Indicative direct rate except yen at 4 p.m.		
CURRENCY	TT BUY	TT SELI
US Dollar	71.00	71.32
Euro	78.86	79.24
British Pound	92.69	93.14
Japanese Yen (100).	64.52	64.81
Chinese Yuan	10.29	10.33
Swiss Franc	73.36	73.73
Singapore Dollar	52.62	52.87
Canadian Dollar	54.35	54.60
Malaysian Ringitt	17.43	17.52

#### January 21 rates in rupees with pre-... 50.6..... (50.7) .... (3824) Retail Silver (1g)

### IN BRIEF



#### Fujitsu General plans to double market share

Japanese air-conditioner maker Fujitsu General plans to double its market share India in the next two to three years, said a top official. "Currently, we have a market share of 3% and we will consider setting up a manufacturing unit in India when it reaches 6%." said Etsuro Saito, president, Fujitsu General Ltd. (FGL) Japan. "To achieve this, we are launching new models aimed at the mass Indian AC market for rapid growth," said Mr. Saito.

#### Vodafone m-pesa surrenders licence

The Reserve Bank of India (RBI) has cancelled the certificate of Authorisation (CoA) of payment system operator (PSO) Vodafone m-pesa after the prepaid payment instrument player decided to surrender is licence. Customers or merchants having a valid claim on the firm as a PSO. can approach the company for settlement of their claims within three years from the date of cancellation, that is, by September 30, 2022, the central bank said.

### Rane Madras Q3 net dips

66.2% on lower sales Rane (Madras) Ltd. (RML) has reported a 66.2% dip in its standalone net profit to ₹3.7 crore for the third quarter ended December 2019. The manufacturer of steering and suspension products and die-casting components posted a total net revenue of ₹280 crore compared with ₹341.9 crore in the yearearlier period. The management's focus on cost reduction initiatives helped to partially mitigate the impact of the drop in

# Zomato buys Uber Eats in \$300 million all-stock deal

Ride-hailing firm gets 9.99% in Zomato; deal allows Uber to focus on core offering

YUTHIKA BHARGAVA NEW DELHI

Zomato on Tuesday announced the acquisition of Uber's food delivery business Uber Eats, in India, in an all-stock deal that will give the U.S.-headquartered ridehailing services 9.99% stake in Zomato.

Effective Tuesday, Uber Eats' operations in the country have been discontinued and users, along with restaurants and delivery partners are being directed

Uber, which is aiming to turn profitable by 2021, had launched Uber Eats in India in 2017, and has about 26,000 restaurants listed on the platform across 41 cities.

According to sources, while the Uber Eats India business comprised 3% of the global gross bookings for the company, it accounted for more than 25% of the company's adjusted EBITDA losses for the first three quarters of 2019 amid stiff competi**Hungry** for more



has 26,000 restaurants listed in 41 cities

 Uber Eats operations stand discontinued from Tuesday

tion from Zomato and

Deepinder Goyal, founder and CEO, Zomato, said in a blog that delivery partners associated with Uber Eats India would be on-boarded to Zomato's fleet. However, a source aware of the details said that there was nothing in the deal about absorbing the 245 executive-level em-

ployees. "This will affect about 245 employees. They will remain with Uber Eats till March. Some of them might be absorbed in some roles in Uber," the source added. While the two companies did not share any financial details, the deal size is

Users,

partners

are being

directed to

Delivery

onboarded

to Zomato's

Status

executive-

level Uber

Eats staff

of 245

persons

will be

restaurants

and delivery

Stating that this acquisi-

estimated to be about \$300-

tion significantly strengthened Zomato's position in the category, Mr. Goyal said, "We have acquired Uber Eats India, and with this development, we are the undisputed market leaders in the food delivery category in India."

He added that the competition in this space would continue to be intense and the food delivery category was still very small when compared with the overall food service market in India.

