the next couple of months. Edited excerpts:

Why is the rural market reeling from pressure? When do you expect the demand to revive?

A lot of people move from rural areas to urban areas seeking employment. However, because of lack of construction activities, people have returned to their homes. While number of people are more, the source of income remains the same, which is farming. Therefore, the pressure is high. If activities in urban areas such as construction and manufacturing go up, it can take the pressure off the rural population itself. The government has announced several measures to improve rural consumption. Also, monsoon has been good this year so Rabi should be good. Hopefully, we should bounce

back by the April quarter.

Is the government doing enough to create employability in the country?

Corporate tax cut is a big exercise. It will take some time for the people to start mobilising the money and setting up factories. Bringing down the tax rate to 17 per cent for new units, is a big step.

Q&A

International markets account for over 51 per cent of your total revenue. Is there a slowdown in global markets?

International business has been very good for us. The first half of this financial year is probably one of the best for us whether it is Malaysia, Indonesia, Vietnam or China. Our constant currency growth in these markets has been



12.5 per cent. All global acquisitions are doing well for us, which gives us tremendous confidence.

Are you looking at any acquisition to bolster the lighting business?

I don't see value in making acquisitions in that segment. Wipro is already a strong brand name in lighting. I can't think of anything stronger than Wipro

What are the expansion plans in terms of manufacturing plants?

We are setting up a plant in Hyderabad. We have plan to expand our facility in Amalner, Maharashtra, which is our oldest plant. We are also introducing manufacturing lines in toilet soaps and personal care products in Amalner. In Hyderabad, we are planning to set up toilet soaps

line and a personal care unit. The company is investing ₹200 crore for the Hyderabad facility, which is expected to start operations by May-June.

Recently, you have floated a venture arm to fund start-up segment. What are the plans?

We have already invested in Happily Unmarried. We did another small round of investment in November. We are looking at investing into companies that are smaller in size, with an annual sales of around ₹12 crore. The idea is not just to stay as a financial investor but bring more value to them by helping the start-ups with R&D, product bouquets, distribution, sourcing and manufacturing. Our fund size is about ₹200 crore, which we want to deploy over the next three years. We are also looking at investing in three-four start-ups each year. In terms of regions, we are looking at start-ups in personal care and home care segments in India and South East Asia.

Bajaj Auto aims to do a KTM with Husqvarna

Firm plans to cement its position in the premium segment with the brand



SHALLY SETH MOHILE
Mumbai, 8 December

Bajaj Auto is aiming to cement its position in the premium segment with the launch of the Husqvarna Motorcycle brand amid slowing sales in the broader motorcycle market.

Like KTM Motorcycle, the Pune-based firm is expecting the 103-year-old Swedish brand to create a segment in the motorcycle market and become a volume spinner in its niche portfolio of motorcycles created over the past decade, said a top official.

"Over the medium term — in three years from now — we expect Husqvarna to become as big a brand as KTM is today," said Sumeet Narang,

president, Probiking business unit at Bajaj Auto. The unit manages company's premium motorcycle vertical.

Husqvarna Motorcycle is part of the KTM AG group, in which Bajaj Auto owns a 48 per cent stake. On Friday, Bajaj Auto unveiled the Vitpilen 250 and Svartpilen 250 models from Husqvarna's stable.

KTM's India volumes have grown by over 35 per cent in the first seven months of this financial year. This is at a time when the overall two-wheeler market has been on slippery ground. It skidded 16 per cent to 11.45 million units over the same period a year ago, according to Society of Indian Automobile Manufacturers (Siam).

The Husqvarna models will go on sale from February next year and retailed through 500 Probiking outlets. Narang's immediate focus will be to establish the brand. The twin models address the needs of those seeking practicality as well as

those looking for performance, he said.

For Husqvarna, which has identified India as a strategic market for its range of street bikes, the entry here is a ticket to overtake Triumph and Ducati as the third-largest European brand in the world, said Federico Valentini, global marketing head at Husqvarna.

"Currently, as a European brand KTM is the largest and BMW the second-largest, followed by the Ducati and Triumph. Our ambition is to be the third-largest European brand. The entry into India and expansion into Latin America and Southeast Asia in that sense is strategic," he said. Husqvarna sold a record 48,555 units last year. Of these, 30,000 were racing motorcycles and the rest were street bikes. In India, Husqvarna is looking to tap into the white space between the sports and cruiser segments of the motorcycle market in India, said Valentini.

