

IN BRIEF

Global IT spending to reach \$3.9 trillion in 2020: Gartner

Worldwide IT spending is projected to total \$3.9 trillion in 2020, an increase of 3.4 per cent from the previous calendar year, according to the latest forecast by Gartner. Global IT spending is expected to cross into \$4 trillion territory next year, the research firm said.

"Although political uncertainties pushed the global economy closer to recession, it did not occur in 2019 and is still not the most likely scenario for 2020 and beyond, said John-David Lovelock, distinguished research vice president at Gartner, in a statement. "With the waning of global uncertainties, businesses are redoubling investments in IT as they anticipate revenue growth, but their spending patterns are continually shifting," he added.

PTI

GAIL board gives go-ahead to raise ₹1,500 cr in debt

GAIL India on Thursday said its board has approved raising up to ₹1,500 crore in debt to part-fund its ambitious plan to expand its pipeline capacity over the next few years. The company plans to raise funds through domestic bonds in one or more tranches in the next six months.

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Deposit unclaimed subscriber money to edu fund:Trai

Telcos will need to deposit unclaimed consumer money—like excess charges and security deposit, which could not be refunded—towards telecom consumers education and protection fund after a stipulated period, Trai clarified. "The authority observed that there is a need to bring clarity among service providers in depositing money which they are unable to refund to the consumers," it said.

PTI

Zinier raises \$90 mn from ICONIQ Capital, Tiger Global, others

Zinier on Thursday said it has raised \$90 million (around ₹638 crore) in funding from ICONIQ Capital, Tiger Global Management and five other investors. The series C round of funding also saw participation from existing investors Accel, Founders Fund, Nokia-backed NGP Capital, France-based Newfund Capital and Qualcomm Ventures LLC.

BS REPORTER

NCLAT asks agencies to clarify over JSW Steel's immunity

The National Company Law Appellate Tribunal has asked the investigative agencies like Enforcement Directorate, SFO and the CBI to file an affidavit clarifying whether JSW Steel, a successful bidder for Bhushan Power and Steel, is liable for offences committed by the previous management.

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RP-Sanjiv Goenka buys majority stake in Mohun Bagan club

RP-Sanjiv Goenka Group has signed a deal with India's oldest football club, Mohun Bagan Football Club, to merge the ATK Football Club and Mohun Bagan brands into a single identity where RPSG Group will have an 80 per cent stake.

BS REPORTER

Chandrasekaran: Too many roadblocks for doing business in India

India is fraught with micro-management and suspicion, and upping the growth trajectory requires removing the obstacles that impede businesses, Tata Sons chairman N Chandrasekaran said on Thursday.

Growth cannot come by merely pushing people to move fast and requires a transformative vision and a change in the culture, the head of the \$110-billion conglomerate said, while delivering the Nani Palkhivala Memorial Lecture.

The comments come amid a slide in growth to a decadal low of 5 per cent expected for current fiscal, and also years after the Narendra Modi government

made ease of doing business as its priority, along with a commitment to less of government.

"We need to reimagine our economic and business culture. Culture is most critical. Growth must not come from pushing hard. There is no point to tell people 'drive fast, drive fast, drive fast'. It (growth) will come by removing obstacles," he said.

A "transformative vision" which will ensure we move away from "a controlled vision of micromanagement" is the need of the hour, he said. "We need supervision, we don't need suspicion. And we have suspicion. All our rules start from suspicion," Chandrasekaran said.

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N Chandrasekaran, Tata Sons chairman

business-standard.com

Jay SPEAKS

How to untie a Windsor knot?

Ask Meghan and Harry.

Business Standard

Insight Out

CBI books Adani firm in coal supply contract case

Investigative agency also files case against two former top executives of NCCF

SHRIMI CHOUDHARY
New Delhi, 16 January

The Central Bureau of Investigation (CBI) on Wednesday registered a first information report against Gautam Adani-led Adani Enterprises, two former executives of National Cooperative Consumers' Federation of India (NCCF), and others, for criminal conspiracy and corruption in awarding the contract for supply of imported coal to an Andhra Pradesh-based power company.

The matter dates back to 2010, when Andhra Pradesh Power Generation Corporation (APGENCO) had floated a tender for the supply of 600,000 metric tonnes of coal on free-on-rail destination basis to Dr Narla Tata Rao Thermal Power Station, Vijayawada, and Rayalseema Therma Power Plant, Kadapa, from any port.

Following the tender notice, NCCF called for bids. That July, NCCF received bids from six entities—Adani Enterprises, Vyom Trade Links, Maheshwari Brothers, Coal Swarana Projects, Gupta Coal India and Kyori Oremen. Only three bidders quoted the NCCF margins, which were rejected by its Delhi head office, as they were not found to have fulfilled tender conditions. The other three, including Adani, had not quoted



"The matter is an old one. Adani Enterprises has complied with the process, all formalities and relevant laws for the supply of coal. The company has not done anything wrong in coal supply. It's a preliminary investigation report. The company shall respond to the same and also put forth the factual position before the authority"
— Adani group spokesperson

any margin.

