



IN BRIEF

Blackstone to invest ₹380 cr in Allcargo's logistics park vertical



In a bid to lower its debt burden, Allcargo Logistics, part of Avashya Group, has partnered Blackstone Group, to become a minority stake holder in the company's logistics park vertical. Blackstone Group, the global private equity investor, will be investing up to ₹380 crore in the logistics park vertical to develop industrial and logistics parks across India, said Allcargo on Monday. "We plan to dilute our stake and become a minority shareholder in the five-logistics park section, which will reduce our debt by 90 per cent. We should be making an announcement on logistics park stake sale in the next 2-3 weeks," Shashi Kiran Shetty, chairman, Allcargo Logistics. Existing debt along with ongoing organic expansions and Gati stake buy put together Allcargo Logistics has a debt of ₹1,200 crore.

ADITI DIVEKAR

Airbus inks deal with start-up for talent acquisition

Airbus has signed a deal with Bengaluru-based start-up Traxof Technologies to automate the talent acquisition process for Airbus information management organisations in India and Europe. Traxof was a part of Airbus BizLabs start-up acceleration programme Season 4. The start-up was chosen after a rigorous boot camp and jury election, Airbus has said.

PTI

Tata Power Solar System bags ₹1,505-cr order

Tata Power on Monday said its wholly-owned arm has received Letter of award from NTPC for a 250 Mw solar project worth ₹1,505 crore. The order book of Tata Power Solar stands at ₹7,600 crore, including external and internal orders. "Tata Power Solar has received letter of award from NTPC for a 250 mw solar project under the CPSU scheme," the power firm said in a filing to BSE.

BS REPORTER

Alembic gets USFDA nod for Vilazodone Hydrochloride pills

Drug firm Alembic Pharmaceuticals on Monday said it has received a final nod from US health regulator for Vilazodone Hydrochloride tablets used for treatment of depression. "The company has received final approval from the US Food and Drug Administration (USFDA) for its abbreviated new drug application (ANDA) Vilazodone Hydrochloride tablets, 10 mg, 20 mg, and 40 mg," Alembic said in a filing to BSE.

PTI

Tata Motors starts bookings of BS-VI compliant PV range

Tata Motors on Monday said it has commenced bookings of the BS-VI compliant versions of the Tiago, Tigor and Nexon. The range would be launched later this month and customers could book the vehicles for ₹11,000 at any of the dealerships or websites, Tata Motors said. "We have been working towards a seamless transition to BS-VI," Tata Motors President, Passenger Vehicles Business Unit Mayank Pareek said.

PTI

Start-up founders driving up sales of Lamborghini India



SAMREEN AHMAD
Bengaluru, 13 January

At a time when the automotive segment is going through a tumultuous time, super luxury carmaker Lamborghini says that it has not encountered any slowness in demand. Instead, the Italian automaker says, almost a quarter of its sales in the country are driven by non-metros, including smaller cities such as Hubli, Vijayawada, Madurai and Kanpur.

A lot of the demand is coming from e-commerce entrepreneurs, start-up founders, first-generation businesspersons and stock market investors, says Lamborghini India Head Sharad Agarwal. In the country, the five states in South India — Andhra Pradesh, Karnataka, Kerala, Telangana and Tamil Nadu — now contribute about 50 per cent of its business. The only Indian to buy one of the 63 cars of the limited edition Lamborghini Aventador SVJ 63 is from Bengaluru.

"As India is unleashing entrepreneurship and the way people are coming up in the tech world and financial industries, it is an important market for us. First generation entrepreneurs, e-com-

"First-gen entrepreneurs and people who invest in stock markets contribute to about 20 per cent of our sales volume"

SHARAD AGARWAL
Head, Lamborghini India

merce and start-up founders and people who invest in stock markets contribute to about 20 per cent of our sales volume," Agarwal says.

In 2019, when the ultra-luxury car segment was down 20 per cent in the country, Lamborghini continued with its growth momentum and sold 50 Urus models. In 2018, the company had sold 45 cars in the country. The company is now gearing up to launch the racing and hybrid editions of the Urus SUV this year.

Even though India accounts for less than 1 per cent of its global sales, Lamborghini has established a five-member team in the country. Matteo Ortenzi, Lamborghini's chief executive officer for APAC region, says the aim is to assist Indian buyers and give them the same international experience.

"India is a strategic market for us and as a lot of ultra-rich people are coming up; it shows there is room for growth." While the Lamborghini's flagship Huracan Evo is priced at ₹3.73 crore and Huracan Evo Spyder at ₹4.1 crore, the company is going to add a new model to the Huracan family in 2020 to amplify the buzz among potential customers.

