

**STOCKS IN THE NEWS**

**Wipro**

Date	Price
Jan 8	254.70
Jan 14	257.15
Jan 15	248.15

Q4 revenue guidance lower-than-expected at 0.0% to 2.0%

₹248.15 CLOSE

▼ 3.50% DOWN\*

**Chambal Fertilisers & Chemicals**

Date	Price
Jan 8	151.10
Jan 14	172.95
Jan 15	158.30

Ministry discussing revamping fertiliser subsidy system

₹172.95 CLOSE

▲ 9.25% UP\*

**Bandhan Bank**

Date	Price
Jan 8	485.10
Jan 14	518.95
Jan 15	492.15

Q3 profit missed estimates as it made additional provisions of ₹200 crore

₹492.15 CLOSE

▼ 5.16% DOWN\*

**Prestige Estates Projects**

Date	Price
Jan 8	314.25
Jan 14	359.25
Jan 15	339.75

Top gainer among Nifty Realty index stocks

₹359.25 CLOSE

▲ 5.74% UP\*

**Hero MotoCorp**

Date	Price
Jan 8	2,318.45
Jan 14	2,475.30
Jan 15	2,408.80

Top gainer among the S&P BSE Sensex stocks

₹2,475.30 CLOSE

▲ 2.76% UP\*

IN BRIEF

## Fresh round of layoffs at Oyo, 150 staff likely to be impacted



Oyo is likely to ask more employees to leave in the coming weeks, as the hotel and hospitality aggregator looks to streamline its operations and focus on profitability. Employees between 100 and 150 are likely to be affected in this round of job cuts. The bulk of this fresh round of layoffs will be from its cloud kitchen business, which has about 200-300 employees in India. Last year, Oyo had dabbled cloud kitchens, or cooking only to fulfil orders placed through food ordering portals like Swiggy and Zomato. It launched four cloud kitchen brands — Adraa, O Biriyani, Paratha Pandit and Master of Momos. “The company had started these kitchen on an experimental business, and as the focus shifts to showing profitability under pressure from investors, about 50 per cent of the people from the cloud business will be asked to leave,” said a person aware of the issue, who did not wish to be named. Of the four, the Biriyani business is the one the hospitality firm will most likely keep, given they receive higher orders, this person said. In the beginning of this week, Oyo was learnt to be letting go of about 1,000 people in India as it looks to streamline its operations across job roles and locations in India.

NEHA ALAWADHI

### KKR to infuse \$150 mn into Indian NBFC arm

Amid liquidity squeeze faced by non-bank lenders, global buy-out major KKR on Wednesday said it will infuse \$150 million into its Indian non-banking financing company. The capital commitment will enhance the KKR India Financial Services' ability to provide loans to local companies by bolstering the financial position, an official statement said. The NBFC sector has been in troubles for over a year now, starting with the collapse of infra-focused IL&FS, triggering a liquidity crisis.

PTI

### Startek appoints Aparup Sengupta global CEO

Former Aegis Chairman Aparup Sengupta has been appointed executive chairman and global CEO of Startek, an NYSE-listed business process outsourcing company. He replaces Lance Rosenzweig, who is stepping down from his role to pursue other opportunities. With over 20 years of executive experience in the BPO and telecommunications industry, Sengupta has served as Startek's chairman of the board of directors since the business combination with Aegis in 2018.

BS REPORTER

## L&T Infotech posts marginal rise in net profit at ₹377 crore

DEBASIS MOHAPATRA  
Bengaluru, 15 January

Mid-tier information technology (IT) services firm Larsen & Toubro (L&T) Infotech posted double-digit growth in revenue on the back of ramping up large deals. However, net profit rose marginally in the third quarter (Q3) of the current financial year. The IT firm posted a net profit of ₹376.7 crore during the quarter, which was a marginal rise over the same period last year, when the company reported ₹375.5 crore.

Revenues of the firm rose 13.7 per cent year-on-year (YoY) to ₹2,811 crore during the October-December period. Sequentially, growth was 9.4 per cent. In dollar terms, revenue stood at \$394.4 million, which was 14.2 per cent higher YoY, and 8.3 per cent sequentially on constant currency basis. During the quarter, operating margin of the L&T Group company improved 70 basis points to 16.2 per cent, owing to favourable cross-currency movement.

