

Quick View



Panasonic forays into education sector in India

CONSUMER ELECTRONICS maker Panasonic India has ventured into education sector by launching two education-based solutions CareerEx and XcelIT, and aims to impact around one lakh students by 2025. Both the solutions are designed and developed at Panasonic's India Innovation Centre for the students, colleges and universities to bridge the existing skill gap between current education and employment needs for the future, the company said.

OYO registers strong growth in corp bookings

OYO HOTELS & Homes on Tuesday said it has witnessed a strong growth trajectory in its corporate bookings. The company's corporate channel witnessed an 80% increase in revenue on a year-on-year basis in 2019. At present, OYO's corporate channel contributes to over 30% of the company's total revenues.

TII's Q3 profit rises marginally to ₹78 cr

TUBE INVESTMENTS of India (TII), a Murugappa group company, has reported a marginal increase in its net profit for the quarter ended December 2019 to ₹78.27 crore against ₹77.25 crore in the same quarter last fiscal. The revenue during the quarter declined by 27% to ₹976.43 crore compared to ₹1,340.50 crore in the same quarter last fiscal. The drop in revenue mainly because of degrowth in the auto industry.

PFS Q3 profit rises 3.2% to ₹43.1 crore

POWER SECTOR lender PTC India Financial Services (PFS) has reported a net profit of ₹43.1 crore for the quarter ended December 2019 on a standalone basis, recording a year-on-year rise of 3.2% from the year-ago period on the back of lower finance costs. Also, the company said that its net interest margin increased 18 basis points y-o-y in Q3FY19 to 3.38%, implying that it paid lower interest to its lenders and earned higher interest from its borrowers.

APL Apollo Tubes Q3 net rises to ₹74 crore

STEEL PIPE manufacturer APL Apollo Tubes' net profit for the third quarter of current fiscal rose to ₹74 crore from ₹13 crore a year ago. Net revenue increased by 25% to ₹2,116 crore during the quarter compared to the same period last year. Sales volume went up to 4.8 lakh tonne from ₹3.14 lakh tonne a year ago.

Wonderla reports 45% jump in Q3 net at ₹21 cr

WONDERLA HOLIDAYS reported a 45% year-on-year increase in its third quarter net profit at ₹21.03 crore. The park operator had reported a net profit of ₹14.52 crore in the third quarter of last fiscal. Net revenue for the third quarter ended on December 2019 stood at ₹72.74 crore against ₹78.63 crore during the same period last year. Footfall grew 9% in Hyderabad and 2% in Kochi during the quarter. Bangalore witnessed a fall of 22% due to the effect of demand slowdown.

Ola appoints Sanjiv Saddy as senior V-P

OLA ON Tuesday announced the appointment of Sanjiv Saddy as senior vice-president, corporate affairs. Saddy has over 35 years of experience in corporate affairs and government relations, business development and finance.

DLF Avenue set to open in Delhi on February 1

DLF SHOPPING Malls on Tuesday said it is all set to open its experiential destination, DLF Avenue, Saket, on February 1.

NO EXPORT BENEFIT

Commerce ministry puts Bharti in 'denied entry' list

Denied entry list is known as blacklist for non-fulfilment of export obligation in respect of certain authorisation issued to firms

PRESS TRUST OF INDIA
New Delhi, January 28

THE COMMERCE MINISTRY has put Bharti Airtel in denied entry list for non-fulfilment of export obligation under an export promotion scheme, sources said. The Directorate General of Foreign Trade (DGFT), which is under the ministry, has put the company under this list, which is commonly known as blacklist for non-fulfilment of export obligation in respect of certain EPCG authorisation issued to them, they said. Following the move, the company will not be able to avail any export benefit or licence from the DGFT. Sources at Airtel said the company has not taken any such licence since April 2018, as there is no operational requirement. In fact, the company has already



applied for cancellation of all past licences that were due and is awaiting approval from authorities, they added. An e-mail sent to the company did not elicit any immediate response. Under the Export Promotion Capital

Goods (EPCG), an export promotion scheme, import of capital goods is allowed at zero customs duty. Capital goods imported at zero duty must fulfil EPCG export obligation equivalent to six times of duty saved, as per the scheme.

DoT likely to approve Airtel-Tata Tele deal

KIRAN RATHEE
New Delhi, January 28

THE DEPARTMENT OF telecommunications (DoT) is expected to give approval to Bharti Airtel's merger with consumer mobility business of Tata Teleservices in the next few days as the Supreme Court has refused to grant stay to an interim order of TDSAT, which had directed it to clear the deal. The DoT had sought ₹8,300 crore for clearing the merger between the two companies. However, Bharti Airtel challenged it and got a partial stay from TDSAT in May last year. The company was asked by the tribunal, in its interim order, to deposit 50% of the ₹1,287-crore demand raised by DoT for merging Chennai and Tamil Nadu circles. While complying with the order, Airtel had submitted a bank guarantee of ₹644 crore in TDSAT but DoT

challenged the order in SC in November. The SC, however, did not stay the TDSAT order, stating that it did not find any reason to interfere in the matter while also asking the telecom tribunal to give a final order on the matter in two months. As per sources, DoT has now decided to approve the merger. A formal letter will be sent to the company in the coming few days. It must be mentioned that this is not the first time that the apex court has refused to grant stay to DoT regarding one-time spectrum charges (OTSC). At the time of Telenor's merger with Bharti Airtel, the DoT had raised a demand of ₹1,700 crore as OTSC charges, which was challenged by the company. After, TDSAT gave an order in favour of the company, the DoT approached the Supreme Court, which also asked the government to clear the merger without any payment. The DoT approved the merger in May 2018.

