

STOCKS IN THE NEWS

Tata Steel

Top loser among the S&P BSE Sensex stocks

₹462.40 CLOSE

▼ 4.31% DOWN*

APL Apollo Tubes

Q3 PBT at ₹111 crore against ₹20 crore in the year-ago quarter

₹2,066.70 CLOSE

▲ 1.75% UP*

Wockhardt

Q3 PBT at ₹16 crore against loss of ₹121 cr in the year-ago quarter

₹352.90 CLOSE

▲ 18.01% UP*

Bank of Baroda

Q3 net NPA ratio at 4.05% against 3.91 % in the previous quarter

₹92.35 CLOSE

▼ 3.40% DOWN

TCI Express

Q3 Ebitda margins expanded by 107 basis points to 13.1%; yoy

₹835.60 CLOSE

▲ 5.87% UP*

IN BRIEF

Maruti hikes select model prices by up to ₹10,000

The country's largest car maker Maruti Suzuki India (MSI) on Monday said it has increased prices of select models by up to ₹10,000 with immediate effect to offset the impact of rising input costs. The price change varies across models and ranges up to 4.7 per cent (ex-showroom Delhi) and are effective from January, 27 2020, MSI said. The price of entry level model Alto range has gone up in the range of ₹9,000–6,000, S-Presso between ₹1,500 to 8,000, WagonR between ₹1,500 and ₹4,000. The company has also increased the price of its multi purpose vehicles(all prices ex-showroom Delhi).

Paytm Payments Bank to help spot rogue apps

Paytm Payments Bank (PPBL) on Monday said it has added a new feature that analyses 'rogue' apps on user devices that may trigger fraudulent transactions and advises users to uninstall such apps. It is also leveraging artificial intelligence to immediately identify and block suspicious activities, and is undertaking periodic awareness drives throughout the country to educate users about fraud calls and SMSes, the bank said.

JK Paper reports 18% rise in net profit at ₹132 cr

JK Paper on Monday reported 18 per cent increase in consolidated net profit at ₹131.85 crore in the December quarter, on the back of lower input costs and high operating efficiencies. The company had posted a net profit of ₹11.44 crore in the same quarter last fiscal, JK Paper said in a regulatory filing. Income during the period under review stood at ₹849.25 crore.

Boardroom issues would not affect IndiGo, says Puri

"You don't see the boardroom issues impacting the performance of the airline," Civil Aviation Minister Hardeep Singh Puri said, over differences between promoters. His remarks came during a briefing about Air India's sale in response to a query on whether sentiments could be impacted as the sale is also happening at a time when there is a possibility of a promoter exiting IndiGo.

Jewar airport: Land for phase one acquired

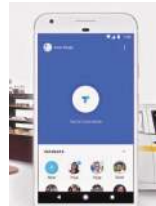
Around two dozen villagers on Monday pelted stones at district officials and policemen during the acquisition of the final parcel of land for the construction of Jewar airport, officials said. Sub-Divisional Magistrate Gunja Singh was injured during the clash. The Gautam Buddh Nagar administration has transferred the final land parcel to the Yamuna Expressway Authority, completing acquisition process for the first phase of Jewar airport, the officials said.

59% of e-transactions via GooglePay: Report

PEERZADA ABRAR
Bengaluru, 27 January

Among UPI (Unified Payments Interface) apps, Google Pay contributed 59 per cent and PhonePe facilitated 26 per cent, followed by Paytm (7 per cent) and BHIM (6 per cent) in the digital transaction space in 2019, according to fintech firm Razorpay's report titled "The Era of Rising Fintech".

The report provides an in-depth study of a rapidly evolving fintech ecosystem in India and analyses the patterns of digital transactions and the impact of industry innovations such as UPI, which are harnessing a digitally inclusive economy. In 2018, Google Pay contributed 48 per cent and BHIM facilitated 27 per cent in digital transaction,



followed by PhonePe (15 per cent) and Paytm (4 per cent). Also, Amazon Pay was the most preferred wallet among consumers (33 per cent), followed by Ola Money (17 per cent) in 2019. While the usage of cards (46 per cent) and net banking (11 per cent) saw a decline in 2019, down from 56 per cent and 23 per cent, respectively, in 2018. UPI (38 per cent) went up from 17 per cent in 2018.

"Growth of 338 per cent in digital payments in a year (2018-19) is massive. It's the highest we've seen so far in the country. Among other factors that led to this exponential growth, it was UPI that rose in prominence, dominating other modes of transactions," said Harshil Mathur, chief executive officer and co-founder, Razorpay.