“Our revenue growth was largely attributed to ramping up of large engagements. Our performance was broad-

### IN NUMBERS

#### L&T Infotech Q3 FY20 financials

Revenue (₹ cr)	2,811
YoY growth (in %)	13.7
QoQ growth (in %)	9.4
Net profit (₹ cr)	376.7
YoY growth (in %)	0.3
QoQ growth (in %)	4.6
Operating margin (in %)	16.2
YoY growth (in basis points)	-290bps
QoQ growth (in basis points)	70bps

based, cutting across verticals and service offerings,” said Sanjay Jalona, chief executive officer and managing director, L&T Infotech.

The IT firm said it continued to witness momentum in the large deals space and won two such engagements in Q3, with a cumulative net new total contract value of more than \$75 million.

“The new deals in our kitty will be ramped up in the coming quarters. It will supplement our revenue growth,” said Jalona.

# Sops to woo Apple, Samsung suppliers on table

The proposals floated by MeitY include offering of interest subsidy on local borrowing by manufacturers

BLOOMBERG  
15 January

The government is considering a plan to offer subsidised loans to mobile handset manufacturers in a bid to attract Apple and Samsung Electronics's suppliers to open factories in the nation, said a government official.

The proposals by the Ministry of Electronics and Information Technology includes offering interest subsidy on local borrowing by manufacturers, may form part of the federal budget to be unveiled on February 1, the official said, asking not to be identified citing rules on speaking to the media.

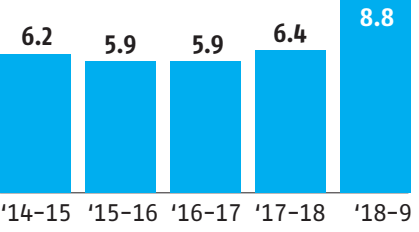
It also includes setting up of industrial zones equipped with taxation and customs clearance, along with infrastructure such as roads, power and water supply, the official said.

India plans to make \$190 billion worth of mobile phones by 2025 from \$24 billion now, the official said. Two calls made to the spokesman of the ministry remained unanswered.

Prime Minister Narendra Modi's government, which is

### NORTHWARD BOUND

India's electronic exports have been touching a new high every year (in \$ billion)

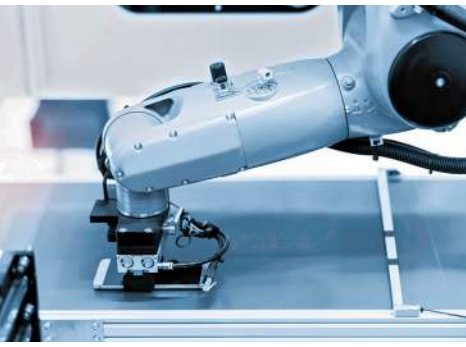


under pressure to bring down a jobless rate that's the highest in 45 years, wants to attract overseas component makers and help boost the share of manu-

facturing in Asia's third-largest economy to a quarter of the nation's gross domestic product. Modi's flagship “Make in India” programme has been

foundering as poor road and port facilities deter investors.

There has been some success. Foxconn Technology Group, the largest assembler of



Apple handsets, is ramping up manufacturing of iPhones in India. It already has two factories in the southern Indian states of Andhra Pradesh and Tamil Nadu, where it makes devices for Xiaomi and Nokia. Adding more production in India would help Apple and Foxconn diversify from China amid ongoing trade tensions with the US.

The proposals have been forwarded to the finance ministry but no decision has been taken, the official said. With the manufacturing of high-end mobile handsets for Apple and Samsung, India plans to shift its export focus to Europe and the US, the official said.

# Airtel mops up \$2 billion at issue price of ₹445 per share

Issue price is at a discount of 1.57% to the stated floor price of ₹452.09 per equity share

MEGHA MANCHANDA  
New Delhi, 15 January

Bharti Airtel on Wednesday announced allotment of 323.5 million equity shares to eligible institutional buyers at an issue price of ₹445 per share as part of its \$2-billion (around ₹14,000 crore) qualified institutional placement (QIP) that closed on Tuesday.

