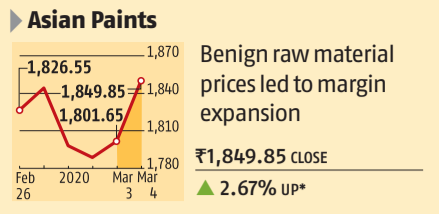
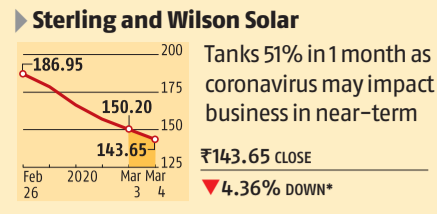
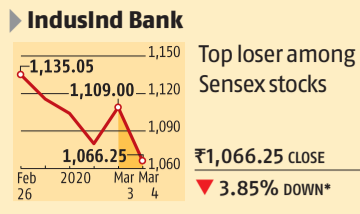
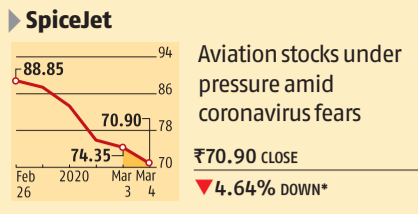
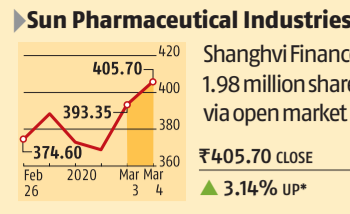


STOCKS IN THE NEWS



IN BRIEF
HC seeks reply on PIL seeking grounding of A320neo aircraft

The Delhi High Court on Wednesday sought responses of the Centre, aviation regulator DGCA, IndiGo, and GoAir on a plea seeking grounding of A320neo aircraft with faulty engines. The Bench issued notices to the ministry of civil aviation, directorate general of civil aviation (DGCA), IndiGo, and GoAir on a petition that contended the entire fleet of A320neo aircraft should be grounded "in larger interest of public safety".



ByteDance woos India's Gen Z with Resso

ByteDance, which runs short-video platform TikTok, has launched a music streaming service 'Resso' to take on competitors like Gaana, JioSaavn and Spotify in the Indian market. Resso, which calls itself the world's first social music streaming app, is also looking at expanding its service to Indonesia in the next few months.

Sonata Software acquires Australian company GBW

Sonata Software on Wednesday announced signing of definitive agreements to acquire GAPBusters (GBW), a Melbourne-headquartered firm in the Customer Experience space. Financial details of the transaction were not disclosed.

Domestic passenger traffic rose by 2.5% in Jan, says IATA

While the domestic air passenger traffic in China fell down by 6.8 per cent during January due to the novel coronavirus outbreak, Indian domestic passenger traffic rose by 2.5 per cent in the same time period, global airlines body IATA said on Wednesday.

Tata Coffee launches e-com platform for premium offerings

Tata Coffee, a subsidiary company of Tata Consumer Products, announced on Wednesday the launch of its e-commerce platform. The website debuted with three variants of luxury single origin specialty coffees named 'The Sonnets - The voice of our estates.'

Companies to give average 7.8% salary hike in FY21: Survey

Companies operating in India are likely to give an average salary hike of 7.8 per cent to their employees for the financial year 2020-21, according to a survey by Deloitte India. The lower salary increment, as compared to the preceding year, is in line with the higher margin pressure on companies and economic headwinds.

I-T finds ₹3,500-cr TDS default by oil, telcos in Delhi

The Income Tax Department has detected Tax Deducted at Source (TDS) default of more than ₹3,500 crore after it surveyed a major oil company and a telecom operator in the national capital, the CBDT said on Wednesday. In the case of the oil firm, the CBDT said TDS default of about ₹3,200 crore was detected.

Stanza Living forays into housing for working individuals

Student housing start-up Stanza Living on Wednesday said the firm would enter into managed housing for working professionals with a planned investment of ₹150 crore in the coming quarters. The firm has a combined capacity of 10,000 beds spreading across Bengaluru, Hyderabad, Pune and Coimbatore.

Motilal PE invests in diagnostics company Molbio

Motilal Oswal Private Equity (MOPE) fund is investing ₹240 crore in a diagnostic services company called Molbio that has developed and commercialised a diagnostic test which can diagnose 22 infectious diseases. Of the 43 pipeline diseases, coronavirus is one.

Biyani to be Future Lifestyle's non-executive vice-chairman

Future Lifestyle Fashions on Wednesday said that its board had approved the re-designation of Kishore Biyani, the company's managing director, as non-executive vice chairperson, with effect from March 5. The re-designation is based on the recommendations of the nomination and remuneration committee, the company said.