Jindal Defence to make small arms in India

Signs deal with Brazil's Taurus Armas; production to start by September 2020 with an initial investment of \$5 million

ADITI DIVEKAR
Mumbai, 27 January

Delhi-based Jindal Defence, part of O P Jindal Group, on Monday said it has partnered Brazil's Taurus Armas for small arms manufacturing in India through a joint venture (JV).

With an initial investment of \$5 million, the JV proposes setting up a plant in Hisar (Haryana). The project is to be developed in phases.

The JV has an equity participation from both — Jindal Defence and Taurus Armas — in the equity ratio of 51:49.

This move by Abhyuday Jindal-promoted Jindal Defence is expected to bolster Indo-Brazil cooperation in the strategic defence sector,

the former said in a release on Monday.

The JV firm will manufacture small arms in India based on the transfer of technology from Taurus to achieve localisation of production in accordance with the Defence Procurement Procedures, said the release.

This partnership aims to maximise existing domestic opportunities in the small arms manufacturing sector and provides significant support to the ongoing and future modernisation plans of the armed forces, particularly the Indian army, the paramilitary, and state police forces.

Further, this move is in sync with the central government's vision of greater private sector participation in defence hardware manufacturing.

While the production of the arms will take place in Hisar, the venture is expected to come up with its production by September 2020, said a source close to the development.

"The JV company envisages creation of world-class infrastructure, along with adoption of best manufacturing practices to achieve perfection in design and engineering and achieve high quality standards. Moreover, with the technological expertise emerging with this JV, we aim to support the emerging demands of the Indian Armed Forces," Abhyuday Jindal said in the release. Abhyuday Jindal is also the managing director of Jindal Stainless.

Jindal has been eyeing the



A NEW VENTURE FOR JINDALS

- The JV proposes setting up a plant in Hisar, Haryana
- The project is to be developed in phases
- This move by Jindal Defence is expected to bolster Indo-Brazil cooperation in the strategic defence sector

defence space for a while now.

In 2017, as part of its expansion strategy, Jindal Stainless had plans to enter defence, nuclear energy and aerospace among other niche segments.

In March 2017, Jindal Stainless had signed a licence agreement with the Defence Research & Development Organisation (DRDO) to make high nitrogen steel (HNS) for armour applications at its Hisar plant. DRDO was to transfer the technology.

Brookfield plans foray into co-living space

Firm in talks with MIAL to lease 15 acres in Mumbai's Andheri East

RAGHAVENDRA KAMATH & ANEESH PHADNIS
Mumbai, 27 January



Canada-based Brookfield Asset Management is entering the co-living space with a new brand, according to sources.

The co-living segment is a growing trend globally, where many people share a common accommodation. Brookfield is in advanced talks with Mumbai International Airport (MIAL) to lease 15 acres of airport land close to ITC Hotel in Andheri East (Mumbai), said sources.

Apart from a co-living property, the investor is also planning a commercial property on the plot, said sources.

Brookfield is expected to pay some upfront money and the remaining will be on a revenue-sharing basis with MIAL, sources added. "It is a new area for Brookfield, which it feels has a lot of business potential in the country. It could also develop similar co-living properties under the same brand in other cities also," said sources, adding that it is also in talks with other developers to buy or lease land parcels.

Brookfield declined to comment while a mail sent to MIAL did not elicit any response.

Brookfield owns over 25 million sq ft of commercial property in Mumbai and other cities. It also bought Hotel Leela's assets last year for ₹3,950 crore.

Though Brookfield has bought assets of Unitech Corporate Parks in the National Capital Region and Kolkata as well as the commercial portfolio of the Hiranandani family in Powai area of Mumbai, among others, it has done mostly credit deals in residential areas so far.

It has plans to invest \$1 billion in residential real estate through debt deals. A number of real estate com-

PAST AND FUTURE DEALS

- Brookfield owns 25 mn sq ft of commercial properties in Mumbai, NCR, and Kolkata
- In 2014, Brookfield bought Unitech Corporate Parks (UCPs) for ₹2,034 crore
- In 2016, Brookfield bought the

- 4.5-million sq ft property portfolio of Hiranandani
- It bought assets of Hotel Leela for ₹3,950 crore last year
- It plans to do debt deals of \$1 billion in residential properties

panies are getting into this segment.

Recently, Bengaluru-based Embassy announced it will invest ₹2,000 crore to set up co-living spaces under the 'Olive' brand across top six cities. It plans to launch two centres each in Bengaluru and Chennai this year with 2,500 beds.

Bengaluru-based Puravankara has identified Goregaon in Mumbai as its foray point into the co-living space which would be about 350,000 square feet.

While Lodha Developers managing director Abhishek Lodha and Godrej Properties executive chairman Pirojsha Godrej invested in co-

living start-up Housr last year, Bengaluru-based start-up Colive raised \$9.2 million from real estate company Salarpuria Sattva.