The issue price was at a discount of 1.57 per cent to the stated floor price of ₹452.09 per equity share.

Airtel announced the closure of this issue period for the qualified institutional placement (QIP) and fixed the issue price at “₹445 per equity share, which is at a discount of 1.57 per cent to the floor price of ₹452.09 per equity share”.

The firm is raising funds to make payments towards its adjusted gross revenue (AGR) liability.

The net proceeds of the funds raised will primarily be used to augment the company's long-term resources and strengthen balance sheet, servicing and/or repayment of short-term and long-term debts, capital expenditures, statutory dues, long-term working capital requirements, and general corporate purposes as permitted under applicable laws, the company said.

“Despite a volatile market environment and challenging global macro-economic conditions, the offering witnessed a strong response from global and domestic investors. This under-



### FUNDRAISING EXERCISES

Announced date	Offer price	Offer size ₹ cr	Offer type
Jul 4, '01	45	834	► IPO, Primary Share Offering
Feb 1, '05	216	1,355	► ADDL, Secondary Share Offering, Accelerated Bookbuild
Mar 14, '05	218	2,442	► ADDL, Secondary Share Offering, Block
Jul 19, '07	920	184	► ADDL, Secondary Share Offering, Block
Nov 7, '17	480	9,594	► ADDL, Secondary Share Offering, Accelerated Bookbuild, REG S, Rule 144A
Feb 28, '19	220	25,000	► RIGHTS, Spot Secondary
Jan 15, '20	445	-	► ADDL, Primary Share Offering, QIP, REG S, Rule 144A

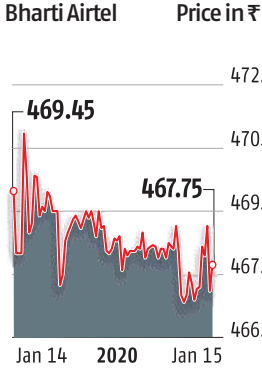
Note: The company is yet to disclose January 15's offer size; source: Bloomberg, compiled by BS Research Bureau

lines Airtel's growth oriented financial performance and future growth potential of our business and the sector,” Harjeet Kohli, group director, Bharti Enterprises, said. Bharti Airtel has to pay about ₹35,586 crore in additional

statutory dues, as a result of a Supreme Court ruling in October on AGR liabilities of telecom companies.

Earlier this month, the firm's shareholders approved proposals to raise \$2 billion in equity and another

### TRACKING SHARES



# Birla group firms to raise \$3.1 billion

DEV CHATTERJEE  
Mumbai, 15 January

Birla group firms Novelis — a subsidiary of Hindalco — and SKI Carbon Black Mauritius are tapping international markets to raise \$3.6 billion debt.

While Novelis raised \$1.6 billion at a lower rate than the previous loan, SKI Carbon Black has hired 16 banks to raise \$1.5 billion by selling bonds.

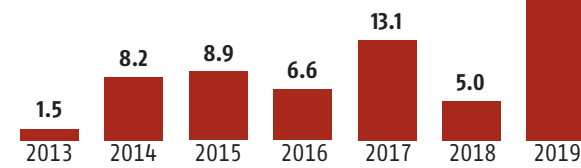
SKI Carbon Black is owned by the promoters and in June last year invested in Vodafone Idea rights issue. The company plans to use the funds for refinancing and general corporate purposes, bankers said.

Novelis, which is on the verge of acquiring another US-based company, Aleris Corp for \$3 billion, will be getting at least 200 basis points lower rates than the previous loan — saving a sizeable finance cost for the company, bankers said. Bankers said if, by any chance, the Aleris acquisition agreement by Novelis is terminated, for a period of 12 months from the date of issuance, Novelis may redeem up to \$400 million of bonds at the issue price.

The acquisition of Aleris is currently awaiting clearance from the United States government even as the European Commission and

### ON THE RISE

Dollar-bond issuances jumped more than fivefold in 2019 (\$ billion)



Source: Bloomberg

the Chinese government have cleared the deal. The European approval is subject to the sale of Aleris' plant at Duffel in Belgium, which produces aluminium for the automotive and specialties markets.