Instead of cancelling Adani Enterprises' bid, the NCCF management informed it about the offer margin of NCCF through its representative Munish Sehgal. According to the CBI report, Sehgal was present at the NCCF office at the time. Adani, subsequently, informed the branch manager of NCCF that it agreed to pay minimum service charge of 2.25 per cent to NCCF. The CBI enquiry revealed that negotiations were

held by senior officials of NCCF after the tender process to give "undue favour" to Adani Enterprises. CBI added that Adani had not qualified when the tender was opened at NCCF's Hyderabad Branch.

Virender Singh, then chairman of NCCF, New Delhi, and GP Gupta, the then NCCF managing director, had favoured Adani Enterprises, the CBI alleged in the report.

"It is prima facie evident that when the bids were being

processed at NCCF head office, the representative of Adani Enterprises was informed about the rejection of those bidders who had not submitted the NCCF margin quote and also that Maheshwari Brothers had quoted 2.25 per cent margin," CBI said in the report.

The committee overruled the two conditions laid down in the notice and instead of disqualifying Adani Enterprises, made undue favours, CBI said. It added in the report that the decision to award the work to Maheshwari and Adani was taken by NCCF's top management.

Additionally, the CBI report also highlighted links between Adani Enterprises and Vyom (another bidder).

According to the central agency, Adani Enterprises gave an unsecured loan of ₹16.81 crore to Vyom Trade in 2008-09. The guarantee of both companies were issued by the same bank (State Bank of India), and at the same time.

Therefore, it was prima facie apparent that Adani presented Vyom as a proxy company in this particular tender and Vyom withdrew its offer on very flimsy grounds, CBI said in the report. In a letter to NCCF, Vyom wrote that since working hours were over and the time available was too short, it would be difficult to offer its price for onward submission.

Hershey eyes big bite in India with launch of global brands

ARNAB DUTTA
New Delhi, 16 January

Chocolate maker Hershey has decided to bring its core global portfolio to India, eight years after it began operations here. The firm is launching its chocolate bars and popular Kisses brand of confectioneries across the country, which may significantly ramp up its portfolio in a highly competitive market.

This comes at a time when the firm has been struggling to turn profitable here. Hershey India incurred net losses at least since 2014-15 (FY15). It has, however, managed to cut these down in past two years. From ₹365 crore net loss in FY15, it's bottom-line improved to ₹109 crore net loss in FY19. The firm's revenue, though, continues to lag the FY15 level (₹385 crore) as sales amounted to ₹375 crore last year.

According to Herjit Bhalla, managing director, Hershey India, the firm's brand building exercises and channel develop-



Herjit Bhalla, MD, Hershey India, says despite an overall slump gripping the country's FMCG market, chocolates have remained immune to it with 12 per cent yearly growth

ment activities during its initial years here impacted bottom-line. "We are still a very young player in India and in the past two years we have invested heavily to pave the way for launching our iconic global products like Jolly Rancher, Brookside and Kisses," he said.

While, Hershey lags other global majors like Mondelez,

Nestlé, Ferrero, and Mars International in the local market, Bhalla said it has been heavily dependent on its peripheral products like chocolate syrups and soya milks till now, with no key global brands available in India. Launched here in three variants, Hershey bars are the American firm's first products—introduced during its entry

into the US chocolate market 110 years ago. It is also re-branding its Brookside brand of chocolates by changing the name to Hershey's Exotic Dark.

Priced at a premium compared to average chocolate and confectionery products in the country, Hershey's offerings are primarily targeted at urban consumers. It is now aiming to make the new brands available only in large-format kirana stores, modern trade and on e-commerce portals in the top 70 cities.

India's chocolate market, worth around ₹10,000 crore, is dominated by Mondelez that raked in ₹6,746 crore in sales in FY19, followed by Ferrero (₹1,473 crore). Swiss fast-moving consumer goods giant Nestlé that got some ₹1,400 crore in sales from the segment, although dominates the confectionery space. According to Bhalla, despite an overall slowdown gripping the country's FMCG market chocolates have remained immune to it with 12 per cent yearly growth.

Amazon Prime to double down investment in India

SAMREEN AHMAD
Bengaluru, 16 January

The stars were out at the Grand Hyatt in Mumbai as Amazon chief executive officer Jeff Bezos addressed a celebrity-studded audience at an Amazon Prime Video blue-carpet event on Thursday.

In a 30-minute fireside chat with Bollywood star Shah Rukh Khan and film director Zoya Akhtar, Bezos said that the company's video streaming platform is doing the best in India as compared to any other country in the world.

