OYO net loss widens to $335 mn in FY19, revenue rises five-fold

The company said India contributed $604 million in revenues, registering an almost three-fold rise on a yearly basis, while revenues from China stood at $307 million; the remainder came from rest of the markets

ENS ECONOMIC BUREAU
NEW DELHI, FEBRUARY 17

OYO HOTELS & Homes & Homes Monday said its consolidated losses rose to $335 million in the year to March 2019 from $52 million in FY18, as expansion into global markets, including key market China, entailed heavy costs.

Consolidated revenues grew nearly 5 times year-on-year to $951 million in FY19. Revenues stood at about $211 million in FY18, OYO said.

The Gurgaon-based company, however, said it narrowed its net losses in India from 24 per cent of revenue in FY18 to 14 per cent of revenue to $83 million in FY19. India contributed $604 million in revenues, registering an almost three-fold rise on a yearly basis, while revenues from China stood at $307 million; the remainder came from rest of the markets.

On the earnings call, Rohit Kapoor, chief executive officer, OYO India and South Asia, said as far as India is concerned, there is no "deadline" for any business to come to the path of Ebitda profitability — what is required is to have a clear path to profitability.

"We have the runway to keep doing our businesses with a logical outcome," he added.

Aditya Ghosh, member, board of directors, said while among international markets, China remains a priority, the firm is also seeing a lot more traction in markets like the United States, United Kingdom and Japan.

Last year, OYO said it will invest $300 million in growing its US business.

OYO's valuation report filed with the Registrar of Companies in November 2019 had shown its losses ballooned more than 6.6 times to Rs 2,385 crore ($334.12 million) in FY19.

The company's revenue from operations, however, increased about 4.5 times to Rs 6,457 crore ($904.59 million), according to the report.

The audited results released on Monday are in line with the valuation report which the firm claimed to be provisional.

Since it was set up in 2013, OYO has been on an expansion spree, widening its footprint to 80 countries.

The firm said it has over 43,000 asset partners and claims to have hosted over 180 million guests from more than 120 nationalities between January-December 2019. Start-ups, however, have come under investor scrutiny post the WeWork debacle. Major global investors including SoftBank are understood to be tweaking their investment strategy and portfolio companies have been asked to chase profitability rather than valuations. FE

DEAL TO HELP GMR INFRASTRUCTURE REDUCE ₹4,141 CR DEBT

JSW Energy to acquire GMR's Odisha thermal plant for ₹5.3K cr

ENS ECONOMIC BUREAU
NEW DELHI, FEBRUARY 17

JSW ENERGY Monday said it will take over 100 per cent stake in GMR Kamalanga Energy (GKEL), the business unit of GMR Infrastructure that houses the 1,050 mega watt (MW) thermal power plant in Odisha, for Rs 5,321 crore.

After the acquisition, JSW Energy's installed power generation capacity would reach 5,609 MW. About 84 per cent of the plant's capacity supplies electricity to Odisha, Haryana and Bihar under long-term power purchase agreements. It also has adequate coal supply arrangements from nearby mines, reducing fuel costs and resulting in lower risks of under-recoveries. The deal will help GMR Infrastructure cut its debt of Rs 4,141 crore which the company owed to IDFC (lead lender), SBI, IDBI, Canara Bank and UCO Bank. GMR had infused equity of Rs 2,250 crore into this power plant.

WILL BOOST JSW ENERGY'S CAPACITY

- **After acquisition of GMR Kamalanga Energy, the GMR Infrastructure unit that houses the power plant, JSW Energy's installed power generation capacity will be 5,609 MW**
- **Price to be paid is subject to working capital and other adjustments and the transaction shall be subject to customary regulatory and other approvals for its completion, JSW said**

It was not immediately known how much haircut has been borne by the lenders. Operating the plant did not turn out to be viable for GMR as the competitive rates (Rs 2.89 per unit-Rs 3.39 per unit) at which it sold power was not sufficient to recover the costs.

The price to be paid is subject to working capital and other adjustments and the transaction shall be subject to customary regulatory and other approvals for its completion, JSW said.

Sector experts pointed out that JSW, with its strong balance sheet, is seen to reduce borrowing costs and improve the cost economics of the plant. JSW Energy is also eyeing acquisition of the 700 MW Ind-Barath (Utkal) plant through the National Company Law Tribunal (NCLT) route. It expects to complete the Utkal plant deal by Q2FY21.