IOC's gas pipelines to be part of proposed GAIL arm

Cabinet to take a call soon; IOC product pipeline not to be part of new subsidiary

SHINE JACOB
New Delhi, 4 March

The government is likely to carve out a separate gas transportation company that will hold the existing natural gas pipelines of both GAIL India and Indian Oil Corporation (IOC). The newly formed company will be a fully-owned subsidiary of GAIL. The Ministry of Petroleum and Natural Gas has already floated a Cabinet note for inter-ministerial consultation on the creation of a new gas transmission operator. "According to the plan, GAIL will have to pay the book value for the existing natural gas pipelines of IOC. This will be integrated with the newly formed subsidiary," said an official, who is close to the development.

The official clarified that IOC's petroleum product pipelines will not be part of the proposed GAIL arm. The Union Cabinet is likely to take a call on this proposal soon.

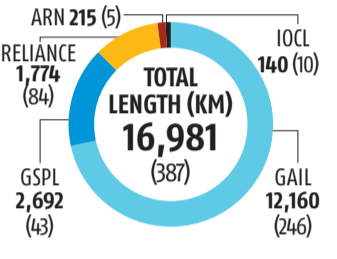
According to industry experts, the construction cost of natural gas pipeline would be around ₹3-3.5 crore a kilometre. This would mean that GAIL will have to pay around ₹500-600 crore to buy IOC's natural gas pipelines.

At present, the country has 16,981 km of natural gas pipeline with a capacity of 387 million metric standard cubic meters per day. Of this, GAIL owns 12,160 km, while IOC has around 162 km.

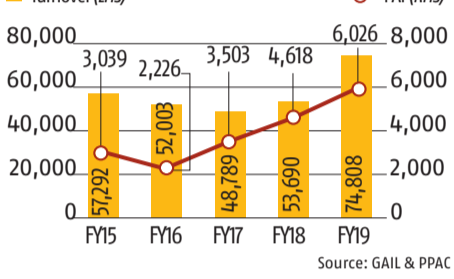
In February, GAIL Chairman and Managing Director Manoj Jain said the government was working on a proposal to set up a 100 per cent subsidiary of GAIL to comply with regulations that require transportation and marketing of gas to be a separate business. The new entity will be formed within a year "once the Cabinet nod is in place". The proposed arm is expected to have around 15 per cent share of GAIL's revenue.



NATURAL GAS PIPELINES



GAIL FINANCES (₹ cr)



IOC owns and operates 140-km long Dadri-Panipat Natural Gas Pipeline (DPPL). This pipeline, commissioned in 2010, is also interconnected with GAIL's Hazira-Vijaipur-Jagdishpur Pipeline (HVJPL) and Dahej-Vijaipur Pipeline (DVPL) network at Dadri.

The remaining 22 km pipeline network of IOC connects Ennore and Manali, where IOC subsidiary Chennai Petroleum Corporation has a refinery.

When asked about the plans, a GAIL official said, "There is an immediate requirement of creation of natural gas grid. In addition, the supply side should be in place with rising demand. Hence, a dedicated 100 per cent arm will improve efficiency in transmission sector and will make the business more transparent."

Apart from IOC and GAIL, the other companies that have natural gas pipe-

lines include Gujarat State Petronet (GSPL), Reliance, and Assam Regional Network (ARN).

GAIL's pipeline division is set to expand its foothold in the Northeast through the Jagdishpur-Haldia & Bokaro-Dhamra Natural Gas Pipeline (JHBDPL) project, also known as the 'Pradhan Mantri Urja Ganga' project.

The first phase of the project, covering 753 km from Phulpur to Dobhi, connecting Gorakhpur, Patna and Barauni, has already been commissioned along with the six Geographical Areas (GAs) on this length. The second phase — of 901 km connecting Dobhi to Durgapur and Dhamra to Angul — and the third phase — of over 1,000 km that will run across Bokaro-Angul and Durgapur-Kolkata — are expected to be completed by the end of the year.

Oyo to cut about 5,000 jobs in broad overhaul

BLOOMBERG
Bengaluru/Hong Kong, 4 March

Oyo Hotels plans to cut its global workforce by about 5,000 to 25,000 people, with the deepest reductions in China after business there crumbled in the wake of the coronavirus outbreak.

The start-up, one of the largest in SoftBank's portfolio, is reducing staff in China, the US, and its home country as it seeks to boost profitability. Oyo expanded rapidly after its founding in 2013 and reached a valuation of \$10 billion, but investors have soured on money-losing businesses after WeWork's meltdown and SoftBank has pushed portfolio companies to prioritise profitability.

"In our previous phase, we added a lot of properties to our platform and built the brand and mindshare," said founder and CEO Ritesh Agarwal in an interview. "Our first focus of 2020 is growth with profitability."

Agarwal said the global headcount would fall by about 17 per cent from 30,000 in January. The company is also prioritising improved relations with hotels and stronger corporate governance, he said.



The coronavirus is contributing to a dramatic retrenchment in China, a market once deemed crucial to Oyo's global expansion.

The firm intends to fire about half its 6,000 direct full-time staff in the country, people familiar with the matter said, asking not to be identified. Of the remaining 4,000 so-called discretionary workers — hired in support areas such as call centers and clients' hotels — a portion will be temporarily laid off but

invited back once business recovers, one of the people said.