If the company misses the transaction deadline of January 21, the closing date under the merger deal may be extended, bankers said.

The Birla group fundraising comes within days of Bharti Airtel raises close to \$3

billion from overseas investors by selling bonds and shares.

Bankers said in spite of a slowing economy, foreign investors are evidently still bullish about India — looking at the response to the debt and share sale issues by well-rated companies. “However, whether this enthusiasm extends into the near future will depend on both domestic and global volatility as well as government reforms in the coming Budget,” said a banker. In 2019 calendar year, Indian companies raised \$23.6 billion as dollar bonds, a fivefold rise over 2018 (see chart).

With inputs from Bloomberg

Under the proposed resolution plan put forward by former DHFL management, banks would restart lending to DHFL and extend the tenure of loans upwards of eight years. “Once there are charges of fraud, banks would be hesitant to provide additional loans to a borrower,” said a top executive of a public sector bank.

As part of the resolution plan, DHFL also needs to find an investor bringing fresh capital. While a few investors were interested earlier, bankers say that may not be the case if support from lenders does not come through as proposed.

The DHFL spokesperson, however, clarified that one bank's move may not have a bearing on other banks.

Even as the final forensic report from KPMG is pending, IndusInd Bank is said to have made this provision on prudential basis.

Improving data speed  
The Union government has begun the process of auctioning 5G spectrum with the aim of improving data speed and bringing in Internet of Things (IoT), which will further enable robotic surgeries, driverless cars, among other things.

On December 20, the Digital Communications Commission (DCC) — the apex decision-making body — at the telecom department approved the auctions across 22 circles.

A lion's share of 6050 MHz has been set aside for 5G spectrum, trials for which are widely-expected to begin between January and March.

# Huawei likely to conduct trial runs of 5G waves for Airtel, Vodafone



Airtel and Vodafone have also joined ZTE, Nokia and Ericsson, apart from Huawei, for conducting the 5G trials. Jio will rope in South Korean equipment maker Samsung

MEGHA MANCHANDA & PTI  
New Delhi, 15 January

Chinese telecommunications equipment maker Huawei is expected to conduct 5G trials for Bharti Airtel and Vodafone Idea, sources said, as the central government finalises the trial runs before the spectrum auctions.

Sources said both Airtel and Vodafone have also joined ZTE, Nokia and Ericsson, apart from Huawei, for conducting the 5G trials. Reliance Jio will rope in South Korean equipment maker Samsung.

State-owned BSNL is also likely to go with ZTE. The firms have submitted applications for 5G trials, industry sources said.

The Chinese firm had had come under a cloud after there were allega-

tions that its electronic and telecom devices helped China to spy on US corporations and agencies. The firm has been barred in Australia and Japan, but welcomed in Russia, Turkey and Saudi Arabia.

The central government had even constituted a committee headed by its principal scientific advisor to decide on Huawei's participation in the 5G trials. The trials would establish use cases in the country as a precursor to the full-fledged launch of 5G services.

However, last month, Telecom Minister Ravi Shankar Prasad had said the government will allocate airwaves to all telecom service providers for conducting trials of super-fast 5G network, and will not bar any equipment suppliers in the trials. The stance had spelt relief for Chinese telecom gear maker Huawei,

which rivals western equipment makers such as Ericsson and is facing curbs in the US.

Huawei India CEO Jay Chen had earlier stated the company firmly believes that only technology innovations and high-quality networks will be the key to rejuvenating the Indian telecom industry.

“We have our full confidence in the [Prime Minister Narendra] Modi government to drive 5G in India. We have our full confidence in Indian government and industry to partner with best technology for India's own long-term benefit and also for cross-industry development,” Chen had recently said.

When contacted, Rajan Mathews, director general of industry body Cellular Operators' Association of India (COAI), said, “We are pleased that Depa-

rtment of Telecom (DoT) is progressing with the 5G trials to ensure the implementation of National Digital Communications Policy.”

### Improving data speed

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