▼ 2.50% DOWN*

_420 Gains 19% in 3-days on 389.40 NCLT nod for merger of consumer-facing biz 332.90 2020 Jan Jan 13 14 ₹389.40 CLOSE ▲ 10.34% UP* ▲ 10.34% UP*

India Cements

Radhakishan Damani raises stake by 340bps to 4.7% in Dec quarter ₹86.60 CLOSE

Sale of non-core industrial land parcel in Dahej for ₹99 crore ₹115.15 CLOSE

▲ 5.02% IIP*

▶ Deepak Fertilisers & Petrochemicals Corp ▶ IndusInd Bank -1,481.10-1,480 0 1,440 Jan Jan 1,461.60

1,560 Higher slippages and _1,520 slowest loan growth cause of concern

₹1,481.10 CLOSE

IN BRIEF

* OVER PREVIOUS CLOSE

Rajeev Bakshi joins Ola's food business as board advisor

Ride-hailing firm Ola has appointed Rajeev Bakshi (pictured) as an advisory member to the board of its food business, Ola Foods. Bakshi brings with him over 40 years of leadership experience across food and FMCG (fast-moving consumer goods) husinesses with the likes of Metro Cash & Carry, PepsiCo, and Cadbury. Bakshi was most recently, the managing director of Metro Cash & Carry India, the local arm of the German wholesaler Metro AG, where he was responsible for providing strategic leadership for the overall operations and growth of the business. Ola said Bakshi's deep understanding of consumer behaviour and preferences, as well as his vast experience in marketing and strategy, will help Ola Foods build unique offerings in PEERZADA ABRAR innovative formats that consumers can relate to.

Bhushan Steel: HC to hear ED's plea to modify order

The Delhi High Court on Tuesday said it would hear next week Enforcement Directorate's (ED's) plea seeking modification of its interim order not to take any coercive action against Rhushan Steel ex-promoter Neeraj Singal in view of summons issued to him in a money laundering case. A Bench of Chief Justice D N Patel and Justice C Hari Shankar listed the application for hearing on January 21 after Singal's counsel sought another date.

TechnifyBiz raises \$2 mn from Omnivore, **Insitor Impact Fund**

Start-up TechnifyBiz, an online marketplace for non-perishable food items, on Tuesday said it has raised over \$2 million (₹14 crore) in seed funding from Omnivore and Insitor Impact Asia Fund. TechnifyBiz is a digital B2B marketplace for non-perishable food commodities, including nuts, seeds, dry fruits, specialty grains, and honey.

Global PC shipments grew 2.3% to 70 mn units in Q4 2019



The global PC market grew 2.3 percent year-on-year in October-December 2019 with shipment totalling 70.6 million units, data from research firm Gartner showed. The wo ide shipment was 69 million units in the fourth quarter of 2018, Gartner said its results for fourth quarter of 2019.

Fitch rates 'BB' to Glenmark's senior unsecured notes

Fitch Ratings on Tuesday said it has assigned Glenmark Pharmaceuticals's proposed US dollar-denominated senior unsecured notes 'BB' rating with a stable outlook, "Fitch Ratings has assigned a rating of 'BB' to Glenmark Pharmaceuticals's (BB/Stable) proposed US dollar-denominated senior unsecured notes," it said. PTI

Flipkart opens two centres in Haryana; 5,000 jobs on cards



in Haryana, a move that will create about 5.000 jobs locally. "Spread across 900,000 square feet, the FCs will help Flipkart scale up its supply chain infrastructure in North India. It will enhance the firm's ability to support the delivery and supply chain logistics of a wide selection of large and non-large products," a statement said.PTI

Vedanta gets SC nod to bid for Nalco's alumina tenders

Supreme Court has allowed Vedanta to bid for alumina sale tenders by state-run National Aluminium, providing some relief to Anil Agarwal's aluminium unit that is seeking to boost supplies of the raw material. A three-judge Supreme Court panel said Vedanta's foreign units can bid for Nalco's alumina tenders meant for exports. If Vedanta's bid is successful, the company can use the raw material at its Jharsuguda plant after picking it up from Visakhapatnam port, it said.

French firm Total India's head on Adani Gas board

French energy giant Total SA's India head Alexis Thelemaque has been appointed as a director on the Board of hillionaire Gautam Adar retailing firm Adani Gas. The appointment follows Total buying a 37.4 per cent stake in Adani Gas — the firm that retails gas to automobiles and households for an estimated ₹5,700 crore.

Voot monthly active users cross 100 mn

Viacom18's over the top platform Voot on Tuesday said its monthly active users have touched 100 million. The company claimed it is the leader in the time spent per viewer perspective at 46 minutes, according to a statement.