"This category will continue to grow and get built over the next couple of decades, hand-in-hand with restaurants and food service providers to [deliver] better food to more people."

A source added that the deal would enable Uber to focus on its core business. The growth in India will be driven by products such as Moto and Auto as the company looks to expand operations to 200 cities in India, from the current 50 cities.

# Platforms see overlap of eatery listings, says Frost & Sullivan

Uber Eats' estimated 65,000 riders to come under Zomato

SPECIAL CORRESPONDENT

The Zomato-Uber Eats deal is reflective of technology trends in India, where Amazon-Flipkart in the e-commerce space and Uber-Ola in the ride-hailing arena have essentially made their respective markets a duopoly, a Frost & Sullivan analysis pointed out.

"With Zomato's acquisition of Uber Eats, battlelines in the food delivery space have been [re]drawn, as Swiggy and Zomato battle it out for supremacy," the report said.

With this deal, Zomato would get an expanded delivery network and capacity by on-boarding Uber Eats' large network of delivery



partners, estimated to be 65,000 riders, without burning too much cash, it

"An additional benefit is the potential to [add to] the number of restaurants on its platform, especially in south India, where Swiggy holds sway. However, this factor is likely to have only limited impact, considering that in the 40-odd cities where Uber Eats had presence, Zomato already has almost 85-90% of restaurants on its network. In other words, it gets to add only 10% of Uber Eats' unique set of restaurants," it said.

#### Swiggy still leads?

Despite this transaction, Swiggy remained arguably the leading market player in the country, it said. "It will be interesting to see how intense the rivalry between

Swiggy and Zomato will get. With new players such as Reliance and Amazon likely to enter the market, 2020 could be a ground-breaking year for food delivery in

### In December. PV retail sales slid 9%: FADA

PRESS TRUST OF INDIA

Automobile dealers' body FADA on Tuesday said retail sales of passenger vehicles (PVs) in December 2019 declined 9% to 2,15,716 units year-on-year as even the best offers failed to lift weak consumer sentiments.

According to the Federation of Automobile Dealers Associations (FADA), PV sales stood at 2,36,586 units in December 2018.

Two-wheeler sales declined 16% to 12,64,169 units. Commercial vehicle sales declined 21% to 67,793 units

Three-wheeler sales, however, rose 1% to 58,324 units last month.

Total sales across categories declined 15% per cent to 16,06,002 units in December 2019 as against 18,80,995 units in the yearago month.

# With new launches, Hyundai sees India demand growth in 2020

Expects low single-digit industry growth; eyes multi-purpose vehicle segment

YUTHIKA BHARGAVA

Hyundai Motor India expects to see growth in demand for its vehicles in 2020 on the back of a slew of product launches slated for this year, a senior company executive said. The company, which, on Tuesday, launched Aura, a new compact sedan, is expected to introduce newer models of Tuscon, i20, Creta and Verna. Hyundai is also looking at entering the multi-purpose vehicle segment in the

"We should see positive growth [this year]. With product launches planned this vear, we expect to outperform industry in a very competitive environment, and hopefully, gain market share," the company's MD and CEO S.S. Kim told The



Aura of hope: S.S. Kim, MD and CEO, Hyundai Motor, at the launch of its compact sedan 'Aura'. • KAMAL NARANG

*Hindu*. In 2019, Hyundai saw its sales decline about 7% compared with a decline of 13% for the industry. Mr. Kim added that in 2020, the industry should see low singledigit rise in demand. "Automotive vehicle demand will be determined based on various factors... maybe the

most important and basic one will be the macroeconomy factor," he said

Given the impending transition to newer emission norms, growth may remain flat in the January-March quarter, he said. "From the second quarter, we are cautiously positive about de-

mand." The Aura, priced between ₹5.79 lakh and ₹9.22 lakhwill compete with the likes of Maruti Suzuki's Dzire and Honda's Amaze.