Other stressed plants resolved outside the NCLT include Tata Power acquiring 75 per cent stake in Prayagraj Power Generation Company Ltd's 1,980 MW Bara power plant for Rs 6,000 crore (reflecting a haircut of more than 50 per cent), Hong Kong-based Agritrade Resources Ltd agreeing to purchase 100 per cent of the equity in SKS Power's Binjkote power plant for Rs 2,170 crore (at 57 per cent haircut).

In a first instance of resolution of a stressed power asset outside the Insolvency and Bankruptcy Code (IBC) mechanism where the promoters have retained management control, Aditya Birla Asset Reconstruction Company Ltd agreed to take over RattanIndia Power's 1,350 MW Amravati plant's Rs 4,050 crore debt with funding from foreign investors including US-based Goldman Sachs and Varde Partners. A consortium of lenders led by Power Finance Corporation agreed to take a 36 per cent haircut through this deal.

Under the IBC, NHPC — in September 2019 — signed an agreement to take over and commission the 500-MW Teesta-6 hydro electric project in Sikkim. State-run power generator NTPC is also preparing to bid for the distressed 600 MW Jhabua power plant in the NCLT. FE

BRIEFLY

Goyal proposes discontinuing SEIS incentives

New Delhi: Commerce and Industry Minister Piyush Goyal Monday proposed to discontinue export incentives under Service Exports from India Scheme (SEIS) to the services sector as it has not helped India "increase shipments positively".

FinCom sets up expert group on agri exports

New Delhi: The 15th Finance Commission Monday decided to set up an eight-member high level expert group headed by ITC chairman Sanjiv Puri to recommend strategies and steps to raise farm productivity and boost exports.

SBI Cards gets Sebi go-ahead to float IPO

New Delhi: SBI Cards and Payment Services, the credit card unit of State Bank of India (SBI), has received Sebi's go ahead to float an initial public offering (IPO).

Microsoft sets up engineering hub in Noida

New Delhi: Microsoft Monday said it has set up a new development centre in Noida, its third such facility in India, that will serve as an engineering and innovation hub for the company. PTI

Alstom to buy Bombardier unit for up to $6.7 bn

Paris/Montreal: France's Alstom said Monday it had agreed to buy the rail unit of Canada's Bombardier for up to $6.7 billion. REUTERS

RBI gets over ₹1.94 lakh cr of bids for maiden ₹25K-cr LTRO

PRESS TRUST OF INDIA
MUMBAI, FEBRUARY 17

THE RESERVE Bank on Monday successfully kicked off the maiden long-term reverse repo operation (LTROs) by conducting a three-year issue worth Rs 25,000 crore for which it received bids of more than Rs 1.944 lakh crore. Deploying an out-of-the-box tool to ensure permanent and deeper liquidity in the system, which hovers over Rs 2.5 lakh crore on a daily basis now, the Reserve Bank on February 6, had announced Rs 1 lakh crore of long-term reverse repo operations beginning this Monday.

The RBI will conduct the second issue for Rs 25,000 crore on February 24 which will have one-year tenor.

"Today, the Reserve Bank conducted the first long term repo operation (LTRO) for a notified amount of Rs 25,000 crore with a three-year tenor in pursuance of the LTROs announced on February 7," the monetary authority said in a statement.

The response to the LTRO has been so encouraging that bids crossed Rs 1,94,414 crore, implying a bid to cover ratio of 7.8. Total amount of bids has, in fact, exceeded the aggregate amount of Rs 1 lakh crore proposed to be offered under the LTRO scheme, it noted. The central bank allotted the bills on a pro-rata basis to 63 applicants with total allotted amount at Rs 25,035 crore, taking the pro-rata allotment percentage to 12.86.

The reversal date of these repos is February 16, 2023, it said, adding the operations were conducted on the E-Kuber platform.

Issuing the LTROs guidelines, the RBI has said these measures would be in addition to the existing LAF and MSF operations. The operations would be conducted at a fixed rate.

Banks would be required to place their requests for the amount sought under LTRO during the window timing at the prevailing policy repo rate. Bids below or above policy rate will be rejected.

RIL consolidates media, distribution businesses into Network18 umbrella

ENS ECONOMIC BUREAU
MUMBAI, FEBRUARY 17

RELIANCE INDUSTRIES (RIL) on Monday announced the consolidation of its media and distribution businesses spread across multiple entities into Network18.