It's official: Oyo sacks 1,000 staff

NEHA ALAWADHI
New Delhi, 13 January

Oyo Group Chief Executive Officer (CEO) Ritesh Agarwal has sent an email to employees stating the company will be trimming staff over the next two weeks. In the email sent to employees on Monday, the group CEO said, "One of the implications of the new strategic objectives for 2020, is that, like the leadership team, we will reorganise more teams across businesses and functions. And this means that, unfortunately, some roles at Oyo will become redundant as we further drive tech-enabled synergy, enhanced efficiency and remove duplication of effort across businesses or geographies. As a result, we are asking some of our impacted colleagues to move to a new career outside of Oyo."

According to sources, the number of these employees is 1,000, and the process is under way in most hubs and offices in India.

The exercise will go on through this week and part of next week, the person added. The hotel room booking firm, backed by Softbank, has been on an expansion spree, but has come under fire for its business practices.

An American publication had covered a harassment case, involving an Oyo guest.

Addressing the issue in his letter, Agarwal said the article, "We take all the allegations very seriously and are looking into each and every one of them. We, of course, continue to be subject to regular external audits and



TROUBLED TIMES?

- Allegations of breaching code of conduct in hotel operations
- Focusing on China and US markets
- Softbank has invested \$1.5 billion in the start-up so far
- In July, Agarwal brought back stake from early investors
- Earlier in October, there were reports about hotel owners being unhappy with Oyo's fee hikes

have reached a stage as a company where we are making significant investments in compliance, training, and governance that ensure operational consistency and accountability." It was reported last week that Oyo had let go of about 1,200 people from its China business, and an equal number are likely to be asked to leave in India.

The sources quoted above said the overall number of layoffs, including India and international markets (excluding China), would stand at over 1,300.

Agarwal, in his letter, said the company would focus on sustainable growth, operational and customer excellence, profitability and training

and governance in 2020 to "optimise and strengthen" business. He also apologised to the ones being asked to leave for the "impact this is causing."

In December, Oyo's India and South Asia head of a little over a year, stepped down from his role and joined its board of directors.

Earlier, in October, there were also reports about hotel owners being unhappy with Oyo's fee increases. Among all this, there is also pressure from investors to turn profitable.

SoftBank's Vision Fund has so far invested about \$1.5 billion in Oyo, which is now believed to be valued at \$10 billion. Among Oyo's other investors are Airbnb Inc, Sequoia Capital and Lightspeed Venture Partners.

Kia grabs 6% share of UV mkt in just four months of launch

MG Motors, too, gains strong foothold in launch year

T E NARASIMHAN
Chennai, 13 January

The past year has been bleak for India's automobile industry with carmakers voicing concerns over their future, jobs being hit, and dealers shutting shops.

Two foreign manufacturers still decided to try their luck.

South Korea's Kia Motors entered the country towards the end of the year in August with its sports utility vehicle (SUV) Seltos while British brand Morris Garages (MG) Motors started selling the Hector, another SUV, in June.

And, their gamble paid off. According to the latest data

from the Society of Indian Automobile Manufacturers (SIAM), Kia captured 6.23 per cent of the utility vehicle (UV) segment in four months and MG managed to gain 2.20 per cent of the market since it's June launch.

Kookhyun Shim, managing director and chief executive, Kia Motors India, said: "We have witnessed a huge demand for Seltos in India and the love for brand Kia grows continuously." He expects the company's India story to get better with the launch of the Carnival this year.

Rakesh Sidana, director (sales), MG Motor India, said the sales momentum of Hector in India has been very encouraging as a new entrant.

"We are working closely with our global and local suppliers to increase the production of the Hector in 2020 to support the booking backlog. We are setting up more service centres closer to our prospective cus-



MARKET SHARE FOR UTILITY VEHICLES

	Domestic sales (no.)		Market share (%)		Difference (%)
	2018	2019	2018	2019	
Kia Motors	0	45,226	0	6.23	6.23
Hyundai Motor	93,562	139,165	13.71	19.18	5.47
Renault India	11,163	31,853	1.64	4.39	2.75
MG Motor	0	15,930	0	2.2	2.20
Ford India	38,767	33,449	5.68	4.61	-1.07
Tata Motors	55,196	47,269	8.09	6.51	-1.58
Maruti Suzuki	194,370	184,330	28.49	25.41	-3.08
Toyota Kirloskar	73,920	52,093	10.83	7.18	-3.65
Mahindra	162,949	146,164	23.88	20.14	-3.74

Source: SIAM

tomers to elevate their ownership experience with MG."

Passenger car sales declined by 23.59 per cent in the first nine months of 2019-20, however, the UV segment saw a growth of 6.35 per cent, according to the SIAM data. In the overall passenger vehicle segment, Kia managed to grab 2.14 per cent and MG grabbed 0.75 per cent of the market.

All other auto companies in the UV segment saw their market share and sales drop — except for Hyundai and Renault, who bucked the trend on the back of some launches.

According to estimates, the UV segment is expected to touch 1.5 million units by

2023. Total domestic UV sales during April to December rose to 725,563 from 682,257 a year ago. Exports rose to 133,511 from 120,134 units.