Shoppers Stop launches two more store formats after premium rejig

VIVEAT SUSAN PINTO
Mumbai, 8 December

Shoppers Stop, the country's oldest department chain, has launched two more store formats, even as it taps well-heeled consumers with luxury outlets. The two new stores are aimed at the mid-market and economy retail segments, allowing the three-decade-old chain to play across the price pyramid.

The luxury stores, for instance, will sit at the top and will be located in affluent areas of a city. The second retail format will target middle-class localities within a city while the third format will eye consumers on the outskirts of a city.

The Delhi-NCR is the first place where Shoppers Stop is test-marketing this three-tier retail structure. The company has launched its store for mid-priced apparel and non-apparel brands in Vasant Kunj, New Delhi. A separate store carrying an affordable range has been unveiled at Gaur City, Noida. The luxury store from Shoppers Stop was launched last month at Golf Course Road, Gurugram. The retailer will take a similar approach in Mumbai and some other top metros, Rajiv Suri, managing



director and chief executive officer, Shoppers Stop, said. "The strategy of one-size-fits-all for store launches will not work with affluence levels varying across different parts of a city," he said, adding, "The profile of the customer in the surrounding area of a store will have to reflect in the product mix and ambience. We are keeping this in mind when setting up our outlets." Typically, the average selling price of

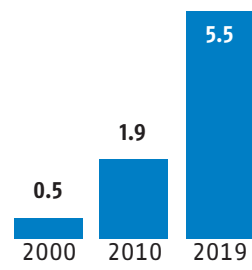
products in a Shopper Stop luxury store will be nothing less than ₹4,000-5,000 per unit, depending on the category. High-end labels such as Michael Kors, Kate Spade, and Coach in handbags, Jo Malone and Tom Ford in beauty and Armani Exchange and Jones New York in apparels will be available here, Suri said. The store targeted at the mid-market segment would have an average selling price of ₹1,600-2,000 per unit, with some of Shoppers Stop's private brands

available at these locations. The entry-level stores will see products priced below ₹1,000 per unit. In some categories, the average selling price (for affordable products) could vary between ₹1,300 and ₹1,500 per unit. Shoppers Stop has also hired two separate design companies to work on its store formats. The luxury stores, for instance, have been designed by the London-based company Dalziel and Pow. The mid-priced and economy range

stores have been conceptualised by the Dusseldorf-based design firm Schwitzke. According to experts, the store segmentation approach that Shoppers Stop is taking is intended to improve its hit rate at a time when local and international fashion retailers are crowding the market with new merchandise across price points. In the past two months, global brands such as Uniqlo have entered India, joining the likes of H&M, Zara and

TARGETING CONSUMERS ACROSS SEGMENTS

Fashion and lifestyle
Size in ₹ trillion

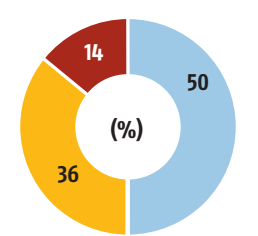


Source: Technopak/Industry

Growth
3.8 times in (2000-2010)
10 years

3.0 times in (2010-2019)
Nine years

Segment break-up
■ Economy ■ Mid-market ■ Premium



Shoppers Stop's 3-pronged strategy
■ Launched two store formats
■ One targeted at mid-market, the other at economy segment
■ This is in addition to premium stores already added
■ Aim is to target consumers across price pyramid

Marks and Spencer.

Local majors such as Reliance Retail, which has a tie-up with Marks and Spencer and other international labels, as well as Trent (which has a joint venture with Zara), Aditya Birla Fashion and Retail (runs Pantaloons chain) and Future group (Central and Brand Factory) are all getting aggressive.

Suri said the three-tier retail model was devised after studying the fashion and lifestyle market carefully. "The domestic retail market is evolving fast," he said. "The premium consumer is travelling across the world and wants the best-in-class product. The middle-class consumer, on the other hand, is aspirational. We have to ensure that we give each what they want," he said.

Shoppers Stop's luxury store in Gurugram, for instance, houses a Starbucks outlet, a Hamley's toy store, a Crossword bookstore and an exclusive section for beauty products. This is in addition to apparels and accessories for men, women and children. However, the mid-priced and economy formats will be devoid of these trappings, said Suri, with the emphasis on enriching the value of a purchase for the consumer.