Asked why the firm chose to introduce a compact sedan amid declining sales in the segment, he said, "A lot of first-time buyers and family-centric car owners want to drive a sedan." The segment ended 2019 with sales of 3.38 lakh units or about 11% of the industry, he added. "Even if it is decreasing, it remains a substantial volume..."

He said the company was also looking to enter the multi-purpose vehicle segment in India, and is conducting a feasibility study for the same. He added that the firm may also come out with a first-of-its-kind product and which could not be placed in any segment as of now.

## SBI sees retail inflation at 8% in January

Telecom tariff hike to add to pressure

SPECIAL CORRESPONDENT

There could be more bad news on the inflation front which saw a five-year high of 7.35% in December. The State Bank of India (SBI) has projected consumer price index-based inflation at between 7.8-8% for January in case the current trends in vegetable prices continues.

The report from SBI said core inflation could rise further on the back of telecom price increase and a larger increase could push headline inflation closer to

"Specifically, we find evidence that retail food prices vis-à-vis wholesale food prices decline slowly when inflation is declining and rising at a much faster pace when inflation is rising, indicating that inflationary expectations are always entrenched and take time to



Rise in retail inflation had prompted the RBI to hold interest rates in December.

die down," Soumya Kanti Ghosh, group chief economic adviser, SBI, who authored the report, said, adding that this did not portend well for the CPI trajectory going ahead. Rise in retail inflation had prompted the Reserve Bank of India to hold interest rates in the December review of monetary policy, despite cutting the growth forecast.

## Slowing economy to hit premium growth: Moody's

Ample room for growth, says agency

SPECIAL CORRESPONDENT

Moody's Investors Service said that the country's slowing economy will weigh on insurance premium growth over the next 2-3 years while the supportive measures put in place by the Insurance Regulatory and Development Authority of India (IRDAI) will help counterbalance the deteriorating economic environment.

"India's GDP growth weakened to its slowest rate in five years in the fiscal year ended March 2019, and the resultant financial pressure on rural households amid weaker job creation is in turn also weighing on premium growth," says Benjamin Serra, a Moody's senior vice-president.

"Nevertheless, the country's low insurance penetration rate suggests ample room for further growth, while supportive government and regulatory initiatives are also helping mitithe currently challenging environment for Indian insurance firms," the report said. Health premiums, in particular, are likely to increase as a result of Ayushman Bharat, it said.

Also, IRDAI has put in place a series of measures, including the removal of the limit on foreign ownership in Indian insurance intermediaries, which strengthen distribution.

# FMCG growth slows to single digit in 2019: Nielsen

Macroeconomic factors, consolidation among small players led to slowdown

SPECIAL CORRESPONDENT

After two years of clocking double-digit growth, the fast moving consumer goods (FMCG) segment slowed down to single digit growth in 2019 even as the last quarter of the previous calendar year indicated that the slowdown is showing signs of abating.

Nielsen said FMCG grew at 9.7% in 2019, much lower than the previous year's growth of 13.5%. Further, the growth trend was dampened by a drop in volume growth - down to 5.8% from 10.5% in 2018 - while price-led

growth sustained at 3.4%. "[The year] 2019 has been a tough year for the FMCG industry with a four percentage point decline, but we do



of the slow down stabilising.

see it stabilising in the last quarter of the year. A mix of macroeconomic factors, and channel and zone factors driven by manufacturers, coupled with consolidation of smaller players have been instrumental in the slowdown," said Prasun Basu, South Asia Zone President, Nielsen Global Connect.

"A lower pace of innovation has further limited consumer demand pick up. Ho-

wever, 2020 offers a stable outlook for the industry arresting the 2019 decline," he added. More importantly, the growth in the last quarter of 2019 – although much lower than the corresponding year-earlier quarter showed signs of the slowdown stabilising to a certain

"The last quarter of 2019 saw the FMCG industry grow at 6.6% (7.3% with e-commerce), indicating an arrest as against the sharp slowdown witnessed in the previous quarters. The same period a year ago was a high double digit (15.7% in Q4 2018)," said Nielsen.

