

IN BRIEF

Govt likely to issue Eol for Air India within 4 days: Official



The Centre is likely to issue the expression of interest (Eol) and the share purchase agreement (SPA) for debt-ridden Air

India's privatisation within the next three to four days, a senior government official said on Friday. The official said that "a group of ministers (GoM), headed by Union home minister (Amit Shah), had on January 7 approved the Eol and the SPA for the airline". "We will issue these within three to four days," the government official said. While Air India's net loss in 2018-19 was around ₹8,556 crore, its current total debt is around ₹80,000 crore. Dismissing rumours that the national carrier will shut down operations, Civil Aviation Minister Hardeep Singh Puri had said on December 31 that the national carrier, which is incurring a loss of ₹20 crore to ₹26 crore daily, will keep on operating till it is privatised. Air India chief Ashwani Lohani on January 4 had said that "rumours" of the disinvestment-bound airline's shutdown are "all baseless", weeks after he told the civil aviation ministry that the carrier's financial situation was "grossly untenable" for sustaining operations.

PTI

Alibaba-backed Zomato raises ₹353.58 crore

Food delivery and restaurant discovery firm Zomato has raised ₹353.58 crore from Antfin Singapore Holding, an existing shareholder in the company. The Gurugram-based firm allotted 11,777 class I compulsorily convertible preference shares for this funding, according to financial data accessed by business intelligence platform, Tofler. The money is expected to help the firm competes with players such as Swiggy, Uber Eats and Dunzo in the delivery space. **BS REPORTER**

Xiaomi India spins off POCO as independent brand

Smartphone maker Xiaomi on Friday said it is spinning off 'POCO' as a standalone brand. With this restructuring, POCO will run independent of Xiaomi, with its own team and go-to-market strategy, a statement said. "POCO started as a sub-brand of Xiaomi in 2018 with a small team. Its first smartphone, POCO F1, was incredibly successful and remains an extremely popular phone till date," it added.

PTI

Adani, Azure top bidders for SECI solar tender

Adani Green Energy and Azure Power have emerged as successful bidders in Solar Energy Corporation of India's first manufacturing-linked solar tender, a top government official said on Friday. Adani has bid for 1.5 GW solar cell manufacturing capacity and 6 GW generation capacity, MNRE Secretary Anand Kumar said on the sidelines of India Energy Forum-Renewable Energy Summit.

PTI

GMR pre-qualifies for 2 international airport projects

GMR Group, which is in race for two international airports in Montenegro, a southern European country, emerged as one of the qualified bidders, according to a notification issued by the Montenegrin Transport Ministry.

PTI

Hyundai rolls out online sales platform

Hyundai Motor India on Friday said it has launched an online sales platform in addition to its existing physical retail sales network. The company said its 'Click to Buy' is a first-of-its kind online sales platform with simple and transparent process for purchase of Hyundai cars.

PTI

Maruti drives in BS-VI version of multi-purpose Eeco

Maruti Suzuki India on Friday said it has launched BS-VI compliant version of its multi-purpose van Eeco, priced between ₹3.8 lakh and ₹6.84 lakh (ex-showroom Delhi/NCR). In rest of the country, the model would be priced between ₹3.9 lakh and ₹6.94 lakh.

PTI

PFC raises \$750 mn via overseas bonds

SHREYA JAI
New Delhi, 17 January

Power Finance Corporation (PFC) concluded the issuance of bonds worth \$750 million of tenor 10.25 years on Friday. The bonds have a fixed coupon of 3.95 per cent per annum and an yield of 4.066 per cent.

With this bonds issue, PFC becomes the first Indian public sector firm to issue senior unsecured dollar bonds with a tenor of more than 10 years, said the company in a public statement.

This is PFC's third international bond issuance in FY20 as well as the largest bond in a single tranche. The final order book amounted to more than \$2.2 billion, said the company. "The bond issuance attracted active and wider participation from investors across the US, European and Asian markets, with around 42 per cent participation from the US market," said PFC in its statement. The proceeds from the bonds issue will be utilised in accordance with the external commercial borrowing or ECB regulations of the Reserve Bank of India, including for lending to power sector utilities, it said.

Of the total borrowing programme of PFC (\$12 billion) for 2019-20, the total foreign currency raising now stands at around \$3 billion



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and the balance is domestic raising.