Under the scheme of arrangement, TV18 Broadcast, Hathway Cable & Datacom and Den Networks will merge into Network18 Media & Investments. The appointed date for the merger will be February 1. The board of directors of the respective companies approved the scheme at their meetings held on Monday.

The broadcasting business will be housed in Network18 and the cable and ISP businesses in two separate wholly-owned subsidiaries of Network18. The restructuring will create value-chain integration, and render substantial economies of scale. The scheme will also simplify the group's corporate structure by reducing the number of listed entities.

"The aggregation of a content powerhouse across news and entertainment (both linear and digital) and the country's largest cable distribution network under the same umbrella will boost efficiency and exploit synergies, creating value for all stakeholders," RIL said. "The media industry is accelerating towards being a B2C play, led both by market factors and through regulation. An integrated media play will further increase the breadth as well as depth of the group's consumer touchpoints, and allow for retaining a larger share of the consumer's spend on content," it said.

'P-note investments hit nearly 11-year low till Dec-end'

Investments in Indian capital market via P-notes were at ₹64,537 crore till the end of December 2019, as per Sebi data

₹69,670 CR
P-NOTE INVESTMENTS VALUE IN INDIAN MARKETS — EQUITY, DEBT, DERIVATIVES — AS OF NOVEMBER-END

₹60,948 CR
CUMULATIVE VALUE OF SUCH INVESTMENTS IN FEBRUARY 2009, THE LOWEST EVER ON RECORD

Changes brought about in September by Sebi:
- Simplified KYC requirements and registration process for FPIs
- Broad-based classification of such investors

- **₹76,773 crore:** Total investment registered at end of October, which was first gain after a continuous decline since June

- **Impact of liberalised norms:** Market experts believe that liberalised norm for FPIs by the Securities and Exchange Board of India (Sebi) is impacting investment through P-notes route

- **December investments at a near 11-year low:** Investments through participatory notes (P-notes) till December were at a near 11-year low

Segment-wise investment in December:
Equities: ₹52,486 crore
Debt: ₹11,415 crore
Derivatives: ₹636 crore

***P-notes** are issued by registered foreign portfolio investors (FPIs) to overseas investors who wish to be part of the Indian stock market without registering themselves directly*

***Under** the new rules, FPIs have been divided into two categories*

Source: SEBI/PTI

Mistry files appeal in SC; says his family deserved more relief from NCLAT

PRESS TRUST OF INDIA
MUMBAI, FEBRUARY 17

LESS THAN a month after the Supreme Court stayed an order reinstating him as Tata Sons chairman, Cyrus Mistry has moved the apex court seeking removal of many anomalies in the NCLAT order, saying his family deserved more relief from the tribunal.

Mistry — whose family owns 18.37 per cent stake in Tata Sons — has filed a cross appeal in the court.

Generally, a cross appeal refers to an appeal made against certain facets of a judgement.

On January 25, a three-judge bench headed by Chief Justice Arvind Bobde stayed the National Company Law Appellate Tribunal (NCLAT) order, dated December 18, 2019, wherein Mistry was reinstated as Tata Sons chairman. The stay came on an appeal filed by Tata Group.

In the petition, Mistry has described the group's relationship with Tatas as "a quasi-partnership relationship of a vintage of over 60 years, holding 18.37 per cent in the equity share capital of Tata Sons and whose stake is now worth over Rs 1.5 lakh crore".

As per the petition, which has been accessed by PTI, the Cyrus Mistry camp has sought remedies for many anomalies in the NCLAT order

According to the petition, which has been accessed by PTI, the Mistry camp has sought remedies for many anomalies in the NCLAT order, including about not looking at alleged oppression of minority shareholders as well as converting Tata Sons into a private limited company as a post-facto move.

The conversion happened after Mistry was removed as chairman on October 24, 2016.

'India becomes 5th largest economy; ahead of UK, France'

PRESS TRUST OF INDIA
NEW DELHI, FEBRUARY 17

INDIA EMERGED as the world's fifth largest economy by overtaking the UK and France in 2019, says a report.

A US-based think tank World Population Review in its report said that India is developing into an open-market economy from its previous autarkic policies. "India's economy is the fifth largest in the world with a GDP of $2.94 trillion, overtaking the UK and France in 2019 to take the fifth spot," it said.