GVK Airport Holdings case: SC refuses to give any relief to Bidvest arm

FE BUREAU
New Delhi, January 28

THE SUPREME COURT on Tuesday refused to give any relief to South African firm Bid Services Division (Mauritius) – a subsidiary of Bidvest Group – and asked it to move the Delhi High Court against the arbitration tribunal's interim order that restrained it from transferring its 13.5% stake in GVK Airport Holdings, the main holding company for the Mumbai International Airport (MIAL). A Bench led by Justice R Bhanumati, while disposing of the Bid Services' plea, asked it to move the HC against the order of the arbitral tribunal, which had restrained any transfer of stake till "final disposal" of the arbitration proceedings. It also urged the HC to expeditiously consider Bid Services' plea for interim relief. The HC had in July last year allowed Bidvest to sell its stake in MIAL to a third party, paving the way for the Adani group to make

investment in the airport. Adani has been eying to pick stake in MIAL to mark its foray into the airport business. The share purchase agreement in this regard was entered on March 5, last year between Bidvest and Adani. However, the group has not been able to go ahead with the sale as the GVK Airport Holdings, an arm of GVK Power and Infrastructure, had objected, saying it has the 'right of first refusal' to purchase shares under the shareholders' agreement of 2006. GVK's offer to Bidvest was valued at ₹1,248 crore. GVK has been claiming that it has deposited the money in an escrow account in London. The SC had on January 13 asked the arbitral tribunal to pronounce by January 27 its order that was to decide if GVK is in a position to purchase 13.5% stake of Bid Services. The direction to pronounce the order was given as the deadline to sell the stake to the Adani group is expiring on January 31. Senior Abhishek Manu Singhvi, appearing for GVK, submitted that given that

there is an order against Bidvest now, it should argue the merits of the case actually before the arbitral tribunal and not the apex court. Senior counsel Dushyant Dave, also appearing for GVK Group, alleged that Bidvest Group has not received the Government of India's permission to sell its stake to Adani yet. However, senior counsel Mukul Rohatgi, appearing for Bid Services, opposed it, saying that the Bidvest Group had the requisite permission to sell. "Bidvest wants to sell its stake and GVK is not giving it the money... It is grossest case of a dishonest party who wants to buy and not pay," he said. Rohatgi reiterated that if Adani group backtracked now, having already waited for more than a year, then the Bidvest Group will not have any buyer. He also argued that GVK is trying to delay the process as it does not have money. "Pay me the money and buy my stake. I will walk away," he said, adding that the group will move the HC on Wednesday.

INTERVIEW: NAVEEN SONI, SENIOR VICE-PRESIDENT, TOYOTA

'Auto industry growth likely to pick up by December quarter'

AS DEMAND REMAINS subdued, Toyota has decided not to pass on the entire cost increases on BS-VI models. Naveen Soni, senior vice-president (sales & services), tells FE's Prirish Raj that this may not be a sustainable solution in the long run and the company would be forced to increase prices later. Excerpts:

With another round of price hike due to BS-VI norms, the period of slowdown is likely to extend. What is your assessment of the demand situation post April 2020? With the introduction of BS-VI norms and the commensurate price hike, especially in diesel cars, it is likely to have adverse impact on demand. In order to smoothen the transition, as an introductory offer, we have chosen not to pass on the full impact of increase in cost to the consumers at the launch. We feel that consumers will take some time to understand and appreciate

the benefits and the associated cost hikes after BS-VI implementation. Hence, we expect the adverse impact on demand to last at least for the first two quarters and the auto industry growth to hopefully pick up by the third quarter, this year. Even if the demand picks up by Q3FY21, do you expect a high single digit growth year-on-year? The government has taken some key decisions to boost demand for vehicles and, at least in the short term, we believe the industry has shown signs of some recovery. However, with the roll out of the BS-VI norms, we are cautious on how the customer responds to the new technology and the increased vehicle pricing, especially in the diesel segment, as this will play a key role in the growth trajectory of the industry. While Innova and Fortuner have had a



successful run so far; in the hatchback segment, the volumes with Glanza are still much lower than many competitors. Do you plan to strengthen it by way of more launches in the category or will Toyota largely remain a SUV-MPV player? Despite the ongoing industry slow-



ELECTRIC MOBILITY

N Chandrasekaran, chairman, Tata Sons

E-mobility is an irreversible mega-trend and an imperative for addressing pollution and generating job opportunities in India

