

● 11% SURGE

Indiabulls jumps after probe finds no major irregularities

SHRUTI SRIVASTAVA
New Delhi, February 20

A GOVERNMENT INVESTIGATION hasn't found any significant financial irregularities in the operations of the Indiabulls group, according to people familiar with the matter. The companies' shares and bonds jumped.

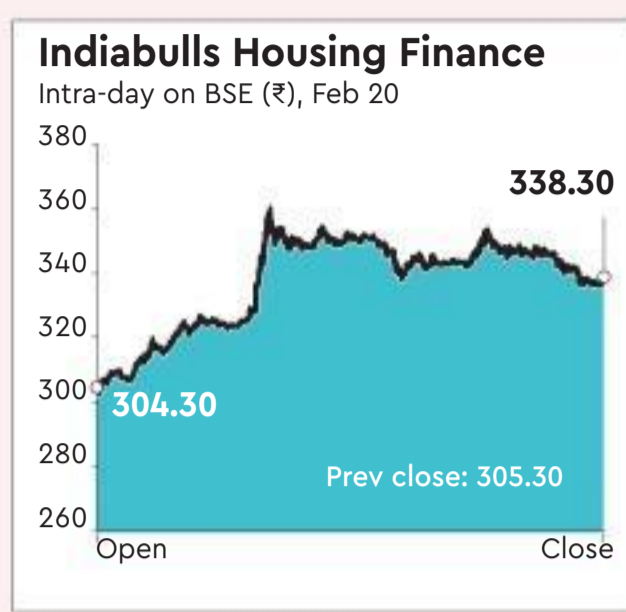
The registrar of companies in its third inspection report has said all transactions between various units of the group have been at arms' length, the people said, asking not to be identified as the report isn't public. It also found that loans it had been probing — to DLF, Americorp, and Anil Ambani's Reliance Group — have all been repaid while those given to the Vatika and Chordia groups are standard accounts.

The ministry of corporate affairs had been investigating the Indiabulls group for more than a year after initial inquiries found cross-holdings in the firms and common address for several of their subsidiaries, raising the possibility of the existence of shell companies.



The Delhi High Court on February 28 will hear a petition to probe Indiabulls on similar allegations.

Shares of Indiabulls Housing Finance surged 10.75% on Thursday, compared with a 0.4% drop in the benchmark index. Indiabulls Ventures jumped 8.2% and Indiabulls Real Estate rose 2.1%. Indiabulls Housing's 2022 dollar bonds gained 1.3 cents on the dollar to 89.6 cents, the highest in over five months, according to



Bloomberg-compiled prices.

The probe found a few compounding offenses, such as improper implementation of accounting standards, and appropriate action would be taken in these cases, the people said.

A spokesperson for Indiabulls declined to comment while two calls made to the ministry's spokesperson were not answered.

—BLOOMBERG

Udemy secures \$50-million funding from Benesse; firm valued at \$2 billion

PRESS TRUST OF INDIA
New Delhi, February 20

EDU-TECH PLATFORM Udemy on Thursday said Benesse Holdings has agreed to invest \$50 million (about ₹358 crore) in the company.

The deal values Udemy at \$2 billion, according to a company statement.

The company plans to further invest in markets around the world and will expand its San Francisco headquarters as well as its offices in Denver, Colorado; Dublin, Ireland; Gurgaon, India; Sao Paulo, Brazil; and Ankara, Turkey, it added.

Udemy's investors include Insight Partners, Prosus (Naspers Ventures), Northwest Venture Partners, and Stripes.

"Benesse is an important (long-time) strategic partner for Udemy, and this investment is a testament to the strength of our relationship and the opportunity ahead of us," Udemy CEO Gregg Coccari said.

He added that 2020 will be a milestone year where the company intends to serve more students and enable thousands of businesses and governments to upskill their employees.

Tamotsu Adachi, representative director, president and CEO of Benesse Holdings, said Udemy and Benesse are incredibly synergistic businesses. "This investment is the next progression in our business relationship and demonstrates our confidence in what we can accomplish together," Adachi said.