The staffing reductions are up sharply from an envisioned reduction of about 5 per cent of Chinese employees prior to the epidemic, which abruptly chilled travel across the world's no. 2 economy. It also follows the dismissal of 12 per cent of its 10,000 staff in its home country of India, people familiar with the matter have said.

HANDING OUT THE PINK SLIP

- ▶ The company intends to fire about half its 6,000 direct full-time staff in China
- ▶ Of the remaining 4,000 so-called discretionary workers, a portion will be temporarily laid off but invited back once business recovers
- ▶ The reductions are up sharply from an envisioned reduction of about 5% of Chinese employees prior to the coronavirus epidemic

at Oyo was announced in January 2020 and the recent developments in China are in line with the same. China is a home market for Oyo, and we will continue working with our thousands of retained OYOpreneurs to deliver against our core mission of creating quality living experiences for millions of middle-income people around the world. During the tough coronavirus situation, we will continue to support the benevolent and resilient Chinese society, in every possible way. We want to thank our partners, employees and customers for standing strong together," said an Oyo spokesperson.

The restructuring in China is in line with the global restructuring exercise announced in January 2020, said sources. Oyo had said it was streamlining operations and will focus on its US and China markets. In China, a big chunk of the restructuring exercise has been completed. In the next few weeks, our restructuring there would have concluded. Overall, about 30 per cent of Oyo's Chinese workforce will be impacted by this restructuring exercise.

Neha Alawadhi adds

'We will continue to invest in India as long as we see opportunities'

Blackstone's co-founder **STEPHEN A SCHWARZMAN** was in India recently to promote his first book, *What It Takes: Lessons In the Pursuit of Excellence*, in which he shares insights on how he helped build the world's largest private equity firm. Schwarzman spoke to Pavan Lall, and fielded questions on concerns about the coronavirus outbreak, the next few quarters for the world economy, and doing business in India. Edited excerpts:

You mention India and great real estate investments in your book. As of now, you've invested around \$16 billion in India. How is that working out?
India has had so much growth for so long, and my objective assessment is that we have remarkable people here and our results in India have been the strongest of any place around the world. The economy has slowed a bit from historic norms and there is less confidence in business establishments, exacerbated by issues surrounding the banking system. But, generally, we see these as things that can be improved and India on a longer-term basis has remarkable assets, namely its people, the education system, the largest population of young people under 35 and is producing seven times as many engineers as the USA, for example.

So it's a precondition for investment expansion for us. I understand that this is a time of inflection and we have enormous flexibility in moving money to India as long as we see interesting opportunities, we will continue to deploy large amounts of money because the long term is very positive.
What's your overall view on coronavirus?
I don't understand how rate cuts can cure one of coronavirus. I think that the markets were off afterwards, indicating that the attempt to stimulate an economy in the context of supply chains that aren't functioning and people who don't want to get on airplanes or are really quasi-panicked... The US Fed used their power to basically engender



confidence. On the other hand, when you lower interest rates, you make it more difficult for financial institutions and so it was an attempt at providing an underpinning of confidence, which, at least yesterday, didn't work. Markets

were down the same as if it never happened.

Thoughts on the impact of the virus...
I think there's little doubt that there will be a significant impact on global growth. The question is how long it will continue and there doesn't appear to be any short-term cure. There may be some existing medicines that have some impact, but almost all experts that we consult say it would be between a year and a year-and-a-quarter before a vaccine is developed. Assuming that those experts are right, then we have a problem for a limited period and the only question is how deeply does it affect the global economy? Nobody controls the population's response in each country and so in a way it is difficult to assess how long it will panic and how deep this will drive global growth. If it drives countries into

recession then it's not so easy to get out, so it's really an unknown economically, except there's not much of a positive spin.

What is your take on the rise of populism around the world?
In terms of our business, one thing that is changing is that people in large companies are being asked to join the political dialog, which wasn't the case and you cannot comment on every issue otherwise you'd become nothing but the bad TV commentator. But it's important that business people take a stand because it reflects the value of the people who work for you and the stand you take so that's a big change. We have to make sure that everyone in society has the chance to do well. The outcomes of the financial crisis have affected politics in the developed world and there is an enormous move for climate change, gender equality and all kinds of things that warrant more today than 15 years ago.

What's the secret to building a great company?
It's all about culture. It's a great place where everybody is honest and helpful and trust each other. We've all also worked with people who are nasty and those places do not tend to endure so the key is how do you get any organisation feeling small and intimate, where everyone's dreams can be met where you're responsible and people are excited to come to work and feel empowered. In the finance industry I've never seen any bigger egos other than the entertainment business and so everyone thinks they're important. The people who work for you are super smart, everyone is smarter than me — we take 6/10 of a per cent of people who apply to us, so we hire 88 out of 22,000 people. Those who join are really bright. The way to do it is create a whole series of basic principles that have to be taught to everyone in the organisation and create an enduring institution. If I'm not around, the business will go on without pausing for one second.