After 5 yrs, Bezos' India visit on a different track

New Delhi, 14 January

eff Bezos, the richest in the world, had made news in September 2014 when, dressed in an Indian attire, he had flashed a magnified \$2-billion cheque on top of a truck in Bengaluru, the headquarters of Amazon India. This was during his last visit to the country when he announced a \$2-billion investment for the market, soon after rival Flipkart had said it was going for a \$1-billion fundraising.

Those were early days (having launched the Indian marketplace in 2013) for the Seattle-based internet major and Bezos had come down to thank the team after what he called a good start. Although Amazon wants to believe it's always 'like day one', five years later things have changed significantly as Bezos visits India again, beginning with a trip to Rajghat Tuesday afternoon.

Unlike in 2014, the Amazon founder and CEO seems to be skipping Bengaluru in his second visit post India launch, according to sources. The highpoint of Bezos' three-day visit, till January 17, will be an event to celebrate small and medium enterprises — business partners of Amazon. Even as his itinerary has been kept secret and his name out of the invites for the business summit 'Smbhav', the two-day event in the capital has been oversold. Bezos has possibly been an unspoken attraction, according to a participant.

Besides Delhi, where he has sought meetings with Prime Minister Narendra Modi, the Amazon founder, who's recently drawn flak for not contributing enough for the Australian wildfire after he made an Instagram pledge to donate about \$690,000, will travel to Mumbai.

The Mumbai leg of his visit is expected to focus on the video business of Amazon Prime. Video streaming of movies and TV shows, as part of Amazon Prime, is among the businesses that the American major is keen to take to the next lev-



Jeff Bezos pays tribute to Mahatma Gandhi at Rajghat on Tuesday. PHOTO: TWITTER

AHEAD OF VISIT, AMAZON PUMPS IN ₹1,715 CRORE INTO INDIA UNITS

At a time when the Amazon CEO Jeff Bezos is visiting India, the world's largest e-retailer has stepped up its investment in India. The firm has numped in ₹1.715 crore into its digital payments arm Amazon Pay (India) and Amazon Wholesale. The

funding is expected to help Amazon tap India's booming e-payments market and compete with PhonePe, Paytm, and Google's mobile payment service Google Pay. The funding would also help it take on Flipkart. PEERZADA ABRAR

be a Bollywood angle to Bezos, with Shah Rukh Khan doing a fireside chat with him. Other stars are lined up too for interactions, and so are industrialists including Ratan Tata and Mukesh Ambani. The Prime Minister's Office (PMO) is yet to confirm the meeting

el, an executive said. Plus, there will

between Modi and Bezos, but the two have met earlier both in India and the US. It's likely that an interaction will happen this time as well. The backdrop of the meeting will be different though. The growing resistance towards foreign-owned e-commerce could be a central theme of the discussion. This time, it's not just rival Flip-

kart, now owned by American major Walmart, that Bezos has to keep in mind. Dominant foreign presence in e-commerce has turned small traders anti-Amazon and anti-Flipkart. Domestic traders, who were till recently fighting foreign investment in multibrand retail, are planning to protest

against Amazon across 300 locations while Bezos is here. They have even given a call to Kishore Bivani (whose venture Future Retail has partnered with Amazon) and Narayana Murthy, scheduled to speak at the Smbhav summit, to stay away. The recent probe ordered by the Competition Commission of India (CCI) based on complaints regarding deep discounting too may keep Bezos, who's planned outreach meetings with traders, low key.

Amazon has in the past made ambitious investments adding up to more than \$5 billion, but its losses are at a high. It registered cumulative losses of over ₹7.000 crore across units in 2018-19. Policy flip flops and the growing unrest against e-commerce majors are threatening to slow down investments, a source said. On top of that, Reliance Industries is getting ready for the Jio moment in e-commerce. Bezos may get a sense of where his India business is headed during the visit.

Retail, telecom likely to boost RIL Q3 numbers

Mumbai, 14 January

Oil-to-telecom conglomerate Reliance Industries (RIL) is likely to see a flat quarter (Q3) in the October-December period. The petrochemicals (petchem) unit's performance may remain weak while retail and telecom segments are likely to gain further.

RIL will announce its results for the quarter ended December 2019 on Friday. In a Bloomberg poll, 10 analysts estimated revenue of ₹1.45 trillion and net profit of ₹11,435 crore for the third quarter on a consolidated basis.

For the quarter ended December 2018, the company reported a consolidated net profit of ₹10,251 crore and consolidated revenue was at ₹1.71 trillion. "RIL's profit is expected to be sequentially flat," said Nitin Tiwari, vice-president at Antique Stock Broking. For the September 2019-ended quar-

ter, RIL reported a net profit of ₹11,262 crore. "The retail segment will show better numbers as it was a festive quarter. Telecom should benefit from increase in rates and levy of interconnect usage charges (IUC). Petchem could see a weak quarter while refining margins are expected to be sequentially flat to marginally **PREVIEW** lower," said Tiwari.