Going ahead, the growth in the first quarter of 2020 is expected to be in the range of 8% to 9% – the lowest first quarter growth in three years. Nielsen expects the full year growth to be between 9% and 10%.

### **Rural demand recovery**

In a similar context, rating agency Crisil has said that an expected recovery in rural demand, coupled with steady urban demand, is set to lift revenue growth of the FMCG sector to 10-11% in fiscal 2021, close to the levels

witnessed in fiscal 2019. "Rural demand is expected to recover gradually from March-April 2020, riding on an increase in farm incomes given better storage levels in reservoirs after a good monsoon, better rabi output and good visibility for the upcoming crop seasons," stated

## Red Ridge invites global brands to shift base to India from China

Offers to buy entire output; India arm to invest ₹400 crore

With the cost of manufacturing going up in China and many international brands looking out for cost-efficient destinations, Red Ridge Global is sensing opportunity

The Chinese firm, started by Indian-origin founder Vickram Rana in 1998, is seeking to induce clients to shift their manufacturing base to India by offering to buy the entire production output and distribute the products across India and global markets.

Stone Sapphire India manufactures and distributes its Sk'oodle brand of stationery products

With global revenus of \$500 million, Red Ridge Global is one of China's largest arts, craft and learning kit suppliers having showrooms in the U.S., India, Canada, Malaysia and China. It has manufacturing and packing units in the U.S., Canada, Hong Kong, India and in Shanghai, Ningbo and Guangzhou.

In India, it operates via its 100% subsidiary Stone Sapphire India, which has established a distribution network across the country, besides manufacturing and distributing its own Sk'oodle brand of stationery products and art materials. Through third-party ma-

nufacturing units in Gujarat and elsewhere, Stone Sapphire has managed to achieve production that is 30% cheaper than the cheapest products in China, thus making a strong case to attract multinational firms to shift manufacturing to India.

### Bharti Airtel gets nod for 100% FDI

SPECIAL CORRESPONDENT

Bharti Airtel on Tuesday said it had got the approval from the Department of Telecom to increase foreign direct investment (FDI) in the firm to 100%.

"Bharti Airtel Limited has received the approval from DoT vide its letter dated January 20, 2020 for increasing the limit of foreign investment upto 100% of the paid up capital of the Company," the company informed the stock exchange. Last year, the DoT had rejected the application over lack of clarity on the foreign investor.

## Embassy eyes co-living infra with ₹2,000 cr. chest

To ready 20,000 beds across 3 cities

SPECIAL CORRESPONDENT

Embassy Group is to invest ₹2,000 crore in developing next-generation co-living infrastructure for students young professionals across six cities in India.

The builder's co-living brand Olive by Embassy has a mandate to ready 20,000 beds in the next 12 to 18 months, according to the

Aditya Virwani, COO, Embassy Group and co-founder, Olive, said in the first phase, the company would ready 20,000 beds - with Bengaluru getting 15,000,

Chennai 2,500 and Pune 2,500. "The shared economy concept has percolated to all aspects of society, creating... disruptions as well as opportunities. There are over 36 million students in higher education and the migrant millennial work-

force is growing at a rapid

pace across metros," he

In the second phase, the company is planning to add more co-living spaces in Hyderabad, Bengaluru, Mumbai, Pune and Delhi NCR with a vision to take the brand international over the next few years.

### Danfoss invests €15 mn in Pune unit

PRESS TRUST OF INDIA

Danfoss has invested €15 million to set up a facility in Pune for manufacturing mobile hydraulics for the construction, agriculture and other off-highway vehicle markets.

The company's Indian subsidiary Danfoss Power Solutions will manufacture products like electronic controls, pumps and valves, among others in this facility. "This is for the first time we are manufacturing these products here for Indian customers as per their needs," a senior company official said.