"I am happy that PFC's bond offer saw a strong demand in the international market and global investors have chosen to contribute to the development of the Indian power sector. The deal concluded at very attractive terms, which shows the high confidence of investors in PFC's business as well as its credit profile and the growth story of the power sector," said PFC chairman and managing director Rajeev Sharma.

DEAL STREET

Piramal sells subsidiary to Clarivate for \$950 mn

The value is roughly five times the annual sales of Decision Resources Group

SOHINI DAS
Mumbai, 17 January

Piramal Enterprises (PEL) on Friday said it would sell its healthcare insights and analytics business Decision Resources Group (DRG) to Nasdaq-listed Clarivate Analytics for \$950 million.

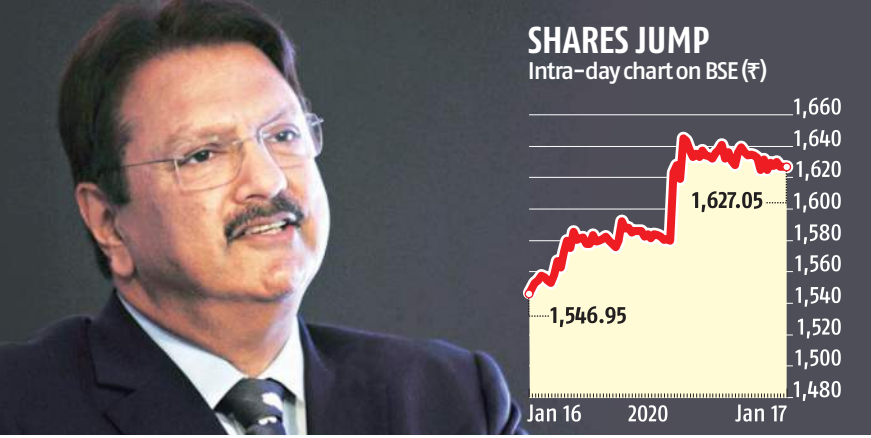
The company said this was a strategic investment for PEL and it decided to sell as it saw good value for its shareholders. The sale value is roughly five times DRG's annual sales.

Ajay Piramal, chairman of Piramal Group, said, "At PEL, we have always felt that we should do what is in the best interest of shareholders. When we got this valuation of 5x of sales we thought that it is a good valuation for our PEL shareholders."

Piramal said the firm got an attractive valuation at the time of selling its domestic formulation to Abbott, and that prompted the sale. "Same thing we did in Vodafone as well. Same here, we think it's a good valuation and PEL shareholders will benefit from this," Piramal said. He clarified that Piramal was not using DRG's analytics for its international pharma business.

PEL had initially invested \$650 million in 2012 to acquire DRG, of which \$260 million was infused as equity. It has realized 2.3-times its initial equity investment in rupee terms. PEL shares jumped around 5.5 per cent on the bourses on Friday after the deal announcement came in. PEL said, "As committed earlier, we are on track to bring in ₹10,000 crore of equity in PEL, along with the preferential allotment, where we raised capital from CDPQ and our ongoing rights issue." In the past year, the company has raised long-term capital of ₹24,000 crore to pare short-term liability.

It added that along with the ongoing equity



- Deal to strengthen balance sheet along with ongoing equity capital raising plans
- Co plans to raise around 20% equity capital in pharma biz where it is looking for inorganic opportunities
- AJAY PIRAMAL has been a savvy investor making huge returns from his investments in Vodafone, sale of domestic drug biz

capital raising exercise in PEL, this transaction not only strengthens the company's balance sheet but also marks another step towards significantly unlocking its value in future.

The firm is also splitting its pharma business into subsidiaries and working towards raising another 20 per cent equity capital in the pharma business to tap organic and inorganic growth opportunities.

Clarivate Analytics is a \$5 billion worth company, a leading provider of insights and analytics with nearly \$1 billion in revenues, 4,300 employees in 42 countries.

Jerre Stead, executive chairman and CEO, Clarivate Analytics, felt that this was a milestone acquisition, which doubles the size of Clarivate's life sciences business. With this acquisition, Clarivate will be well positioned in

the \$19 billion life sciences analytics market, which has seen double-digit growth, to support customers across the entire drug, device and medical technology lifecycle from research to outcome. Ajay Piramal has been an astute investor and savvy dealmaker that yielded him high returns over the years. When he sold his domestic formulation business to Abbott in 2010, the company was valued at more than nine times its sales. It was much more than the market benchmark valuations at that time.