The size of the UK economy is $2.83 trillion and that of France is $2.71 trillion.

The report said that in purchasing power parity (PPP) terms, India's GDP (PPP) is $10.51 trillion, exceeding that of Japan and Germany.

Due to India's high population, India's GDP per capita is $2,170 (for comparison, the US is $62,794).

GM shuts Australia, NZ ops; sells Thai plant to Great Wall

REUTERS
NEW YORK/BEIJING, FEB 17

GENERAL MOTORS Co said it would wind down its Australian and New Zealand operations and sell a Thai plant in the latest restructuring of its global business, costing the US auto maker $1.1 billion. The moves will accelerate GM's retreat from unprofitable markets, making it more dependent on the United States, China, Latin America and South Korea, and give up an opening to expand in Southeast Asia.

They come after the company told analysts this month that restructuring GM's international operations outside of China to produce profit margins in the mid-single digits would represent "a $2 billion improvement" on two years ago.

GM has forecast a flat profit for 2020 after a difficult 2019, and is facing ballooning interest in electric car rival Tesla Inc.

GM is "focusing on markets where we have the right strategies to drive robust returns, and prioritizing global investments that will drive growth in the future of mobility," especially in electric and autonomous vehicles, GM Chair and CEO Mary Barra said in a statement late on Sunday.

A car dealership of Holden, General Motors Co.'s Australian subsidiary, in Sydney, Australia. *AP*

The latest changes — a continuation of GM's retreat from Asia that began in 2015 when it announced it would stop making GM-branded cars in Indonesia - will lead to cash and non-cash charges of $1.1 billion. Some 600 jobs will be lost in Australia and New Zealand, while GM said about 1,500 jobs would be affected by the sale in Thailand.

Barra has prioritised profit margins over sales volume and global presence since taking over in 2014.

In 2017, she sold GM's European Opel and Vauxhall businesses to Peugeot SA and exited South Africa and other African markets. Since then, Barra has decided to pull GM out of Vietnam, Indonesia and India.

Like Britain, Australia and New Zealand are right-hand drive markets. With sales of GM's Australian Holden brand plummeting, the company could not justify the investment to continue building right-hand drive vehicles, GM president Mark Reuss said.

The move stoked anger in Australia, where GM Holden long ranked among the country's best selling car companies after the first locally made mass-production car rolled off the assembly line with a Holden badge in 1948.

Amid continuous decline in new car sales, GM said it was ending Australian factory production in 2017 and last year called time on former best-seller the Commodore as part of a shift towards more compact SUVs and utility vehicles.

EU industry chief tells FB to adapt to EU, not other way round

REUTERS
BRUSSELS, FEBRUARY 17

EU INDUSTRY commissioner Thierry Breton said on Monday it was for Facebook to adapt to Europe's standards, not the other way round, as he criticised the US social media giant's proposed internet rules as insufficient.

The blunt comments came after a short meeting with Facebook CEO Mark Zuckerberg and two days before Breton is due to present the first of a raft of rules to rein in US tech giants and state-aided Chinese companies. "It's not for us to adapt to this company, it's for this company to adapt to us," Breton said.

Zuckerberg had earlier told reporters he had a good, wide-ranging conversation with Breton.

Breton also said he would decide by the end of the year whether to adopt tough rules as part of the digital services act to regulate online platforms and set out their responsibilities.

He dismissed a discussion paper issued by Facebook on Monday that rejects what it calls intrusive regulations and suggests looser rules whereby companies would periodically report content and publish enforcement data.

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CIN L13100TG1958GOI001674

NOTICE INVITING TENDER

Tender no.GM (ENV)/ENV/DEP-11/2020 **18/02/2020**

Tenders are invited for preparation of EIA/EMP report for obtaining Environment Clearance for Deposit-11ML (874.924 Ha) and amendment of existing EC for Deposit-14/11C under EIA 2006 Notification.

The detailed NIT and tender document can be viewed and down loaded from NMDC web site http://www.nmdc.co.in and www.eprocure.gov.in from **18/02/2020 to 09/03/2020.** For accessing the bid document from NMDC web site, online registration is required at **http://nmdc.co.in/nmdctender/default.aspx**.