In the refining business, RIL is expected to report gross refining margins (GRMs) in the range of \$9.2 to \$9.9 a barrel. "Benchmark refining margins have collapsed, given the sharply lower high sulphur fuel oil (HSFO) cracks .We forecast RIL's reported GRM's to be flattish, sequentially, at \$9.4 per barrel and this would imply record premiums over the Singapore benchmark. But most of the premium would be because of fuel oil," analysts at JP Morgan wrote in a note. While RIL's refining segment performance is expected to remain flattish, petchem performance is expected to take a further hit. "Petchem cracks in the third quarter

are expected to remain muted. The Naphtha cracker margins are down 18 per ings," said a CLSA note on RIL.



(₹ cr)

BALANCE SHEET

Profit after tax

RESULTS

11,435 10,251 Q3FY19 Q3FY20 (Est)* Q2FY20

Sources: Bloomberg estimates, company announcements

cent and PET integrated cracks are down by 24 per cent, sequentially. The demand for petchem is likely to be tepid in Q3, which could further hurt profits.'

said analysts with Bank of America Securities. The analysts expect RIL's petchem earnings before interest and taxation (ERIT) to decline 16 per cent on a quarter-on-quarter basis.

Analysts with Morgan Stanley expect petchem's earnings before interest, taxation, depreciation and amortisation (Ebi-

tda) to fall 21 per cent on a year-on-year basis. "Most of RIL's key product margins fell 17-38 per cent, sequentially, driven by inventory de-stocking and capacity addition," added the analysts. As part of the management's takeaways on Friday, analysts will look for more clarity on the Jio-Mart initiative in its retail business, Analysts at CLSA expect RIL's plans to convert subscribers into customers to materialise in the current year.

"Along with ramp-up in the broadband space and launch of an offline-toonline retail called Jio Mart, this should start Reliance's grand plan, which aims to convert Jio's subscribers to customers and cross-sell retail and digital offer-

Mercedes-Benz to roll out 'EQ' family of electric cars

PAVAN LALL Mumbai, 14 January

Benz India is firmly entrenched as king of the hill for the fifth year running on account of its growing sales and product strategy, which carved out a family of products for younger buyers worldwide.

Now, the firm is looking to pivot its strength on a family of electric vehicles called "EO". which stands for Electric Intelligence and will roll out in India. The first one will be a sporty SUV called the EQC, which is priced at around ₹1 crore and will come to the market in April.

Mercedes-Benz India Managing Director and Chief Executive Officer Martin Schwenk says that internationally there are around 10 EQ cars, most of which, if not all, will be brought

into the Indian market. The range of cars, which are

purely electric, is separate from After a humbling setback in hybrid vehicles that Daimler 2010, when arch-rival BMW sto-makes worldwide and the latter le a march on it and pushed it will not be brought into the market because of the absence of a low goods and services tax for such vehicles and little roadtax benefit, Schwenk says.



For Mercedes-Benz, its parent company's stated that acc-

ording to its "Vision 2039", by 2039 all of its cars will be carbon dioxide neutral-operated and to get there, by 2025 it will have to have at least 25 per cent purely electric cars, and by 2039 at least 50 per cent of its cars pure electric and hybrid. Suraj Ghosh, principal ana-

lyst (powertrain forecast), IHS Markit, says that unlike in the Scandinavian countries, where cars like Tesla are giving other brands a real run for their money, in India they (electric luxury cars) will have a semi-halo status that will serve to demonstrate



Mercedes-Benz last year logged sales of 13,800 cars, which is small compared to the volumes it does in other countries

technical and engineering capability against generating serious unit volumes

"However, such products do show is that an OEM (original equipment manufacturer) takes the Indian market seriously, as of w," Ghosh says.

Daimler's big pillar is "sustainable luxury" but Schwenk says that for a while to come fossil fuels are not going.

tric cars will add a category that may drive volumes for the firm but, meanwhile, Mercedes-Benz, like BMW, Audi, and Jaguar-Land Rover, is grappling with the challenge of a very small luxury auto market that hasn't kept pace with the economy's growth. With the

above four mentioned brands,

the volumes annually are at

In the medium term elec- 50,000 units or fewer. Mercedes-Benz last year

logged sales of 13,800 cars, which is small compared to the volumes it does in other countries. By contrast in Thailand, Mercedes-Benz sold almost 15,000 cars in 2018, translating into half the luxury market, or almost the same as what the Indian market retails, according to auto dealer periodical Wards Auto.