Then again, in 2014, Piramal sold his 11 per cent stake in Vodafone India, reaping a windfall of 52 per cent return in just two years. PEL had sold the stake (comprising 45.4 million Vodafone shares) to Prime Metal, an indirect subsidiary of Vodafone, for ₹8,900 crore. Piramal had picked up the stake for ₹5,864 crore.

KLM to purchase Jet's aircraft

ANEESH PHADNIS
Mumbai, 17 January

Jet Airways is selling one of its six Boeing 777 aircraft to KLM to settle pending aircraft loan and meet insolvency resolution expenses in the Netherlands. A conditional agreement between the two airlines was signed on Monday and notified to the stock exchange on Friday.

As a part of the agreement, Dutch airline KLM will purchase a Jet Airways Boeing 777 aircraft, which was seized in Amsterdam last April, along with the grounded airline's marketing data and catering equipment. It has sought three slot pairs held by Jet Airways at Amsterdam airport and hopes to use them to increase services to India. The deal value has not been disclosed, but sources said could fetch the airline around \$23 million.

Jet Airways, which shut operations last April, is facing liquidation in the Netherlands.

Proceeds from the aircraft sale will be used for insolvency resolution and to settle US Exim Bank loan, giving the grounded airline ownership of the remaining five Boeing 777 planes. The transaction is beneficial to Indian lenders as it would help in releasing the Exim Bank's charge on the planes, said a person aware of the transaction. Jet Airways is undergoing insolvency in India since July.

Efforts to find a committed suitor have not yielded the desired result, and those that have shown interest have attached riders for investment. In its stock exchange notification, resolution professional Ashish Chhawchharia said various options are being explored for the airline's revival and maximising value for its stakeholders. "The proposed transaction under the conditional agreement, if completed, will only involve sale of a part of company's business activities and will not impact the shareholding pattern of the company in any manner," Chhawchharia said.

A SIGH OF RELIEF

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- The aircraft was seized in Amsterdam last April along with the grounded airline's marketing data and catering equipment
- The deal value has not been disclosed, but sources said could fetch the airline around \$23 million



MNC chambers decry Goyal's statement on Amazon

NEHA ALAWADHI & SUBHAYAN CHAKRABORTY
New Delhi, 17 December

WHAT INDUSTRY SAYS

It has become difficult for foreign investors to argue their case, as the government increasingly reduces the space for discussions on policies

Centre may have its concerns on certain issues, but we need freedom to make our views known

His comments do not augur well for investors and suggests that "being the commerce minister he doesn't care about investments in the country"

The minister did not have to say what he said. The sentiment is certainly going to be anti investment now



"It has become difficult for foreign investors to argue their case, as the government increasingly reduces the space for discussions on policies like e-commerce, foreign direct investment (FDI) rules and arbitration. Centre may have its concerns on certain issues, but we need freedom to make our own concerns known," a senior functionary of a Washington DC-based bilateral trade body

said. He added that the ministry had refused to meet the body over the past two months.

"The minister did not have to say what he said. The sentiment is certainly going to be anti investment now. Of course, being in India, one understands he is catering to his political constituency, but it does not send a good message to the investor community," said a person who works closely with

a technology industry association.

However, he added that Amazon could also have managed Bezos' visit better. With rumours doing rounds that Amazon-owned *Washington Post's* stand on India's political climate irked the government, the tech giant could have ensured that the *Post* publish such perceived "anti India" pieces after Bezos' visit, the per-

son said. Case in point, it is learnt that the Prime Minister's Office (PMO) has turned down repeated requests from Amazon to meet with the PM.

An executive with a large social media firm, who did not wish to be named, said Goyal's comments do not augur well for investors and suggests that "being the Commerce Minister he doesn't care about investments in the country".

Another person, who works with a consultancy that works closely with several multinational firms across sectors, said the fact that the minister or any government representative did not have a discussion with Amazon at all was surprising, "especially at a time when market sentiment is not the best".

"However, investors know the minister and it may not necessarily dampen interest in India. But, things could have been handled more diplomatically," the person said.

Goyal's statements seem to

have affected Amazon, as well. On Thursday, the Amazon India website featured a letter by Amazon CEO Jeff Bezos saying the company would create 1 million additional jobs in India by 2025. "More than 60,000 businesses are exporting 'Made in India' products globally, with cumulative exports crossing \$ 1 Billion," Bezos said in the letter addressed to customers, sellers and partners. Amazon on Wednesday committed to exporting \$ 10 billion worth of India-made goods by 2025. At the company event in New Delhi, Bezos announced \$1 billion of additional investments to help small and medium businesses log in online.