For accessing bid document at central procurement portal www.eprocure.gov.in click "latest active tenders". For further clarifications contact AGM(Envt), NMDC Limited, Hyderabad at 040-23538773 / e-mail at **nsssekhar@nmdc.co.in**

General Manager (RP)

JAWAHARLAL NEHRU PORT TRUST
(PORT PLANNING AND DEVELOPMENT DEPARTMENT)
ISO 9001:2015, ISO 14001:2015, ISO 27001:2013, ISO 45001:2018 CERTIFIED

SHORT e-TENDER NOTICE

Tender No. : PPD/M-II/CUM/T-10/2020 dated 10/02/2020

Jawaharlal Nehru Port Trust invites tender **"ON-LINE"** from **18/02/2020 to 11/03/2020** from the experienced contractors fulfilling the "Minimum Qualifying Criteria" stipulated in this tender for the work of **"Construction of Common User Manifold for Edible and Lube Oil at JNPT"**. The estimated cost of the work is ₹ **2,17,54,613/-**. Time limit for completion of work is **Four (04) Months**. Tender fee is ₹ **11,800/-** by demand draft (non-refundable). Completed tenders shall be submitted on or before **11/03/2020** up to **1500 hrs.** by **"ON-LINE"** process. Detailed Notice Inviting Tender is available on JNPT's website **www.jnport.gov.in** or **https://eprocure.gov.in/eprocure/app**

Chief Manager (PP&DD)

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OPEN TENDER NOTICE NO. PT/OT/04/AX & PT/OT/06/AX

Online Bids (Technical & Price Bid) are invited for supply of item as per details indicated below:

Category of Items	Qty.	Approx. Value	EMD Amount	Due Date of Opening
"Fume Extraction System/ Water Washed Scrubber System for Surface Treatment Plant" (On Turnkey Basis)	01 Set	Rs. 1850000/-	Rs. 46500/-	13.03.2020
"Test Rigs for Quality Testing of Wheel Chairs" (On Turnkey Basis) 1. Hazard Running Test System 2.Curb Drop Test System	03 Set	Rs. 1650000/-	Rs. 41500/-	13.03.2020

Interested Tenderers may download the tender document from ALIMCO website www.alimco.in (for reference only) and CPPP **website: https://eprocure.gov.in/eprocure/app.** Tender Fee of Rs 560/- to be submitted only through online payment gateway available at www.alimco.in. All SSI / MSE Vendor are exempted from Tender Cost producing/submitting Valid Udyog Aadhaar Memorandum only.

Tenderers are requested to submit their Offers/Bids through **E- Tendering Process** only on https://eprocure.gov.in/eprocure/app and EMD as given above can be submitted only through online payment gateway available at www.alimco.in. The Technical Bid will be Opened at **1530hrs.** on the **due date as indicated above.** ALIMCO reserves the right to reject any or all requests/Offers without assigning any reason. Submit scan copy of the e-receipt of the Tender Fee & EMD along with TC bid.

For ALIMCO - Sr. Manager (SP & C)

Japan on brink of recession as economy contracts, coronavirus heightens risk

REUTERS
TOKYO, FEBRUARY 17

JAPAN'S ECONOMY shrank at the fastest pace in almost six years in the December quarter as sales tax hike hit consumer and business spending, raising the risk of a recession as China's coronavirus outbreak chills global activity.

Analysts say the widening fallout from the epidemic, which is damaging output and tourism, could have a significant impact on Japan if it's not contained in coming months.

Japan's gross domestic product (GDP) shrank an annualised 6.3 per cent in the October-December period, government data showed on Monday, much faster than a median market forecast for a 3.7 per cent drop and the first decline in five quarters.

It was the biggest fall since the second quarter of 2014, when consumption crumbled after a sales tax hike in April of that year.

WTO: 2020 trade growth likely to remain weak due to coronavirus outbreak

REUTERS
BRUSSELS, FEBRUARY 17

GROWTH OF global trade in goods is likely to remain weak in early 2020, the World Trade Organization (WTO) said on Monday, adding that the below-trend performance could become even worse due to the new coronavirus.

The Geneva-based trade body said its goods trade indicator fell to 95.5 from the 96.6 reading reported in November. Readings of less than 100 indicate trade growth below medium-term trends.

The WTO said the new figure did not take into account the most recent developments, such as the outbreak of the new coronavirus, which could dampen trade prospects further.

Global merchandise trade fell by 0.2 per cent year-on-year in the third quarter of 2019, the WTO said, with a possible pick-up in the fourth quarter.

epaper.indianexpress.com