According to a Cushman & Wakefield report, this segment is likely to more than double in market size from \$6.6 billion in 2019 to \$14 billion in 2025.

What is driving companies to this segment is the fact that co-living offers a higher rental yield of as much as 8-11 per cent. This is compared to the current average yield of 1-3 per cent in residential properties.

Interestingly, co-living start-ups such as Oyo Life, The Hello World by Nestaway, Zolo and Guesture are actively pursuing opportunities in this segment.

Daimler India rides on BS-VI line-up for higher market share

Bharat Benz says its new range lowers total ownership cost

SHALLY SETH MOHILE
Mumbai, 27 January

Daimler India Commercial Vehicles (DICV), which sells trucks and buses under the Bharat Benz brand, expects the current year to be a decisive one for the company. DICV is taking on rivals Tata Motors and Ashok Leyland with its BS-VI line of vehicles.

It is also seeking to aggressively expand its service touch points from the current 237 to 300 by year end and beyond 350 by end of 2021, according to Satyakam Arya, managing director (MD) and chief executive officer (CEO), DICV.

"After a strong growth in 2018, the market took a U-turn in 2019. We restructured the entire company in terms of costs and made it much more resilient. We also sharpened our focus on exports. As a result, the company is now much better positioned financially," said Arya.

He added that the latest range of BS-VI models the company will introduce in the current year will give it an edge over rivals



(From left) Thomas Fricke, MD, Daimler Buses India; Satyakam Arya, MD & CEO, DICV; Rajaram K, vice-president (domestic sales) DICV; and Pradeep Thimmamaiy, head of product engineering, DICV, in Navi Mumbai on Monday

in India. DICV doesn't report monthly sales volumes. The company's calendar year volumes are estimated to have dropped to 14,500 units in 2019 from 22,000 units in 2018.

The key differentiator in technology will

be the after treatment systems used in vehicles. Bharat Benz trucks have up to six years standard warranty and an extended warranty of up to eight years.

The trucks will have service intervals up to 20 per cent longer. This will reduce

maintenance cost by up to six per cent, the company claimed.

DICV's resolve to give a tough fight to rivals comes at a time when truck sales in India have plunged to a record low amid a slowing economy.

Sales of medium and heavy trucks fell 43.5 per cent year-on-year to 146,780 units in the first nine months of the current year, according to the Society of Indian Automobile Manufacturers (SIAM).

Demand is expected to take a further hit as India's auto industry leapsfrogs to BS-VI emission norms from April 1. The new emission norms are expected to make the BS-VI trucks 10-15 per cent dearer compared to BS-IV models. DICV invested close to ₹500 crore and developed new facilities and over 1,000 new parts for BS-VI. It achieved localisation of over 80 per cent, the company said.

One of the late entrants into India's truck market, which has largely been a race between Tata Motors and Ashok Leyland, Bharat Benz claims that unlike its competitors, the company doesn't not believe in discounting or panic selling. The top two firms control 80 per cent of

the market. "I do not understand the panic selling which other manufacturers have resorted to in the last few months. I think it was triggered by the inventory (of BS-IV models) they have. We never participated in that game as we believe in steering the company profitably and not through market share," said Arya, alluding to the deep discounts being offered by the companies to woo buyers ahead of the BS-VI switchover.

The value a truck owner will get by investing in Bharat Benz BS-VI models will be higher than that of a BS-VI variant of other trucks.

Unlike most other trucks, Bharat Benz models do not compromise on fuel efficiency because of transition to BS-VI, claimed Arya. He expects 2020 to be a tough year as the impact of the axle norms, which allows a 16-49 tonne truck to carry 25 per cent more load, has not been absorbed yet.

"A back-of-the-envelope calculation shows that if India's GDP grows at 7 per cent, we will take three years to absorb the additional capacity. With the economy having slowed, the pain due to the additional capacity will continue," he said.

Delhi HC rejects bail of former Bhushan Steel CFO Johari

The Delhi High Court on Monday dismissed the bail plea of Bhushan Steel's former chief financial officer (CFO) Nittin Johari, who was arrested by the SFIO for alleged fraudulent activities.

The verdict by Justice Brijesh Sethi came after the Supreme Court set aside the bail granted to Johari by the high court in August last year and asked it to hear the matter afresh. The details of the high court's decision to reject his bail plea would be available when the judgment is uploaded on its website.

The apex court's order had come on an appeal by the Serious Fraud Investigation Office (SFIO) challenging the August 14, 2019 order of the high court. Johari was arrested by SFIO on May 2, 2019, for alleged fraudulent activities, including filing false documents.