Inbound foreign direct equity investments declined for the first time in six years in FY19, in line with overall weak economic conditions. Investments had reduced to \$44.36 billion, down by 1 per cent from \$44.85 billion last year.

Great Wall Motors to buy GM's plant

Deal estimated at ₹2,100 crore

SHALLY SETH MOHILE
Mumbai, 17 January

China's Great Wall Motors (GWM) has signed an agreement with General Motors (GM) for the purchase of latter's Talegaon manufacturing facility located in Maharashtra, the companies said in a joint statement issued on Friday.

The companies did not disclose the value of the transaction. However, some unconfirmed reports said GWM paid around \$300 million (₹2,100 crore) to GM.

GM will provide a separation package and transition support for impacted employees, and an orderly transition for partners. The transaction is expected to be closed in the second half of 2020.

The move marks the entry of GWM, one of the largest manufacturers of sport utility vehicles (SUVs) and pick-ups, into the Indian market and a complete exit for GM from the country, two years after it stopped selling cars here.

Liu Xiangshang, vice-president global strategy, GWM, said the transaction would underpin the company's plan to enter and invest in India.

"The Indian market has great potential, rapid economic growth and a good investment environment. Entering the Indian market is an important step for Great Wall Motors' global strategy," said Liu, adding that this was in line with the Indian government's "Make In India", "Digital India" and clean energy focus.

GWM said its investment will create direct and indirect employment opportunities, further enhancing the skill level in the auto industry. It would promote development of local supply chain, research and development and related industries, and contribute more profits and taxes to the exchequer at central and state levels.

The company, which has its headquarters in Baoding, Hebei, will officially debut its Haval brand and GWM EV (electric vehicle) at the Delhi Motor Show and launch its India market plan, it said.

"Since focusing the Talegaon plant on manufacturing for export markets in 2017, GM has been exploring strategic options for the better utilisation of the site," said Julian Blissett, vice-president, international operations, GM. The firm's decision to cease production at Talegaon is based on GM's global strategy and optimisation of its manufacturing footprint around the world, he added.

The Detroit-based automaker announced its exit from India, after years of struggle, in 2017. While it sold its Halol, Gujarat, plant to SAIC, it had retained the factory in Talegaon and continues to export cars to Latin America and a few other markets.

GWM'S DEBUT, GM'S EXIT

■ GWM buys GM's Talegaon plant for an estimated ₹2,100 crore

■ Deal to be completed by 2nd half of 2020

■ GWM to make its India debut with Haval brand and GWM EV to launch at AutoExpo

■ The deal marks GM's complete exit from India

■ GM to continue exports from India till year-end

Jack Dorsey asks Elon Musk how to fix Twitter

KURT WAGNER
17 January

Elon Musk's suggestion for how to fix Twitter? Identify the bots.



Musk has almost 31 million followers.

"Give us some direct feedback," said Dorsey, who spoke to Musk via a video call from a company meeting in Houston. Musk was projected onto a giant screen as thousands of Twitter employees watched the two executives chat. "If you were running Twitter," Dorsey continued, "what would you do?"

"I think it would be helpful to differentiate" between real and fake users, Musk replied, according to a video posted to Twitter by an employee. "Is this a real person or is

this a bot net or a sort of troll army or something like that?"

"Basically, how do you tell if the feedback is real or someone trying to manipulate the system, or probably real, or probably trying to manipulate the system," Musk continued. "What do people actually want, what are people actually upset about versus manipulation of the system by various interest groups."

It's likely that at least one of the groups Musk had in mind was "TSLAQ," a loose collective of critics, skeptics and short sellers who often tweet using the TSLAQ hashtag. Musk faces relentless criticism from the group on Twitter.

Musk, while one of the site's most popular users, is also one of its most controversial. He called a British caver a "pedo guy" in 2018 and was later sued for defamation. Later that same year, he also tweeted that he was thinking of taking Tesla private, prompting a temporary halt on trading and a US Securities and Exchange Commission investigation.

Musk, one of many high-profile Twitter users to speak at the company event this week, also predicted that humans would send a tweet from Mars sometime in the

next five to nine years, according to videos posted by employees. After Dorsey and Musk finished chatting, model and cookbook author



CHRISY TEIGEN, another popular Twitter user, made an appearance on stage. BLOOMBERG

JACK DORSEY, Twitter CEO

ELON MUSK, Tesla CEO