Udemy has raised funding in excess of \$200 million. The company completed 10 years

in January this year and has given out over \$350 million in lifetime payments to instructors on its platform.

In 2019, Udemy for Business (its subscription-based corporate learning product) reached over 5,000 customers globally. These included companies like Adidas, Booking.com, Pinterest, Toyota, and Wipro, among others.

The company plans to further invest in markets around the world and will grow its offices in Denver, Dublin, Gurgaon, Sao Paulo and Ankara

At ₹1.10 lakh, Samsung's Galaxy Z Flip hits Indian markets later this month

PRESS TRUST OF INDIA
New Delhi, February 20

SAMSUNG ON THURSDAY said it will bring its Galaxy Z Flip, featuring a foldable display, in India later this month for about ₹1.10 lakh.

The device, which was launched earlier this month in the US, will compete in the ultra-premium smartphone category that is estimated to be about 3 million units in size in India.

"With proprietary Ultra Thin Glass (UTG) and hideaway hinge, Galaxy Z Flip is truly a milestone in technological innovation. It gives users all the advantages of a large screen in a stylish and compact form factor that fits in the palm of their hand," Samsung India Director Mobile Business Aditya Babbar told reporters.

Galaxy Z Flip features a 6.7-inch main display (1.1-inch upon folding), 12MP dual rear camera setup, 10 MP front camera, 8GB RAM, and 256GB storage. The phone supports e-SIM and has a 3,300 mAh battery.

The device will be available for pre-ordering from February 21 in select retail outlets and Samsung's online store, and delivery will start for these customers

Passenger vehicle retail sales fall 5% in Jan: Fada

PRESS TRUST OF INDIA
New Delhi, February 20

AUTOMOBILE DEALERS' BODY Fada on Thursday said passenger vehicle (PV) retail sales in January declined 4.61% to 2,90,879 units as compared to same month last year, hit by tepid response by end customers.

According to Federation of Automobile Dealers Associations (Fada), which collected vehicle registration data from 1,223 out of the 1,432 regional transport offices (RTOs), PV sales stood at 3,04,929 units in January 2019.

Two-wheeler sales declined 8.82% to 12,67,366 units last month compared with 13,89,951 units in January 2019.

Commercial vehicle sales declined 6.89% to 82,187 units compared with 88,271 units in January 2019.

Three-wheeler sales, however, rose 9.17% to 63,514 units last month compared with 58,178 units in January 2019.

Total sales across categories declined 7.17% to 17,50,116 units last month against 18,85,253 units in the year-ago month.

"Auto sales continue to be in the negative territory in the month of January, except for three wheelers, with many consumers still not wheeling on their deci-

Total sales across categories declined 7.17% to 17,50,116 units last month against 18,85,253 units in the year-ago month

sions. Ongoing transition of BS-IV to BS-VI is also a factor in delayed purchase decision," Fada president Ashish Harshaj Kale said in a statement. "Overall weak economic sentiment continues and even the Budget 2020, although an inclusive Budget with growth drivers for the mid to long term, did not have any direct measures nor any immediate growth enabling initiatives for the auto sector," he added.

On sales outlook, Kale said with continued weak consumer sentiment and the overall economic situation as well as the upcoming transition to BS-VI regime, the near-term demand situation will continue to be dynamic.

"We appeal to the government to continue announcing positive measure, specifically for the auto industry, as well as for the overall economy which will help us return to growth trajectory at the earliest," he added.

Street Signs

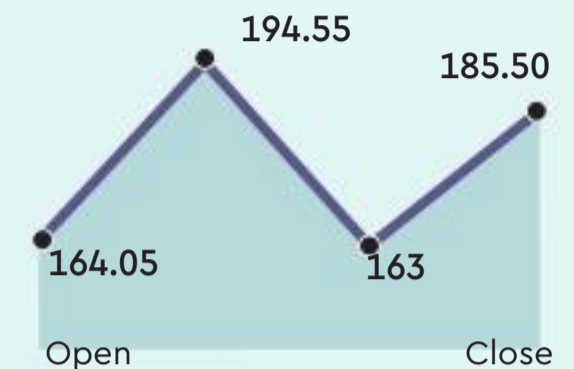
Indiabulls Housing Fin

Stock rallies after reports of govt probe finding no major irregularities **10.81%**