"Prime Video is doing well all over the world, but nowhere it's doing better than India. We have just made a decision to double down on our Prime Video investments in India," said the CEO of the global e-commerce

giant at the event that was attended by a slew of celebrities such as Vidya Balan, A R Rahman, Kamal Haasan, Vishal Bhardwaj and Farhan Akhtar.

The chat was dotted with several humorous moments, with Khan making Bezos say a dialogue from his famous Bollywood film remake—*Don*. The CEO pulled off a smooth "Bezos ko pakadna mushkil hi nahi namumkin hai" liner in Hindi.

Amazon India head Amit Agarwal was also present at the blue-carpet event and called it a scintillating chat between Bezos and Khan. He said in a tweet that the company was very proud of what it had achieved in such a short span in India.

The video streaming platform had earlier revealed plans to serve one Indian original per month to

customers this year. It had also announced a list of 24 titles that will be released on its platform in India in January. That includes originals such as *Star Trek: Picard* and *Kabir Khan's The Forgotten Army*, both out January 24, in addition to *The Angry Birds Movie 2*. The platform has already garnered traction with original content such as *Made in Heaven* and *The Family Man* in 2019.

With over 600 million broadband users in India, global majors such as Netflix, Amazon Prime and Hotstar are fighting it out to grab a pie of the fast-growing Indian streaming video market.

According to a Ficci report, the sector is expected to reach ₹2,400 crore by 2021. For a deeper penetration, streaming video companies are offering content in several Indian languages such as Tamil, Telugu and Bengali.

Air India looks to cut loss, eyes premium flyers

ANEESH PHADNIS &
ARINDAM MAJUMDER
Mumbai/New Delhi, 16 January

Air India hopes to double its savings from ticket distribution and grow revenue through better utilisation of aircraft and introduction of new flights.

The national carrier is struggling financially because of high debt. Despite growth in revenue, it is witnessing a cash shortfall of around ₹200 crore every month, leading to delays in salaries and vendor payments. Salary for the month of December was paid on Thursday.

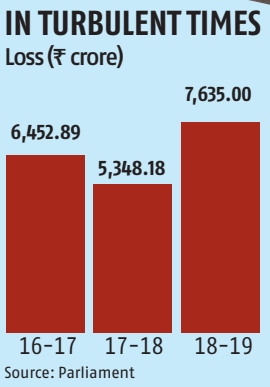
The airline management, however, hopes to improve its operating and financial performance this year. Renegotiation of sales and distribution contracts is helping airline save costs.

In October 2018, Air India selected global distribution service (GDS) Travelport as its exclusive ticket distribution partner within the country. Until then, the airline relied on three companies—Amadeus, Sabre, and Travelport—for ticket distribution in India. The exclusive arrangement for domestic ticketing came into force from January after the expiry of its contract with Sabre.

For international sales, the airline has partnered with Amadeus and Travelport, and it has secured lower rates from these companies. A GDS collects a fee from the airline for issuing each ticket.

"We look to save ₹520 crore in 2020 through better utilisation of GDS," said the airline's commercial director Meenakshi Malik. In 2019, Air India saved ₹227 crore on GDS costs.

Total revenue has risen 12 per cent to ₹18,985 crore during April - November over the same period last year,



and it posted earnings before interest, taxes, and depreciation of ₹177 crore, as against a loss last year. Aircraft utilisation has improved and nine wide-body Boeing 787 and Boeing 777 planes, which were grounded because of lack of spares, are back in operation.

The airline launched 12 international flights this year and is hoping for increased revenue from the switch of aircraft.

"We have begun using 256-seater B787 aircraft on the Delhi-Washington route and 340-seater B777 aircraft on the Delhi-London route. Previously, B787 was being used on the Delhi-London route and vice versa. Our load factor on both flights is around 90 per cent now. This move to use B777 on the Delhi-London route will help us save ₹50 crore per year and earn an additional ₹50 crore. So, there will be an annual net gain of ₹100 crore," said Air India's Financial Director Vinod Hejmadi.

JSW Group firm Forma shuts ops within one year of launch

PRESS TRUST OF INDIA
16 January

Sajjan Jindal-led JSW Group company Forma has shut down its operations within one year of its launch, according to a source.

Forma, operating in the steel furniture market, was launched last year by JSW Living in April.

The company's MD Tarini Jindal Handa—daughter of steel magnate Sajjan Jindal—had announced plans of investing around ₹250 crore

over the next five years to become one of the top five readymade furniture brands in India.

"Forma operations have been shut as the business was not viable. CEO Bedraj Tripathy and other officials have been sacked," the source in the know of the matter said requesting anonymity.

JSW Steel refused to comment over the matter.

Forma used to take steel from JSW Steel to make products and supply it to dealers.



Amazon CEO Jeff Bezos with girlfriend Lauren Sanchez in Mumbai on Thursday