Renault grew its market share in the UV segment to 4.39 per cent in 2019-20 from 1.64 per cent last year, with 186 per cent growth in terms of volume to 31,853 units from 11,163 units during the period. The volumes were driven by the new Triber, Kwid and Duster.

Venkatram Mamillapalle, country CEO and MD, Renault India, said the company plans to accelerate production to enable faster deliveries.

"The company has seen acceptance in rural markets and plans are to expand across these markets."

IOC weighing options to bid for BPCL stake

ISHITA AYAN DUTT
Kolkata, 13 January

Indian Oil Corporation (IOC) will take a call on bidding for the government's stake in Bharat Petroleum Corporation (BPCL) once it comes to the market, said IOC Chairman Sanjiv Singh.

Singh said it was still not clearly stated what was being offered. "There are media reports that Numaligarh Refinery may be carved out. Let it come and then we will see." He was speaking on the sidelines of the launch of Purvodaya, an integrated steel hub.

He added it was internally discussed and there were advantages either way. If IOC bags it, there are advantages. In the event it doesn't, there would still be advantages and its capital expenditure (capex) would not get saturated. IOC had its own capex plan, which it would then be free to pursue.

In November, the Cabinet Committee on Economic Affairs (CCEA) approved the sale of government stake in five major public sector undertakings (PSUs): BPCL, Shipping Corporation of India, Container Corporation of India, THDC India (formerly Tehri Hydro Development Corporation), and North Eastern Electric Power Corporation. The gov-

ernment would be handing over management control in each of these divestments to a strategic buyer.

BPCL, however, is the most lucrative on the government's disinvestment list. At the current trading price, the government's 53.29 per cent stake in BPCL is valued at close to ₹54,400 crore. The government proposes to raise ₹1.05 trillion from disinvestment in the current financial year and BPCL would be crucial to achieving the target.

Dharmendra Pradhan, Minister of Petroleum and Natural Gas, had said after the CCEA decision that there was a clear vision since 2014 that the government had no business to be in business, in response to questions on whether PSUs would be allowed to bid for the government's stake in BPCL.

IOC, however, has precedence over bidding aggressively in the past.

In 2002, IOC had bagged the government's 33 per cent stake in IBP. IOC's bid was ₹1,153.68 crore, which translated into ₹1,551 a share. The other bidders for IBP were Reliance Industries, Reliance Petroleum, Royal Dutch Shell, Kuwait Petroleum Corporation, BPCL, and Hindustan Petroleum Corporation. The reserve price for IBP was ₹337 crore.

Microsoft goes on hunt for unicorns in tier-II cities

The tech giant's 'Highway to a Hundred Unicorns' start-up programme has selected 54 start-ups from tier-II cities that would get access to a host of biz and tech benefits

PEERZADA ABRAR
Bengaluru, 13 January

Microsoft, the world's biggest software maker, is increasing its efforts to empower the start-up ecosystem in tier-II cities across the country. As part of this initiative, the Redmond, Washington-based firm's 'Highway to a Hundred Unicorns' programme has selected 54 start-ups from Gujarat, Maharashtra, Rajasthan, Kerala and Telangana. Some of them are Spider G, NeuroTags, Genrobotic Innovations, AI Aeronautics, SynerSense, Dealshare and NanoHealth.

The top tech start-ups selected

through 'Emerge-X', a competition for start-ups, win credits to access Microsoft's cloud computing platform Azure and get a host of business and tech benefits.

The competition has received over 530 applications. The top-three start-ups from each state gain access to a year-long mentorship program and a two-day founder boot camp. 'Highway to a Hundred Unicorns,' the Microsoft for start-ups initiative, works closely with local governments to strengthen the start-up ecosystem in each state.

"The entrepreneurial energy of start-ups is rising well beyond the known metropolitan hubs and is remarkably high in tier-II cities,



The contest has received 530 applications. The top-three start-ups gain access to a mentorship programme and a two-day founder boot camp

despite the obvious challenges. Through 'Highway to a Hundred Unicorns, we've been able to reach some highly promising innovators from each of the five states," said Lathika Pai, country head, Microsoft for start-ups-MENA and SAARC. "In the next phase of our

journey, we look forward to engaging with more start-ups and accelerating their growth and providing them with Microsoft's platform to go global."

The fifth edition of the Microsoft's outreach programme was hosted at Hyderabad in association

with the Telangana government. More than 150 innovators and entrepreneurs engaged with Microsoft experts, industry stalwarts and ecosystem stakeholders, including members of the state government.

More than 650 start-ups that have participated in the five events have benefited from the mentorship and guidance through technology workshops on Azure, artificial intelligence and machine learning. Microsoft said over 75 ecosystem players, including the Global Entrepreneurship Network, TiE, Headstart, Nasscom, and Startup Grind as well as prominent investors, entrepreneurs and executives in the national start-up ecosystem have actively engaged with the innovators at each of the locations. Microsoft said firms such as Wholesalebox and Rapidor are among the participating start-ups in the programme that have received recent fresh funding from one of the participating investors.