Airtel Africa Q3 net profit slips nearly 21%

PRESS TRUST OF INDIA
New Delhi, January 28

BHARTI AIRTEL'S AFRICA unit, Airtel Africa, on Tuesday posted about 21% fall in net profit for the third quarter ended December 2019 at \$103 million (around ₹735 crore). Airtel Africa said that the group's parent company has raised \$3 billion in capital through a mix of qualified institutional equity placement and convertible bond offerings. The company also said that these activities have "reduced the level of uncertainty about the ability of the group's intermediate parent company to comply" with the recent Supreme Court judgement on statutory dues. "As a result, the directors have concluded that the previously highlighted material uncertainty around the group's ability to continue as a going concern no longer exists and that the group has adequate committed and non-committed facilities to operate as a going concern," it added. Airtel Africa's net profit for the quarter ended December was 20.9% lower in constant currency terms at \$103 million on a year-on-year basis. However, the revenue for the quarter at \$883 million was 14.2% higher (on constant currency basis) and 12.8% higher (on reported basis), helped by broad-based growth across voice, data and mobile money. The difference between reported currency and constant currency growth rates is on account of currency

Airtel Africa said the group's parent company has raised \$3 bn in capital and these activities have reduced the level of uncertainty about the ability of the group's intermediate parent company to comply with the SC judgement on AGR dues

movements. "Revenue increased by 9.9% to \$2,522 million for the nine-month period ended December 31, 2019, with Q3FY20 revenue growth increasing to 12.8%," the statement added. Growth was recorded across all services, with revenue in voice, data and mobile money up by 3.9%, 39% and 40.4%, respectively, in constant currency. Airtel Africa CEO Raghunath Mandava said: "Revenue growth accelerated in Q3 to 14.2% as a result of improved performance in the Rest of Africa, supported by solid results in Nigeria and East Africa. This is now the eighth consecutive quarter that we have delivered double-digit revenue growth and Ebitda margin expansion in constant currency." In its financial review, the company noted that the total tax charge for the period was \$170 million, compared to a tax credit of \$111 million in the same period last year, as a result of higher operating profit and withholding tax on dividends, as Airtel Nigeria – its largest and most profitable market – declared a first dividend.



expectation of price reductions begin buying again," she was quoted as saying in a Gartner statement. Gartner forecasts that sales of 5G mobile phones will total 221 million units in 2020 which will account for 12% of overall mobile phone sales and more than double in 2021, to 489 million units. "The commercialisation of 5G phones will accelerate in 2020. 5G phones costing under \$300 have been announced, so sales

growth of 5G phones is expected to exceed that of 4G phones over twelve months," Zimmermann said. Strong demand for 5G phones in general, together with expectations of Apple's first 5G iPhone, will bolster demand for smartphones, particularly in Asia/Pacific and Greater China, according to Gartner. In terms of smartphone sales, Greater China and emerging Asia/Pacific will maintain their number one and number two positions globally in 2020, with respective sales of 432.3 million and 376.8 million smartphones, it was stated. "Smartphone sales will register growth in 2020 as the demand for mid-price smartphones rises in India," said senior research director at Gartner, Anshul Gupta. "Premium features including improved camera, display at affordable price will remain key for growth in the Indian smartphone market in 2020," he added.

BPSL assets: Corp affairs min to counter ED's stance

SURYA SARATHI RAY
New Delhi, January 28

FOR SPEEDY RESOLUTION of Bhushan Power and Steel (BPSL), the ministry of corporate affairs (MCA) is likely to counter the Enforcement Directorate's contention that preferred bidder JSW Steel cannot seek to ring-fence BPSL and its assets after take-over since Section 32A of the Insolvency and Bankruptcy Code (IBC) does not apply retrospectively. In its affidavit to the National Company Law Appellate Tribunal (NCLAT) submitted on January 17, the ED said since the amendment came into force after JSW Steel's resolution plan was approved, JSW Steel cannot seek benefits accrued under the Section. JSW Steel's resolution plan for BPSL was approved by the National Company Law Tribunal on September 5, 2019; while Section 32A was notified on December 28, 2019. Discounting ED's contention as "baseless", a senior government official said that the ED was perhaps interpreting Section

32A in isolation; while the MCA would take into consideration various other provisions of the IBC to interpret Section 32A. The ED had in October 2019 attached BPSL assets worth over ₹4,000 crore in connection with a money-laundering probe. Legal sources also said that the ED's stand that Section 32A does not apply retrospectively is "totally misplaced". "In any given case where the facts of Section 32A are applicable, the law will operate," a senior advocate said. The investigating agency, in its affidavit, also informed the NCLAT that during the course of investigation under the Prevention of Money Laundering Act, it found that BPSL and JSW Steel were associated as shareholders, holding 24.09% and 49% equity, respectively, in a joint venture, Rohne Coal Company. The JV, according to its 2018-19 annual return filed with the ministry of corporate affairs, was formed in 2008 and "is still operational". The MCA official said that the related party issue would be discussed within the ministry before it files its intervention before the NCLAT.