An analyst says the niche has been under pressure in India and not grown as expected for multiple reasons including high duties, which range from 50 to 100 per cent or higher, depending on the car engine size and type; an infrastructure that isn't entirely supportive of high-performance cars; and high maintenance costs compared to other vehicles.

Even so, there is a belief India has huge potential. 'That's what we believe, that's what Stuttgart (Mercedes headquarters) believes, and that's also what our competitors believe," Schwenk says, adding there is a shift towards younger buyers for his cars. "Our average buyer is around 40 years old. We do see committed development in infrastructure such as roads and highways as well as enforcement principles with road and traffic safety regulations getting better, which are positive indicators," he adds.

Hanging up on mobile phone exports, India may miss 'hub' tag

Manufacturers decline export orders because of subsidy reduction from 4 to 2 per cent

SURAJEET DAS GUPTA New Delhi, 14 January

Leading mobile phone makers have stopped taking fresh orders for exports in a move that could derail India's ambition to become a hub for cellphone exports.

The reason is a new notification which has reduced the Merchandise Exports from India Scheme (MEIS) — an export subsidy programme — by half from 4 per cent of the freight on board value of the product to 2 per cent, effective from January 1. The reduction has made Indian phones uncompetitive in the global market where they compete with Vietnam and China, the two leading exporters, for orders.

Mobile device manufacturers while exporting from India face a cost disability with Vietnam ranging from 9-12 per cent and with China of 19-22 per cent. What the MEIS of 4 per cent did was to partly cover this disability which allowed some players at least to try out the export market. Now, though, with fresh orders

being rejected, the government's ambitious target of doubling the exports of mobile devices to \$3.57 billion in FY 19-20 now looks like a pipedream, particularly as it has to be followed up by a doubling of exports once again to \$7.86 billion in 2020-11.

In response, Commerce Ministry officials met on Monday with executives of top companies including Lava, Samsung, Apple, Xiaomi, Flextronics, Foxconn and Wistron (which manufactures for Apple) and Motorola, among others, to discuss a way out of the mess.

Hari Om Rai, director, Lava Mobile, said: "We have stopped taking fresh export orders as we cannot sell it as a huge loss after the reduction in the MEIS. Even at 4 per cent, the disability in cost was not completely neutralized but we were still exporting. But this government move will severely impact exports.

A Samsung executive who attended the meeting pointed out that at 2 per cent, there will be hardly any exports of phones from India. The South Korean com-

THE EXPORT HURDLES



Factors leading to cost reduction (all figures in %)	Vietnam	China	India
Corporate income tax exemption/reduction	1.5-2	2	0.73-0.95
Subsidy for machinery	0.2	3	0
Cost of power	1	1	0
Interest subvention on working capital	1.5-2	3-3.5	0
R&D subsidy	0.4-1	2	0.15
Incentive for supporting industry	0.5-1	0	0
Land rental reduction	0.5	0.6	0
Industrial land devt support/ building	0.8	1.6	Negligible
Labour subsidy	0.5	2	Negligible
Logistics	0.5	1	0
Factors effecting ease of doing biz	1.5-2.5	2-3	0
Duty free imports fr creating fixed assets not available domestically	0.5	0	0
MEIS type subsidy	0	1-2	4
State subsidy for capital investment	0	0	0.6-1.2
ΤΟΤΔΙ	9 4-12 5	19 2-21 7	5 88-6 7

pany has been in the forefront of exports and had announced that 30 per cent of its 120 million per annum capacity new plant would be for that purpose, provided the policies were conducive. The firm declined to comment on the issue.

Top global OEM manufacturers who make and export the products for companies such as Apple also made it clear to Commerce Ministry officials that a 2 per cent MEIS makes it unviable for them to export from India. They have stopped

taking fresh orders.

A Chinese mobile player, which is looking at pumping up exports from India, has demanded that the MEIS should be restored to 4 per cent.

Stung by the government's decision,

the Indian Cellular and Electronics Association which represents all the leading mobile device manufacturers has warned that many firms are reassessing their investment plans and might opt for large scale retrenchment of the employees they hired in the past six to eight months.

Mobile players say that as new orders for exports come in December-January, many have no choice but to decline them, even if it means losing business.

Under the National Policy on Electronics of 2019, the government fixed aggressive targets for mobile device exports. By 2025, it envisaged that India would produce 1 billion mobile handsets valued at \$190 billion: this would include 600 million handsets valued at \$110 billion for exports. This plan now lies in tatters The MEI scheme had been challenged by the US at the WTO in 2018 and a dispute panel at the WTO had upheld America's complaint last year. India has appealed against its scrapping. The appeal is pending. Just in case its appeal fails, the government has already earmarked a sum of ₹50,000 crore for a new scheme to replace the MEIS which would be WTOcompliant. This new scheme requires cabinet clearance.