Adani Gas

Shares surge after report of clean chit from regulator regarding bids for city gas distribution **12.90%**



Jayant Agro-Organics

Stock falls after Crisil downgrades its long-term credit ratings on fall in castor seed price **3.73%**



Simplex Infra

Shares hit the upper circuit on buzz Adani Group eyeing stake in firm **4.96%**



Quick View

Ather's e-scooter enters 4 more cities

BUOYED BY an encouraging response to its electric scooter 450X, Ather Energy on Thursday announced its entry into four more cities — Ahmedabad, Kochi, Coimbatore and Kolkata. After making its debut in Bengaluru and Chennai markets sometime last year, the company has recently entered Delhi NCR, Mumbai, Pune and Hyderabad following a demand for its 450X scooter from these markets.

Mobile makers' body urges state govts to retain 12% GST

MOBILE MAKERS' body India Cellular & Electronics Association (ICEA) has approached a slew of state governments, urging them not to consider any proposal relating to raising of goods and services tax (GST) rate on mobile phones. Apart from Tamil Nadu, ICEA has written to the governments of Uttar Pradesh, Karnataka, Telangana, West Bengal, Punjab and Gujarat, in a bid to drum up support for retaining 12% GST rate on mobile phones.

LNG import facility: AG&P starts work at Karaikal Port

AG&P, THE global downstream gas and LNG logistics company, has broken ground for its LNG import facility at Karaikal Port, Puducherry, paving the way to broader access to natural gas as a primary fuel in South India. The Karaikal LNG import facility is expected to commence commercial operations by fourth quarter of 2021.

Exhibition in Noida to host AC makers from 24 nations

TOP CONSUMER goods makers in the air-conditioning, heating and ventilation segment from around two dozen countries, including the US, Japan and South Korea, will congregate in Greater Noida from February 27-29 for ACREX India, South Asia's largest exhibition in this segment, to explore business deals. The country's heating, ventilation and AC market is likely to touch as much as \$5.9 billion by 2024, offering immense opportunities for these manufacturers.

Coronavirus scare: Durables, drugs, electronics to run out of steam with 70% import dependence, says Crisil

PRESS TRUST OF INDIA
Mumbai, February 20

THE CORONAVIRUS EPIDEMIC that has stalled large parts of China, if not contained quickly will jeopardise many domestic sectors which are heavily dependent on Chinese inputs, warn analysts at Crisil.

In terms of shipments from China, imports of solar panels stand at 75%, bulk drugs ingredients 69%, electronics 67% and consumer durables 45% being the worst hit.

The epidemic has already killed over 2,110 in China alone and infected close to 75,000 there, as 60 million Chinese are suffering from Beijing-ordered shutdown across more than two dozen cities.

However, though dependence is low in percentage terms, the consumer durables industry will be in trouble as neither it has the inventory nor the legroom to ramp up capacity in short time.

"Inventory days for consumer durables are typically around two months. Hence, with the virus outbreak, the impact will begin to be visible in March—marked by inventory rundown, leading to negative impact by end of the current quarter, and a possible price hike. India imports 45%

completely built units of consumer durables from China.

While consumer durables sector is worth ₹76,300 crore, it imports from China is 45%.

The country's total merchandise imports were \$484 billion in 2019 of which 18% or \$85 billion were from China, and India remains a net importer from China.

Since the country lacks capability to produce complex components electronics sector worth ₹5.3 lakh crore will be hit of the Chinese shutdown lasts longer as domestic players do not have the capability to manufacture such semiconductors and components in the short term.

Of the ₹5,30,000 crore market, exports are only 6%, while imports are 31% of which 67% is from China. However, the steel sector has capacity headroom to absorb lack of imports and can even open up exports opportunity.

Stating that dark days await solar energy market as 75% of panels come from China, which also controls 80% of the global supplies.

On pharma, it said with 69% of its total pharma bulk drugs intermediates coming in from China, the sector will be hit if supplies don't resume by April.

Fixed broadband speed dips in India in January, mobile download speed slightly up: Ookla

PRESS TRUST OF INDIA
New Delhi, February 20

MEAN DOWNLOAD SPEEDS on fixed broadband network in India slipped to 38.84 megabit per second (Mbps), but the same on mobile network improved slightly to 11.58 Mbps in January, a report released by Ookla said on Thursday.

"India's performance in mean download speeds on fixed broadband has gone down from 40.11 Mbps in December 2019 to 38.84 in January 2020. Mean download speeds on mobile broadband have gone up from 11.46 Mbps to 11.58 Mbps in January 2020," the broadband speed analysis firm said in its report. The index placed UAE on first position for mobile broadband speed with a mean download speed of 87.01 Mbps. Singapore still holds the top spot for fixed broadband speed with a significant increase in mean download speeds at 202.21 Mbps.

Ookla's Speedtest Global Index compares internet speed data from around the world each month, and the data for same comes from tests taken by people using Speedtest application.

NTPC signs agreement to build 925-MW solar park in Rajasthan

FE BUREAU
New Delhi, February 20

STATE-RUN POWER generator NTPC on Thursday signed an 'implementation support agreement' with Rajasthan Solarpark Development Company (RSDCL) to develop a 925-megawatt (MW) Nokh solar park in the state's Jaisalmer district.

NTPC is expected to invest more than ₹3,500 crore in building the solar project and RSDCL will invest about ₹450 crore in developing the ancillary infrastructure.

The agreement was signed on the day when the state government, in its annual budget, announced various provisions to promote solar energy in the urban areas, including building 300 MW of rooftop solar capacity in the next five years. Rajasthan also plans to develop district headquarters and selected cities as Green Energy Cities.

The agreement was signed by RSDCL director Anil Gupta and NTPC executive director Mohit Bhargava in the presence of state energy minister BD Kalla. Rajasthan expects the project to generate revenue of ₹18.5 crore per year through development charges for 25 years, and the fund will be utilised towards the development of the renewable energy sector and transmission infrastructure in the state.



NTPC is expected to invest more than ₹3,500 crore in building the solar project, which will come up in Jaisalmer; RSDCL will invest about ₹450 crore in developing the ancillary infrastructure

NTPC, the largest thermal power producer in the country, has more than 900 MW of solar and wind generation units in its portfolio. By 2030, it plans to have a total power production capacity of 1,30,000 MW, out of which, solar would comprise 30,000 MW.

STREAMING BATTLE BREWS

War with Netflix & Disney looms for homegrown Zee5

PR SANJAI
Mumbai, February 20

AS GLOBAL STREAMING giants Netflix and Walt Disney spend millions of dollars to grab viewers in India, a country that could become their biggest overseas market, a homegrown rival is preparing to defend its turf.

Zee5, the top domestic streaming platform set up by the country's biggest television broadcaster, is betting on local content to fend off big-spending rivals, chief executive officer Tarun Katial said in an interview.

The over-the-top, or OTT, service is playing to its advantage by adding more local-language shows and lower-price options to gain market share, he said.

"International OTTs have neither legacy nor library with depth," Katial said



After amassing 61 million active monthly users in its first 15 months in India, CEO Tarun Katial says, Zee5 has little choice but to keep producing new shows at even faster rates; the platform aims to add 70-80 original shows over the coming year, while making 15 direct-to-digital movies for release in 2021

at his office in Mumbai, adding that Zee5 has produced more than 100 original shows in local languages, at least 10 times more than any rival. "We can win this content battle."

Zee5, which started in 2018, is among dozens of streaming platforms, including

Amazon locked in that Bostan Consulting Group estimates will reach about \$5 billion in 2023.

With China closed to foreign streaming services, India has become a battleground for global streaming brands, with an emphasis on delivering films and TV shows to smartphone users expected to number 850 million in two years.

After amassing 61 million active monthly users in its first 15 months in India, Katial says Zee5 has little choice but to keep producing new shows at even faster rates. The platform aims to add between 70 and 80 original shows over the coming year, while making 15 direct-to-digital movies for release in 2021.

Representatives for Netflix and Disney's Hotstar platform in India declined to comment. —BLOOMBERG